NATIONAL AFFORDABLE HOUSING MANAGEMENT ASSOCIATION

NAHMANews

January February 2018

PROTECTING THE INTERESTS OF AFFORDABLE HOUSING PROPERTY MANAGERS AND OWNERS

IN THIS ISSUE

Tax Reform Passes; LIHTC to Be Impacted

On Dec. 22, President Donald Trump signed the Tax Cuts and Jobs Act into law after it passed Congress. The House approved the bill by a vote of 227-203, with 12 Republicans and all Democrats voting against it; the Senate approved the bill by a party-line vote of 51-48, with Sen. John McCain (R-AZ) absent due to health reasons.

The Tax Cuts and Jobs Act lowers the top corporate tax rate from 35 to 21 percent, effective Jan. 1, 2018. The bill also maintains all key affordable housing credits: the Low-Income Housing Tax Credit (LIHTC); private activity bonds, including multifamily housing bonds; and the historic rehabilitation tax credit.

LIHTC was established in 1986, during the last major tax code overhaul. Since that time, LIHTC has become the nation's primary financing tool for the development and preservation of affordable housing, accounting for more than 3 million affordable rental units and providing homes for nearly 7 million low-income families.

Although NAHMA and industry partners saw this year's comprehensive tax code overhaul as an opportunity to make improvements to the LIHTC, reforming and expanding LIHTC is still possible through separate legislation.

A December *NAHMAnalysis* discusses the impact of the House and Senate tax reform bills on the housing credit program, including a look at the potential market impact over 10 years. To read the *NAHMAnalysis* in its entity, visit the Members Only section of nahma.org.

IMPACT ON LIHTC

Congressional efforts to change the tax code resulted in two separate tax reform bills—one in the House and one in the Senate—that shared some similarities but also diverged in their impact on affordable housing.

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National Affordable Housing Insurance

The **National Affordable Housing Program (NAHP)** is an innovative insurance program that was designed specifically to meet the needs of the affordable housing market.

Our competitively priced package policy offers comprehensive property and casualty coverages to **public housing authorities (PHA), rural housing, low-income housing tax credit properties,** and **not-for-profit** affordable housing properties. We can accomodate small to large property schedules and most types of building construction.

NAHP can furnish customized coverage and is available through local independent insurance agents. We have the ability to tailor an insurance plan to best fit any local, state, or national situation.

Property – available on a variety of forms, including: Blanket Limits and Agreed Value.

Inland Marine – protects mobile equipment and miscellaneous tools.

Crime – includes theft, money and securities, employee dishonesty and more.

General Liability – provides a limit of $1,000,000 per occurrence/$2,000,000 annual aggregate (higher limit options are available).

Auto – can include various endorsements to meet your specific needs.

Equipment Breakdown – satisfies various inspection requirements and provides limits to meet your total insurable values.

Public Officials Liability – available to PHA's to cover board members and to satisfy various HUD requirements.

For more information on **the National Affordable Housing Program** or our other products call **1-877-843-1222** or visit us at **www.brokersrisk.com/nahp**

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Phone: (877) 843-1222 • Fax: (312) 627-8888

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PRESIDENT
Michael Johnson, SHCM, NAHP-e
mjohnson1@alcomgt.com
EXECUTIVE DIRECTOR
Kris Cook, CAE
kris.cook@nahma.org
DIRECTOR, GOVERNMENT AFFAIRS
Larry Keys Jr.
lkeys@nahma.org
DIRECTOR, FINANCE AND ADMINISTRATION
Rajni Agarwal
rajni.agarwal@nahma.org
DIRECTOR, MEETINGS, MEMBERSHIP
Brenda Moser
brenda.moser@nahma.org
MANAGER, COMMUNICATIONS AND PR
Jennifer Jones
jjones@nahma.org
GOVERNMENT AFFAIRS COORDINATOR
Juliana Bilowich
jbilowich@nahma.org
EDUCATION AND TRAINING COORDINATOR
Natasha Patterson, ACA
npatterson@nahma.org
ADMINISTRATIVE COORDINATOR
Paulette Washington
pwashington@nahma.org
EDITOR
Jennifer Jones
jjones@nahma.org
DESIGN
Mary Prestera Butler
butler5s@comcast.net

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

inside nahma

BY KRIS COOK, CAE

Reason to Celebrate

IN A YEAR DOMINATED BY POLITICAL scandals, tax reform and a government shutdown, NAHMA can shine a light on some good news.

CELEBRATING SUCCESSES

As in years past, we do start out our year on a high note: announcing the winners of the 2017 Communities of Quality Awards program and the 2017 NAHMA Industry and AHMA Awards. Even in the midst of these challenging financial times, affordable housing managers, owners and developers are doing an outstanding job in creating safe, quality homes for the nation's less fortunate. You can read about all of these remarkable communities and leaders in this issue of *NAHMA News*; please see the articles on Pages 16 and 24.

Additionally, the application for the 2018 Vanguard Award is available online and is due June 1. For more information about the awards or to download an application, visit the Vanguard Award webpage under the Awards & Contests tab at www.nahma.org.

MAKING A DIFFERENCE IN 2018

One of our greatest wishes for the new year is that you will see 2018 as the year you have your voice heard in both houses of Congress. Nothing matters more to elected officials, whether in the District of Columbia or at the local and regional levels, than hearing from a constituent. Call, write, email—do whatever you can to make sure your voice is raised in support of affordable housing.

Even though tax reform is now the law of the land, there is still work to do. Congress still needs to pass 2018 appropriations, see the article on Page 14. Additionally, we are asking our members to continue to lobby their elected U.S. Congress members, and their staff, on behalf of the Affordable Housing Credit Improvement Act (S.548/H.R.1661), which strengthens and expands the LIHTC program; see Larry Keys' Washington Update on Page 9 for more details.

SUPPORTING EDUCATION

Through the generous support of NAHMA members, the NAHMA Educational Foundation was able to award a record $325,000 to 130 scholarships to worthy students from AHMA-affiliated communities. In the past five years, more than $1,040,000 has been awarded as $2,500 individual awards. Over the course of the 11-year program, more than $1,250,000 in scholarships have been granted.

Additionally, the NAHMA Educational Foundation's annual gala and poster auction took place at the W Washington D.C. hotel and raised more than $400,000 for the foundation's scholarship program.

To see a complete list of the 2017 Education Foundation supporters, please see Page 27.

Also, we ask that you help us spread the word about the scholarship program to your residents. The scholarship application is now available on online, see Page 26 for more information. **NN**

Kris Cook, CAE, is executive director of NAHMA.

Following the vote on the House version of the Tax Cuts and Jobs Act, which passed in November by a healthy margin, the Senate passed its bill in early December. A final step involved reconciling the separate measures into a single final bill for both House and Senate passage before it could be signed into law by the president.

The broad and bipartisan congressional support for the housing credit has given critical protection to the program. In fact, while other exemptions and deductions in the tax code were axed under the overhaul, both the House and Senate versions of tax reform retained the LIHTC, although with some modifications.

However, the LIHTC depends heavily on other factors in the tax code—such as the corporate tax rate that underwrites institutional capital invested in the program; the tax exemption on state bonds that are tied to the 4 percent credit rate for investors; and the status of the "base erosion" tax for foreign-held investment capital.

According to a Dec. 20 Novogradac & Company analysis, the final version of the Tax Cuts and Jobs Act would reduce the future supply of affordable rental housing by nearly 235,000 homes over 10 years. The final bill is closer to the Senate's version because it preserves the tax exemption for private activity bonds, but the final bill would still appreciably reduce affordable rental housing production at a time when the need for affordable rental housing is acute, according to the Novogradac analysis.

The Novogradac analysis concludes that lowering the corporate tax rate would reduce LIHTC equity by about 14 percent, or about $17 billion or more, in lost equity annually. The report said, "This loss of investor equity translates into the loss of 200,500 to 212,400 affordable rental homes, or more, over 10 years."

Additionally, the Novogradac analysis states, "Furthermore, given the lower financial feasibility under a lowered corporate rate, the changes would also likely result in rental homes that would likely serve higher average income levels, provide fewer amenities and/or social services."

The Novogradac analysis said the final bill also changes the inflation factor for future LIHTC and private activity bond allocations from consumer price index for all urban consumers (CPI-U) to one based on a "chained" CPI-U.

"Many economists believe the chained CPI-U provides a more accurate estimate of changes in the cost of living from one month to the next by accounting for the effects of substitution on changes in the cost of living. This change will decrease inflation adjustments in LIHTC and private activity bond allocations in future years, and would lead to a loss of 18,700 to 19,900 affordable rental homes, or more, over 10 years," the report said.

The report concluded the significant reduction in housing production would also result in the loss of more than 262,000 jobs and billions of dollars in business income as well as federal, state and local tax revenue over 10 years.

TAX CUTS AND JOBS ACT BILL COMPARISON

The House bill had less favorable language with regard to affordable housing, as it completely eliminated the tax exemption for private activity bonds (PABs), including the multifamily housing bonds. Multifamily bonds are accompanied by the 4 percent housing credits, accounting for more than 50 percent of all housing credit production. In addition, the bill did not offset the impacts of a reduced corporate rate from 35 percent to 20 percent on the value of housing credits. A lower corporate tax rate reduces the value of losses from housing credit investments, in turn reducing housing credit prices by about 15 percent. This would reduce the amount of equity capital invested in housing credit properties. The House bill in particular could have reduced affordable rental production by more than 50 percent annually, primarily through the elimination of the tax exemption of PABs.

Although the Senate bill preserved PABs, it would still have negatively impacted the LIHTC program through changes to the Base Erosion tax, the lowered corporate rate from 35 percent to 20 percent, and adjustments to pass-through benefits.

The final version of the Tax Cuts and Jobs Act approved by Congress enacts the following:

- Retains the housing credit, with no modifications. Provisions to change the LIHTC's general public use requirement and basis boost rules were included in the Senate committee version of the bill, but were later removed from the final bill.
- Retains the tax-preferred status of PABs, including multifamily housing bonds, which are critical for housing credit developments by triggering the 4 percent credit rate.
- Lowers the top corporate tax rate from 35 to 21 percent, effective Jan. 1,

continued on page 6

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TAX REFORM PASSES; LIHTC TO BE IMPACTED, *continued from page 4*

2018, which is expected to reduce housing credit pricing and value.

- Creates a base erosion and anti-abuse tax (BEAT), which would make housing credit investment less attractive to certain investors with foreign operations. However, the final bill exempts 80 percent of the value of the housing credit from the BEAT, which could mitigate the impact.

Overall, the tax reform bills took a mixed approach to affordable housing—preserving the housing credit program but proposing harmful provisions to save costs. Though the Senate bill was more favorable for the LIHTC program, tax reform overall may result in negative consequences for affordable housing. The LIHTC market has already suffered from the uncertainty brought on by both the tax reform proceedings and the delayed annual appropriations process. The volatility is compounded by a recent report from the bipartisan Joint Committee on Taxation, which predicted more than $1 trillion added to the federal deficit because of the tax reform plan, after accounting for economic growth. As a result, the deficit discussion will likely come into further focus for Congress; the affordable housing industry will again be faced with more uncertainty, as spending cuts and program eliminations will be proposed under deficit reduction efforts.

MISSED OPPORTUNITIES AND BROADER IMPLICATIONS

Not only did the tax reform bills represent a significant threat to affordable housing supply over the next decade, but they also represent a tragic missed opportunity to mitigate our country's affordable housing crisis by strengthening and expanding the housing credit program. Separate legislation introduced earlier in the year, the Affordable Housing Credit Improvement Act (S.548/ H.R.1661), proposed key provisions to strengthen the program, such as expanding the credit allocation by 50 percent, allowing for income mixing, making permanent the 4 percent credit rate and additional reforms.

The legislation enjoyed bipartisan support in both congressional chambers and gained momentum over the summer with endorsements from top legislators, including the chairman of the Senate's tax-writing committee. However, tax overhaul efforts soon shifted to an emphasis on cost-savings to offset the tax revenue lost under the sweeping reform plan. As a result, initiatives to improve the LIHTC as part of tax reform gave way to an industrywide effort to merely protect the program. Even no-cost provisions of the Affordable Housing Credit Improvement Act were not incorporated in the Senate final bill after being approved by the Senate Finance Committee.

NAHMA has been a strong supporter of the LIHTC and has worked diligently to protect and further improve the program. Along with our industry colleagues, our main priority over this year has shifted from strengthening the housing credit program to preserving it throughout the tax reform process.

Our primary objective throughout the tax reform debate was to:

- Preserve the tax exemption on private activity bonds (specifically multifamily housing bonds);
- Insulate the housing credit value from a reduced corporate tax rate; and
- Commit to protecting and strengthening housing credit investment into the future.

Throughout 2017, NAHMA members actively responded to nationwide grassroots alerts by contacting members of Congress, appealing to legislators through social media and op-ed articles in local newspapers and hosting lawmakers for affordable property tours.

Although NAHMA and industry partners saw this year's comprehensive tax code overhaul as an opportunity to make improvements to the LIHTC, reforming and expanding LIHTC is still possible through separate legislation. **NN**

BY LARRY KEYS JR.

Spending Battles Continue Into New Year

TO END 2017, PRESIDENT DONALD Trump signed the tax code overhaul, the Tax Cuts and Jobs Act, into law. The act lowers the top corporate tax rate from 35 to 21 percent, effective Jan. 1, 2018. The bill also maintains all key affordable housing credits: Low-Income Housing Tax Credit (LIHTC); private activity bonds, including multifamily housing bonds; and the historic rehabilitation tax credit. Preserving these critical programs in tax reform is a major achievement for the affordable housing industry. This law marks Trump's signature legislative achievement to date. However, the passage of the law may have triggered a prolonged government funding battle. Unlike the tax reform bill, which passed the U.S. Congress with Republican members supporting the bill, support from Democrats will be required to fund the government. Democrats have their own policy goals, like funding for children's health care and immigration reform.

With the holiday break behind them, lawmakers returned to Washington, D.C., with little time to wrap up 2018 appropriations before facing the prospect of a government shutdown. The major budget and appropriation decisions were deferred from 2017, leaving lawmakers to likely enact another short-term continuing resolution to buy time for funding negotiations. As of Jan. 9, no funding deal had been reached. House and Senate leaders from both parties are currently negotiating a two-year budget agreement that would set new top-line spending limits, a critical requirement for appropriators to begin work on annual spending bills. Similar to when deals were last brokered to raise spending caps in 2013 and 2015, negotiators are likely to be at odds over the level of an increase and over how to balance defense and nondefense spending levels.

OPPORTUNITY TO STRENGTHEN AND EXPAND THE HOUSING CREDIT

A final spending bill could be paired with other legislative priorities, including a children's health care, tax extension package, infrastructure and immigration reform to gain Democratic support. NAHMA and our industry colleagues are working with members of Congress to include provisions to strengthen the LIHTC program as part of any tax language included in the omnibus bill. We encourage NAHMA members to continue their advocacy on behalf of the housing credit, and in particular, on behalf of the Affordable Housing Credit Improvement Act (S.548/H.R.1661), which strengthens and expands the LIHTC program. All NAHMA members should reach out to co-sponsors of H.R.1661 and co-sponsors of S.548 to urge them to convey their support for affordable housing to House and Senate leadership by asking that they include the Affordable Housing Credit Improvement Act in any omnibus and tax package.

LEGISLATIVE OUTLOOK FOR 2018

In addition to funding the government for fiscal year 2018, Trump will soon submit his budget request for FY 2019. The administration is also rumored to be considering welfare reform or infrastructure as key legislative priorities for 2018. Both have the potential to impact the affordable housing industry. Congress is working on housing finance reform, which could lead to the elimination of Fannie Mae and Freddie Mac. Disaster recovery assistance from the 2017 natural disasters is still being considered in Congress.

Recently, the House of Representatives approved an $81 billion disaster recovery package. The package includes $27.6 billion for the Federal Emergency Management Agency, $26.1 billion for the Department of Housing and Urban Development's Community Development Block Grants-Disaster Recovery (CDBG-DR) program, $2.9 billion for hurricane education recovery to help displaced students return to school, $1.6 billion for the Small Business Administration's disaster loan program and $600 million for economic development grants. The disaster recovery package also includes $10 million for technical assistance and capacity building to help local governments and nonprofit organizations administer federal disaster recovery resources more effectively. However, the Senate has not passed its version of the legislation and expects to work on its measure in early 2018.

The early months of 2018 are sure to be very busy for Congress and the Trump administration. NAHMA members will need to remain active in grassroots advocacy. We are in an election year, so lawmakers will be in their home districts frequently. Please reach out and voice your support for affordable housing programs. **NN**

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

BY MICHAEL BECK

Change in Tax Rates and Qualified Affordable Housing Project Investments

THE TAX CUTS AND JOBS ACT passed in December 2017 lowers the corporate income tax rates starting in 2018. Entities with qualified affordable housing project investments (LIHTC investments) will need to evaluate the impact the change in tax rates has on their accounting for such investments. Generally, accounting for LITHC investments is performed using one of three methods: the proportional amortization method, the equity method, or the cost method. The proportional amortization method was made available as an alternative in 2014 by the issuance of Accounting Standards Update 2014-01 *Accounting for Qualified Affordable Housing Project Investments* (ASU 2014-01).

The most common impact on the statement of financial position of a change in tax rates for any entity is the required adjustment of deferred tax assets and liabilities accounted for under Topic 740, *Income Taxes*. LIHTC investments, however, should not be confused with deferred tax assets. Nevertheless, a reduction in the corporate tax rate applicable to most entities holding LIHTC investments could result in an adjustment to the investment in certain circumstances because the change in tax rates affects the primary benefits received from a LIHTC investment.

Generally, the primary benefits received from a LIHTC investment consist of the Low-Income Housing Tax Credits (the "tax credits") and the other tax benefits resulting from tax-deductible losses based on the net investment amount consisting of the original investment less any expected residual value to be received upon disposition of the investment (the "other tax benefits"). The tax credits generally will be unaffected by a change in corporate tax rates. However, the other tax benefits likely will decrease because of the decrease in tax rates.

As a result, the change in tax rates will impact the accounting for LIHTC investments in two ways: 1) the net investment will need to be evaluated for impairment, and 2) annual accounting and the amortization of the net investment will be impacted if the proportional amortization method is used. These two areas are addressed further below.

> The impact of the decrease in tax rates on the subsequent annual accounting for a LIHTC investment is most significant for investments accounted for using the proportional amortization method.

IMPAIRMENT

Since remaining other tax benefits generally would be reduced by the reduction in tax rates, impairment would exist if the carrying amount of the investment is greater than the total remaining benefits expected to be received on the investment. To make this determination, the carrying amount of the investment would be compared to the total of the remaining tax credits, the remaining other tax benefits and any residual value expected to be received upon disposition of the investment. If the reduction in tax rates caused the total remaining benefits expected to be received to be less than the carrying amount of the LIHTC investment, then an impairment adjustment would need to be recognized. Because the remaining tax credits have not been reduced, we do not expect any impairment to result from the reduction in tax rates for LIHTC investments accounted for under the proportional amortization method. However, impairment could exist in some situations where LIHTC investments are accounted for using the equity method.

ANNUAL ACCOUNTING

The impact of the decrease in tax rates on the subsequent annual accounting for a LIHTC investment is most significant for investments accounted for using the proportional amortization method. Under the proportional amortization method, the initial LIHTC investment balance less any expected residual value is required to be amortized based on the percentage of actual tax credits and other tax benefits allocated to the investor in the current period divided by the total amount of such items expected to be received over the life of the investment.

The initial estimate of the denominator in the above fraction is established at inception of the investment. A subsequent reduction in tax rates reduces the remaining other tax benefits, which reduces the denominator.

The guidance in ASC 323-740 related to application of the proportional amortization method does not address how a subsequent change in tax rates should be reflected. As a result, it is possible that accounting interpretations regarding how to reflect a reduction in tax rates could differ. We have presented two options below, Option 1 and Option 2, explaining how a reduction in tax rates could be reflected under the proportional amortization method. We believe Option 1 is preferable.

Option 1: Based on our consideration of the guidance in ASC 323-740, and assuming no impairment adjustment is required as a result of the reduction in tax rates, we believe the change in the denominator caused by the reduction in other tax benefits represents a change in estimate which should be accounted for prospectively. Previous amortization of the LIHTC investment would not be changed. Prospective remaining amortization of the LIHTC investment would be based on a revised fraction based on the percentage of actual tax credits and other tax benefits allocated to the investor in the current period divided by the total amount of such items expected to be received over the life of the investment as adjusted to reflect the reduced other tax benefits. The effect will be an increased rate of amortization in comparison to the remaining tax benefits received. This approach is consistent with other scenarios involving changes in estimates, such as depreciation and amortization.

Option 2: An alternative approach would be to recognize a catch-up adjustment to previous amortization amounts using the revised denominator. Such a catch-up adjustment is designed to maintain a constant effective yield on the investment, which is similar to how LIHTC investments qualifying for the effective yield method were required to be accounted for before the Financial Accounting Standards Board (FASB) issued ASU 2014-01, in January 2014, which amended Topic 323 Investments-Equity Method and Joint Ventures, including section ASC 323-740Income Taxes (ASC 323-740), and eliminated the effective yield method of accounting for LIHTC Investments. The effect will be recognition of additional amortization in the year the catch-up adjustment is made.

Entities may encounter situations where one of the above alternatives is considered more appropriate under the proportional amortization method. However, because ASC 323-740 does not specify how a change in tax rates should be reflected under the proportional amortization method, the impacts of each approach should be evaluated before an approach is chosen. **NN**

Mike Beck is CohnReznick's National Director of Audit and Accounting. Based in the Atlanta office, he has more than 25 years of experience in public accounting.

Changes Coming to PBCA Program?

Since 1999, the Department of Housing and Urban Development (HUD) has engaged with Performance-Based Contract Administrators (PBCAs) to oversee the majority of its Housing Assistance Payment (HAP) contracts from across the country. The legal rights and responsibilities of PBCAs are established in the 53 Annual Contribution Contracts (ACCs) currently in effect. In early December 2017, HUD published two draft requests for proposal (RFPs), which state that once the existing 53 ACCs expire or are terminated, the PBCA program will end and HUD will become the contract administrator for all HAP contracts in the multifamily housing portfolio. The release states that it is merely a "sources sought notice" with no commitment to move forward with a formal solicitation: "This is a Sources Sought Notice. This is not a request for offers, quotes or proposals. This notice does not represent a commitment by the government to issue a formal solicitation or award a contract. This is a market research tool to solicit comments on the draft RFP from capable sources and to determine the capability of potential sources."

HUD has requested comments on draft changes to the HAP contract oversight. Based on HUD's draft RFPs, NAHMA believes that HUD intends to significantly alter the PBCA program to establish a national and regional oversight approach called Housing Assistance Payments (HAP) Contract National Support Services or HAPNSS, and Housing Assistance Payments (HAP) Contract Regional Support Services or HAPRSS.

A December *NAHMAnalysis* reviews HUD's draft RFPs with regard to Performance Work Statement (PWS) of both the national and regional HAP Contract Support Services. It can be found in the Members Only section of nahma.org.

NEW ALTERNATIVE FOR HAP CONTRACT OVERSIGHT

The draft RFPs released by HUD in December would seek to replace the PBCA program with a national and regional support system for HAP contract oversight with HAPNSS and HAPRSS.

Based on HUD's draft RFPs, NAHMA believes that HUD intends to significantly alter the PBCA program to establish a national and regional oversight approach called Housing Assistance Payments (HAP) Contract National Support Services or HAPNSS, and Housing Assistance Payments (HAP) Contract Regional Support Services or HAPRSS.

The draft RFPs indicate that HUD would end the PBCA program and use the RFP to obtain HAP contract support services to assist with the administration of approximately 17,000 HAP contracts. Based on the draft RFPs, the primary responsibilities of the national support services contractor are to conduct HAP contract portfolio analysis and risk reporting; renew HAP contracts, process owner opt-outs, terminations, expirations, combinations, bifurcations and assumptions, and review and adjust contract rents and utility analysis.

The primary responsibilities of the regional support services contractors include conducting Management and Occupancy Reviews (MORs), HAP voucher processing, tenant health and safety, and HAP contract opt-out and termination support. It is not clear how many regional contractors there will be; however, HUD's regional breakdowns include: Region 1-Southwest, Region 2-Midwest, Region 3-Southeast, Region 4-Northeast and Region 5-West.

NAHMA MEMBER FEEDBACK

NAHMA requested member feedback on the draft RFPs before HUD's January comment deadline. Members were encouraged to review the performance work statements for each HUD solicitation to understand the responsibilities associated with both the national and the regional support services.

NAHMA believes that the solicitation is a clear indication that HUD will significantly alter the PBCA program, potentially by reducing the ACCs to fit with a split-level national/regional model. Such a change would dramatically change the landscape of HAP contract monitoring and oversight. NAHMA encourages members to provide feedback on the impact this may have on their operations. **NN**

Appropriations Still Up in the Air

With the holiday break behind them, U.S. Congress members are in a time crunch to wrap up 2018 appropriations before another looming fiscal deadline Feb. 8 and avert a second government shutdown. The major budget and appropriation decisions were deferred from 2017, leaving lawmakers to likely enact another short-term continuing resolution, or stopgap spending measure, to buy time for funding negotiations.

The major budget and appropriation decisions were deferred from 2017, leaving lawmakers to likely enact another short-term continuing resolution to buy time for funding negotiations.

House and Senate leaders from both parties are negotiating a two-year budget agreement that would set new spending limits, a critical requirement for appropriators to begin work on annual spending bills. Similar to when deals were last brokered to raise spending caps in 2013 and 2015, negotiators are likely to be at odds over the level of an increase and over how to balance defense and nondefense spending levels.

The omnibus may even be paired with other legislative priorities, including a tax extension package and immigration reform. NAHMA and our industry colleagues are working with members of Congress to include provisions to strengthen the Low-Income Housing Tax Credit (LIHTC) program as part of any tax language included in the omnibus bill. We encourage NAHMA members to continue their advocacy on behalf of the housing credit, and in particular, on behalf of the Affordable Housing Credit Improvement Act (S.548/H.R.1661), which strengthens and expands the LIHTC program. **NN**

HUD Launches EnVision Centers

In December, Dr. Ben Carson, secretary of the U.S. Department of Housing and Urban Development (HUD), announced the launch of EnVision Centers, a new initiative designed to help HUD-assisted households achieve self-sufficiency.

According to a press release, the EnVision Centers—to be located on or near public housing developments—will be centralized hubs that serve as incubators for the four key pillars of self-sufficiency: character and leadership, educational advancement, economic empowerment, and health and wellness. Through results-driven partnerships with federal agencies, state and local governments, nonprofits, faith-based organizations, corporations, public housing authorities and housing finance agencies, EnVision Centers will leverage public-private resources for maximum community impact, according to the release.

EnVision Centers will be centralized hubs that serve as an incubator for the four key pillars of self- sufficiency: character and leadership, educational advancement, economic empowerment, and health and wellness.

"While funding for HUD has increased over the last 20 years, the number of households served has remained the same. We need to think differently about how we can empower Americans to climb the ladder of success," Carson said in the release. "EnVision Centers are designed to help people take the first few steps toward self-sufficiency. Every household we are able to help graduate from HUD-assistance allows HUD to help one more family in need."

As a part of the initiative, HUD will launch 10 pilot EnVision Centers across the country. HUD is also launching a mobile app to help HUD-assisted households find local resources through the EnVision Center network, as well as issuing a notice in the *Federal Register* to get input from the public.

To find out more about EnVision Centers please visit HUD.gov/EnVisionCenters. **NN**

COMMUNITIES OF QUALITY

FIVE DEVELOPMENTS RECEIVE COMMUNITIES OF QUALITY

TOP HONORS

Since 1992, these awards have honored the best multifamily affordable housing communities across the country. Entrants are judged on how they manage the physical, financial and social conditions of their properties, and on how well they convey their success in offering the highest quality of life for their residents.

NAHMA announced five communities were selected as the 2017 winners of its annual Communities of Quality (COQ) Awards program. Since 1992, these awards have honored the best multifamily affordable housing communities across the country.

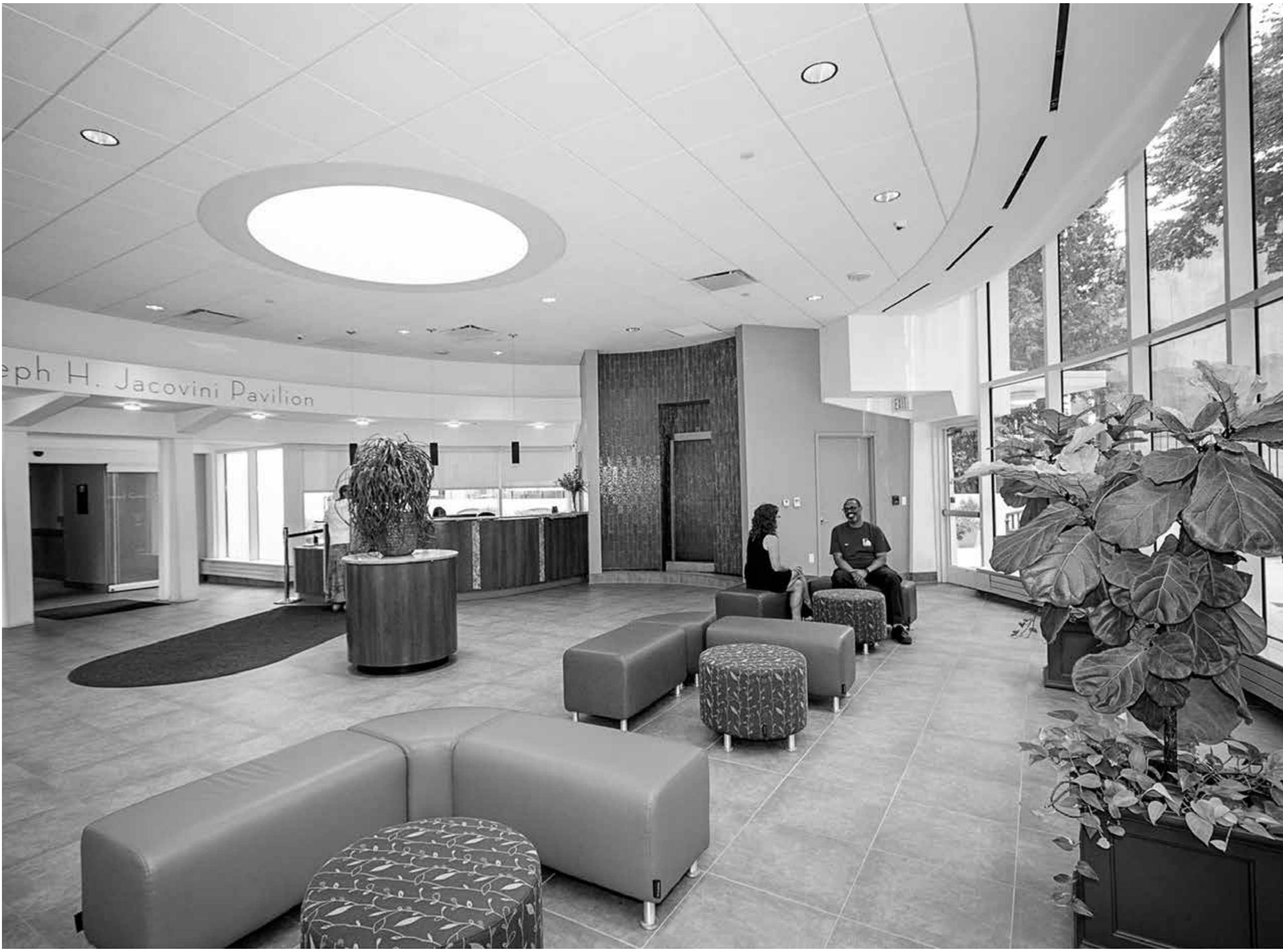
Entrants are judged on how they manage the physical, financial and social conditions of their properties, and on how well they convey their success in offering the highest quality of life for their residents.

The 2017 COQ Awards will be presented at NAHMA's annual winter meeting, March 4-6, in Washington, D.C. For details on the NAHMA meeting, visit https://www.nahma.org/meetings/.

"This year, we had 46 applications proving that the Communities of Quality Awards program continues to thrive and to be a point of pride for all the contenders," NAHMA Executive Director Kris Cook, CAE, said. "There is no other award that focuses so comprehensively on the everyday life and management expertise of affordable housing properties."

NAHMA's 2017 COQ Awards program is jointly sponsored by HD Supply Multifamily Solutions, a leading supplier of maintenance and renovation products to the multihousing industry, and Navigate Affordable Housing Partners, a leading provider of consulting and development services to public housing authorities and HUD's Section 8 PBCA for Alabama, Mississippi, Virginia and Connecticut.

NAHMA congratulates the five winners.



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MANAGEMENT: PEABODY PROPERTIES INC.
AHMA: NEAHMA

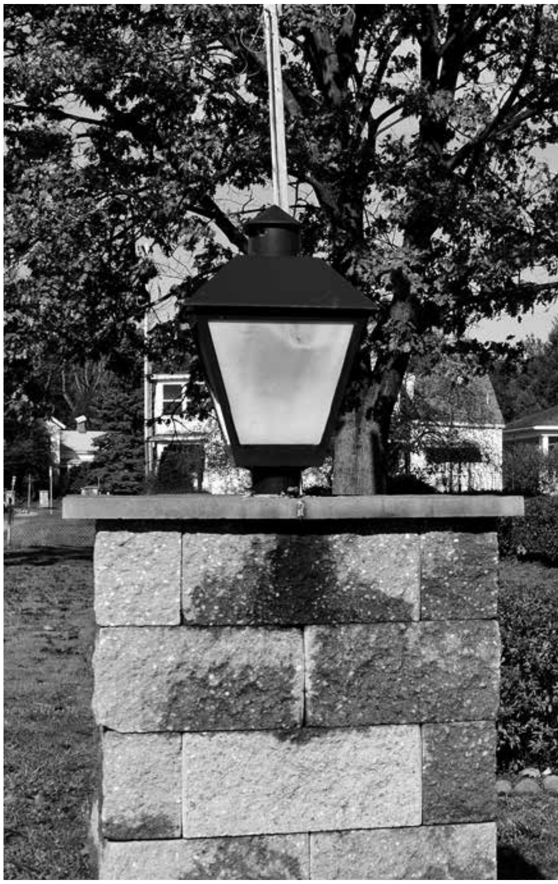
Powdermill Village is made up of 250 apartment homes and townhouses spread out over 12 buildings in Westfield, Mass., at the foothills of the Berkshires. The community is home to more than 250 youth and a large Russian immigrant population. The Powdermill Village Tenant's Association has fostered relationships with several local civic, religious and government agencies in an effort to create structured recreational programs that instill character development skills, respect for diversity, a sense of teamwork, self-empowerment and peer leadership, especially for the younger residents. Besides children's programs, Powdermill holds an annual CommUnity Day to celebrate the residents. Additionally, there are monthly resident meetings and MassHousing Tenant Assistant Programs ranging from Reptile's Rock to fall prevention to Zumba and more. The senior residents have access to the Peabody Resident Services Inc. Home Care program, which provides assistance with daily living activities such as personal care, medication cueing and housekeeping, among others. In 2012, the community's resident services manager received the New England Resident Service Coordinator Excellence in Service Award, and in 2015, she was awarded the NEAHMA Resident Services Professional of the Year Award.

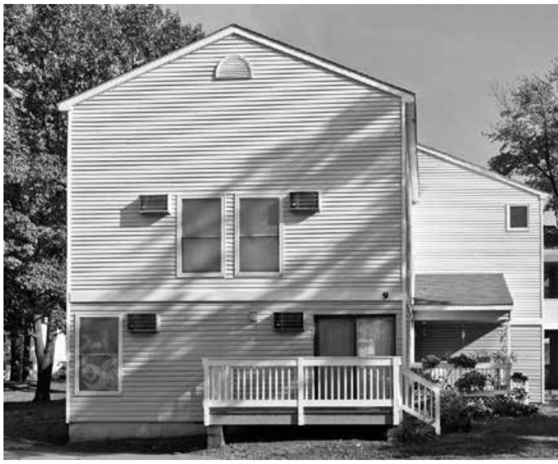
EXEMPLARY DEVELOPMENT FOR THE ELDERLY

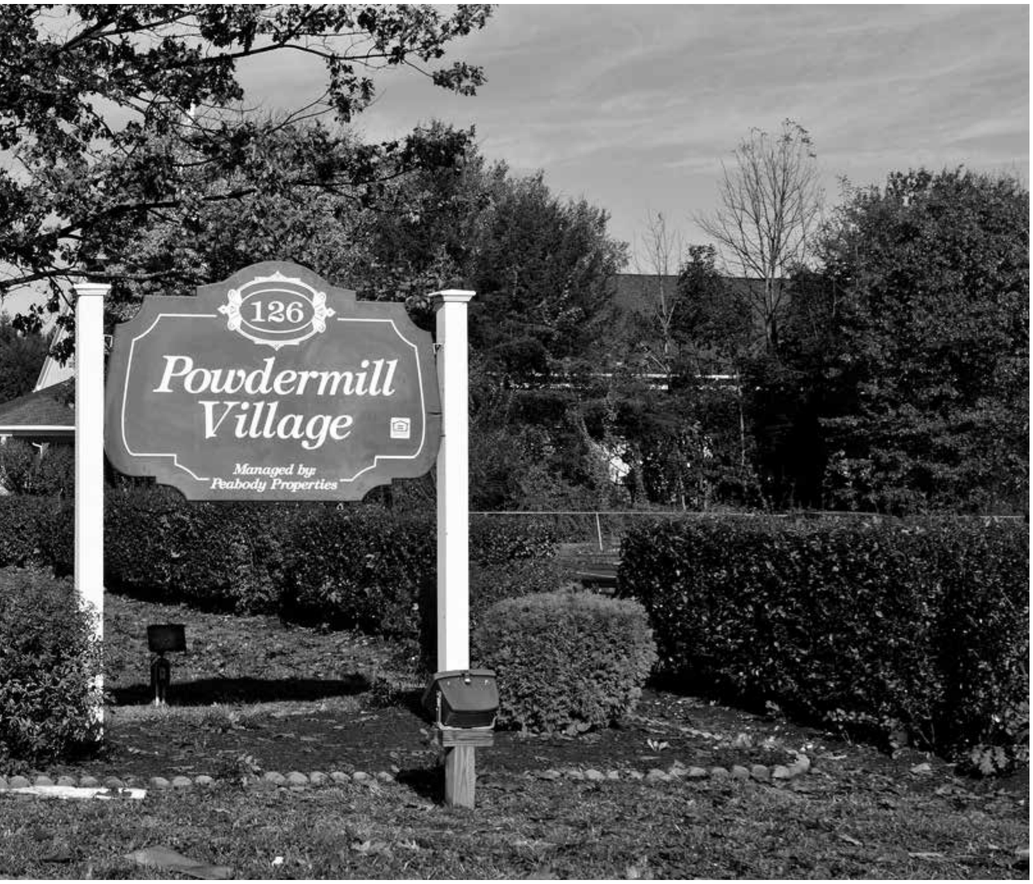
Clayton Mews
Clayton, N.J.

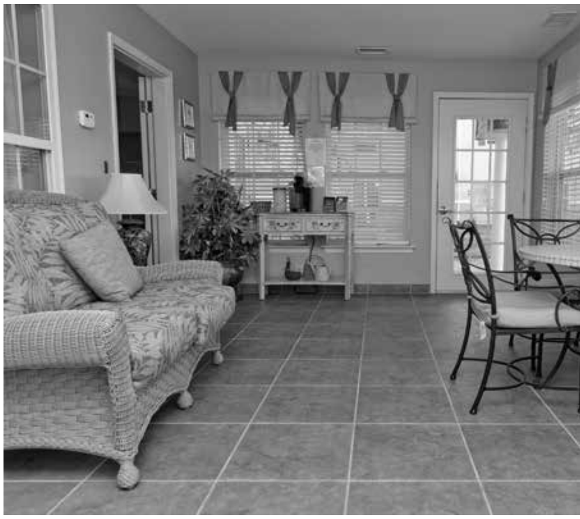
OWNER: CLAYTON PROVIDENCE HOUSE
MANAGEMENT COMPANY: COMMUNITY REALTY MANAGEMENT
AHMA: JAHMA

Clayton Mews, located in Clayton, N.J., is a 55-plus Low-Income Housing Tax Credit senior apartment community with 50 percent of the residents' income at or below 50 percent of the area median income and the remaining residents below 60 percent of the area median income. The community has 14 Section 8 voucher holders and is highly recommended by the Housing Authority of Gloucester County and the state of New Jersey Division of Community Affairs. The community has a long list of activities designed to educate or improve residents' quality of life while creating a sense of belonging including movie nights, Silver Sneakers chair exercises, flu shots, bingo, health screenings, an annual dinner with the mayor, crime and scam prevention classes and resident birthday parties, among others. The property manager collaborates with the Resident Committee to tailor programs according to the ongoing changing needs of the residents. Clayton Mews has formed numerous partnerships including with Kennedy Hospital and Kennedy Hospital Health Services, which provides a licensed nurse to come to residents' apartments by appointment. The residents are also involved in the greater community through an Angel Tree program, Stockings for Soldiers and Toys for Tots.









CLOCKWISE FROM BOTTOM LEFT:
Powdermill Village; PowderMill Village; PowderMill Village; Clayton Mews; Clayton Mews

EXEMPLARY DEVELOPMENT FOR RESIDENTS WITH SPECIAL NEEDS

Roebling Arms
Roebling, N.J.

OWNER: MULTIPLE SCLEROSIS ASSOCIATION OF AMERICA

MANAGEMENT COMPANY: PRD MANAGEMENT INC.

AHMA: JAHMA

Roebling Arms was built on land that was donated by the town of Roebling, N.J., and opened in 1998. It was designed to focus on serving the special needs of mobility-impaired individuals in the area. It is a two-story, 24-unit, barrier-free facility that offers residents a feeling of independence that they cannot experience in a traditional apartment building. Residents include both elderly and those with disabilities, including five residents with service animals. Roebling Arms offers amenities specially designed to assist with residents' quality of life including 36-inch wide doors, raised electrical outlets, wheelchair-accessible sinks and cabinets, roll-in showers, emergency pull chords in the bathrooms and bedrooms, among others. The community has received several awards over the years, including NJAA Property Manager of the Year every year since 2008, and such JAHMA awards as Maintenance Technician of the Year five times since 2010, Excellence in Property Management three times, Excellence in Resident Relations and Property Office Staff of the Year for Office Assistant twice. Roebling Arms also provides activities throughout the year ranging from Muffin Mondays to holiday luncheons to heath care seminars and more.

EXEMPLARY DEVELOPMENT FOR SINGLE ROOM OCCUPANCY HOUSING

Paul Braswell Residential
Cleveland, Miss.

OWNER: LIFE HELP REGION IV MENTAL HEALTH

MANAGEMENT COMPANY: THE COLUMBIA PROPERTY GROUP

AHMA: SAHMA

Paul Braswell Residential is a group home located in the heart of Cleveland, Miss. It is 18 years old and has 12 single-room units. The property provides a therapeutic-like setting that is in operation seven days a week with round-the-clock supervision. It is used as a transitional residence to assist individuals as they move from an institutional setting to a less restrictive supervised setting where the average stay is six months. The residents are offered a number of programs including training in daily living skills such as meal preparation, doing laundry, medication management, grooming and hygiene, social skills, and housekeeping and maintenance skills. The progress residents make is measured using a "Road to Independence" form where they must maintain a minimum score of 60 for a period of eight weeks to be considered for a discharge or transfer to another program. The property also provides three meals a day and snacks, which have been developed by a registered dietitian. Residents are held to a daily schedule during the week, while on weekends, they have more leisure time that includes transportation to church, shops and community activities. Residents enjoy birthday parties and holiday celebrations throughout the year.

OUTSTANDING TURNAROUND OF A TROUBLED PROPERTY

Casa Farnese Apartments
Philadelphia, Penn.

OWNER: CASA FARNESE BOARD OF DIRECTORS

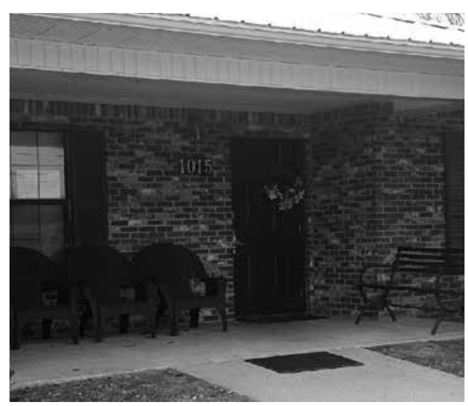
MANAGEMENT COMPANY: PRD MANAGEMENT COMPANY

AHMA: PENNDEL AHMA

Casa Fermi—later renamed Casa Farnese in 2004—opened in 1966 with Section 202 financing and was the first senior affordable housing project of its kind in the commonwealth of Pennsylvania. With 18 floors and 288 apartments, it stood proudly in a centrally located Philadelphia neighborhood and was luxurious by the standards of the day. Over the decades, the lack of rent increases combined with rising costs had a negative impact and by 2003, it was in need of major repair. The property had financial and physical issues including an annual deficit of $110,000, no records of deferred maintenance, inconsistent bookkeeping, collections issues, appliances and equipment that had not been upgraded since 1966, no social services and more. When hired in 2003, PRD Management began addressing the most critical issues first and was eventually able to secure financing to assist in rehabilitation of the aging property and adequately staff the building. Casa Farnese, named for Andrew Farnese who first envisioned building the apartments so he and his friends could age in place, celebrated the end of construction and its 50th anniversary in 2016 with a rededication party for residents. **NN**

OPPOSITE, TOP: Robling Arms; MIDDLE: Casa Farnase; BOTTOM: Paul Braswell Residential


Casa Farnese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Bills You Should Know

The NAHMA government affairs department tracked and advocated on many bills related to affordable housing that were introduced in the 115th Congress in 2017. The list below highlights major bills or those with better chances of success; for a complete list, contact NAHMA's government affairs team.

DISASTER ASSISTANCE BILL, H.R.4667

This bill seeks to make further supplemental appropriations of $81 billion for the fiscal year ending Sept. 30, 2018, for disaster assistance for Hurricanes Harvey, Irma and Maria, and calendar year 2017 wildfires, and for other purposes.

THE AFFORDABLE HOUSING CREDIT IMPROVEMENT ACT, S.548/H.R.1661

The bill seeks to expand LIHTC and includes additional provisions to make the program more streamlined and flexible. The housing credit allocation authority would be expanded by 50 percent, which is expected to finance the development or preservation of up to 400,000 additional affordable units over the next decade. The expansion provision is excluded from the House version of the bill. The bill would also provide a minimum 4 percent housing credit rate for the acquisition of affordable housing and for multifamily housing bond-financed developments; permit income averaging in housing credit properties to preserve rigorous targeting while providing more flexibility and responsiveness to local needs; create incentives for projects that target homeless or extremely low-income individuals and families, as well as in Native American communities; allow a nonprofit or government sponsor to acquire properties when the current 15-year compliance period expires; allow LIHTC properties to claim clean energy credits such as the Energy Efficient New Homes Credit; align LIHTC rules, such as the student rule, more closely with Department of Housing and Urban Development (HUD) regulations; rename the LIHTC to the Affordable Housing Tax Credit; and more.

ACCESS TO AFFORDABLE HOUSING ACT, H.R.4185

This bill mirrors a provision in the Senate version of the Affordable Housing Credit Improvement Act to increase the LIHTC by 50 percent. The bill is intended to complement the House version of the Affordable Housing Credit Improvement Act, which omits the credit expansion provision.

GSE JUMPSTART REAUTHORIZATION ACT OF 2017, H.R.4560

This legislation would prohibit Fannie Mae and Freddie Mac contributions to the Housing Trust Fund (HTF) and Capital Magnet Fund for any year during which all of the Government-Sponsored Enterprise (GSE)s' quarterly profits were not transferred to the Treasury Department.

21ST CENTURY FLOOD REFORM ACT, H.R.2874

A package of bills was introduced in the House and Senate to reform and reauthorize the National Flood Insurance Program, which was set to expire on Sept. 30, 2017. Because houses in NFIP-designated flood plains are federally required to purchase flood insurance, the rental and real estate market alike could be impacted by a lapse in the program or by changes to insurance rates. The House package consists of seven separate bills that reauthorize the program for five years and speed up efforts to establish monthly payments for insurance premiums under a lowered fee structure; the bill package also reduces risk- and insurance-related regulatory requirements on commercial properties and focuses on reducing the program's annual deficit. Meanwhile, the NFIP has been temporarily extended under each continuing resolution signed by the president.

FAMILY SELF-SUFFICIENCY ACT, S.1344/H.R.4258

On June 13, a group of bipartisan senators introduced legislation to streamline and expand the Family Self-Sufficiency (FSS) program. The legislation was introduced on the 25th anniversary of HUD's FSS program, which uses financial incentives and coaching to assist residents in increasing earnings, build savings and achieve self-sufficiency. The legislation consolidates duplicative programs, broadens services and extends the program to Project-Based Section 8 residents. If enacted, the bill would streamline the FSS program, which is currently divided between the Housing Choice Voucher (HCV) program and Public Housing, into one program while also authorizing Project-Based Rental Assistance residents to access the program. In addition, broadened services available through FSS would help residents earn various levels of education, training and housing stability.

DISASTER DISPLACEMENT ACT OF 2017, S.2066

In response to devastation from hurricanes and wildfires in 2017, senators from impacted states introduced legislation to provide housing and Medicaid assistance to families affected by a major disaster. The bill provides additional funding to HUD's HCV program to help low-income evacuees to access affordable housing under the voucher program; disaster evacuees earning less than 50 percent of area median income would be eligible to receive assistance for affordable housing. Following approval of their applications, voucher holders would be able to rent a unit from the private market at 30 percent of adjusted income.

ENERGY SAVINGS AND INDUSTRIAL COMPETITIVENESS ACT, S.385/H.R.1443

Among other energy-related provisions, this bill would allow HUD to establish a demonstration program under which HUD may execute performance-based agreements with multifamily property owners that result in a reduction in energy or water costs in up to 20,000 units.

FOSTERING STABLE HOUSING OPPORTUNITIES ACT OF 2017, S.1638/H.R.2069

This bipartisan legislation amends the Housing Act of 1937 to give public housing occupancy, Section 8 housing assistance, and rural rental assistance preference to children who are aging out of foster care and are at-risk for homelessness.

HOUSING FOR HOMELESS STUDENTS ACT, S.434/H.R.1145

This bill amends the IRS housing credit guidelines to qualify low-income building units that provide housing for homeless children, youth and veterans who are full-time students. In order to become eligible for the LIHTC, the building units' student residents must have been homeless during any portion of the preceding five years (for veterans) or seven years (for children and youth).

A BILL TO STRENGTHEN THE UNITED STATES INTERAGENCY COUNCIL ON HOMELESSNESS, S.743

This bipartisan legislation seeks to strengthen the United States Interagency Council on Homelessness (USICH). USICH is an independent agency that coordinates federal efforts to combat homelessness, working across 19 federal agencies and departments and with partners in both the public and private sector to find ways to streamline and improve service delivery to people experiencing homelessness. USICH is the only agency at the federal level charged specifically with addressing homelessness; this bill would eliminate the Oct. 1, 2018, sunset date for USICH.

LEAD-SAFE HOUSING FOR KIDS ACT OF 2017, S.1845

In September, a group of bipartisan senators introduced legislation to protect children in federally assisted housing from lead exposure. The Lead-Safe Housing for Kids Act of 2017 would require HUD to adopt prevention measures and update its lead regulations to protect against lead exposure, which disproportionately affects the health of children. The bill would update HUD requirements to complement the agency's rule on lead-safe housing finalized earlier this year. Specifically, S.1845 prohibits the use of visual assessments for low-income housing constructed prior to 1978, when lead was phased out of most paints, and requires the use of risk assessments to identify lead hazards before a family moves into the home; provides a process for families to relocate on an emergency basis without penalty or loss of assistance, if a lead hazard is identified in the home and the landlord fails to control the hazard within 30 days of being notified; and requires landlords to disclose the presence of lead if hazards are found in the home.

HOUSING ACCOUNTABILITY ACT OF 2017, S.73/H.R.3575

This legislation provides standards for physical condition and management of housing receiving Section 8 assistance payments. Identical to last year's legislation, the bill requires HUD to semiannually survey residents living in properties that have Section 8 Housing Assistance Payment contracts to gather direct input about living conditions and management performance. In addition, the bill would create new penalties for owners who repeatedly "fail" the survey.

HUD INSPECTION PROCESS AND ENFORCEMENT REFORM ACT OF 2017, S.160

Provisions in this bill shorten the required response time for a property owner to respond to contract violations from 30 days to 15 days. HUD would also be required to prepare a Compliance, Disposition and Enforcement Plan at a quicker rate, from the current 60 days to a new target of 30 days. S.160 includes provisions that allow HUD to terminate or demote employees overseeing inspections should they be found to be neglectful of their duties in inspecting a property, and the inspection process managed by HUD's Real Estate Assessment Center would be audited as well. **NN**

Affordable Housing Industry's Best Take Center Stage

NAHMA is excited to announce the winners of its annual Industry Awards, which will be presented at its March 4-6 meeting in Washington, D.C. The list of award winners includes both individuals and organizations whose professionalism, dedication and accomplishments in assuring quality housing for low-income Americans raises the standards of the multifamily affordable housing industry. More detailed descriptions of award winners will be provided in the March-April issue of *NAHMA News*.

NAHMA INDUSTRY STATESMAN AWARDS

Randy Lenhoff and Jim McGrath

Given annually to NAHMA Executive Council members who are either in or nearing retirement, in recognition of many years of outstanding leadership and service to NAHMA.

Randy Lenhoff, NAHP-e, who began his property management career in 1977, joined the Seldin Company in 1989 where he retired as president and CEO in 2014. He served as NAHMA vice president from 2003-2006, as well as board member for several years. Lenhoff was inducted into the Omaha Commercial Real Estate Hall of Fame in 2011.

Jim McGrath, SHCM, NAHP-e, founded PRD Management Inc. in 1977 and as chairman oversees the entire organization. He has spent more than 40 years in the real estate industry. He has received numerous industry awards including 2012 Industry Leadership Award from PennDel AHMA and the 2009 NAHMA President's Award. He is a founding member of the NAHMA Educational Foundation, as well as of JAHMA and PennDel AHMA. He served as president of NAHMA in 2005-2006 and is currently serving as a NAHMA board officer.

NAHMA INDUSTRY ACHIEVEMENT AWARD

Michelle Norris

Given annually to a NAHMA Executive Council member who has contributed significant or noteworthy leadership or other contributions to NAHMA within the past year or two.

Michelle Norris, SHCM, NAHP-e, executive vice president of external affairs and strategic initiatives at National Church Residences, has displayed a tireless commitment to advocacy in support of public policy goals on behalf of the affordable housing industry. In the past two years, Norris has worked with NAHMA and other industry groups to promote RAD for PRAC and SEAL, both of which are significant advocacy efforts.

AHMA OF THE YEAR

Given to local AHMAs using criteria such as size, number of members, success in membership recruitment, membership retention, education and training course attendance, financial stability and other factors.

Large: SAHMA was able to covert 56 leads into 40 new members and experienced an 86 percent retention rate. The association planned 60 educational offerings with an attendance of more than 850 students. SAHMA hosted eight state-level trade shows and one regional conference drawing more than 3,690 people.

Medium: JAHMA maintains a retention rate in the high 90s across its three membership types. Its average course attendance is 124 people while its Fair Housing course drew a maximum attendance of 57 students. Additionally, the association drew more than 470 attendees to its annual Spring Management Conference.

Small: PennDel AHMA's annual Fall Management Conference and Expo saw a 15 percent increase in attendance this year. The AHMA maintains a membership retention rate in the high 90s for its regular and associate members. PennDel's educational offerings' average attendance was 80 with one course sold to room capacity.

AHMA COMMUNITIES OF QUALITY PROGRAM AWARD

Given to AHMAs according to size that have a substantial number of COQ awards in their area, demonstrate support for the program, and introduce new or innovative activities.

Large: SAHMA has 566 total COQ National Recognition Program participants with 39 being awarded within the past year.

AHMA INNOVATION AWARD

Given in recognition, by AHMA size, of a new program, service or activity that an AHMA began sometime in late 2016 or in 2017.

Large: SAHMA established the Affordable Housing Advocate Award to honor legislators and industry partners who have demonstrated great leadership, support and commitment to affordable housing. The SAHMA board of directors and leadership collaborated to develop an appropriate set of criteria the award nominee must meet to qualify as a potential recipient including being evaluated on their track record and commitment on behalf of affordable housing.

Medium: JAHMA, through its educational foundation, partnered with the Electronic Access Foundation (EAF) to make refurbished computers available to any interested JAHMA scholarship recipient. Sixteen of this year's 21 scholars have taken advantage of the program. This is not a computer lending program—the students now own the equipment and EAF has promised to repair or replace any malfunctioning computers.

Nominate Your Community For the Vanguard Awards

The deadline for nominating a property for one of NAHMA's 2018 Affordable Housing Vanguard Awards is June 1. The application can be downloaded from the Vanguard Award webpage, www.nahma.org/awards-contests/vanguard-award.

The Vanguard Award recognizes new, quality multifamily affordable housing development. The award pays tribute to developers of high-quality affordable housing; demonstrates that exceptional new affordable housing is available across the country; demonstrates the creativity and innovation that must be present to create exceptional properties given the financing and other challenges to development; highlights results of private-public partnerships required to develop today's affordable housing; and shares ideas for unique design and financing mechanisms with industry practitioners to further stimulate creative development in the affordable multifamily industry.

"The Vanguard Award was created to honor communities that are too new to meet the qualifications for the COQ program."

"The Vanguard Award complements NAHMA's Communities of Quality (COQ) National Recognition Program, through which multifamily properties are certified as having achieved a high standard of excellence in the way they are managed, the services they provide residents, the experience and training of personnel, and other criteria," said Kris Cook, CAE, executive director of NAHMA. "The Vanguard Award was created to honor communities that are too new to meet the qualifications for the COQ program. As the properties mature, they will become eligible—and will be encouraged—to enter NAHMA's COQ National Recognition Program."

THE VANGUARD AWARD CATEGORIES

Categories include:

- New Construction, two subcategories: more than 100 units and under 100 units
- Major Rehabilitation of an Existing Rental Housing Community
- Major Rehabilitation of a Nonhousing Structure into Affordable Rental Housing
- Major Rehabilitation of a Historic Structure into Affordable Rental Housing

WHO MAY APPLY

Affordable multifamily housing communities that are less than 3 years old—as of June 1, 2018—may apply, based on date of completion of new construction or completion of major rehab. Please note: A management company may submit only one entry for each category.

WHERE AND WHEN TO APPLY

Applications and information about entry fees, judging criteria, the benefits of winning an award and more are on NAHMA's website at nahma.org. Click on Vanguard Award Overview.

THE AWARDS CEREMONY

Winners of the Affordable Housing Vanguard Awards will be recognized at an awards ceremony at the NAHMA fall meeting in Washington, D.C., Oct. 21-23. **NN**

NAHMA COMMUNITIES OF QUALITY AWARD

Given annually to a NAHMA Executive Council member who has the most newly listed properties on the NAHMA National Recognition Program COQ Registry—based on data maintained by NAHMA staff.

Most new in 2017 is awarded to **Southern Development Management Company**, West Columbia, S.C.

Mansermar Inc., Duluth, Ga., earned second place; and **Napa Valley Communities Housing**, Napa, Calif., was named honorable mention.

NAHMA PRESIDENT'S AWARD

Given annually by NAHMA's president for outstanding leadership or other contribution to NAHMA and the affordable multifamily housing industry—to be named by NAHMA's president.

Winner to be announced at NAHMA's annual winter meeting during the March 5 awards ceremony.

2018 Scholarship Application Now Available Online

At the beginning of February, the NAHMA Educational Foundation released the 2018 scholarship application to interested student residents. The application can be accessed by going to https://nahma.communityforce.com or by going to the NAHMA website at www.nahma.org and clicking on the Educational Foundation link. It is a digital application and must be submitted online. The requirements for a completed application and the selection criteria remain the same as they have been for the past several years, and include an application form, two references, an essay and a certification of residency in good standing form. A grade transcript showing grades through the fall 2017 semester is also necessary and is the only component submitted to the foundation via U.S. mail. All other necessary forms are provided within the web-based system; hence, no hard copies are needed. Eligibility for the program requires that an applicant be a resident in good standing at an AHMA-affiliated community and be either a high school senior with a minimum 2.5 grade-point average, a general equivalency diploma holder or a matriculated student with a minimum 2.3 grade-point average at an accredited college or trade/technical school.

Last year was record setting for the foundation, when $325,000 was awarded to 130 worthy student residents. In the past five years, more than $1,040,000 has been awarded in $2,500 individual awards.

"The foundation is extremely proud of our continuing growth in the number of scholarships granted and the total amount of funding provided. This is all made possible by the continuing support of our donors. It is our goal in 2018 to surpass our totals from 2017 as we look to provide financial support to the many fine students that live at AHMA-affiliated properties across the country," NAHMA Educational Foundation Chairperson Melissa Fish-Crane said.

Please make your residents aware that the 2018 scholarship application is available and encourage them to apply today. The deadline for completed applications is 10 p.m. Eastern on Friday, May 25. With more than three months remaining in the application window there is plenty of time for a resident to file a completed application! **NN**

Thank You to NAHMA 2017 Educational Foundation Supporters

The NAHMA Educational Foundation thanks its generous supporters of 2017. Their contributions benefit post-secondary school scholarships to residents of NAHMA- and AHMA-member properties.

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April Moy
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Trena Dixon, Ambling Management
Kevin Islas, RealPage Inc.
Theresa Henderson

HUD NEWS

ON JAN. 5, HUD PUBLISHED A WITHDRAWAL OF PROPOSED RULES to Reduce Regulatory and Financial Burden. As part of its Regulatory Reform Task Force efforts, HUD has determined not to pursue five proposed rules published in the *Federal Register*. HUD withdrew the following five proposed rules from its Unified Agenda of Regulatory and Deregulatory Actions, as of Dec. 22, 2017:

1. Floodplain Management Protection of Wetlands; Minimum Property Standards for Flood Hazard Exposure; Building to the Federal Flood Risk Management Standard
2. Demolition or Disposition of Public Housing Projections and Conversion of Public Housing to Tenant-Based Assistance
3. Streamlining Requirements Applicable to Formation of Consortia of Public Housing Agencies
4. Homeless Emergency Assistance and Rapid Transition to Housing Rural Housing Stability Program
5. Public Housing: Physical Needs Assessments

HUD HAS DEVELOPED A VIOLENCE AGAINST WOMEN ACT (VAWA) WEBPAGE, https://www.hud.gov/program_offices/housing/mfh/violence_against_women_act, for Multifamily Housing for assisted housing owners, agents, industry professionals and residents. The webpage contains links to the Violence Against Women Reauthorization Act of 2013, a summary of industry questions & answers, HUD VAWA forms and other resources.

THE OFFICE OF MULTIFAMILY HOUSING HAS LAUNCHED A NEW WEBPAGE, https://www.hud.gov/program_offices/housing/mfh/8bb, for the Section 8(bb) Preservation Tool in November. The webpage provides a brief explanation of the Section 8(bb) Preservation Tool.

LIHTC NEWS

IN JANUARY, THE NATIONAL COUNCIL OF STATE HOUSING AGENCIES (NCSHA) released a report by its Task Force on Recommended Practices in Housing Credit Administration. The final report strengthens the number of existing recommended practices and includes 13 new practices in state program administration. NCSHA expects state Housing Credit allocating agencies to begin incorporating the recommended practices into their Housing Credit administration in 2018. The report is available online on the NAHMA website under the LITHC Issues, which is under the Agencies tab.

IN NOVEMBER, THE FEDERAL HOUSING FINANCE AGENCY (FHFA) ANNOUNCED that effective immediately, Fannie Mae and Freddie Mac will be allowed limited re-entry into the Housing Credit market as equity investors. The decision was based on several factors, including furthering the Enterprises' mission to support affordable housing and ensuring that they could provide a countercyclical role in the Low-Income Housing Credit (LIHTC) market as needed. Each Enterprise will be subject to an annual investment limit of $500 million—less than a 5 percent market share for each—and any investments above $300 million in a given year are required to be in areas identified by FHFA as markets that have difficulty attracting investors. Going forward, FHFA will continue to evaluate the Enterprises' participation in the LIHTC equity market annually.

GSE NEWS

IN DECEMBER, FANNIE MAE AND FREDDIE MAC RELEASED THEIR FINAL DUTY TO SERVE Underserved Markets Plans for years 2018-2020. The plans outline activities the government-sponsored enterprises (GSEs) intend to pursue in order to fulfill their Federal Housing Finance Agency obligations, such as increasing investments in underserved areas and partnering with Housing Finance Agencies. Under the Housing and Economic Recovery Act of 2008, the GSEs are required to support lending for low- and moderate-income households in the following underserved market segments: manufactured housing, affordable housing preservation and rural areas. The intended activities outlined for each segment for the years 2018-2020 can be viewed on the FHFA DTS website, https://www.fhfa.gov/PolicyProgramsResearch/Programs/Pages/Duty-to-Serve.aspx. The DTS Plans were originally released in mid-2017 for public comments; NAHMA submitted comments at the time, and continues to keep members up to date on the activities in the plans, which can be implemented beginning Jan. 1, 2018.

USDA NEWS

RURAL HOUSING SERVICE ANNOUNCED LEADERSHIP CHANGES including Joyce Allen replacing Bryan Hooper as the deputy administrator for Multi-Family Housing Programs in the Rural Housing Service. Since 2011, Allen has managed USDA Rural Development's Single Family Housing Programs. Prior to that role, Allen spent more than 20 years working in affordable multifamily housing both at the U.S. Department of Agriculture and HUD. Hooper will become the deputy administrator for Business Programs in the Rural Business Cooperative Service. Additionally, a list of Rural Development state directors was also released. The list is available at https://www.usda.gov/media/press-releases/2017/11/03/perdue-announces-farm-service-agency-and-rural-development-state.

GAO NEWS

A *NAHMANALYSIS* EXAMINES THE GOVERNMENT ACCOUNTABILITY OFFICE (GAO) Report on Rural Rental Assistance Shortages, 2013-2015. In recent years, USDA's Rural Housing Service (RHS) has experienced funding gaps in its Rental Assistance program that created difficulties for property owners and residents, including significant delays in rental assistance payments for fiscal years 2013-2015. In response, the GAO compiled a report that examines the reasons for funding gaps and USDA's plans for improvement in the future, and concludes by laying out policy recommendations for the agency. The *NAHMAnalysis* summarizes the findings and implications of the GAO's report, Rural Housing Service: Additional Actions would Help Ensure Reasonableness of Rental Assistance Estimates. The NAHMAnalysis is in the Members Only section at nahma.org. **NN**

EDUCATION CALENDAR

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

MARCH

4-6
NAHMA Winter Meeting
Washington, D.C.
NAHMA
703-683-8630
www.nahma.org

6
EIV 201
Massachusetts
NEAHMA
781-380-4344
www.neahma.org

7
Half-Day Fair Housing
Massachusetts
NEAHMA
781-380-4344
www.neahma.org

8
Basic Tax Credit
Rhode Island
NEAHMA
781-380-4344
www.neahma.org

9
Basic Tax Credit Eligibility
Webinar
AHMA-PSW
866-698-2462
www.ahma-psw.org

13
Connecticut Quarterly Meeting
Connecticut
NEAHMA
781-380-4344
www.neahma.org

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

Kitchen & Laundry Appliance Repair
Oakland, CA
AHMA-NCH
510-452-2462
http://ahma-nch.org

13-15
Tax Credit Compliance with Exam Option
Rockville, MD
Mid-Atlantic AHMA
804-673-4128
www.mid-atlanticahma.org

14
Fair Housing for Managers
Long Beach, CA
AHMA-PSW
866-698-2462
www.ahma-psw.org

South Carolina Add-On: Preparing for a Management Occupancy Reviews (MOR)
Columbia, SC
SAHMA
800-745-4088
www.sahma.org

South Carolina Add-On: Maintenance Workshop: REAC
Columbia, SC
SAHMA
800-745-4088
www.sahma.org

Qualifying Applicants Without Being Too Restrictive
Webinar
SAHMA
800-745-4088
www.sahma.org

Fair Housing for Maintenance
Long Beach, CA
AHMA-PSW
866-698-2462
www.ahma-psw.org

14-15
Tax Credit Training and SHCM Exam
Massachusetts
NEAHMA
781-380-4344
www.neahma.org

15
Massachusetts Quarterly Meeting
Massachusetts
NEAHMA
781-380-4344
www.neahma.org

15-16
South Carolina State Meeting for Affordable Housing
Columbia, SC
SAHMA
800-745-4088
www.sahma.org

16
Budget Based Rent Increases
Oakland, CA
AHMA-NCH
510-452-2462
http://ahma-nch.org

19
Florida Add-On: Fair Housing
Jacksonville, FL
SAHMA
800-745-4088
www.sahma.org

EIV from A-Z
Sacramento, CA
AHMA-NCH
510-452-2462
http://ahma-nch.org

20
Rhode Island Quarterly Meeting
Rhode Island
NEAHMA
781-380-4344
www.neahma.org

Half-Day Fair Housing for VA DPOR Certification
Glen Allen, MD
Mid-Atlantic AHMA
804-673-4128
www.mid-atlanticahma.org

Half-Day Preparing for Physical Inspections
Glen Allen, MD
Mid-Atlantic AHMA
804-673-4128
www.mid-atlanticahma.org

20-21
Florida State Meeting for Affordable Housing
Jacksonville, FL
SAHMA
800-745-4088
www.sahma.org

21
Occupancy Training
Pittsburgh, PA
PAHMA
412-445-8357
www.pahma.org

Fair Housing Course (FHC)
Connecticut
NEAHMA
781-380-4344
www.neahma.org

22
Occupancy Training
Erie, PA
PAHMA
412-445-8357
www.pahma.org

23
The Student Rule-HUD vs. Tax Credits
Webinar
AHMA-PSW
866-698-2462
www.ahma-psw.org

27
REAC
Massachusetts
NEAHMA
781-380-4344
www.neahma.org

28
LIHTC File Audit
Rhode Island
NEAHMA
781-380-4344
www.neahma.org

Income and Assets Verification
Webinar
SAHMA
800-745-4088
www.sahma.org

29
Rhode Island Agency Breakfast
Rhode Island
NEAHMA
781-380-4344
www.neahma.org

REAC: Non-Industry & New Compilation Bulletin
Webinar
SAHMA
800-745-4088
www.sahma.org

APRIL

4-5
Tax Credit Training and SHCM Exam
Rhode Island
NEAHMA
781-380-4344
www.neahma.org

Affordable Habitational Risk Solutions from Industry Experts

With more than 40 years of industry-related insurance experience, USI Insurance Services provides a variety of risk solutions for the habitational industry. Our local team has been endorsed by the National Council for Affordable and Rural Housing (CARH) for the past 30 years, and we are also endorsed by the National Affordable Housing Management Association (NAHMA).

Available habitational risk solutions include

- Builders risk
- Rehabilitation program
- Employee benefits
- Tenant discrimination
- Workers' compensation
- Multifamily housing
- Tax credit coverage
- Property and casualty
- Bonds
- Management liability
- Risk management
- HUD
- Elderly
- Nonprofits
- Coastal

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WITH JON VERDA
BY JENNIFER JONES

Expanding NEAHMA's Brand

JON VERDA HAS BEEN AT THE helm of NEAHMA since June, but you may be shocked to learn he has no experience in the affordable housing field. However, that does not mean he is not familiar with the industry. His wife of nearly 12 years, Lori, is a nurse with Group Adult Foster Care, which is run through MassHealth. Her two sisters are also in resident services.

"I'm familiar with the industry. Most of my family is resident coordinators," Verda said. "Most people are surprised that I never worked in the affordable housing industry. That's only half of what we do at NEAHMA. The other half is education."

And, education is right up Verda's alley. The Peabody, Mass., native holds a master of education from Sam Houston State University in Texas, as well as a master's in applied communications and a bachelor's in history from Fitchburg State University in Massachusetts.

He decided to enter the educational field after being inspired by a high-school teacher. For six years, he focused on adult learning and administration because, he said, he enjoys the development side. Additionally, Verda has six years of experience in training, brand marketing, account management and project management. The opportunity to grow the website and the educational component of NEAHMA are part of the reasons he was drawn to the association.

"I'm still feeling my way around, but one of my goals is to get a grasp on social media as a marketing tool and a communications tool," he said. "I want NEAHMA to be more proactive in that regard."

"Getting to meet our members is important to me. I want them to know we are here for them and not just a place for meetings."

He said his favorite part of the job so far is getting out and meeting the members. Verda also wants to increase the number of webinar offerings to keep up with the demand. He would equally like to expand NEAHMA's reach into areas of New England the association does not currently have many offerings. He said his experience in brand development could serve the association well.

"We're always selling something, so to speak. We sell education. We have a brand," he said. "Our customers are our members. We need to think about how we are perceived. Getting to meet our members is important to me. I want them to know we are here for them and not just a place for meetings."

Verda's long-term goals include reaching out to local housing authorities and other like-minded nonprofit organizations in order to strengthen ties and create partnerships. He said that in many cases the different groups already share the same members, so it only makes sense to see where they can join forces and collaborate when possible.

When he is not working, Verda, his wife and their two girls—Talya, 5, and Ellie, 3—enjoy camping, hiking and anything else they can do as a family. "Their fun is my fun," he said.

That includes teaching the girls to cook. "I come from a Polish family, it is tradition. There's lots of pierogis," he said. "As for the girls, we can make meatballs together; we're not at pierogis yet. It's too much work."

Jennifer Jones is manager of communications and public relations for NAHMA

Welcome New Members

NAHMA welcomes the following new members as of January 9, 2018.

AFFILIATE

Jerry Davis, Conservice, River Heights, UT

Melissa Zilke, Sage Computing Inc., Reston, VA

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

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thelastword

Put the NAHMA Meeting On Your Calendar

ONE OF THE BEST WAYS TO STAY up on the latest in the affordable housing industry is by attending NAHMA's annual winter meeting, March 4-6, in Washington, D.C. The three-day winter meeting features educational panels, networking opportunities, the Industry Awards and the Communities of Quality (COQ) Awards luncheon. The event concludes with prearranged Capitol Hill meetings with congressional representatives and their staff.

The meeting is especially helpful for anyone new to the association or looking to become more active within NAHMA. The New Member and First-Time Attendee Orientation provides an overview of what we do as an organization and more importantly, how NAHMA can benefit you. Then over the course of the three days, NAHMA rookies can sit in on the various committee meetings to get a feel for which ones play to their strengths and interests. Signing up for a committee, which is really indicting your interest in that topic, is a great way to get the most out of your membership.

The educational sessions put NAHMA members in the same room with industry experts. This provides you a chance to hear the latest news from the Department of Housing and Urban Development, the U.S. Department of Agriculture's Rural Development and more. New this year is the NAHMA Members Talk Trends and Best Practices panel on Sunday, March 4, featuring three half-hour sessions focused on key topics presented in an interactive format.

Do not miss the annual COQ Awards presentation or the NAHMA Industry and AHMA Awards ceremony. Both celebrations are our way of highlighting the communities and people who work hard to prove affordable housing can be an asset to any neighborhood.

Since you are in Washington, D.C., why not schedule an appointment with your local congressional representative to discuss the issues surrounding affordable housing that mean the most to you and the people you serve? Not sure who your representative is? The NAHMA Maps webpage can help. Contact NAHMA's Government Affairs department: director Larry Keys Jr. by calling 703-683-8630, ext. 111 or emailing lkeys@nahma.org, or coordinator Juliana Bilowich at 703-683-8630, ext. 116 or jbilowich@nahma.org for assistance in getting your appointments set up. They can also provide talking points to get the conversation started.

Please review the meeting agenda on NAHMA's Meetings webpage to plan your days accordingly. More information about the March meeting is available on the NAHMA website, www.nahma.org. While visiting the Meetings webpage also make plans to attend the fall forum in October. **NN**

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