

NAHMA News

PROTECTING THE INTERESTS OF AFFORDABLE HOUSING PROPERTY MANAGERS AND OWNERS

IN THIS ISSUE

- 3 Inside NAHMA
- 7 Washington Update
- 8 Tax Credit Compliance
- 12 Industry Comments on Draft M2M Notice
- 17 Fall Meeting 2020
- 29 Regulatory Wrap-Up
- 30 Up Close & Personal
- 31 Education Calendar



New Disparate Impact Rule on Hold

A federal judge issued a nationwide preliminary injunction in late October that prevents the Department of Housing and Urban Development (HUD) from implementing its new disparate impact standard.

HUD issued the final rule, "Implementation of the Fair Housing Act's Disparate Impact Standard," which revises HUD's 2013 Fair Housing Act (FHA) disparate impact standards, to reflect the U.S. Supreme Court's 2015 decision in *Texas Department of Housing and Community Affairs v. Inclusive Communities Project Inc.*

According to HUD, after receiving over 45,000 comments on its 2019 proposed rule, the final rule includes numerous clarifications and substantive changes. The department said the final rule codifies a new burden-shifting framework for analyzing disparate impact claims to reflect the Inclusive Communities deci-

"In short, these changes constitute a massive overhaul of HUD's disparate impact standards, to the benefit of putative defendants and to the detriment of putative plaintiffs," Judge Mark G. Mastroianni of the U.S. District Court for the District of Massachusetts wrote, according to Bloomberg Law.

sion. According to HUD, the final rule establishes a uniform standard for determining when a housing policy or practice with a discriminatory effect violates HUD's Fair Housing Act regulations and clarifies that application of the disparate impact standard is not intended to affect state laws governing insurance. It was set to take effect Oct. 26.

"In short, these changes constitute a massive overhaul of HUD's disparate impact standards, to the benefit of putative defendants and to the detriment of putative plaintiffs," Judge Mark G. Mastroianni of the U.S. District Court for the District of Massachusetts wrote, according to *Bloomberg Law*.

Professional Liability with Tax Credit Coverage

Habitational Risk Solutions for Affordable Housing Markets.

USI understands the importance of tax credits for affordable housing management companies to operate successfully.

Failure to comply with the Low-Income Housing Tax Credit (LIHTC) regulations can lead to recapture of previously given credits and ineligibility for future credits. USI's newly developed professional liability coverage tailored for affordable housing markets is placed through a preferred carrier and includes coverage for professional services related to the compliance with housing tax credit rules and regulations.



Policy Highlights

To meet the growing needs of affordable housing markets, our tax credit coverage includes:

- Coverage for professional services related to compliance with housing tax credit rules and regulation
- Up to \$5,000,000 General Aggregate limits
- Claims Made form to protect against retroactive tax credit loss exposures
- Broad definition of professional services covered including residential, commercial, retail, or industrial property management and construction management
- Coverage for ownership of properties in excess of 25%
- First Dollar Defense coverage
- Third Party Discrimination coverage
- Definition of employees includes Independent Contractors
- Expanded definition of claim to include: arbitration demand, administrative proceeding, and request to toll the statute of limitations

Proactive Risk Management Strategies

USI provides proactive risk management strategies to:

- Management Companies
- Affordable Housing
- Senior Housing
- Coastal Locations
- Developers

Contact us today for more information!

Ed Goesel | Senior VP, National Habitational Practice
USI Insurance Services | www.usi.com
ed.goesel@usi.com | 312.766.2028 | 847.867.5551 (cell)



PRESIDENT

Timothy Zaleski, SHCM, NAHP-e
Tim.Zaleski@McCormackBaron.com

EXECUTIVE DIRECTOR

Kris Cook, CAE
kris.cook@nahma.org

DIRECTOR, GOVERNMENT AFFAIRS

Larry Keys Jr.
lkeys@nahma.org

DIRECTOR, FINANCE AND ADMINISTRATION

Rajni Agarwal
rajni.agarwal@nahma.org

DIRECTOR, MEETINGS, MEMBERSHIP

Brenda Moser
brenda.moser@nahma.org

MANAGER, COMMUNICATIONS AND PR

Jennifer Jones
jjones@nahma.org

MANAGER, GOVERNMENT AFFAIRS

Michal Machnowski
mmachnowski@nahma.org

MANAGER, EDUCATION AND TRAINING

Natasha Patterson, ACA
npatterson@nahma.org

MANAGER, ADMINISTRATIVE SERVICES

Paulette Washington
pwashington@nahma.org

EDITOR

Jennifer Jones
jjones@nahma.org

DESIGN

Mary Prestera Butler
butler5s@comcast.net

2020 NAHMA OFFICERS AND BOARD OF DIRECTORS

President

Timothy Zaleski, SHCM, NAHP-e

President-elect

Michael Simmons, NAHP-e

Vice President

Larry Sisson, FHC, SHCM, NAHP-e, CGPM
Peter Lewis, SHCM, NAHP-e, CPO, CGPM

Secretary

Nancy Evans, SHCM, NAHP-e

Treasurer

Sandra Cipollone, SHCM, FHC, NAHP-e

Immediate Past President

Michael Johnson, SHCM, NAHP-e

Directors

Jasmine Borrego, NAHP-e, CPO

Sonya Brown, SHCM

Melissa Fish-Crane, NAHP-e

Janel Ganim

Noel Gill, NAHP-e, SHCM, CPO

John Kuppens, SHCM, NAHP-e, CGPM

Cindy Lamb, SHCM, NAHP-e

Mark Morgan

Jim Nasso, NAHP-e

Christina Garcia Sanchez

Jack Sipes

Angie Waller, FHC, SHCM, NAHP-e, CPO, BCD

Voting Past Presidents

Phil Carroll, SHCM, NAHP-e

Jim McGrath, SHCM, NAHP-e

©2020 National Affordable Housing Management Association

NAHMA News is published six times a year by the National Affordable Housing Management Association, 400 North Columbus Street, Suite 203, Alexandria, VA 22314, Phone (703) 683-8630, Website: www.NAHMA.org

SUBSCRIPTIONS: Free for NAHMA/AHMA members, \$110 for nonmembers.

ADVERTISING: Digital ads preferred. Rates vary. Contact: Rachel Barkin at (202) 367-2329, or rbarkin@townsend-group.com.

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

NOTICE: Contents of NAHMA News should not be regarded as the final authority on policies, regulations and legal or other issues. Opinions are those of the authors and do not necessarily represent opinions or policies of NAHMA's board of directors or staff. NAHMA is not liable in any way for omissions or inaccuracies.

COPYRIGHT: Contents of NAHMA News are protected by copyright and may not be reproduced, in whole or in part, without permission and attribution.



Closing Out 2020

THE YEAR MAY BE WRAPPING UP, but we are still busy at NAHMA. Here are just a few things we are working on before we ring in 2021.

SUCCESSFUL FALL MEETING

NAHMA wrapped up its first virtual NAHMA Biannual Top Issues in Affordable Housing fall conference in October, which drew more than 170 affordable housing professionals who logged on to hear the latest updates from the Department of Housing and Urban Development (HUD) and other government officials, including Toby Halliday, director of the Office of Asset Management and Portfolio

the 2020 Communities of Qualities Awards. Judging has taken place, and we will be announcing the winners in the next January/February issue of NAHMA News. The winners will be honored at the NAHMA Biannual Top Issues in Affordable Housing winter conference, March 10-12, 2021. Look for the online meeting registration to open in late December.

SUPPORT BUDDING ARTISTS

Finally, now is the time to celebrate the people who make up our wonderful communities by ordering a 2021 NAHMA Drug-Free Kids Calendar.

“Now is the time to celebrate the people who make up our wonderful communities by ordering a 2021 NAHMA Drug-Free Kids Calendar.”

Oversight for the Department of Housing and Urban Development; David A. Vargas, MSA, CPA, deputy assistant secretary, Real Estate Assessment Center; Dan Williams, program manager, NSPIRE; Nancie-Ann Bodell, assistant deputy administrator, Multifamily Housing Programs, Rural Development, Department of Agriculture; Dena Calo, Esq., partner, Saul Ewing Arnstein & Lehr; and Brenda Harrington, PCC, certified executive coach and founder of Adaptive Leadership Strategies. Additionally, NAHMA members helped raise more than \$500,000 for the NAHMA Educational Foundation. To read more about the annual meeting, see page 17.

CELEBRATING COMMUNITIES

NAHMA has received the entries for

The calendars feature outstanding original artwork by children, seniors, and adults with special needs living in affordable multifamily housing, and focus on an anti-drug message. This year's subtheme, which was also incorporated into the poster art contest, is Sharing Our Stories: My Voice Will Be Heard: Speaking the Language of Love.

The cost is \$5.50 per calendar, which is a HUD and U.S. Department of Agriculture allowable project expense. There is an additional small shipping and handling fee. Download the order form at <https://www.nahma.org/wp-content/uploads/2014/05/2021ORDERFORM-FINAL.pdf>. **NN**

Kris Cook, CAE, is executive director of NAHMA.

According to *Bloomberg Law*, the Sept. 28 lawsuit filed by the Massachusetts Fair Housing Center and Housing Works that resulted in Mastroianni's nationwide preliminary injunction was the first challenge filed against HUD's rule. The complaint alleges violations of the Administrative Procedure Act, including claims that HUD violated the Fair Housing Act with its new rule. A second lawsuit was filed in federal district court in Connecticut, Oct. 22, by a pair of civil rights groups from the state.

KEY CHANGES IN THE FINAL RULE

Disparate impact is the legal theory that prohibits practices that have an adverse impact on members of a protected class, even if there is no intentional discrimination. The disparate impact theory originated in reference to employment policies and practices and has been used in that arena. However, dis-

parate impact is not specifically defined or cited within the Fair Housing Act.

The 2015 Supreme Court opinion upheld the disparate impact concept, but it seemed to place new limits on how claims can be brought. The opinion was clear that disparate impact claims cannot be based solely on statistical disparities. A plaintiff would have to demonstrate that a defendant's policy or practice caused a disparity. Under this reasoning, housing authorities and developers would not be held liable under a disparate impact challenge if they could show that a policy or practice was necessary to achieve a valid goal.

Many groups claim HUD's new final rule makes it harder for victims to bring discrimination lawsuits under the Fair Housing Act. According to *Politico*, HUD's new final rule would require plaintiffs to meet a higher threshold to prove unintentional discrimination.

According to the new final rule, at the pleading stage, to state a discriminatory effects claim based on an allegation that a specific, identifiable policy or practice has a discriminatory effect, a plaintiff or charging party must sufficiently plead facts to support each of the following elements:

1. That the challenged policy or practice is arbitrary, artificial, and unnecessary to achieve a valid interest or legitimate objective such as a practical business, profit, policy consideration, or requirement of law;
2. That the challenged policy or practice has a disproportionately adverse effect on members of a protected class;
3. That there is a robust causal link between the challenged policy or practice and the adverse effect on members

by the preponderance of the evidence either that the interest advanced by the defendant is not valid or that a less discriminatory policy or practice exists that would serve the defendant's identified interest in an equally effective manner without imposing materially greater costs on, or creating other material burdens for, the defendant.

The new final rule allows a number of defenses to a defendant in a discriminatory effect case. As one example, the defendant may establish that a plaintiff has failed to sufficiently plead facts to support an element of a prima facie case, including by showing that the defendant's policy or practice was reasonably necessary to comply with a third-party requirement, such as a federal, state, or local law; binding or controlling court, arbitral, admin-

NAHMA expected the new proposed rule to be more favorable to housing providers based on the Supreme Court decision's content. However, many Fair Housing and tenant advocacy groups strongly oppose this proposed regulatory change.

of a protected class, meaning that the specific policy or practice is the direct cause of the discriminatory effect;

4. That the alleged disparity caused by the policy or practice is significant; and
5. That there is a direct relation between the injury asserted and the injurious conduct alleged.

The burdens of proof to establish that a policy or practice has a discriminatory effect, a plaintiff must prove by the preponderance of the evidence each of the elements in the above paragraphs (2) through (5).

A defendant or responding party may rebut a plaintiff's allegation that the challenged policy or practice is arbitrary, artificial, and unnecessary by producing evidence showing that the policy or practice advances a valid interest and is therefore not arbitrary, artificial, and unnecessary.

If a defendant rebuts a plaintiff's assertion, then the plaintiff must prove

administrative order or opinion; or binding or controlling regulatory, administrative or government guidance or requirement.

An additional defense provided under the new final rule is that the defendant's policy or practice is reasonably necessary to comply with a third-party requirement, such as a federal, state, or local law; binding or controlling court, arbitral, administrative order or opinion; or binding or controlling regulatory, administrative, or government guidance or requirement.

ADVOCATING FOR THE INDUSTRY

In October 2019, NAHMA submitted comments to HUD regarding its then proposed revised guidance for implementing the Fair Housing Act's Disparate Impact Standard.

NAHMA and industry partners have advocated for HUD to update its original disparate impact regulation, which dates to 2013, following the 2015 Supreme

Court decision that upheld the disparate impact standard with notable recommendations. NAHMA expected the new proposed rule to be more favorable to housing providers based on the Supreme Court decision's content. However, many Fair Housing and tenant advocacy groups strongly oppose this proposed regulatory change.

In its comments, NAHMA commended HUD's continued efforts to streamline rules and reduce regulatory burdens. According to the association's comments, "NAHMA members are extremely supportive of the Fair Housing Act and the protections it affords to all persons. However, NAHMA members have been concerned with the misuse of the disparate impact standard through lawsuits that challenge various program policies that were neither designed nor implemented to discriminate against anyone."

At that time, NAHMA recommended HUD adopt specific safe harbors as defenses against disparate impact claims, saying, "NAHMA recommended in its comments to HUD's June 2018 Advance Notice of Proposed Rulemaking, a housing provider must not have to wait until a fair housing claim is asserted to determine that a policy or practice is lawful. HUD must provide concrete guidance to housing providers to assure them in advance that they will not be the target of a fair housing claim."

NAHMA comments at that time provided the following examples of safe harbors that would be useful in assisting owners in complying with the Fair Housing Act:

- Compliance with otherwise legitimate local, state, or federal law ought to protect a housing provider from a

disparate impact claim.

- Adoption of policies consistent with rules approved by HUD for operators of "federally-assisted housing" (as defined in 24 CFR §5.100) should provide a safe harbor for housing providers.

- Implementation of eligibility or selection policies intended to enhance housing opportunities for specific protected classes or other housing-impaired persons should also insulate housing providers from disparate-impact liability.

- HUD should consider generally exempting written policies or practices that housing providers adopt that are facially neutral, helpful to the provider's operations, reasonably calculated to achieve those goals, and impose no greater burden on persons in protected classes than they impose on the population generally. **NN**



Data and Research that Support Affordable Housing

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

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



PD&R

HUD USER



A refreshingly simple way to manage your affordable housing properties



Residential



Commercial



Affordable



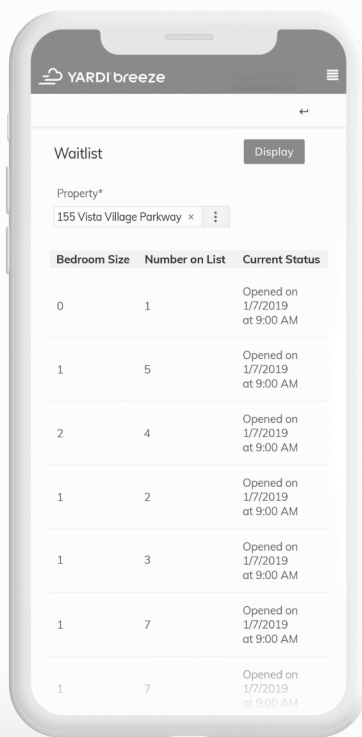
Self Storage



Condo/HOA



Manufactured



“Yardi Breeze is easy to use. Tenant tracking, maintenance requests and online support ... I love everything about it!”

Danielle Drozdek
RB Homes, Inc

Save time with affordable housing software that does it all

Starting at
\$2 per unit
per month*

Easy setup & live chat support	✓
Property accounting	✓
Manage LIHTC, HUD 50059, RD & HOME units	✓
Integration with federal subsidy websites	✓
Track family, member, income & asset information	✓
Generate & electronically submit TRACS files	✓
Produce & file state-level Tax Credit reports	✓
Generate & electronically submit MINC files	✓
Reconcile HUD payments	✓
Vacancy & prospect tracking	✓
Waitlist management	✓
Manage set asides for LIHTC & HOME units	✓
Resident online payments	✓
Email & text communications	✓
Online maintenance & work orders	✓
Vendor payments	✓
Resident screening*	✓

*Minimums apply *Additional fees apply

Get a free, personalized demo to see why thousands of companies choose Yardi Breeze

YardiBreeze.com | (800) 866-1144



Election Outcomes and Year-end Legislative Agenda

THE NOVEMBER ELECTIONS ARE FINALLY BEHIND US, yet in the words of *Game of Thrones*, “Winter is Coming.” This column will provide a recap of the elections at the presidential and congressional levels, specifically who will control the agenda in 2021. The column also highlights the legislative agenda for the year-end, or lame duck, session.

PRESIDENTIAL ELECTION RECAP

As a result of the November elections, former Vice President Joe Biden became president-elect. The presidential race was called after Pennsylvania, and Nevada were projected to give Biden more than the 270 Electoral College votes needed to secure the presidency. At the time of this article’s publication, President Donald Trump rejected the outcome and has claimed widespread voting irregularities without evidence and had filed lawsuits; however, to date, none of Trump’s lawsuits have gained traction or demonstrated that the results of the election can be overturned. Biden is the oldest president-elect in U.S. history and is joined by California Sen. Kamala Harris, who will become the first Black and Indian-American woman to serve as vice president. President-elect Biden must now turn his attention to formalizing a transition team and building his Cabinet nominations and White House staff.

SENATE ELECTION RECAP

At the time of this article’s publication, both parties were preparing for Senate control to be decided in January, when Georgia’s two Senate seats will be decided in runoff elections. Currently, the Senate’s balance of power favors the Republicans with 50 seats, while the Democrats hold 48 seats.

For Democrats to control the Senate, they would need to win both Georgia runoff races because they’d have the

tie-breaking vote from Vice President-elect Kamala Harris. Democrats would have full control of government under this scenario by a very slim margin, as they’re likely to control the House of Representatives by a few seats. Should Republicans win the Georgia runoffs and retain control, Kentucky Sen. Mitch McConnell is poised to remain as Majority Leader of the Senate, where he would have the power to limit or even stall President-elect Joe Biden’s legislative agenda.

HOUSE OF REPRESENTATIVES RECAP

Democrats will keep control of the House of Representatives, but they did not expand their majority due to Republicans winning seats. Going into the November elections, Democrats had majority and held 232 seats. To date, at least seven Democratic incumbents have lost their seats. Combined with the losses and the failure to win additional seats, Speaker Nancy Pelosi (D-CA) will have less room to maneuver a Democrat-only legislative agenda.

Speaker Pelosi will also face additional pressure from the progressive wing of the Democratic Party, and one can look for Democratic tensions leading up to the 2022 midterm elections. Historically, the party in control of the White House has lost seats in midterms, and Democrats will have a nar-

rower majority to defend heading into that election.

LEGISLATIVE OUTLOOK FOR END OF 2020

Shortly after the elections, Senate Majority Leader McConnell stated his willingness to resume COVID-19 relief negotiations with the White House and House Speaker Pelosi. This was a surprise, given his previous resistance to an additional stimulus before the elections. For the rest of 2020, McConnell has indicated his top Senate priorities are a pandemic relief package and appropriations funding bills to keeping the government operating past the Dec. 11 deadline. This is a positive development, but a significant hurdle does remain, as President Trump will need to sign any legislation into law. It remains unclear if the election legal challenges, pursued by the Trump campaign, will negatively impact legislation and congressional stimulus negotiations.

CONCLUSION

If year-end legislation does come together, NAHMA will keep members updated and likely need member support in grassroots advocacy to push funding bills and additional stimulus deals across the finish line. Specifically, advocacy will be required to ensure pandemic-related rental assistance and critical affordable housing programs are provided adequate funding to address the financial challenges faced by many members and the industry. **NN**

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

IRS Publishes Average Income Test Proposed Rule

ON OCT. 29, THE IRS PUBLISHED a notice of proposed rulemaking on the Housing Credit Average Income Test (AIT) minimum set-aside for public comment. The regulations, once finalized, would provide guidance on implementation of the AIT, as established by the Consolidated Appropriations Act of 2018 (2018 Act), which allows owners of Housing Credit properties (for purposes of the tax code, the “taxpayer”) to elect to serve households earning as much as 80% of area median income (AMI), as long as the income designations of the units in the property average no more than 60% of AMI. The proposed rule would modify existing Housing Credit regulations for the “next available unit rule” at Section 1.42-15 and establishes a new regulation for the AIT at Section 1.42-19.

Under the tax code, taxpayers investing in a Housing Credit property must choose a minimum set-aside. Prior to the passage of the 2018 Act, there were two minimum set-aside options: at least 40% of units in the project rent-restricted and designated for households at 60% of AMI, or at least 20% of the units in the project rent-restricted and designated for households at 50% of AMI. The 2018 Act created the AIT as a third minimum set-aside option, requiring at least 40% of the units in the project to be rent-restricted and designated low-income units, and the average unit designation to be no more than 60% of AMI.

A violation of the minimum set-aside—regardless of which option the taxpayer chooses—has significant implications for investors. If the mini-

mum set-aside is not met by the end of the first year of the Credit period, the taxpayer may not claim Credits on the property ever. If the violation occurs in a subsequent year, the taxpayer may not claim Credits on the project until the minimum set-aside is restored. In contrast, other types of noncompliance may result in reduction of the amount of Credits the taxpayer may claim until compliance is restored, but do not prevent the taxpayer from claiming any Credits at all.

In its AIT proposed rule, the IRS requires that all low-income units in a property average 60% of AMI or less in order to meet the minimum set-aside requirement. If a unit goes out of compliance for any reason, the proposed rule would provide the taxpayer up to 60 days after the end of the year in which the average was violated to take a mitigating action to prevent the project from violating the minimum set-aside and being disqualified from receiving Credits for that year (or ever, if the violation occurs in year one). The rule allows two types of mitigating actions:

1. If a property is not a 100% low-income project, the taxpayer may convert one or more market-rate units to low-income units, as long as the market-rate unit(s) is either vacant or occupied by an otherwise qualified tenant; or
2. The taxpayer may designate one or more otherwise qualified low-income units as “removed units” and not count those units in the average income computation, thus re-establishing an average of 60% or less of AMI. However, the taxpayer also may not count removed units in their Credit calculation

until compliance has been restored. If removing the units causes the total number of qualified low-income units to fall below 40% of the units in the project, then the project fails the minimum set-aside.

The proposed rule prohibits the taxpayer from changing the designated imputed income limitation of units in order to reestablish compliance with the minimum set-aside. For example, if a household moves into a unit designated at 30% of AMI, but the household's income is 32% of AMI, the taxpayer may not redesignate that unit as a 40% unit, even if the redesignation would not cause the project's overall average to exceed 60% of AMI.

The proposed rule provides guidance on how the next available unit rule would work in projects with market-rate units if multiple low-income tenants in units with different imputed income designations exceed 140% of their unit's income designation at the same time. In such an instance, the regulation does not require the taxpayer to apply the next available unit rule in any specific order.

Comments are due to IRS 60 days after the publication of the proposed rule in the Federal Register, which we expect to be soon. **NN**

Jennifer Schwartz serves as the Director of Tax and Housing Advocacy at the National Council of State Housing Agencies (NCSHA).

This article first appeared Oct. 29, 2020, on the NCSHA website. © National Council of State Housing Agencies 2020. All rights reserved. Used with permission from the National Council of State Housing Agencies, Washington, DC, 202-624-7710, www.ncsha.org.

What would you do with your time back?

Go to
spin class

Date
night

Netflix
& chill

Train
for a half
marathon

Book club -
Tuesday
at 7pm

Family
dinner
night

Watch
the
Sunset

Catch up
with Sam

myresman.com/nahmanews

855.737.6261

sales@myresman.com

myresman.com

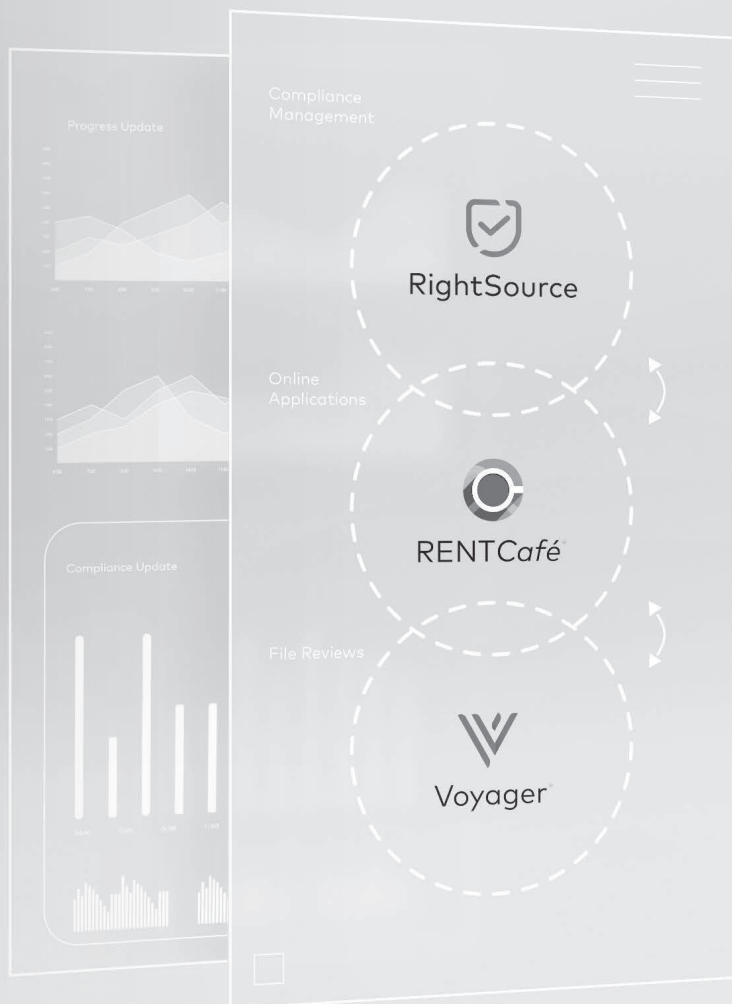
ResMan[®]

Affordable



Yardi® RightSource

Reimagine compliance with a unified solution that simplifies
affordable housing leasing, certifications and operations



"I'm confident with the service
RightSource provides, our
certifications are always complete
and accurate."



IMPACT MANAGEMENT
Angie Livingstone
Regional Manager

RightSource Compliance Services

Reduce the cost and complexity of compliance with fast file reviews, monitoring, training, and scalable services such as agency reporting and voucher processing.

RENTCafé Affordable Housing

Facilitate virtual leasing with online applications and recertifications with leading practice compliance workflows.

Voyager Affordable Housing

Confidently manage property operations, accounting and compliance with a solid ERP foundation.

Learn with us at Yardi.com/webinars



RENTCafé® Affordable Housing

Online move in, initial, interim and annual certifications with leading practice compliance workflows and forms

"100% of housing certifications submitted through RENTCafé Affordable Housing are complete and ready for review. Our staff processes these applications twice as fast, giving them more time to serve residents."



PINNACLE
Nick Strzelec
Property Technical Analyst

Streamline compliance when office visits aren't possible

- Manage Low-Income Housing Tax Credit, HUD 50059, Rural Development and HOME units
- Track changes in family makeup, income, assets and expenses
- Collect verifications, review certification requirements and manage compliance online
- Integrate seamlessly with RightSource Compliance Services

Learn with us at Yardi.com/webinars

Industry Comments on Draft M2M Notice

An industry coalition that included NAHMA filed joint comments in response to the Department of Housing and Urban Development (HUD)'s request for feedback to its published draft notice, "Guidelines for Certain HUD Approvals Regarding Properties Encumbered by HUD-Held Mark-to-Market Program Debt and Portfolio Reengineering Demonstration Program Debt." The draft notice, posted on the Multifamily Housing Drafting Table, will replace Housing Notice 2012-10, "Guidelines for Assumption, Subordination, or Assignment of Mark-to-Market (M2M) Loans in Transfer of Physical Assets (TPA) and Refinance Transactions" in its entirety.

The draft notice provides new instructions for acquiring and/or refinancing properties after they have been through a Mark-to-Market Program debt restructuring or a Portfolio Reengineering Demonstration Program restructuring and are encumbered by HUD-held debt. In addition, Section 3 of the draft notice would replace Appendix C of the Mark-to-Market Operating Procedures Guide regarding transfers of assets to qualified nonprofits. Section 4 covers matured and outstanding Mark-to-Market or Demonstration Program debt. Section 5 provides supplemental guidance that may also be relied upon by owners of properties with satisfied Mark-to-Market subordinate debt obligations that remain encumbered by a Mark-to-Market Use Agreement and continue to benefit from a Full Mark-to-Market Renewal Contract.

The draft notice can be found on the NAHMA website.

In the comments, the industry partners said, overall, the notice reflects practices HUD has been using on these transactions. The notice fills in some gaps where there wasn't written guidance.

In focusing on specific sections of the draft notice, the comments ask for an explanation as to how HUD interprets Section 2.4(H)(ii) and (H)(iii).

In the comments, the industry partners said, overall, the notice reflects practices HUD has been using on these transactions. The notice fills in some gaps where there wasn't written guidance.

The provision says that compliance with all of the following underwriting points indicates financial viability. Section 2.4(H)(iii) indicates that a new first mortgage with at least a 15-year term is sufficient, while Section 2.4(H)(iv) indicates that a new first mortgage loan must be fully amortizing. Fully amortizing debt products are usually 30 to 40 years and are Federal Housing Administration debt or state agency issued and placed bond debt. The comments said that debt products on Post M2M properties are often 15- to 25-year debt that is not fully amortizing. "HUD must be clear about its expectations; the discretion that HUD is seeking to exercise could make it difficult for sellers and purchasers to anticipate what type of debt product will work," according to the comments.

The industry partners had an issue with another part of Section 2, saying net present valuation and amortization of subordinate debt are new concepts. It is essential to understand how these

concepts should work and how they will financially impact the deal. "We do not believe HUD should perform another financial analysis for these calculations, but it may be helpful to add some illustrative case studies or examples as an appendix. The sample valuation does not run through actual calculations and is insufficient. We also urge the department to provide flexibility in these transactions (i.e., waivers, alternative methodology, etc.) if the new

requirements prevent the transfer and preservation of the projects," said the comments.

According to the draft notice, Section 2 describes the processing requirements applicable to the activities covered by this notice and governs any request to assume and/or subordinate M2M debt and to waive the due on sale or refinance clause contained in the loan documents that evidence and secure M2M debt.

The draft notice describes Section 3 as governing any request made by a "Qualified Purchaser" to receive certain types of debt relief concerning an MRN or CRN Note or with respect to a Note to be originated under the M2M program.

This section drew comments from the industry partners, too. For example, the industry noted the standards for qualified nonprofits (QNP) are stringent but suggested it would help have the details listed in the notice.

The industry comments also said

that the draft notice provides conflicting statements about whether the seller can offer management services for the property to the new purchaser. Also, the draft notice seems to prohibit the seller from providing development services for the new property after the sale. “We urge HUD to clarify the management provisions and to remove prohibitions from the seller acting as the new owner’s developer for the property,” the comments said.

The draft notice described Section 5 as governing any request for approval of a proposal under Section 8(bb)(1) of the United States Housing Act of 1937 for HUD to transfer the budget authority remaining on a project-based Section 8 Housing Assistance Payments (HAP) Contract at the time of its termination to another HAP Contract in cases where either the property from which budget authority is transferred (Project A) or the property to which it is transferred (Project B) is subject to a Full M2M Renewal Contract. The industry included two comments on this section. First, thanking HUD for including guidance on Section 8bb transfers for projects with Mark-to-Market subordinate debt. “It is important that HUD recognized rents can be higher if the rent comps justify them,” according to the comments.

Finally, the comments said, “We ask that you consider, in conjunction with the Post M2M 8(bb) provisions, provisions to facilitate the transfer of UA to match any 8(bb) HAP unit transfers pro-rata. Otherwise, the utility of the 8(bb) provisions will be significantly mitigated. Alternatively, or in addition, please provide examples of how HUD anticipates an 8(bb) transfer, alone, is helpful in re-positioning Section 8 M2M properties.” **NN**

There’s No Place Like NAHMA for the BEST in Training and Certification



Enhance your career and improve your work today with training and certification programs designed by NAHMA specifically for you.

- Attend a three-day course that earns you the coveted Certified Professional of Occupancy™ (CPO™) designation.
- Learn the compliance requirements set forth in the Fair Housing Act and Section 504 regulations.
- Attend a comprehensive course designed to cover advanced topics related to working with this handbook such as managing mixed finance properties and managing corporate access to HUD secure systems. ACPO™

Earn one of NAHMA’s prestigious professional credentials:

- National Affordable Housing Professional™ (NAHP™)
- National Affordable Housing Professional-Executive™ (NAHP-e™)
- Specialist in Housing Credit Management™ (SHCM™)
- Certified Professional of Occupancy™ (CPO™)
- Fair Housing Compliance™ (FHC™)
- Blended Compliance Designations (BCD)
- National Accredited Housing Maintenance Technician™ (NAHMT™)
- National Accredited Housing Maintenance Supervisor™ (NAHMS™)
- Credential for Green Property Management™ (CGPM™)

>> For more information, visit www.NAHMA.org and click on Education.

NAHMA

COVID-19 Disproportionally Impacts Minorities

Housing security is a significant concern across the nation, particularly among families of color, as represented by the higher rates of COVID-19-related income losses among minority groups. Meanwhile, most renters' perilous financial circumstances before the pandemic, regardless of income, continue to worsen. Several policy options exist in the near and long term to address the numerous housing affordability

more likely to be renters and to have lower incomes and fewer assets, which puts them at higher risk of missing rent payments and being evicted. Before the COVID-19 pandemic, Black and Hispanic renters were more likely to be cost-burdened, and this pandemic only exacerbated this problem. The pandemic continues to impact renters of all racial and ethnic backgrounds and continues to worsen existing disparities, many of which can be traced to explicit

income households, who are disproportionately households of color.

Discriminatory housing policies such as racialized zoning, predatory lending, and urban renewal have resulted in stark outcomes. According to the National Low-Income Housing Coalition's publication, "The Gap: A Shortage of Affordable Homes 2019," there are just 37 rental homes for every 100 extremely low-income renter households. Black, Hispanic, and Native American households are more

likely than white households to be extremely low-income renters. In fact, 20% of Black households, 18% of Native American house-

While hardships caused by COVID-19 have affected almost all Americans, these impacts have unequally burdened minority families. Black and Hispanic households have been much more likely to contract COVID-19 and suffer from lost income, and face housing insecurity due to the pandemic.

challenges, such as more significant federal income supplements for renter households. These benefits are vital to helping pay rent during the current pandemic for most low- and extremely low-income families. A recent NAHMA Analysis highlights data on the disproportionate impact of COVID-19 on minority households, renters, and communities.

COVID-19 INCREASES RACIAL DISPARITIES IN HOUSING

With COVID-19 cases in the U.S. still climbing, emerging data indicates that the pandemic is disproportionately impacting households of color, especially Black and Hispanic families. According to a recent U.S. Census Bureau Household Pulse Survey conducted in July, wide racial and ethnic disparities are among the main contributors to the affordable housing crisis. Structural racism and discriminatory policies and practices have contributed to Black and Hispanic households being

and implicit discriminatory housing policies from the past.

IMPACTS OF HISTORICALLY DISENFRANCHISING HOUSING POLICY

Historically, certain public policies have produced racial disparities that resonate to this day. From the 1930s through the late 1960s, the federal government practice of "redlining"—the systematic refusal by some lending institutions or insurance companies to issue mortgage loans or insurance on property in certain neighborhoods regarded by them as deteriorating—limited or denied mortgage insurance in neighborhoods with high rates of Black households and other households of color, exacerbating existing racial segregation in private home mortgage lending. The legacy of this discrimination continues today, in exclusionary zoning practices that restrict where people can live by artificially constraining supply and keeping house prices and rents beyond the reach of many low-

holds, and 16% of Hispanic households are extremely low-income renters. Only 6% of white non-Hispanic households are extremely low-income renters.

This has been compounded by the fact that communities of color are disproportionately affected by COVID-19 while also being impacted economically by public health measures such as stay-at-home orders. An overrepresentation in low skilled or temporary positions means that these populations cannot transition to working remotely. The Bureau of Labor Statistics reported in May that the unemployment rate for Hispanics rose to a record high of 18.9%, meaning nearly one in five Hispanics are unemployed. The rate is higher than any other racial or ethnic group surveyed by the department. The unemployment rate rose to 16.7% for Blacks, 14.5% for Asians, and 14.2% for whites. The layoffs related to COVID-19 for Black and Hispanic workers are also more likely to exacerbate their housing instability, with minority fami-

lies already having reported higher rates of financial insecurity and lower savings to draw from to weather economic shocks before the crisis began.

MINORITY RENTERS DEEPLY IMPACTED BY THE PANDEMIC

COVID-19 has only worsened the grim economic reality engulfing many minority renters and has the potential for disastrous near-term consequences. The U.S. Census Bureau published its August Household Pulse Survey and found that people of color and lower-income families are struggling to cover their housing costs and are more likely to experience housing instability in the near future. According to the survey, 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 white (39%) households. Additionally, 25% of Black and Hispanic renters who responded to the survey did not pay or deferred their rent in May, compared with 14% of white renters. And while a quarter of white renters expressed slight or, no confidence in their ability to pay rent in June, nearly 50% of Black and Hispanic renters expressed similar concerns.

Notably, a recent Harvard study (Triple Pandemic, July 7, 2020) found that 52% of all renters had lost income from employment in May and June, with Hispanic renters hit the hardest. Almost two in every three Hispanic renters, or 64%, lost employment income in the last couple of months, followed by 57% for Black renters and 47% for white renters.

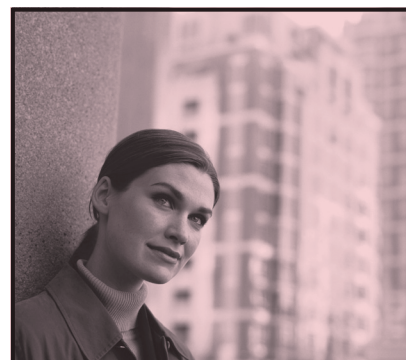
In addition to the economic factors that present housing challenges for minorities, many adverse conditions are still prevalent in many communities of color. Racial disparities prevent access to healthy food at the neighborhood level, with generally lower qual-

ity and higher prices relative to stores in predominantly non-Hispanic white neighborhoods. For example, nearly 21% of Black families are food insecure or uncertain of having or unable to purchase enough food for themselves or all their family members. Black families are also subjected to higher air pollution levels and lead exposure than white families, regardless of income.

Black and Hispanic communities are more likely to lack essential community services, such as quality, multimodal transit, broadband internet access, and recreational spaces necessary for physical activity. Black and Hispanic communities also continue to face significant inequities in the U.S. education, employment, and justice systems, which hinders upward mobility for workers and families. These lead to poorer health outcomes for low-income communities and more precarious economic conditions that will make weathering the COVID-19 crisis that much more challenging.

While hardships caused by COVID-19 have affected almost all Americans, these impacts have unequally burdened minority families. Black and Hispanic households have been much more likely to contract COVID-19 and suffer from lost income, and face housing insecurity due to the pandemic.

Suppose renters who have been impacted by COVID-19 do not receive additional support until the current crisis abates, through rental assistance, cash transfers or the continued supplement of unemployment benefits. In that case, states across the country could see much larger increases in hunger, eviction, and homelessness for the foreseeable future. With so many suffering from lost income during the pandemic and facing continual housing insecurities, Black and Hispanic families are especially at risk. **NN**



Three Great Books!

Green Housing: A Practical Guide to Green Real Estate Management

A great primer—it covers all the basic concepts for creating a green operation and maintenance plan. Perfect for owners, developers or managers who want to go green. **\$35 per copy plus \$5 shipping and handling.**

A Practical Guide to Tax Credit Housing Management

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

Understanding Insurance and Risk Management

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



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

NAHMA



MAKE THEIR HOME A KASTLE

Protect your residents and property while saving on security costs.

That's a challenge, but Kastle Systems has a fix. Whether you need to supplement or replace your current security solution, Kastle's **Remote VideoGuarding®** solution can help.



How it Works:

- Enhances security with smart video logic.
- Detects activity instantly and streams video to our monitoring center.
- Enables remote guards to issue live audio warning and notify police.



How it Protects Your Residents:

- Surveils multiple areas simultaneously.
- Removes guards from onsite threats or influence.
- Responds instantly, recording activity in crisp HD video



How it Protects Your Investment:

- Reduces need for costly on-site guard staff.
- Prevents property theft and vandalism.

Check out our Infographic to see how Kastle can better protect your residents while saving you money. <https://info.security.kastle.com/rvg-infographic>



KASTLE SYSTEMS

kastle.com | 855.527.8531

Annual NAHMA Meeting Moves Online

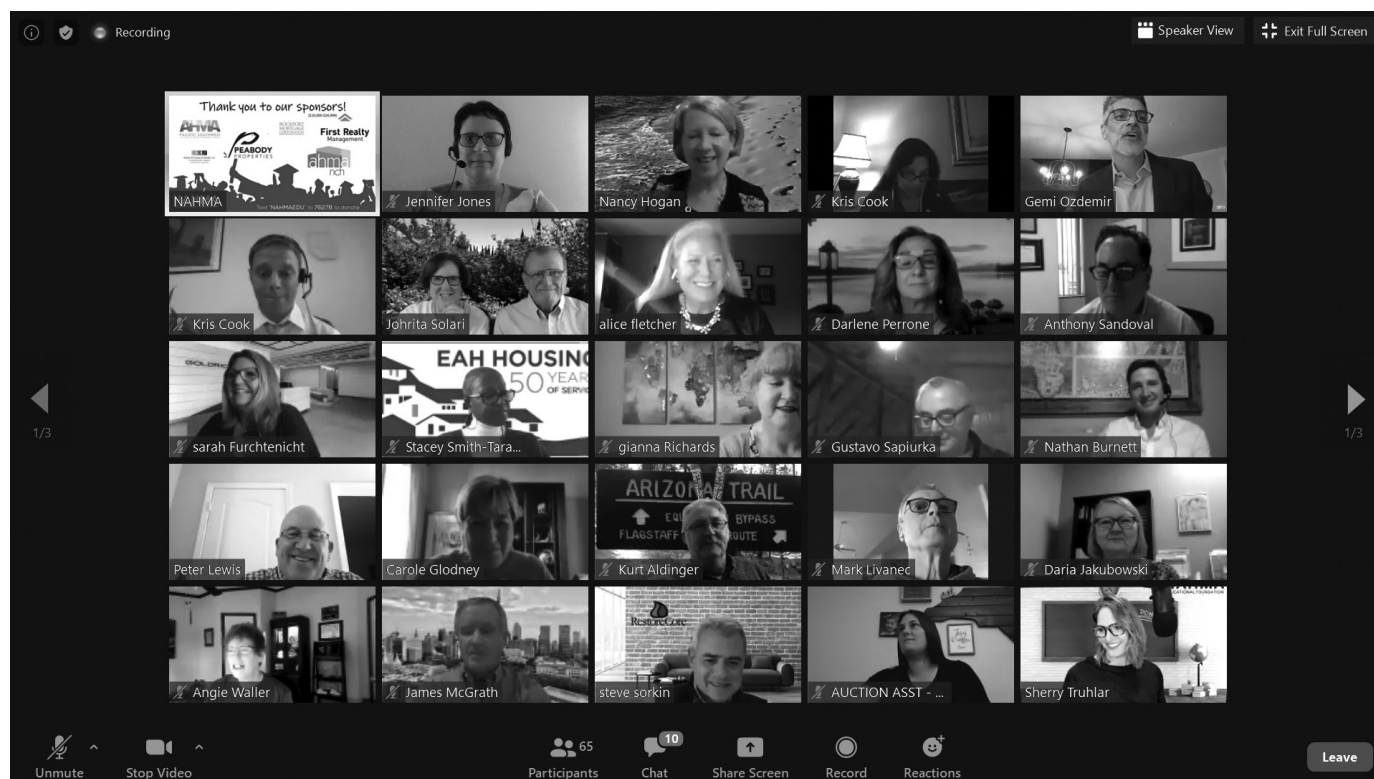
More than 170 members and affordable housing insiders attended the NAHMA Biannual Top Issues in Affordable Housing virtual fall conference, Oct. 26-30. The virtual panels concentrated on the top issues facing affordable housing as well as educational sessions on pandemic- and diversity, equity and inclusion-related topics.

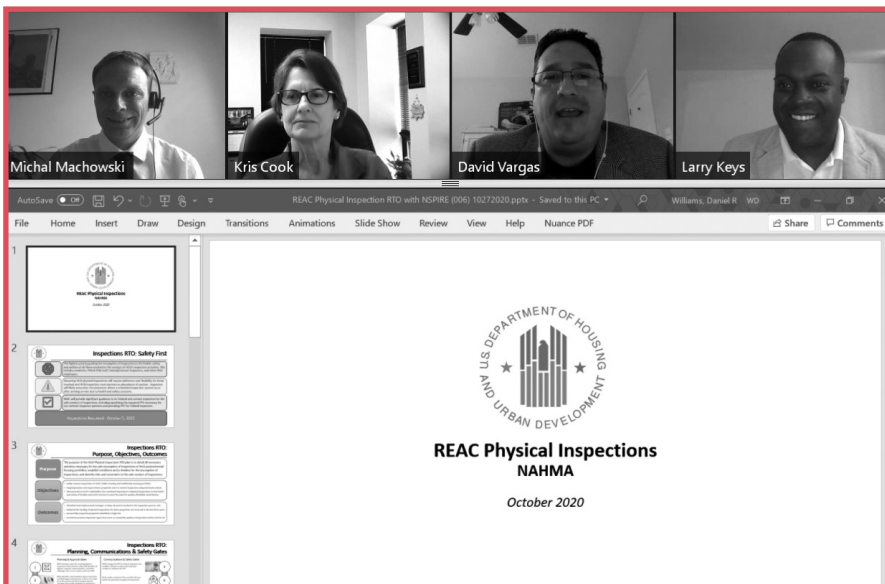
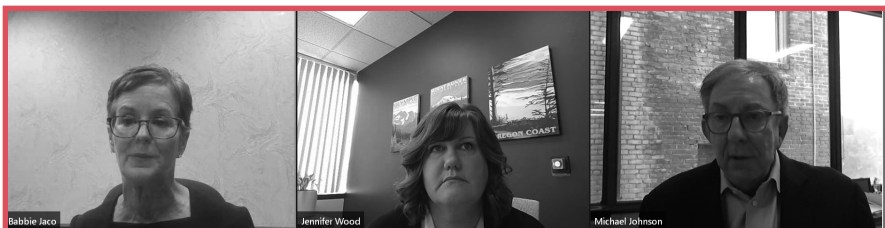
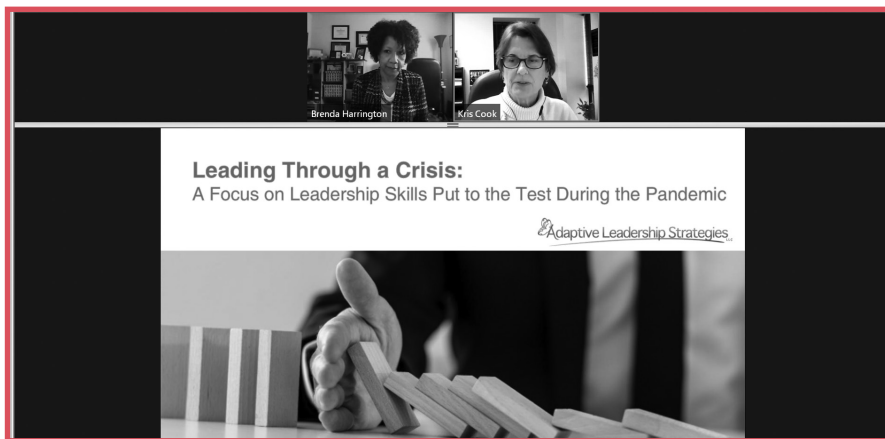
Featured speakers included Toby Halliday, director of the Office of Asset Management and Portfolio Oversight for the Department of Housing and Urban Development; David A. Vargas, MSA, CPA, deputy assistant secretary, Real Estate Assessment Center; Dan Williams, program manager, NSPIRE; Nancie-Ann Bodell, assistant deputy administrator, Multifamily Housing Programs, Rural Development, Department of Agriculture, and other senior staff from Rural Development; Emily Cadik, executive director, The Affordable Housing Tax Credit Coalition; Peter J. Lawrence, director, Public Policy and Government Relations, Novogradac Consulting LLP; Dena Calo, Esq., partner, Saul Ewing Arnstein & Lehr; and Brenda Harrington, PCC, certified executive coach, former property management executive and founder of Adaptive Leadership Strategies.

Additionally, the NAHMA Educational Foundation's 2020 Inspiration Award recipients, Carole Glodney and Karen Steinbaum, were honored during the foundation's Virtual Inspire Gala, Oct. 26, which also moved online. The benefit serves as the primary public annual fundraising event for the NAHMA Educational Foundation's scholarship fund. While the event was virtual, it was still packed with exciting guest speakers, silent auction items, a trivia game and a live auction component.

Mark your 2021 NAHMA Drug-Free Kids calendars now, the NAHMA Biannual Top Issues in Affordable Housing winter conference is March 10-12.

PHOTOS BY NAHMA STAFF





Thank You to Our October Meeting Sponsors

PLATINUM

Buyers Access
HD Supply Multifamily Solutions
USI Insurance Services
Yardi Systems

BRONZE

Dauby, O'Connor & Zaleski LLC

NAHMA Welcomes Newly Elected Board of Directors

Directors (new): Kimberlee Schreiber and Alicia Stoermer Clark

Directors (re-elected): Noel Gill and Cindy Lamb

Officers: Michael Simmons, president; Larry Sisson, president-elect; Peter Lewis and Sandra Cipollone, vice president; Nancy Evans, secretary; Christina Garcia Sanchez, treasurer; and Timothy Zaleski, past president

Many Thanks to Board Members

Mark Morgan, and Michael Johnson as past president

NAHMA Educational Foundation Welcomes Newly Elected Board of Directors and Officers

Directors (new): Christopher Voss, and Larry Sisson, who will serve as the NAHMA board representative

Officers: Alice Fletcher, chair; Karin McGrath-Dunn, vice chair; and Megan Davidson, secretary

Director (re-elected): Alicia Stoermer Clark

Many Thanks to Foundation Board Members Boone Atkins and Nancy Hogan, and Michael Simmons, who served as the NAHMA board representative

PHOTO 1 FROM TOP: Brenda Harrington, founder of Adaptive Leadership Strategies, presents a session on Leading Through a Crisis: A Focus on Leadership Skills Put To the Test During the Pandemic.

PHOTO 2: Members tune into the HUD Multifamily Agency Staff Panel with Bob Iber, senior advisor for Multifamily Housing; Lamar Seats, deputy assistant secretary for Multifamily Housing and Toby Halliday, director, Office of Asset Management and Portfolio Oversight with NAHMA's Larry Keys Jr. and Kris Cook moderating.

PHOTO 3: Babbie Jacob, vice president of property management, CAHEC Management Inc.; Jennifer Wood, vice president, The John Stewart Company and Michael Johnson, executive vice president, Alco Management, lead the Best Practices, Lessons Learned and Emerging Trends in Property Management in a Pandemic World and Afterward panel.

PHOTO 4: Michal Machnowski, NAHMA's Government Affairs manager; Kris Cook, NAHMA executive director; David A. Vargas, deputy assistant secretary, Real Estate Assessment Center and Larry Keys Jr., NAHMA director of Government Affairs, lead the HUD REAC/NSPIRE Staff Panel.

Thank You to Our NAHMA Educational Foundation Gala Organizers and Sponsors

Stefanie Lee, chair of the gala event Planning Committee; **Gemi Ozdemir**, **Dauby O'Connor & Zaleski**; **Amber Day**, **TrashPro**; **Karin McGrath Dunn**, **PRD Management**; **Alice Fletcher**, **Park Properties** and **NAHMA Educational Foundation** chair

LEGACY \$100,000 +

Lisa McCarroll, **Navigate Affordable Housing Partners**

GENIUS

\$35,000–\$99,999

Davis Family, **In Memory of Harris Davis**
Stefanie Lee, **CAHEC Foundation**

DOCTORATE

\$25,000–\$34,999

Mark Livanec
Christopher Voss, **Yardi Systems**

MASTERS

\$15,000–\$24,999

Bill Kargman, **First Realty Management**
Dan Lyons, **Rockport Mortgage**

GRADUATE

\$10,000–\$14,999

Jazmin Ceballos, **AHMA-PSW**
Melissa Fish-Crane, **Peabody Companies**
Gemi Ozdemir, **Dauby O'Connor & Zaleski LLC**
James Vertovec, **AHMA-NCH**

UNDERGRAD

\$5,000–\$9,999

Alice Fletcher, **Park Properties**
Nancy Hogan, **Beacon Residential**
Peter Lewis, **Schochet Companies**
Anthony Sandoval, **WSH Management**
Steve Sorkin, **Restoration Affiliates**

SCHOLAR

\$2,500–\$4,999

Amy Albery, **Wallick Communities**
Pat Bessette, **Quantam Real Estate Management**

Nathan Burnett, **Watchtower Security**

Mike Coco, **Choice Properties**

Nancy Evans, **CSI Support & Development Services**

Noel Gill, **Northwest Real Estate Capital Corp.**

Daria Jakubowski, **SAHMA**

Kim O'Shea, **Rocky AHMA**

Gianna Richards, **Solari Enterprises**

Sam Rotter, **MMS Group**

Lisa Tunick, **Personal Donation**

Gwen Volk, **Gwen Volk Infocus Inc.**

SUPPORTER

\$100–\$2,499

Bill Langkopp, **LAHMA**

Gemi Ozdemir of Dauby O'Connor & Zaleski LLC serves as the master of ceremonies for the **NAHMA Educational Foundation Virtual Inspire Gala**, Oct. 26.

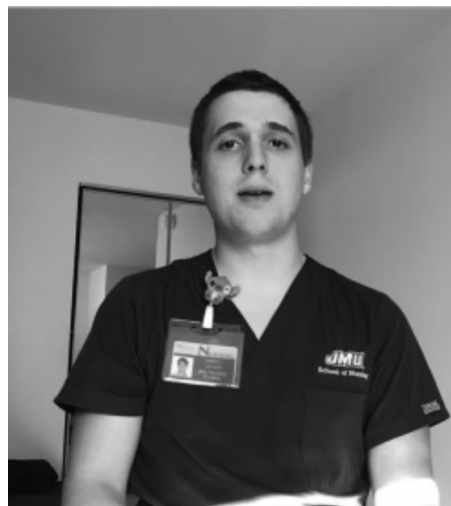


Welcome, NAHMA Committee Chairs and Vice Chairs for 2021-2022

AFFILIATES COMMITTEE: chair Mike Coco; vice chair Amber Day
 AFFORDABLE 100 TASK FORCE: chair, Amber Day; vice chair, Nathan Burnett
 AHMA Liaison Committee: chair, Larry Sisson; vice chair, Peter Lewis
 BUDGET & FINANCE COMMITTEE: chair, Christina Garcia Sanchez; vice chair, Nancy Evans
 CERTIFICATION REVIEW BOARD: chair, Cindy Lamb; vice chair, Eileen Wirth
 EDUCATION & TRAINING COMMITTEE: chair, Heather Wezensky; vice chair, Anne Sackrison
 FAIR HOUSING COMMITTEE: chair, Alan Weckerly; vice chair, Jonathan Gershen
 FEDERAL AFFAIRS COMMITTEE (committee of the whole): chair, Jack Sipes; vice chair, Amy Albery
 GRASSROOTS ADVOCACY TASK FORCE: chair, Nancy Evans; vice chair, Kurt Aldinger
 MEMBERSHIP AND MARKETING COMMITTEE: chair, Sonya Brown; vice chair, Lisa Tunick
 NOMINATING COMMITTEE: chair, Timothy Zaleski; vice chair, Michael Simmons
 REGULATORY AFFAIRS COMMITTEE (committee of the whole): chair, Chuck Durnin; vice chair, Noel Gill
 RESOLUTIONS AND BYLAWS COMMITTEE: chair, Phil Carroll
 RURAL HOUSING COMMITTEE: chair, Bert Loe; vice chair, Barbara (Babbie) Jaco
 SENIOR HOUSING COMMITTEE: chair, Darlene Perrone; vice chair, Alicia Khasky
 TAX CREDIT COMMITTEE: chair, Jamie Kerr; vice chair, Jennifer Wood
 TRACS AND CONTRACT ADMINISTRATION COMMITTEE: The work of this committee has been incorporated into the activities of NAHMA's Regulatory Affairs Committee beginning in 2021.

Thank You, NAHMA Committee Chairs and Vice Chairs for 2019-2020

AFFILIATES COMMITTEE: chair, Janel Ganim; vice chair, Mike Coco
 AFFORDABLE 100 TASK FORCE: chair, Mike Coco; vice chair, Amber Day
 AHMA LIAISON COMMITTEE: chair, Michael Simmons; vice chair, Larry Sisson
 BUDGET & FINANCE COMMITTEE: chair, Sandra Cipollone; vice chair, Nancy Evans
 CERTIFICATION REVIEW BOARD: chair, Gwen Volk; vice chair, Richard Skoczylas
 EDUCATION & TRAINING COMMITTEE: chair, Alicia Stoermer Clark; vice chair, Heather Wezensky
 FAIR HOUSING COMMITTEE: 2019 chair Anita Moseman; vice chair Debbie Piltch; 2020 chair Debbie Piltch; vice chair Alan Weckerly
 FEDERAL AFFAIRS COMMITTEE (committee of the whole): chair, Kimberlee Schreiber; vice chair, Jack Sipes
 GRASSROOTS ADVOCACY TASK FORCE: chair David Joyner; vice chair Amy Albery
 MEMBERSHIP AND MARKETING COMMITTEE: chair, Peter Lewis; vice chair, Lisa Tunick
 NOMINATING COMMITTEE: chair, Michael Johnson; vice chair, Timothy Zaleski
 REGULATORY AFFAIRS COMMITTEE (committee of the whole): chair, Cindy Lamb; vice chair, Lisa Beffa
 RESOLUTIONS AND BYLAWS COMMITTEE: chair, Phil Carroll
 RURAL HOUSING COMMITTEE: chair, Noel Gill; vice chair, Bert Loe
 SENIOR HOUSING COMMITTEE: chair, Nancy Evans; vice chair, Jeffrey Kohler
 TAX CREDIT COMMITTEE: chair, John Kuppens; vice chair, Scott Hunley
 TRACS AND CONTRACT ADMINISTRATION COMMITTEE: chair, Connie Buza; vice chair, Matt McGuire



During the NAHMA Educational Foundation Virtual Gala, Sherry Truhlar of Red Apple Auctions, left, leads the live auction and Jared Watson, right, explains, in video, what receiving a scholarship has meant to him.

Foundation Honors Glodney and Steinbaum

The NAHMA Educational Foundation honored Carole Glodney and Karen Steinbaum with the 2020 Inspiration Award at its annual gala in October. The award recognizes individuals or organizations for their longtime commitment to advancing educational opportunities for those working within the affordable housing industry and the residents they serve.

Glodney, who recently retired from GK Management Co. after more than 45 years in the affordable housing industry, led the development of Goldrich Kest's after-school, summer camp, and adult recreation programs. Additionally, she actively encouraged participation in NAHMA's annual AHMA Drug-Free Kids poster and art contest and the NAHMA Educational Foundation scholarship program.

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 furthering education, development of regional or national awareness campaigns or programs, and promotion or development of industry certification and training programs.

Steinbaum, who recently retired from SK Management after more than 40 years in the affordable housing industry, helped develop the AHMA-PSW's youth summit program in 1994 called Rap & Chat when she was president of the association and chaired

the program for four years. The summit attracted more than 500 youth ages 7-18 and was open to residents of AHMA-PSW member properties. The only qualification to attend was that participants had to enter the AHMA's anti-drug poster contest.

Both women had been involved with the NAHMA Educational Foundation since its inception in 1994, including serving on its board. Additionally, both have made significant donations to the foundation over the years,



to celebrate the contributions that both Carole and Karen have made to affordable housing and the NAHMA Educational Foundation. They both represent a strong dedication to the mission of the foundation, which is to provide opportunities to those living in affordable housing," Alice Fletcher, NAHMA Educational Foundation chair, said.

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 furthering education, development of regional or national awareness campaigns or programs, and promotion or development of industry certification and training programs.

The 2020 Inspiration Award recipients were honored during the foundation's Virtual Inspire Gala, held on Oct. 26. **NN**

and have generously supported the AHMA-PSW scholarship program, both personally and through their companies.

"On behalf of the entire Board of Directors for the NAHMA Educational Foundation, it is our honor

Rural Housing Continues Restructuring

The U.S. Department of Agriculture's Rural Housing Service (RHS) Multifamily Housing (MFH) programs have been restructuring into an integrated model with specialized teams to establish streamlined business processes and provide consistent and predictable work staff, and improve customer service.

Under the new model, all MFH staff will be aligned to one of three integrated divisions: Field Operations, Production and Preservation, and Asset Management.

The Field Operations Division is organized regionally with teams delivering routine servicing and troubled asset servicing, while remaining in their current duty station in the field to maintain a local presence. This team will report through a regional structure up to divisional leaders.

The Production and Preservation Division will process, underwrite, and close all multifamily direct, reserva-

tion, and guaranteed loan transactions. Each branch will support all the MFH programs, including Sections 515 and 538, Multifamily Preservation and Revitalization (MPR), prepayments, and preservation efforts. This division will also oversee Notice of Solicitation of Applications drafting and administration efforts for Farm Labor Housing, Housing Preservation Grants, MPR, technical assistance, and Section 515.

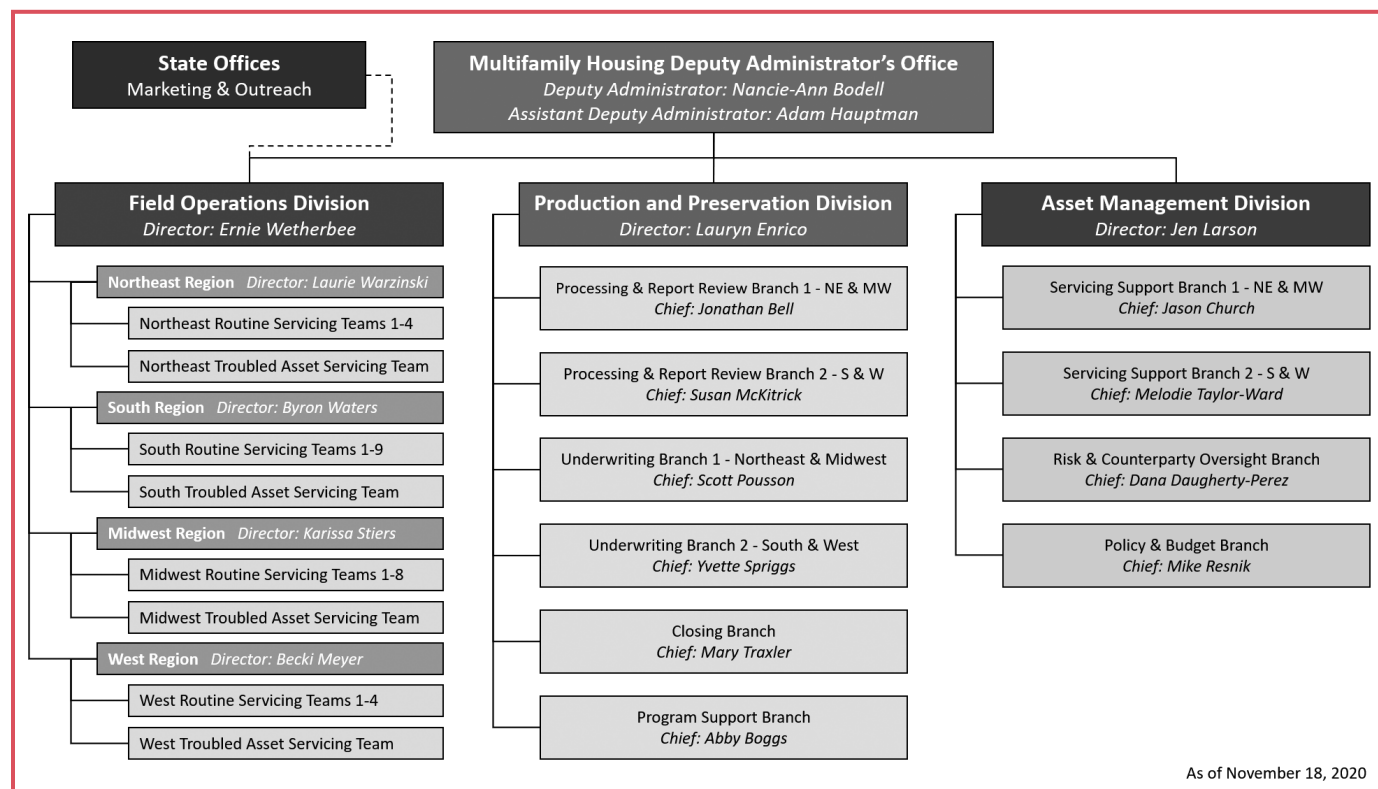
The Asset Management Division will oversee portfolio risk and overall portfolio health, with regionally aligned servicing teams to support field operations and the use of the new risk-ranking effort.

As part of the restructuring, effective Oct. 11, Becki Meyer, Byron Waters, Karissa Stiers, and Laurie Warzinski became the first regional directors of USDA Rural Development's Multifamily Housing Field Operations Division.

The Field Operations Division was

created as part of the organizational realignment to improve customer service delivery, facilitate consistent program implementation and increase oversight of the portfolio through the use of modern-day risk-based servicing tools, according to the RHS.

The regional directors will lead Field Operations staff in teams throughout the country, perform day-to-day servicing tasks, address owner, tenant, or other stakeholder needs, and monitor property performance to ensure compliance with Multifamily Housing's financial and physical requirements. The regional directors will provide asset management oversight and policy direction to their teams, with guidance from the new Asset Management Division led by Jen Larson. They will also support RHS' preservation and affordable housing production mission goals, led by Lauryn Enrico in the new Production and Preservation Division.



As of November 18, 2020

Each regional director reports to Ernie Wetherbee, director, Field Operation Division.

Becki Meyer is the regional director of the Western Region, consisting of Alaska, Arizona, California, Colorado, Hawaii, Idaho, Montana, New Mexico, Nevada, Oregon, Utah, Washington, and Wyoming.

Byron Waters is the regional director of the Southern Region, made up of Alabama, Arkansas, Florida, Georgia, Kentucky, Louisiana, Mississippi, North Carolina, Oklahoma, Puerto Rico, South Carolina, Tennessee, Texas, and the Virgin Islands.

Karissa Stiers is the regional director for the Midwest Region, comprised of Iowa, Illinois, Indiana, Kansas, Michigan, Minnesota, Missouri, North Dakota, Nebraska, Ohio, South Dakota, and Wisconsin.

Laurie Warzinski is the regional director for the Northeast Region, including Connecticut, Delaware, Massachusetts, Maryland, Maine, New Hampshire, New Jersey, New York, Pennsylvania, Rhode Island, Virginia, Vermont, and West Virginia.

Back in July, the first set of changes were launched in the National Office and the Northeast region, comprised of Maine, New Hampshire, Vermont, Massachusetts, Rhode Island, Connecticut, New York, New Jersey, Pennsylvania, Delaware, Maryland, Virginia, and West Virginia.

IN OTHER RHS NEWS

In the Sept. 23 *Federal Register*, the RHS published a proposed rule, "Rental Assistance and Asset Management for the Multi-Family Housing Direct Loan Programs," for public feedback through Nov. 23.

The RHS is proposing to amend its regulation to implement changes related to developing a sustainable plan for the Rental Assistance (RA) program, including new agency flexibilities in the managing of the RA distribution and integrating new asset management policies. According to the *Federal Register* notice, the regulatory changes are designed to provide flexibility, more economically utilize the RA, and to improve the efficiency in managing the assets in the Direct Loan portfolio. **NN**

2020 NAHMA Scholars: A Study in Perseverance & Adaptability

THE COVID-19 PANDEMIC HAS IMPACTED EVERYONE, but this year's NAHMA scholars have been significantly impacted in various ways. Starting with the application process, applicants must secure documentation from third parties, including two references, a Certification of Residency in Good Standing, and a grade transcript. Back in March, when it became obvious that schools were going to transition to virtual learning, the NAHMA Educational Foundation allowed for the submission of an unofficial grade transcript because the school's Registrar's Office would be closed. This was helpful to the applicants, but they still needed to make telephone or electronic contact with people, who were normally much more accessible, to secure their references and the residency document.

Upon being notified they were selected to receive a NAHMA scholarship, many recipients began notifying the foundation that they might be changing schools depending on what class format their school decided upon for the fall 2020 semester. Many schools announced early in the summer that they intended to resume the normal "in-class" format. Some schools changed to a different format later in the summer or after only a few days of classes. Other schools did not announce a format until mid-August. Thus, leaving many of our students in a state of uncertainty as they awaited their school's final determination that would allow them to make their own individual decision. The final outcome was that the clear preponderance of schools is utilizing a virtual format for at least the fall 2020 semester. Another issue for students at many trade and technical schools is that admission to certain program offerings was temporarily halted, or the number of people admitted was dramatically reduced.

Twenty-five percent of this year's 108 NAHMA scholars are entering freshman. Of the remaining 80 recipients, about one-third of them changed schools. There were many reasons offered for the changing of schools, with the most common response being, "I am not going to pay \$X to take classes in my bedroom."

Most of the students making a change are now enrolled at a community college after determining that the community college credits would be transferable if they elect to return to their original school. Students needing to complete classes that have a laboratory or studio requirement and education majors requiring to student teach have had to make major scheduling adjustments and, in many cases, delay graduation.

As the start of the school year approached in August, many schools only restaffed their student accounts office with a minimum number of employees. Thus, the processing of third-party scholarship payments, like ours, was delayed pushing some of our students beyond tuition due dates. The foundation was able to resolve each of these cases, but not before some nervous moments for the students concerned that their class schedule might have been "washed out" due to nonpayment.

Upon becoming aware of the many considerations impacting the students, Alice Fletcher, NAHMA Educational Foundation chairperson, said, "We are particularly impressed and proud of the diligent efforts made by our NAHMA scholars to navigate the many difficult situations they are confronting during the 2020/2021 school year. Their earnest persistence as they pursue their educational goals is truly remarkable, and we commend them for it."

Despite the aforementioned considerations, all 108 of the 2020 NAHMA scholars are enrolled for the 2020/2021 school year. Additionally, many of the recipients have jobs and/or family responsibilities to manage, as well. The NAHMA Educational Foundation proudly salutes the efforts of each one of our scholars! **NN**

Opportunity Zones Increase Economic Development

NAHMA published a *NAHMA* analysis, “The Impact of Opportunity Zones: An Initial Assessment by the White House Council of Economic Advisers” in early October. Opportunity zones (OZs) were created in 2017 to allow investors to avoid federal capital gains tax by reinvesting their profits in funds that invest in high poverty or low income designated census tracts. The *NAHMA* analysis, which can be found in the Members Only section of the NAHMA website, explores whether opportunity zones increased investment in impoverished communities and if those investments will ultimately lead to an increase in the supply of affordable housing.

“The Impact of Opportunity Zones: An Initial Assessment,” authored by the White House Council of Economic Advisers (CEA), compares the advantages of

OZs with those of other federal antipov-erty programs and quantifies the effect of OZ investment. The report calculates that large increases in investments benefit OZ residents while having only a small impact on the federal budget. The report states that OZs were able to cut taxes to increase economic activity by spurring private sector investment, job creation, and self-sufficiency while also giving greater scope for market forces to guide entrepreneurs and investors. The CEA estimates the tax cuts increased investment in impoverished communities with Qualified Opportunity Funds, raising \$75 billion in private capital during 2017-2019. The report concludes that OZ designations alone are responsible for a 1.1% increase in housing values, when combined with greater amenities and economic opportunity, and an estimated \$11 billion in new wealth has been

created for OZ homeowners and their surrounding communities.

TAX BENEFITS AND CAPITAL GAINS

A provision of the 2017 Tax Cuts and Jobs Act reduced U.S. corporate income tax rates and thereby decreased the cost of capital, stimulating investment and growth in gross domestic product and wages. By lowering taxes on the capital gains invested in low-income communities, the OZ provision reduced the capital cost for businesses investing in these communities. These investments are expected to lead to more job creation locally, in turn spurring greater economic opportunities.

Under other existing place-based development programs, the federal government selects who receives grants

plied to low-income communities, reducing the tax wedge associated with the supply and demand for capital. The CEA report found that tax cuts have spurred a large investment response, with Qualified Opportunity Funds raising \$75 billion in private capital by the end of 2019. Although some of this capital may have occurred without the incentive, the CEA estimates \$52 billion—or 70%—of the \$75 billion is new investment.

INCREASED INVESTMENT SPURS ECONOMIC GROWTH

The Treasury Department estimates that 1,500 Qualified Opportunity Funds existed as of the end of 2018, based on preliminary counts of Form 8996 filings for that tax year. The CEA estimates that

While the initial conclusions reported by the CEA are welcome news, there are still several issues that will need to be addressed before a clear outline of the success of OZs becomes visible.

or tax credits and narrowly prescribes their use. By comparison, OZs give greater scope for market forces to guide entrepreneurs and investors because they have no cap on participation and require no government approval.

For investors, OZs provide three potential tax benefits for investing capital gains in Qualified Opportunity Funds. The first benefit is that an investor can defer paying taxes on capital gains rolled into OZs until potentially as late as 2026. Second, when these taxes are paid, the investor may omit 10% (15%) of the original gain if the investment is held there for at least five (seven) years. Finally, any capital gains that accrue to investments in a Qualified Opportunity Fund are tax-free if the investment is held for at least 10 years. The incentives cut taxes on capital sup-

over 5,500 Qualified Opportunity Funds existed as of the end of 2019. Qualified Opportunity Funds can invest in OZs by directly purchasing property or by making equity investments in operating businesses. Investment data from the Securities and Exchange Commission show that OZ designation led to a 29% increase in equity investments in companies whose principal place of business is in an OZ.

Private equity investment in OZ businesses grew by an estimated 29% relative to companies in eligible communities not selected as OZs. Each dollar raised by Qualified Opportunity Funds through 2019 results in an estimated loss of 15 cents of federal revenue, compared to 18 cents of lost federal revenue for each dollar in investment through the New Markets Tax Credits program.

With the amount of capital raised

through 2019, an estimated 1 million people could be lifted out of poverty and into self-sufficiency, decreasing poverty in OZs by 11%. With it, this decline in poverty and a reduction in transfer payments may be sufficient to make the OZ incentive nearly revenue-neutral.

ESTIMATED HOME VALUES INCREASED

According to the CEA report, an OZ designation was responsible for an estimated 1.1% increase in housing values. Due to housing value increases, and greater amenities and economic opportunity, an estimated \$11 billion in new wealth has been created for OZ homeowners. The report indicates that year-over-year growth in development site acquisitions surged in OZs by more than 50% late in 2018 after the Department of the Treasury had designated the OZs, greatly exceeding growth in the rest of the country. The data found that OZ designation led to a 14% increase in the price of redevelopment properties and a 20% increase in the price of vacant development sites as of early 2019.

The report concludes that homeowners see immediate positive returns, with the ability to access newly found equity without selling their homes through cash-out refinancing. The report further states that these rising values do not only benefit homeowners and that the causes of higher values—more local amenities and anticipated economic opportunities—will benefit many renters as well. The renovation of a blighted building, for example, benefits all who live nearby. Citing recent U.S. Census data surveys showing that less exposure to poverty and rising values tend to benefit original residents and lead to better outcomes for their children, the CEA draws similar conclusions about the effects of rising housing values and neighborhood improvement on residents and their children.

BUILDING ON PROGRESS

While the initial conclusions reported by the CEA are welcome news, there are still several issues that will need to be addressed before a clear outline of the success of OZs

becomes visible. The structure of the tax incentives, as one example, may pose a barrier for more philanthropic investors. The current tax rewards structure depends on profits rather than job creation or wages, which presents a significant challenge for developers interested in helping low-income, minority neighborhoods prosper. The specific requirement that investors retain ownership of their investments for at least 10 years—to get the most significant tax benefit—means they will require high returns that most social-impact projects often can't meet. The fear is that given the geographic limits and needs for a high return on investment, the incentives will subsidize luxury real estate that will ultimately drive out existing low-income renters.

The structure of the OZs policy of relying on equity financing, capital deployment, investment value, and holding-period requirements better suits it for real estate and startups rather than helping existing small businesses. The current OZ policy can accelerate gentrification in many areas instead of, as intended, providing housing and jobs for low-income communities. This is all the more troubling given that existing minority-owned businesses have closed at disproportionately higher rates during the COVID-19 pandemic.

The report also acknowledges that within OZs, the distribution of the benefits from improved amenities is still unclear. In some instances, the benefits may go primarily to low-income households. For example, cheaper homes benefit the most from the cleanup of hazardous waste sites because they tend to be closer to such sites. In the same vein, the renovation of an abandoned warehouse would mostly benefit the residents in the immediate vicinity, who may also be among the neighborhood's poorest. Residents who rent their housing will generally benefit from improved amenities as long as the full value of the amenities enjoyed by residents is not passed on in the form of higher rents. Improved neighborhood conditions do not always result in rent increases for all renters, and sometimes improved amenities increase housing values more than they increase rents.

LEGISLATIVE ACTIONS

Lawmakers from both parties support legislation to require the Department of Treasury to provide data on economic activity in OZs but disagree over how much investor information should be disclosed or what the extension timelines should be. In the Senate, Sen. Tim Scott (R-SC) introduced legislation that would provide a two-year extension of the deadline for investors to keep 15% of their original gains from being taxed. Meanwhile, Sen. Ron Wyden (D-OR) has requested more detailed public disclosures of investor activity. Sen. Cory Booker (D-NJ), who sponsored the original opportunity zones bill with Scott, has proposed adding more technical assistance to localities, eliminating higher-income zones, and adding lower-income replacements.

In the House, Republicans proposed (H.R.6513) to extend the investors' deadline to defer their capital gains taxes. At the same time, a bipartisan bill (H.R.6529) would make small businesses hit by COVID-19 eligible for opportunity fund financing. Democrats proposed legislation (H.R.7262) to allow opportunity funds to invest in community development financial institutions.

Former Vice President Joe Biden's Racial Economic Equity Plan, which he released in July, offers incentives to investors who partner with nonprofits or community organizations to produce a strategy focused on creating jobs for low-income residents. The plan would also require more data collection on opportunity zone investments and order a Treasury Department review to determine if the incentives are spurring projects with economic, social, and environmental benefits. President Donald Trump has also included expanding OZs in his 2020 campaign pledge but has made no new details available.

OZs have been credited with increasing economic development and spurring greater community revitalization based on limited data available. Questions remain if the supply of affordable housing will increase. NAHMA will continue to advocate that Congress protect the current supply of affordable housing and provide the necessary financial resources to do so. **NN**

Online Live Proctoring Available For SHCM Exam

The Online Live Proctoring (OLP) testing site for the SHCM exam is now available. OLP eliminates the need for students to locate an exam proctor in their area, which can be challenging for students who live or work in rural areas. The online exam can be taken 24/7 year-round during an available allotted time. Students can take the exam in the comfort of their own home or office.

HOW IT WILL WORK

Students will need to register in advance through TesTrac, creating a unique user name and password. The test taker/student will select an available appointment through the TesTrac portal that provides the available dates and times for testing. Students will need to register at least 24 hours before their desired testing date to ensure availability.

Before the day of testing, the student will re-enter the TesTrac site and click on “Open Portal” to connect to Examity—the remote proctoring agent—to set up his/her security profile and test his/her computer’s compatibility.



The online exam can be taken 24/7 year-round during an available allotted time. Students can take the exam in the comfort of their own home or office.

Fifteen minutes before the testing appointment, the student will log in to the portal and will be connected with the live proctor. The proctor will verify the student’s identity by checking the student’s state-issued ID. The proctor will also ask the student to point the camera around the surrounding areas—360-degree view—of the room the student is testing in to confirm no one else is in the room. During online live proctoring sessions, the camera facing the proctor is turned off after ID, and security measures are verified. The student will not see the proctor watching them during the exam.

The proctor will monitor the student via a web camera throughout the entire exam. All testing sessions are recorded, and NAHMA staff will have the ability to view testing sessions later if there is a need. If cheating is suspected, NAHMA will be notified immediately.

Minimum technology requirements that the students would need to access the exam and connect with the proctor include:

- A well-working computer with 1 GB of RAM or higher.
- A wired high-speed internet connection (3 Mbps). A wireless internet connection is not recommended if an Ether-

net connection is available.

■ A camera, microphone, and speakers connected to the computer—consider a webcam with a built-in microphone.

■ Browser compatibility: Internet Explorer, Firefox, Chrome, Safari, Edge.

Metric reports are delivered to NAHMA staff monthly to measure the success of the OLP program.

REMOTE/LIVE PROCTORING

NAHMA will continue to offer remote/live proctoring vouchers in place of the in-person proctoring for those that are not comfortable using the OLP services. There is no additional cost for the remote/live proctoring.

Remote/live proctoring is similar to the previous way SHCM exams were proctored, except it incorporates social distancing due to the pandemic. Additionally, it can also be done through the student’s computer using a webcam, audio, and recently written guidelines. However, this is considered an alternative to OLP for those students that are not comfortable with the new option. The goal is to have the majority of students testing through the OLP services.

continued on page 31

NAHMA Publishes DEI Policy Statement

IN EARLY OCTOBER, NAHMA announced the adoption of the NAHMA Diversity, Equity, and Inclusion Policy Statement. To read the statement, visit the Overview webpage page under the About Us tab at nahma.org.

The statement evolved from the work of the NAHMA Board Diversity, Equity and, Inclusion (DEI) Task Force, which reviewed NAHMA’s current protocols and recommended a formal DEI Policy be adopted by the organization

to emphasize and advance NAHMA’s ongoing commitment to encouraging and supporting a culture of diversity, equity, and inclusion across all areas of the organization and within all of its membership and stakeholder groups.

The DEI policy statement reflects and codifies NAHMA’s processes and protocols for seeking out diverse perspectives and counsel so that its culture of diversity, equity, and inclusion remains effective and relevant and is

reflected in all of its programs and services provided to all members and stakeholders.

“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,” NAHMA Past President Timothy Zaleski, SHCM, NAHP-e, said. “Diversity, equity, and inclusion are key ingredients in creating great outcomes, as the variety of thought, experience, and culture results in creative and innovative decision making and mem-

ber/stakeholder satisfaction in the increasingly diverse field of affordable multifamily housing management.” NN



To read the NAHMA DEI policy statement, visit <https://www.nahma.org/wp-content/uploads/2020/10/NAHMA-DEI-Policy-Statement-FINAL.pdf>.

To learn about Best Practices in Launching Diversity, Equity, and Inclusion Programs in Property Management used by fellow NAHMA members, read the 2021 Winter NAHP Update posted on the NAHMA website at <https://www.nahma.org/members/news-analysis/nahp-update>.

A GAME CHANGER FOR AFFORDABLE

“RealPage® Business Intelligence has been a game changer. It’s created a completely different way for our regional managers to work. They can see their affordable portfolios in a snapshot, drill down and look at different performance metrics to see the performance of their sites, evaluate trends and determine what they can focus on. It makes them much more efficient, much more prepared and it allows them to respond much quicker to our clients.”

Peter Barker

President

Barker Management

Anaheim, CA

Find out what a difference RealPage Business Intelligence can make for your business.

Visit www.realpage.com/BIAffordable

or call **1.866.520.7811**.



Dauby O'Connor & Zaleski, LLC

AFFORDABLE. ACCOUNTANTS.

Locations
Carmel, Indiana
Austin, Texas

317.848.5700
info@doz.net

Audit • Tax • Consulting
www.doz.net



OUR PROGRAMS AREN'T FOR EVERYONE.

(That's what makes them so good.)



FOR MORE INFORMATION

Contact Ken Merrifield today at
800-873-0242, x 291 or at
kmerrifield@housingcenter.com.

www.housingcenter.com

RAD. MTW. LIHTC. PBV. PBRA.
Don't you wish you had a partner who
spoke your language? At HAI Group,
we've been creating insurance programs
for public and affordable housing for more
than 30 years.

Rated "A" by A.M. Best

More than \$57B in building
values insured

Available in 48 states and D.C.

Serve 1,500 housing providers,
including affordable housing owners,
property managers, and partnerships

LIHTC coverage

In-house Risk control services
and consulting

HAI Group® is a marketing name used to refer to insurers, a producer, and related service providers affiliated through a common mission, management, and governance. Property-casualty insurance and related services are written or provided by Housing Authority Property Insurance, A Mutual Company; Housing Enterprise Insurance Company, Inc.; Housing Specialty Insurance Company, Inc.; Innovative Housing Insurance Company, Inc.; Housing Investment Group, Inc.; and Housing Insurance Services, Inc. (DBA Housing Insurance Agency Services, Inc. in NY and MI). Members of HAI Group provide commercial property and casualty insurance to affordable housing organizations, public housing authorities, and related entities. Not all products are available in all states. Coverage is subject to the terms of the policies actually issued. A risk retention group or surplus lines insurer may provide certain coverages. Risk retention groups and surplus lines insurers do not participate in state guaranty funds, and insureds are therefore not protected by such funds if insured by such entities. For a complete list of companies in the HAI Group family, visit www.housingcenter.com.

TO READ THE NOTICES below in their entirety, visit the issuing agency's webpage under the Agencies tab at [nahma.org](https://www.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/>.

HUD NEWS

HUD'S OFFICE OF PUBLIC AND INDIAN HOUSING published Notice 2020-31, Remote Video Inspections for Housing Choice Voucher Program. The notice guides Public Housing Agencies (PHAs) on how to conduct Housing Quality Standards inspections using Remote Video Inspections and includes a sample best practice process.

HUD'S OFFICE OF ASSET MANAGEMENT AND PORTFOLIO OVERSIGHT issued Notice H 2020-10, providing additional guidance to HUD multifamily assisted housing industry partners on electronic signatures, electronic transmission, and electronic storage of documents and forms. In the case of "wet" or original signatures, the acceptable electronic equivalent must meet the criteria outlined in Section V of the notice. Additionally, Section VIII provides the regulatory requirements for wet signatures and the use of paper documents.

HUD ANNOUNCED IT COMPLETED THE CAPITAL NEEDS ASSESSMENT ELECTRONIC TOOL (CNA E-TOOL) Version 3.0 installation and data conversion in November. The CNA e-Tool User Interface has been re-platformed to the cloud, and the most important result is that users must now enter all data in the web application, not the Excel Assessment Tool, which is now retired. The improved system provides user customization and

dashboards, expanded narrative features, easy revise and resubmit ability, robust data entry tools, and transparency for all users.

HUD HAS BEEN INFORMED THAT SOME ENTERPRISE INCOME VERIFICATION (EIV) SYSTEM USERS encounter old or missing data when attempting to view EIV reports for some properties. Users experiencing these issues must refer to Chapter 5-13 of HUD Handbook 4350.3 for the hierarchy of acceptable forms of verification for the affected income data. For compliance monitoring purposes, copies of EIV reports containing outdated or missing data must be retained per Chapter 9-14 of HUD Handbook 4350.3. A copy of this RHIP Listserv message should accompany the retained reports for explanatory purposes. HUD will advise when the issue has been corrected.

IRS NEWS

THE INTERNAL REVENUE SERVICE (IRS) PUBLISHED a proposed rule for Low-Income Housing Tax Credit Average Income Test (AIT) regulations in the Oct. 30 *Federal Register*. The proposed rule requires that all low-income units in an AIT property, when calculated together, average 60% of area median income or less to meet the minimum set-aside requirement. If a unit goes out of compliance for any reason, the proposed rule would provide the taxpayer up to 60 days after the end of the year in which the average was violated to take a mitigating action

to prevent the project from violating the minimum set-aside and being disqualified from receiving credits for that year—or ever, if the violation occurs in year one. The rule provides two forms of mitigating actions. It prohibits the taxpayer from changing the designated imputed income limitation of units to reestablish compliance with the minimum set-aside. The rule also provides that if a project has multiple over-income units, it does not need to meet the next-available-unit rule in a particular order. The proposed regulations would also provide federal flexibility in initially designating units, which needs to occur by the end of the first taxable year. After that, the IRS proposes limits on subsequent changes and a process to address units going offline.

THE IRS PUBLISHED REVENUE PROCEDURE 2020-45, which states the Low-Income Housing Credit (LIHTC) per-capita multiplier will remain the same for 2021, while the state private activity bond per-capita multiplier will increase by \$5. LIHTC: For the calendar year 2021, the amount used to calculate the state housing credit ceiling for the Low-Income Housing Credit is the greater of (1) \$2.8125 multiplied by the state population, or (2) \$3,245,625. Private Activity Bonds Volume Cap: For the calendar year 2021, the amounts used to calculate the state ceiling for the volume cap for private activity bonds are greater (1) \$110 multiplied by the state population, or (2) \$324,995,000. NN

COVID-19 FAQs

THE DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT (HUD)'S Real Estate Assessment Center (REAC) recently published COVID-19 Frequently Asked Questions (FAQs) for Public & Multifamily Housing Property Inspections, with questions and answers regarding conducting REAC physical inspections during the coronavirus pandemic. The FAQs address both HUD-assisted private multifamily properties and public housing and include answers about resuming Uniform Physical Condition Standards (UPCS) inspections; the scheduling phase of the inspections—including if a property representative can refuse an inspection due to pandemic concerns, protocols for inspection day and inspection day results; as well as additional information for Housing Finance Agencies, Servicing Mortgagees and UPCS Inspectors.

Wimbs Loves Feeding Her Passions

NOT EVERYONE WHO GRADUATES from college gets to use their degree, but Sondra Wimbs has found a way.

"I have a B.A. in psychology from the University of Tennessee, which helps me every day in dealing with employees and residents," she said.

Wimbs has been using what she learned since 1978 when she started in hotel management. She went on to condominium management, followed by working as an on-site community manager for apartments. She started working in the affordable housing industry in 1980 when she began working for Wood Properties, where she was a community manager then regional property manager. Eventually, she found her way to Alco Management, headquartered in

including CPM, RAM, SHCM, NAHP-e, CGPM, FHC, and her Affiliate Brokers and Lead Safe Renovator licenses.

"Every day is different with a different set of circumstances and issues to solve. I also love serving others while providing quality housing and watching our employees and residents grow and become more than they ever thought was possible," Wimbs said. "Creating homes for people that they are proud of and taking care of the investment so that people can enjoy their homes. Our vision at Alco is building community, and our values are caring, anticipation, responsiveness, and growth. This is how we manage our assets, residents,



COVID-19 is one of the biggest challenges she is facing, making sure Alco is giving the employees and residents what they need to stay safe.

"To listen and understand the frontline employees and how best to help them as they

have families to go home to each night. Keeping the employees motivated and positive while working in these difficult times," she said.

Wimbs has also served on the SAHMA board since 2009 and is the current board president. She has been the president of the Knoxville Apartment Association and the Memphis Apartment Association and is the president-elect for

the IREM chapter in Knoxville.

Wimbs, who has been married for 31 years and has one son, loves being outside, gardening, walking, hiking, and biking. She

also loves traveling inside and outside the U.S. "Anything that has to do with an adventure. I love exploring new things," she said.

To that end, Wimbs said she loves driving fast and took a vacation for five days and drove on the off-road trail of the Baja 500 in an actual race car.

"It was fun, adventurous and scary at times," she said. **NN**

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

"Creating a property that has issues and turning it around to be the best community in the neighborhood. It takes a lot of work and dedication from many people to make these properties succeed,"

Memphis, Tenn., where she has been for the last 29 years, serving as the vice president of property management since 2006.

"I oversee the 65 properties that Alco Management currently owns and manages," Wimbs said. "I supervise the day-to-day management and operations of all the communities in Alco's portfolio."

Besides her degree, Wimbs collected an alphabet of industry credentials,

employees, investors, and vendors."

Wimbs said affordable housing is her passion. She loves people, helps them find their potential, and then watches them succeed, whether they are employees and residents.

"Creating a property that has issues and turning it around to be the best community in the neighborhood. It takes a lot of work and dedication from many people to make these properties succeed," she said.

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.

DECEMBER

2 Making It Through: Disaster Preparedness for Seniors

Webinar
AHMA-NCH
833-246-2624
<https://ahma-nch.org>

Recycling and Waste Reduction

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

3 Preparing for REAC Inspection

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

8 How to Manage Compliance & Certification Processing During COVID-19

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

8-10 Tax Credit Compliance Course

Virtual Training
Day 1: Intermediate LIHTC
Day 2: Advanced LIHTC
Mid-Atlantic AHMA
804-564-7898
<http://mid-atlantichma.org>

9 Special Claims

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

10 SHCM Exam Prep: Monitoring and Reporting Compliance

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

10 Reviews in Calculation

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

16 Terminations in Subsidized Housing: Assistance and Tenancy

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

17 Energy Star and Water Sense Programs

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

JANUARY

6 SHCM Exam Prep: Program Requirements

Webinar
AHMA-NCH
833-246-2624
<https://ahma-nch.org>

7 Documentation of Resident Infractions

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

13 EIV Policies & Procedures and Reports

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

14 Green Building Systems

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

20 MOR Preparation

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

EIV Income Discrepancy

Webinar
MAHMA
614-481-6949
<http://mahma.com>

21 Basic HUD Occupancy

Virtual Training
SAHMA
800-745-4088
www.sahma.org

27 Fair Housing Compliance (FHC) Certification

Virtual Training
SAHMA
800-745-4088
www.sahma.org

28 Preparing for RD Inspections

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

ONLINE LIVE PROCTORING AVAILABLE FOR SHCM EXAM, continued from page 26

INFORMATION REGARDING VOUCHERS

The cost for test vouchers is \$75, which includes a \$25 OLP fee in addition to the standard \$50 voucher fee per student that goes directly to the remote proctoring agent Examity. TesTrac will be able to add the Examity proctoring fee to existing vouchers.

When ordering vouchers with TesTrac, be specific if the order as to whether the order is for the OLP vouchers or Remote/Live proctoring vouchers.

Students will be permitted four weeks to take the exam once the voucher is issued. **NN**

PROTECTING THE INTERESTS OF AFFORDABLE HOUSING PROPERTY MANAGERS AND OWNERS

the last word

Focusing on the Positives



THIS IS MY LAST COLUMN AS NAHMA's president, and it is an excellent opportunity to reflect on the last two years and not forget all the good things that have happened at NAHMA.

During this time of COVID-19, NAHMA moved quickly to create ways to keep members up-to-date on constantly changing information and resources. One of the methods is a weekly Friday COVID-19 Conference Call, on which we have heard incredibly positive feedback. It's been a bright spot for the organization.

Also, in response to the pandemic, NAHMA took steps to create online educational opportunities in a short amount of time. In October, the association hosted its first virtual conference. Again, the NAHMA staff was able to pull together the multiday meeting in a short amount of time.

And the NAHMA Educational Foundation found a way to continue the scholarship program despite the challenges the pandemic placed in the way. The founda-

tion also moved its biggest fundraiser of the year online and still raised more than \$500,000 for the scholarship program.

Additionally, NAHMA gave its website a fresh look and released an app, so members can stay informed while on the go. We created the Next Gen Emerging Leaders Task Force, which after months of research and conference calls, created initiatives to encourage and retain the up-and-coming leaders within the affordable housing industry.

In response to social changes, we created a Diversity, Equality, and Inclusion Committee. While some organizations rushed to put out statements, we created a committee to focus on essential issues. The committee's work resulted in the NAHMA Diversity, Equity, and Inclusion Policy Statement, which can be found on the association's website. When it comes to DEI issues, the affordable housing industry has always been a leader and will continue in that regard.

And this is only a shortlist of all that we've accomplished.

I'd like to thank the Board of Directors for stepping up and being active over the last two years. I'd also like to thank the NAHMA staff and all the AHMAs' staff for stepping up and providing light in the face of adversity.

I wish Michael Simmons, the incoming president, the absolute best during this challenging time that is also full of opportunity. Michael is armed with years of experience. He is an excellent speaker and moderator. I'm excited to see what will happen under his leadership.

I treasured the first year of my term when I could get out to the AHMAs and meet their executive directors, presidents, boards and members. The exchanges with them were invaluable for the organization.

Finally, thank you to all the members, colleagues, and affiliates working in this unprecedented time to serve those less fortunate than us. **NN**

Timothy Zaleski, SHCM, NAHP-e, is NAHMA's outgoing president.