NATIONAL AFFORDABLE HOUSING MANAGEMENT ASSOCIATION

NAHMANews

July August 2020

PROTECTING THE INTERESTS OF AFFORDABLE HOUSING PROPERTY MANAGERS AND OWNERS

IN THIS ISSUE

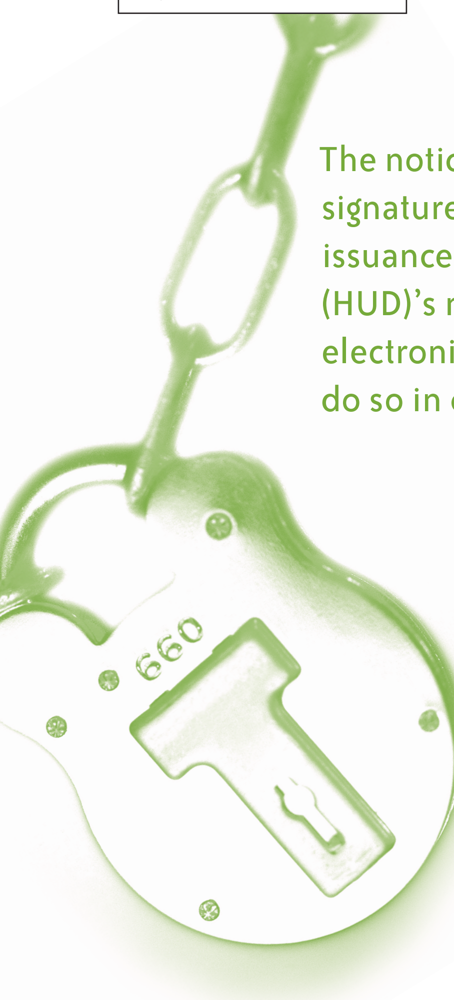
COMMUNITIES OF QUALITY®

HUD Releases E-Signature Guidance

The Office of Multifamily Housing published Housing Notice 2020-04 on HUDCLIPS, “Electronic Signature, Transmission, and Storage—Guidance for Multifamily Assisted Housing Industry Partners” in late June. The notice provides guidance on acceptable procedures for use of electronic signatures and the transmission and storage of documents and files. With the issuance of the notice, the Department of Housing and Urban Development (HUD)’s multifamily industry partners are permitted, but not required, to use electronic signatures and electronic file transmission and retention, and must do so in compliance with federal, state and local laws. HUD has received numerous COVID-19-related inquiries from owners and agents asking about signatures, in-person meetings and income verifications and the notice is intended to address many of those questions.

The notice defines an electronic signature as “an electronic sound, symbol or process, attached to or logically associated with a contract or other record and executed or adopted by a person with the intent to sign the record. In a paper environment, a common form of signature is one’s handwritten name. In an electronic environment, commonly used forms of signature include typed names, digitized images of one’s handwritten name, Personal Identification Numbers (PIN), clicking an ‘I Agree’ button on a website, or a digital signature.”

The notice provides guidance on acceptable procedures for use of electronic signatures and the transmission and storage of documents and files. With the issuance of the notice, the Department of Housing and Urban Development (HUD)’s multifamily industry partners are permitted, but not required, to use electronic signatures and electronic file transmission and retention, and must do so in compliance with federal, state and local laws.



Owners and management agents (O/A) adopting the terms of the notice must provide applicants and residents the option to utilize so-called wet (i.e. original) signatures and paper documents upon request. According to the notice, “When feasible industry partners, applicants and tenants should have the option of pro-

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

BY KRIS COOK, CAE

NAHMA Goes Virtual

DUE TO THE COVID-19 PANDEMIC, the NAHMA Board of Directors has decided to cancel the in-person October meeting. Instead, NAHMA staff is working with board members, the leadership of NAHMA's committees and other stakeholders to create a virtual meeting, which will take place afternoons over the course of Oct. 26-30. Additionally, the NAHMA Educational Foundation is planning a virtual fundraiser for Oct. 26 in place of its annual gala, which benefits the scholarship program.

While we can't get together this year in person, and the meeting format will not be what we have grown accustom to, NAHMA is working hard to create an informative virtual meeting complete with key committee meetings, as well as industry and government panels. We are also planning sessions focused on navigating pandemic-related topics including employer liability, best practices and lessons learned, new trends in property management, and a diversity, equity and inclusion workshop. We are also working on ways to thank and recognize our meeting sponsors.

We will announce details for both the NAHMA meeting and the Educational Foundation fundraiser as they become available through emails, social media and our website.

STAYING ENGAGED

Now that we have reached the halfway mark for 2020, it is a good time to make sure you are taking full advantage of your NAHMA membership—even during the pandemic.

The biggest benefit to NAHMA membership is the opportunity to take a direct role in shaping national public policy for the affordable housing industry.

Being a NAHMA member provides you a chance to have your voice heard through the association's grassroots advocacy. While NAHMA staff advocates on Capitol Hill, members are encouraged to advocate on the homefront by posting to social media, sending letters or meeting with their elected officials. NAHMA can provide you with assistance in terms of data and talking points.

NAHMA members also have an important career advantage through the association's education and designation programs, which are dedicated solely to recognizing and promoting achievement of the highest possible professional standards in affordable housing management. A recognized source for quality educational programs, NAHMA offers nine credentials to enhance your career, including the award-winning SHCM certification program.

Members have access to industry insider information through NAHMA communications such as *NAHMANews*, *NAHMAnalysis* and the *Washington Insider*. For those with NAHMA credentials, you can add *NAHP Update* and *SHCM Newsbriefs* to the list. All members receive regular press releases and industry updates conveniently delivered directly to their inboxes.

Finally with your membership, you have networking opportunities through the association's two annual meetings, the Educational Foundation gala and participation on any of NAHMA's committees.

You also receive the yearly Membership Directory, so you can reach out to colleagues you may have missed at one of the meetings.

Do you know someone who could benefit from membership? Let us know. **NN**

Kris Cook, CAE, is executive director of NAHMA.

viding signatures and documents in wet or paper form. This notice does not change the nature or use of required documents as all such guidance remains the same. For example, an O/A may accept a tenant's notarized statement or signed affidavit regarding the veracity of information submitted, if the information cannot be verified by another acceptable verification method. However, the document may be submitted in paper form or signed and/or transmitted to the O/A electronically." Except for regulatory requirements, references to original signatures, original documents, the transmission or submission of documents, and file maintenance in established HUD-assisted housing guidance may be interpreted and implemented through electronic means, according to the notice. In the case of wet signatures, the acceptable electronic equivalent must meet the criteria outlined in Section V of the notice. Section VIII provides the regulatory requirements for wet signatures and the use of paper documents. These requirements supersede the guidance in this program notice and must be followed.

APPLICABILITY

The notice applies to assisted multifamily housing programs and pertains to all applicants, assisted renters, and industry partners working with:

- Project-Based Section 8 programs under the United States Housing Act of 1937 (42 U.S.C. 1437) as follows:
  - New Construction;
  - State Agency Financed;
  - Substantial Rehabilitation;
  - Supportive Housing for the Elderly with Project-Based Section 8 Section 202/8;
  - Rural Housing Service (RHS) Section 515/8;
  - Loan Management Set-Aside (LMSA);
  - Property Disposition Set-Aside (PDSA); and
  - Rental Assistance Demonstration Project-Based Rental Assistance (RAD/PBRA).
- Other programs:
  - Section 202 Senior Preservation Rental Assistance Contracts (SPRAC);
  - Section 202/162 Project Assistance Contract (PAC);
  - Section 202 Project Rental Assistance Contract (PRAC);
  - Section 811 PRAC;
  - Rent Supplement;
  - Section 236 (including RAP); and
  - Section 221(d)(3)/(d)(5) Below-Market Interest Rate (BMIR).

The notice does not apply to unassisted properties with a Section 221(d)(4) mortgage, the HOME program, or to Public and Indian Housing (PIH) programs.

The notice pertains to all HUD forms and O/A created documents related to the Office of Asset Management and Portfolio Oversight (OAMPO)'s asset management, Section 8 contract renewal and occupancy policies. Any such forms and documents that comply with HUD guidelines may be signed, transmitted and stored electronically.

Types of forms and documents other than official HUD forms include, but are not limited to, the following: Documents transmitted among O/A, HUD, contract administrators and other service providers; Documents submitted by and provided to applicants or renters; Documents submitted to and from third-party verifiers to O/A; and Documents used for other HUD Multifamily Housing business purposes.

While not required by HUD, some state and local laws or entities may require the use of wet signatures on some forms. O/A are urged to consult with their legal counsel and obtain necessary information about state and local requirements for these types of documents.

THE PROCESS

According to the notice, in electronic transactions merely applying a person's name, a digital signature, or any other sound, symbol or process to an electronic record does not necessarily qualify it as a legally binding signature. For an electronic form of signature to be legally effective as an electronic signature, it must be executed or adopted by the signer with an intent to sign. The existence of intent to sign is determined by what a signer would have reasonably believed under the circumstances when the electronic form of signature was applied, assuming that he or she was not being coerced. The notice said designing a signature process that establishes the intent to sign can be done through a variety of methods that provide a clear and conspicuous indication that a signature is being created and that it will be legally binding. It is important that the record, and/or process by which a person applies an electronic signature be designed to indicate how the signer can indicate the intent to sign the record.

The signature will usually be unenforceable unless there is proof that the alleged signer did sign. If it is ever necessary to prove the validity of an electronic signature in court, it will be necessary to prove who signed it. Meeting the burden of proof requires establishing a link between an identified person and the signature.

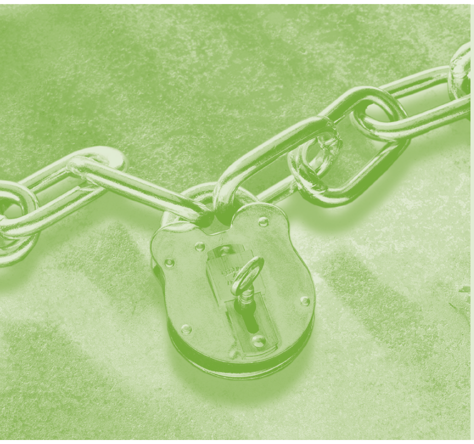
The e-transaction laws do not require the use of any method to identify or authenticate a party as long as the method satisfies the requirement that it be as reliable.

"The usability, admissibility and provability of a signed electronic record requires that procedures be undertaken to ensure the continuing integrity of both the electronic record and its electronic signature, following completion of the signing process. It is a matter of providing appropriate data security for both the record and the signature. Data integrity is concerned with the accuracy and completeness of electronic informa-

To read the notice in its entity, visit https://www.nahma.org/wp-content/uploads/2020/05/Electronic-Signature-Transmission-and-Storage-Guidance-for-Multifamily.pdf.

tion communicated over the Internet or stored in an electronic system. Data integrity ensures that no unauthorized alterations are made to such information either intentionally or accidentally. Ensuring integrity requires guarding against information modification or destruction for the full retention period of the record. Industry partners utilizing e-signatures must ensure that documents signed electronically cannot be altered. If changes to the document are made, the electronic process must be designed to provide an 'audit trail,' showing all alterations, the date and time they were made, and the identity of the person who made them," reads the notice.

For these digital signatures to be considered a legal form of electronic signature, the computer software system or application used must conform to the National Institute of Standards and Technology Federal Information Processing Standards Digital Signature Standard 186-4 and other federal government digital signature regulations and guidance. According to the notice, compliant software programs will contain a security feature that ensures that the digital signature is unique, protected and that only the "owner" of the signature maintains control of its use.



For these digital signatures to be considered a legal form of electronic signature, the computer software system or application used must conform to the National Institute of Standards and Technology Federal Information Processing Standards Digital Signature Standard 186-4 and other federal government digital signature regulations and guidance.

The notice permits electronic transmission of HUD-approved or required documents when local, state or federal law permits. O/A should contact their local HUD field office or contact administrators to determine each agency's submission options and/or transmission preferences.

If an O/A decides to provide documents electronically, the O/A should inform applicants or residents of their option to receive such documents in paper form. Applicants and residents may also decide to communicate electronically with the O/A. They may complete most documents online or by hand and then transmit and/or scan and email them electronically to an O/A. Applicants and residents may also submit information and documents using other methods, such as online systems, tablets or smartphone apps, email or other electronic media. O/A may designate specific methods as acceptable for electronic transmission. However, applicants and residents must have the opportunity to provide information and documents in paper copy, if they so choose.

If required notices, forms and brochures are distributed electronically, HUD recommends that O/A request an electronic acknowledgment of receipt. When HUD does not specifically require the applicant or resident acknowledgment of receipt, O/A should maintain records showing that they provided applicants or residents with the electronic file or the electronic address used to access the document.

STORAGE & ACCESS

HUD forms and O/A-created forms or documents used for the management of the property may be stored electronically when state and local laws permit. If industry partners want to utilize e-storage policies, they may do the following:

- Maintain paper files, electronic files, or a combination of both; and
- Convert paper files to electronic format.

O/A must ensure they maintain documents in appropriate formats. When information is stored electronically, data must be encrypted using a National Institute of Standards and Technology compliant encryption solution.

Access to electronic information must comply with the same HUD program requirements that apply to paper files. Industry partners must ensure the security of important electronic records and documents. Access to e-storage systems must be restricted to certain users based on specific HUD program guidance.

Data and information stored electronically must be maintained and used in ways that ensure the security, protection and confidentiality of any information as required by federal, state or local law. Data security management is a way to maintain the integrity of electronic data and to make sure that the electronic data are not accessible by unauthorized parties or susceptible to corruption. **NN**

BY LARRY KEYS JR.

Washington Summer Update: Housing Trends and Legislation

At the time of writing this article in mid-July, COVID-19 cases were rising in many states. This update will cover a few of the trends in rental housing and the new issues that were emerging for both Congress and the Trump administration to handle in the short term. In addition, there is an update on recently introduced housing-related legislation that NAHMA is supporting for the rest of 2020.

RENTAL HOUSING TRENDS

In regards to trends, the national unemployment rate is still in double digits. Job losses are impacting numerous industries, across many regions. Even for those that haven't lost their job, countless households have lost a considerable portion of their income. It has been widely reported in the media that many renters fear losing their housing or a looming evictions crisis. A LendingTree analysis of the U.S. Census Bureau's Pulse Survey, which is tracking households impacted by the pandemic, finds that about, "31% of all renters have little to no confidence they will be able to pay next month's rent on time due to the COVID-19 pandemic."

Also, an analysis of this same data by Harvard's Joint Center for Housing Studies found that "Black and Hispanic households have been more likely to lose income and experience difficulty making rent or mortgage payments …. Almost two in every three Hispanic renters lost employment income (64%), followed by Black (57%), Asian/other (51%), and white (47%) renters …. More than half of Hispanic (58%) and Black (53%) households experienced a decline in employment income since mid-March, much higher than the share of Asian/other ethnicity (44%) and white (39%) households."

Since the early days of this pandemic, unemployment benefits have provided some relief to households. However, there was disagreement between Congress and the administration on whether these benefits should be extended past their expiration at the end of July. In addition to extending unemployment benefits, NAHMA continues to advocate for additional rental assistance for households adversely impacted.

AFFORDABLE HOUSING LEGISLATION

Besides pandemic-related relief, NAHMA has remained focused on advocating for long-term investments and solutions for the affordable housing industry. Recently, NAHMA joined industry colleagues to support the Emergency Housing Assistance for Older Adults Act of 2020. This legislation would provide $1.2 billion to the Section 202 Supportive Housing for the Elderly and Section 8 Project-Based Rental Assistance programs, including $845 million for obtaining personal protective equipment (PPE), cleaning and disinfecting properties, hiring additional staff, and providing rental assistance. The bill also includes $50 million to install Wi-Fi services in senior housing communities; $7 million to extend the Integrated Wellness in Supportive Housing, or IWISH, program for one year; and $300 million to expand service coordination.

NAHMA is also strongly supporting the $1.5 trillion infrastructure legislation, the Moving Forward Act (H.R.2). This House proposal includes investment for our nation's highways, bridges, transit, rail, airports, ports/harbors; schools and child care; local financing and community development; housing; broadband; drinking water and wastewater; clean energy; health care; U.S. Postal Service; and environment/public lands.

For affordable housing, H.R.2 would strengthen and expand the Low-income Housing Tax Credit (Housing Credit) by enacting numerous provisions including but not limited to: establishing a permanent minimum 4% Housing Credit rate; expanding states' Housing Credit allocations; reducing the "50% test" for bond-financing to 25%; and enacting basis boosts for properties serving extremely low-income households, those in rural communities and Indian lands, and bond-financed properties. The proposal would also increase the private activity bond cap ceiling, allowing states to issue more multifamily Housing Bonds; provide $100 billion for a number of affordable housing programs; expand and make permanent the New Markets Tax Credit; and establish a new tax credit through the Neighborhood Homes Investment Act, to encourage the rehabilitation of vacant homes or construction of new homes in distressed areas.

Finally, NAHMA is advocating for the Emergency Affordable Housing Act, which would seek to preserve and expand affordable housing amidst the COVID-19 pandemic and economic crisis. The bill includes several Low Income Housing Tax Credit priorities, and several new proposals including a permanent 4% Housing Credit rate, an increase in Housing Credit allocation, a lowering of the "50% test" for bond-financing, and a correction to Qualified Contracts. **NN**

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

IRS Issues Housing Credit Guidance in Response to COVID-19 Crisis

THE INTERNAL REVENUE SERVICE (IRS) has released guidance, effective [July1], that provides regulatory relief for the Housing Credit, which will address many of the obstacles to building and preserving affordable housing that have arisen as a result of the COVID-19 crisis, at a time when affordable housing is needed more than ever.

The COVID-19 crisis has caused numerous disruptions to affordable housing development and operations, putting at risk the affordable homes which will be a foundation for our nation's recovery. The new IRS guidance covers many of the regulatory accommodations requested by the National Council of State Housing Agencies (NCSHA) and supported by AHTCC [the Affordable Housing Tax Credit Coalition] and our partners, and will provide needed deadline extensions, including 10% test and rehabilitation expenditure deadlines, compliance and review moratoriums, and other flexibilities needed in order to take into account other challenges that have emerged, like social distancing policies.

> The COVID-19 crisis has caused numerous disruptions to affordable housing development and operations, putting at risk the affordable homes which will be a foundation for our nation's recovery.

[On July 1] the IRS also proposed regulations, effective [July 1], to relax previous compliance monitoring regulations that were due to be implemented in 2021. The previous regulations would have increased the number of units state agencies need to monitor, creating additional burden and negatively impacting the provision of affordable housing.

Some accommodations were previously provided due to the Major Disaster Declarations in each state, including a six-month extension of the 10% test deadline and a 12-month extension of the placed in service deadline, both at the discretion of Housing Credit agencies, as well as through IRS Notice 2020-23, which extended certain program deadlines until July 15, 2020.

"Prior to the COVID-19 crisis, nearly 11 million renter households were spending more than half of their income on rent, and now millions more are facing economic hardship, compounding the need for affordable housing," said AHTCC Executive Director Emily Cadik. "These flexibilities will allow us to keep developments moving forward more efficiently so the Housing Credit can continue to provide homes to those in need."

"We thank the IRS for recognizing the immediate need for greater flexibility on behalf of providers of affordable housing and the low-income families we serve," said Michael Gaber, president of the AHTCC Board of Directors and executive vice president of WNC Inc. "These are common-sense measures that will have a significant impact as we work to provide homes across the country."

SUMMARY OF THE IRS HOUSING CREDIT GUIDANCE

Many of the regulatory accommodations requested by NCSHA, the AHTCC and our partners included 12-month extensions of deadlines and, while the IRS did not provide extensions of a full 12 months, it did provide eight-month extensions from April 1, 2020, through Dec. 31, 2020, including for the:

- 10% test deadline for carryover allocations,
- Minimum rehabilitation expenditure deadline,
- Deadline for property restoration for a property that suffers a casualty loss,
- Rehabilitation period allowed under IRS Revenue Procedures 2014-49 and 2014-50 until Dec. 31, 2020, for properties impacted by a Major Disaster that has suffered a casualty loss that would have reduced its qualified basis, and
- Last day of a 12-month transition period for a qualified residential rental project.

The guidance also includes:

- Moratoriums on compliance-monitoring reviews and tenant income recertifications from April 1, 2020, through Dec. 31, 2020,
- Clarification that, if an amenity or common area is temporarily unavail-

able or closed during some or all of the period from April 1, 2020, to Dec. 31, 2020, in response to the COVID-19 pandemic, it will not result in a reduction of the eligible basis of the building, and

- A provision allowing for the emergency housing of medical personnel and other essential workers.

There were also two items requested by the Housing Credit community, but not included in the guidance:

- A 12-month extension of the placed in service deadline as required in IRC Section 42(h)(1)(E)(i)
- A 12-month extension for all open noncompliance corrective action periods

ADVOCATING FOR THE IRS GUIDANCE

The AHTCC urged the administration and lead congressional offices to weigh in with the Treasury Department to issue this guidance, and also joined 220 other organizations in sending a letter to Treasury and IRS in support of these accommodations.

We thank the members of Congress who weighed in to move this guidance forward, including Sen. Maria Cantwell (D-WA), who just yesterday raised the urgency of this guidance in a hearing on the IRS response to the COVID-19 crisis; House Ways and Means Committee Chairman Richard Neal (D-MA) and Rep. Suzan DelBene (D-WA), who sent a joint letter to Treasury Secretary Steven Mnuchin; Senate Finance Committee Ranking Member Ron Wyden (D-OR), who included these flexibilities in his list of affordable housing priorities for the COVID-19 response; Sen. Michael Bennet (D-CO), who also sent a letter to Secretary Mnuchin; and Senate Minority Leader Chuck Schumer (D-NY), House Speaker Nancy Pelosi (D-CA), Sen. Todd Young (R-IN) and Rep. Jackie Walorski (R-IN), who also urged for the adoption of these flexibilities.

The AHTCC continues to advocate for critically-needed legislative proposals and national affordable housing priorities that would address other immediate affordable housing development challenges created by the COVID-19 crisis, including a minimum 4% Housing Credit rate, and provisions that would bolster the country's long-term economic recovery by expanding and strengthening the Housing Credit. **NN**

Founded in 1988, the Affordable Housing Tax Credit Coalition represents nearly 200 housing organizations that advocate to expand and strengthen the Low-Income Housing Tax Credit (Housing Credit).

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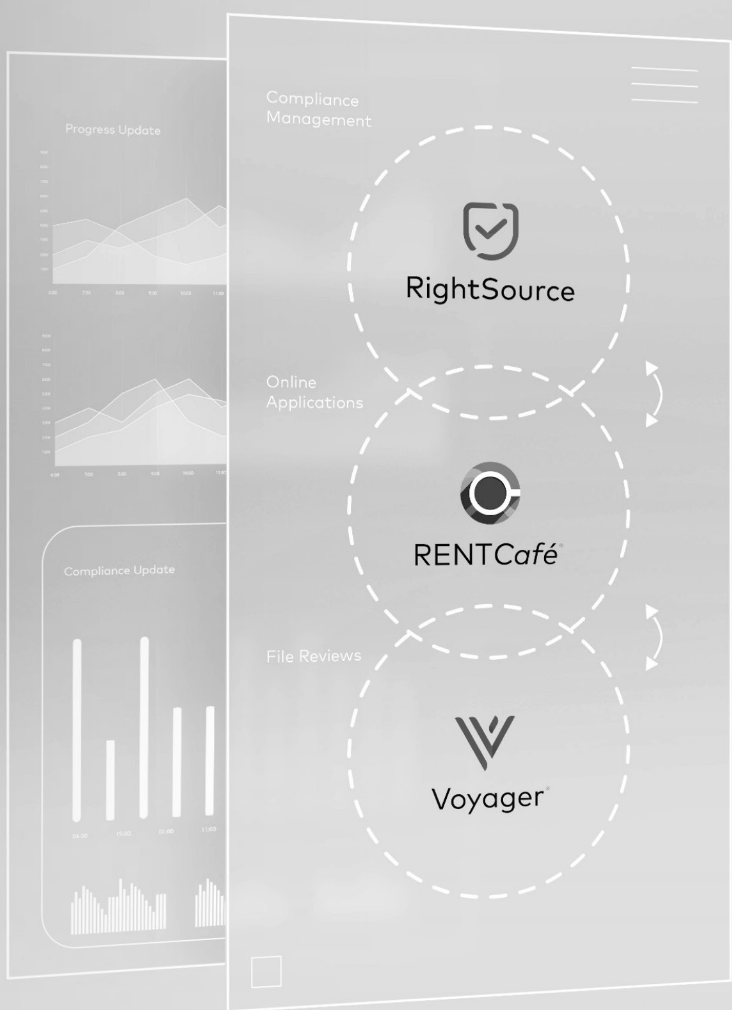

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NAHMA Advocates for Postponement Of Physical Inspections

NAHMA had sent a letter on May 29 to the Department of Housing and Urban Development (HUD)'s Office of Multifamily Housing Programs, Real Estate Assessment Center and Office of Asset Management and Portfolio Oversight requesting the delay in restarting Real Estate Assessment Center (REAC)/ National Standards for the Physical Inspection of Real Estate (NSPIRE) inspections until the end of the calendar year due to challenges created by the COVID-19 pandemic. A similar letter was also sent to the IRS and Department of Treasury, asking for postponement of physical inspections of Housing Credit properties through the end of the calendar year.

In the letter, NAHMA requested that HUD extend its postponement of property inspections during the coronavirus pandemic on all HUD-assisted multifamily housing, including Project-Based Rental Assistance programs, through the end of calendar year 2020, except where there is a threat to health and safety at a property.

According to the letter, since the beginning of the pandemic's outbreak, NAHMA members have been on the frontlines working to provide a safe home for residents to "shelter at home," as well as to provide safe working conditions for property employees, including maintenance staff.

"Many NAHMA members have faced significant numbers of COVID-19 cases at their properties or on their staff, and all have had to suspend normal property management operations due to state and local public health emergency declarations and stay-at-home orders. With the exception of Exigent Health and Safety (EH&S) work orders, most maintenance work has not been addressed over the past few months due to the significant health risks for staff and residents of entering units," stated the letter.

NAHMA argued that even in cases of required emergency maintenance work, its members have reported that residents have expressed concerns in allowing staff into their units.

The letter said, "As the nation reopens, at different rates in different geographic areas, depending on how hard the area was hit by the pandemic, NAHMA members will need time to reopen their headquarters buildings, return to somewhat normal staff operational levels, assess their properties, and provide the necessary maintenance to bring all units up to appropriate standards."

NAHMA suggested in order to provide adequate time for members to reopen, recover, assess and address maintenance needs across the entire portfolio across the country, that HUD continue its postponement of property inspections on all HUD-assisted multifamily housing through the end of calendar year 2020.

At a minimum, if an extension of the physical inspection moratorium through the end of 2020 is not possible, NAHMA said HUD should consider other approaches that might mitigate the potential significant health risks and portfolio-wide negative scoring impacts resulting from operational disruptions caused by the pandemic. NAHMA suggested approaches could include, for the remainder of 2020, or even into early 2021:

- Scheduling physical inspections only for properties that scored 60 or below on their most recent REAC inspection;
- Applying an NSPIRE-demonstration-type approach to all physical inspections, in that properties would be inspected but not receive a specific score, but findings would be documented and work would need to be accomplished to address the findings;
- Phasing in the restart of physical inspections on a geographic basis, determined by how hard the area was hit by coronavirus cases, instead of having one "restart" date applicable at the same time across the country;
- Phasing in the restart of physical inspections on the basis of types of properties, with senior/special needs properties being last on the list of properties being scheduled for inspections.

Additionally, NAHMA strongly urged REAC to waive the drastically shortened physical inspection 14-day notification timeframe for assisted housing properties, as announced February 2019.

At press time, HUD Secretary Carson announced REAC inspections would resume with inspector notices to properties as of Sept. 21. Details are posted to HUD's REAC webpage, at https://www.hud.gov/program_offices/public_indian_housing/reac.

"To ensure the maximum safety of residents, management staff and inspectors, we strongly urge a temporary return to scheduling a physical property inspection in a 30- to 60-day timeframe. HUD should consider the health and safety risks of all parties involved and provide some flexibility given the logistical impacts of the pandemic. For example, many NAHMA members are multi-state companies and travel options will likely not be readily available until well into 2021, according to recent reports from the airlines. Due to these logistical and remaining health and safety concerns, property owners and managers will simply not be able to meet the exact 14-day schedule for property inspections. What was an infeasible and burdensome requirement for both property managers and affordable housing residents before the pandemic will now be beyond tenable," stated the letter.

A similar request was sent to the IRS and Treasury Department, also requesting the postponement of property inspections, and specifically, requested relief from the Feb. 26, 2019, Final Regulations that amended the compliance monitoring regulations concerning the low-income housing credit under Section 42 of the Internal Revenue Code (RIN 1545–BL39).

The recommendations provided in the HUD letter were also suggested to the IRS and Treasury.

Additionally, the letter stated, "To ensure the maximum safety of residents, management staff and inspectors, we strongly urge a temporary return to scheduling a physical property inspection in the 30-day timeframe. [State Housing Finance Agencies] should consider the health and safety risks of all parties involved and provide some flexibility given the logistical impacts of the pandemic." **NN**

OCC Publishes Final CRA Amendments Rule

IN MAY, THE OFFICE OF THE COMPTROLLER OF THE CURRENCY (OCC) published a final rule that amends regulations to the Community Reinvestment Act (CRA). The rule changes how CRA compliance is measured, clarifies what lending and investment activities are eligible for CRA credit, and requires online banks to finance CRA eligible activities in areas with a substantial number of customer deposits. The new regulations will likely impact banks' affordable housing investment activities, including housing credits and housing bonds.

The new rule applies only to those banks supervised by OCC, which oversees all nationally chartered banks. The Federal Deposit Insurance Corporation (FDIC) and the Federal Reserve did not join the final rule. FDIC has stated that it will not move forward with final CRA changes while it and the banks it regulates focus on COVID-related issues. The Federal Reserve has not proposed any changes to its CRA guidance. Three community reinvestment groups have already stated they plan on suing OCC over the final rule for ignoring procedure and not providing opportunity for public feedback.

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On the same day the rule was approved, OCC Comptroller Joseph Otting issued his resignation. Otting, who was first appointed in 2017, left before his five-year term expired, and no announcement has been made as to the reason for his departure. The final rule goes into effect on Oct. 20, but banks will have until 2023 before they are evaluated under the new standards, while other provisions do not go into effect until Jan. 1, 2024.

To read the final rule, visit the OCC website at www.occ.gov.

NAHMA had provided comments on the proposed updated regulation of the CRA (see the May/June *NAHMA News*). Additionally, NAHMA, as a member of the Affordable Housing Tax Credit Coalition (AHTCC), fully supported AHTCC's comments of concern regarding the CRA proposed rule.

As outlined in its comments, NAHMA's primary concerns with the proposed rule, included:

- The elimination of the separate investment test, and the shift to a ratio evaluation approach in which many more types of activities qualify for CRA credit, could make housing credit investments a much less appealing way of meeting CRA obligations relative to other easier options—impacting pricing and production;
- The list of activities that qualify for CRA credit in the community development category is too expansive, encouraging banks to meet obligations with lower-impact investments;
- The baseline metrics lack underpinning data and may not be robust;
- Examining only balance sheets, and not originations, could allow banks to meet targets based on current balance sheet assessment and limit or halt new investment activity; and
- The proposed approach to modernizing assessment areas may not address the issue of concentrations of CRA activity in areas where it is not as needed. **NN**

Congress Looks to Provide Additional Pandemic Relief

On May 27, the House of Representatives passed the Paycheck Protection Program Flexibility Act by 417-1, the Senate approved it by unanimous consent on June 3, and President Donald Trump signed the bill into law days later. In the meantime, the Senate has yet to take up the $3 trillion COVID-19 stimulus package called the Health and Economic Recovery Omnibus Emergency Solutions (HEROES) Act approved by the House in May (see May/June *NAHMA News*).

Additionally, both the House and Senate are moving forward with bills that would extend the eviction moratorium for a full year.

On June 29, the House passed the Emergency Housing Protections and Relief Act of 2020 (H.R.7301). The bill would extend the eviction moratorium currently in place under the CARES Act to March 27, 2021, and would expand it to all renters, regardless if they receive federal assistance.

PAYCHECK PROTECTION PROGRAM FLEXIBILITY ACT

The Paycheck Protection Program Flexibility Act addresses many concerns expressed by the small business community with regards to the Paycheck Protection Program. Congress established the protection program to provide relief to small businesses during the COVID-19 pandemic as part of the $2 trillion CARES Act. The legislation authorized the Department of Treasury to use the Small Business Administration's 7(a) small business lending program to fund loans of up to $10 million per borrower that qualifying businesses could spend to cover payroll, mortgage interest, rent and utilities.

The Paycheck Protection Flexibility Act contained the following changes and provisions to the Paycheck Protection Program:

- Current Paycheck Protection Program borrowers can choose to extend the eight-week period to 24 weeks, or they can keep the original eight-week period. New Paycheck Protection Program borrowers will have a 24-week covered period, but the covered period cannot extend beyond Dec. 31, 2020. This flexibility is designed to make it easier for more borrowers to reach full, or almost full, forgiveness.
- Under the language in the House bill, the payroll expenditure requirement drops to 60% from 75% but is now a cliff, meaning that borrowers must spend at least 60% on payroll or none of the loan will be forgiven. Currently, a borrower is required to reduce the amount eligible for forgiveness if less than 75% of eligible funds are used for payroll costs, but forgiveness isn't eliminated if the 75% threshold isn't met.
- Borrowers can use the 24-week period to restore their workforce levels and wages to the pre-pandemic levels required for full forgiveness. This must be done by Dec. 31, a change from the previous deadline of June 30. However, the congressional intent is that this extension does not pertain to the issuance of Paycheck Protection Program loans after June 30, 2020, and that this date remains firm in accordance with section 1102(b) of the CARES Act. Rep. Chip Roy (R-TX), who co-sponsored the bill in the House, said that the bill intended the sliding scale to remain in effect at 60%. Sens. Marco Rubio (R-FL) and Susan Collins (R-ME) indicated that technical tweaks could be made to the bill to restore the sliding scale.
- The intent of Paycheck Protection Program was to keep the same number of employees on the payroll as was used to calculate the loan, and it required a business to rehire the same number of full-time employees or full-time equivalents by June 30, 2020. The only exception to this rule was if an employer could document in writing an attempt to rehire an employee who rejected this offer. The Paycheck Protection Program Flexibility Act makes two significant changes to these requirements. First, it extends the rehire date to Dec. 31, 2020, and second, it adds additional exceptions for a reduced head count. The law states a business can still receive forgiveness on payroll amounts if it:
  - Is unable to rehire an individual who was an employee of the eligible recipient on or before Feb. 15, 2020;
  - Is able to demonstrate an inability to hire similarly qualified employees on or before Dec. 31, 2020; or
  - Is able to demonstrate an inability to return to the same level of business activity as such business was operating at prior to Feb. 15, 2020.
- New borrowers now have five years to repay the loan instead of two. Existing Paycheck Protection Program loans can be extended up to five years if the lender and borrower agree, but the interest rate remains at 1%.
- Businesses that took a Paycheck Protection Program loan may choose to delay payment of their payroll taxes, which was prohibited under the CARES Act.

The Paycheck Protection Program

Flexibility Act did not address concerns raised regarding Small Business Administration audits of loans. According to the Treasury Paycheck Protection Program Loans FAQs, the Small Business Administration may audit any loan at its discretion to determine if "the borrower may be ineligible for a PPP loan, or may be ineligible to receive the loan amount or loan forgiveness amount claimed by the borrower." This includes loans under $2 million. The Small Business Administration may look at how a business calculated the original loan amount and review whether it had "access to credit elsewhere" when determining if all or a portion of the loan should be forgiven. To read the full text of the Paycheck Protection Program Flexibility Act, visit https://www.congress.gov/bill/116th-congress/house-bill/7010/text.

EVICTION MORATORIUM

On June 29, the House passed the Emergency Housing Protections and Relief Act of 2020 (H.R.7301). The bill would extend the eviction moratorium currently in place under the CARES Act to March 27, 2021, and would expand it to all renters, regardless if they receive federal assistance. The legislation provides additional funding for federal housing assistance programs, including:

- $2 billion for the Public Housing Operating Fund
- $750 million for Project-Based Rental Assistance
- $500 million for Section 202 Supportive Housing for the Elderly program
- $309 million for USDA's Rental Assistance programs
- $200 million in funding for the HUD Section 811 Supportive Housing for Persons with Disabilities program
- $100 billion for an emergency rental assistance fund that would help renters cover their rent and utility bills including any unpaid bills

Many of the provisions in H.R.7301 were included in the HEROES Act, which has yet to be voted on in the Senate. To view a section-by-section summary of the Emergency Housing Protections and Relief Act, visit the House Financial Services website at https://financialservices.house.gov/.

In the Senate, Sen. Elizabeth Warren (D-MA) introduced the Protecting Renters from Evictions and Fees Act. The eviction moratorium that Congress included in the CARES Act covers an estimated 30% of renters and expires on July 24, 2020. Warren's bill extends the federal eviction moratorium to March 27, 2021, one year after the date of enactment of the CARES Act, and expands the moratorium to cover substantially all renters. The bill also prohibits fees, fines and extra charges due to nonpayment of rent. To view a summary of the Protecting Renters from Evictions and Fees Act, visit Sen. Warren's website at https://www.warren.senate.gov/. **NN**

Congress Holds Several Housing-Related Hearings

Congressional committees have held a number of housing-related hearings over the spring and summer.

HOUSE FINANCIAL SERVICES HOLDS HEARING ON PROMOTING CDFIS AND MDIS

On June 3, the House Financial Services Subcommittee on Consumer Protection and Financial Institutions held a hearing on promoting inclusive lending during the pandemic by community development financial institutions, minority depository institutions, and other community banks. The hearing, Promoting Inclusive Lending During the Pandemic: Community Development Financial Institutions (CDFIs) and Minority Depository Institutions (MDIs), included testimony from the Independent Community Bankers of America Minority Bank Council Vice Chairman James Sills, who estimated that his bank's nearly $13 million in Paycheck Protection Program loans helped preserve some 1,200 jobs in the communities it serves. Other witnesses also expressed support for House-passed provisions that provide small-business borrowers more time to spend Paycheck Protection Program funds and reduce the percentage of funds that must be spent on payroll costs. Witnesses mentioned additional changes to the Paycheck Protection Program that need to be made including:

- Allowing a presumption of compliance for loans of $1 million or less with borrower certification
- Providing a straightforward approach to loan forgiveness, including a loan-forgiveness calculator
- Creating a streamlined form for self-employed borrowers and independent contractors

Citing the success of dedicating Paycheck Protection Program funding for community bank lending, panelists also expressed support for the Small Business Administration's move to set aside an additional $10 billion for CDFIs, and House Financial Services Committee Chairwoman Maxine Waters' (D-CA) call to set aside an additional $10 billion for MDIs.

HUD SECRETARY, FHFA DIRECTOR TESTIFY BEFORE SENATE COMMITTEE

On June 9, the Senate Committee on Banking, Housing, and Urban Affairs held a hearing on the oversight of housing regulators. Department of Housing and Urban Development (HUD) Secretary Ben Carson and Federal Housing Finance Agency Director Mark Calabria testified before the full committee.

Calabria updated the committee on the steps the Federal Housing Finance Agency has taken to aid homeowners during the COVID-19 pandemic. In his testimony, he said that there is still work to do when it comes to building capital for Fannie Mae and Freddie Mac and he voiced strong support for housing finance reforms. He said that the pandemic provided evidence of critical vulnerabilities in the mortgage system that put taxpayers and the housing market at risk, and that Fannie Mae and Freddie Mac lack the capital to withstand a serious housing downturn. He discussed that in order to provide a stronger foundation on which to weather periods of financial stress, the Federal Housing Finance Agency rereleased a proposed capital rule on May 20, and how it would help Fannie Mae and Freddie Mac fulfill its statutory mission across the economic cycle.

In his testimony, Carson highlighted the Federal Housing Administration (FHA)'s response during the pandemic, stating that the FHA acted quickly to help protect single-family homeowners who lost their jobs or experienced economic hardship due to the pandemic.

In his testimony, Carson highlighted the Federal Housing Administration (FHA)'s response during the pandemic, stating that the FHA acted quickly to help protect single-family homeowners who lost their jobs or experienced economic hardship due to the pandemic. These actions were identical to those of the Federal Housing Finance Agency and also featured a payment deferral program to avoid large lump-sum payments. Carson also addressed the expansion of Ginnie Mae's pass-through assistance program.

Carson noted during the hearing that the CARES Act adopted in March provided more than $12 billion to HUD programs including $3 billion in Community Development Block Grant funds and more than $1 billion for rental assistance programs. Of the $12.4 billion that HUD received, $9.1 billion has already been allocated and Carson said the remaining Community Development Block Grant funds will be allocated by Oct. 1. The remaining $2.96

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billion Emergency Solutions Grant fund allocations were also announced by Carson during the hearing. Regarding rent payments, Carson urged HUD-assisted renters to recertify their incomes with their local Public Housing Authorities if they need lower rent payments due to COVID-19.

A few senators expressed the opinion that many Americans still need more targeted rental assistance and expanded unemployment benefits. While telling the committee that HUD will closely monitor the unfolding economic situation and its impact on the state of housing, Carson did not comment on any plans for future housing-related COVID-19 funding.

Sen. Sherrod Brown (D-OH), the ranking member of the Senate Banking Committee, expressed his concerns with Carson's leadership and voiced his frustration with a HUD proposal to alter how the agency identifies and remedies housing discrimination. Specifically, Brown urged Carson to reject changes proposed in the HUD August 2019 Proposed Rulemaking on Fair Housing Act's Disparate Impact Standard.

SECRETARY TESTIFIES ON PAYCHECK PROTECTION PROGRAM

On June 10, Secretary of the Treasury Steve Mnuchin and Small Business Administration Administrator Jovita Carranza testified before the Senate Small Business and Entrepreneurship Committee on the implementation of the Paycheck Protection Program.

Mnuchin praised the Paycheck Protection Program and senators on both sides of the aisle agreed the latest unemployment report from May, which saw the unemployment rate drop to 13.3% with some 2.5 million jobs regained, was the result, in part, to jobs saved through the program. Chairman of the Small Business and Entrepreneurship Committee, Sen. Marco Rubio (R-FL), estimated during the hearing that at the current loan numbers, the program saved roughly 50 million jobs and that without the program, the U.S. would have witnessed the extinction of a majority of small businesses.

Mnuchin said the Trump administration wants to work on providing further economic relief, whether through the Paycheck Protection Program, tax credits or other avenues. He said that a fourth round of fiscal stimulus should include help for the travel industry, retail and leisure businesses and possibly more direct-cash assistance for American families. However, while the Trump administration has also discussed a capital gains tax cut, Mnuchin indicated it's not the best approach to the current crisis.

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Over $130 billion remains untapped in the second round of funding and the period in which the funds must be spent was extended from eight to 24 weeks, to help still struggling industries such as restaurants and hotels. Originally the program rules required that borrowers spend 75% of their funds on payroll to have their loans forgiven. Recently that threshold was reduced to 60%, and Mnuchin confirmed to Rubio during the hearing that even borrowers who spend less than that on payroll will be eligible for partial loan forgiveness, so long as 60% of the amount forgiven went to payroll.

Several senators raised concerns at the hearing about the program's reach among minority-owned businesses and wanted the secretary to direct more funds to minority-owned businesses as well as provide easier access to the funds for small-business owners with prior felony convictions, to which the secretary agreed.

The Senate is still, however, no closer to reaching an agreement on another round of stimulus. Senate Democrats continue to demand financial assistance for states whose budgets have been hit by declining revenue, while Senate Republicans are garnering support for liability protections for businesses.

House Democrats passed the HEROES Act in May, which included an additional $3.5 trillion in emergency relief for COVID-19, but Republicans in control of the Senate have rejected that proposal and plan to wait until late July before considering their own alternative.

HOUSE HEARING FOCUSES ON RENT AND EVICTIONS

On June 10, the House Financial Services Subcommittee on Housing, Community Development and Insurance held a hearing, The Rent Is Still Due: America's Renters, COVID-19 and an Unprecedented Eviction Crisis, which featured witnesses and testimony on the impact COVID-19 will have on evictions and rental assistance.

Witnesses detailed the role systemic racism plays in housing segregation, as well as the pandemic's disproportionate impact on Black and Latino workers and the need for rental assistance programs to consider equity concerns and reduce housing discrimination. Concerns were also raised during the hearing that the COVID-19 pandemic has exacerbated a preexisting housing shortage of roughly 7.3 million units, and panelists urged Congress to provide additional renter assistance. Witness testimony linked housing availability to public health and

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members of the committee heard the importance of a stable housing situation that can play in helping people protect themselves from COVID-19.

Some members of the committee noted that the federal government plays a smaller role in rental housing regulation than in the mortgage market—rental housing oversight is instead left to states, resulting in a patchwork of regulations, while others noted that an eviction moratorium is not a long-term solution, as owed rent will continue to build up over time and small-scale landlords will have to forgo revenue.

Questions were also heard about the current amount of rental assistance provided in the HEROES Act, as well as concerns on how best to disburse rental assistance funding—including if funding should be directed through Project-Based Section 8 and the HOME program instead of, or in addition to Emergency Solutions Grants, how to best promote racial equity in the disaster response, and how to help small landlords navigate the loss of income and maintenance demand during the pandemic.

RESERVE CHAIRMAN TESTIFIES BEFORE FINANCE COMMITTEE

On June 17, Federal Reserve Chairman Jerome Powell testified before the House Financial Services Committee on U.S. monetary policy, the economy and efforts toward economic recovery during the COVID-19 pandemic. During the hearing, Powell urged members of the committee to prevent a steep drop in income for millions of unemployed Americans who may be unable or unwilling to return to work during the pandemic and asked lawmakers to extend enhanced unemployment insurance “in some form” after a $600 increase to current benefit levels expires on July 31. Powell did not specify how Congress should act but warned lawmakers not to let unemployment benefits revert to their pre-pandemic levels. With the current unemployment rate at 13.3%, Powell warned that some jobs—those employed in the travel, leisure and hospitality, dining and certain entertainment industries—will not be coming back anytime soon.

HOUSE SUBCOMMITTEE HEARING ON COVID-19 TAX RELIEF

On June 18, the House Ways and Means Subcommittee on Select Revenue Measures held a hearing on the need to provide COVID-19 tax relief to support workers and families during the pandemic economic downturn. The hearing included members expressing support for expanding the Child Tax Credit, Earned Income Tax Credit and the Child and Dependent Care Credit, as well as for implementing a more generous Employee Retention Credit, intended to help businesses maintain payroll and cover fixed costs. Subcommittee Chairman Mike Thompson (D-CA) highlighted the merits of COVID-19 relief legislation, advocating for the Access Technology Affordability Act, legislation that would help blind employees obtain equipment needed to efficiently work from home. Ranking Member Adrian Smith (R-NE) said that Congress’ primary focus should be on reopening the economy and incentivizing safe return to work protocols. Specifically, he expressed his support for H.R.7066, a measure that would give workers two weeks of enhanced unemployment benefits when they return to work. A majority of panelists expressed support for the House-passed HEROES Act and requested the subcommittee use the tax code to provide additional financial relief throughout the pandemic.

HOUSE HOLDS OVERSIGHT HEARING ON COVID-19 RESPONSE

On June 30, Treasury Secretary Steven Mnuchin and Federal Reserve Chairman Jerome Powell testified before the House Committee on Financial Services on the Treasury Department’s and Federal Reserve’s response to COVID-19.

Mnuchin said during his opening remarks that the Trump administration is working with Congress on a bipartisan basis to pass legislation and provide liquidity to markets to ensure a healthy recovery. While the unemployment rate is still historically high, Mnuchin said he is seeing additional signs that conditions will improve significantly in the third and fourth quarters of this year, while acknowledging the recovery has been uneven across industries. Mnuchin said he supports additional legislation that would extend the Paycheck Protection Program, which was extended in July, and has had a conversation with the Senate Small Business Committee on how to repurpose the remaining funds, particularly to extend funds to small businesses that have been hardest hit by the pandemic.

In his remarks, Powell said that while an uptick in economic activity is welcome, it also presents new challenges, notably the need to keep the virus in check. Powell said the path forward for the economy remains very uncertain and will depend in large part on the success in containing the virus.

Powell noted that the banking system is holding strong and continues engaging in forbearance and making loans. Powell noted that banks will have to resubmit their capital plans in addition to being subjected to an off-cycle supervisory stress test later this year, noting that the stress test the banks passed were written before the pandemic, so the Federal Reserve developed three alternative sensitivity analyses: a V-shaped recovery, U-shaped recovery and a double-dip recovery. Powell said that these were not used to evaluate individual firms, but rather the broad range of institutions and that the Federal Reserve is not currently looking to raise capital standards during the crisis. **NN**

State of the Nation's Rental Housing Market

In 2019, overall, the rental markets remained tight and concerns about affordability grew despite a slowdown in demand and the increase of new construction. Rents continue to rise faster than incomes in many segments of the market—increasing the number and share of cost-burdened and severely cost-burdened renters, hitting low- and middle-income earners especially hard. The increasing number of high-income renters has skyrocketed, accounting for three-quarters of the increase in the number of renters from 2010-2018. At the same time, low-income renters earning less than $30,000 fell by nearly 1 million, reversing a decade's long trend in the 2000s, when low-income households accounted for 93% of renter growth. Constraints on supply coupled with substantial losses of low-cost rentals also help explain the rise in cost and decrease in the availability of the affordable rental stock. Meanwhile, the supply of affordable housing for low- and extremely-low income families and individuals continues to be limited or nonexistent. With limited support at federal, state and local levels, communities and businesses alike are seeking a comprehensive response from all levels of government to address the rental affordability crisis.

With limited support at federal, state and local levels, communities and businesses alike are seeking a comprehensive response from all levels of government to address the rental affordability crisis.

To read the reports:

America's Rental Housing 2020 Report by the Joint Center for Housing Studies at Harvard University https://www.jchs.harvard.edu/americas-rental-housing-2020

The GAP Report, A Shortage of Affordable Homes (March 2020), by the National Low Income Housing Coalition https://reports.nlihc.org/gap

RENTER HOUSEHOLD GROWTH DRIVEN BY HIGH-INCOME HOUSEHOLDS: HOUSEHOLDS WITH INCOMES ABOVE $75,000 HAVE ACCOUNTED FOR MORE THAN 75% OF THE GROWTH IN RENTERS DURING 2010-2018

After 12 years of growth, the number of renter households fell in 2017 and 2018, reflecting the leveling off of the national rentership rate over the past year, when renter household growth matched the pace of overall household growth. The U.S. rentership rate in the third quarter of 2019 was at 35.6%, nearly in line with the rate in 1994, before the homeownership boom. However, while rentership rates today are generally higher than in 1994, the national rate is close to its 1994 level because a larger share of households are in the oldest age group when homeownership rates tend to increase.

Despite moderate household growth, overall rentership rates remain high for all age groups under 65; however, in the next decade, aging populations will also increase the need for rental housing with accessibility features and proximity to or on-site services and supports. The most dramatic recent shift has been the surge in demand from high-income households. During 2004-2010, households earning less than $30,000 per year accounted for 68% of the growth in renter households, while those earning $75,000 made up only 19%. Since 2010, high-income households have become the primary source of rental demand, accounting for 75% of growth during 2010-2018. In 2019, the share of renter households with incomes of more than $75,000 stood at 26.5%, up from 18.9% on average from 1980-2010. Coincidently, rentership rates in 2019 were at their highest levels among households earning more than $75,000, at 22%. Rentership is more common now among age groups and family types that would traditionally be more likely to own their housing, impacting rental affordability. During 2004-2018, the number of married couples with children that owned homes fell by 2.7 million, while the number renting increased by 680,000. These changes have meant that families with children now make up a larger share of renter households (29%) than owner households (26%).

Renters are increasingly likely to be minority or foreign born, to be older, and to be from nontraditional households. Minorities drove 76% of renter household growth during 2004-2018, while foreign-born households accounted for 30% of renter household growth during the same period. Even among households aged 55-64, the renter share increased 4.2% during 1994-2019.

Affordability remains the highest barrier to homeownership, which in turn increases the demand for rental housing. Currently, 44% of workers aged 18-64 are in low-wage jobs, while nearly all of the net growth in homeowners from 2010-2018 was among households with incomes of $150,000 or more.

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INCOME INEQUALITY AMONG RENTERS IS RISING, CONTRIBUTING TO THE OVERALL SHORTAGE OF AFFORDABLE HOUSING AVAILABLE TO LOW-AND EXTREMELY-LOW INCOME HOUSEHOLDS

The average real income of the top one-fifth percent of renters rose by 40% over the past 30 years, while that of the bottom one-fifth fell by 6%. In 2017, 64% of renter households had incomes of 80% or less of area medians, including 44% with incomes of 50% or less of area medians. This means that low-income renters are being priced out more than ever. The number of renter households with incomes under $30,000 fell by almost 1 million during 2010-2018. This in turn may explain the increase in the number of adults of all ages, living with their parents or in roommate situations.

Extremely low-income renter households account for 25% of all renter households and 8% of all U.S. households. Currently, no state has an adequate supply of affordable and available housing for extremely low-income households, with a shortfall ranging from 7 million to 8 million units. The shortages range from 8,201 rental homes in Wyoming to nearly 1 million in California. States where renters face the greatest challenges in finding affordable homes include Nevada, with 18 affordable and available rental homes for every 100 extremely-low income households, California, with 23 for every 100 extremely-low income households, Arizona and Florida, both with 26 for every 100, and Oregon with 28 for every 100.

The states with the greatest supply of affordable and available housing still have significant shortages. This includes West Virginia, with 62 affordable and available rental homes for every 100 extremely low-income renter households, Alabama with 56 for every 100, Mississippi with 55 for every 100, Kentucky with 53 for every 100, and Arkansas with 52 for every 100.

With lower mobility rates, housing options are becoming increasingly limited or expensive, especially in desirable neighborhoods close to work or school. The demand for rental housing is only expected to increase, but there are several potential concerns on the horizon. In the current market, young adults with low- and extremely-low incomes may be discouraged from renting altogether, living with their parents until they save enough for a down payment on a house. The possibility of an economic downturn, such as a recession or depression, would further restrict housing options for young adults with low- and extremely-low incomes, inhibiting household formations and decreasing rental demand.

RENTAL HOUSING STOCK SHIFTS TOWARD LARGE MULTIFAMILY RENTALS WHILE SINGLE-FAMILY RENTALS DECLINE

Over the last decade, the composition of rental stock shifted toward two main structure types—large multifamily apartment buildings and single-family homes. The high growth in demand from high-income renters has contributed to the growing share of rental construction in apartment structures with 50 or more units. This has increased from 11% in the 1990s to 27% in the 2000s to 61% in 2018.

In 2018, 17% of the nation's 47.2 million rental units were in small apartment buildings with two-four units, 23% in buildings with five-19 units and 23% in buildings with 20 or more units. The number of buildings with 20 or more apartments increased by 31% to 10.6 million during 2008-2018, and the number of single-family rentals increased by 18% to 15.5 million. Together, this accounts for 87% of the growth in the nation's rental stock from 2008-2018. In 2018, 61% of multifamily units completed were in buildings with 50 units or more. In the 1990s, that average was 11%.

Meanwhile, the share of rental units in small and midsized multifamily structures declined from 44% to 40% during 2008-2018. Since units in small and midsized buildings typically have lower rents and are therefore more affordable to modest-income households, their shrinking share of the rental stock is a good indicator that the middle of the market continued to erode over the last decade.

However, new construction of large multifamily buildings has more than offset the decline in single-family rentals. In 2018, the number of apartments in large buildings was up 507,000 units, while single-family rentals fell by 291,000. The decline in single-family rentals was more geographically concentrated in Georgia, Florida and California in 2018. States that saw the largest increase in single-family rentals are Texas, Alabama and South Carolina, with most of the single-family homes lost from the rental stock being converted to owner occupancy.

Large increases in investments are necessary to maintain current rental stock as it ages. Improvements spending was up 198% from 2010-2018, while maintenance spending increased by 31%. Spending on existing rentals totaled $128 billion in 2018, including $87 billion in capital improvements and $41 billion in maintenance expenses. Higher costs are associated with development, which impedes the production of subsidized and market-rate rental housing. Between 2012-2019 nominal costs of commercial construction projects increased 39% and the price of vacant commercial land nearly doubled. A labor shortage—job openings exceeded the 300,000 mark for first time in early 2019—along with increases in amenities and the concentration of construction in core counties, has led to longer build times for multifamily projects of 14 months from start to finish. Local regulations, such as high fees, minimum setback and parking requirements, are also economic restrictions that have added to the cost of new construction.

DESPITE A LEVELING-OFF IN DEMAND, RENTAL MARKER INDICATORS REMAIN POSITIVE: VACANCY RATES ARE LOW AND RENTS CONTINUE TO INCREASE

The current nationwide rental vacancy rate is at its lowest since 1986, at 6.8% between the third quarter of 2018 and the third quarter of 2019. Declines occurred in all market segments—market-rate conversions removed 50,000 subsidized units during 2014-2018. The overall vacancy rate for professionally managed apartments was 5.7%. The highest vacancy rate is at 8.2% for higher-quality properties with four- and five-star ratings. The lower-quality tiered one- and two-star apartments saw vacancy rates slip from 4.9% to 4.7%, while moderate-quality units with three-star ratings dropped from 5.4% to 5.3%. Geographically, rental vacancies fell in all regions except in the South.

Rents also continued to increase in 2019. Nationally, rents were up 3.7% year over year in the third quarter of 2019. From 2012-2019, the Consumer Price Index for rent of primary residence rose 28%. Professionally managed apartment rents rose 2.9% year over year in the third quarter of 2019, and slightly below the 3.1% in the previous year. Moderate-quality apartments rose fastest, increasing by 3.2%, followed by higher-quality apartment rents, which rose by 2.7% in both 2018 and 2019. Lower-quality apartment rents rose by 2.5%, down from 3.1% in 2018.

Low vacancy rates and strong net growth have kept multifamily construction on the rise. The level of multifamily starts through the first three quarters of 2019 remained at an annual rate just under 380,000 units, after a 6% rise in 2018. In the first three quarters of 2019, 93% of all new multifamily units started were intended as rentals, well above the 78% average share posted in records back to 1974. More than 600,000 multifamily units are currently under construction, and new construction continues to target the high-end market.

The median monthly asking rent for unfurnished apartments completed in 2018 was just over $1,600, above the $900 median contract rent for all units in 2018. The location, building type and quality of new rental construction have pushed up asking rents for new units as well. Of all the multifamily units completed in 2018, 61%, or 211,000, were in buildings with 50 units or more, larger than the 27% averaged in the 2000s. Apartment property prices rose 8.2% year over year nominally in the third quarter of 2019, more than double since 2010. However, even while taking into account the increase in construction activity, the overall stock of multifamily units has expanded only marginally because of the shift of many single-family rentals back to the for-sale market.

CHALLENGES TO RENTAL HOUSING AFFORDABILITY AND STABILITY KEEP GROWING: THE SHORTAGE OF AFFORDABLE HOUSING, COUPLED WITH COST BURDENS AND THE LACK OF FULLY FUNDED FEDERAL RENTAL ASSISTANCE PROGRAMS CREATES AFFORDABILITY CHALLENGES FOR MOST LOW- AND MIDDLE-INCOME RENTERS

Affordability has worsened for middle-income households and minorities. Rental households paying at least 30% of income for housing and utilities increased to 20.8 million in 2018, with the cost-burdened share reaching 47.5%. One in four renters spends more than half of their incomes on housing in 2018. In fact, the cost-burdened share of renters in 46 states exceeded 40%, including seven states with rates above 50%. Florida was the highest with 55%, followed by California with 53%. North Dakota had the lowest rate of 36% out of four states with cost-burdened shares under 40%.

Cost burdens are rising fastest among middle-income households. The cost-burdened share for renter households earning $30,000-$44,999 reached 55.7% in 2018, up 5.4% age points since 2011. The largest increases occurred in metropolitan areas with populations above 5 million. Miami had the highest rate of cost-burdened renters at 61%. Cost burdens have affected minority households especially. Black renters had the highest cost-burden rate at 55%, followed by Hispanic renters at 53% and Asian renters at 45%. For white renter households, the cost-burden share was 43%.

Affordability has also worsened in rural communities. Two million renters live in rural communities, and 40% of rural renters are cost burdened, including 20% that have severe burdens. Cost-burdened Native American renters face high rates of housing inadequacy and overcrowding in rural areas. From 2016-2018 the number of U.S. Department of Agriculture-subsidized properties fell from 398,450 to 390,110. It's estimated that 21,000 Section 515 units will exit the subsidized rural stock by 2027. Meanwhile, the Indian Housing Block Grant has seen a 7% real cut in real funding from 2014—when Department of Housing and Urban Development reported that the level of assistance was already inadequate.

Affordability has worsened for lower-income households as well, since being fully employed doesn't automatically relieve cost burdens. More than half of renters working in food preparation and services in 2018 were cost burdened as well as half of all renters working in health care support services. In 2018, the median renter earning less than $15,000 had only $410 leftover each month, leaving little income for other expenses and necessities such as food and medicine. For the lowest-income households with children under the age of 18, food is the largest expense after housing, which directly impacts the ability to provide adequate nutritional needs.

The prognosis for the future looks dire for lower-income households. Public housing units are numbered at below 1 million, and only one out of four eligible households receive rental assistance. The average assisted family currently lives on $14,000 a year. **NN**

Artists Make Their Voices Heard

Jamaica Johnson, a 12th-grader from Pittsburgh, Penn., has been named the grand prizewinner in NAHMA's annual AHMA Drug-Free Kids poster and art contest. The talented artist's creation will appear on the cover of NAHMA's 2021 calendar. Jamaica also receives an all-expenses-paid trip to Washington, D.C., for a future NAHMA conference, as well as a scholarship of $2,500 from the NAHMA Educational Foundation.

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

The underlying message for the annual contest is always a drug-free theme but NAHMA wanted to open the door for more avenues of expression, so a subtheme is incorporated into the poster contest. The subtheme for 2020 is My Voice Will Be Heard: Speaking the Language of Love.

Nearly 5,000 eligible residents participated in the nationwide contest.

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 as their own month in the 2021 calendar.

Additionally, 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 will have their artwork featured in a special section of the NAHMA 2021 Drug-Free Kids calendar and receive a $100 scholarship. These participants are in addition to those selected as national winners.

The original winning grand prize artwork will be auctioned at the Educational Foundation virtual gala, Oct. 26, with the proceeds supporting the foundation's scholarship program.

For the contest, the artwork is divided into categories with winners selected from each of the following: kindergarten-first grade, second-third grades, fourth-sixth grades, seventh-ninth grades, 10th-12th grades, seniors and residents with special needs. Only students are eligible for the grand prize.

Calendars go on sale beginning in September and are available by visiting NAHMA's Online Store at www.nahma.org. The cost of the calendar is $5.50, which is a Department of Housing and Urban Development and U.S. Department of Agriculture allowable project expense. **NN**

The original winning grand prize artwork will be auctioned at the Educational Foundation gala, Oct. 26, with the proceeds supporting the foundation's scholarship program.

October Meeting to Be Virtual

DUE TO THE ONGOING COVID-19 PANDEMIC, the NAHMA Board of Directors voted in June to cancel the in-person NAHMA Biannual Top Issues in Affordable Housing Fall Conference that was scheduled to be held Oct. 25-27, in Washington, D.C. In place of the October in-person meeting, NAHMA will instead deliver a virtual meeting to take place over several days during the same week of Oct. 26-30.

"This was not an easy decision, but ultimately the public health and safety of our meeting attendees, speakers and staff led us to conclude that canceling the face-to-face meeting was the safe and responsible approach. We know that many stakeholders are involved in making NAHMA meetings successful, and we look forward to welcoming their recommendations, support and participation in our virtual event," said NAHMA Executive Director Kris Cook, CAE.

In addition, NAHMA wants to thank the Fairmont Hotel Washington for its cooperation and mutual understanding of the COVID-19-related factors beyond our control that led to this decision to forgo an in-person event.

While we look forward to a time when we can re-convene NAHMA members face-to-face, in the meantime we will focus on hosting an innovative and meaningful virtual event in late October, with the input and support of the NAHMA board, committee leadership and members, sponsors, AHMA leaders and members—and all who have an idea they'd like to share to make the virtual event a resounding success.

Please watch for more details to be shared in the coming weeks at https://www.nahma.org/meetings/. NN

The following lists this year's national program winners, with their ages at time of submission, grade completed in June 2020, contest category, the community where they live, the management company and name of the AHMA that submitted their artwork:

GRAND PRIZEWINNER

Jamaica Johnson, 17; 12th grade; Crawford Square Apartments, Pittsburgh, Penn.; McCormack Baron Management; PAHMA

NATIONAL WINNERS

Patricia A. Funk, 63; Special Needs; Rockwood Village Apartments, Rockwood, Tenn.; The Benchmark Group; SAHMA

Ravnoor K. Heyer, 6; Kindergarten; Los Robles Apartments, Union City, Calif.; EAH Inc.; AHMA-NCH

Simran K. Heyer, 10; Fourth grade; Los Robles Apartments, Union City, Calif.; EAH Inc.; AHMA-NCH

Hassan Jaweed, 14; Eighth grade; Los Robles Apartments, Union City, Calif.; EAH Inc.; AHMA-NCH

Marc Anthony Lambert, 67; Senior; Hillcrest Elderly Apartments, Cincinnati, Ohio; The Benchmark Group; MAHMA

Olga McGehee, 68; Senior; AHEPA 310 VIII Senior Apartments, Irvington, Ala.; AHEPA Management Company; SAHMA

Jeuel Merritt, 14; Ninth grade; Rowan Towers, Trenton, N.J.; The Michaels Organization; JAHMA

Alexondra Miller, 17; 12th grade; Oakland Place Apartments, Greer, S.C.; Westminster Company; SAHMA

Diego Salcido, 11; Sixth grade; Strathern Park Apartments, Sun Valley, Calif.; Thomas Safran & Associates; AHMA-PSW

Bette Shapiro, 75; Senior; Ocean Park Villas, Santa Monica, Calif.; G&K Management; AHMA-PSW

Alice Valdillez, 15; Eighth grade; West End Baptist Manor Apartments, San Antonio, Texas; McDougal Companies; SWAHMA

Aubree Jae Valdillez, 7; First grade; West End Baptist Manor Apartments, San Antonio, Texas; McDougal Companies; SWAHMA

Cheng Thom Vang, 9; Third grade; Stanley Square Apartments, Stanley, N.C.; Westminster Company; SAHMA

HONORABLE MENTIONS

Asiyah Alston, 12; Sixth grade; West Popular Apartments, Philadelphia, Penn.; The Michaels Organization; PennDel AHMA

Hadia Gehafari, 9; Third grade; Treesdale Apartments, Charlottesville, Va.; Park Properties Management Company; Mid-Atlantic AHMA

Jean Mistretta, 77; Senior; Linwood Mill Apartments, Whitinsville, Mass.; Peabody Properties; NEAHMA

Educational Foundation Gala Going Online

SAVE THE DATE: The NAHMA Educational Foundation is now hosting a Virtual Gala on Oct. 26 to replace the annual in-person event. Scholarships will be an even greater need this year and your support will help provide residents with the opportunity to continue their education. Please consider donating by visiting NAHMAedu.givesmart.com. We look forward to making the virtual event a huge success; stay tuned for more information on registration and event details!

In the meantime, the presentation of the Inspiration Award, which is typically a highlight of the in-person gala will be held at a future date. The award recognizes individuals or organizations for their long-time commitment to the advancement of educational opportunities for those working within the affordable housing industry and the residents they serve.

Carole Glodney and Karen Steinbaum are the 2020 co-recipients of the award.

In selecting an Inspiration Award winner, the foundation board considers the nominee's accomplishments in promoting education including training and recognition programs for employees, active participation in organizations promoting scholarship and further education, development of regional or national awareness campaigns or programs, and promotion or development of industry certification and training programs. **NN**

Educational Foundation Selects 108 NAHMA Scholars for 2020

The NAHMA Educational Foundation selected 108 recipients as 2020 NAHMA scholars in early July. Each recipient will receive an award worth $2,500 for a total of $270,000. The scholars from this year come from 21 states and the District of Columbia and represent 13 different AHMAs. The competition for scholarships was extremely rigorous as many worthy residents submitted completed applications. Those selected come from a wide range of experiences and backgrounds while representing a very diverse demographic profile. The recipients will be attending a variety of different colleges, universities, community colleges and trade/technical schools across the country. Over the last seven years, the foundation has awarded over $1,600,000 in scholarships, which is an average of just over $225,000 per year.

NAHMA Educational Foundation chairperson, Alice Fletcher, stated upon learning of this year's class, "For the 14th consecutive year the foundation has been able to provide impactful financial assistance to worthy student residents as they pursue higher education. The NAHMA Educational Foundation is extremely grateful and appreciative for the steadfast and unwavering support of our donors and sponsors, who are the driving force that makes this wonderful program a reality during these very difficult times."

Congratulations to all apartment communities, management companies and AHMAs across the country that have 2020 NAHMA scholars in residence. The entire list of 2020 recipients will be made available to all members. Again, many thanks to everyone for promoting the scholarship program to your residents this year. The COVID-19 pandemic made the application process more difficult for residents. Applicants benefitted greatly from the help and assistance provided by apartment community personnel, a grateful tip of the cap to each and every one of them, as well. For additional information, please contact Dr. Bruce W. Johnson, NAHMA scholarship program administrator, at bjohnson@tmo.com. **NN**

HUD NEWS

THE DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT (HUD)'S OFFICE OF THE ASSISTANT SECRETARY FOR PUBLIC AND INDIAN HOUSING published a notice in the *Federal Register* implementing the Housing Choice Voucher mobility demonstration. The notice defines PHA eligibility criteria; establishes the application process; and explains the special rules and requirements applicable to PHAs selected for participation in the demonstration. In addition, the notice identifies the specific waivers and alternative requirements.

TWO STUDIES PUBLISHED EARLIER THIS YEAR EXAMINED THE OUTCOMES OF RESIDENTS LIVING IN PUBLIC HOUSING PROPERTIES that have converted through Rental Assistance Demonstration (RAD):

- In a recent issue of *Health Affairs* focusing on investments in social determinants of health, a new study examined how renovations of a property in Queens, N.Y., that converted through RAD may improve the health of public housing residents. Examining Medicaid data for "housing-sensitive" health conditions—such as asthma, hypertension, etc.—for residents before and after the renovation with a control group of Medicaid enrollees, the study finds statistically significant improvements in the aggregate health of residents as a result of the improved housing conditions.
- HUD released the full report, *Examining the Effects of the Rental Assistance Demonstration (RAD) on Children Living in Public Housing in Fresno, California*, which assessed outcomes and the well-being of children living in developments that have undergone rehab and conversion under the RAD. The study found notable and mostly positive results where residents experienced significant improvements including upgraded heating/cooling systems and appliances; improved unit layout and conditions; perceived safety and connectedness; and enhanced resident resources and pride of place.

HUD'S OFFICE OF MULTIFAMILY HOUSING HAS JUST PUBLISHED A MEMORANDUM regarding the allocation of $10 million, provided by the CARES Act, for service coordination and renewal of congregate housing services grants. This memorandum includes steps HUD is undertaking to provide supplemental appropriations to approximately 1,600 properties with grants previously awarded through the Notice of Funding Availability process under the Service Coordinators in Multifamily Housing program and the Congregate Housing Services Program.

HUD'S OFFICE OF PUBLIC AND INDIAN HOUSING ISSUED NOTICE PIH 2020-13 (HA), REVISION 1 PROVIDES ADDITIONAL COVID-19 STATUTORY AND REGULATORY WAIVERS and alternative requirements for the Public Housing, Housing Choice Voucher, Indian Housing Block Grant and Indian Community Development Block Grant programs and supersedes Notice PIH 2020–05. This new notice provides additional statutory and regulatory waivers and alternative requirements such as allowing Public Housing Authorities (PHAs) to forgo third-party income verification requirements for annual reexaminations—including the use of EIV, extends the periods of availability for previ-

COVID-19 RELATED RELIEF

The IRS issued Notice 2020-53, which provides COVID-19-related relief and revenue procedures for issuers, owners, operators and tenants of residential rental properties financed with LIHTCs (Housing Credits).

The notice allows certain time-sensitive actions—such as the 10% test for carryover allocations, the 24-month minimum rehabilitation expenditure period and reasonable period of casualty loss restoration or replacement—that were due from April 1 through Dec. 30, to have a new deadline of Dec. 31. Additionally, the notice states that owners of properties are not required to perform certain income rectifications or adjust the eligible basis of a building due to temporary closure of common areas or amenities due to the pandemic and state agencies are not required to conduct compliance monitoring of those properties.

TO READ THE NOTICES below in their entirety, visit the issuing agency's webpage under the Agencies tab at nahma.org. For all updates related to the COVID-19 coronavirus, visit the Coronavirus Information and Resources webpage at https://www.nahma.org/coronavirus-information-and-resources/.

ously established waivers and alternative requirements, and issues technical amendments to several of the previously established waivers and alternative requirements.

HUD'S OFFICE OF PUBLIC AND INDIAN HOUSING ISSUED NOTICE PIH 2020-14 ANNOUNCING THE AVAILABILITY OF $50 MILLION in HUD-Veterans Affairs Supportive Housing (HUD-VASH) funding that will support approximately 6,000 new HUD-VASH vouchers, with Registrations of Interest due by Sept. 15.

HUD'S OFFICE OF MULTIFAMILY HOUSING HAS PUBLISHED A MEMORANDUM WITH INSTRUCTIONS FOR THE PROCESSING OF SPECIAL CLAIMS for vacancy for properties affected by COVID-19 during the period of March 27 through Sept. 30. This includes special claims for vacancy during rent-up (RAD properties only) and special claims for vacancy loss after rent-up (Regular Vacancy). In the event a property owner has submitted either of the vacancy claim types prior to the issuance of this memorandum, and the special claim(s) has been processed for payment, the owner may submit a supplemental vacancy claim for the gap period from the prior tenant's move-out date to the unit's ready for occupancy date.

HUD ANNOUNCED A PROPOSED RULE, *Making Admission or Placement Determinations Based on Sex in facilities Under Community Planning and Development Housing Programs* (Docket No. fR-6152-P-O1), which makes modifications to the 2016 portion of the Equal Access rule. The Equal Access rule requires all HUD funded housing services to be provided without discrimination based on sexual orientation or gender identity. The new rule allows shelter providers that lawfully operate as single-sex or sex-segregated facilities to voluntarily establish a policy that will govern admissions determinations for situations when an individual's gender identity does not match their biological sex. Each shelter's policy is required to be consistent with state and local law, must not discriminate based on sexual orientation or transgender status, and may incorporate practical considerations of shelter providers that often operate in difficult conditions.

HUDS OFFICE OF MULTIFAMILY HOUSING PUBLISHED A COVID-19 GUIDANCE FOR LANDLORDS, titled *Promoting Housing Stability During the COVID-19 Emergency.* This guidance is intended for multifamily property owners and managers and includes information on what types of evictions and fees are covered under the CARES Act eviction moratorium, including properties that are under mortgage forbearance, how to inform families and individuals that they may request interim recertifications after a loss of income and how to work with families and individuals to create a repayment plan.

HUD'S OFFICE OF MULTIFAMILY HOUSING ANNOUNCED THAT IT HAS DEVELOPED A WEB-BASED SEARCH TOOL for residents and families living in multifamily properties. HUD asked that owner/managers let residents know they can use the Multifamily Housing Property Search tool to find out if their property is covered under the eviction moratorium in the CARES Act. This includes Section 8, Section 202, and Section 811 properties.

IRS NEWS

THE IRS RELEASED PROPOSED REGULATIONS, EFFECTIVE IMMEDIATELY, TO RELAX their previous compliance monitoring regulations that increased the number of units housing finance agencies (HFAs) needed to monitor. This proposed rule reinstates the previous pre-2019 policy that required HFAs to monitor the lesser of 20% of the units in a project or the number of units in the LIHTC Minimum Unit Sample Size Reference Chart. The minimum sample sizes in the chart correspond to the minimum sample sizes required by the Real Estate Assessment Center for inspections under HUD program.

USDA NEWS

THE U.S. DEPARTMENT OF AGRICULTURE'S RURAL DEVELOPMENT RELEASED AN OVERVIEW OF THE RECENT REORGANIZATION OF MULTIFAMILY HOUSING PROGRAMS into a more integrated model. In the new model, all Multifamily Housing staff will be aligned to 1 of 3 integrated divisions: Field Operations Division, Production & Preservation Division, and Asset Management Division. The new model will be used to streamline Multifamily Housing business processes, provide consistent and predictable work for staff and improve customer service. NN

upclose & personal

WITH JAZMIN CEBALLOS

BY JENNIFER JONES

Being a Voice For the Voiceless

JAZMIN CEBALLOS GREW UP IN East Los Angeles. The community is dotted with affordable housing, at the time known negatively as the projects. When she began working with AHMA-PSW, she began noticing some of the addresses were from her youth.

“The stereotype is that they are bad areas and not just people who need help,” Ceballos said. “Not everybody there is bad and they need a voice.”

> “I like trying to get the word out there. It’s not about the membership. It’s about the trenches. I like talking about the Communities of Quality program. People have a stigma about these communities, I like to open their eyes.”

Ceballos became involved with AHMA-PSW in 2015 when her family’s business, ARAS Inc., helped organize the association’s annual conference.

“They were upside down and mismanaged,” Ceballos said. “I came in to help.”

She was offered the executive director position a year later and doesn’t regret the decision. At the time, besides working at ARAS—a family-, women- and minority-owned marketing firm created by her mother, sister and herself—Ceballos was also working as a construction manager. In fact, she has a bachelor’s degree in business administration, is a certified construction manager, and a certified pastry chef.

“My background is construction management—managing construction projects. I would work with my mom on weekends. So, I quit my construction job,” Ceballos said. “The AHMA needed help after the conference with the training calendar for the rest of the year. I got to know the board of directors and the training committee. I really started noticing the work they were doing.”

Ceballos said she likes the advocacy, but not in the lobbying government official sense. Instead, she uses her gift as a conversationalist to help dispel the negative stereotypes and win over allies.

“When I go to events, I tend to talk to philanthropists. They want to do good for the community,” Ceballos said. “I like trying to get the word out there. It’s not about the membership. It’s about the trenches. I like talking about the Communities of Quality program. People have a stigma about these communities, I like to open their eyes.”

Ceballos said that once she and her husband had children—David, 17, Alejandra, 14, and Noah, 11—she began to see the world differently. She wants her children to know everyone has a voice. That belief carries over to

the AHMA.

“People in affordable housing need a voice. I’ll be your voice,” she said.

During this time of pandemic, Ceballos has been relying on her past to de-stress and for family bonding.

“My pastry chef career life was 20-25 years ago. I really enjoyed doing catering,” she said. “My daughter likes to bake so we have been having baking competitions on the weekends. Being at home, we’ve been baking all this stuff that’s not good, especially when you aren’t exercising.” **NN**

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

Welcome New Members

NAHMA welcomes the following new members as of July 15, 2020.

EXECUTIVE

Sabrina Ridings, National Church Residences, Williamsville, MO

ASSOCIATE

Connie Howard, Housing Authority of Fort Mill, Fort Mill, SC

AFFILIATE

Matt Garrow, National Center for Housing Management, Jacksonville Beach, FL

Catherine Hanick, The EnergyLink, Atlanta, GA

EDUCATION CALENDAR

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

EDITOR'S NOTE: *Due to the evolving health recommendations due to the COVID-19 coronavirus, please contact the AHMA directly for the most up-to-date status of all in-person and virtual events and educational offerings.*

SEPTEMBER

9

Understanding HOME
Webinar
Mid-Atlantic AHMA
804-564-7898
http://mid-atlanticahma.org

Grant Writing 101: Show Me the Money
Webinar
AHMA-NCH
833-246-2624
https://ahma-nch.org

LIHTC/SHCM
Detroit, MI
MAHMA
614-481-6940
http://mahma.com

10

Income & Assets Verification & Calculation
Webinar
Mid-Atlantic AHMA
804-564-7898
http://mid-atlanticahma.org

SHCM Exam Prep: Certifying Income Eligibility
Webinar
SAHMA
800-745-4088
https://www.sahma.org

14–15

AHMA-NCH Annual Conference
Oakland, CA
AHMA-NCH
833-246-2624
https://ahma-nch.org

15–16

Accelerated Certified Professional of Occupancy (CPO)
Virtual Training
Mid-Atlantic AHMA
804-564-7898
http://mid-atlanticahma.org

17

EIV Policies & Procedures and Reports
Webinar
SAHMA
800-745-4088
https://www.sahma.org

23

Basic LIHTC
Webinar
Mid-Atlantic AHMA
804-564-7898
http://mid-atlanticahma.org

Senior Bullying Seniors
Webinar
AHMA-NCH
833-246-2624
https://ahma-nch.org

23–24

LIHTC/SHCM
Cincinnati, OH
MAHMA
614-481-6940
http://mahma.com

24

Green Operations and Maintenance
Webinar
SAHMA
800-745-4088
https://www.sahma.org

OCTOBER

7

Embracing Cultural Diversity in Senior Housing
Webinar
AHMA-NCH
833-246-2624
https://ahma-nch.org

13–14

Fair Housing Compliance (FHC) Course
Virtual Training
Mid-Atlantic AHMA
804-564-7898
http://mid-atlanticahma.org

20–22

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

21

Intergenerational Communication and Programming
Webinar
AHMA-NCH
833-246-2624
https://ahma-nch.org

21–23

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

26–30

NAHMA Biannual Top Issues in Affordable Housing Fall Conference
Virtual Meeting
NAHMA
https://www.nahma.org/meetings/

NOVEMBER

4

Best Practices: Developing and Delivering Effective Resident Services Program
Webinar
AHMA-NCH
833-246-2624
https://ahma-nch.org

17

811/202 with RAD for PRAC
Webinar
MAHMA
614-481-6940
http://mahma.com

17–20

Annual Mid-Atlantic AHMA Fall Conference
TBD
Mid-Atlantic AHMA
804-564-7898
http://mid-atlanticahma.org

18

Best Practices: Non and Smoke Free Housing Communities
Webinar
AHMA-NCH
833-246-2624
https://ahma-nch.org

DECEMBER

2

Making It Through: Disaster Preparedness for Seniors
Webinar
AHMA-NCH
833-246-2624
https://ahma-nch.org

8–10

Tax Credit Compliance Course
Richmond, VA
Mid-Atlantic AHMA
804-564-7898
http://mid-atlanticahma.org

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

PRSRT STD
U.S. Postage
PAID
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Permit No. 61

PROTECTING THE INTERESTS OF AFFORDABLE HOUSING PROPERTY MANAGERS AND OWNERS

the last word

Creating a Diverse Association For the Future

THE TRAGIC EVENTS THAT HAVE resulted in national protests seeking social reform and justice for Black Americans have led to the NAHMA Board of Directors' decision to look at the operations and policies of the association and ensure that we, as a collective group, are doing all we can to make everyone feel included and welcome.

To that end, I have authorized the creation of a NAHMA Board Diversity, Equity and Inclusion (DEI) Task Force that will review NAHMA's current protocols and recommend a DEI Policy, as well as any other changes to ensure we are recruiting a diverse membership, and treating everyone fairly and with the respect they deserve as equals, and more importantly as humans beings.

As members of the affordable housing community, we are all dedicated to providing equitable and fair housing to all people. And I believe NAHMA has reflected a diverse membership. But that doesn't mean we can't be doing more.

The board task force will be looking to create a diversity statement, which makes clear our commitment to diversity, equity and inclusion for all current and future members. The task force members will also be recommending ways to recruit a diverse membership, to ensure our next generation of leadership is inclusive, and to provide meaningful and equitable programs moving forward.

As an organization, we will also be looking at how we can push for more inclusive policies from the local, state and federal agencies that govern our field.

Collectively, we do a lot on the national front to remove barriers and add services to help our residents improve their lives and the lives of their families. Being who we are in the affordable housing space, we should celebrate what we've already done. Our members are doing wonderful things that we should be proud of, but there is more to be accomplished.

So far, 2020 has tested all of us in ways we could never have imagined just a year ago in the forms of a worldwide pandemic and a national push for the end of systemic racism. I know NAHMA members are up to the challenges we have already faced and any trials that may yet come.

When we look back at this year and review the lessons learned, I am confident NAHMA, as an organization, will be stronger in the long run as a result of the actions we are undertaking now. Creating a diverse and inclusive association benefits us all.

I'd like to thank NAHMA Board of Directors members Noel Gill and Sonya Brown, NAHMA President-elect Michael Simmons, and former NAHMA Presidents Gianna Richards and Phil Carroll for volunteering for this important task and I look forward to hearing their recommendations, which we hope to present at the October virtual meeting.

Finally, 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 of McCormack Baron Management Inc. and president of NAHMA.