NATIONAL AFFORDABLE HOUSING MANAGEMENT ASSOCIATION

NAHMANews

September October 2018

PROTECTING THE INTERESTS OF AFFORDABLE HOUSING PROPERTY MANAGERS AND OWNERS

IN THIS ISSUE

COMMUNITIES OF QUALITY

NAHMA, Industry Respond to Disparate Impact Rule

In August, NAHMA submitted comments to the Office of General Counsel for the Department of Housing and Urban Development (HUD) regarding the agency's 2013 final rule, "Implementation of the Fair Housing Act's Discriminatory Effects Standard," also known as the disparate impact standard, and subsequent related guidance. Additionally, NAHMA was one of seven organizations that sent a joint industry letter on the same topic.

HUD sought comments on its proposal to reconsider its final rule on disparate impact liability in light of a 2015 U.S. Supreme Court ruling in the case of *Texas Department of Housing and Community Affairs v. The Inclusive Communities Project Inc.*, which held that disparate impact claims were cognizable under the Fair Housing Act and discussed standards for, and the constitutional limitations on, such claims.

Disparate impact is the legal theory that prohibits practices that have an adverse impact on members of a protected class, even if there is no intentional discrimination. The disparate impact theory originated in reference to employment policies and practice, and has been used in that arena. However, disparate impact is not specifically defined or cited within the FHAct.

Specifically, HUD sought public comment on the standard set forth in the final rule and supplemental guidance, the burden-shifting approach, the relevant definitions, the causation standard, and whether changes to these or other provisions of the rule would be appropriate.

In particular, HUD was interested in the following questions:

1. Does the Disparate Impact Rule's burden of proof standard for each of the three steps of its burden-shifting framework clearly assign burdens of production and burdens of persuasion, and are such burdens appropriately assigned?

continued on page 4

NAHMANews™
September October 2018 • Vol 29, No 5

NAHMA News is published six times a year by the National Affordable Housing Management Association, 400 North Columbus Street, Suite 203, Alexandria, VA 22314, Phone (703) 683-8630, Website: www.NAHMA.org
SUBSCRIPTIONS: Free for NAHMA/AHMA members, $100 for nonmembers.
ADVERTISING: Digital ads preferred. Rates vary. Contact: Rachel Barkin at (202) 367-2329, or rbarkin@townsend-group.com.
QUERIES: Letters to the Editor and other queries should be sent to Jennifer Jones at the address above.

BY KRIS COOK, CAE

Celebrating The Industry

AT OUR OCTOBER MEETING, WE will honor this year's Vanguard Award winners. These awards recognize newly developed or significantly rehabbed affordable multifamily housing communities that showcase high-quality design and resourceful financing. To read about these extraordinary communities turn to page 19.

Now, help us honor the multifamily developments that prove affordable housing can be an asset to any community through the Communities of Quality (COQ) National Recognition Program and COQ Awards.

To be eligible for the COQ Awards, a community must be a COQ Nationally Recognized property. For more information on the Communities of Quality National Recognition program, visit http://www.nahma.org/awards-contests/communities-of-quality/.

The COQ Awards honor the achievements of affordable housing providers who have made an unprecedented contribution to the affordable housing industry by developing and maintaining outstanding properties that are safe and vibrant places to live.

If you are already a Nationally Recognized property, you have done the hard part. Now is the time to work on your application for the 2018 COQ Awards competition, which is due Nov. 2. The application brochure can be downloaded from the COQ webpage at www.nahma.org.

SEND US YOUR CHOICES

Nominations for NAHMA's annual Industry Awards are due Nov. 13. To nominate someone for any of the following three awards, please send me an email explaining which award you are nominating the person for and why you think the person should be the award winner, including specific accomplishments supporting your recommendation. This section should be a minimum of 100 words up to a maximum of 1,500 words.

NAHMA Industry Statesman Award: Given annually to a NAHMA Executive Council member who is either in or nearing retirement, in recognition of many years of outstanding leadership and service to the association.

NAHMA Industry Achievement Award: Given annually to a NAHMA Executive Council member who has contributed significant or noteworthy leadership or contribution to NAHMA within the past year or two.

Industry Partner Award: Given annually to a government agency or other affordable housing organizational partner that has made a significant contribution to the cause of affordable housing in the previous year.

HELP SPREAD HOPE

Celebrate the people who make up our wonderful communities by ordering a 2019 NAHMA Drug-Free Kids Calendar.

The calendars feature outstanding original artwork by children, seniors and adults with special needs living in affordable multifamily housing. This year's contest celebrated optimism with its subtheme, Hope Is in Bloom: Nurturing Our Community.

The cost is $5.50 per calendar, which is a HUD and U.S. Department of Agriculture allowable project expense. **NN**

Kris Cook, CAE, is executive director of NAHMA.

2. Are the second and third steps of the Disparate Impact Rule's burden-shifting framework sufficient to ensure that only challenged practices that are artificial, arbitrary and unnecessary barriers result in disparate impact liability?

3. Does the Disparate Impact Rule's definition of "discriminatory effect" in 24 CFR 100.500(a) in conjunction with the burden of proof for stating a prima facie case in 24 CFR 100.500(c) strike the proper balance in encouraging legal action for legitimate disparate impact cases while avoiding unmeritorious claims?

4. Should the Disparate Impact Rule be amended to clarify the causality standard for stating a prima facie case under *Inclusive Communities* and other Supreme Court rulings?

5. Should the Disparate Impact Rule provide defenses or safe harbors to claims of disparate impact liability (such as, for example, when another federal statute substantially limits a defendant's discretion or another federal statute requires adherence to state statutes)?

6. Are there revisions to the Disparate Impact Rule that could add to the clarity, reduce uncertainty, decrease regulatory burden or otherwise assist the regulated entities and other members of the public in determining what is lawful?

NAHMA'S RESPONSE

NAHMA's letter focused on three recommendations.

First, the association argued the final rule must incorporate a "robust causality requirement."

The letter stated that the final rule contains virtually no discussion of causation and fails to incorporate the robust causality requirement enunciated in the *Inclusive Communities* decision. The final rule should adopt the U.S. Supreme Court's pronouncement that statistical discrepancies alone are insufficient to make a prima facie case of disparate impact, and that plaintiffs must show a robust causality between the challenged policy and the disparate impact in order to make a claim.

Second, NAHMA recommended the final rule be revised to explain that disparate impact-based challenges should be used "solely" to attack "artificial, arbitrary and unnecessary barriers" to housing opportunities.

The letter stated HUD should clarify those practices that it considers artificial, arbitrary and posing of unnecessary barriers. Additionally, the need to demonstrate that the challenged policy is an arbitrary, artificial and unnecessary barrier should lie with the complainant/plaintiff as the substantive equivalent of the legally sufficient justification requirement imposed on respondents/defendants. Essentially, it should be part of showing the robust causality requirement specified in *Inclusive Communities*—presumably if a complainant/plaintiff demonstrates a challenged policy or practice is an artificial, arbitrary and unnecessary barrier, it will have demonstrated the cause of the alleged disparity.

Finally, NAHMA's letter said HUD should adopt specific safe harbors as defenses against disparate impact claims.

A housing provider should not have to wait until a fair housing claim is asserted to determine that a policy or practice is lawful, according to the letter. HUD should provide concrete guidance to housing providers to assure them in advance that they will not be the target of a fair housing claim. Just as a revised disparate impact rule would properly put the burden on the plaintiff to establish each element of its claim, establishing safe harbors would allow a defendant to establish elements of its defense. According to the letter, the following are examples of safe harbors that would be useful in assisting owners in complying with the Fair Housing Act:

- As the notice suggests, compliance with otherwise legitimate local, state or federal law ought to protect a housing provider from a disparate impact claim.
- Adopting policies consistent with rules approved by HUD for operators of "federally assisted housing" (as defined in 24 CFR §5.100) should provide a safe harbor for housing providers.
- Implementing eligibility or selection policies intended to enhance housing opportunities for specific protected classes or other housing-impaired persons should also insulate housing providers from disparate impact liability.
- HUD should consider generally exempting written policies or practices that housing providers adopt that are facially neutral, helpful to the provider's operations, are reasonably calculated to achieve those goals, and that impose no greater burden on persons in protected classes than they impose on the population generally.

Second, NAHMA recommended the final rule be revised to explain that disparate impact-based challenges should be used "solely" to attack "artificial, arbitrary and unnecessary barriers" to housing opportunities.

THE INDUSTRY JOINS FORCES

In addition to sending its own recommendations, NAHMA joined six other industry partners in response to HUD's call for comments.

According to the industry letter, "The final rule departs significantly from the standards set in *Inclusive Communities*, which dramatically restricts the scope of disparate impact liability in cases under the Fair Housing Act (FHAct). Specifically, the final rule fails to adopt the safeguards that the Supreme Court imposed to prevent 'abusive' disparate impact cases under the FHAct. … There are numerous inconsistencies between the final rule and the standards set by *Inclusive Communities*. HUD should overhaul its final rule,

continued on page 6

including dispensing with its present burden-shifting approach and instead incorporating the safeguards identified by the Supreme Court as elements that the plaintiff or complainant must prove to establish a disparate impact claim and safe harbors and other express defenses to disparate impact claims."

The industry letter also made recommendations for overhauling the final rule by including the same three items suggested by NAHMA, as well as responding to the questions HUD posed in its notice.

The industry letter concludes: "The Fair Housing Act is a critical component of the nation's housing policies, and in *Inclusive Communities*, the Supreme Court confirmed that disparate impact liability is a component of fair housing law. In reaching that conclusion, however, the Supreme Court made clear that when misapplied, disparate impact claims can undermine the very policies of providing affordable housing that the Fair Housing Act and federal housing policies are meant to promote. Experience with the final rule, including a growing body of case law, indicates that it falls far short of the standards set in *Inclusive Communities*.

"HUD needs to reconceive its disparate impact rules to incorporate the safeguards that the Supreme Court has identified, and to prevent abusive disparate impact cases from frustrating its own goals and the legitimate interests of government agencies and private housing providers across the nation."

To read both letters in their entirety, visit the Fair Housing Issues section of the HUD Issues webpage at nahma.org.

LONG AND WINDING ROAD

After the U.S. Supreme Court remanded the case, a federal district court ruled in 2016 that the Texas Department of Housing and Community Affairs (TDHCA) complied with the Fair Housing Act concerning its distribution of Low-Income Housing Tax Credits. The plaintiff in the case, The Inclusive Communities Project Inc. (ICP), argued that TDHCA violated the Fair Housing Act by awarding too many tax credits to minority communities. The district court previously rejected ICP's claim that TDHCA engaged in intentional racial discrimination. According to a press release issued by the Texas Attorney General's Office, the ruling rejects ICP's disparate impact claim, finding that ICP failed to prove that any policy or practice of TDHCA caused a racial disparity in the distribution of tax credits.

The 2016 ruling is the most recent decision in a lengthy fair housing suit that began in 2008 and was heard by the U.S. Supreme Court in 2015 before being sent back to the district court. In its decision, the U.S. District Court for the Northern District of Texas relied on language from the Supreme Court's opinion that limited the use of disparate impact claims under the FHAct, according to the release. The district court applied the "robust causality" requirement that was mandated by the Supreme Court and found that ICP had not met that heightened standard, and dismissed ICP's lawsuit, said the AG's Office.

The case originated when ICP sued the Texas agency in 2008, saying that it violated the FHAct by disproportionately awarding developers Low-Income Housing Tax Credits (LIHTC) in areas with high minority concentrations. The Texas agency administers the LIHTC program, awarding credits to developers who build qualified low-income housing projects. NAHMA had joined onto an amici curiae brief, or "friends of the court" brief, which laid out key arguments against a court-imposed broadening of the reach of the FHAct.

The case wound its way through the court system before finally reaching the U.S. Supreme Court. In June 2015, the U.S. Supreme Court's 5-4 decision allowed complaints to be brought under the FHAct based on disparate impact. Disparate impact is the legal theory that prohibits practices that have an adverse impact on members of a protected class, even if there is no intentional discrimination. The disparate impact theory originated in reference to employment policies and practice, and has been used in that arena. However, disparate impact is not specifically defined or cited within the FHAct.

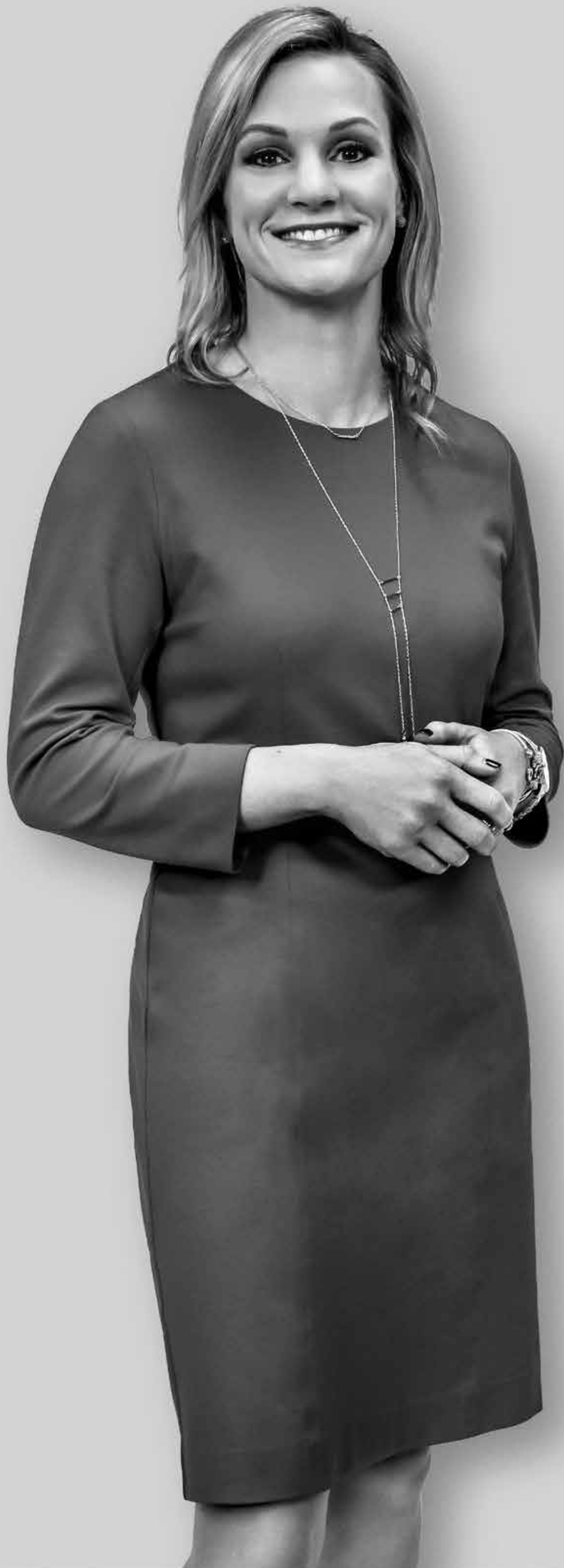
While the Supreme Court's opinion upheld the concept of disparate impact, it seemed to place new limits on how claims can be brought. The opinion was clear that disparate impact claims cannot be based solely on statistical disparities. A plaintiff would have to demonstrate that a defendant's policy or practice actually caused a disparity. Under this reasoning, housing authorities and developers would not be held liable under a disparate impact challenge if they could show that a policy or practice was necessary to achieve a valid goal.

On remand, the district court reconsidered whether ICP indeed made a prima facie—meaning the evidence before trial was sufficient to prove the case—showing of disparate impact in light of the guidance from the Supreme Court decision. The district court ruled ICP's claims of disparate impact failed under the current standards.

According to the court, ICP failed to identify a specific, facially neutral policy that caused the disparate racial impact. Absent a specific TDHCA policy, the court could not determine whether the practice actually created a barrier to fair housing.

The district court also held that ICP's claim failed because it was, in essence, a complaint for disparate treatment, despite the disparate impact language. **NN**

The industry letter concludes: "The Fair Housing Act is a critical component of the nation's housing policies, and in *Inclusive Communities*, the Supreme Court confirmed that disparate impact liability is a component of fair housing law.



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**

Brokers' Risk®
navigating alternative risk

155 North Wacker • Suite 3700 • Chicago, IL 60606-1731
Phone: (877) 843-1222 • Fax: (312) 627-8888

All carriers are rated "A" (Excellent) or higher by A.M. Best Co., the leading authority on the financial well-being of insurance companies. Availability of coverages in your state will vary due to approval of rate and form filings. Please check with Brokers' Risk for a list of coverages and states currently approved.

BY LARRY KEYS JR.

Affordable Housing Becomes Attractive to Congress

RECENTLY, AFFORDABLE HOUSING is increasingly gaining attention in Congress. Legislative proposals were introduced to create an affordable housing tax force, renter's tax credit and a middle income housing tax credit. A recent hearing highlighted the challenges with developing affordable housing.

HEARING EXAMINES BARRIERS TO AFFORDABLE HOUSING DEVELOPMENT

In September, the House Financial Services Committee, Housing and Insurance Subcommittee, held a hearing to examine the various federal, state and local regulations and policies that affect the development of affordable multifamily housing. Testifying before the subcommittee on the costs of regulations were Sue Ansel on behalf of the National Multifamily Housing Council, Erika Poethig of the Urban Institute, James Schloemer of Continental Properties Company Inc., and Steven Lawson on behalf of the National Association of Home Builders.

Key takeaways from the hearing included a look at changing housing trends over the next 25 years as individuals opt to rent instead of becoming homeowners, tightening the affordable rental market. Lawmakers and expert witnesses discussed the array of regulatory costs related to development, including fees, building code standards and zoning. Overall, the bipartisan hearing aimed to strike a balance between streamlining regulations and maintaining protections for affordable housing, fair housing and accessibility, and risk mitigation.

MIDDLE INCOME HOUSING TAX CREDIT ACT

In late August, Sen. Ron Wyden (D-OR) introduced the Middle Income Housing Tax Credit (MIHTC) Act of 2018. In 2016, Wyden introduced similar tax credit legislation, but it never progressed in the Senate. The MIHTC is based on the Low-Income Housing Tax Credit (LIHTC) model and establishes a new Section 42 tax credit aimed at developers—and administered by states—to encourage the building of affordable rental housing for middle-income Americans.

Under the MIHTC, the federal government would allocate tax credits to the states based on population, beginning at $1 per capita with a $1.14 million small state minimum for 2019, and an additional 5 cents per capita above this allocation for rural areas. State housing authorities would then allocate the tax credits to developers through a competitive process with a 15-year compliance period for developments. The credit amount would equal 50 percent of the present value of the qualifying costs or 5 percent a year on an undiscounted basis.

To qualify for the credit, a rental property would need to meet two affordability standards: 1) a property would have to include a minimum percentage of affordable units; and 2) rents for those units could not exceed maximum amounts based on average incomes in the area. A state's unused MIHTC allocation would get added to the state's existing LIHTC allocation after one year. The bill also calls on Congress to pass the Affordable Housing Credit Improvement Act sponsored by Sens. Maria Cantwell (D-WA) and Orrin Hatch (R-UT).

RENT RELIEF ACT

In August, Sen. Kamala Harris (D-CA), Rep. Scott Peters (D-CA), and four California co-sponsors, introduced a bill aimed at relieving rent burdens through a tax credit for renter households. The Rent Relief Act creates a refundable tax credit for taxpayers who pay more than 30 percent of their gross income for a year on rent and utilities. The credit percentage would be on a sliding scale from 100 percent for individuals with gross incomes of less than $25,000 to 0 percent for individuals making over $100,000. Residents in government-assisted rental housing, paying over 30 percent of their income on rent and utilities, could also claim the value of one month's rent as a refundable tax credit.

AFFORDABLE HOUSING TASK FORCE

In July, nine senators introduced legislation (S.3231) called the Task Force on the Affordable Housing Crisis Act, which would create a bipartisan task force on affordable housing. The senators include Todd Young (R-IN), Maria Cantwell (D-WA), Angus King (I-ME), Dean Heller (R-NV), Tim Kaine (D-VA), Doug Jones (D-AL), Cory Gardner (R-CO), Marco Rubio (R-FL) and Chris Coons (D-DE), see page 15 for more details.

NAHMA's Government Affairs team will continue to monitor affordable housing issues before Congress and keep NAHMA members updated. Please see our update on the Advocacy Challenge webpage to learn how members are making their voices heard and spotlighting the importance of affordable housing across the nation. **NN**

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

BY JEFFREY LUBELL AND SARAH WOLFF

Variation in Development Costs for LIHTC Projects

EDITOR'S NOTE: *The following is the executive summary from the report, Variation in Development Costs for LIHTC Projects, which can be read it its entirety by visiting https://www.ncsha.org/resource/cost-study/.*

This report examines the factors affecting the cost of developing affordable multifamily rental housing using the federal Low-Income Housing Tax Credit Program (LIHTC). Using data provided by 14 LIHTC syndicators, we analyze development cost data for more than 2,500 projects developed through the LIHTC program and placed into service between 2011 and 2016. These projects include over 160,000 housing units.

Our sample includes approximately 47 percent of the units in properties developed with 9 percent credits and 20 percent of the units in properties developed with 4 percent credits placed into service between 2011 and 2016. The sample spans the country, including at least two projects in every state and more than 25 projects in each of 35 states.[i]

The primary measure of cost used in this quantitative analysis is "per-unit TDC" which reflects the total development cost for a project (including the cost of land) divided by the number of units in the project. The median per-unit TDC in our sample was $164,757, which means that half of the units had TDC below this level and half had per-unit TDC above that level. Three-quarters of units had per-unit TDC at or below $224,903 and one-quarter had per-unit TDC at or below $121,254.

We used descriptive and regression analyses to investigate which geographic and project characteristics were associated with cost differences. In brief, we found that:

- **Location matters.** Costs were higher for projects developed in principal cities of metropolitan areas, difficult development areas (DDAs), and qualified census tracts (QCTs). Costs were also higher for projects developed in New England, the Mid-Atlantic and the Pacific regions, as compared with other regions. These relationships held true even when we analyzed total development costs without land, suggesting the higher cost of land is not the sole factor driving this finding. Nor is the finding due solely to differences in construction-cost wages, since we controlled for state-level differences in these wages, which also had a significant effect on costs. One potential explanation is that developers adjust to higher land costs by employing different construction methods, like taller buildings and structured parking, which carry a higher cost.
- **Project and unit size matter.** Smaller projects were more expensive per unit to build than larger projects, likely due to the economies of scale of developing larger projects. Projects where the unit size averaged more than 2.5 bedrooms were also more expensive on a per-unit basis.
- **Project type matters.** New construction projects were substantially more expensive than projects developed by acquiring and rehabilitating existing structures. Projects with multiple financing sources were more expensive on a per-unit basis, which could be due to the challenges associated with assembling multiple financing sources or could be due to the need to find multiple financing sources to pay for higher-cost projects.

These findings illustrate the important tradeoffs involved in developing affordable housing across the U.S. Projects cost more to build in high-cost areas, but people need affordable housing in these locations just as much as (or even more than) in lower-cost areas. Smaller projects cost more to build on a per-unit basis than larger projects, but larger projects are not desirable in all locations. Smaller units cost less to build but are not appropriate for all household types. Developing projects by acquiring and rehabilitating an existing building is less expensive than new construction, but suitable properties for redevelopment are not available in all of the places where affordable housing is needed, and in some settings (such as a greenfield location), new construction is a very efficient development method.

The text and tables provide more detail on the key findings in three areas: costs

These findings illustrate the important tradeoffs involved in developing affordable housing across the U.S. Projects cost more to build in high-cost areas, but people need affordable housing in these locations just as much as (or even more than) in lower-cost areas.

EXHIBIT ES-1: Relationship of location characteristics to per-unit TDC

FACTOR	DESCRIPTION OF RELATIONSHIP TO PER-UNIT TDC	STATISTICAL SIGNIFICANCE
Region	Costs varied strongly by region, even when we analyzed per-unit TDC without land costs. The highest-cost regions were the New England, Mid-Atlantic and Pacific regions. The lower-cost regions were in the South.	Highest-cost regions were highly significantly different from mid-cost regions.
Project location type	Costs varied by type of area. Projects developed in the principal city of metropolitan areas had the highest costs, followed by metropolitan area projects developed outside of principal cities, followed by projects in non-metro areas.	Highly significant
Difficult to develop area	Projects located in DDAs had higher per-unit costs.	Highly significant
Qualified census tract	Projects located in QCTs had higher per-unit costs.	Highly significant
Construction wages	Projects located in states with higher construction wages had higher per-unit costs.	Highly significant
Poverty rate	We found different results in different models, suggesting the relationship between poverty rate and per-unit TDC is not robust.	Mixed

NOTE: Mixed indicates we found significant relationships for some categories, but not all, included in the regression model, or that results differed in different regression model. Highly significant indicates significance level of $p < 0.001$. Significant indicates a significance level of $p < .10$.

over time, costs across geography, and costs by project characteristics.

COSTS OVER TIME

In general, the costs of developing LIHTC projects placed in service between 2011 and 2016 grew in line with the average growth of all construction costs nationwide, which was about 8.4 percent over this period. After adjusting for an index measuring these nationwide changes in construction costs, the total per-unit development costs for projects placed in service in 2011, 2012 and 2016 did not differ in a statistically significant way from the reference year of 2014 in our main regression model. The per-unit development costs for projects placed in service in 2013 and 2015 were lower than 2014, however.

There is some evidence to suggest that the costs of constructing market-rate apartments rose much faster than the 8.4 percent increase suggested by the construction costs inflator we used from RS Means, which is a composite measure based on a variety of construction types.[ii] We did not independently study the costs of developing non-LIHTC properties, however, and did not observe this rate of sharp increase in construction costs among LIHTC properties.

COSTS ACROSS GEOGRAPHY

Exhibit ES-1 summarizes the findings of our study with regard to geography. In brief, we found strong associations between the location of a project and per-unit TDC. As one might expect, states with higher residential construction wages had higher costs. Similarly, projects located in the principal city of a metropolitan area had higher costs than projects located in a metropolitan area but outside a principal city (a proxy for a suburban location), which in turn had higher costs than rural

continued on page 12

 continued from page 11

EXHIBIT ES-2: Relationship of project characteristics to per-unit TDC

FACTOR	DESCRIPTION OF RELATIONSHIP TO PER-UNIT TDC	STATISTICAL SIGNIFICANCE
Development type	**New construction projects had higher costs than** acquisition-rehab projects.	**Highly significant**
Total units	Projects with more units had lower per-unit costs.	Highly significant
Tax credit type	Projects developed with 9 percent credits had higher per-unit costs than 4 percent credit projects.	Significant
Financing sources	Costs increased as financing sources increased.	Significant
Average bedrooms	While results differed a bit in different models, in general, we found projects with a higher average bedroom size had higher per-unit costs.	Significant
Target population	Our main model finds that projects for the elderly had lower per-unit costs than family projects and that special needs projects had higher per-unit costs than family projects. However, these effects did not persist in two of our alternative models.	Mixed
Developer type	In our main model, we found that projects developed by nonprofit developers had higher per-unit costs than projects developed by for-profit developers. However, we did not find this result in two of our alternative models.	Mixed

NOTE: Mixed indicates we found significant relationships for some categories, but not all, included in the regression model, or that results differed in different regression model. Highly significant indicates significance level of $p < 0.001$. Significant indicates a significance level of $p < .10$.

projects located outside of a metropolitan area. Cost varied by region, as noted above, a finding that may potentially be explained by the more common use of steel construction, structured parking and other high-cost development types, in areas with higher land costs.

While we found associations between per-unit TDC and the poverty rate of a census tract in certain of our models, we did not find consistent associations across all of our models, suggesting the finding may not be as robust as other findings in the report.

COSTS BY PROJECT CHARACTERISTICS

Exhibit ES-2 summarizes the findings of our study with regard to project characteristics. The most robust findings were that smaller projects have higher per-unit costs than larger projects and new construction projects have higher costs than acquisition-rehab projects. We also found that projects developed with 9 percent credits had higher per-unit costs than projects developed with 4 percent credits and that costs increased as the number of financing sources of a project increased.

In general, we found that projects with a higher average bedroom size had higher per-unit costs, but the differences were most apparent at the extremes. In particular, projects with an average bedroom size of 2.5 bedrooms or more had higher per-unit TDC than projects with fewer than 1.75 bedrooms. Projects serving the elderly had lower costs than projects serving families, though this could potentially be explained by the fact that elderly projects tend to have smaller units. Projects developed by nonprofit developers had higher costs than projects developed by for-profit developers in some but not all of our models.

COST DRIVERS WE WERE UNABLE TO CONSIDER

While our analysis identified many significant predictors of higher or lower developments costs, there are many additional factors likely to be associated with differences in costs that we could not examine because we did not have sufficient data in our dataset. For example, the following factors may be associated with higher per-unit costs:

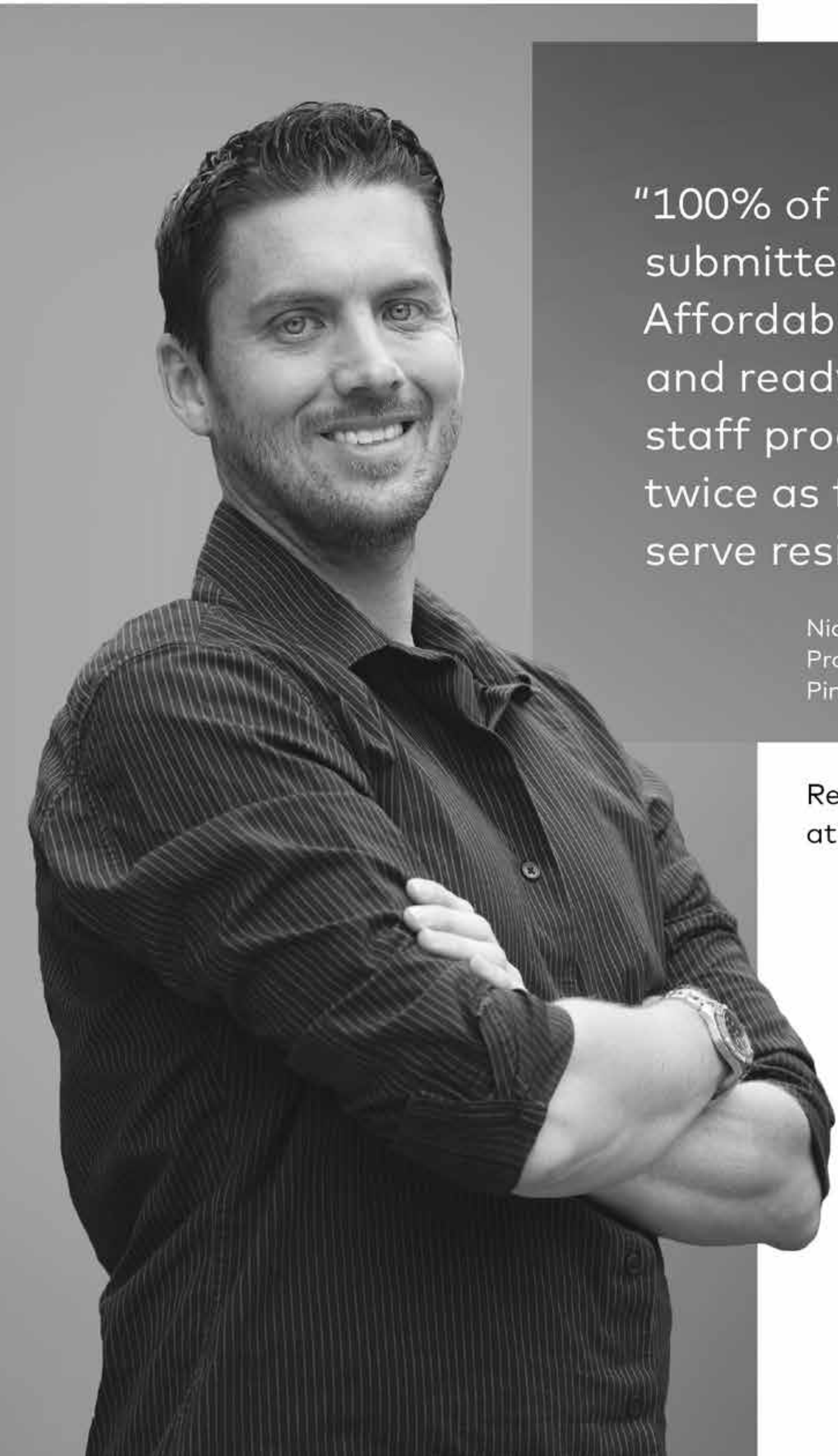
- A long development timeline related to obtaining local development approval or addressing local opposition
- A tight labor market that leads to higher labor costs (In some cases, higher wages are required even in the absence of a tight market due to legal requirements associated with certain public financing sources used in conjunction with LIHTC.)
- Certain types of construction, such as steel framing (required in many locations for projects of five stories or more) and structured parking

Some factors could also lead to lower development costs, such as donated land or below-market land transfers and location in a master-planned development where the development approval has already been obtained. **NN**

Jeffrey Lubell, a leading authority on housing and community development, is the director of Housing and Community Initiatives at Abt Associates. Sarah Wolff is an associate with Abt Associates. This report first appeared Sept. 7, 2018, on the National Council of State Housing Agencies website. *Used with permission from National Council of State Housing Agencies, Washington, D.C., 202-624-7710, www.ncsha.org.*

i *Since the projects in our sample were compiled based on data provided by participating syndicators, rather than selected at random, the sample cannot be said to be statistically representative of all projects in the United States. It is, nevertheless, a large and robust dataset that includes a large share of the U.S. inventory.*

ii *See, e.g., Nicco-Annan, Francisco. 2017. Multifamily Market Commentary—March 2017: Multifamily Construction Costs Still Escalating. Washington, DC: Fannie Mae Multifamily Economics and Market Research Group. Retrieved on June 12, 2018 from http://www.fanniemae.com/resources/file/research/emma/pdf/MF_Market_Commentary_031517.pdf .*



Plenty of Housing Bills Still in Play

Bipartisan legislation to create an affordable housing task force has been referred to the Senate Committee on Banking, Housing, and Urban Affairs.

On July 18, Sen. Todd Young (R-IN), along with eight co-sponsors, introduced legislation called the Task Force on the Impact of the Affordable Housing Crisis Act of 2018, which would create a bipartisan task force on affordable housing. The original co-sponsors are Sens. Maria Cantwell (D-WA), Angus King (I-ME), Dean Heller (R-NV), Tim Kaine (D-VA), Doug Jones (D-AL), Cory Gardner (R-CO), Marco Rubio (R-FL) and Chris Coons (D-DE). Since its introduction, Sens. John Kennedy (R-LA), Lisa Murkowski (R-AK) and Jeanne Shaheen (D-NH) have signed on as additional co-sponsors.

According to a press release issued by Young's office, the bill would establish a bipartisan task force to evaluate and quantify the impact of affordable housing on other government programs and provide recommendations to Congress on how to use affordable housing to improve the effectiveness of other federal programs and improve life outcomes.

Specifically, the task force would:

1. Evaluate and quantify the impact that a lack of affordable housing has on other areas of life and life outcomes for individuals living in the United States, including education, employment, income level, health, nutrition, access to transportation, and poverty level in the neighborhood in which individuals live, regional economic growth, and neighborhood and rural community stability and revitalization.

2. Evaluate and quantify the costs incurred by other federal, state and local programs due to a lack of affordable housing.

3. Make recommendations to Congress on how to use affordable housing to improve the effectiveness of other federal programs and improve life outcomes for individuals living in the United States.

According to the release, the task force will consist of 18 members with two co-chairs: one co-chair appointed by the Majority Leader of the Senate and the Speaker of the House, and one co-chair appointed by the Minority Leader of the Senate and the Minority Leader of the House. Additionally, the majority and minority leaders in the House and Senate will each appoint four members. Members will be academic researchers, experts in a field or policy area related to the purpose of the task force or individuals who have experience with government programs related to the purpose.

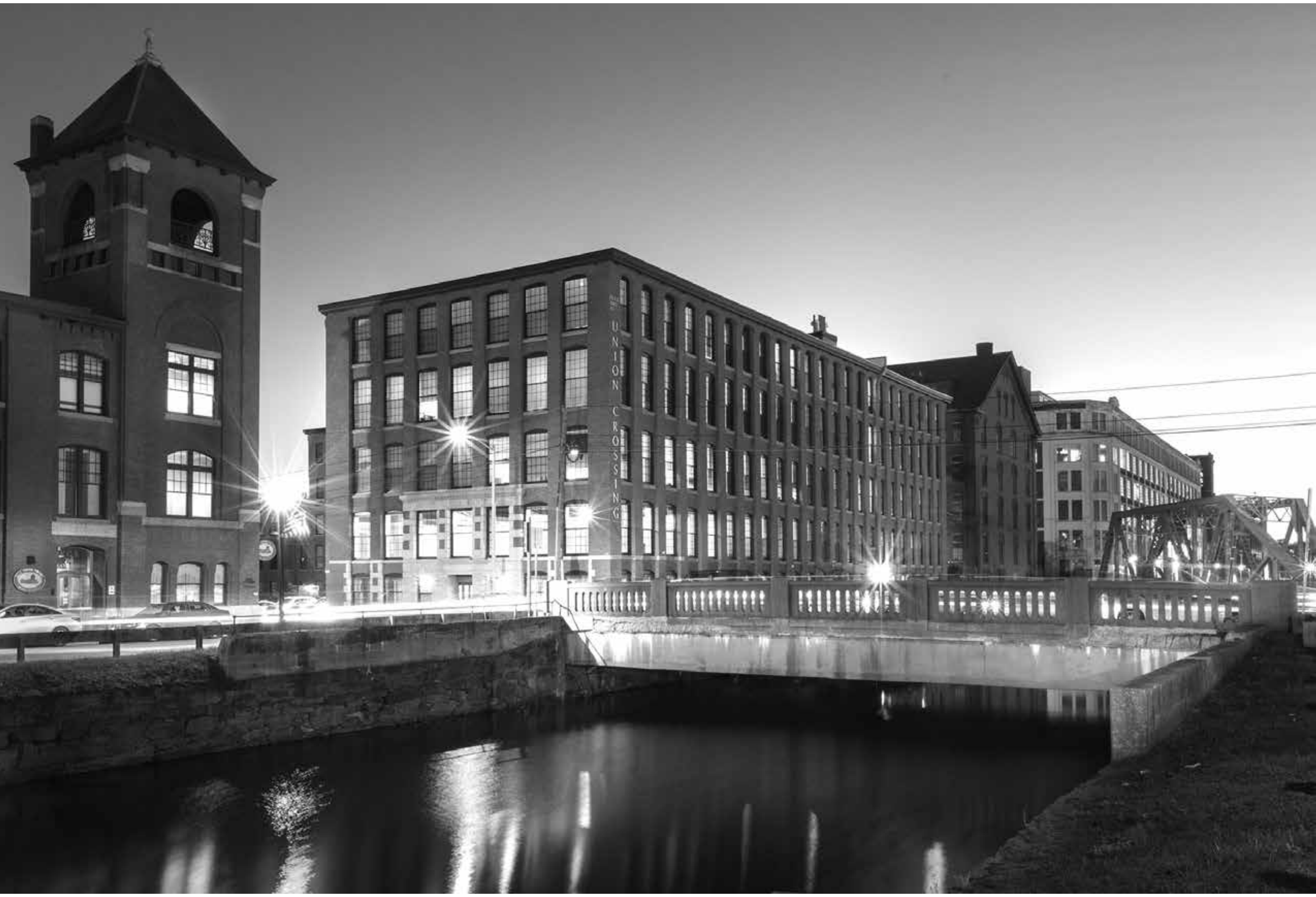
OTHER CONGRESSIONAL BILLS

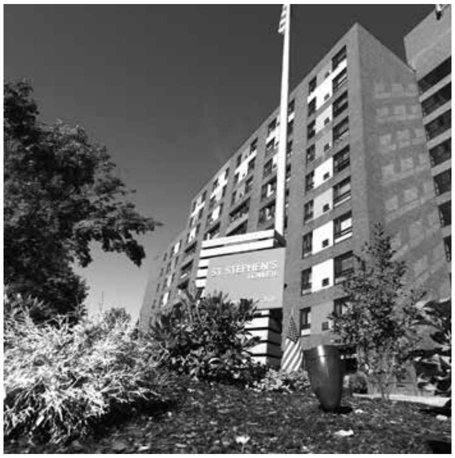
- The House passed a bill to set aside housing vouchers for transitional housing for substance abuse recovery. **The Transitional Housing for Recovery in Viable Environments Demonstration Program (THRIVE) Act** was introduced by Rep. Andy Barr (R-KY) and passed the Financial Services Committee on a mostly partisan basis before passing the House by a vote of 230-173 in June. If passed by the Senate and signed into law, the legislation would establish a five-year demonstration program to set aside the lesser of 10,000 vouchers or .05 percent of all vouchers in order to provide housing assistance for 12-24 months to individuals recovering from substance abuse. Only nonprofits providing drug treatment and services would be eligible to administer the vouchers, not public housing authorities. The bill would also require providers to set time limits for the transitional housing.
- The House Financial Services Committee advanced a bill to permanently authorize the disaster recovery program under the Community Development Block Grant (DCBG-DR). The **Reforming Disaster Recovery Act of 2018** was introduced by Rep. Ann Wagner (R-MO) and passed the committee in a bipartisan 53-3 vote. Permanently authorizing the program would allow disaster recovery funds to be used more efficiency, while also increasing transparency in the program. The bill also includes a number of provisions aimed at disaster mitigation, such as requirements for structures built in special flood hazards areas and a measure to recapture unused recovery funds. Finally, the bill requires a one-for-one replacement of federally assisted housing affected by disasters and prevents the Department of Housing and Urban Development (HUD) from reducing the percentage of funding that benefits low- and moderate-income households below the 70 percent standard.
- Introduced by Rep. Steve Stivers (R-OH), the **Homeless Children and Youth Act of 2017**, as amended, revises the McKinney-Vento Homeless Assistance Act to modify the definitions relating to homeless individuals and homeless children or youth as used by HUD. The bill aligns the definitions with the definitions of "homeless" used to verify eligibility for other federal assistance programs to meet the needs of homeless children, youth and families, and honor the assessments and priorities of local communities. The bill passed the House Financial Services Committee by a vote of 39-18.
- Introduced by Rep. Mike Turner (R-OH) and approved by the House Financial Services Committee, the **Fostering Stable Housing Opportunities Act of 2017**, as amended, updates the definition of "families" to include minors who are aging out of foster care so they are eligible to receive Section 8 housing assistance as a distinct group under the U.S. Housing Act of 1937.
- Sen. Cory Booker (D-NJ) introduced the **Tenant Protection Act**, which would amend the Fair Credit Reporting Act to prohibit a consumer reporting agency from

continued on page 16

creating a report containing a landlord-tenant court or other housing court record unless the case resulted in a judgment of possession, the decision is not being appealed, and the record is not more than three years old. Additionally, if a person takes an adverse action against a consumer based upon a housing court record, the person would have to provide the consumer a free copy of the report. Under the legislation, the Consumer Financial Protection Bureau would be required to (1) issue regulations that direct tenant rating agencies to create a central source for consumers to obtain reports and submit disputes, and (2) report on tenant rating agency compliance.

- In early August, Sen. Cory Booker (D-NJ) introduced the **Housing, Opportunity, Mobility, and Equity (HOME) Act of 2018**, which would establish new Consolidated Plan requirements, enact a refundable tax credit for renter households, and set up an optional savings program for renters that receive the renters credit established by the bill. The bill would require state and local Consolidated Plans and Annual Action Plans to include a strategy to support new inclusive zoning policies, programs or regulatory initiates to create a more affordable, elastic and diverse housing supply. The bill outlines the types of policies that could be included under such a strategy, including high-density multifamily zoning, elimination of off-street parking requirements, density bonuses, shortening of permitting process timelines, prohibition of source of income discrimination and more. The bill also would provide a refundable tax credit to renters on rent paid in excess of 30 percent of their income up to a limit of no more than the fair market rent. Lastly, the bill establishes a "Rainy Day Savings Program" that would allow renters receiving the credit to defer up to 20 percent into a fund, set up by the Treasury secretary, to be invested in United States Treasury bills for up to 180 days.
- In July, the House passed the **Housing Choice Voucher Mobility Demonstration Act of 2018**. Sponsored by Rep. Sean Duffy (R-WI) and Rep. Emanuel Cleaver (D-MO), the bill authorizes the secretary of HUD to carry out a housing choice voucher (HCV) mobility demonstration to encourage families receiving vouchers to move to lower-poverty areas and expand access to opportunity areas. Under the legislation, HUD would identify public housing authorities (PHAs) to participate in the mobility demonstration program through a competitive process, and some requirements could be waived or adjusted for the participating PHAs. The measure would require HUD to prioritize regional PHA collaborations that serve areas with a high concentration of HCV recipients in high-poverty and low-opportunity neighborhoods; have a sufficient supply of moderately priced housing in high-opportunity areas; and other considerations, such as a high-performing Family Self-Sufficiency (FSS) program that would allow participating families to continue the program. PHA applicants would be required to submit a Regional Housing Mobility Plan that identifies criteria and actions for helping families move into high-opportunity areas. PHAs could use administrative fees and reserves, as well as private sector funding to provide mobility-related services. In addition, PHAs could utilize Housing Assistance Payments for security deposits as necessary. PHAs in a selected region could create a consortium, or partial consortium, to implement the regional plan. Although there is no new funding authorized under the bill, the committee-approved fiscal year 2019 HUD funding bill would provide $50 million for the five-year demonstration program to support new vouchers and mobility services, such as counseling and deposits. Following a positive hearing on the bill this spring, the House Financial Services Committee approved the bill in a unanimous vote in May, followed by the House by a vote of 368-19 and was sent to the Senate for consideration. **NN**





ABOVE: Duck Mill, The Branches at Centerville, Villas on the Strand, St. Stephen's Tower. OPPOSITE: Union Eagle Senior Apartments.
Photos Courtesy of Winning Properties; Duck Mill photos by Heidi Gumula, DBVW Architects

VANGUARD AWARDS

NAHMA Salutes Developers and Managers Of High-Quality Affordable Housing

NAHMA WILL BE HONORING THE WINNERS of its annual Affordable Housing Vanguard Awards at a ceremony at the NAHMA Biannual Top Issues in Affordable Housing 2018 Fall Conference in October in Washington, D.C. These awards recognize newly developed or significantly rehabbed affordable multifamily housing communities that showcase high-quality design and resourceful financing.

The excellence exhibited throughout these multifamily developments belies the notion that affordable housing cannot be assets to their communities. The 2018 Vanguard Award winners deliver powerful proof that affordable housing done well can transform neighborhoods as well as the lives of individual residents.

THIS YEAR'S WINNERS ARE:

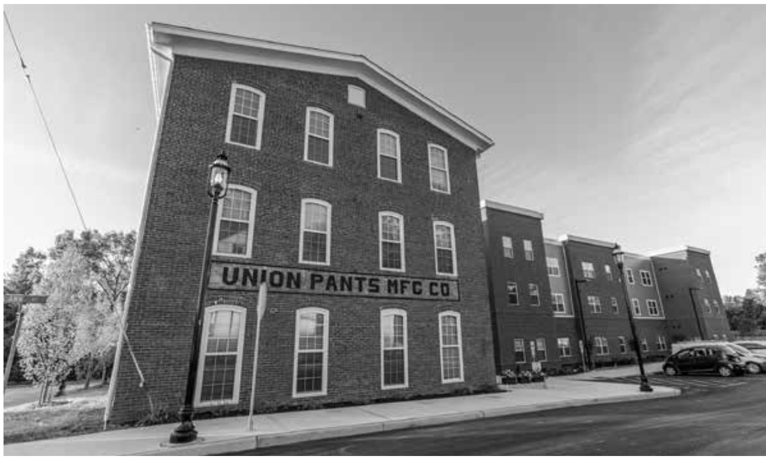
Vanguard Award for New Construction: *Small Property (less than 100 units):* The Branches at Centerville, Camden, N.J.; Management Company: Interstate Realty Management; Owner: The Michaels Organization, Marlton, N.J.; *Large Property (more than 100 units):* Villas on the Strand, Galveston, Texas; Management Company: McCormack Baron Management Inc.; Owner: Villas on the Strand LLC, St. Louis, Mo.

Vanguard Award for Major Rehabilitation of an Existing Rental Housing Community: St. Stephen's Tower, Lynn, Mass.; Management Company: Beacon Residential Management Limited Partnership; Owner: St. Stephen's Preservation Limited Partnership, Boston, Mass.

Vanguard Award for Major Rehabilitation of a Nonhousing Structure: Union Eagle Senior Apartments, Bordentown, N.J.; Management Company: Columbus Property Management, a member of Mission First Housing Group; Owner: Mission First Housing Group, Philadelphia, Penn.

Vanguard Award for Major Rehabilitation of a Historic Structure into Affordable Housing: Duck Mill, Lawrence, Mass.; Management Company: First Realty Management Corp.; Owner: Lawrence Community Works, Lawrence, Mass.

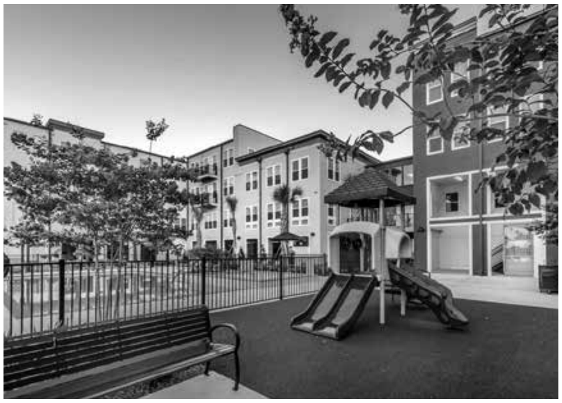
For additional details on the NAHMA Vanguard Award winners and program, visit https://www.nahma.org/awards-contests/vanguard-award/.



The Vanguard Awards demonstrate that exceptional new affordable housing is available across the country; demonstrate that the affordable multifamily industry is and must be creative and innovative if such exceptional properties are to be built given the financial and other challenges to development; highlight results of the private/public partnerships required to develop today's affordable housing; and share ideas for unique design and financing mechanisms with industry practitioners to further stimulate creative development in the affordable multifamily industry.

The judges of this year's Vanguard Awards were distinguished NAHMA members from across the country: George Caruso, SHCM, NAHP-e, CEO, The Cooper Companies, Fort Washington, Md.; Nancy Evans, SHCM, NAHP-e, general manager, CSI Support & Development, Warren, Mich.; Steve Henderson, NAHP-e, chief operating officer, Prospera Housing Community Services, San Antonio, Texas; James McGrath, SHCM, NAHP-e, chairman, PRD Management Inc., Cherry Hill, N.J.; and Gianna Richards, SHCM, NAHP-e, president, Solari Enterprises Inc., Orange, Calif.

FROM LEFT: The Branches at Centerville, Villas on the Strand, St. Stephen's Tower, Union Eagle Senior Apartments, and Duck Mill



THE BRANCHES AT CENTERVILLE is a three-story, 50-unit apartment development in Camden, N.J., that was completed in November 2017. The project was completed swiftly, efficiently and with minimal community resistance.

The Branches represents the first phase of a larger scale Department of Housing and Urban Development (HUD) Choice Neighborhood Implementation development intended to jump-start the final development efforts in the Centerville neighborhood of Camden. The Branches at Centerville provides new housing for Camden citizens who have been living in substandard public housing for decades.

Funding sources for this project were limited, so developers had to implement a creative financing plan to take advantage of numerous funding sources. The development was completed on time and well within budget.

Three former public housing buildings, known as Branch Village, had to be demolished in order to accommodate the Branches at Centerville, which was built in the same space. The new Branches is a contemporary building with striking colors that provide great energy and aesthetics into a formerly blighted community that was built as barrack-style housing in the 1930s.

Amenities include approximately 5,000 square feet of community space for resident services, wellness and recreation as well as quiet areas, flex lounges on each floor, new flooring, common veranda spaces on the second and third floors, and laundry rooms. The units include Energy Star-certified appliances and fixtures, as well as Juliet balconies. An on-site rain garden helps manage stormwater runoff. The Branches at Centerville also provides Americans with Disabilities Act accommodations for aging renters and residents with physically disabilities.

VILLAS ON THE STRAND is 160 units consisting of a mix of corridor-style and townhouse buildings on Galveston Island, which is a long and narrow piece of land just off the coast of Texas. The first buildings were completed November 2016. Of the 160 total homes built across 15 buildings, 82 affordable units were blended with the remaining 78 market-rate units.

In September of 2008, Hurricane Ike made many of the island's residential and commercial structures uninhabitable. All 975 public housing units operated by the Galveston Housing Authority prior to Hurricane Ike were vacated and condemned after the hurricane.

Traditional financing was not available for the development, so a new financial model was created out of partnerships between various local, state and federal agencies. The total cost of the development was about $43 million. Villas was completed within budget, though roughly six months later than expected due to a lack of available laborers and weather delays during construction.

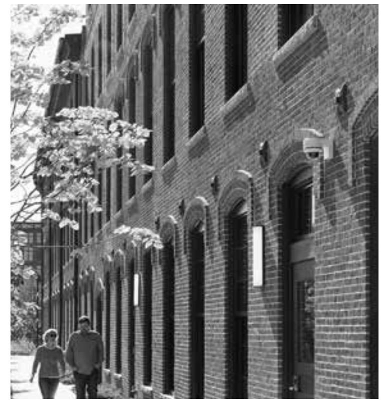
To combat the widespread flooding, contractors brought in soil to raise the land elevation. All of the homes in Villas are elevated at least 10 feet off the ground and 17 feet above sea level, with ground level floors only being used for resident parking and stairwell entryways. Storm-rated windows were installed that do not require shutters and storm-rated roofing and doors can withstand even the harshest of weather. When Hurricane Harvey hit Galveston in August 2017, the streets surrounding Villas flooded, but the water did not reach the foot of the buildings and there was only minimal wind damage to the property.

A full-time social worker has an office on the property. All activities sponsored by the management team and on-site social worker are open to all residents. As a result, market rate and lower income residents socialize together without any sense of socio-economic disparities.

Villas on the Strand incorporates a number of welcoming community spaces such as a business center, community room and fitness center inside, and a pool, playground, open green space and picnic areas with grills outside.

ST. STEPHEN'S TOWER APARTMENTS is a 10-story elevator building containing 130 apartments that originated as the vision of St. Stephen's Episcopal Church in Lynn, Mass. The church recognized the community need for affordable elderly housing and partnered with a housing nonprofit who helped realize the vision in 1976 when St. Stephen's Tower was completed. At the time, amenities included two community rooms with kitchens, laundry, storage stalls, a patio, green space and ninth-floor terrace. The church formed a board that included residents and community members to provide oversight of property operations.





Thirty years later, the building systems were aging and would require replacement. Life safety systems were outdated; the building did not meet accessibility codes; finishes were worn-out; and there were concerns about the building's brick exterior. It became clear that a rehabilitation would soon be necessary. Project finances complicated matters.

The scope of the rehab included new windows, roofs, renovated apartment bathrooms and kitchens; reworking all common and management areas; adding a fitness and wellness center; making structural repairs; and extensive site work, including expanding the patio, creating raised garden beds and a new bocce court.

A dedicated Wellness Office was built as part of the renovation and is staffed by an Element Care Registered Nurse four hours per week. The nurse can provide nutritional, physical and psychological assessments, coordinate health screenings, flu clinics, podiatry clinics, wellness education on managing chronic diseases such as diabetes, hypertension, respiratory conditions, pain management and home safety.

Underutilized basement space was rehabbed to create a space for a variety of uses, including community rooms with kitchens, computer lab and fitness center. The fitness center includes specialized fitness equipment such as elliptical treadmill and recumbent bike for low-impact workouts. Training is offered monthly on how to properly use the equipment. The new computer lab offers individualized and group instruction on topics of interest including using social media and connecting with service providers online. All residents are provided with an e-mail address to connect them with family and friends. The computer lab has three touch-screen computers with large-type keyboards and a printer/scanner.

UNION EAGLE SENIOR APARTMENTS: The brick three-story warehouse on Spring Street had once housed a clothing factory in the city of Bordentown, N.J. The factory operated for nearly a century before it was abandoned in 1980.

Today, the long vacant building, along with a newly constructed three-story addition, has been reborn as Union Eagle Senior Apartments, which provides much-needed affordable senior housing in an area targeted for redevelopment.

Built in 1882, the former Eagle Shirt Company—and later Union Pants Manufacturing Company—building now includes 21 apartments, as well as 27 units in the addition, all for households at or below 60 percent of the area median income (AMI). Five units provide supportive housing for homeless veterans at or below 20 percent of AMI. The remaining units are targeted to seniors age 55 and over.

The original building was incorporated within the Bordentown Historic District in 2014, and was extensively rehabilitated to adhere to its historic components. The project was completed in August 2016.

Union Eagle is the first New Jersey project for Mission First Housing Group, a Philadelphia-based nonprofit developer. The development is located among single-family homes, small commercial sites, and a public ballpark. As part of the project, the developer provided for expanded parking for the ballpark.

Because of the historic nature of the original building, the developer retained several exterior brickwork details and careful attention was paid to maintain, restore and preserve the components, including low thermal emissivity insulated windows matching the historic documents. Preservation of the masonry facade was completed by repointing 65 percent of the facades using tooling, colors and textures matching existing conditions.

The complex is adjacent to a large public park and is situated among other residential housing, close to the downtown retail area. There is easy access to a nearby highway with its large commercial and retail strips. The development is also near the Bordentown stop on the River Line light rail service from Camden to Trenton, which offers connections to other rail service.

Case management services, including referrals to community resources such as employment services, educational and life skills training, and health care linkages, are provided to all residents through a resident services coordinator.

DUCK MILL: Located 30 miles north of Boston on the banks of the Merrimack River, the city of Lawrence, Mass., was once the center of New England's textile manufacturing industry. Mills provided jobs to thousands of people who came to work and raise families; however, by the 1970s, the industry had dwindled, and

continued on page 22

VANGUARD AWARDS, *continued from page 21*

good-paying jobs vanished, leaving the city with many vacant mill buildings.

The $29 million rehabilitation project at Duck Mill added 73 residential units of affordable housing. Thirty percent of the apartments are reserved for families that meet extremely low-income guidelines. Duck Mill is large enough to accommodate seven one-bedroom, 37 two-bedroom and 29 three-bedroom apartments.

Lawrence CommunityWorks (LCW) brought together a variety of private and public local, state and federal entities and methods to finance the project. Shortly after the Duck Mill purchase was completed in 2008, the economy stalled, funding sources dried up and tax credit yields diminished. LCW had already borrowed $1.6 million for the project and it took twice as long to secure all required financing. As a result, the original 2013 target completion date was pushed back three years.

An innovative design feature of the property is the extent to which the original architecture was integrated into the new design. The original features include preserved wood floors, posts and beams, high common area ceilings, and multiple window openings in residences. The building's detailed exterior facade, ornate brick work and granite-lined entrances were preserved in tribute to its industrial history.

New heating and ventilation systems were installed throughout the building. All seven of the one-bedroom apartments are fully accessible to facilitate independent living for adults with physical disabilities. The units are outfitted with wide entryways, a walk-in shower and height-appropriate fixtures for residents. There is also a fitness center on the property and indoor bicycle storage.

The property utilizes an initiative that assists families with education, financial planning and more. This approach consolidates a range of services under one roof, brings people together to build a community not just within Duck Mill, but also within the neighborhood. Programs include community planning, leadership training, family health programs, afterschool/tutoring programs, English as a Second Language classes, job training/youth employment project, financial education, foreclosure prevention training and more. **NN**

Members Speak Out About MORs

In June 2018, NAHMA learned that the Department of Housing and Urban Development (HUD) had begun an evaluation of the effectiveness of the Management and Occupancy Review (MOR) form and process. MORs are conducted on properties participating in HUD's Multifamily Housing programs in order to assess management performance and property compliance with HUD regulations.

Ensuring management performance is a critical component of advancing quality affordable housing, so after soliciting input from the association's membership, NAHMA has outlined member feedback, which it has shared with HUD, on the agency's approach to compliance evaluations.

> The public-private nature of multifamily housing is a delicate partnership representing both the strength and weakness of the program. The public subsidy enables access to decent, affordable housing where market forces may not otherwise allow it to exist, while private companies leverage resources, innovation and expertise to execute quality portfolios.

NAHMA's report includes both the challenges members have experienced with the MOR form and process, and suggestions for improvements as HUD undertakes an evaluation of the reviews. Member feedback regarding MORs trended toward four categories:

- Burden (time and financial): Streamline the process and frequency of the reviews in order to improve HUD-Owner/Agent (O/A) relations and maximize management efficiency without sacrificing the integrity of compliance and performance monitoring.
- Communication: Improve certain verbal and written aspects of the review, such as form content, structure of findings and exit interview content, to ease the process and facilitate corrective action on behalf of O/As.
- Scope: Adjust the scope of reviews, in content, relevancy and scoring, to capture the overall performance of a property in a streamlined review.
- "Spirit": Shift to a constructive review process that assists with and rewards property performance.

Detailed suggestions for accomplishing each goal are contained in a *NAHMAnalysis*, which can be found in the Member Only section of nahma.org.

TIME BURDEN AND FINANCIAL IMPACT

NAHMA recommends striking a balance between thorough compliance monitoring and minimizing the time- and cost-impact of the reviews. The current time burden and financial impact of the MOR process and form may not be necessary to ensure thorough compliance monitoring of the property.

Overall, NAHMA encourages HUD to streamline the process of the reviews in order to improve HUD-O/A relations and maximize management efficiency without impacting the integrity of compliance and performance monitoring. Additionally, NAHMA recommends that HUD evaluate the effectiveness of the ratio of the on-site portion of the review compared to the desk review during which time materials are sent in advance to HUD for review.

Another recommendation is to streamline certain aspects of the review in order to minimize the operational costs of preparing for and following up on the MORs. A number of duplications and redundancies could be eliminated in the form and process of the review. Based on member feedback, NAHMA recommends HUD incorporate innovative ideas to relieve burden and streamline the review process where possible, in particular with regard to technological advances.

NAHMA's report recommends a reevaluation of the relevancy of certain types of findings to determine the appropriate level of corrective action required. Lastly, NAHMA recommends that HUD align standards as consistently as possible to minimize individual and geographic variance during reviews.

COMMUNICATION

NAHMA recommends a number of communication adjustments to both the MOR form and process that would assist owners and managers in achieving and maintaining compliance. Overall, NAHMA encourages the agency to improve certain verbal and written aspects of the review, such as form content, structure of findings and results reporting, to ease the monitoring process and facilitate corrective action by owners and agents.

Improving communication to facilitate smooth scheduling, clear scoring weights, review emphases and efficient follow up can help ease the process for everyone, according to the report.

The form utilized to conduct MORs is thorough, but not universally relevant for multifamily properties participating in HUD programs, according to member feedback. Certain portions of the form also do not directly contribute to a smooth or applicable review result, and the results reporting may be restricted in ways that do

continued on page 25

Appropriations Goes Down To the Wire

During the summer, both Congressional Appropriations Committees for the U.S. House of Representatives and Senate completed work on their fiscal year (FY) 2019 appropriations bills for Transportation, Housing, and Urban Development (THUD) and Department of Agriculture (USDA), including key affordable housing programs. In August, the full U.S. Senate approved a four-bill "minibus" spending package, by a strong bipartisan vote of 92-6, including funding for the departments of Housing and Urban Development (HUD) and Agriculture. The package covered four of the 12 FY 2019 appropriation bills: THUD, Interior-Environment, Financial Services and Agriculture funding bills. The package needed to be reconciled with companion legislation that is pending in the House before Sept. 30, the end of the fiscal year. Congress is trying to complete its FY 2019 funding bills to avert a government shutdown or further delays due to November's midterm elections.

HUD Programs	FY 2018 Enacted	FY 2019 Administration's Proposed Budget	FY 2019 House Proposed Budget	FY 2019 Senate Proposed Budget
Tenant-Based Rental Assistance	$22,015	$20,550	$22,477	$22,801
Contract Renewals	$19,600	$18,749	$20,107	$20,520
Project-based Rental Assistance	$11,515	$11,147	$11,747	$11,747
Housing for the Elderly (Section 202)	$678	$601	$632	$678
Capital Advance	$105	$0	$0	$51
Service Coordinators	$90	$90	$90	$90
Home Modifications-Aging in Place	$0	$0	$0	$10
Supportive Housing for Persons with Disabilities (Section 811)	$230	$140	$154	$154
Capital Advance	$83	$0	$0	$0
Community Development Grant	$3,365	$0	$3,365	$3,365
HOME	$1,362	$0	$1,200	$1,362

FIGURES EXPRESSED IN MILLIONS

Rural Development Housing Programs	FY 2018 Enacted	FY 2019 Administration's Proposed Budget	FY 2019 House Proposed Budget	FY 2019 Senate Proposed Budget
Section 521 Rental Assistance	$1,345	$1,331	$1,331	$1,331
Section 515 Rental Housing Direct Loans	$40	$0	$40	$40
Multifamily Revitalization	$47	$0	$53	$50
Preservation Demonstration	$22	$0	$25	$24
Section 542 Rural Housing Vouchers	$25	$20*	$28	$26
Section 538 Loan Guarantee	$230	$250	$230	$230

FIGURES EXPRESSED IN MILLIONS / * MOVED TO RA ACCOUNT

HOUSE FY 2019 FUNDING BILLS

In early May, appropriators in the House voted to advance funding bills for HUD and the USDA's Rural Development (RD) programs, maintaining the increases provided in FY 2018, but providing no significant increases for the fiscal year beginning in October. However, the House rejected the administration's proposed budget cuts and rent reforms for FY 2019.

The House Appropriations Committee voted to advance the FY 2019 THUD funding bill. Appropriations Committee members said the newly proposed funding levels for Project-Based Rental Assistance—$11.7 billion compared with $11.5 billion in FY 2018—and the Housing Choice Voucher program—$22.5 billion compared with $22 billion in FY 2018—will be sufficient to renew contracts; however, the levels fall short of NAHMA's full funding projections and leave room under the overall budget caps for additional FY 2019 funding. In addition, the HUD funding bill proposes no new construction funding for Section 202 Senior Housing or Section 811 Housing for Persons with Disabilities, and cuts the HOME Investment Partnership program by $162 million compared with FY 2018.

Separately, the full House Appropriations Committee advanced FY 2019 Rural Development funding legislation in a markup focused mainly on agriculture and trade. The funding levels for Section 521 ($1.331 billion), Section 515 ($40 million), Section 542 ($28 million), and Section 538 ($230 million) all remain nearly the same from the FY 2018 enacted levels.

SENATE FY 2019 FUNDING BILLS

In June, the Senate Appropriations Committee voted to advance its FY 2019 THUD funding bill, maintaining the increases provided in FY 2018. The bill provides $44.5 billion in funding for HUD programs, an increase of $1.8 billion above the FY 2018 enacted level and rejects the administration's FY 2019 budget request, which included program cuts and proposed rent reforms.

Sen. Susan Collins (R-Maine), chairman of the Senate Transportation, Housing and Urban Development Appropriations Subcommittee, said, "This bipartisan bill is the product of considerable negotiation and compromise. I worked closely with Ranking Member [Jack] Reed [D-RI] in drafting this bill …. The funding in this legislation will allow us to invest in our nation's infrastructure, while fully funding the renewal of housing assistance for low-income seniors and other vulnerable populations, such as teenagers and veterans who are homeless."

The Senate's proposed funding levels for Project-Based Rental Assistance is $11.7 billion compared with $11.5 billion in FY 2018, and the Housing Choice Voucher program would receive $22.8 billion compared with $22 billion in FY 2018. In addition, the bill provides $678 million to the Section 202 Housing for the Elderly program, equal to the FY 2018 funding, with $51 million set aside for new units and $10 million for home modification grants to help low-income seniors age in place. The bill provides $154 million for Section 811 Housing for Persons with Disabilities, which is equal to the House version and $75 million less than FY 2018 funding. The funding level for the HOME Investment Partnership program stays at $1.362 billion, and $3.3 billion is provided for Community Development Block Grants; both amounts are the same level enacted in FY 2018.

Similar to THUD, the Senate Appropriations Committee approved a FY 2019 bill to fund the USDA's RD programs. The bill rejects the administration's proposed cuts to the agency and adds funding for rural infrastructure investments. However, the RD funding levels fall slightly below those proposed by the House. The Senate bill maintains funding levels for Section 515 Rental Housing Direct Loans at $40 million and Section 538 Loan Guarantee at $230 million. The Section 521 Rental Assistance receives a slight decrease. The Multifamily Revitalization Program would see a slight increase.

OUTLOOK

NAHMA believes that is likely Congress will have to pass a short-term continuing resolution, which will provide funding at a rate based on the previous year's funding, to fund the government when the current fiscal year ends on Sept. 30. If so, spending negotiations will either conclude during the lame-duck session at the end of the year or go into the next Congress, based on the outcome of the midterm elections. NAHMA strongly supports the FY 2019 funding levels passed by Congress to date, and applauds members of Congress for rejecting the harmful cuts and rent reforms proposed in the administration's FY 2019 budget request.

NAHMA asks members to continue to advocate for adequate funding for FY 2019. NAHMA will keep members up to date as funding negotiations unfold and the association looks forward working to together on our forthcoming grassroots alerts. **NN**

MEMBERS SPEAK OUT ABOUT MORS, *continued from page 23*

not reflect ongoing property status. Adjusting elements of Form HUD-9834, or redesigning the form content, has the potential to streamline the review.

SCOPE

NAHMA recommends the agency shift the scope of the reviews to refocus on primary factors demonstrating compliance, as opposed to the current effort to review a broad scope of compliance metrics.

In general, NAHMA encourages the agency to adjust the scope of reviews in content, relevancy and level of detail to capture the overall performance of a property in a streamlined review that demonstrates a multifamily housing program participant's progress toward the mission.

NAHMA recommends the agency refocus on emphasized metrics of performance and redesign elements of the review methodology to account for relevancy. The association also recommends redesigning both the scoring weights and the review methodology to account for applicability.

"SPIRIT"

The public-private nature of multifamily housing is a delicate partnership representing both the strength and weakness of the program. The public subsidy enables access to decent, affordable housing where market forces may not otherwise allow it to exist, while private companies leverage resources, innovation and expertise to execute quality portfolios. NAHMA applauds the agency for undertaking an evaluation of the compliance review process and encourages particular consideration of the "spirit" of the reviews with the goal of enhancing HUD-O/A relations. In general, NAHMA encourages the agency to shift further toward a constructive review process that both assists with, and rewards, compliance on behalf of multifamily property management.

NAHMA recommends that the compliance review process for program participants reflect a constructive spirit, more so than a punitive one, by giving property managers every opportunity to achieve, improve and maintain program compliance. **NN**

NAHMA Educational Foundation Awards 64 Scholarships

NAHMA's Educational Foundation has selected 64 student/residents to receive scholarships this year. There were more completed applications submitted this year than at any other time since the program's inception in 2006.

Each individual scholarship is worth $2,500, and the total amount of scholarship money awarded this year is $162,000. Additionally, $2,000 will be donated to the Real Estate Management Department at Virginia Tech.

With the money awarded in 2018, the grand total of scholarship money distributed over the 12-year history of the program now exceeds $1,400,000. This year's class of NAHMA scholars come from 17 different states and the District of Columbia, and represents 13 different regional Affordable Housing Management Associations (AHMAs).

The 2018/2019 scholars, including their community, management company, school, grade and major, are listed according to their AHMA.

AHMA East Texas

Elijah Hawkins
Fawn Ridge Apartments, Spring, Texas
LEDIC Realty Company
Texas A&M University
Freshman
Major: Computer Science

Carlos Martinez
Yale Village, Houston, Texas
Interstate Realty Management Company
Texas A&M University
Senior
Major: Civil Engineering

AHMA of Washington

Yuhaniz Aly
New Holly, Seattle, Wash.
Seattle Housing Authority
University of Washington
Freshman
Major: Epidemiology

Alexandra Melnik
Village Heights Apartments, Seattle, Wash.
Seattle Housing Authority
University of Washington, Seattle
Senior
Major: Psychology/Dance

Abel Milash
Lake City, Seattle, Wash.
Seattle Housing Authority
Shoreline Community College
Sophomore
Major: Computer Science

Lauren Morales
Sterling Meadows, Bellingham, Wash.
Mercy Housing Northwest
University of Washington, Seattle
Freshman
Major: Business

Teha Robele
New Holly, Seattle, Wash.
Seattle Housing Authority
South Seattle College
Freshman
Major: Nursing

AHMA-NCH

Wafa Ali
The Ambassador, Emeryville, Calif.
John Stewart Company
California State University, East Bay
Senior
Major: Business

Brianna Banks-McLean
Ponderosa Estates, Marin City, Calif.
John Stewart Company
University of California, Davis
Sophomore
Major: Sustainable Environmental Design

Connie Cen
Kukui Towers, Honolulu, Hawaii
EAH Housing
University of Hawaii at Manoa
Sophomore
Major: Psychology

David Corona-Amezcua
Moonridge Apartments, Half Moon Bay, Calif.
MidPen Housing
University of California, Los Angeles
Sophomore
Major: Sociology

Bishal Gautam
Webster Woods Apartments, Palo Alto, Calif.
Palo Alto Housing
University of California, Santa Barbara
Senior
Major: Biochemistry

Liana Gevorkyan
1101 Howard Street Apartments, San Francisco, Calif.
Mercy Housing
Samuel Merritt University
Senior
Major: Nursing

Aaqib Ismail
Shelter Hill Apartments, Mill Valley, Calif.
EAH Housing
University of Southern California
Freshman
Major: Computer Science

Hanaa Salha
Waldo Apartments, Palo Alto, Calif.
Palo Alto Housing
West Valley College
Junior
Major: Interior Design

SiuFung Tang
Kukui Towers, Honolulu, Hawaii
EAH Housing
University of Hawaii at Manoa
Junior
Major: Civil and Environmental Engineering

AHMA-PSW

Joline Morcos
Los Lomas Gardens, La Habra, Calif.
G & K Management Company
University of Illinois, Urbana Champaign
Graduate Student
Major: Law

Mariamu Sackor
Paradise Shadows, Phoenix, Ariz.
Biltmore Properties
Paradise Valley Community College
Sophomore
Major: Physical Therapy

Ibrahim Wardan
Tobias Terrace Apartments, Panorama City, Calif.
Solari Enterprises
California State University, Northridge
Junior
Major: Math

IDAHO AHMA

Magen Nielsen
Kuna Valley Run Apartments, Kuna, Idaho
Syringa Property Management
Northwest Nazarene University
Junior
Major: Business

JAHMA

Alana Chmeil
Princeton Community Village, Princeton, N.J.
Princeton Community Housing
Rutgers University
Senior
Major: Nursing

Noah Daniecki
Princeton Community Village, Princeton, N.J.
Princeton Community Housing
Rowan University
Sophomore
Major: Biochemistry

Daniel Hanna
Princeton Community Village, Princeton, N.J.
Princeton Community Housing
The College of New Jersey
Junior
Major: Computer Engineering

Roger Licairac
Baylor Arms, Moorestown, N.J.
MEND Inc.
Rutgers University
Graduate Student
Major: Mathematics/Economics/Statistics

Juliet Malkowski
Princeton Community Village, Princeton, N.J.
Princeton Community Housing
University of Vermont
Freshman
Major: Environmental Science

Zainab Qureshi
Princeton Community Village, Princeton, N.J.
Princeton Community Housing
Rutgers University, New Brunswick
Freshman
Major: Cell Biology

Molly Rodas
Princeton Community Village, Princeton, N.J.
Princeton Community Housing
Kean University
Sophomore
Major: Biology

MAHMA

Fatoumata Barry
Scattered Site, Columbus, Ohio
Community Properties of Ohio
Columbus State Community College
Junior
Major: Social and Human Services

Mid-Atlantic AHMA

Dayona Foster
Kenyon Street Apartments, Washington, D.C.
CIH Properties Inc.
Montgomery College
Senior
Major: Math Education

Asma Ibrahim
Island Walk, Reston, Va.
Quantum Real Estate Management
Virginia Tech
Sophomore
Major: Neuroscience

Muzhdah Masher
Hazel Hill, Fredericksburg, Va.
Edgewood Management
Germanna Community College
Junior
Major: Nursing

Fnu Menhajuddin
Hazel Hill, Fredericksburg, Va.
Edgewood Management
Northern Virginia Community College
Sophomore
Major: Computer Science

Ahmad Nawid Nida
Hazel Hill, Fredericksburg, Va.
Edgewood Management
George Washington University
Senior
Major: Cybersecurity

Daniela Valladares
Preston Place, Winchester, Va.
Grady Management
Lord Fairfax Community College
Freshman
Major: Engineering

Olga Zolotareva
Island Walk, Reston, Va.
Quantum Real Estate Management
Northern Virginia Community College
Sophomore
Major: Accounting

NEAHMA

Aileen Agudelo
Wilbur Peck Court, Greenwich, Conn.
Greenwich Housing Authority
Manhattanville College
Freshman
Major: Undeclared

Katana Boutiette
Cotton Mill Apartments, Whitinsville, Mass.
The Schochet Companies
Framingham State University
Junior
Major: Environmental Science

Christina Cesar
Irving Square Apartments, Framingham, Mass.
Peabody Properties
Framingham State University
Sophomore
Major: Liberal Arts

Harmony Chen
Charles Newtown, Charlestown, Mass.
WinnResidential
Northeastern University
Sophomore
Major: Electrical Engineering

Wanyi Chen
Tai Tung Village, Boston, Mass.
WinnResidential
Boston University
Freshman
Major: Graphic Design

Carolyn Earl
Charlesview Residence, Brighton, Mass.
Peabody Properties
Bunker Hill Community College
Sophomore
Major: Early Childhood

Noon Elhassan
Charlesview Residence, Brighton, Mass.
Peabody Properties
University of Massachusetts, Boston
Junior
Major: Biology

Tracy Freire
The Pines, Brockton, Mass.
Beacon Communities
University of Massachusetts , Lowell
Freshman
Major: Forensic Chemistry

Aubrey Gagne
Bixby Brockton, Brockton, Mass.
Peabody Properties
University of Massachusetts, Amherst
Senior
Major: Chinese Language/Literature

William Grimes
Marcus Garvey Apartments, Boston, Mass.
SHP Management
New England Conservatory of Music
Junior
Major: Jazz

Nicole Harvey
New Academy Estates, Roxbury, Mass.
WinnResidential
Framingham State University
Junior
Major: Elementary Education/Sociology

Coral Marine
Berkshire Peak, Pittsfield, Mass.
Beacon Communities
Berkshire Community College
Sophomore
Major: Liberal Arts

Winnie Mei
Charlesview Residence, Brighton, Mass.
Peabody Properties
Boston University
Freshman
Major: Graphic Design

Ayida Nazaire
Fresh Pond Apartments, Cambridge, Mass.
The Schochet Companies
The New School
Senior
Major: Fashion Design

Nathalie Orelien
Colonial Estates, Springfield, Mass.
Beacon Communities
Westfield State University
Junior
Major: Social Work

Shihua Wu
Charles Newtown, Boston, Mass.
WinnResidential
Boston College
Sophomore
Major: Finance

Jeffrey Xie
Castle Square Apartments, Boston, Mass.
WinnResidential
Boston College
Junior
Major: Finance

Oregon AHMA

Brayden Peterson
Garden Grove Apartments, Forest Grove, Ore.
Northwest Real Estate Capital Corporation
Pacific University College of Optometry
Junior
Major: Optometry

PennDel AHMA

Merwah Shinwari
Stoney Brook, Claymont, Del.
Arbor Management
Jefferson University
Graduate Student
Major: Pharmacy

Rocky AHMA

Sean Aaron
Suncrest Apartments, Provo, Utah
Community Housing Services Inc.
Brigham Young University
Graduate Student
Major: Clinical Psychology

Kari Andrews
Lolo Vista Apartments, Lolo, Mont.
Highland Property Management
University of Montana
Junior
Major: Health Information

Kiley Blakely
Suncrest Apartments, Provo, Utah
Community Housing Services Inc.
Brigham Young University
Senior
Major: Nursing

Kelley Crespin
Orchard Place, Loveland, Colo.
Loveland Housing Authority
Front Range Community College
Sophomore
Major: Surgical Technology

Shane Foster
Suncrest Apartments, Provo, Utah
Community Housing Services Inc.
Utah Valley University
Senior
Major: Math Education

Brok Humbert
Suncrest Apartments, Provo, Utah
Community Housing Services
Brigham Young University Law School
Graduate Student
Major: Law

Jared Lorimier
Suncrest Apartments, Provo, Utah
Community Housing Services Inc.
Brigham Young University
Senior
Major: Nursing

Michael Scott
Suncrest Apartments, Provo, Utah
Community Housing Services Inc.
Brigham Young University
Junior
Major: Nursing

Chloe Sulski
Suncrest Apartments, Provo, Utah
Community Housing Services Inc.
Provo Community College
Junior
Major: Nursing

SAHMA

Shania Etah
Valley Garden Apartments, Huntsville, Ala.
Oxford Properties
Calhoun Community College
Sophomore
Major: Nursing

In School, in the Community And at Home, NAHMA Scholars Excel

NAHMA SCHOLARS ARE HIGH FUNCTIONING In the classroom with a strong grade profile to show for it, but most are also committed to helping others within their respective communities, as well as leading by example in their role as parents. Below are several biographical sketches that should provide insight and understanding of how NAHMA scholars lead productive lives, not only at school, but also in the other aspects of their lives as they pursue their educational goals.

- This 37-year-old junior at Northwest Nazarene University, located in Idaho, is an accounting major with a 3.67 grade point average (GPA). She is a multiyear recipient of a NAHMA scholarship and is a single mother of three. She earned her associate's degree in business in the spring of 2017. In addition to a work-study job on campus, she works at a small local construction company as a bookkeeper to gain accounting experience. She supports her community as a volunteer at a food pantry in her hometown.
- After working for 30 years as a licensed practical nurse, this single mother of three has returned to college and is working to secure her associate's degree in health information management. She carries a 3.45 GPA at Missoula Community College in Montana. She continues to work while attending classes. Additionally, she received a glowing recommendation from her employers of over 10 years. As a multiple year recipient of a NAHMA scholarship, she is extremely grateful for the assistance, which allows her to avoid taking loans to cover her school expenses.
- In 2012, this young Armenian single mother came to the United States to escape the armed conflict in her home country. She was only able to speak her native tongue and now she is a fluent English speaker. She is working to complete her degree in nursing at Samuel Merritt University in Oakland, Calif. Her professors and clinical supervisors all speak very highly of her and predict great things for her as a nurse. She earned her associate's degree two years ago and now maintains a 3.96 GPA. She works in elderly facilities and nursing homes to hone her skills and support her daughter.
- This year, this resident of Los Angeles will transfer from Los Angeles Valley College to California State, Northridge. He does so with a 3.86 GPA while majoring in mathematics. He, his wife and their first child came to America from Egypt seven years ago. Their family has now grown to five and he works a variety of part- and full-time jobs including math teaching associate, math tutor, security guard and a retail cashier. His work ethic and his desire to complete his degree have helped him to become a multiple year recipient of a NAHMA scholarship.
- This married mother of two elected to submit an alternative pictorial essay showing some of her award winning interior design work. She majors in this field at West Valley College in California and carries an impressive 3.84 GPA. She is very goal oriented and hopes to one day open her own interior design business. She spends her free time with her family and volunteering at several community based agencies.
- This 21-year-old senior at Rutgers University, located in New Jersey, is majoring in nursing and maintains a 3.69 GPA. As a deeply spiritual person, she is active in her church's youth ministry and spent several weeks of her summer break on service missions with members of her congregation. At school, she serves as a resident assistant in her dormitory and as the nursing school representative to the student government. With her few remaining moments of free time, she watches her younger siblings to help out at home.
- This junior at Boston College joined forces with some friends, after volunteering as a tutor for children at a homeless shelter, to create "Barber4." They give children free haircuts and provide school and career counseling to urban youngsters in Boston. He maintains a 3.51 GPA as a finance major. The professors that recommended him cited his classroom work and his community service efforts.

The NAHMA Educational Foundation is proud to count these fine individuals among the 2018 NAHMA scholars. **NN**

IVORY HOMES IS ACCEPTING nominations for the annual Ivory Prize in Housing Affordability. The $200,000 Ivory Prize recognizes the most ambitious private companies building scalable solutions to address housing affordability. It is designed to award innovators for their efforts and provide material support to advance their projects. Private sector organizations and individuals may be nominated. Preliminary nominations are strongly encouraged to be submitted by Nov. 15. The final nomination deadline is Dec. 15. For more information, visit https://hack-a-house.squarespace.com/the-ivory-prize.

HUD NEWS

THE DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT (HUD) ISSUED an updated TRACS notification with a delayed deadline of Oct. 20 for the Transport Layer Security (TLS) upgrade. Secure Sockets Layer (SSL) was renamed TLS after SSLv3 was released. HUD needs to upgrade TLS to meet PCI Data Security Standards. As a result, occupancy software applications submitted electronically to TRACS using the outdated TLS v1.0 will have all access disabled after Oct. 21. Call the Multifamily Housing Help Desk Support, 800-767-7588, for assistance.

IN SEPTEMBER, HUD PUBLISHED THE FISCAL YEAR (FY) 2019 FAIR MARKET RENTS (FMRS) effective Oct. 1, unless HUD received a request for re-evaluation of specific area FMRs. HUD's notice also addressed a previous *Federal Register* notice regarding the use of FMR surveys in the calculation of Renewal Funding Inflation Factors. HUD made no changes to the estimation methodology for FMRs as used by HUD for the FY 2018 FMRs; the only difference is the use of more recent data. To view the FY 2019 Fair Market Rents, visit https://www.huduser.gov/portal/datasets/fmr.html.

IN AUGUST, HUD PUBLISHED A NOTICE EXPLAINING THE SUSPENSION OF COMMITMENT REQUIREMENTS FOR HOME Investment Partnership (HOME) funds. The 24-month commitment requirement for deadlines occurring in 2016, 2017, 2018, 2019 and 2020 was suspended by Congress in the Consolidated Appropriations Act of 2018. The notice also explained treatment of other HOME deadline requirements occurring during these years. To view the notice online, visit nahma.org. **NN**

NAHMA WINS PRESTIGIOUS AWARD FOR CERTIFICATION PROGRAM

NAHMA'S SPECIALIST IN HOUSING CREDIT MANAGEMENT (SHCM) certification program has been named a 2018 Silver Power of A Award winner in the Power to Create a Competitive Workforce category by the American Society of Association Executives (ASAE).

The Power of A Awards are part of The Power of A program, an industry brand and awareness campaign that helps associations tell their story to key audiences including policymakers, the media, business leaders and their own members. Associations represent different industries and professions but they are all part of a collective association industry that makes extraordinary contributions to society here in the United States and throughout the world. ASAE is honoring 16 associations with a Power of A Gold Award this year, and 34 associations with a Power of A Silver Award.

Launched in 2005, SHCM was designed to ensure that managers of Low-Income Housing Tax Credit (LIHTC) properties have attained the knowledge, experience and competence required to excel professionally. The certification was designed by management professionals for management professionals working with the LIHTC program.

Shortly after the program's launch, NAHMA partnered with two associations to develop industrywide support for and participation in the certification. The National Apartment Association Education Institute and LeadingAge joined NAHMA in administration of the program through a Special Advisory & Technical Committee comprised of members of each association.

SHCM's development was guided by standards established by the National Organization for Competency Assurance and the National Commission for Certifying Agencies, with the assistance of the Human Resources Research Organization, and NAHMA's own subject matter experts.

upclose & personal

WITH DAVID JOYNER, NAHP-e

BY JENNIFER JONES

Understanding the Need First Hand

PEOPLE WHO WORK IN THE AFFORDable housing industry are passionate about helping the residents they serve, most of whom are low income, elderly, have disabilities or a combination of the three. David Joyner shares this passion. Not only as the director of property management for The Caleb Group, but also because he lived it.

While his family did not live in subsidized housing, after his father left in the early to mid-1970s, his mother moved with her five boys into a two-bedroom apartment in the Bronx, N.Y., to be closer to her family. The relocation from Queens meant she had to work two jobs in order to pay the rent and have something left over for other household expenses.

"She looked for what she could afford, not affordable housing. The sad thing now is that if she were looking for the same apartment today, for the same income, she wouldn't be able to find it," Joyner said. "We saw the struggles up close of someone who had to juggle bill payments and sometimes had to go days with the power out until she could afford to pay the electric bill. Watching her struggles has impacted me."

Joyner has been in the field of affordable housing for over 30 years. Like many, it was not his intended career. He went to Boston University planning to study engineering, but soon discovered it was not for him.

"I was introduced to the field by a program developed by the Massachusetts Housing Finance Agency designed to introduce minorities and persons of underrepresented backgrounds to the field of property management," Joyner said.

At The Caleb Group, which owns, manages and provides resident service coordination in 2,000 apartments or townhouses in New England, Joyner has found kindred souls. The company has made advocating for affordable housing part of its mission. In fact, Debbie Nutter, the president, CEO and co-founder of Caleb, was an early advocate for making the Department of Housing and Urban Development's Family Self Sufficiency (FSS) program available to private affordable housing providers and Caleb was the first private housing provider to offer FSS.

"The Caleb Group believes that dependable, affordable housing is an essential component of a stable life for individuals and families," he said.

Joyner began actively advocating just a few years ago when he took part in his first Hill visit as part of NAHMA's annual meeting in Washington, D.C. Beginning in 2019, he will begin a two-year term as chair of NAHMA's new Grassroots Advocacy Task Force.

"I was a board member with NEAHMA when the president, Fern Mullen, said I should consider being the NAHMA liaison and Grassroots Advocacy. I came to the fall NAHMA conference and learned about the Hill visits," he said. "I already knew about the need for the resources for affordable housing, I lived it. I understand how desperate people are."

> "She looked for what she could afford, not affordable housing. The sad thing now is that if she were looking for the same apartment today, for the same income, she wouldn't be able to find it."

He shares his story, and the stories of others he has met, whenever he gets a chance. Joyner has found elected officials and their aides are not only receptive, they connect to the stories, which in turn, leave a lasting impression.

After originally leaving Boston University, Joyner finished his undergraduate degree at Framingham State University by attending school at night and weekends while continuing to work. He earned his MBA at University of Massachusetts Boston, also during evenings and weekends. And as for his inspiration, his mom went to college in her 60s to attain her degree. "She showed us the value of hard work and perseverance," he said.

Joyner is married to Dr. Susan Dargan, a dean at Framingham, and has two daughters, Emily and Caroline. **NN**

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

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/.

OCTOBER

16

Tenant Selection Basics: Screening, Preferences, Income Targeting and Rejecting Applicants
Webinar
AHMA of Washington
360-561-3480
http://ahma-wa.org

Certified Professional Occupancy (CPO)
Memphis, TN
SAHMA
800-745-4088
www.sahma.org

16-17

Annual Conference & Trade Show
Massachusetts
NEAHMA
781-380-4344
www.neahma.org

17

How to Implement an AFHMP
Webinar
SAHMA
800-745-4088
www.sahma.org

17-19

Conquering RD Compliance
Salem, OR
Oregon AHMA
503-357-7140
www.oregonaffordable housingmanagement.com

18

Setting and Managing Reserve Funds
Webinar
SAHMA
800-745-4088
www.sahma.org

21-23

NAHMA Fall Meeting
Washington, D.C.
NAHMA
703-683-8630
www.nahma.org

23-25

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

24

Fair Housing Trends & Hot Topics: Hoarding, Harassment and Hoodlums
Grants Pass, OR
Oregon AHMA
503-357-7140
www.oregonaffordable housingmanagement.com

Individuals Living With Dementia in Affordable Housing: What You Need to Know
Webinar
SAHMA
800-745-4088
www.sahma.org

26

FHC
Orange, CA
AHMA-PSW
866-698-2462
www.ahma-psw.org

Personal Isn't Professional
Salem, OR
Oregon AHMA
503-357-7140
www.oregonaffordable housingmanagement.com

31

LIHTC: Eligibility of the Unit
SAHMA
800-745-4088
www.sahma.org

How to Implement an AFHMP
Webinar
NEAHMA
781-380-4344
www.neahma.org

NOVEMBER

5

Tax Credit Training and Online SHCM Exam
Jackson, MS
SAHMA
800-745-4088
www.sahma.org

6

Marketing & Lease Up
California
AHMA-PSW
866-698-2462
www.ahma-psw.org

7

Documentation of Resident Infractions
Webinar
SAHMA
800-745-4088
www.sahma.org

7-8

Tax Credit Training and SHCM Exam
Connecticut
NEAHMA
781-380-4344
www.neahma.org

8

Meaningful Engagement With Residents in Affordable Housing: Why Is This Critical
Webinar
SAHMA
800-745-4088
www.sahma.org

13

EIV A to Z-Security, Effective Use and Compliance
Pomona, CA
AHMA-PSW
866-698-2462
www.ahma-psw.org

13-15

Fall Regional Conference
Richmond, VA
Mid-Atlantic AHMA
804-673-4128
www.mid-atlanticahma.org

14

Identifying Reportable Hoarding Clues Among Older Adults
Webinar
AHMA-PSW
866-698-2462
www.ahma-psw.org &
AHMA-NCH
510-452-2462
http://ahma-nch.org

Basic Fundamentals of Fair Housing and Section 504
Webinar
AHMA-PSW
866-698-2462
www.ahma-psw.org &
AHMA-NCH
510-452-2462
http://ahma-nch.org

14

Fair Housing Trends & Hot Topics: Hoarding, Harassment and Hoodlums
Salem, OR
Oregon AHMA
503-357-7140
www.oregonaffordable housingmanagement.com

Service Programs on a Shoestring
Webinar
NEAHMA
781-380-4344
www.neahma.org

504 Coordinator
Atlanta, GA
SAHMA
800-745-4088
www.sahma.org

VAWA Compliance
Webinar
SAHMA
800-745-4088
www.sahma.org

15

ACPO
Los Angeles, CA
AHMA-PSW
866-698-2462
www.ahma-psw.org

Management Occupancy Review (MOR) Preparation
Webinar
SAHMA
800-745-4088
www.sahma.org

15-16

Tax Credit and SHCM Exam
Princeton, NJ
JAHMA
856-786-9590
www.jahma.org

21

The Elephant in the Room: Nonsmoking Policies: Best Practices
Webinar
AHMA of Washington
360-561-3480
http://ahma-wa.org

NAHMANews
National Affordable Housing Management Association
400 North Columbus Street, Suite 203
Alexandria, VA 22314
www.NAHMA.org

PRSRT STD
U.S. Postage
PAID
Hyattsville, MD
Permit No. 61

PROTECTING THE INTERESTS OF AFFORDABLE HOUSING PROPERTY MANAGERS AND OWNERS

thelastword

Are You Prepared?

MOTHER NATURE HAS A WAY OF reminding us that we are not as indomitable as we think we are—as I write this, Hurricane Florence is wreaking havoc along the Carolina coast.

While we will be tallying the total financial and social impacts of this storm for weeks, our thoughts and support go to those who need assistance now. I encourage all of you to reach out to your colleagues in affected areas and let them know we are here to offer encouragement and aid, even if it is as simple as being there just to listen to their fears and frustrations.

In spite of all the divisiveness this country experiences, one of the things we do well is to find a way to come together during a crisis and do what we can to help those in need.

To help ease the long recovery ahead, NAHMA has published a Disaster Recovery Resources webpage at nahma.org located under the Members Only tab; however, it does not require a membership login.

The purpose of the webpage is to help make finding recovery assistance easier for affordable housing owners, managers and residents. The Disaster Recovery Resources webpage curates the various assistance programs available from the federal agencies that work with the affordable housing industry, namely the departments of Housing and Urban Development (HUD) and Agricultural, as well as the Federal Emergency Management Agency, Small Business Administration and IRS, all in one place. The webpage will be updated as more information becomes available.

Hurricane season is also a good reminder of how important it is to have an up-to-date emergency plan in place. Natural disasters—such as floods, blizzards, wild fires, hurricanes and earthquakes—aren't the only catastrophes for which multifamily communities need to prepare. Property managers, on-site staff and residents need to know who is in charge, what to do and where to go in case of a devastating fire, sustained power outage or major health outbreak, just to name a few examples. The plan should address how to prepare for an emergency, what to do during the emergency, and how to recover afterwards.

Even if you have recently updated your plan, it is important that all stakeholders—owners, managers, staff and residents—are familiar with and understand what roles and responsibilities each has to play in successful implementation of that plan.

HUD has compiled resources, including preparedness and response toolkits, on its HUD Disaster Resources webpage, https://portal.hud.gov/hudportal/HUD?src=/info/disasterresources. To paraphrase the Boy Scouts of America, we should all be prepared. **NN**

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