

NAHMA News

PROTECTING THE INTERESTS OF AFFORDABLE HOUSING PROPERTY MANAGERS AND OWNERS

IN THIS ISSUE

- 3** Inside NAHMA
- 9** Washington Update
- 10** Tax Credit Compliance
- 12** IRS Releases Amended LIHTC Regulations; Industry Reacts
- 16** 2019 NAHMA Affordable 100 list
- 18** Administration Proposes Cuts to Affordable Housing Programs, Again
- 27** Regulatory Wrap-Up
- 29** Up Close & Personal
- 30** Education Calendar



GAO Suggests Improvements for REAC

Recently, the Government Accountability Office (GAO) published a report, “HUD Should Improve Physical Inspection Process and Oversight of Inspectors,” on the Department of Housing and Urban Development (HUD)’s Real Estate Enforcement Center (REAC), after Congress requested the review in 2017. REAC inspects the physical condition of HUD-assisted or -insured multifamily housing.

The 2017 Consolidated Appropriations Act included a provision for the GAO to review REAC’s policies and processes. The GAO report, for which NAHMA and some of our industry colleagues were interviewed, finds several weaknesses in the REAC process and makes recommendations for correction; in particular, the report recommended improvements related to REAC’s physical inspection process and its selection, training and monitoring of contract and quality assurance inspectors, among other things.

The GAO report is especially timely given recent HUD efforts to adjust physical inspection notification time frames and protocol. A NAHMA analysis outlining the report’s conclusions and HUD’s responses to the GAO’s recommendations as they relate to impending changes to HUD’s REAC processes and protocol is available in the Member’s Only section of nahma.org.

Through REAC, HUD is responsible for conducting physical inspections to ensure that its multifamily and public housing properties are decent, safe, sanitary and in good repair. Generally, REAC inspections occur every one to three years on a risk-based

HUD Releases Proposed Rule to Verify Immigration Status

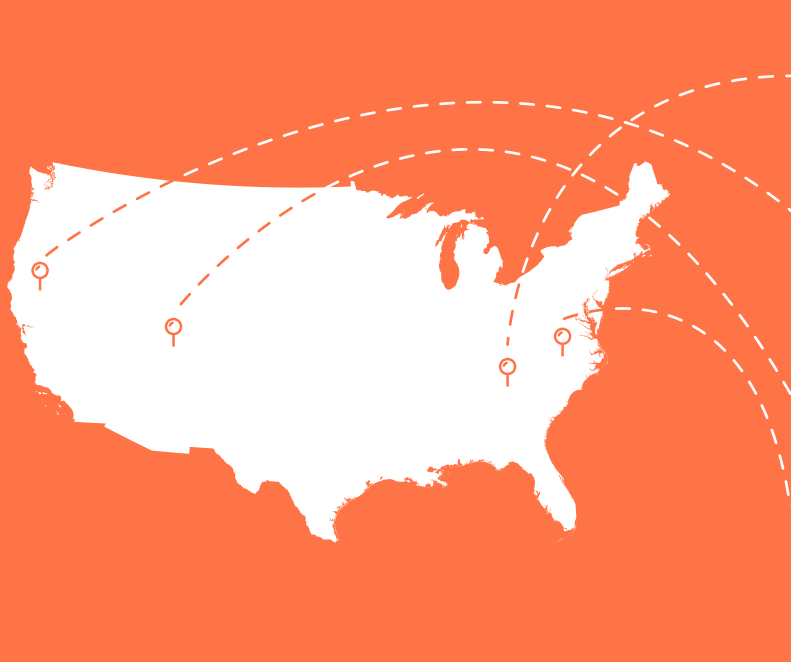
IN MAY, THE DEPARTMENT OF HOUSING and Urban Development (HUD) published a proposed rule for comment regarding the verification of eligible immigration status for recipients of housing assistance. According to the proposed rule, HUD believes that requiring the verified eligible immigration status of the head of household or spouse is in keeping with statutory goals of ensuring that the agency’s limited financial resources be used to aid families lawfully present in the United States, encompassing U.S. citizens and nationals, as well as noncitizens with eligible immigration status. NAHMA is asking its members to send the association any comments on the proposed rule by Friday, June 28.

continued on page 4

continued on page 20

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It's Never Too Late to Become COQ Certified

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

Property managers or owners of affordable multifamily rental housing in the U.S. can apply for COQ National Recognition at any time during the year. Applicants must score a minimum of 225 points to receive COQ certification or 200 points for properties with 49 units or less. Properties that score more than 325 points are automatically eligible to compete in the COQ Awards competition, see page 24 for more about this year's competition.

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

Earning COQ recognition has many benefits, not just to the management company responsible for the property, but for the staff and residents as well.

The program also helps dispel the myths surrounding affordable housing for elected officials and the public.

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

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

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

Kris Cook, CAE, is executive director of NAHMA.

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schedule utilizing the Uniform Physical Condition Standards (UPCS). The center uses both contract inspectors and quality assurance inspectors to carry out inspections and assign properties an inspection score between 0 and 100, with scores below 60 indicating a failed inspection.

Despite utilizing these long-standing processes for physical condition monitoring and enforcement, HUD has continued to find some properties that have life-threatening health and safety issues. REAC records indicate that during the fiscal years 2013-2017, 6% of properties in the vast multifamily housing portfolio failed one or more inspections, while 11% of public housing properties scored 60 or below during the same period.

In recent years, Congress and the media have raised concerns about the physical condition of the country's federally assisted properties, which house more than 2 million low- and moderate-income households. In particular, stakeholders voiced concern about discrepancies between properties' awarded scores and the actual physical conditions, including health and safety issues.

A 2017 law enacted by Congress included a provision requesting a GAO review of REAC. From July 2017 through March 2019, the GAO reviewed REAC processes, interviewed agency and industry stakeholders—including NAHMA, analyzed REAC data, reviewed documents and held discussion groups with inspectors. The report examined REAC's processes

for: identifying physical deficiencies; selecting, training and developing contract and quality assurance inspectors; monitoring contract and quality assurance inspectors; and monitoring and enforcement processes for addressing physical deficiencies and how REAC's information is used to support these processes.

REPORT FINDINGS AND RECOMMENDATIONS

According to the GAO report, REAC has not conducted a comprehensive

review of its inspection process since 2001, even though new risks to its process have emerged since then, including REAC's fundamental change of the entities conducting inspections through the introduction of the reverse auction process in 2005. Additionally, the GAO identified concerns among stakeholder regarding the fairness of the inspection process, which emphasizes deficiencies affecting the property site as opposed to the livability of units.

which is represented by a range. However, REAC's property inspection scores are currently presented as numerical results without any information on the range associated with the score. According to the report, the lack of a scoring range has significantly affected the number of properties REAC inspected, as well as the frequency with which they conducted inspections on the risk-based model. In addition, REAC has not updated any of its documents related to the sampling methodology since 2002 to reflect cur-

The GAO report stated that “a comprehensive review of the inspection process could help REAC identify risks and ensure it is meeting the goal specified in its strategic plan that inspections be reliable, replicable, and reasonable.”

rent practices, relying instead on the institutional knowledge of individual staff members.

The GAO report stated that “a comprehensive review of the inspection process could help REAC identify risks and ensure it is meeting the goal specified in its strategic plan that inspections be reliable, replicable, and reasonable.”

The report recommended the REAC deputy assistant secretary conduct a comprehensive review of the physical inspection process.

REAC's inspection process uses a statistical sample of units and buildings to estimate a score for the entire property. Sampling introduces a degree of uncertainty, called sampling error,

The report recommended the REAC deputy assistant secretary resume calculating the sampling error associated with the physical inspection score for each property, identify what changes may be needed for HUD to use sampling error results, and consider those results when determining whether more frequent inspections or enforcement actions are needed.

Additionally, the GAO recommended the REAC deputy assistant secretary develop comprehensive and organized documentation of REAC's sampling methodology and develop a process to ensure that documentation is



To learn more about REAC-related news, visit the Emerging REAC Issues webpage for all the latest information. The REAC-specific page can be found on the HUD Issues webpage under the Agencies tab at nahma.org.

continued on page 6



NEW NAME, SAME US

Interstate Realty Management has been providing exceptional property management services to affordable and mixed-income communities since 1973. As a company of **The Michaels Organization**, our expertise encompasses more than just affordable housing management. We manage a diverse range of residential communities and offer expertise in development, finance, and construction. All our companies share one mission: To create Communities that Lift Lives. Going into the future, we will also share one name: **Michaels**. So, please let us re-introduce ourselves...

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maintained going forward.

According to the report, REAC conducted inspections for properties about six months late on average. Although there may be legitimate reasons for a delayed inspection, such as natural disasters or major rehabilitation, HUD maintains limited data on

tions, and exigent health and safety risk abatement verification policies.

For example, according to the report, HUD offices do not have a formal program to ensure that property owners are addressing the exigent health and safety issues identified during inspections, and “as a result, prop-

erty owners may choose to correct only those deficiencies that they believe will be checked by HUD field office staff,” according to the report. The report also discussed increasing the weight of dwelling unit deficiencies over repairs in common areas.

HUD RESPONSE TO GAO RECOMMENDATIONS

Although HUD generally agreed with the report’s recommendations, REAC stated it did not have the resource to implement all recommended actions. Instead, REAC stated that it intends to move forward with its intention to develop a new inspection model.

In a letter responding to the GAO’s report, REAC Deputy Assistant Secretary Donald J. La Voy stated, “REAC largely agrees with the GAO’s findings and has been examining how it can develop, pilot, and evaluate an alternative approach that will address the issues raised in the GAO’s draft report. However, with a long history of finite, if not inadequate, resources, REAC will be unable to simultaneously develop a new model and implement all recommendations the GAO has made regarding REAC’s current inspection model.

“After 20 years of extremely limited resources to upgrade the information technology systems supporting the inspection model, the process has become susceptible to manipulation and the department needs to develop a new physical inspection process. A full-scale effort is underway to pilot the new model.”

OTHER REAC-RELATED NEWS

■ The Office of Multifamily Housing released a memorandum on May 1 that provides guidance on what steps a field office must take when a project receives a score of 0 because an owner and/or management agent defaulted on the contractual obligation to allow HUD to perform a physical inspection

The GAO report stated, “Improvements in REAC’s on-time performance of multifamily property inspections could provide HUD with more timely information on the physical condition of these properties and the information it needs to take any enforcement actions.”

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The GAO report stated, “Improvements in REAC’s on-time performance of multifamily property inspections could provide HUD with more timely information on the physical condition of these properties and the information it needs to take any enforcement actions.”

The report recommended the REAC deputy assistant secretary track, on a routine basis, whether REAC is conducting inspections of multifamily housing properties in accordance with federal guidelines for scheduling and coordinate with the deputy assistant secretary for Multifamily Housing to minimize the number of properties that can cancel or reschedule their physical inspections. According to the report, HUD has made limited progress in implementing recommendations from an internal review of REAC that was conducted in 2016. Some of the recommendations addressed REAC’s management of the inspection process, such as the weighting of dwelling units in inspections scores, notice provided to property owners of impending inspec-

erty owners may choose to correct only those deficiencies that they believe will be checked by HUD field office staff,” according to the report. The report also discussed increasing the weight of dwelling unit deficiencies over repairs in common areas.

The report made several recommendations related to inspection selection, training and monitoring, calling on the REAC deputy assistant secretary to:

- Follow through on REAC’s plan to create a process to verify candidate qualifications for contract inspectors—for example, by calling references and requesting documentation from candidates that supports their completion of 250 residential or commercial inspections. The plan should also consider whether certain types of inspections—such as Federal Emergency Management Agency inspections and U.S. Army Office of Housing inspections—satisfy REAC’s requirements.
- Develop a process to evaluate the effectiveness of REAC’s training program—for example, by reviewing the results of tests or soliciting participant feedback.
- Revise training for quality assurance inspectors to better reflect their job duties. Revised training should be documented, include expanded subject matter training, and address skills that

based on the new 14-day notification period. On Feb. 22, the offices of Public and Indian Housing and Housing published the Standardization of REAC Inspection Notification Timelines, Notice PIH-2019-02(HA)/H-2019-04. This notice informed public housing agencies and multifamily owners and agents that beginning on March 25, they would be given a 14-day notice of an inspection. If the owner/agent could not accept that date, they would be given a second date that fell within the next seven days of the original one. If the owner/agent refused the second date, the project would receive a physical inspection score of 0.

■ On April 18, HUD issued a notice regarding carbon monoxide detectors in HUD-assisted housing. The purpose of the notice was to remind and

encourage owners, managers and agents of HUD-assisted housing to have operational carbon monoxide detectors in units that have fuel-fired/burning appliances or an attached garage. On March 25, REAC issued an Inspector Notice that established guidance to all UPCS inspectors who conduct physical inspections of HUD-assisted and insured properties about performing a data collection process to determine the prevalence of carbon monoxide detection systems at HUD properties subject to UPCS inspection. HUD anticipates issuing further guidance and instructions on this issue. In addition, HUD will pursue rulemaking for the Housing Choice Voucher, Multifamily and Public Housing Programs to add a requirement for functioning carbon monoxide detectors in applicable units.

■ On March 26, NAHMA joined with other real estate industry associations in a quarterly meeting with senior HUD officials from the Office of Multifamily Housing. The meeting covered a range of policy topics, but the groups started by expressing their united concerns regarding the new REAC inspection protocols. A joint industry letter was also delivered to the HUD Secretary Ben Carson. In the meeting, HUD stated its goal is to move forward implementing the policy, which went into March 25.

To learn more about these topics as well as any new REAC-related news, visit the Emerging REAC Issues webpage for all the latest information. The REAC-specific page can be found on the HUD Issues webpage under the Agencies tab at nahma.org. **NN**

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Housing on Capitol Hill

IN EARLY MAY, CONGRESS returned to work after a two-week recess. Lawmakers have a busy summer ahead, including completing the fiscal year (FY) 2020 appropriations process. However, Congress had displayed an increased interest in affordable housing before the April recess, specifically a few key hearings.

In regards to funding government next fiscal year, the leadership in the U.S. House of Representatives is planning to finalize all funding bills by the end of June. The Senate is expected to follow a similar schedule, but has no firm date. NAHMA expects both chambers to produce draft funding bills that cover federal affordable housing programs in the Department of Housing and Urban Development (HUD) and the U.S. Department of Agriculture (USDA).

Ultimately, Congressional leadership will need to agree on a bipartisan deal to raise the budget caps and avoid dramatic cuts to federal programs. Over the summer, NAHMA will be advocating for Congress to raise the budget caps and for increases in funding for housing programs.

CALABRIA CONFIRMED

In April, the Senate confirmed Mark Calabria as director of the Federal Housing Finance Agency. Calabria's confirmation was by a party line vote of 52-45, with all Republicans voting to confirm him. Calabria becomes the nation's top housing regulator with oversight over the government-sponsored enterprises Fannie Mae and Freddie Mac and the Federal Home Loan Bank System. Calabria is expected to be a key voice in housing finance reform.

EFFORTS TO EXPAND AND PRESERVE RURAL AFFORDABLE HOUSING

In early April, the House Financial Services Subcommittee on Housing, Community Development, and Insurance examined critical affordable housing needs in rural America. Subcommittee Chair William Lacy Clay (D-MO) and Ranking Member Sean Duffy (R-WI) convened the hearing to discuss a number of draft bills related to rural affordable housing investment needs and the issue of prepayment and maturation of Section 515 Rural Rental Housing Loans.

Subcommittee members from both parties discussed USDA data, funding levels, resident protections, rural homelessness, rural housing production and incentivizing private owner participation in rural housing programs.

One of the draft bills considered during the hearing, Rural Housing Preservation Act, and supported by NAHMA in the previous Congress, provides rural housing vouchers to residents who live in properties with prepaid or maturing loans, permanently authorizes the MFH Preservation and Revitalization Demonstration program, and decouples rental assistance from the term of a mortgage. The subcommittee also discussed a draft bill, Strategy for Rural Housing Preservation Act of 2019, which would require USDA to come up with a plan for preserving Section 515 and 514 properties and preventing displacement of residents. The bill would also require USDA to establish an advisory committee made up of various stakeholders to advise the USDA on implementing the plan.

AFFORDABLE HOUSING AS INFRASTRUCTURE

In late April, the House Financial Services Committee heard testimony on the

affordable housing crisis as part of the nation's broader infrastructure needs. Throughout the hearing, lawmakers and witnesses examined efforts to preserve the portfolio and develop new affordable housing, including by aligning housing and transportation infrastructure, streamlining parts of the housing development process, and increasing congressional investments in affordable housing programs. The witnesses also discussed the need for emphasizing approaches to housing that "lift up residents," such as place-based after-school programs and housing growth that targets opportunities.

The hearing, *Housing America: Assessing the Infrastructure Needs of America's Housing Stock*, centered on draft legislation introduced by Committee Chairwoman Maxine Waters (D-CA) that would significantly increase investments in housing infrastructure.

CONGRESSIONAL HEARING ON FAIR HOUSING

In early April, the House Financial Services Committee held a hearing, *The Fair Housing Act: Reviewing Efforts to Eliminate Discrimination and Promote Opportunity in Housing*, which touched on a range of fair housing topics including immigration, discrimination in the housing market, zoning laws, state of LGBTQ community in homeless shelters and assisted housing, and sexual harassment. This hearing also comes after HUD filed charges against Facebook for violating fair housing law by encouraging, enabling and causing housing discrimination through the company's advertising platform. **NN**

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

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tax credit compliance

BY CLIFFORD A. PASTEL,
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IRS Clarifies General Public Use Requirements for Residential Rental Projects Financed by Tax-Exempt Bonds

THE INTERNAL REVENUE SERVICE recently eliminated an inconsistency between the definition of “general public use” for purposes of the Low-Income Housing Tax Credit (LIHTC) under §42 of the Internal Revenue Code of 1986 (the Code) and the definition of “general public use” for purposes of tax-exempt multifamily housing bonds under Code §142(d).

General public use of residential rental property is required by regulations for LIHTC and tax-exempt bonds as a condition of eligibility for tax benefits. Revenue Procedure 2019-17 clarifies that the LIHTC statutory provision permitting tenant group restrictions or preferences also applies for purposes of the tax-exempt bonds rules.

Specifically, Code §42(g)(9) provides that a low-income housing project does not fail to meet the general public use requirement solely because of occupancy restrictions or preferences that favor tenants (A) with special needs, (B) who are members of a specified group under a federal program or state program or policy that supports housing for such a specified group, or (C) who are involved in artistic or literary activities.

The revenue procedure states that a §142(d) qualified residential rental project does not fail to meet the general public use requirement solely because of the above-described occupancy restrictions or preferences. The revenue procedure provides as an example certain housing

preferences for military veterans.

This new policy is important to sponsors and developers of affordable housing because it broadens availability of a favored technique for structuring residential rental project financing. If a majority of a project is financed with tax-exempt multifamily housing bonds issued under Code §142(d), the property is eligible for the 4% LIHTC. The presence of the provision permitting occupancy restrictions or preferences in the LIHTC rules (added in 2008) and its absence in the tax-exempt bond rules have led bond counsel to disapprove tax-exempt bond financing of projects with such tenant restrictions or preferences. It is now possible to use tax-exempt bonds and the 4% LIHTC to finance projects with restrictions or preferences in favor of tenants such as military veterans and, depending on the state in which the project is located, teachers, police officers, farmworkers, and other groups.

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IRS Releases Amended LIHTC Regulations; Industry Reacts

NAHMA, as well as industry partners, has responded to the IRS' published final regulations that amend the Low-Income Housing Tax Credit (LIHTC) compliance monitoring regulations. The regulations revise and clarify the requirement to conduct physical inspections and review low-income certifications and other documents. The final regulations will affect owners of low-income housing projects that claim the credit, the renters in those low-income housing projects, and the state and local housing credit agencies that administer the credit.

IRS VIEW OF THE AMENDMENTS

Historically, the Treasury Department and the IRS have not required an agency to physically inspect every low-income residential unit in a low-income project. Decades ago, the Treasury Department and the IRS determined that a sample was adequate if it included at least 20% of a project's low-income units, regardless of the total number of low-income units in that project.

The Real Estate Assessment Center (REAC) protocol requires sample sizes that differ from those that the Treasury Department and the IRS had required. In developing the REAC protocol, the Department of Housing and Urban Development (HUD) sought to determine sample sizes that would yield equally reliable inferences regardless of the size of the number of residential units in a project. HUD's statistical analysis produced minimum sample sizes that are much lower than 20% of large projects' units but somewhat higher than 20% of total units for small projects. The implication of the HUD conclusions was that the tax regulations' 20% requirement for low-income housing credit inspections may have been unnecessarily burdensome for large projects and may have failed adequately to assess habitability in smaller ones.

In the temporary regulations the Treasury Department and the IRS responded to that implication with a two-step process—minimum sample size was reduced for large projects, and taxpayers were asked whether analogous statistical considerations should be applied to increase minimum sample sizes for small ones.

The recently released final regulations removed the rule that allows minimum sample size to be the lesser of 20% of the total number of low-income units or the minimum unit sample size set forth in the Low-Income Housing Credit Minimum Unit Sample Size Reference Chart. Instead, under the final regulations, agencies must inspect no fewer units than the number specified for projects of the relevant size as set forth in the chart. The Treasury Department and the IRS determined that the REAC numbers produce a statistically valid sampling of units, which establishes confidence in the compliance monitoring results for projects of varying size. The Treasury Department and the IRS further determined that the REAC numbers reasonably balance burden on agencies, renters and building owners with the need to adequately monitor habitability and compliance with the low-income housing credit income and gross-rent restrictions. Agencies, however, continue to have discretion to inspect and review more units as they see fit.

Additionally, the temporary regulations required an agency to select low-income units to inspect and low-income certifications to review in a manner that will not give advance notice that a particular low-income unit, or low-income certifications for a particular low-income unit, will or will not be inspected or reviewed for a particular year.

The temporary regulations allowed an agency to give an owner reasonable notice that an inspection of the building and low-income units or review of low-

income certifications will occur, whether or not an agency is selecting the same units for inspection and for low-income certification review. The temporary regulations provided that reasonable notice is generally no more than 30 days, but they also provided a very limited extension for certain extraordinary circumstances beyond an agency's control such as natural disasters and severe weather conditions.

The Treasury Department and the IRS requested comments on whether the same maximum amount of notice is reasonable for physical inspections as for low-income certification review. Additionally, the Treasury Department and the IRS requested comments on whether, for physical inspections, the reasonable notice time frame should be shortened. For example, under the REAC protocol, an inspector provides a 15-day notice of an upcoming HUD inspection of a project but same-day identification of the units to be inspected. No comments were received.

The final regulations shortened the reasonable notice requirement to a 15-day notice that a project will experience an upcoming physical inspection or review of low-income certification. The Treasury Department and IRS said the 15-day notice period gives building owners reasonable notice that a review of low-income certifications will occur and gives building owners and renters reasonable notice that a project will be inspected and that low-income units will be inspected if they are in the random sample that will later be selected.

The statistical validity of inspecting only a sample of the low-income units in a project depends on the sample being random and representative. Thus, the validity would be destroyed if a project owner had an opportunity to selectively prepare the units in the sample for inspection. Consistent with preserving the validity of the inspection process, an agency must select

the low-income units to inspect in a manner that will not give advance notice that a particular low-income unit will or will not be inspected. Accordingly, the final regulations clarified that an agency may notify the owner of the particular low-income units for inspection only on the day of inspection. The Treasury Department and IRS noted that, under the REAC protocol, HUD or HUD-Certified REAC inspectors randomly select low-income units for inspection on the day of inspection.

INDUSTRY RESPONSES

NAHMA, as well as industry partner, National Council of State Housing Agencies (NCSHA), sent letters to the IRS expressing the concerns of their members over the changes.

NAHMA sent a letter in May objecting to the shortened inspection notification time frame. A similar letter was also sent to HUD in March.

In the letter to the IRS, NAHMA requested the agency's consideration in examining the impacts of the recent amendments to the LIHTC compliance-monitoring regulations to shorten the physical inspection notification time frame to 15 days and increase the sample size of units for inspection in housing credit properties. NAHMA said it was concerned that the final regulations would present similar logistical and feasibility challenges for housing managers, as it expressed to HUD regarding their physical inspection changes.

"NAHMA members take great pride in providing quality housing that offers a safe, healthy environment for their residents. As property owners and managers, NAHMA members understand the agency's efforts to strongly incentivize portfolio compliance, but we disagree with the newly imposed method for achieving it. The adjustments to physical inspection notification time frame should be targeted at the troubled properties with a history of noncompliance; however, this blanket policy change will severely impact the entire portfolio, most notably good property management owners and agents who maintain high performing portfolios," the letter said.

NAHMA said that, as published, the

severely compressed notice period would increase costs and lead to a breakdown of the logistical feasibility of managing LIHTC properties, as well as the crucial elements of trust and collaboration between state housing agencies and the owners and operators of affordable housing. NAHMA also said the compliance monitoring regulations will create hardship for residents and would further erode the confidence and integrity of the agency's physical inspections as a tool for assessing the state of the portfolio.

Given the shared oversight of LIHTC properties with HUD, NAHMA requested the IRS review and consider making the proposed goals applicable to the LIHTC properties:

1. HUD should utilize recently enhanced inspection enforcement tools enacted by Congress to address the 5% of the portfolio that is "troubled," instead of circumventing Congress and penalizing the entire portfolio with a drastic policy change.

2. HUD should go through appropriate regulatory channels and in partnership with Congress to establish an improved, data-driven policy for physical inspection notification time frames.

3. HUD should foster strong partnerships between the agency, owners and operators of affordable housing properties, and residents by allowing for proper notification and logistical feasibility when scheduling physical property inspections.

4. HUD should promote private owner participation in its assisted programs by implementing a forbearance policy in a limited number of documentable situations in which the property is held harmless for inspection scheduling non-compliance, such as natural disasters or major rehab.

5. HUD should improve data integrity of the REAC protocol by reversing its new automatic "zero."

Also in May, NCSHA sent a letter explaining how the new compliance monitoring sample size requirements will greatly increase the number of units states must monitor, including both physical inspections and low-income certification reviews, thus creating significant increases

in state agencies' costs for additional staff and other related expenditures.

The NCSHA letter said, cost increases are likely to necessitate increased compliance monitoring fees and could force states to divert resources from other affordable housing priorities to fund LIHTC compliance monitoring activities. The new sample requirements will have the most significant impact on states with numerous small projects, many of which are in rural areas.

NCSHA's letter further explained why the REAC sample requirements should not be applied to the LIHTC.

"The sample size requirements in the Reference Chart are derived from sample sizes used in the Real Estate Assessment Center (REAC) protocol, which is used for physical inspections of Section 8 and other HUD properties. However, there are significant differences between the REAC protocol and inspection requirements under the Housing Credit. These differences make the REAC sample sizes far more onerous when applied to the Housing Credit program.

"REAC inspectors perform physical inspections of properties, but do not perform the low-income certification reviews, which are part and parcel of Housing Credit compliance monitoring. IRS regulations require state agencies to conduct an equal number of low-income certification reviews and physical inspections of units.

"Tenant file reviews for low-income certification of households in properties that undergo REAC physical inspections are conducted by entities such as Performance-Based Contract Administrators (PBCA) as part of the Management and Occupancy Review (MOR) for each project. The Annual Contributions Contracts between HUD and PBCAs dictates the number of tenant files PBCAs must review. That number is far less than what state Housing Credit agencies must review under the new rule," NCSHA said.

Like NAHMA, NCSHA also raised concerns about the change to the amount of advance notice that states give owners before site inspections and the new requirement that states use a random selection process, rather than a risk-based process, for determining which units they will inspect. **NN**

Industry Expresses Concerns With VAWA Reauthorization Changes

In April, the House of Representatives approved the Violence Against Women Reauthorization Act (VAWA) of 2019 by a vote of 263-158. Congress had allowed VAWA, which promotes the prevention and persecution of domestic abuse, dating violence, sexual assault and stalking, to lapse in February during the partial government shutdown.

Sponsored by Reps. Karen Bass (D-CA) and Brian Fitzpatrick (R-PA), H.R. 1585 increases a number of housing provisions under current law, including giving victims of VAWA crimes living in covered housing programs the opportunity to terminate a lease before its end date without penalty; directing agencies to develop emergency transfer policies to be overseen by the Department of Housing and Urban Development; and amending the requirements for what must be included in public housing agency plans to incorporate information about emergency transfers and emergency transfer plans.

The House bill was sent to the Senate, where it is less likely to gain support from the Republican majority. Instead, the Senate will likely consider either a “clean” reauthorization of VAWA, with no changes, or a bipartisan effort led by Sens. Dianne Feinstein (D-CA) and Joni Ernst (R-IA), with details forthcoming.

In the meantime, NAHMA along with other industry partners have sent Congress a letter in support of the goals of VAWA, and have worked closely with the Congress and advocacy community to ensure that victims are provided protections under federal housing programs. However, the industry expressed concerns with the changes made to the law.

The letter said, “H.R. 1585 includes well-meaning changes to current law, which unfortunately are impractical and conflict with other housing rules and policies, add unfunded administrative burdens and create logistical issues that even if

resolved will not realistically increase the protections under current law.”

The letter explained that through numerous reauthorizations of VAWA, housing providers have worked collaboratively with advocates and Congress to enact critical housing protections for victims of domestic violence. In 2006, housing provisions were first incorporated into VAWA, ensuring victims of domestic violence, dating violence and stalking would not lose or be denied housing based on an incident of domestic violence. At the time, the bill also included a process to permit a lease to be bifurcated, which allowed the removal of a perpetrator of violence without evicting a victim or their family.

The 2013 reauthorization built on the 2006 protections by expanding VAWA’s application to additional rental housing programs. In addition, the bill improved existing law by allowing property owners to request third-party verification if they receive conflicting information about a domestic violence incident.

According to the letter, “Taken together, VAWA provides robust requirements to preserve and obtain housing for victims of domestic violence. We believe existing housing provisions generally have been successful in assisting victims of domestic violence. Clearly, the dearth of affordable rental housing units is a problem in this context and other situations involving low-income families with emergency housing needs.”

The industry partners said, “The proposed revised housing section included in H.R. 1585 is well-intentioned, however, may not ultimately achieve the desired result.”

New screening provisions, meant to assist domestic violence victims, represent a shift in housing policy and in some cases run contrary to current housing regulations. The bill also includes new emergency transfer provisions,

which pose a programmatic and logistical challenge for housing providers of all types, according to the letter.

The industry said current law should be preserved, which already permits victims of domestic violence to request a transfer under certain circumstances, for example, within the original federally assisted property or to another covered property under control of the owner or agency. Residents may also apply to other properties not in control of the same owner or agency; however, such moves are dependent on typical market factors, like the availability of a vacant unit and established housing preferences that move domestic violence victims ahead of others on the housing waitlists.

The industry pointed out that privately owned, federally assisted housing properties are generally single asset entities and have no ability to “transfer” a renter to another owner entity’s property. Project-Based Rental Assistance and Low-Income Housing Tax Credit units are not portable due to fundamental program restrictions.

“Instead, we believe Congress should use VAWA to refocus attention on housing vouchers, which are portable and already serve as a viable tool to help families in emergency situations. We urge Congress to consider establishing a new type of voucher program tied to services for domestic violence survivors modeled after the U.S. Department of Housing and Urban Development’s Veterans Affairs Supportive Housing Voucher program, which has been enormously successful in housing homeless veterans. This type of program would build upon the existing housing protections under current law and ensure a direct line of assistance to domestic violence survivors without straining or competing for limited resources,” the letter said.

The letter concludes, “We look forward to working with Congress throughout the legislative process to ensure protections for domestic abuse survivors.” **NN**

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2019 NAHMA AFFORDABLE 100

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

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

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

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

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

RANK / MANAGEMENT COMPANY (2018 rank shown in parentheses)	HEADQUARTERS	TOTAL NUMBER OF UNITS	
		SUBSIDIZED ¹	RESIDENTIAL ²
1 WinnCompanies* (1)	Boston, MA	52,059	101,887
2 FPI Management Inc. (2)	Folsom, CA	44,887	112,172
3 The Michaels Organization (fka Interstate Realty Management)* (3)	Marlton, NJ	44,623	54,295
4 Related Companies (8)	New York, NY	40,000	80,000
5 McCormack Baron Management Inc. (6)	St. Louis, MO	29,513	30,226
6 Dominion* (11)	Plymouth, MN	28,479	33,259
7 The John Stewart Company (7)	San Francisco, CA	28,035	31,231
8 LEDIC Realty Company LLC* (5)	Memphis, TN	26,773	35,278
9 Edgewood Management Corporation (9)	Gaithersburg, MD	25,359	31,168
10 KMG Prestige Inc. (14)	Mt Pleasant, MI	24,489	27,900
11 Millennia Housing Management Ltd.* (10)	Cleveland, OH	23,827	27,099
12 Mercy Housing Management Group* (12)	Denver, CO	23,262	23,485
13 National Church Residences* (13)	Columbus, OH	21,393	21,984
14 Capstone Real Estate Services Inc. (15)	Austin, TX	20,931	35,729
15 MMS Group (20)	Suffern, NY	19,549	38,193
16 Pinnacle (4)	Addison, TX	19,429	147,930
17 Volunteers of America* (17)	Alexandria, VA	19,307	19,307
18 ConAm Management Corporation* (18)	San Diego, CA	18,939	52,786
19 Alpha Barnes Real Estate Services (16)	Dallas, TX	18,800	23,344
20 Royal American Management* (19)	Panama City, FL	17,698	19,450
21 Allied Orion Group (27)	Houston, TX	14,833	22,669
22 The NRP Group (29)	Cleveland, OH	14,779	20,747
23 Richman Property Services Inc. (22)	Tampa, FL	14,615	18,391
24 Grenadier Realty Group Corporation (23)	Brooklyn, NY	14,581	17,523
25 Retirement Housing Foundation (24)	Long Beach, CA	14,179	18,088
26 Cambridge Management Inc. (32)	Tacoma, WA	14,074	14,511
27 The Cornerstone Group (26)	Hollywood, FL	13,607	13,786
28 Capital Realty Group* (34)	Spring Valley, NY	13,548	13,548
29 Herman & Kittle Properties Inc. (40)	Indianapolis, IN	13,501	15,101
30 Pedcor Management Corporation (28)	Carmel, IN	13,275	16,745
31 Conifer Realty LLC (25)	Rochester, NY	13,045	15,099
32 Gene B. Glick Co. Inc. (37)	Indianapolis, IN	12,836	19,542
33 Boyd Management (33)	Columbia, SC	12,803	12,971
34 Reliant Realty Services LLC (31)	New York, NY	12,738	12,738
35 Wilhoit Properties (35)	Springfield, MO	12,146	12,930
36 Good Harbor Management LLC (36)	Denver, CO	12,117	12,117
37 Independent Management Services (39)	Fenton, MI	11,758	11,758
38 Maco Management Co. Inc. (38)	Malden, MO	11,753	11,845
39 UAH-Mayfair Management Group (41)	Dallas, TX	11,635	18,135
40 Beacon Communities* (30)	Boston, MA	11,628	16,375
41 SPM LLC* (45)	Birmingham, AL	11,577	19,267
42 Woda Cooper Company Inc. (50)	Columbus, OH	11,527	11,669
43 TM Associates Management Inc.* (49)	Rockville, MD	11,505	11,623
44 Lincoln Property Company (43)	Dallas, TX	11,500	190,542
45 NDC Real Estate (44)	Pittsburgh, PA	11,345	11,457
46 Wallick Communities (48)	New Albany, OH	11,242	12,925
47 USA Properties Fund Inc. (46)	Roseville, CA	11,026	12,000
48 POAH Communities (65)	Boston, MA	10,997	11,141
49 Peabody Properties* (59)	Braintree, MA	10,741	13,295
50 The Habitat Company (47)	Chicago, IL	10,462	21,101
51 Gateway Management Company LLC (52)	Birmingham, AL	10,421	11,772

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

RANK / MANAGEMENT COMPANY (2018 rank shown in parentheses)	HEADQUARTERS	TOTAL NUMBER OF UNITS	
		SUBSIDIZED ¹	RESIDENTIAL ²
52 Partnership Property Management* (51)	Greensboro, NC	10,237	10,341
53 The Hallmark Companies Inc. (53)	Atlanta, GA	10,151	12,164
54 Barker Management (54)	Anaheim, CA	10,000	10,000
55 Winterwood Inc.* (84)	Lexington, KY	9,801	10,043
56 United Apartment Group (55)	San Antonio, TX	9,771	36,043
57 Fairway Management Inc. (68)	Columbia, MO	9,349	9,529
58 Continental Management (56)	Bingham Farms, MI	9,306	9,798
59 Professional Property Management LLC (57)	Rockford, IL	9,300	9,300
60 Picerne Management (58)	Altamonte Springs, FL	9,205	14,476
61 Yarco Company Inc. (60)	Kansas City, MO	9,178	10,229
62 Wingate Management* (61)	Newton, MA	8,989	14,500
63 Maloney Properties Inc.* (64)	Wellesley, MA	8,942	9,022
64 Community Management Corporation (70)	Winston-Salem, NC	8,855	8,895
65 Eden Housing Inc. (66)	Hayward, CA	8,775	8,876
66 Ambling (67)	Greenville, SC	8,759	10,113
67 EAH Housing (73)	San Rafael, CA	8,679	8,679
68 AWI Management Corporation (92)	Auburn, CA	8,657	8,658
69 American Apartment Management Co. Inc.* (76)	Knoxville, TN	8,653	8,849
70 Elmington Property Management (71)	Nashville, TN	8,493	15,126
71 J & A Inc. (72)	Corinth, MS	8,390	8,390
72 Seldin Company* (82)	Omaha, NE	8,384	15,503
73 National Community Renaissance (74)	Rancho Cucamonga, CA	8,292	8,292
74 TRG Management Company LLC (75)	Weston, FL	8,259	11,262
75 Greystone Property Management Corporation	Indianapolis, IN	8,257	8,257
76 Cascade Management Inc.	Tigard, OR	8,221	8,728
77 Preservation Management Inc.* (63)	South Portland, ME	8,168	8,258
78 SHP Management* (79)	Cumberland Foreside, ME	7,922	7,997
79 The Community Builders Inc.* (69)	Boston, MA	7,911	8,572
80 Rose Community Management LLC (80)	Independence, OH	7,902	9,206
81 Residential One LLC (95)	Columbia, MD	7,864	8,039
82 Solari Enterprises Inc. (77)	Orange, CA	7,859	7,894
83 Habitat America LLC	Annapolis, MD	7,852	8,756
84 RLJ Management Co. Inc. (81)	Columbus, OH	7,800	7,800
85 Aperto Property Management	Laguna Hills, CA	7,760	10,600
86 Pennrose (62)	Philadelphia, PA	7,573	8,227
87 The Reliant Group (103)	San Francisco, CA	7,444	11,615
88 BSR Trust LLC (85)	Little Rock, AR	7,400	9,600
89 Community Realty Management* (83)	Pleasantville, NJ	7,390	7,486
90 LHP Management LLC* (90)	Knoxville, TN	7,359	7,359
91 Evergreen Real Estate Services LLC (86)	Chicago, IL	7,334	7,716
92 MidPen Property Management Corporation (88)	Foster City, CA	7,207	7,207
93 Greystar (89)	Charleston, SC	7,191	418,475
94 HallKeen Management* (105)	Norwood, MA	7,162	9,682
95 Vesta Corporation* (94)	Weatogue, CT	7,071	7,718
96 Triumph Housing Management (91)	Cumming, GA	6,940	8,868
97 Housing Management Resources Inc.* (93)	Quincy, MA	6,830	8,141
98 InterMark Management* (96)	Columbia, SC	6,777	9,062
99 RY Management Company LLC (98)	New York, NY	6,750	9,000
100 Steadfast Companies (99)	Irvine, CA	6,749	37,728

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

* A NAHMA Communities of Quality National Recognition Program Participant

¹ and ² All unit data represent only units directly managed (not owned) that were rented or available to rent on Dec. 1, 2018. Down units, abated units, units under construction or rehabbing units not available for rent are not included.

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

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

NAHMA would like to extend its sincere thanks to the NAHMA Affordable 100 Task Force, without whose hard work and support this survey would not be possible. In particular, sincere appreciation goes to task force chair Mike Cocco, Choice Property Resources Inc. and vice chair Amber Day, TrashPro; Evelyn Arias, RealPage; Boone Atkins, Yardi; Andrea Ford, Quadel Consulting & Training LLC; Rue Fox, ResMan Software; Janel Ganim, RightSource Compliance; Jennifer Kelly, IPM Software an MRI Software Company; Gustavo Sapiurka, RealPage; Sarah Upchurch, RealPage; and John Yang, RentalHousingDeals.com.

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

Administration Proposes Cuts to Affordable Housing Programs, Again

In March, President Donald Trump sent Congress his fiscal year (FY) 2020 budget request, “A Budget for a Better America.” Similar to previous budget requests, the administration’s FY 2020 budget proposes steep cuts to affordable housing and community development programs, beginning Oct. 1, 2019. A May NAHMA analysis, available in the Members Only section of nahma.org, highlights the proposed budget, including funding levels and policy proposals for affordable housing programs.

NAHMA opposes the budget request and will continue to work with Congress to increase investments in affordable housing and community development programs. NAHMA encourages members to join its advocacy efforts through meetings with legislators, property visits with elected officials and other advocacy opportunities.

ADMINISTRATION’S HUD BUDGET REQUEST

The administration’s FY 2020 budget requests \$44.1 billion for Department of Housing and Urban Development (HUD) programs, \$8.6 billion below the current FY 2019 enacted level. The cuts are achieved primarily by eliminating the Public Housing Capital Fund, HOME, Community Development Block Grant (CDBG), Housing Trust Fund and Choice Neighborhoods programs. These programs play a critical role in supporting the preservation of existing affordable housing and NAHMA strongly opposes the elimination of the programs.

Similar to last year, the budget proposes funding reductions to the Housing Choice Voucher program, Public Housing Operating Fund, Family Self-Sufficiency Program, Section 202 Housing for the Elderly and Section 811 Housing for Persons with Disabilities.

While the budget requests a small increase in funding for Project-Based

Rental Assistance, this level is insufficient for renewals. The budget also proposes increases to HUD’s lead remediation program, provides an additional \$100 million for the Rental Assistance Demonstration program and includes an additional \$20 million to modernize information technology.

Lastly, the budget request also proposes the same rent reform provisions from last year.

IMPACT ON KEY RENTAL ASSISTANCE PROGRAMS

Tenant-Based Rental Assistance (vouchers): The budget proposes more than \$22 billion for the voucher program, a 2% decrease from the funding level provided in FY 2019. This includes slightly more than \$20 billion for voucher renewals. The budget provides \$260 million to renew Section 811 Mainstream Vouchers and proposes to fund Tenant Protection Vouchers at \$130 million to cover an anticipated increase in demolitions, dispositions and streamlined voluntary conversions.

Project-Based Rental Assistance (PBRA): The budget proposes approximately \$12 billion for PBRA, including roughly \$11.5 billion to renew all expiring contracts. This PBRA request includes

\$345 million for performance-based contract administrators’ (PBCA) administrative fees, \$100 million more than appropriated in FY 2019. In regards to the proposed increase, HUD said, “The estimated annual appropriation needed in 2020 to maintain the contract administration program is \$345 million. These funds may be combined with up to \$20 million from Housing Certificate Fund (HCF) to cover the full program cost. This level of funding will ensure that regardless of the timing or outcome of new procurements, critical contract administration services will continue without interruption. Given that protests and litigation may slow the execution of new contract awards, the request takes into account multiple budgetary scenarios.

“Continued extension of the existing PBCA agreements is estimated to cost up to \$365 million in 2020. Actual cost is dependent on changes in Fair Market Rents and the number of Housing Assistance Payment (HAP) contracts assigned to each PBCA. Should the department successfully execute new awards, the request will allow for a partial year extension of existing PBCA agreements, with remaining funds anticipated to be placed on the base year of the new contracts.

Fiscal Year 2020 President’s HUD Budget Request

HUD Programs	FY 2019 Enacted	FY 2020 Request
Tenant-Based Rental Assistance	\$22,598	\$22,244
Project-Based Rental Assistance	\$11,747	\$12,021
Section 202 Housing for Elderly	\$678	\$644
Section 811 Housing for Disabled	\$184	\$157
Public Housing Capital Fund	\$2,775	\$0
Public Housing Operating Fund	\$4,653	\$2,863
CDBG	\$3,300	\$0
HOME	\$1,250	\$0

FIGURES EXPRESSED IN MILLIONS

In recent years, this program has utilized residual funding in HCF to supplement needs not provided by annual appropriations. In 2020, HCF availability will be largely exhausted, resulting in a \$60 million increase in appropriations relative to the 2018 enacted level.”

Section 202 Housing for the Elderly:

The budget requests \$644 million for Section 202 housing, a decrease of \$34 million from the FY 2019 enacted levels.

This includes \$551 million for contract renewals and \$90 million to fund service coordinators.

Section 811 Housing for Persons with Disabilities: The budget requests \$157 million for Section 811 housing, a decrease of \$27 million from the FY 2019 enacted levels. The budget justifications stated, “The request will allow HUD to use offsetting collections of excess residual receipts to fund new Capital Advances and State Project Rental Assistance awards, thereby modestly increasing the number of disabled, very low-income persons living in safe, decent and affordable housing. In addition, these funds may be supplemented through the transfer of recaptures from the Project-Based Rental Assistance account should recapture not be needed to support contract renewals and amendments in 2020. The award of these funds will provide construction funding or operating assistance for additional project-based Section 811 units. The program design will build on the updated Section 811 notice of funding availability (NOFA) now under development to award the \$82.6 million appropriated in 2018 to expand assistance and may utilize either Project Rental Assistance (PRA) awards to state housing finance agencies (HFAs) or the traditional capital advance model.”

RENT REFORMS

Similar to HUD’s FY 2019 budget request, the FY 2020 budget sets forth the same rent reforms under the Making Affordable Housing Work Act, which Congress previously rejected. The proposed reforms include increasing the percentage of rent assisted residents would be required to pay, raising minimum rents and establishing work requirements. With regard to rent

Fiscal Year 2020 President’s USDA-RHS Budget Request

USDA Rural Development Programs	FY 2019 Enacted	FY 2020 Request
Section 521 Rental Assistance	\$1,331	\$1,335
Section 515 Rental Housing Direct Loans	\$40	\$0
Rental Preservation Demonstration (MPR)	\$24	\$0
Section 542 Rural Housing Vouchers	\$27	\$32
Section 538 Rental Housing Loan Guarantee	\$230	\$250

FIGURES EXPRESSED IN MILLIONS

reforms, the president’s budget said, “In April 2018, the administration proposed the Making Affordable Housing Work Act (MAHWA), which would fundamentally reform HUD’s rental assistance programs. These reforms include increasing tenant rent contributions and minimum rents; in the first significant change to tenant rent structures since 1981, MAHWA would increase the amount of rent paid by tenants from 30 percent of adjusted income to 35 percent of gross income for all work-able households, but would mitigate this increase for the elderly and persons with disabilities.

“In addition to re-proposing MAHWA, the budget further promotes self-sufficiency by proposing a requirement for non-elderly and non-disabled tenants to work a minimum of 20 hours per week, or engage in other qualified work activities.

“In addition to the proposed rent reforms, the budget would reduce the overall federal footprint of housing assistance. While continuing to assist current residents, the budget proposes to decrease the Public Housing portfolio through locally determined options, including strategically releasing certain housing assets to local control. In this effort, the federal government recognizes the need for greater contributions from state and local governments and the private sector to help address affordable housing needs for low-income families.”

An in-depth look at the rent reforms proposals was previously detailed in a May 2018 NAHMA analysis on the administration’s “Making Affordable Housing Work Act of 2018,” available in the Members Only section of nahma.org.

ADMINISTRATION’S USDA-RHS BUDGET REQUEST

Similar to the administration’s FY 2019 budget request, this year’s Department of Agriculture (USDA)’s FY 2020 budget proposes to zero out funding for all rural housing programs except Section 502 guarantees, Section 538 guarantees for rental housing production, and renewals of existing Section 521 Rental Assistance and Section 542 vouchers. This year’s budget again proposes a minimum rent, requiring residents in USDA-assisted rental housing to pay at least \$50 per month with a hardship exemption from the department. The budget proposes to rescind \$40 million from the Section 521 Rental Assistance program, which accounts for funding carried over from one year to the next to avoid potential shortfalls in funding availability to renew Rental Assistance (RA) contracts at the beginning of the fiscal year.

The budget proposes to combine Section 542 Voucher funding with RA in a single account. USDA’s budget summary shows a \$1.407 billion line item for rental assistance, which includes \$32 million for vouchers.

OUTLOOK FOR FY 2020

HUD Secretary Ben Carson testified at hearings before the House and Senate appropriation subcommittees on Transportation, Housing and Urban Development, and Related Agencies. In both chamber hearings, committee members from both parties criticized Carson on the funding cuts proposed in the Trump administration’s FY 2020 budget and indicated there is little chance that it will pass. **NN**

HUD Proposes Section 3 Updates

In April, the Department of Housing and Urban Development (HUD) published a proposed rule to update its Section 3 regulations. Separately, HUD also published for comment proposed benchmarks for measuring Section 3 compliance with the final rule.

The purpose of Section 3 is to ensure that economic opportunities, most importantly employment, generated by certain HUD financial assistance shall be directed to low- and very low-income people, particularly those who are recipients of government assistance for housing or residents of the community in which the federal assistance is spent. According to the proposed rule, “The Section 8 programs were never included in the Section 3 statute and will not be covered in this proposed rule despite being included in the current Section 3 rule.”

According to HUD’s press release, the changes in the proposed rule seek to improve effectiveness of Section 3 by:

- Focusing on key outcome metrics, such as the sustained employment of targeted populations;
- Crediting retention of low-income employees and successful sustained employment in the reporting metrics;
- Aligning Section 3 reporting with standard business practices and payroll tracking;
- Allowing for tailored outcome benchmarks for different geographies and/or different activities;
- Reducing reporting requirements for grantees who are meeting outcome benchmarks; and
- Integrating Section 3 into the program offices who are in regular contact with the grantees.

To read the proposed rule on “Enhancing and Streamlining the Implementation of Section 3 Requirements for Creating Economic Opportunities for Low- and Very Low-Income Persons and Eligible Businesses,” the notification of proposed benchmarks for measuring Section 3 compliance, and the summary generated from the *Federal Register* notice of the more significant provisions of the proposed rule, visit nahma.org.

The comment period closed June 3. **NN**

PROPOSED RULE TO VERIFY IMMIGRATION STATUS, *continued from page 1*

The proposed rule would make two changes to HUD’s current regulations implementing parts of the Housing and Community Development Act of 1980 relating to U.S. citizens and certain categories of eligible noncitizens in HUD’s public housing and Section 8 Housing Assistance programs (Section 214):

■ Under current regulation, HUD can prorate assistance for a household based on the immigration eligibility of household members. The proposed rule would require verification of the eligible immigration status of all recipients of assistance under a covered housing program who are under the age of 62; as a result, the proposed rule would make prorated assistance a temporary condition pending verification of eligible status. If eligible immigration status cannot be verified, termination of assistance would be required within a period not to exceed 18 months.

■ The proposed rule would also specify that individuals who are not of eligible immigration status may not serve as a leaseholder, even as part of a mixed-eligibility family whose assistance is prorated based on the percentage of members with eligible status.

■ The proposed rule also makes a number of technical changes to update terminology and formatting in the Section 214 statutory requirements.

According to the proposed rule, several factors have prompted HUD to reconsider its noncitizen regulations, including President Donald Trump’s April 2018 Executive Order 13828.

As stated in the proposed rule, “HUD specifically invites comments regarding any less burdensome alternatives to this rule that will meet HUD’s objectives.”

Less burdensome alternatives could include grandfathering clauses and targeted leaseholder only eligibility verification requirements.

THE DETAILS

Section 214 of the Housing and Community Development Act of 1980, as amended, prohibits the secretary of HUD from making financial assistance available to persons other than U.S. citizens or certain categories of eligible noncitizens in the department’s public and specified assisted housing programs, including HUD’s Public Housing programs, Section 8 Housing Assistance Programs, Housing Development Grant programs, the Rent Supplement Program and Sections 235 and 236.

According to the proposed rule, HUD believes that the following amendments will bring its regulations into greater alignment with the wording and purpose of Section 214:

1. Verification of Eligible Immigration Status:

The first proposed amendment would require that the eligible immigration status of all recipients of assistance under a Section 214 covered program who are under the age of 62 be verified through Systematic Alien Verification for Entitlements, which is administered by the Department of Homeland Security (DHS).

Current HUD regulations excuse individuals from submitting immigration status documentation if they do not contend to having eligible immigration status. This results in no actual determination of immigration status being made.

Under the proposed amendment to the rule, a current participant in a Section 214 covered program, with the exception of Section 235 assistance payments, who has not previously submitted evidence of eligible immigration status, will be required to do so at the first regular reexamination after the effective date of HUD’s final rule for this rulemaking. This typically occurs on an annual basis. For financial assistance in the form of Section 235 assistance payments, the mortgagor would be required to submit the required evidence in accordance with requirements imposed under the Section 235 Program. The proposed amendment to the rule would not change the timing of verification for new applicants to a Section 214 covered program.

2. Leaseholder Eligibility: The second proposed regulatory amendment would specify that individuals who are not verified in an eligible immigration status may not serve as the head of household or spouse (i.e., the holder of the lease).

Under the current regulations, the “do not contend” provision facilitates the indefinite use by a mixed family of prorated assistance. Further, it is possible under the current regulations for the holder of the lease to be ineligible under the Section 214 covered program for which the mixed family is receiving assistance.

HUD no longer agrees that a leaseholder, the individual who is contractually bound to the landlord and who holds conditional ownership of the unit for the lease term, can be exempted from having verified eligible immigration status.

3. Technical Nonsubstantive Changes: The proposed rule also makes a number of technical changes to update terminology and formatting in the Section 214 statutory requirements. For example, the proposed rule would replace outdated references to the Immigration and Naturalization Service to refer to DHS.

To view the proposed rule online, visit https://www.nahma.org/wp-content/uploads/2019/05/Housing-and-Community-Development_Verification-of-Eligible-Status.pdf. **NN**

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in Heating Costs

Section 8

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- Section 8 Housing Energy Efficiency Project

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Realize Your Leadership Potential With NELLS

NAHMA, in cooperation with Brenda Harrington, founder of Adaptive Leadership Strategies LLC, is offering a fully virtual program that combines small group learning with one-to-one coaching called NAHMA Emerging Leaders Learning Series (NELLS), beginning Aug. 8. It is designed to accelerate professional growth for the next generation of leaders in the affordable housing industry.

The NELLS program is intended to help affordable housing property managers realize their leadership potential while developing the skills necessary for success



The NELLS program is intended to help affordable housing managers realize their leadership potential while developing the skills necessary for success in an ever-changing business environment. The program is limited to a maximum of 15 participants and the deadline to register through the NAHMA Online Store at nahma.org is July 9.

in an ever-changing business environment. The program is limited to a maximum of 15 participants and the deadline to register through the NAHMA Online Store at nahma.org is July 9.

The series will be delivered using three group sessions and two one-to-one coaching sessions, all of which will be conducted using Zoom video conferencing software. Each session is designed to be interactive, engaging participants in discussions, questions and answers. Zoom software is free of charge to participants and is activated with a simple and quick download; a smartphone, tablet or computer with a camera and microphone is required.

Each NELLS group session will address a leadership-related topic relevant to day-to-day business and operational challenges. Topics will be discussed based on three foundational pillars: managing yourself, managing others and managing the business.

The first group session, Thinking

Like a Manager, Aug. 8, from 2-4:15 p.m. EDT, includes a program orientation. The second session is Communicating Effectively from a Management Point of View, and takes place Aug. 29, from 2-3:30 p.m. EDT. The final session, Achieving Important Goals, is Sept. 19, from 2-3:30 p.m. EDT. The two 60-minute one-to-one coaching sessions will be scheduled individually between Aug. 8-Sept. 19.

A key component of adult learning is to be able to apply new knowledge in context. The one-to-one coaching sessions enable each participant to apply content discussed during group sessions to his/her specific work environment and circumstances.

Although there are no formal assignments, NELLS participants are expected to begin applying what they learn during group and one-to-one sessions, then be willing to speak in general terms about the impact of what

NAHMA Is Helping Transform Lives Through Literacy

NAHMA IS PROMOTING ADULT LITERACY by connecting affordable housing residents to a free app for improving reading and English skills. The app is available for download until Aug. 31. Property managers and owners can help spread the word by simply distributing flyers available on the Transforming Lives Through Literacy webpage under the About Us tab at nahma.org.

This effort is a result of NAHMA being named one of 24 finalists selected as a milestone award winner in the first phase

of the Adult Literacy XPRIZE Communities Competition, which is the proposal stage of the competition. As a milestone winner, NAHMA is now participating in the second phase, which consists of promoting the download and use of the free adult literacy learning app. "NAHMA is thrilled to have been named one of the winners in phase 1 of the XPRIZE adult literacy competition," Kris Cook, CAE, NAHMA executive director, said. "We are uniquely situated to reach the low- to moderate-income Americans

who are residents of affordable rental housing that are working hard to improve the financial status of their families. We believe they will be interested in taking advantage of the literacy app to improve their reading and English skills, since the app is free, self-supported and self-paced."

To help NAHMA succeed in promoting adult literacy and demonstrating that housing is a platform for success, please distribute the English and Spanish flyers throughout your companies, communities and

to on-site staff who can:

- Post the flyers on community bulletin boards or other visible locations
- Provide the flyers as handouts at special events at properties, such as English as a second language and financial literacy classes
- Include the flyers or information from them in community newsletters
- Send the flyers in broadcast emails to residents

The free literacy app is self-supported and self-paced and is intended for all ages—from

they learn during subsequent sessions.

The cost of the program is \$1,250 and is limited to a total of five-15 participants.

Harrington is a Certified Executive Coach and Leadership Development Specialist. A former property management executive, she has helped leaders and key individual contributors across many industry sectors enhance their skills by developing professional habits that will enable them to be more successful.

In addition to organizational clients within the property management industry, Harrington's current clients include federal and local government leaders, as well as leaders within inter-governmental organizations involved with humanitarian aid. She is also a moderator for the Corporate Learning division of Harvard Business School Publishing where she has facilitated leadership development courses for a variety of multinational clients. **NN**

middle school through seniors—who may want to find better work, advance their education, help their children with homework or read stories with grandchildren. The app can be downloaded at <https://abc.xprize.org/ac5588> until Aug. 31. The literacy app is available for Android devices only.

Improving literacy rates can boost labor productivity, cut billions of dollars in national health care costs and help break the cycle of poverty for families in every state. **NN**



The literacy app is free, self-supported, self-paced, and it can be downloaded at <https://abc.xprize.org/ac5588> until Aug. 31.

Learning from Each Other Through Stories

JUDGING FOR THE 2019 AHMA ART AND POSTER CONTEST has wrapped and the winners are being notified they will appear in the ever-popular annual NAHMA Drug-Free Kids calendar. The underlying message for the annual contest is always a drug-free theme but the association wanted to open the door for more avenues of expression, so a subtheme is incorporated into the poster contest. The subtheme for 2019 is **Sharing Our Stories: Learning from Others, Young and Old.**

Entries were due to NAHMA June 3, after first being submitted to a local AHMA for consideration. The winning artwork will appear in NAHMA's 2020 calendar, which has sold out the last five years.

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

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

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

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

For each grade category for children, as well as the elderly and special needs levels, local AHMAs selected up to three winning posters, which can consist of photographs, websites, computer art or other media.

The five grade categories for children are based on the grade the contestants have completed by June 2019: kindergarten-first grade, second-third grade, fourth-sixth grade, seventh-ninth grade and 10th-12th grade.

All AHMA winning submissions were then forwarded to NAHMA, where a distinguished panel of judges selected the 13 winning entries that will appear inside the pages of the 2020 calendar. One special entry is selected as the grand prizewinner, which will appear on the cover. Only children are eligible for the top prize.

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

The national contest's grand prizewinner, in addition to appearing on the cover of the 2020 calendar, receives a \$2,500 educational scholarship and a trip to Washington, D.C., where the artist will be honored at the NAHMA Biannual Top Issues in Affordable Housing Fall Conference Oct. 27-29.

Each national winner of the NAHMA contest—regardless of entry category—receives a \$1,000 educational scholarship from the NAHMA Educational Foundation. All winners are also featured in the 2020 calendar.

Furthermore, participants in the annual art contests held by the local AHMAs are eligible to be selected as Regional AHMA Art Contest Honorable Mentions. Those selected for this distinction are featured in a special section of the NAHMA 2020 Drug-Free Kids calendar and receive a \$100 scholarship check.

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

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

The NAHMA 2020 Drug-Free Kids calendar will go on sale in September. **NN**

Time to Start Preparing COQ Awards Applications

Before summer vacations and back-to-school events start dominating the schedule, plan to enter the NAHMA 2019 Communities of Quality (COQ) Awards competition. The submission deadline to NAHMA is Nov. 7.

To enter the awards competition, a property must first apply for and achieve national recognition as a NAHMA Community of Quality with a minimum score of 325

points on its National Recognition application. The deadline for submitting an application to a local AHMA for consideration in the national program is Sept. 5.

“The Communities of Quality Awards honor the achievements of affordable housing providers who make an unprecedented contribution

to developing outstanding properties for families of modest means. NAHMA believes it is essential that outstanding affordable properties—and the individuals who maintain them—be publicly recognized for providing quality housing that offers a safe, healthy environment,” Timo-

“They are communities supplying essential programs and services for their residents. These awards bring valuable well-deserved attention to the important work we are all doing.”

thy Zaleski, SHCM, NAHP-e, NAHMA president, said. “They are communities supplying essential programs and services for their residents. These awards bring valuable well-deserved attention to the important work we are all doing.”

The awards competition has five categories:

- Exemplary Family Development
- Exemplary Development for the Elderly
- Exemplary Development for Residents with Special Needs
- Exemplary Development for Single Room Occupancy Housing

■ Outstanding Turnaround of a Troubled Property

Award winners will be notified in early January 2020 and will receive their awards in a special ceremony at the NAHMA Biannual Top Issues in Affordable Housing Winter Conference,

March 8-10, in Washington, D.C.

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

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

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

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

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



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

About the COQ Awards Sponsors

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

NAVIGATE AFFORDABLE HOUSING PARTNERS: Based in Birmingham, Ala., Navigate Affordable Housing Partners is a nonprofit engaged in developing, owning and managing affordable housing and consulting with various housing agencies to provide compliance and training. Navigate is also a federal contractor providing compliance and financial services on behalf of HUD as the Section 8 PBCA for multiple states. Navigate’s core values—Service, Respect, Transparency, Quality and Innovation—are applied to every aspect of their work and has resulted in an exemplary reputation in the housing industry. For further information, visit www.navigatehousing.com.

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HUD User is the source for affordable housing research, reports, and data from the U.S. Department of Housing and Urban Development's Office of Policy Development and Research (PD&R). Visit www.huduser.gov to explore the various resources available on HUD User, including Income Limits and Fair Market Rents for assisted housing units.

To find out about the latest affordable housing data and research releases from PD&R, subscribe to receive email updates and check out *The Edge*, PD&R's online magazine.



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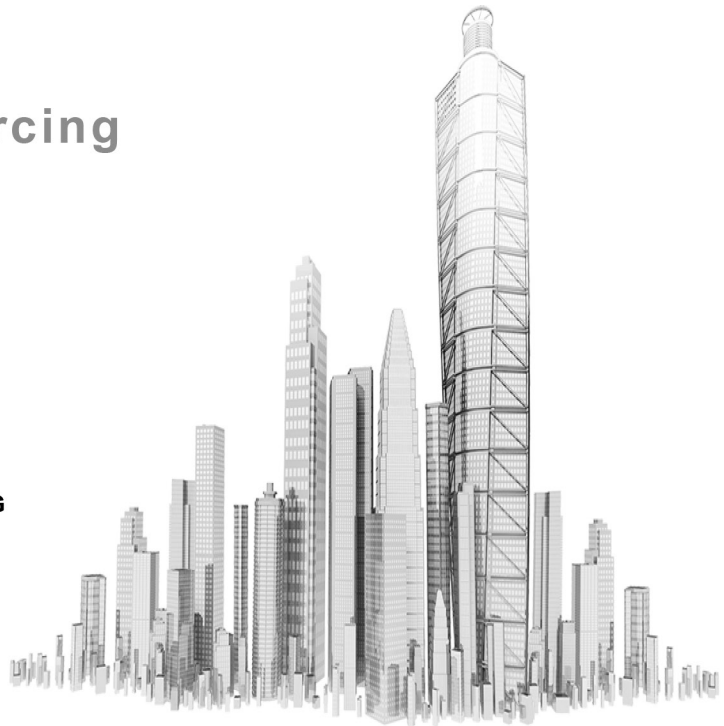
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This study guide for the Specialist in Housing Credit Management (SHCM) certification program covers key concepts in the Low Income Housing Tax Credit program and is a must for every tax credit property manager! **\$25 for members; \$30 for nonmembers.** (Add \$5 shipping per copy.)

Understanding Insurance and Risk Management

This user-friendly publication is an informative yet easy-to-read primer for front-line property management staff. Includes many practical checklists, sample policies and forms. Every property manager should have a copy! **\$35 for members; \$40 for nonmembers.**



Order at www.nahma.org/store or call Rajni Agarwal at 703.683.8630, ext.115. **Quantity discounts available.**

NAHMA

Scholarship Program Continues Positive Impact in 2019

THE NAHMA EDUCATIONAL FOUNDATION SCHOLARSHIP COMMITTEE will meet in early June to select the 2019 NAHMA scholars from a pool that includes more than 400 applications filed. Again this year, each scholarship awarded will be worth \$2,500. The NAHMA Educational Foundation is committed to making financially impactful awards to the outstanding student/residents that are chosen. The cost of higher education continues to escalate and a \$2,500 scholarship can provide financial relief and peace of mind to a hard working NAHMA scholar as they diligently approach their academic goals. This will be the sixth consecutive year of scholarships being awarded at this amount.

In this, the 13th consecutive year of awarding scholarships, the foundation received applications from 30 different states, the District of Columbia and the Virgin Islands. Sixteen different AHMAs are represented in that total. In 2018, 64 scholarships were awarded for a total of \$160,000, which brings the grand total to just more than \$1,414,000 awarded over the life of the program. NAHMA scholars attend a wide variety of community colleges, universities and trade/technical schools. They represent a very broad range of backgrounds and ages from high school seniors to senior citizens.

“The foundation board and its members are very proud that we have been able to provide \$2,500 to each recipient in recent years. We believe that this amount represents meaningful financial support to the outstanding student/residents that are selected to be NAHMA scholars. One of the goals in 2019 is to surpass last year’s total dollar amount and number of scholarships awarded. With the wonderful and continuing support of our donors and sponsors, this is a realistic goal which seems attainable. We are indeed grateful to everyone that provides the financial support needed for this program to help so many worthy student/residents,” NAHMA Educational Foundation Chairperson Alice Fletcher said during a recent board meeting.

The 2019 class of NAHMA scholars will be announced in late June. The complete list of recipients will be presented in an upcoming edition of the *NAHMA News*. Watch this space for the list of outstanding students from various multifamily communities, management companies and AHMAs across the country! NN

REGULATORY WRAP-UP

HUD NEWS

IN APRIL, THE DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT (HUD) RELEASED A REQUEST FOR INFORMATION regarding HUD policy in Opportunity Zones. HUD sought input and recommendations from the public regarding potential agency actions. Comments were due to NAHMA by June 7. The 2017 tax reform legislation created new tax incentives for investments made in Opportunity Zones to spur economic development and job creation by encouraging long-term investment in low-income communities nationwide. About 27% of residents of HUD-assisted housing live within Opportunity Zones, including in 337,000 project-based rental assistance units. To read a NAHMA analysis on how the new tax benefit could impact affordable housing in the qualified investment zones and beyond, visit the Members Only section of nahma.org.

THE OFFICE OF MULTIFAMILY HOUSING PROGRAMS POSTED THE CLARIFI-

CATION TO HOUSING NOTICE H 2012-5 GUIDELINES on Addressing Infestations in HUD-Insured and Assisted Multifamily Housing memo on May 8 to provide clarifications to current guidance regarding pest management. The memo is available at https://www.hud.gov/sites/dfiles/Housing/documents/ClarificationofHousingNoticeH2012_05.pdf.

HUD PUBLISHED A FEDERAL REGISTER NOTICE TO UPDATE THE FISCAL YEAR (FY) 2019 FAIR MARKET RENTS (FMRS) FOR 10 AREAS based on new survey data: Boston-Cambridge-Quincy, MA-NH HUD Metropolitan FMR Area (HMFA); Burlington-South Burlington, VT Metropolitan Statistical Area (MSA); Coos County, OR; Curry County, OR; Douglas County, OR; Oakland-Fremont, CA HMFA; Portland-Vancouver-Hillsboro, OR-WA MSA; San Diego-Carlsbad, CA MSA; San Francisco, CA HMFA; and San Jose-Sunnyvale-Santa Clara, CA HUD Metro FMR Area. Further, HUD responded to comments received on the FY 2019 FMRs. The FY 2019 FMRs are amended and are avail-

able on the HUD USER website: <http://www.huduser.gov/portal/datasets/fmr.html>. The FY 2019 Small Area FMRs for the revised metropolitan areas have also been updated and may be found at <https://www.huduser.gov/portal/datasets/fmr/smallarea/index.html>.

HUD PUBLISHED A FEDERAL REGISTER NOTICE ESTABLISHING RENEWAL FUNDING INFLATION FACTORS (RFIFs) to adjust FY 2019 renewal funding for the Housing Choice Voucher (HCV) program of each public housing agency (PHA). The applicable date was April 17. The RFIFs were developed to account for the expected annual change in average Per Unit Cost (PUC) in the voucher program using historical program data, coupled with several economic indices used to capture key components of the economic climate. The notice apportions the expected percent change in national PUC for the HCV program of 4.00% to each PHA based on the change in Fair Market Rents for their operating

continued on page 28

HUD NEWS: SECTION 202 HOUSING FOR THE ELDERLY PROGRAM

The fiscal year 2018 Section 202 Supportive Housing for the Elderly Program Capital Advance Notice of Funding Availability is posted on grants.gov. HUD is providing up to \$50 million in Capital Advance funding for the development and operation of supportive rental housing for very low income persons aged 62 years or older, and project rental subsidies in the form of a Project Rental Assistance Contract to maintain ongoing affordability. This funding, leveraged with other financing sources, will expand affordable hous-

ing opportunities and include supportive services such as transportation, continuing education and/or health that will allow seniors to live independently and to age in place.

These are the first funds for construction of new elderly housing under the Section 202 program since 2010. Applications are due Aug. 28. For more information, visit <https://www.hud.gov/sites/dfiles/SPM/documents/FY2018-Section202-NOFA.pdf>.

HUD NEWS

area to produce FY 2019 RFIFs. HUD's FY 2019 methodology is the same as that used in FY 2018. To view the HUD Notice, 2019 RFIF table based on geographic area, and 2019 data, visit <https://www.huduser.gov/portal/datasets/rfif/rfif.html>.

THE FY 2019 APPROPRIATIONS ACT ESTABLISHED ALLOCATION METHODOLOGY FOR CALCULATING HOUSING ASSISTANCE PAYMENT (HAP) RENEWAL FUNDS, NEW INCREMENTAL VOUCHERS AND ADMINISTRATIVE FEES. HUD's recent implementation notice provides information on how it calculates renewal funding for each PHA's HCV program, including HAP Renewal Funding, Tenant Protection Vouchers, administrative fees, Mainstream Program, Veterans Affairs Supportive Housing (VASH), Tribal HUD-VASH Renewals, the Family Unification Program and the Mobility Demonstration. HUD's Notice encouraged PHAs to pay particular attention to the set-aside funding provisions listed in Section 5 and Appendix E. Notice PIH 2019-08 is available on the NAHMA website.

HUD PUBLISHED A NOTICE TO WAIVE CERTAIN REQUIREMENTS FOR SMALL PHAS during voluntary conversion to Housing Choice Vouchers. According to Notice PIH 2019-05, conversion to HCVs gave small PHAs—with 250 or fewer Section 9 public housing units—greater flexibility to respond to local needs, allowed them to pursue private financing and provided greater housing choice and mobility to assisted households. In order to convert, PHAs conduct a conversion assessment and provide a timeline identifying PHA actions to convert to HCV assistance.

The conversion assessment consists of a cost analysis, market value analysis, rental market analysis and an impact analysis on the neighborhood. Recognizing that small PHAs typically have reduced staff and limited funding available to conduct a full conversion assessment, HUD is waiving the conversion assessment for small PHAs. This waiver does not affect other voluntary conversion requirements or procedures under the statute, regulations, directives or guidance. Notice PIH 2019-05 is available on the NAHMA website.

THE OFFICE OF MULTIFAMILY HOUSING PROGRAMS PUBLISHED A JOINT HOUSING-PIH NOTICE that provides guidance regarding the federally mandated exclusion of ABLE accounts from the calculation of income and assets. This is required under the Achieving a Better Life Experience Act of 2014 (ABLE Act). Amounts held in ABLE Act accounts are excluded from asset calculations and any distributions from ABLE accounts are excluded from income calculations. To read the notice, visit <https://www.hud.gov/sites/dfiles/OCHCO/documents/2019-06hsgn.pdf>.

HUD RELEASED THE ESTIMATED MEDIAN FAMILY INCOMES (MFIS) AND INCOME LIMITS FOR FY 2019. Income limits are calculated in relation to MFIs for each specified area with adjustments for family size and for areas with unusually high or low family income or housing-cost-to-income relationships. Visit the FY 2019 Income Limits page, <https://www.huduser.gov/portal/datasets/il.html#2019>, on HUD User to access the data and documentation.

IRS NEWS

THE IRS PUBLISHED FINAL REGULATIONS REGARDING UTILITY ALLOWANCE SUBMETERING IN LOW-INCOME HOUSING TAX CREDIT PROPERTIES. The final regulations make permanent current temporary rules that address situations in which a building owner purchases a utility from a utility company and then separately charges renters for the utility. In those situations, if the utility costs paid by a renter are based on actual consumption in the renter's submetered, rent-restricted unit, then the charges are treated as paid by the renter directly to the utility company, even though the payment passes through the building owner. In such a case, the renter's payments to the owner for the utilities are not treated as payments of gross rent. The final regulation took effect in March.

THE IRS PUBLISHED THE 2019 CALENDAR YEAR RESIDENT POPULATION FIGURES, which are used by state and local housing credit agencies that allocate low-income housing tax credits and housing bonds to calculate population-based credit ceilings, volume caps, and volume limits. For calendar year 2019, the amount for calculating the credit ceiling is the greater of \$2,756,250 multiplied by the state population, or \$3,166,875. The amount for calculating the volume cap calendar year 2019 is the greater of \$105 multiplied by the state population, or \$316,745,000. The Calendar Year 2019 population figures are available in the IRS Bulletin, page 908-909. **NN**



A Career Built Of Helping Others

ANGELA FLETCHER GOT HER start in the affordable housing industry because of a little divine intervention. Fletcher was working with Denver's Archdiocesan Housing when the executive director, the late Sister Mary Lucy Downey, approached Fletcher about working at a new senior development.

"She was quite frank with me. She said we're opening a new senior building in an area that was Hispanic and black. We

AHMA throughout my career," Fletcher said. "I will always be a part of Rocky AHMA. It's a great foundation for affordable housing professionals."

During her term as president, Fletcher's goals have been to raise awareness of the association and increase membership. She said Rocky AHMA also wants to build up its training component, and



Another example Fletcher provides is from DHA's Resident Services Division—a single mother going through a program to improve her credit and get a job. Then watching the mother putting money away in escrow until she has increased her credit to buy a new home

for her and her children.

"I'm proud DHA can provide this type of programming," she said.

When she is not working, Fletcher enjoys spending time with her family and travelling. **NN**

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

"In life, people see things in people. She must have seen something in me," Fletcher said of Downey. "Like her, I supervise a lot of people and try to mold them when I see something in them."

didn't have anyone on staff that was black or Hispanic," Fletcher said. "I'm black and Hispanic, so she asked if I wanted to give it a try. I was just out of school. I didn't want to be working with old people, I was 23 years old. The age difference concerned me, but I never looked back."

It's been 30 years since that fateful conversation. She spent 18 years with the Archdiocesan Housing, as well as two years with Hope Communities. Now, Fletcher is the director of Housing Management for the Denver Housing Authority (DHA), a post she was promoted to in April 2017. Prior to that she served as the agency's deputy director for seven years.

"In life, people see things in people. She must have seen something in me," Fletcher said of Downey. "Like her, I supervise a lot of people and try to mold them when I see something in them."

Besides her career at the housing authority, Fletcher is in her final year as president of Rocky AHMA.

"I've been involved with Rocky

staff has already increased the number of webinars it offers as an affordable alternative for members who cannot travel.

Fletcher is also a member of the Institute of Real Estate Management and the Apartment Association of Metro Denver. Over the course of her career, she has earned several certifications, including Public Housing Manager, Accredited Residential Manager, Housing Development Finance Professional and Certified Property Manager.

"The affordable housing industry is just ingrained in me and always will be," she said.

For Fletcher, it's the mission of helping people that keeps her motivated day in and day out.

"I have a passion for helping people, not just residents, but staff, too," Fletcher said. "I see the Miss Smiths of the world. I go to a property and see Miss Smith, and she has tears in her eyes. I ask her why. She says it's because this is the nicest apartment she has ever lived in and she is in her 80s."

Welcome New Members

NAHMA welcomes the following new members as of May 8, 2019.

ASSOCIATE

Jeffrey Rotter, RRG Management, Jenkintown, PA

Carrie Sapp, Royal American Management, Panama City, FL

Carolina Yong, Blue Horizon Management Company, Charlotte, NC

EXECUTIVE

Jennifer Hayward, Pennrose, Philadelphia, PA

JULY

9 Registration Deadline for NELLIS

Virtual Learning Series
NAHMA
703-683-8630, ext. 114
<https://www.nahma.org/>

Intermediate LIHTC Compliance

Glen Allen, VA
Mid-Atlantic AHMA
804-673-4128
<https://mid-atlantichama.org/>

10 VAWA

Webinar
AHMA of Washington
360-561-3480
www.ahma-wa.org

Membership Meeting

AHMA-PSW
866-698-2462
www.ahma-psw.org

Two Workshops Wednesday for Front-Line Staff

La Grande, OR
Oregon AHMA
503-357-7140
www.oregonaffordablehousingmanagement.com

11 Hoarding & Housing: Setting Up for Success

La Grande, OR
Oregon AHMA
503-357-7140
www.oregonaffordablehousingmanagement.com

16 REAC

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

17 Free Rural Development Workshop (Part II)

Salem, OR
Oregon AHMA
503-357-7140
www.oregonaffordablehousingmanagement.com

18 Kids Day

Canobie Lake Park
NEAHMA
781-380-4344
www.neahma.org

19 Property Managers as Asset Managers

Oakland, CA
AHMA-NCH
510-452-2462
<https://ahma-nch.org/>

24 9th Annual Nevada AHMA- PSW Conference & Expo

Las Vegas, NV
AHMA-PSW
866-698-2462
www.ahma-psw.org

31 Managing a Wait List

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

AUGUST

12 Interviewing Applicants for Move In

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

14 Aging Rainbow: Addressing the Unique Aging Need for the Lesbian, Gay, Bisexual and Transgender (LGBT) Older Resident

Webinar
AHMA-NCH
510-452-2462
<https://ahma-nch.org/>

15 Interim Recertification Processing

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

Special Claims

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

20 Advanced LIHTC Compliance

Glen Allen, VA
Mid-Atlantic AHMA
804-673-4128
<https://mid-atlantichama.org/>

22 Half-Day File Management & Documentation

Glen Allen, VA
Mid-Atlantic AHMA
804-673-4128
<https://mid-atlantichama.org/>

Half-Day Interviewing Skills for Property Managers

Glen Allen, VA
Mid-Atlantic AHMA
804-673-4128
<https://mid-atlantichama.org/>

Two Workshops Thursday for Front-Line Staff

Grants Pass, OR
Oregon AHMA
503-357-7140
www.oregonaffordablehousingmanagement.com

23 Hoarding & Housing: Setting Up for Success

Grants Pass, OR
Oregon AHMA
503-357-7140
www.oregonaffordablehousingmanagement.com

27-29 Conquering LIHTC Compliance

Salem, OR
Oregon AHMA
503-357-7140
www.oregonaffordablehousingmanagement.com

29 Seniors, Yes, They Can Be Bullies, Too

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

SEPTEMBER

9 AHMA-NCH Annual Conference 2019

Oakland, CA
AHMA-NCH
510-452-2462
<https://ahma-nch.org/>

1-Day CPO Training at the Annual Conference

Oakland, CA
AHMA-NCH
510-452-2462
<https://ahma-nch.org/>

10 Principles of Successful Site Management

Glen Allen, VA
Mid-Atlantic AHMA
804-673-4128
<https://mid-atlantichama.org/>

Mastering Difficult Conversations with Clients & Colleagues: Talking About What Matters

La Grande, OR
Oregon AHMA
503-357-7140
www.oregonaffordablehousingmanagement.com

10-11 Tax Credit Training and SHCM Exam

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

12 Basic Occupancy

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

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/>.

12
Basic LIHTC Compliance
Glen Allen, VA
Mid-Atlantic AHMA
804-673-4128
<https://mid-atlantichma.org/>

13
Mastering Difficult Conversations with Clients & Colleagues: Talking About What Matters
Grants Pass, OR
Oregon AHMA
503-357-7140
www.oregonaffordablehousingmanagement.com

17
Connecticut Quarterly Meeting
Connecticut
NEAHMA
781-380-4344
www.neahma.org

18
Preventative Maintenance
Webinar
AHMA of Washington
360-561-3480
www.ahma-wa.org

Income & Assets Verification & Calculation
Glen Allen, VA
Mid-Atlantic AHMA
804-673-4128
<https://mid-atlantichma.org/>

Massachusetts Quarterly Meeting
Massachusetts
NEAHMA
781-380-4344
www.neahma.org

Preventative Maintenance
Garden Grove, CA
AHMA-PSW
866-698-2462
www.ahma-psw.org

EIV for Beginners
Massachusetts
NEAHMA
781-380-4344
www.neahma.org

18
Basic LIHTC Compliance Manual Training
Salem, OR
Oregon AHMA
503-357-7140
www.oregonaffordablehousingmanagement.com

Interviewing the Applications for Move-In
Webinar
AHMA-NCH
510-452-2462
<https://ahma-nch.org/>

19
Rhode Island Quarterly Meeting
Rhode Island
NEAHMA
781-380-4344
www.neahma.org

24
FHC
Long Beach, CA
AHMA-PSW
866-698-2462
www.ahma-psw.org

Half-Day Fair Housing
Glen Allen, VA
Mid-Atlantic AHMA
804-673-4128

Half-Day Preparing for Physical Inspections
Glen Allen, VA
Mid-Atlantic AHMA
804-673-4128

24-25
Layered Funding 2.0
Salem, OR
Oregon AHMA
503-357-7140
www.oregonaffordablehousingmanagement.com

25
Advanced Legal Seminar-Western Washington Issues
Seattle, WA
AHMA of Washington
360-561-3480
www.ahma-wa.org

25
Medical Deductions
Webinar
AHMA-NCH
510-452-2462
<https://ahma-nch.org/>

25-26
SHCM
Orange, CA
AHMA-PSW
866-698-2462
www.ahma-psw.org

26
Advanced Legal Seminar-Eastern Washington Issues
Spokane, WA
AHMA of Washington
360-561-3480
www.ahma-wa.org

OCTOBER

9
Membership Meeting
AHMA-PSW
866-698-2462
www.ahma-psw.org

10
Communicating Effectively: I Can't Hear You, There's a Banana in My Ear
Los Angeles, CA
AHMA-PSW
866-698-2462
www.ahma-psw.org

10-11
PAHMA Fall Conference
Champion, PA
PAHMA
412-445-8357
www.pahma.org

15-16
Layered Funding 2.0
Grants Pass, OR
Oregon AHMA
503-357-7140
www.oregonaffordablehousingmanagement.com

16
Adult Bullying
Webinar
AHMA of Washington
360-561-3480
www.ahma-wa.org

16-18
CPO
Long Beach, CA
AHMA-PSW
866-698-2462
www.ahma-psw.org

17-18
Layered Funding 2.0
La Grande, OR
Oregon AHMA
503-357-7140
www.oregonaffordablehousingmanagement.com

18
Mastering Difficult Conversations with Clients & Colleagues: Talking About What Matters
Salem, OR
Oregon AHMA
503-357-7140
www.oregonaffordablehousingmanagement.com

22-23
Annual Conference & Trade Show
Massachusetts
NEAHMA
781-380-4344
www.neahma.org

23
Cultivating Empathy in Affordable Housing Communities for Residents Living With Mental Health Conditions
Webinar
AHMA-NCH
510-452-2462
<https://ahma-nch.org/>

27-29
NAHMA Biannual Top Issues in Affordable Housing Fall Conference
Washington, D.C.
NAHMA
703-683-8630
<https://www.nahma.org/meetings/>

29
Earthquake Preparedness
Los Angeles, CA
AHMA-PSW
866-698-2462
www.ahma-psw.org

PROTECTING THE INTERESTS OF AFFORDABLE HOUSING PROPERTY MANAGERS AND OWNERS

the last word

Creating the NAHMA You Want



RECENTLY, NAHMA SENT MEMBERS a couple of surveys. The first was to gauge interest in potential new programs. The second was to assist the NAHMA Next Gen Emerging Leaders Task Force gain data on the benefits/value of membership. Both surveys provided extremely valuable information on what NAHMA members feel is important, but also provided insight into areas where we can do better.

First, let me say thank you to all of the members who took the time to fill out the surveys. We know your time is valuable and we appreciate your commitment to making NAHMA the best association it can be. We have taken your responses to heart and as a result, we have some projects in the pipeline aimed at improving your NAHMA experience.

In May, NAHMA announced a new fully virtual program that combines small group learning with one-to-one coaching called NAHMA Emerging Leaders Learning Series (NELLS), which will begin in August.

The NELLS program is intended to help affordable housing property managers realize their leadership potential while devel-

oping the skills necessary for success in an ever-changing business environment. The program is limited to a maximum of 15 participants and the deadline to register through the NAHMA Online Store at nahma.org is July 9.

The series will be delivered using three group sessions and two one-to-one coaching sessions, all of which will be conducted using Zoom video conferencing software. To learn more about this program, see page 22.

Another benefit we rolled out is a special partnership with Buyers Access—a multifamily housing industry purchasing group—that creates a NAHMA-AHMA Member Benefit Program. The program, in a nutshell, will provide purchasing discounts to members. Buyer Access, in turn, will contribute support to NAHMA and the AHMAs, which can then be used by the associations' to further their training and education missions.

Finally, NAHMA staff is in the process of researching several new technology-based projects as a result of the feedback we received from the two surveys.

First of all, the NAHMA website's responsiveness to the electric device being used has been restored. So, now you can access the site from your smartphone, tablet, laptop or computer and no matter the size of the screen, the webpage should resize itself automatically to make viewing easier.

For 2020 budget consideration, staff is working with the website designer to create a discussion board that will feature Ask Fellow NAHMA Members a Question and Hot Topics threads, which will allow members to interact, exchange ideas and ask questions in a secure environment.

Finally, NAHMA staff is also working with the website designer on creating a mobile app that would put shortcuts to the top functions/pages of the website at your fingertips.

Thank you for your continued support of NAHMA and the numerous initiatives we are working on to advance the industry and ultimately improve the quality of life for the families we serve. **NN**

Timothy Zaleski, SHCM, NAHP-e, is president McCormack Baron Management Inc. and president of NAHMA.