NATIONAL AFFORDABLE HOUSING MANAGEMENT ASSOCIATION

NAHMANews

July August 2022

PROTECTING THE INTERESTS OF AFFORDABLE HOUSING PROPERTY MANAGERS AND OWNERS

IN THIS ISSUE

Biden Administration Releases Housing Supply Action Plan

In May, the Biden administration issued a comprehensive proposal, the Housing Supply Action Plan, intended to reduce housing costs over time by increasing the supply of quality and affordable housing in every community. The plan includes legislative and administrative actions that will help close the housing supply shortfall in five years, starting with creating and preserving hundreds of thousands of affordable housing units in the next three years. According to the administration, if aligned with other administration policies to lower housing costs and ensure affordability, such as rental assistance and down payment assistance, reducing the housing shortfall will ultimately lead to more affordable rents and more attainable homeownership. The Housing Supply Action Plan includes a series of measures designed to increase the supply of housing, including:

- Using federal transportation funds to incentivize jurisdictions to reduce restrictive local zoning laws;
- Supporting manufactured housing, accessory dwelling units, and small-scale developments; and
- Streamlining federal financing and funding sources to help lower costs and speed development, including financing close to 1 million affordable homes through the expansion of the Low-Income

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Our Way Home Initiative

THE DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT (HUD) Secretary Marcia L. Fudge, on June 2, launched the Our Way Home initiative, a new effort to boost the nation's affordable housing supply. Our Way Home builds on the Biden-Harris administration's actions to address communities' housing supply needs in an equitable, inclusive, and sustainable fashion. Through this initiative, HUD will be engaging communities through roundtables, listening sessions, and peer learning opportunities to connect communities to crucial HUD resources and housing partners that can help communities build and preserve more housing.

"Easing the burden of housing costs for families is a top economic priority for this administration," Fudge said. "For too long and in too many communities, housing supply has not kept up with the growing demand. It's going to take government working at all levels to help close the housing supply gap. I am excited to launch Our Way Home, an initiative that will not only build on the momentum that's already begun at the federal level but will also put into focus the unique challenges and successes in communities when it comes to making sure we all find our way home."

To learn more about the Our Way Home Initiative, visit https://www.hud.gov/ourwayhome.

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PRESIDENT
Michael Simmons, SHCM, NAHP-e
msimmons@communityrealtymanagement.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

DIRECTOR, COMMUNICATIONS AND PR
Jennifer Jones
jjones@nahma.org

MANAGER, GOVERNMENT AFFAIRS
Michal Machnowski
mmachnowski@nahma.org

MANAGER, EDUCATION AND CREDENTIALING
Leslie O'Donnell

MANAGER, ADMINISTRATIVE SERVICES
Paulette Washington
pwashington@nahma.org

EDITOR
Jennifer Jones
jjones@nahma.org

DESIGN
Mary Prestera Butler
butler5s@comcast.net

insidenahma

BY KRIS COOK, CAE

Time for a Mid-Year Check-In

NOW THAT WE HAVE REACHED THE halfway mark for 2022, it is an excellent time to ensure you are taking full advantage of your NAHMA membership or enrolling your next generation of leaders by taking advantage of NAHMA's Buy Some, Get Some membership initiative.

The biggest advantage to NAHMA membership is the opportunity to shape national public policy for the affordable housing industry directly.

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

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

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

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

You also receive the yearly Membership Directory, so you can reach out to colleagues anytime.

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

SEND US YOUR CHOICES

Nominations for NAHMA's annual Industry Awards are due Nov. 4. Please send me an email explaining which award you are nominating the person for and why you think the person should be the award winner, including specific accomplishments supporting your recommendation.

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

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

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

The awards will be presented at the annual NAHMA Industry Awards Reception, in conjunction with NAHMA's Biannual Top Issues in Affordable Housing Winter Conference, March 8-10, 2023, in Washington, D.C. **NN**

Kris Cook, CAE, is executive director of NAHMA.

Housing Tax Credit (LIHTC) and the Neighborhood Homes Tax Credit.

To view the White House press release and fact sheet on new actions to ease the burden of housing costs, visit https://www.whitehouse.gov/briefing-room/statements-releases/2022/05/16/president-biden-announces-new-actions-to-ease-the-burden-of-housing-costs/.

THE PLAN

The administration's plan calls on Congress to pass legislation to finance more than 800,000 affordable rental units by expanding and strengthening the LIHTC. Specifically, the plan urges for passage of the housing credit provisions in the House-passed reconciliation bill and the additional housing credit proposal from the Biden administration's fiscal year (FY) 2023 budget proposal, both of which are described as critical enhancements.

Specifically, the plan urges for passage of the housing credit provisions in the House-passed reconciliation bill and the additional housing credit proposal from the Biden administration's fiscal year (FY) 2023 budget proposal, both of which are described as critical enhancements.

The House-passed reconciliation bill includes housing credit priorities to increase affordable housing production by:

- Lowering the bond-financing threshold from 50% to 25% for five years, from 2022 to 2026,
- Increasing the annual housing credit allocation at a rate of 10% per year plus inflation from 2022 to 2024, which amounts to an approximate 41% increase over current levels in 2024, followed by inflation adjustments after 2025,
- Providing a permanent 50% basis boost for properties serving extremely low-income (ELI) households, along with an 8% set-aside for properties taking advantage of the ELI basis boost, as well as a limitation on the amount of allocation and volume cap that can be used for properties receiving the ELI boost, and
- Providing a permanent 30% basis boost for properties in tribal areas.

The president's FY 2023 budget proposal included an additional $10 billion investment in the housing credit through a discretionary basis boost for bond-financed properties. This basis boost would mirror the increase already available for 9% housing credits. Still, it would only apply in the case of bond-financed new construction or substantial rehabilitation that adds new net units.

REGULATORY AND OTHER PROPOSALS

The Housing Supply Action Plan includes regulatory proposals related to the housing credit, including:

- Finalizing the LIHTC Income Averaging proposed rule, which the plan says the Treasury will finalize by the end of September,
- Increasing Fannie Mae and Freddie Mac housing credit investment, and
- Harmonizing federal requirements across programs, including through programs like HUD's LIHTC Pilot Program, which streamlines the Federal Housing Administration's processing of mortgage insurance applications for projects with LIHTC equity.

Additionally, the Housing Supply Action Plan calls on Congress to bolster funding for successful housing subsidy programs that can pair with LIHTC to produce and preserve affordable housing for very and extremely low-income renters. These programs include the Housing Trust Fund, the HOME Program, Housing Choice Vouchers and the Project-Based Rental Assistance program.

The plan also calls for numerous other legislative and regulatory investments and reforms in other housing programs, including:

- Creating the Neighborhood Homes Tax Credit,
- Leveraging American Rescue Plan funds for investments in affordable housing,
- Providing Housing Supply Fund financing for affordable housing production to develop housing for low- and moderate-income renters and homebuyers,

Partnering with the private sector to address supply chain disruptions for building materials,

- Strengthening Enterprise financing for multifamily development and rehabilitation, including by considering purchasing Construction to Permanent multifamily loans,
- Advancing HUD's HOME Investment Partnerships Program as a vital tool for the production and preservation of affordable rental housing and promotion of homeownership,
- Supporting new and existing affordable housing in tribal areas and preserving more than 10,000 HUD-assisted multifamily rental housing units in urban and rural America,
- Rewarding jurisdictions that have reformed zoning and land-use policies with higher scores in certain federal grant processes, and
- Deploying new financing mechanisms to build and preserve more housing where financing gaps currently exist, including manufactured housing, accessory dwelling units, two- to four-unit properties, and smaller multifamily buildings. **NN**

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BY LARRY KEYS JR.

Summer Slog: Lawmakers Focus On the Nation's Housing Market

THE SUMMER HEAT IS NOT ONLY with triple-digit temperatures. Inflation, gas prices, and the costs of owning or renting a home are all hot summer topics in Washington, D.C. Here's a recap of recent activities examining the national housing market's challenges, including a congressional hearing, and White House listening session and initiative.

EXAMINING HOUSING MARKET'S IMPACT ON RENTS

In late June, the House Financial Services Committee's Subcommittee on Oversight and Investigations held a hearing titled, *Where Have All the Houses Gone? Private Equity, Single Family Rentals, and America's Neighborhoods*. The hearing provided committee members an opportunity to highlight and discuss recent rental data and how tenants of corporate landlords frequently faced high rent and fee increases.

Several committee members placed the blame of rising rents on corporate landlords and blamed private equity firms for the predatory purchasing of single-family homes in bulk and increasing rents and fees, further exacerbating a housing crisis that predated the pandemic. Lawmakers also questioned how private companies expanded their portfolio of single-family homes by more than 75,000 properties between 2018 and 2021, and why companies tended to purchase homes in neighborhoods with a significantly larger Black population than the national average. Members also heard testimony describing how homes owned by the firms are over-concentrated in specific metropolitan areas, causing rents to soar in some areas.

However, other members disagreed and stated that the hearing was just an attempt to distract from the effects of inflation around the country, which they blamed on reckless spending from Congress. Several witnesses advocated for increased federal investments in housing to minimize the gap between housing demand and units available, as well as for federal rent controls.

INITIATIVE TO MODERNIZE BUILDING CODES

In early June, the White House announced a new building codes initiative.The National Initiative to Advance Building Codes is intended to help state, local, tribal, and territorial governments adopt the latest, current building codes and standards, enabling communities to be more resilient to hurricanes, flooding, wildfires, and other extreme weather events that are intensifying due to climate change. The goals of this initiative include:

- Comprehensively review federal funding and financing of building construction, to ensure affordable housing and other building projects follow modern building codes and standards to the greatest extent feasible, while creating good-quality jobs and advancing the administration efforts to boost affordable housing supply, with agencies reporting to the National Climate Task Force on progress.
- Direct $225 million in Bipartisan Infrastructure Law funding for the Department of Energy to support implementation of updated building energy codes and create good-quality jobs, including through workforce training partnerships and direct support to state and local agencies, while prioritizing the needs of disadvantaged communities.
- Provide incentives and support for communities to adopt current building codes and standards by providing technical assistance, implementing proven strategies and best practices across all relevant agencies in the federal government, and using mapping tools that help track code adoption based on energy efficiency and local hazards such as flood, earthquake, tornado, and hurricane risk.
- Advance "above-code" resilience and energy efficiency standards in new projects, as well as develop the first Federal Building Performance Standards to help achieve net-zero emissions across new and existing federal buildings by 2045.

NAHMA PARTICIPATES IN WHITE HOUSE LISTENING SESSIONS

In early June, the White House hosted a listening session with housing providers to hear industry thoughts about the priorities and gaps for renter protections and owner needs.

During its remarks, NAHMA thanked the administration for efforts on pandemic recovery, rental assistance, tenant services, recent housing supply initiatives, and addressing digital divide. The association cautioned the administration that NAHMA members are still feeling the effects of the pandemic and current economic headwinds, such as inflationary pressure on operating costs, labor shortages, safety and security of properties and staff, supply chain disruptions, problematic tenants, outdated/burdensome regulations, and the need for more affordable housing.

It is unclear what the administration's next steps will be after the listening sessions conclude. NAHMA will keep members updated as it learns more information and next steps. **NN**

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

BY TRACY KAUFMAN

NCSHA Initiative Supports State Housing Finance Agency Partnerships with Health Systems, Communities to Finance Affordable Housing

THE NATIONAL COUNCIL OF STATE Housing Agencies (NCSHA) announced it has awarded grants to six state housing finance agencies (HFAs) to develop strategic partnerships with hospitals and other health organizations to finance affordable housing. The grants are the foundation of the NCSHA-sponsored Healthy Housing, Healthy Communities (H3C) Partnerships initiative, which aims to leverage the state HFAs' role at the center of the affordable housing system to attract significant health institution involvement and elevate community-level leadership in addressing the worsening housing affordability crisis in America.

The state housing finance agencies that received funding are:

- Colorado Housing and Finance Authority
- Illinois Housing Development Authority
- Nebraska Investment Finance Authority
- Pennsylvania Housing Finance Agency
- Rhode Island Housing
- Washington State Housing Finance Commission

"Each of these leading agencies has a vision for engaging major health institutions serving their states in new ways to generate increased investment in the construction and rehabilitation of housing that is responsive to local community priorities and participation," said NCSHA Executive Director Stockton Williams.

Funded by the Robert Wood Johnson Foundation, the grants will enable state HFAs to perform the planning, due diligence, and outreach necessary to secure significant financial commitments from hospitals and health organizations, which the agencies will complement with financing of their own. Community-based organizations will play key roles in each partnership.

"The Robert Wood Johnson Foundation believes state housing finance agencies are uniquely positioned to drive deeper and more impactful connections between the housing and health sectors that result in more capital for affordable housing," said Kimberlee Cornett, director of impact investments for the foundation. "Our investment will help HFAs test and refine approaches that we hope can be replicated and scaled across the country."

The Center for Community Investment (CCI) will partner with NCSHA to support H3C, drawing on its experience across the country helping health institutions and their partners bring their resources to bear on their local community investment systems. "As CCI has supported health institutions investing in affordable housing over the last few years, one of the most important things we've learned is that partnerships, both with the public sector and community residents, are critical to the success of this work and its impact on health equity," said CCI Executive Director Robin Hacke. "We are excited to help the H3C initiative encourage more such partnerships and create new opportunities to invest upstream to improve community health."

The initiative was inspired by the New Jersey Housing and Mortgage Finance Agency's award-winning Hospital Partnership Subsidy Program, which has worked with community partners to close on two projects currently under construction. Their combined $70 million investment will produce 146 units of affordable and supportive housing in Paterson and Newark, N.J. Another three hospital partnership projects across the state, representing an additional 170 units of housing and greater than $70 million in total development costs, have applied and will advance through the financing process in the months ahead.

"The Hospital Partnership Subsidy Program began with a very simple premise: Housing is health care. Where and how people live affects their well-being," said Melanie R. Walter, executive director of the New Jersey Housing and Mortgage Finance Agency. "The high-quality apartment housing produced through this innovative partnership program empowers hospitals to make impactful affordable housing and wellness investments in their communities and ensures residents have access to critical resources including wraparound services."

To view the grant recipient profiles, visit https://www.ncsha.org/about-us/h3c-healthy-housing-healthy-communities-partnerships/#Recipients. **NN**

Tracy Kaufman is a senior advisor/consultant with NCSHA, supporting the development of housing finance agency partnerships with hospitals, health systems, and other health organizations to expand financing for affordable housing development and preservation through the Healthy Housing, Healthy Community (H3C) Partnerships Program.

Civil Rights Guidance on Marketing and Application Requirements Available

The Department of Housing and Urban Development (HUD) Office of Fair Housing and Equal Opportunity released new guidance to reinforce requirements that HUD-subsidized multifamily housing's marketing and application processes be designed to be inclusive of persons of all races and national origins.

The two new guidance pieces, titled *Guidance on Compliance with Title VI of the Civil Rights Act in Marketing* and *Application Processing at Subsidized Multifamily Properties and Implementation Sheet for HUD's Title VI Guidance*, clarify how certain marketing, rental application processing, and waitlist management practices can perpetuate segregation or otherwise discriminate in violation of Title VI of the Civil Rights Act. The guidance pieces are designed to assist property owners in understanding and implementing more inclusive practices less likely to produce discriminatory results.

The guidance applies to HUD-subsidized multifamily units, including Project-Based Rental Assistance, Section 202, and Section 811 subsidized units.

Title VI of the Civil Rights Act of 1964 prohibits intentional discrimination based on race, color, and national origin in programs or activities receiving federal financial assistance, and practices that have an unjustified discriminatory effect.

The guidance advises housing providers about exclusionary practices to avoid and inclusionary practices to employ to ensure meaningful opportunities for persons of all racial and national origin groups to learn about and participate in HUD-subsidized housing programs.

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MARKETING

The guidance advises to avoid reliance on no advertising or word-of-mouth advertising, without additional efforts; reliance on "For Rent" signs posted at the property, without additional efforts; reliance on referrals from one or a very limited number of local organizations.

Instead properties should consider advertising at least 60 days in advance of any waitlist opening, or periodically if the waitlist is kept open for long periods of time; distributing detailed flyers and blank applications to several local organizations across the housing market area with ties to a wide range of prospective applicants, such as food banks, legal-aid offices, health clinics or medical facilities, employers, grocery stores and other businesses, local governmental offices, housing authorities, and community gathering places, such as senior centers, recreation centers, libraries, schools, and places of worship.

Additionally, properties should maintain a web and/or mobile site with clear information about availability, eligibility, selection criteria, and application processes. The guidance also advises to post on social media, local listservs, and other web and mobile sites relevant to housing-seekers in the market area, including those most accessed by those least likely to apply.

Another avenue is to place advertisements with local radio stations, newspapers, and newsletters, as well as posting advertisements in public places, such as buses, trains, and billboards that include clear, and consistent information about unit sizes, amenities, approximate rents, subsidies or federal programs, the process for applying, eligibility requirements, and any admission preferences. Advertising should be in languages spoken by eligible residents in the housing market area who are limited English proficient, including stating in common languages that language services are available to applicants and tenants; and distributing copies of applications and relevant application materials in languages commonly spoken by eligible residents in the housing market area who are limited English proficient.

APPLICATION DISTRIBUTION AND

To read the Guidance on Compliance with Title VI of the Civil Rights Act in Marketing and Application Processing at Subsidized Multifamily Properties, visit https://www.hud.gov/sites/dfiles/FHEO/documents/HUD%20Title%20VI%20Guidance%20Multifamily%20Marketing%20and%20Application%20Processing.pdf

To read the Implementation Sheet for HUD's Title VI Guidance, visit https://www.hud.gov/sites/dfiles/Housing/documents/Multifamily_Title_VI_Guidance%20Implementation_Sheet4522_FINAL.pdf?utm_medium=email&utm_source=govdelivery

ACCEPTANCE PROCEDURES

To ensure compliance with Title VI, properties should consider the following practices:

- Distributing and accepting applications or preapplications for a reasonable period (for example, two weeks or more).
- Distributing applications or preapplications through a variety of means, including:
  - Making applications or preapplications available as a fillable form on a property's website, including the mobile version of the property's website;
  - Allowing for blank applications or preapplications to be printed from a property's website;
  - Distributing blank applications or preapplications to the previously mentioned community contacts throughout the market area for applicants to collect, fill out, and return at their convenience;
  - Ensuring that blank applications or preapplications may be picked-up outside of regular business hours, including evenings and weekends. This may include for example, employing unmanned drop boxes.
- Accepting applications or preapplications through a variety of methods, including in-person, mail, web-based forms, and email.
- Ensuring that applications may be submitted outside of regular business hours, including evenings and weekends.
- Clearly explaining how applicants may pick-up and submit applications and how applicants will be selected for placement on the waitlist.
- Considering a lottery as an alternative to first-come first-served policies where demand is high.

APPLICANT SCREENING AND WAITLIST MANAGEMENT

To ensure compliance with Title VI during applicant screening and waitlist management practices when evaluating criminal records, housing providers must not use arrest records, and should consider the nature, severity, and recency of conviction records, as well as extenuating circumstances.

In evaluating rental history, housing providers should consider the accuracy, nature, relevance, and recency of negative information rather than having any negative information trigger an automatic denial.

Additionally, housing providers should consider allowing for alternative methods of proof when possible, for applicants to establish residency or qualify for other selection preferences. Persons living in housing insecurity may not have physical addresses, reliable mail, leases, utility bills, or other documentation. Providers should also consider allowing applicants to specify a preference for how they would like to be contacted about their continued interest in the housing opportunity or other updates, including by mail, email, or phone. **NN**

Additionally, housing providers should consider allowing for alternative methods of proof when possible, for applicants to establish residency or qualify for other selection preferences.

NAHMA Responds to Proposed Revisions to Renewal Policy Guidebook

NAHMA submitted comments to the Department of Housing and Urban Development (HUD)'s Office of Multifamily Housing (MFH) Programs on the Proposed Revisions to Chapter 9, Section 8 Renewal Policy Guidebook. The comments are in response to questions for which HUD specifically sought comments.

RESPONSES TO QUESTIONS

HUD asked for concerns about the following proposals:

To reduce administrative costs and processing time for owners, MFH proposes to revise the options available to owners seeking to renew without a Rent Comparability Study (RCS). Specifically, HUD:

1. Revises the option to renew some Housing Assistance Payments contracts without an RCS by replacing the prior rent cap of 75% of Fair Market Rents with a cap of 90% of Small Area Fair Market Rents (SAFMRs), which are more location-specific (paragraph 9–5) and should be a more attractive option for owners, especially of smaller properties; and

2. Extends to owners seeking to renew under Option One the option of relying on rents charged for comparable unassisted units in the same project (paragraph 9–6).

NAHMA said members are concerned about the impact of using SAFMRs in nonmetropolitan and rural markets. NAHMA understands that rental data is very inconsistent in rural markets and asks HUD to ensure properties in these markets are not negatively impacted.

HUD MFH is proposing to allow an owner to update an aged RCS via submission of a letter from an RCS appraiser indicating that current rents are not lower than in the original study (paragraph 9–7.E.3). The intent of this proposal is to reduce processing steps and expenses for owners. HUD asked if there are concerns about this approach?

NAHMA said members do not have any significant concerns with this change.

When valuing services, HUD MFH proposes to:

1. Make a distinction between services that are reliably available to tenants and other services. The revision is intended to support owners with a clear intent and credible plan for providing services to tenants and to limit valuations for those who assert a right to a higher valuation but cannot demonstrate such a plan or a successful record of providing such services (paragraph 9–9.C); and

2. Clarify that the valuation of services and amenities must take into account whether similar services and amenities are available in the surrounding community (paragraph 9–9.C.2). The intent of this revision is to assure that the valuation of services and amenities is in line with their market appeal to tenants. HUD asked for feedback on these revisions and the extent to which they support or impede an owner's ability to fund reliable services with revenues from rent adjustments that reflect the intent to provide those services. Additionally, HUD was seeking feedback about how best to verify that services are being reliably provided to tenants while ensuring that this verification is not overly burdensome (Note: Corresponding revisions are proposed to paragraph 9–11.A.3.)

NAHMA reiterated what it shared during a previous HUD listening session, that members are concerned that the valuation of non-shelter services seems designed to be overly restrictive and may create a disincentive for innovative owners and managers to add services in areas that lack comparable services. For example, denying non-shelter services from valuation because they may be uncommon in the market penalizes early adopters and discourages investments for the benefit of the tenant population. NAHMA said that HUD should want owners to be innovative in improving the lives of residents. Also, a lack of a demonstrated record or history should not be a bar to valuing a non-shelter service, and instead the focus should be on the benefit to the residents. Whether tenants pay for a service or not should not have a bearing on whether the service is incidental. A good example, said NAHMA, of a service that should be factored into the value but that tenants pay for are on-site child care centers.

In selecting comparable(s), HUD MFH proposes to allow RCS appraisers to use properties subject to rent control if such rent control is widespread in a given market area. The intent of this

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In addition, NAHMA highly recommend that HUD should be required to perform a substantive review of the HUD-commissioned RCS, just as it does to the owner-commissioned RCS. This will ensure an even playing field and due process for the owner.

proposal is to facilitate the identification of comparable(s) in markets where an ordinance categorizes most properties as rent controlled. HUD asked for any concerns about this proposal (paragraph 9–10.B.6.d). (A corresponding change has been made to Appendix 9–1–2.)

NAHMA said members are concerned that local rent control laws vary and the term widespread is subjective, absent laws in existence. If a locality has active rent control laws, then this would be a less subjective threshold.

NAHMA said members are concerned that local rent control laws vary and the term widespread is subjective, absent laws in existence. If a locality has active rent control laws, then this would be a less subjective threshold.

With respect to the HUD-commissioned RCS (paragraph 9–14), MFH:

1. Proposes to replace the Median Gross Rent by ZIP code HUD-commissioned RCS threshold with a SAFMR-based threshold. The intent of this change is to establish a threshold that is less subject to lags in market data and that takes into account a project's gross rent potential as opposed to its median rent (as special exceptions will no longer apply with the elimination of the Median Rent threshold, Appendix 9–1–7 has been deleted). The new 150% of SAFMR threshold will capture approximately the same number of properties as the current 140% of ZIP code median rent threshold;

2. Includes a statement clarifying that HUD is not required to perform a substantive review of the HUD-commissioned RCS; and

3. Adds language stating that, if an owner identifies a factual discrepancy in the HUD-commissioned RCS, then the owner may notify HUD, and HUD will review the discrepancy. The intent of this language is to establish a clear limit on elements of the HUD-commissioned RCS that are subject to HUD review and to clarify how such discrepancies are resolved. HUD asked if there are any concerns about these proposed changes/clarifications.

NAHMA again reiterated what was shared during a HUD listening session, that members would like HUD to clarify how 150% was determined to be the appropriate threshold. If this threshold is being adopted from a similar Housing Choice Voucher cap, does Census data still show that only 1% of all metropolitan ZIP codes had rents above 150%?

In addition, NAHMA highly recommends that HUD should be required to perform a substantive review of the HUD-commissioned RCS, just as it does to the owner-commissioned RCS. This will ensure an even playing field and due process for the owner. NAHMA believes that denying owners the ability to appeal the HUD-commissioned RCS is a denial of due process. HUD's determination of rents is subject to owner appeal under the provisions of paragraph 9–17. MFH proposes to revise the appeals process, stating that an owner may not revise an RCS following the issuance of a decision letter, clarifying the roles of HUD staff during the appeal process, and clarifying that the HUD-commissioned RCS is subject to review where the owner can identify factual discrepancies, miscalculations, or errors. The purpose of the appeal process for the owner's RCS is to provide an opportunity to provide additional information to justify the original submission, rather than to enter into a rent negotiation. The intent of these changes is to encourage owners to present proposed rents that are fully justified by market conditions, eliminating extensive iterative submissions that can sometimes become an unproductive and time-consuming feature of the RCS process (paragraph 9–18). HUD asked for any feedback about these changes and other suggestions for reaching fair outcomes in a timely manner.

NAHMA said members are concerned that this change lacks fairness and the deadlines are unreasonable.

In Appendix 9–1–2, HUD proposes:

1. Subject to budgetary analysis and applicable appropriations, to allow for the inclusion of internet service in the comparability analysis, if supported by actual comparable in the surrounding market area. This change is meant to support low-income households who increasingly rely on stable internet access for work and education;

2. To stipulate that the lack of a fee at a subject property is not a service and thus does not form the basis for a rent adjustment if charging the fee would be prohibited by HUD; and

3. To focus on rent adjustments to recognize the value of appropriate services, especially when the owner is not receiving financial support from another source.

NAHMA said it applauds HUD for allowing the inclusion of internet service in the RCS.

HUD stated the requirements in the revised chapter will apply to Rent Comparability Studies initiated on or after the effective date of the revised chapter, which will be 30 days from the date of publication. Any RCS initiated prior to the effective date will be processed in accordance with current guidance. HUD asked for feedback about this planned implementation process.

NAHMA said the timeframe seems fair; however, HUD should issue guidance to inform the industry of the effective date. **NN**


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Industry Submits Comments On Davis-Bacon Act

Eleven industry organizations, including NAHMA, submitted joint comments to the Department of Labor's Wage and Hour Division (WHD) on the notice of proposed rulemaking to update the Davis-Bacon and Related Acts Regulations.

THE RECOMMENDATIONS

"While considerable effort was put forth in developing the proposed rule, an opportunity has been missed to support the development of more affordable housing and health care facilities in this country and to develop a true prevailing wage for residential construction," the comments said.

The comments cover the following recommendations:

1. The WHD, by rulemaking, is urged to create a policy and practice favoring a single residential wage decision for Federal Housing Authority (FHA)-assisted projects, including incidental items, based on the overall residential character of the project.

2. For FHA-assisted projects, the consideration of separate wage rates from $2.5 million to $15 million—or at a minimum to $5 million or a level that accurately reflects the combined impacts of inflation and rising construction costs.

3. For FHA-assisted projects, the WHD is urged to revise the proposed regulation to effectively fix the wage rates as those in effect on the date an application for a firm commitment is submitted.

4. The WHD is urged to modify Davis-Bacon construction classifications to also permit FHA-assisted structures of more than four stories to be considered residential construction, consistent with advances in the construction of multifamily structures that have occurred since 1985, as reflected in the International Building Code.

5. The WHD is urged to engage directly in a deeper examination of the process of determining prevailing wages with the objective of either broadening participation, utilizing other data sources such as other Bureau of Labor Statistics data, or even looking to private payroll processing providers.

The recommendations of particular interest to the affordable housing industry covered the topics of multiple wage rate for a single project and the monetary threshold of "substantial."

MULTIPLE WAGE RATES FOR A SINGLE PROJECT

"Our organizations are disappointed that the proposed update to Davis-Bacon and Related Acts Regulations did not address the split wage concern that we and our respective member firms have raised with WHD and with the Department of Housing and Urban Development (HUD). What is commonly referred to as a 'split wage decision' is a determination to apply multiple wage rates to a single project," the comments said.

Davis-Bacon wage rates apply to multifamily and health care housing construction or substantial rehabilitation projects that are assisted or insured by the FHA by way of a provision in the National Housing Act. Historically, an office of HUD has applied the Davis-Bacon Act to FHA-assisted projects, under the direction and oversight of WHD.

Split wage decisions on FHA-assisted projects arise from WHD's current practice of so-called "bucketing," which HUD must apply to these projects. The practice consists of identifying subcomponents of residential construction and combining—or bucketing—them into different types of construction like building, heavy, and/or highway. Any buckets of items of work with a total cost of $2.5 million or more are assigned separate wage rates, which results in frequent multiple rate decisions, or "split wage" decisions.

One problem with split wage decisions on FHA-assisted projects is that they require developers to pay the same worker at different rates to do the same work on the same day, in different parts of the development. This introduces substantial operational complexity and risk. As a direct result, it can be hard for developers of workforce and affordable rental housing projects to find contractors willing to work on FHA housing projects and to take on the additional operational burden and potential liability for incorrectly applying wage rates. The current practice of bucketing also introduces a substantial level of avoidable uncertainty and disruption, the comments said.

"The proposed rule fails to address the bucketing and split wage problems. Rather, it implicitly codifies the bucketing practice in proposed § 1.6(b). The accompanying explanation of that provision similarly appears to implicitly codify the practice," according to the comments.

The industry partners recommend that WHD, by rulemaking, replace its current bucketing practice with a policy and practice favoring a single residential wage decision for FHA-assisted projects, including incidental items, based on the overall residential character of the project. "For consistency, we recommend that this policy also apply across all projects that fall under any of the federal housing acts," the comments said.

According to the joint comments, a policy and practice favoring single wage rate determinations would be consistent with prior long-standing policy and practice. Additionally, a policy favoring a single wage rate determination for FHA-assisted projects would more accurately map wage rates to the statutory standard of "projects of a similar character" surveyed to determine prevailing wage rates.

"A policy favoring assigning residential wage rate schedules to FHA-assisted projects, rather than assigning multiple wage rates using a bucketing approach, would accurately map wage rates for jobs performed on FHA-assisted projects with rates prevailing for the corresponding classes of laborers and mechanics employed on projects of a character similar to the FHA-assisted project," according to the comments.

Residential construction warrants a single wage rate because the definition of residential construction—and only the definition of residential construction—expressly encompasses all incidental items of work.

A policy and practice favoring a single wage rate determination for FHA-assisted projects would be consistent with the Department of Labor All Agency Memorandum (AAM) 130 definition of residential construction because that definition explicitly includes all incidental items of work.

The industry partners recommend that WHD, by rulemaking, replace its current bucketing practice with a policy and practice favoring a single residential wage decision for FHA-assisted projects, including incidental items, based on the overall residential character of the project.

THE MONETARY THRESHOLD OF 'SUBSTANTIAL'

According to the comments, WHD's practice of applying AAM 131 was historically to consider items of work to be substantial if they exceeded 20% of the project cost or $1 million. The partners said they appreciate that WHD increased the monetary threshold from $1 million to $2.5 million in December 2020, when it issued AAM 236.

"This was a necessary change because the outdated $1 million threshold had exacerbated the uncertainty and disruptive impacts of the bucketing approach described above. In our view, however, the increase to $2.5 million did not fully capture the impacts of inflation on construction costs since the time WHD began applying the $1 million threshold during or prior to 1987, and so it also contributes to avoidable uncertainty and disruptive impacts," the comments said.

AAM 236 recognizes that the $2.5 million threshold may not always be a reliable indicator of when construction items of a different category are substantial and accordingly indicates that WHD will re-evaluate annually whether an update to the monetary threshold is warranted by inflation and rising costs. To date, WHD has not issued any update to the $2.5 million threshold, nor is that threshold addressed in the proposed regulations, according to the comments.

The industry partners urge WHD to increase the $2.5 million as that threshold applies to FHA-assisted projects or, at a minimum, increase the threshold to reflect the combined impacts of inflation and rising construction costs, since AAM 236 was released.

"The $2.5 million threshold is 20% of $12.5 million. As a result, the $2.5 million threshold is an implicit conclusion that any project over $12.5 million is 'very large.' This is relevant because, by current HUD standards, a loan financing an FHA-assisted multifamily project is not considered to be a 'large loan' unless it is over $75 million. A threshold set at 20% of the MAP Guide threshold as a guide for 'very large projects' would be equal to $15 million," said the comments.

According to the comments, this level would be more in line with current applicable construction costs—particularly taking into account that the size of the loan is likely to be less than the total cost of the underlying construction project—and so would fully support a substantial increase to the $2.5 million threshold.

The industry partners recommend that WHD increase the $2.5 million threshold to $15 million, or at a minimum to $5 million. In addition, they recommend that WHD specify and apply an annual process to update any monetary "substantial" threshold, rather than the less precise declaration that "WHD will re-evaluate annually whether an update to the monetary threshold is warranted by inflation and rising costs."

"We appreciate the opportunity to respond to the proposed rule, and our comments offered above seek to further improve how Davis-Bacon wage rates are applied to construction and substantial rehabilitation of FHA-assisted projects under federal housing acts. The issues raised are of immediate concern to our members and are currently having an adverse impact to FHA-assisted projects. The changes outlined in this letter will modernize Davis-Bacon and greatly support the dire need for more affordable housing and health care projects under the HUD programs," the comments said. **NN**

Treasury Says LIHTC Program Needs More Oversight

The Treasury Inspector General for Tax Administration (TIGTA) issued a report, *Oversight of the Low-Income Housing Tax Credit Program Can Be Improved,* that identifies what it calls, "significant issues with data reliability that increase the risk of undetected errors and noncompliance." Additionally, TIGTA "identified potentially large dollar amounts of noncompliance by building owners and taxpayers based on information contained on key forms and schedules," said the report. TIGTA made seven recommendations that included implementing additional system validity checks to improve the accuracy and reliability of the information in the Low-Income Housing Tax Credit (LIHTC) database; establishing an examination selection process for questionable LIHTC claims; and allocating additional resources, when available, to allow for increased compliance monitoring reviews of the housing credit agency (HCAs).

THE FINDINGS

According to the report, forms submitted for the LIHTC program had significant issues with data reliability, reconciliation discrepancies, and missing first-year elections that increased the risk of undetected errors and noncompliance. In addition, TIGTA found nonprofit set-asides below the minimum requirement, certification discrepancies, and inconsistent reporting of building noncompliance and dispositions, according to the report.

There were potentially large dollar amounts of questionable LIHTC claims based on information from key forms and schedules submitted to the IRS, the report said. For example, approximately 67,000 LIHTC claims for tax years 2015 through 2019 totaling almost $15.6 billion lacked or did not match supporting documentation due to potential reporting errors or noncompliance.

The report said, "Recent IRS examination activity has not identified significant noncompliance. Only a small number of tax returns claiming the LIHTC are selected each year for examination, and one-third were closed before an examination was conducted. For those examined, most resulted in no additional tax assessment (no-change). This examination no-change rate is significantly higher than the average for examinations of similar taxpayers."

The report noted for calendar years 2003 through 2019, the IRS conducted compliance monitoring reviews for only eight of the 56 HCAs that have LIHTC program administrative responsibilities. Due to the coronavirus 2019 pandemic limitations, no reviews were conducted in calendar year 2020 or planned for calendar year 2021, the report said.

TIGTA made seven recommendations.

Recommendation 1: Ensure that additional system validity checks are implemented to improve the accuracy and reliability of the information in HCA and building owner portions of the LIHTC database.

The IRS agreed with this recommendation. However, IRS management did not agree to ensure that the additional validity checks for other forms will be implemented due to budget constraints, competing priorities, and resource allocations.

According to the report, failure to address the accuracy and reliability of the information in the LIHTC database for the other HCA and building owner forms may affect the IRS's ability to provide adequate oversight of the LIHTC program.

Recommendation 2: Establish an effective quality review system for the processing of LIHTC forms received from the HCAs and building owners to identify areas requiring corrective action, employee training, or outreach. The IRS agreed with this recommendation, stating, "additional training will be conducted for forms processing. In addition, patterns of submission errors and areas in need of quality improvement will be communicated to the LIHTC analyst." According to the report, TIGTA agrees that training employees and tracking errors are important considerations for improving quality. However, the report continues, "TIGTA believes that the IRS should also establish a formal quality review system for the processing of LIHTC forms received from the HCAs and building owners by the LIHTC Unit. Currently, the only reviews conducted by the LIHTC Unit for these forms are managerial reviews of a portion of their employees' work for evaluation purposes."

Recommendation 3: Establish an examination selection process for business owners submitting questionable Forms 8609-A that do not correspond to Forms 8609. The IRS agreed with this recommendation.

Recommendation 4: Evaluate possible revisions to Form 3800, Form 8586, and Form 8609-A to remove the option to make a current-year LIHTC claim for a pre-2008 building. The IRS agreed with this recommendation.

Recommendation 5: Determine the feasibility of establishing an examination selection process for taxpayers submitting questionable LIHTC claims on Forms 3800 that do not correspond to supporting Forms 8609-A or pass-through Schedules K-1. The IRS agreed with this recommendation.

Recommendation 6: Develop an action plan to identify possible causes

To read the report in its entirety, visit https://www.treasury.gov/tigta/auditreports/2022reports/202230012fr.pdf.

and correct reporting errors on LIHTC documents. The IRS disagreed with this recommendation, according to the report. IRS management stated that reporting errors on LIHTC documents are corrected through existing processes and provided examples of errors addressed by the LIHTC Unit while processing HCA- and owner-submitted LIHTC documents.

Recommendation 7: The commissioner of the Small Business/Self-Employed Division, should allocate additional resources, when available, to allow for increased HCA compliance monitoring reviews. The IRS disagreed with this recommendation. IRS management stated that they recognize an oversight responsibility to review the credit allocation practices and compliance monitoring processes. However, they do not plan to commit additional resources to HCA compliance monitoring reviews due to competing resource needs.

Overall, the IRS disagreed with TIGTA's recommendation to develop an action plan to identify possible causes and correct reporting errors on LIHTC documents, stating that these reporting errors are corrected through existing processes. However, according to the report, TIGTA identified approximately 67,000 LIHTC claims totaling almost $15.6 billion that lacked or did not match supporting documents.

The report said, "Therefore, TIGTA continues to recommend that the IRS make additional efforts to determine the causes of these errors. The IRS also disagreed to allocate additional resources, when available, to increase HCA compliance monitoring reviews. However, TIGTA found that 25 HCAs were identified for contact, which could take many years based on past resource commitments."

BACKGROUND

The audit was initiated in January 2021 at the request of Sen. Michael Enzi (R-WY), then-chairman of the U.S. Senate Committee on the Budget, who requested information about the LIHTC program as part of the committee's evaluation of the federal housing assistance programs. The Joint Committee on Taxation estimated that the tax expenditures for the LIHTC were approximately $7.1 billion for fiscal year 2014 and will increase to $11.6 billion for FY 2024. **NN**

HUD Adopts NAHMA's Recommendations in MORs Final Rule

The Department of Housing and Urban Development (HUD) released the Streamlining Management and Occupancy Reviews (MORs) for Section 8 Housing Assistance Programs Final Rule, in June, in response to the comments it received in 2015.

The final rule, effective Sept. 26, amends existing Project-Based Section 8 regulations related to MORs for seven Project-Based Section 8 programs administered by the Office of Multifamily Housing Programs: the Section 8 Housing Assistance Payments (HAP) Programs for New Construction, Substantial Rehabilitation, State Housing Agencies, New Construction financed under Section 515 of the Housing Act of 1949, the Loan Management Set-Aside Program, the HAP Program for the Disposition of HUD-Owned Projects, and the Section 202/8 Program. Under this final rule, MORs will be conducted in accordance with a performance-based schedule published concurrently in the *Federal Register*.

According to HUD, it is making a move to a performance-based MOR schedule to establish a risk-based scheduling protocol, reduce the frequency of MORs for projects that consistently perform well, and provide consistency across programs with respect to MOR frequency. Additionally, HUD is correcting a regulatory citation in its regulations concerning the Section 8 Housing Assistance Program for the Disposition of HUD-Owned Projects.

According to HUD, it is making a move to a performance-based MOR schedule to establish a risk-based scheduling protocol, reduce the frequency of MORs for projects that consistently perform well, and provide consistency across programs with respect to MOR frequency.

In March 2015, HUD issued a proposed rule that amended the Project-Based Section 8 HAP Program regulations by requiring MORs to be conducted according to a schedule set by HUD. At the time, NAHMA agreed and shared with HUD that the proposed changes were "necessary to provide consistency across programs and allow HUD the flexibility to set a schedule that is more in line with the needs of the programs. Moving to a risk-based MOR schedule benefits HUD, property owners and management agents (O/As) and residents. HUD will be able to focus its staff and resources on areas that require greater attention. A risk-based system will incentivize and reward good management practices. O/As will save time preparing for the MORs, accompanying the PBCA during the MORs and following up on items from the reviews. This will free O/As to spend more time on day-to-day management tasks. Residents will have less frequent unit inspections, which they often consider disruptive."

For more on the Streamlining Management and Occupancy Reviews (MORs) for Section 8 Housing Assistance Programs Final Rule, visit https://www.nahma.org/wp-content/uploads/2022/06/Streamlining-MORs-for-Section-8-Housing-Assistance-Programs-FInal-Rule.pdf

For more on the Section 8 Housing Assistance Programs Management and Occupancy Review Schedule, visit https://www.nahma.org/wp-content/uploads/2022/06/Sec.-8-Housing-Assistance-Programs-MOR-Schedule.pdf

THE CHANGES

For over a decade, NAHMA advocated for HUD to move from annual MORs to a risk-based schedule based on a property's overall rating and adopt a schedule like the Real Estate Assessment Center's physical inspections schedule and rating, which requires a property's next inspection to be scheduled in three years, two years or one year based on their inspection score. NAHMA is pleased that HUD's final rule and schedule for MORs is consistent with its recommendations. HUD also published a separate notice specifying the MOR schedule and linking a project's annual MOR rating with HUD's new risk-based asset management model classification to determine the frequency of a project's MOR.

Contract Administrators (CAs) will begin conducting reviews in September pursuant to the performance-based MOR schedule.

In the final rule, HUD stated it made several changes because of public feedback, including:

1. HUD has decided against proceeding with the proposed changes regarding the permitted duration of vacancy payments;

2. HUD's proposed rule provided that HUD could inspect a project at any time. HUD at the final rule stage requires that an MOR be performed within six months following a change

in ownership or management irrespective of a project's performance-based MOR schedule. HUD believes adding an inspection at a change in ownership or management is appropriate to ensure that the MOR is based on the current management at the time;

3. HUD is requiring that the CA review all tenant files for each sampled file going back to the previous MOR. In other words, if an MOR is taking place 36 months from the previous MOR, the CA must assess the current year's tenant files and tenant files going back to the previous MOR, for each sampled file; and

4. HUD is making changes to the final MOR schedule, which is published elsewhere in this issue of the *Federal Register*.

NOTABLE HUD REPONSES TO PUBLIC COMMENTS

While NAHMA supported overall policy change within this final rule, it is disappointed to see HUD did not adopt the association's recommendation for properties with full Mark-to-Market restructurings.

In its comments on the proposed rule, NAHMA had asked if these properties would fall under the category of "may be inspected at any time" outside of the schedule. NAHMA would prefer that these properties were inspected according to the proposed MOR schedule, just as other properties subject to annual HAP compliance reviews will be. Nevertheless, if HUD has not changed its position, NAHMA believes HUD can still provide a 36-month, 24-month, or 12-month schedule by allowing scaled-back limited reviews between the full MORs for high-performing properties. Limited reviews could include analyses of the properties' financial statements, surplus cash analyses, the risk-based asset management model classification and/or other information that HUD already collects to ensure regulatory compliance.

HUD responded by saying Section 519(b)(1) of MAHRA requires CAs to monitor the status of projects renewed under Mark-to-Market at least annually. Therefore, the schedule would not and could not apply to restructured Mark-to-Market properties.

At the time of publication of the proposed rule, NAHMA opposed HUD's proposed changes to vacancy payment regulations that would permit owners to receive vacancy payments in the amount of 80% of the contract rent for only the first 30 days of a vacancy, rather than the current 60 days of a vacancy. NAHMA stated that the current vacancy payment policies already include incentives for owners to rent vacant units as quickly as possible. The association said its members did not believe a convincing case had been made to reduce the period for vacancy payments …. In addition, NAHMA was concerned that the proposed rule would effectively penalize O/As who lose rent while following HUD's occupancy rules. Finally, NAHMA was concerned that HUD has proposed this change without fully understanding the impact it will have on affected properties.

In the final rule HUD stated, "HUD has decided against proceeding with the proposed changes regarding the permitted duration of vacancy payments."

The final rule adopted many of the policy changes for which NAHMA advocated. **NN**

Regulators Propose CRA Overhaul

Federal bank regulators jointly issued a proposal to strengthen and modernize regulations implementing the Community Reinvestment Act (CRA) to better achieve the purposes of the law. CRA is a landmark law enacted 45 years ago to encourage banks to help meet the credit needs of their local communities, including low- and moderate-income (LMI) neighborhoods, in a safe and sound manner. The Office of the Comptroller of the Currency (OCC), Board of Governors of the Federal Reserve System (Fed) and Federal Deposit Insurance Corporation (FDIC) jointly issued the proposal, recognizing that CRA regulations must evolve to address the significant changes in the banking industry that have taken place since the last substantive interagency updates in 1995 and 2005. While banks and community groups agreed an overhaul was needed, the three bank regulators were previously unable to agree on how to overhaul the regulations. Under the previous administration, the OCC made its own proposal on how to rewrite the CRA. The proposal was not accepted by the Fed or FDIC and was rescinded in the early days of the Biden administration.

The Office of the Comptroller of the Currency (OCC), Board of Governors of the Federal Reserve System (Fed) and Federal Deposit Insurance Corporation (FDIC) jointly issued the proposal, recognizing that CRA regulations must evolve to address the significant changes in the banking industry that have taken place since the last substantive interagency updates in 1995 and 2005.

Building on the most recent feedback from stakeholders and research, the agencies included the following key provisions in their proposal:

- Expand access to credit, investment, and basic banking services in low- and moderate-income communities. Under the proposal, the agencies would evaluate bank performance across the varied activities they conduct and communities in which they operate so that CRA is a strong and effective tool to address inequities in access to credit. The proposal would promote community engagement and financial inclusion. It would also emphasize smaller value loans and investments that can have high impact and be more responsive to the needs of LMI communities.
- Adapt to changes in the banking industry, including internet and mobile banking. The proposal would update CRA assessment areas to include activities associated with online and mobile banking, branchless banking, and hybrid models.
- Provide greater clarity, consistency, and transparency. The proposal would adopt a metrics-based approach to CRA evaluations of retail lending and community development financing, which includes public benchmarks, for greater clarity and consistency. It also would clarify eligible CRA activities, such as affordable housing, which are focused on LMI, undeserved, and rural communities.
- Tailor CRA evaluations and data collection to bank size and type. The proposal recognizes differences in bank size and business models. It provides that smaller banks would continue to be evaluated under the existing CRA regulatory framework with the option to be evaluated under aspects of the new proposed framework.
- Maintain a unified approach. The proposal reflects a unified approach from the bank regulatory agencies and incorporates extensive feedback from stakeholders.

The CRA proposal comes on the heels of recent efforts by Treasury to strengthen the way underserved communities access capital. In March, Treasury debuted a program intending to help communities that have traditionally been underserved access more capital. The Emergency Capital Investment Program is investing $9 billion into Community Development Financial Institutions and minority depository institutions which are trying to help provide financial products for small and minority-owned businesses and customers in underserved communities. **NN**

To view the OCC summary of key objectives of the interagency CRA proposal, visit https://www.occ.gov/topics/consumers-and-communities/cra/cra-summary-key-objectives.pdf.

To view the Federal Reserve Community Reinvestment Act Proposal Fact Sheet, visit https://www.federalreserve.gov/consumerscommunities/files/cra-fact-sheet-20220505.pdf.

To view the Notice of Proposed Rulemaking, visit https://www.federalreserve.gov/consumerscommunities/files/cra-npr-fr-notice-20220505.pdf.

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Residents Show How Being Healthy Is Being Happy

Esme Fordjour, a ninth grader from Worcester, Mass., has been named the grand prizewinner in NAHMA's 2022 AHMA poster and art contest. The talented artist's creation will appear on the cover of the 2023 NAHMA Drug-Free Kids calendar. Esme also receives an all-expenses-paid trip to Washington, D.C., for a future NAHMA conference, as well as a scholarship of $2,500 from the NAHMA Educational Foundation.

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

The underlying message for the annual contest is always a drug-free theme but NAHMA wanted to open the door for more avenues of expression, so a subtheme is incorporated into the poster contest. The subtheme for the 2022 art contest is *Healthy Is Happy: Nutrition and Fitness Propel Us Forward*.

Typically, the contest draws hundreds of participants nationwide.

Each national winner of the NAHMA contest—regardless of entry category—receives a $1,000 educational scholarship from the NAHMA Educational Foundation. All winners are also featured as their own month in the 2023 calendar.

Additionally, participants in the annual art contests held by the local AHMAs are eligible to be selected as Regional AHMA Art Contest Honorable Mentions. Those selected for this distinction will have their artwork featured in a special section of the NAHMA 2023 Drug-Free Kids Calendar and receive a $100 scholarship. These participants are in addition to those selected as national winners.

The original winning grand-prize artwork will be auctioned at the NAHMA Educational Foundation gala in October with the proceeds supporting the foundation's scholarship program.

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

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

The following lists this year's national program winners, with their ages at time of submission, grade completed in June 2022/contest category, the community where they live, the management company and name of the AHMA that submitted their artwork:

GRAND PRIZE WINNER

Esme Fordjour, 14; Ninth grade; Stratton Hill Park Apartments, Worcester, Mass.; Beacon Communities LLC; NEAHMA

NATIONAL WINNERS

Jeremiah Berger, 7; Second grade; Plaza Manor Court, Jacksonville, N.C.; Westminster Company; SAHMA

Bill Devlin, 78; Seniors & residents with special needs; The Ledges, Ashland, Mass.; Peabody Properties; NEAHMA

Anthony Keshishyan, 16; 11th grade; The Gardens on Garfield, Glendale, Calif.; Thomas Safran & Associates; AHMA-PSW

Ali Kramen, 56; Seniors & residents with special needs; Council Groves Apartments, Missoula, Mont.; Tarmarack Property Management; Rocky Mountain Heartland AHMA

Ari'bella Landry, 8; First grade; Davis Commons, Brockton, Mass.; First Realty Management; NEAHMA

Ezra Lopez, 6; Kindergarten; Council Groves Apartments, Missoula, Mont.; Tamarack Property Management; Rocky Mountain Heartland AHMA

Ana A. Maza, 54; Seniors & residents with special needs; Lakeside Towers Apartments, Miami, Fla.; Royal American Management; SAHMA

Angie Montero, 18; 12th grade; Lakeside Towers Apartments, Miami, Fla.; Royal American Management; SAHMA

Alina Oganezova, 12; Sixth grade; Strathern Court, Sun Valley, Calif.; Thomas Safran & Associates; AHMA-PSW

Skye Roberson, 9; Sixth grade; Stratton Hill Park Apartments, Worcester, Mass.; Beacon Communities LLC; NEAHMA

Diego Humberto Salcido, 13; Eighth grade; Strathern Park, Sun Valley, Calif.; Thomas Safran & Associates; AHMA-PSW

Joshua Silva, 13; Eighth grade; Kingsville Lulac Manor, Kingsville, Texas; Prospera Housing Community Services; SWAHMA

Lisa Marie Veliz-Santiago, 17; 10th grade; Residencial El Recreo, San German, Puerto Rico; J.A. Machuca & Associate, Inc.; SAHMA

HONORABLE MENTIONS

Deborah Holt, 72; Seniors & residents with special needs; Cornerstone Village Apartments, Pittsburgh, Pa.; McCormack Baron Management; PAHMA

Ranbir Kaur, 69; Seniors & residents with special needs; Los Robles Apartments, Union City, Calif.; EAH Inc.; AHMA-NCH

Noah Merritt, 13; Seventh grade; Rowan Towers, Trenton, N.J.; The Michaels Organization; JAHMA

Aritha Peaks, 53; Seniors & residents with special needs; Michigan Avenue School, Columbus, Ohio; CPO Management; MAHMA

Dara Vargas Vazquez, 18; 12th grade; Escuela Superior Urbana en Maricao, Maricao, Puerto Rico; J.A. Machuca & Associates Inc.; SAHMA

NAHMA Scholars Chosen for 2022

The NAHMA Educational Foundation recently announced the selection of 99 scholarship recipients for the 2022/2023 school year. Each recipient will be receiving a $3,500 scholarship. Additionally, the foundation will be making its annual $2,000 scholarship donation to the Virginia Tech Department of Apparel, Housing and Resource Management to be awarded to a student studying property management. Thus, the total amount of scholarships for this year will be $348,500. The students that were selected come from 20 different states and 12 different AHMAs. The individuals selected represent a very diverse group of ethnic backgrounds, races and religions. They are involved in a wide variety of school and community-based activities reflecting their interests and desire to enhance the communities in which they live and bring about positive change. The common denominator is that they are all working diligently to complete their studies and earn an undergraduate degree.

"The NAHMA Educational Foundation is very proud to be making scholarship awards for the 16th consecutive year to students attending various community colleges, universities, and trade/technical schools throughout the country. The recipients are all high functioning students studying everything from accounting to veterinary science. As a result of the steadfast and unwavering support of our donors and sponsors, the foundation was able to award impactful financial assistance to this year's NAHMA scholars," said NAHMA Educational Foundation Chairperson Alicia Stoermer Clark when announcing the selections.

The foundation wishes to congratulate all multifamily communities, management companies and AHMAs across the country that have 2022 NAHMA scholars in residence. The entire list of 2022 recipients will be published in an upcoming edition of the NAHMA News. Again, many thanks to everyone for promoting the scholarship program to residents this year. Applicants benefitted greatly from the help and assistance you provided. Anyone with questions or seeking additional information should contact Dr. Bruce W. Johnson, NAHMA scholarship program administrator, at bjohnson@tmo.com. **NN**

The individuals selected represent a very diverse group of ethnic backgrounds, races and religions. They are involved in a wide variety of school and community-based activities reflecting their interests and desire to enhance the communities in which they live and bring about positive change.

CDC NEWS

PEOPLE WITH DISABILITIES CAN CONTACT THE DISABILITY INFORMATION AND ACCESS LINE (DIAL) TO FIND COVID vaccine locations, make appointments and arrange for transportation. Trained staff at DIAL can also help people with disabilities track down community supports to help with independent living, such as services that help with health care benefits, financial assistance, housing, food and more. DIAL, operated as a collaboration between a consortium of organizations serving people with disabilities and USAging, is funded by the Administration for Community Living. Staff at DIAL can also make referrals to local disability organizations. For more information, visit https://youtu.be/faPv3uLa0q8 to watch a short video.

RURAL DEVELOPMENT NEWS

RURAL DEVELOPMENT (RD) RELEASED VERSION 8.2.1 OF THE PRELIMINARY ASSESSMENT TOOL (PAT). RD underwriters utilize the PAT to document Multifamily Housing transfer and Multifamily Housing Preservation and Revitalization decisions. This version includes updated Low Income Housing Tax Credit rents and Fair Market Rent data based on the HUD April 2022 data release, the 2022 Management Fee, Guarantee Fee Calculation, and updated State Average Cost Analysis for comparison. The newest version can be found on our website under the “To Apply” tab, https://www.rd.usda.gov/programs-services/multifamily-housing-programs/multifamily-housing-direct-loans.

HUD NEWS

MULTIFAMILY HOUSING HAS RECEIVED SEVERAL REQUESTS FROM STATE AND LOCAL GOVERNMENTS about how it interprets community solar credits and when these credits can be excluded from income and utility allowance calculations. The MF Community Solar Credits Memo, available at https://www.hud.gov/sites/dfiles/Housing/documents/MF_Memo_Community_Solar_Credits_signed.pdf?utm_medium=email&utm_source=govdelivery, reflects how Multifamily Housing has approached these requests to date and may be helpful to state and local government and owners as they consider these issues. The memo is advisory only and does not set or change program guidance.

DOT AND HUD LAUNCH THRIVING COMMUNITIES PROGRAM

THE DEPARTMENT OF TRANSPORTATION (DOT) IS establishing a Thriving Communities Program to provide technical assistance and capacity building resources to improve and foster thriving communities through transportation improvements. This includes the new Thriving Communities Program to support communities with planning and project development of transformative infrastructure projects that increase affordable transportation options, enhance economic opportunity, reduce environmental burdens, improve access and quality of life, and provide other benefits to disadvantaged communities. DOT is partnering with the Department of Housing and Urban Development (HUD), which will provide complementary technical assistance as part of the Thriving Communities Program to improve the coordination of housing and transportation planning to advance residents’ access to opportunity and increase housing supply. The program provides hands-on planning support and access to a diverse set of technical assistance providers available to work directly with communities as they build upon local assets to co-design and advance infrastructure projects that address critical social, economic, environmental and mobility needs. Congress provided $25 million to launch DOT’s Thriving Communities Program in fiscal year (FY) 2022, and an additional $5 million for HUD to offer complementary technical assistance as part of the program to improve the coordination of housing and transportation planning to advance residents’ access to opportunity, spur economic development, and increase housing supply. The president’s FY 2023 budget requests $110 million to grow the program.

For more information on the Thriving Communities Program, visit https://www.transportation.gov/grants/thriving-communities.

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

HUD NEWS

A NOTICE OF FUNDING OPPORTUNITY (NOFO) FOR FAMILY SELF-SUFFICIENCY (FSS) GRANTS WILL BE RELEASED this summer. For the first time, PBRA (Multifamily) owners will be eligible for program funding.

There are a few steps necessary for an owner to be able to apply for funding.

1. Review the notice posted at https://www.hud.gov/grants that gives guidance on ensuring that the SAM.gov registration is up to date and a Unique Entity ID (UEI), which has replaced the DUNS system, is required. An up-to-date gov registration and a UEI in order to apply for the NOFO.

2. The NOFO will be available at grants.gov, registration on the site is required. Sign up to receive notifications from grants.gov through their website.

3. For all existing FSS Programs, FSS action plans are required to be updated and submitted for review and approval by Sept. 30. Any entities with current programs that do not have an updated FSS Action Plan approved by the time that HUD makes awards will have any awarded funds frozen and inaccessible until the updated FSS Action Plan is approved.

4. New FSS programs that are funded via the competition will have time to develop an FSS Action Plan after funding is awarded.

5. It is strongly recommended that whomever will be responsible for preparing the application be signed up for the FSS listserv, where information about the NOFO will be communicated. Note: all PBRA applicants will be considered new applicants for purposes of the NOFO.

HUD ANNOUNCED THE PUBLICATION OF THE FSS FINAL RULE. The new final rule updates regulations and creates important changes for FSS programs in Multifamily properties. HUD expects these changes will significantly impact and simplify the operation of Multifamily FSS programs while also helping to unlock new opportunities for FSS programs at Multifamily properties. The final rule went into effect on June 17, and all required changes to programs must occur before Nov. 14. The FSS Final Rule is also available at https://www.nahma.org/wp-content/uploads/2022/06/Family-Self-Sufficiency-FSS-Program-Final-Rule-PDF.pdf.

HUD HAS PUBLISHED AN UPDATE TO SEVEN NSPIRE STANDARDS. The NSPIRE Demonstration continues through April 2023 and the standards may be updated again before HUD implements the final NSPIRE rule. After implementation, HUD will review and revise the NSPIRE standards as part of a process of continuous improvement process.

The seven standards are: Call-for-Aid Standard (version 2.2), Carbon Monoxide Alarm Standard (version 2.2.1), Door—Fire Labeled Standard (version 2.2.1), Exit Sign Standard (version 2.2), Fire Extinguisher Standard (version 2.2), Heating, Ventilation, and Air Conditioning (HVAC) Standard (version 2.2), and Mold-Like Substance Standard (version 2.2).

All new standards are available on the NSPIRE standards web page.

TO HELP LOWER THE COST OF ELECTRICITY, HUD ISSUED NEW GUIDANCE that will help enable families in HUD-assisted rental housing to subscribe to local community solar where available. With this guidance, HUD is setting the stage for 4.5 million families to reap the benefits of community solar which, on average, can save families 10% per year on their electric bills. In some programs, such as the Washington, D.C., Solar for All program, savings to households from subscribing to local community solar can reach up to 50% per year. This national guidance builds on recent state-specific guidance that HUD has provided to Illinois, Washington, D.C., and New York, that determined community-net-metering (CNM) credits would be excluded from household income and utility allowance calculations and therefore not increase housing costs for residents in properties participating in HUD Multifamily, Public Housing and Housing Choice Voucher rental assistance programs. HUD will also launch a new initiative to help small rural housing authorities make money-saving energy efficiency upgrades and retain the savings from those projects to reinvest in improvements to rural HUD supported rental housing.

HUD IMPLEMENTED NEW STATUTORY CHANGES LAST YEAR, CREATING A NEW ENERGY AND WATER SAVINGS INCENTIVE PROGRAM for small rural housing authorities. The Small Rural Frozen Rolling Base program enables small rural housing authorities to retain utility cost savings from efficiency or capital investments from conservation measures. Now, HUD is launching an educational campaign and partnership to encourage broader usage of the incentive and help housing authorities partner with weatherization providers to access low-cost energy efficiency measures. HUD will make public a list of eligible rural housing authorities, as well as a list of buildings owned or operated by those housing authorities that meet the new categorical income eligibility requirements for the Department of Energy Weatherization program. Leading up to the September deadline for new applicants for the Frozen Rolling Base program, HUD will maximize outreach efforts to ensure eligible housing authorities are aware of the savings opportunities. **NN**

upclose & personal

WITH BETSY EDDY, CAE

BY JENNIFER JONES

A Time Full Of Opportunities

LEADERSHIP CHANGE CAN BE stressful for the business and people involved under the best circumstances. Now, try transitioning to new leadership during a worldwide pandemic and filling the shoes of someone who had been a longtime presence in the industry. That is what SAHMA faced when its executive director retired Dec. 31, 2021, after helming the association for 17 years. Luckily, SAHMA didn't have to look far to find someone to slip into the position seamlessly. After 14 years at the organization, Betsy Eddy took over as its executive director in January.

When Eddy was starting out, she knew she wanted to have a career where she felt she could make a difference.

"I knew that I wanted to work for a nonprofit association. I wanted to be a part of something that was helping people," she said.

Since joining SAHMA in 2008, she has progressively worked her way up the ladder, including serving as the volunteer & meetings coordinator, events manager, director of events, and associate director before taking over the top leadership role.

"I think that for all of us starting new leadership positions, we are starting during a time where there are challenges ahead of us. Employment is one we are all struggling with, but we are also starting in a time full of opportunities, and that makes for exciting times in our future," Eddy said. "The pandemic forced us all to innovate and reimagine how we provide programs and services for our members. I am excited to see the engagement that comes from all this innovation."

And what does she like most about her new position? "The people, working with our members," she said. "I enjoy partnering with our volunteers, committees, and members to further the association's mission to inform, educate, and connect the SAHMA community of affordable housing professionals. It is a mission that I believe in but also my favorite part of my day."

Eddy said SAHMA's members are a wonderful group of professionals who care deeply about providing quality communities for their residents.

"I love being a part of it and adding to the success of their work," she said. "This is rewarding work, and I cannot imagine being anywhere else."

Eddy earned her Bachelor of Arts from Georgia State University. Additionally, she has earned the Certified Association Executive (CAE) certification from the American Society of Association Executives and the Diversity, Equity and Inclusion in the Workplace Certificate from the University of South Florida's Office of Corporate Training and Professional Education.

She is married with a son going into third grade. Eddy and her family love spending time outdoors, especially hiking and camping when she isn't working. **NN**

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

"I knew that I wanted to work for a nonprofit association. I wanted to be a part of something that was helping people. I started in meeting planning, education and training."

Welcome New Members

NAHMA welcomes the following new members as of July 13, 2022.

EXECUTIVES

Rita Bishop Aimar, Wallick Properties Midwest LLC, New Albany, Ohio

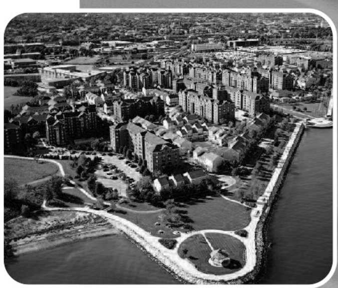
Rachael Goldstein, MMS, Suffern, N.Y.

LaShona McGrew, McCormack Baron Management, St. Louis, Mo.

Rene Sturgis, CAHEC Management, Columbia, S.C.

AFFILIATES

Diane Van Lear, Satisfacts, El Segundo, Calif.



Communities of Quality members (top to bottom): Harbor Point Apartments, Jewish Community Housing, and Cook's Pond Senior Housing.

EDUCATION CALENDAR

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

SEPTEMBER

TBA
TRACS
Webinar
NEAHMA
781-380-4344
neahma.org

7
EIV 101
Webinar
NEAHMA
781-380-4344
neahma.org

7–8
LIHTC Fundamentals & Advanced with SHCM Exam
Cleveland, OH
MAHMA
614-481-6949
mahma.com

8
Analyzing the Impacts of Affordable Housing Online Application Processes
Webinar
SAHMA
800-745-4088
www.sahma.org

9
NAHMA Fair Housing Compliance
Iselin, NJ
JAHMA
856-786-9590
www.jahma.org

13
Basic LIHTC Management
Webinar
Mid-Atlantic AHMA
804-564-7898
mid-atlanticahma.org

Half-Day Fair Housing
Webinar
NEAHMA
781-380-4344
neahma.org

14
NEAHMA Maintenance Expo at Gillette
Webinar
NEAHMA
781-380-4344
neahma.org

15
Income & Assets Verification & Calculation
Webinar
Mid-Atlantic AHMA
804-564-7898
mid-atlanticahma.org

COQ Made Easy
Webinar
SAHMA
800-745-4088
www.sahma.org

20
Self-Auditing Tax Credit Files
Webinar
Oregon AHMA
503-357-7140
www.oregonaffordable housingmanagement.com

Service Programs on a Shoestring
Webinar
Mid-Atlantic AHMA
804-564-7898
mid-atlanticahma.org

20–21
Fair Housing Compliance (FHC) Certification
Virtual
SAHMA
800-745-4088
www.sahma.org

21
Reasonable Accommodations
Webinar
NEAHMA
781-380-4344
neahma.org

22
Deductions-HUD
Webinar
NEAHMA
781-380-4344
neahma.org

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

REAC/NSPIRE
Columbus, OH
MAHMA
614-481-6949
mahma.com

22–25
Utility Allowance Procedures
Webinar
MAHMA
614-481-6949
mahma.com

27
Fair Housing Timely Topics
Webinar
Oregon AHMA
503-357-7140
www.oregonaffordable housingmanagement.com

Fire Prevention and Protection
Webinar
NEAHMA
781-380-4344
neahma.org

28
EIV 201
Webinar
NEAHMA
781-380-4344
neahma.org

29
Understanding Utility Allowance
Webinar
NEAHMA
781-380-4344
neahma.org

OCTOBER

5–6
NAHMA's Fair Housing Compliance (FHC) Certification Course
Virtual
Mid-Atlantic AHMA
804-564-7898
mid-atlanticahma.org

11
Waiting List Management for HUD Properties
Webinar
Oregon AHMA
503-357-7140
www.oregonaffordable housingmanagement.com

Terminations in Subsidized Housing
Webinar
NEAHMA
781-380-4344
neahma.org

13
Understanding HUD Deductions
Webinar
Oregon AHMA
503-357-7140
www.oregonaffordable housingmanagement.com

LEP Plans and Fair Housing
Webinar
NEAHMA
781-380-4344
neahma.org

14
Breakfast Meeting
Tentatively In-Person
JAHMA
856-786-9590
www.jahma.org

18
Ensuring LIHTC Compliance on Dec. 31
Webinar
Mid-Atlantic AHMA
804-564-7898
mid-atlanticahma.org

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

18
Basic Occupancy
Webinar
NEAHMA
781-380-4344
neahma.org

19
Dealing with Hoarding
Webinar
Mid-Atlantic AHMA
804-564-7898
mid-atlanticahma.org

NAHMA CPO (1-Day Accelerated)
TBD In-Person
PennDel AHMA
856-786-2183
www.penndelahma.org

20
MOR
Columbus, OH
MAHMA
614-481-6949
mahma.com

20–21
PAHMA 2022 Fall Conference
Champion, PA
PAHMA
412-445-8357
www.pahma.org

25–27
Conquering RD Multifamily Housing Compliance
Salem, OR
Oregon AHMA
503-357-7140
www.oregonaffordable housingmanagement.com

26–28
NAHMA Biannual Top Issues in Affordable Housing Fall Conference
Washington, DC
NAHMA
703-683-8630
www.nahma.org

27
Preventative and Predictive Maintenance
Webinar
NEAHMA
781-380-4344
neahma.org

29
Fall Management Conference
Blue Bell, PA
PennDel AHMA
856-786-2183
www.penndelahma.org

NOVEMBER

TBD
FHC Course
Virtual
NEAHMA
781-380-4344
neahma.org

8–9
Conquering Home Multifamily Housing Compliance
Webinar
Oregon AHMA
503-357-7140
www.oregonaffordable housingmanagement.com

9–10
NAHMA Tax Credit Training & SHCM Exam
Brunswick, NJ
JAHMA
856-786-9590
www.jahma.org

10
Best Practices for Communicating with Residents
Webinar
Oregon AHMA
503-357-7140
www.oregonaffordable housingmanagement.com

15
Basic Tax Credit
Webinar
NEAHMA
781-380-4344
neahma.org

15–17
Fall Conference & Vendor Exhibition
Richmond, VA
Mid-Atlantic AHMA
804-564-7898
mid-atlanticahma.org

16
HUD Basic Occupancy
Webinar
MAHMA
614-481-6949
mahma.com

29
MOR Ready Set Go
Webinar
NEAHMA
781-380-4344
neahma.org

30
Are You Ready for RAD?
Webinar
NEAHMA
781-380-4344
neahma.org

DECEMBER

13
Intermediate LIHTC Compliance
Richmond, VA
Mid-Atlantic AHMA
804-564-7898
mid-atlanticahma.org

14
Advanced LIHTC Compliance
Richmond, VA
Mid-Atlantic AHMA
804-564-7898
mid-atlanticahma.org

15
Exam Administration
Richmond, VA
Mid-Atlantic AHMA
804-564-7898
mid-atlanticahma.org

On-Demand Training

Webinars: Rocky AHMA; 303-840-9803; www.rockyahma.com
- Fair Housing Basics
- Rural Development Fundamentals
- Tax Credit Basics
- Understanding HOME

Webinars: SAHMA; 800-745-4088; www.sahma.org
- 504 Coordinator
- A Guide to Your Affirmative Fair Housing Marketing Plan
- Basic Tax Credit
- Calculating Assets
- Calculating Expenses
- Calculating Income
- Death of a Resident
- Determining Effective Dates
- EIV Discrepancy Reports
- EIV Policies & Procedures and Reports
- Fair Housing for Maintenance
- Introduction to Layering Tax Credit and HUD Properties
- REACtion to REAC
- Recertifications While Social Distancing
- Smoke Free Implementation
- Student Rules
- Terminations in Subsidized Housing: Assistance and Tenancy
- Understanding the UPCS/REAC Process
- Waiting List Management

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

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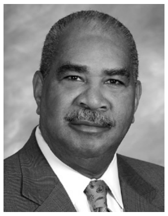
PROTECTING THE INTERESTS OF AFFORDABLE HOUSING PROPERTY MANAGERS AND OWNERS

thelastword



You're Invited to Pursue The COQ Designation

IF YOU ARE LIKE ME, YOU HAVE received at least one press release informing you that applications for the Communities of Quality (COQ) Awards are due Nov. 3. The awards are open to all COQ properties—regardless of size—that scored at least a 325 on their COQ national recognition program application.

That is a high threshold to be sure, but it is achievable, as evidenced by the many award winners NAHMA has honored over the years. However, the first step is to earn the COQ designation for your multifamily community, which can be done at any time throughout the year.

The COQ National Recognition Program is just one of the ways NAHMA and its members are changing the perception of affordable housing. By using a series of third-party inspections and reporting, communities certify that they meet stringent standards in physical maintenance, financial management, programs and services, employee credentials, and other criteria. Even then, only the best of the best qualify to call themselves a COQ property.

I strongly urge all of our property management companies to pursue the COQ national recognition. At the very least, take a look at the COQ national recognition application available on NAHMA's website—you may be in a better position to earn the designation than you thought. And if the designation is still a little out of reach, the application lets you know where your strengthens and weaknesses lie.

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

Additionally, the program ends up being a good marketing tool for companies, allowing them to show clients how much they care about maintaining high standards, and by extension, how they will maintain their clients' property. It also illustrates the hard work put in by the on-site personnel and volunteer boards while projecting professionalism.

It helps residents feel more secure and even proud to be living in a community that has earned the COQ designation. Some properties hold resident celebrations, put up banners, and affix the COQ logo to correspondences and other communications tools as a way to bolster that sense of pride year-round. The COQ certification helps attract top-notch staff. Moreover, the recognition also creates some bragging rights. When one community sees a property earn the recognition, it inspires the others to reach for the same goal.

Applicants must score a minimum of 225 points to receive COQ certification or 200 points for properties with 49 units or less. Properties that score more than 325 points are automatically eligible to compete in NAHMA's Communities of Quality Awards competition.

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

Michael Simmons, NAHP-e, is senior advisor and chief business development officer for CRM Residential and serves as NAHMA president.