

# NAHMA News

PROTECTING THE INTERESTS OF AFFORDABLE HOUSING PROPERTY MANAGERS AND OWNERS

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## House, Senate Differ on GSEs and FHA Reform

Though unified in their goal to close government-sponsored enterprises (GSEs) Fannie Mae and Freddie Mac, the House and Senate lead legislative proposals take different tacks on a successor to the secondary market giants, the fate of mandatory affordable housing goals and the Housing Trust Fund, and reforming the Federal Housing Administration (FHA).

Plans to overhaul Fannie Mae and Freddie Mac have been circulating for months, including a proposal from the Administration to wind down the GSEs' operations, a move precipitated by their failure five years ago. The GSEs have been under conservatorship of the Federal Housing Finance Agency since September 2008.

In general, the Administration plan has the GSEs shrinking their portfolios, losing the implicit government guarantee, and moving toward a private-capital centered operation with the government in a secondary guarantor position. Though often publicly viewed in the context of homeownership financing, the GSEs' and FHA's impact on affordable rental housing is considerable.

House and Senate actions over the past few months have put more meat on the bone, bringing to the forefront specific recommendations for ending the era of Fannie Mae and Freddie Mac and molding a revised role for FHA.

*continued on page 4*



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# A Gift that Keeps on Giving

NAHMA'S ANNUAL AHMA DRUG-Free Kid calendar is the gift that keeps on giving.

It's a gift to the children, young adults, seniors and special needs residents who live in NAHMA-member communities, because participating in the contest is both fun and creative. It also encourages the children involved to set goals, emulate good role models, and live a drug-free lifestyle.

An additional gift is the recognition given to participants at the AHMA level, and then at the NAHMA level.

Especially for the artists whose work makes it into the calendar, doing so continues to give. For the grand-prize winner, it's a prominent display of his or her artwork on the cover of the calendar, plus a \$2,500 educational scholarship, plus a trip to Washington, D.C. A very big gift, indeed.

For the national winners, a \$1,000 scholarship is provided, and Honorable Mentions receive a \$100 scholarship. (Seniors are honored by having a cash contribution made to their apartment community on their behalf; an artist must be under 18 to be the grand-prize winner.)

## A BENEFIT FOR THE FOUNDATION

The foundation's scholarship program benefits when the original poster artwork is auctioned each year at a reception at NAHMA's fall meeting, which this year will be held on Monday, Oct. 27 at 6 p.m. at the Fairmont Washington Hotel in Washington, D.C. Proceeds from the auction directly support the NAHMA Educational Foundation's annual educational scholarship program, which means the calendars continue giving. In 2013 alone, the foundation made grants ranging

from \$1,500 to \$2,500, for a grand total of \$137,500 in scholarships to residents of NAHMA or AHMA member properties seeking to advance their education.

Inspiring students by giving them grants for their continuing education is a multi-faceted gift. Who knows how much impact these scholarships have on individuals and families? For many residents, even the cost of books can be a deterrent, so the scholarships address very real needs.

## A BENEFIT FOR YOU

Purchasing the calendars is a HUD- and RHS-allowable project expense, and you may also earn points in your state's tax credit Qualified Application Process. In addition, buying the calendars and gifting them to your employees and residents reminds them of the care you take in encouraging them and supporting their aspirations.

There is an order form in this issue of *NAHMA News* to make it easy for you to order the calendars, and although the black-and-white images don't do the colorful artwork justice, you can see on pages 17-22 how much care was put into creation of the posters. (To see the artwork in full color, visit the calendar page at the NAHMA website, [www.nahma.org](http://www.nahma.org).)

The calendars are just \$5.50 each and very easy to order. You can use the enclosed order form, order online at [www.nahma.org/store/](http://www.nahma.org/store/) or call NAHMA at 703-683-8630 for a faxable order form.

We hope you will honor the efforts of site-level staff, artists, contest winners and poster purchasers, among others, to make this the gift that really does keep on giving. **NN**  
*Kris Cook is Executive Director of NAHMA.*

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## HOUSE PATH PROPOSAL

Several pieces of legislation have been introduced that focus on FHA reform, and many in the House are eager to reduce the federal government's role in housing finance. On July 18, the House Financial Services Committee conducted a hearing centered on the Protecting American Taxpayers and Homeowners (PATH) Act.

PATH seeks to:

- End the bailout of Freddie Mac and Fannie Mae;
- Decrease the market share of the FHA;
- Implement market reforms that will increase mortgage competition and maximize consumer choice; and
- Introduce more private investment capital into the mortgage market.

Witnesses at the hearing ranged from heads of banking associations to housing finance professionals.

One point of agreement: government guarantees should not enable high-risk

financial decisions that leave taxpayers on the hook to fund costly bailouts, as happened in the cases of Freddie and Fannie.

The PATH Act's reforms to the FHA would dramatically change the agency's focus and operations. PATH targets the FHA's mission to specifically assist first-time borrowers—particularly borrowers at moderate or low-income levels (below 115 percent of area median income [AMI] nationwide). In addition, FHA operations would be changed so that:

- The maximum insurable loan limit would be lowered, with a ceiling capped at \$625,000 and a nationwide floor of \$200,000;
- Minimum down payments would increase to 5 percent for all non-first-time borrowers, and 3.5 percent for first time home buyers; and
- FHA would have to price its coverage like a private insurer with minimum annual premiums on all loans.

## PATH AND AFFORDABLE HOUSING IMPACT

Much of the PATH Act's FHA reform language focuses on the single-family housing market, but the changes would also affect the multifamily industry as well. One major outcome: the PATH Act would repeal the GSEs' mandatory affordable housing goals and the GSE-funded Housing Trust Fund.

In addition, FHA multifamily properties would be targeted to low-income individuals by using occupancy and rent limitations for multifamily mortgage insurance.

Under PATH, the FHA would spin off from HUD and become a free-standing agency, with full self-sufficiency requirements in its operations. Expected consequences include raised guarantee fees; engagement in risk-sharing with private investors; a steady reduction in retained portfolios; and a policy of sharing technology and risk management between FHA and the Rural Housing Service.

In June, the FHA commissioner notified Congress that the FHA committed 75 percent of its fiscal year 2013 multifamily commitment authority which was set at \$25 billion. As the economy improves, commitment authority is being used at a significantly faster pace than last year.

To avert a shut down in multifamily lending, the FHA advised Congress of the need for an additional \$5 billion of commitment authority, which would lift the fiscal 2013 level to \$30 billion. The affordable housing industry argued that the additional authority would keep pipeline projects moving, save jobs, and add millions of dollars to the economy. FHA did not receive the additional \$5 billion before the August recess, and at press time HUD issued a letter saying the FHA had exhausted its commitment authority for fiscal year 2013. Through the end of the fiscal year (Sept. 30th), the FHA will continue to accept new

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## FHA Reform, LIHTC Bills in Senate

**TWO KEY BILLS AFFECTING AFFORDABLE HOUSING—Federal Housing Administration (FHA) reform and Low Income Housing Tax Credit (LIHTC) rate preservation—are under consideration in the Senate.**

**The Senate Committee on Banking, Housing and Urban Affairs passed S 1376, the FHA Solvency Act of 2013. Committee Chairman Tim Johnson (D-SD) and Ranking Member Mike Crapo (R-ID) authored the bill, which seeks to give FHA tools to improve its financial condition, including strengthened underwriting standards, enhanced lender accountability measures, and reforms to the FHA's reverse mortgage program.**

**Under S 1376, FHA would be:**

- **Required to increase the minimum capital reserve ratio for the Mutual Mortgage Insurance Fund to 3 percent.**
- **Required to review premium levels each year to ensure that they are set at a level that will cover the expected risk the agency faces and allow it to maintain the required capital reserve ratio.**
- **Given the authority to increase its annual mortgage insurance premium (MIP) from 1.55 percent to 2.05 percent. A minimum annual MIP of .55 percent would be established as well.**

**Washington Senator Maria Cantwell (D) introduced S 1442, the Improving the Low Income Housing Tax Credit Rate Act. The bill permanently extends the 9 percent minimum credit rate for new construction and creates a 4 percent minimum credit rate for existing buildings. The current 9 percent floor will expire after December 31, 2013, raising the risk of delays in affordable housing development due to increased rates.**

**S 1442 would also:**

- **Eliminate the financial risk of the current floating rate system;**
- **Simplify state administration; and**
- **Create stability for owners and investors of Housing Credit developments.**

mortgage insurance applications under multifamily programs but will not issue commitments.

### SENATE REINSURANCE PROPOSAL

In a bi-partisan effort on June 18, Senators Bob Corker (R-TN) and Mark Warner (D-VA) introduced S 1217, which essentially seeks to reduce the government's role in the secondary housing finance market while maintaining a safety net to prevent a future housing market collapse as seen in 2008.

S 1217 would close Fannie Mae and Freddie Mac. Titled the Housing Finance Reform and Taxpayer Protection Act of 2013, the bill would replace Fannie Mae and Freddie Mac with a new federal company designed to provide catastrophic reinsurance for mortgage-backed securities.

The proposed company, called the Federal Mortgage Insurance Company (FMIC), would retain the catastrophic coverage through guarantee fees. FMIC would provide all banks with equal access to mortgage insurance regardless of their size.

Proceeds from the closure of Fannie and Freddie would first be given to the Treasury Department because the federal government is the senior shareholder. Remaining proceeds would be distributed to preferred shareholders and then common shareholders.

While most of this effort would involve the single-family market, the Housing Trust Fund would be supported through additional fees. The Housing Trust Fund would be mandated to support the research and development of programs designed to help lower-income families attain homeownership status. The FMIC would have the authority to guarantee multifamily loans.

The progress of these bills and other affordable housing legislation can be tracked at the NAHMA web site, [www.nahma.org](http://www.nahma.org). **NN**

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# Welcome to Possible Shutdown Season

IT'S AUTUMN. TREE LEAVES HAVE changed from green to red, orange or yellow. Monday night football is back. Nevertheless, no Autumn in the Washington D.C. area is complete without the annual "government shutdown" watch.

Yes, ladies and gentlemen, that's life in the nation's capital city. Parties and New Year's resolutions ring in the new calendar year on January 1. Unfortunately, the beginning of the new federal fiscal year on October 1 is preceded by an annual exercise I call "count-down to a possible shutdown." Basically, the federal government shuts down if funding is not provided for agencies' operations before October 1 on any given year. "Possible shutdown" season begins after Labor Day and it does not end until the President signs all federal agencies' budgets into law.

The most enthusiastic participants in the government shutdown debates always have strongly held beliefs that guide their strategy. Most of the time they believe that the government is spending too much money and the threat of a shutdown can be used as leverage to force spending cuts.

That said, I would like to offer several arguments against government shutdowns.

■ **They could discourage talented individuals from joining the federal workforce.** There are plenty of plans to shrink the size and scope of the federal government—and the federal workforce. Most federal workers are eligible for retirement. Regardless of how big or small the U.S. government is, there will always be a need for talented, qualified

individuals to fill available positions at the agencies.

If you were considering employment options, would stop-and-go paychecks appeal to you?

■ **There are no efficiencies to be gained.** If the government shuts down, federal employees (with some exceptions) are essentially furloughed. The work left undone by these workers does not disappear; it simply becomes a backlog. "Inefficient government"

**For our purposes, a shutdown could result in delays for processing FHA mortgage applications and subsidy payments.**

becomes a self-fulfilling prophesy when the employees are not permitted to do their jobs.

■ **Congress and the President have a responsibility to govern.** I don't think a single person expects Congress and the President to always agree; but I think it's safe to say the American people expect their elected leaders to carry out the responsibilities of their offices. The Constitution of the United States gives Congress the "power of the purse." Bills cannot become law without the President's signature. Both branches of our government have a vested interest in ensuring the sound operation of our government. Unfortunately, not a single one of the 12 appropriations bills had been sent to the President at press time. Despite the fact that the Senate Appropriations Committee completed action on all of its bills as of August 1, not a single bill has actually passed the Senate.

There will always be debate over the

size, scope and role of the federal government. Nevertheless, the American people expect their leaders to keep the government running as efficiently and cost-effectively as possible.

■ **Shutting down the government will further erode the American people's confidence in their government.** Unlike the previous shut-downs in 1995 and 1996, the American people are feeling the effects of sequestrations and enduring the most recent battle on raising the

U.S. debt limit. Within this context, a shut-down is absolutely the wrong option at the worst time.

■ **The American people ultimately pay the price.** During the shutdowns of FY 1996, there were plenty of news reports about frustration from people who were directly affected by the shutdown. There were stories of families who visited Washington, D.C. but could not visit the Smithsonian museums. I remember a lady on the news who had been waiting for a passport. These were just a few of many examples.

For our purposes, a shutdown could result in delays for processing FHA mortgage applications and subsidy payments.

Let's hope cooler heads prevail any time an elected official calls for a government shutdown. Stop-and-go funding is no way to run this great country. **NN**

*Michelle Kitchen is Director of Government Affairs.*

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# Effect of Supreme Court Ruling on Same-Sex Marriage

ON JUNE 26, IN THE CASE OF *UNITED STATES V. WINDSOR*, the Supreme Court held that Section 3 of the Defense of Marriage Act (DOMA) was unconstitutional.

Under Section 3 of DOMA, the Internal Revenue Service had been prohibited from recognizing the marital status of taxpayers in same-sex marriages.

On August 29, the Internal Revenue Service issued Revenue Ruling 2013-17 to “provide guidance on the effect of the Windsor decision on the Service’s interpretation of the sections of the [Internal Revenue] Code that refer to taxpayers’ marital status.”

Grace Robertson, an IRS program analyst for examination specialization and technical guidance, briefly discussed ways that Revenue Ruling 2013-17 applies to the Low Income Housing Tax Credit Program student rule. Relevant excerpts from Grace’s August 30 notification follow.

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“...for Federal tax purposes:

“1. The terms “spouse,” “husband and wife,” “husband” and “wife” include an individual married to a person of the same sex if the individuals are lawfully married under state law, and the term “marriage” includes such a marriage between individuals of the same sex.

2. The Service adopts a general rule recognizing a marriage of same-sex individuals that was validly entered into in a state whose laws authorize the marriage of two individuals of the same sex even if the married couple is domiciled in a state that does not recognize the validity of same-sex marriages.

3. The terms “spouse,” “husband and wife,” “husband” and “wife” do not

include individuals (whether of the opposite sex or the same sex) who have entered into a registered domestic partnership, civil union, or other similar formal relationship recognized under state law that is not denominated as a marriage under the laws of that state, and the term “marriage” does not include such formal relationships.

## APPLICATION

Revenue Ruling 2013-17 will be applied prospectively as of September 16, 2013. Except for specific instances described in the ruling, affected taxpayers also may rely on this revenue ruling for the purpose of filing original returns, amended returns, adjusted returns, or claims for credit or refund for any overpayment

of tax resulting from these holdings, provided the applicable limitations period for filing such claim has not expired.

Specific to IRC §42 and 100% full-time student households, the exception under IRC §42(i)(3)(D)(ii)(II) for students who are married and can file a joint return applies to married same-sex couples as described in #2 above. Further, the exception can be applied retroactively to same-sex couples currently occupying low-income units. For example, if a same-sex married couple is in the process of being evicted because they are both full-time students and were determined to be ineligible for the exception, then the exception is applied retroactively and the couple does not violate the requirement that a unit not be occupied entirely by full-time students.”

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Please know that NAHMA will continue keeping members informed of important and timely LIHTC policy updates from the IRS and the Treasury Department.

Also, the latest edition (#52) of Grace Robertson’s LIHC Newsletter is posted to NAHMA’s Tax Credit, which also includes Revenue Ruling 2013-17 and other critical LIHTC information. This can be accessed at [www.nahma.org/member/TC2.html](http://www.nahma.org/member/TC2.html). **NN**

# THUD FY 2014 Appropriations Stall; CR Likely

**B**oth the House and Senate versions of the Transportation, Housing and Urban Development (THUD) fiscal year 2014 appropriations bills bit the dust before the August recess, leaving a continuing resolution (CR) an almost certainty for the beginning of fiscal year 2014.

At press time, still to be determined was the length of time the CR would cover—and how many CRs would be passed until the final agency budgets for fiscal 2014 are determined.

On July 30, the House of Representatives began consideration of HR 2610, the THUD appropriations bill for FY 2014. However, on July 31, Republican leadership pulled the bill from the floor and effectively ended the House's chance of approving a THUD appropriations bill before the August Congressional recess.

At press time, the amendments to HR 2610 that so far have been accepted include:

- Representative Kathy Castor's (D-FL) amendment, H.A. 431, which would reduce the funding for HUD Management and Administration by \$3 million and would increase the funds for the HUD Office of Field Policy and Management by \$3 million.
- Representative Shelly Moore-Capito's (R-WV) H.A. 432, which would increase funding for the Community Development Block Grant (CDBG) program by \$350 million through offsets in HOME and the Salaries and Expenses Account.
- Representative Alan Grayson's (D-FL) H.A. 441, an amendment that would increase funding for HUD's

Limited English Proficiency program by \$150,000 for a total sum of \$450,000.

■ Representative Tom Latham's (R-IA) H.A. 438, a technical amendment that seeks to "level fund" the Project-based Section 8 account. Essentially, this amendment would cancel the additional \$400 million appropriated for Project-based Section 8 at the start of FY 2013 so that the House bill may stay within its budgeted limit.

The rejected amendments include:

■ Representative Jerrold Nadler's (D-NY) H.A. 435, which increases

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funding for renewals of expiring Section 8 tenant-based annual contracts by \$1 billion. Representative Latham raised a point of order against the amendment because it would raise the budget authority for the THUD Appropriations bill. The point of order was sustained.

■ Representative Paul Broun's (R-GA) H.A. 439, an amendment to reduce funding for Rental Housing Assistance by \$5 million and apply the savings to a spending reduction account. The amendment failed on a voice vote.

■ Representative Al Green's (D-TX) H.A. 440, which sought to increase funds for Fair Housing Activities by \$12.5 million. This amendment was withdrawn.

On the Senate side, on August 1 the chamber voted on a cloture motion for S 1243, its fiscal year 2014 THUD appropriations bill. Under the cloture rule, the Senate may limit consideration of a pending matter so that debate of a piece of legislation can be finished quickly; a two-thirds majority is necessary to pass a cloture motion.

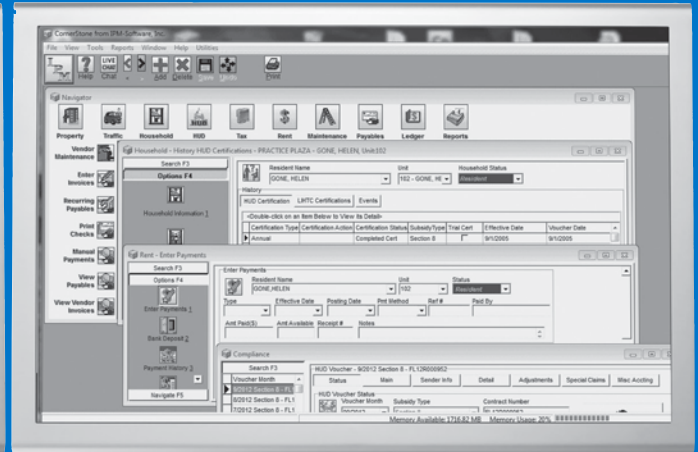
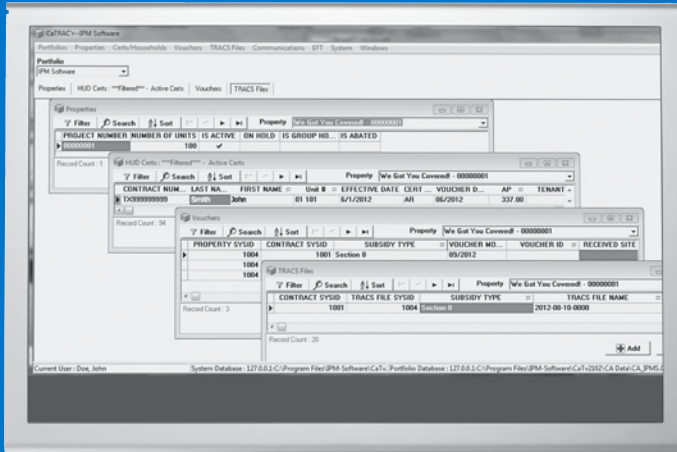
The cloture motion for the THUD Appropriations bill failed on a party-line vote of 54 to 43. Senator Susan Collins (R-ME) was the only Republican to vote in favor of the motion; three members did not vote.

Cloture would have limited the debate of S 1243 and allowed for a final floor vote. However, Republicans remained adamant that the Senate appropriations bills will require spending above the limits in the Budget Control Act (BCA) of 2011. These BCA spending levels have caused several Republicans to call for a new draft from the appropriations committee.

NAHMA and other industry organizations were eager to see the bill get to a floor vote before the August recess, but deliberations now will have to continue into the beginning of the new fiscal year. NAHMA will continue to monitor the progress of THUD legislation and reminds members to visit its website for updates. **NN**



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# NAHMA Urges Resolution of RA Shortfall Dilemma

In a bid to alleviate financial fallout on affordable housing providers and tenants, NAHMA and industry colleagues have ramped up appeals to USDA and Congress to solve the funding shortfall for Section 521 rental assistance (RA) contracts.

Sequestration and other reductions in USDA's fiscal 2013 appropriations cut funding for the rural RA program by some \$65 million. As the shortfall became apparent, USDA had estimated that as many as 15,000 tenants could lose RA, and 411 rental properties could be forced into foreclosure.

However, at press time NAHMA learned that USDA's Rural Housing Service (RHS) is continuing to revise the impact estimate, and that it has scaled back the number of affected properties to 312 properties plus another 41 undetermined. The earlier estimates projected that as many as 900 properties could be affected by the funding reductions.

As a result of the funding cuts, RHS cannot meet its payment obligations to property owners. Meanwhile, RHS has instructed property owners to maintain affordability for RA households and comply with other program requirements, despite the absence of an RA contract and no current expectation for retroactive payments.

The affordable housing industry asserts that in addition to eroding public-private partnerships' ability to deliver affordable housing, the RA shortfall on federal contracts:

- Undermines the programs' credibility to owners and investors;
- Risks the financial soundness of the RHS portfolio; and
- Threatens housing stability for very low-income and disabled residents—perhaps even thrusting them into homelessness or squeezing them into other already-strained state and local programs.

More than half of RA households (55 percent) are elderly or disabled. The average annual RA tenant income for 2012 was \$9,636. RA households make up 64.5 percent of the Section 515 portfolio, and 64.9 percent of Section 514 farm labor housing households.

## APPEAL TO USDA

Lost RA revenue can amount to \$15,000 a month for a single property, according to industry estimates. Although RHS, which is under Rural Development (RD), has offered some options for the hundreds of apartment complexes likely to be subject to the funding shortfall, an industry letter to Agriculture Secretary Tom Vilsack questions the practicality of the options.

“At the end of July, owners of approximately 900 apartment complexes received letters from Tammy Treviño, then-Rural Housing Service Administrator, explaining that because of the funding shortfall, the Agency might not be able to renew their RA contracts until FY14, the income lost during the gap before renewal would not be made up later, and RD servicing staff would work with owners,” said NAHMA and 17 colleague organizations in the letter.

The Administrator's letters also informed owners that they could “use reserve funds on hand, make loans to their own properties, suspend monthly reserve account deposits, and/or defer monthly debt service.”

“The [RHS] letters do not explain how these solutions might be implemented in practical terms, however, and the letters delegated resolution of this national problem to RD field offices,” said the industry letter to the Secretary. “The result already has been conflicting and incomplete information from RD offices.”

Section 521 has been a critical component in the successful development

and operation of affordable housing serving rural markets and some of the most remote communities in the country. Small businesses, financial institutions, local and state agencies, and nonprofits all rely on Section 521 to serve families and elderly residents living in some 15,000 complexes financed under Section 515 and farm labor housing programs.

The monthly RA payments help property owners serve very low-income tenants by providing an essential revenue stream for property operations.

## LOCAL CONSEQUENCES

In a large national system, the heaviest impacts often fall on local practitioners, and indications are that local housing providers are receiving differing and even ominous information about the consequences of the short-falls.

For example, the industry letter pointed out, while the RD's public position has been that the shortfall will center on an anticipated gap-period for the month of September, “at least some local offices appear to be bracing for several months. Some state offices are requiring workout type plans from the owners, but owners should not be punished with another set of requirements for this funding shortage.”

In addition to the overarching concern about late-term interruptions of expected funding, NAHMA and its allies fear that RD's recommended actions for servicing could trigger other problems.

The industry collaborative said it sees “three distinct results of this funding gap based upon the general financial condition of the properties in question:”

- Driving properties toward “a protective advance from the Rural Housing Insurance Fund under RD's existing regulatory authority,” as many properties are struggling to keep rents low with

**RESOLUTION OF SHORTFALL DILEMMA**, *continued from page 13*

limited reserves and no margin for error.

■ Risking default on commitments to maintain reserve account payments when properties refinanced and got additional funding from non-USDA entities. The outside lenders expected timely renewals of RA when they made their funding commitments.

■ Eroding reserves funded through RD at RD-approved levels, which will affect properties without financing from additional sources. At best, these reserves could cover only a few RA gap-months and would need to be restored soon. An option to rebuild the reserves would be for RD to permit owners to raise RA unit rents without increasing the tenant rent portion.

The industry group further recommends that:

■ RD should permit mortgage payment deferments over several months and not just for the September gap. This is because the RA payments are usually

larger than RD mortgage payments; and

■ Servicing actions should “not be conditioned on a workout or other plan unless the owner or other financing party requests such a plan.”

Zeroing in on protecting tenants and financial stability for the short-funded properties, the industry groups ask the Secretary to “request from Congress supplemental funds in FY14 and/or additional funds in future fiscal years to cover the gap in FY13 and to adequately fund RD’s on-going responsibilities under the Section 521 program.”

**LEGISLATIVE SOLUTIONS**

In the meantime, NAHMA and colleagues are taking the same message directly to Congress. Key proposed legislative solutions ask Congress to:

■ Provide RHS with the necessary appropriations to renew all RA contracts that expire in FY 2013, as well as the statutory authority for RHS to make

retroactive RA payments to cover the FY 2013 shortfalls. This option calls for Congress to include \$65 million for fiscal year 2013 RA contracts as an “anomaly” in the fiscal 2014 continuing resolution. (Some spending adjustments are known on Capitol Hill as “CR anomalies.”)

■ Direct RHS to submit a revised estimate of RA needs that requests the necessary appropriations to renew all expiring RA contracts in fiscal 2014 and to retroactively compensate owners whose contracts were not renewed in fiscal 2013 as a result of the shortfall.

■ Look to the long term and straighten out the risks to the federal government’s contract obligations to property owners from “haphazard sequestration requirements.” This final point argues that, at a minimum, programs providing federal rental assistance through contracts with private property owners should be exempt from sequestration. **NN**

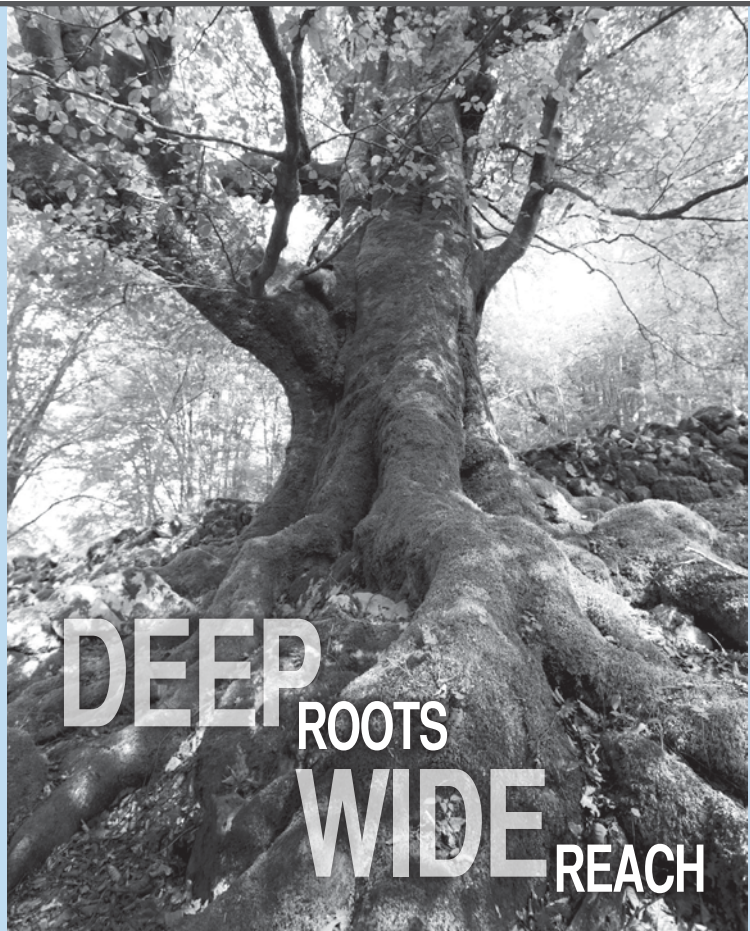
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# HUD Issues Preliminary Guidance on VAWA

**H**UD has published “The Violence Against Women Reauthorization Act of 2013: Overview of Applicability to HUD

Programs” in the *Federal Register* (FR), which alerts program participants to the provisions that apply to HUD programs.

The notice highlights the key changes made by the statute; lists the HUD programs now covered by this statute; provides an overview of key provisions applicable to HUD programs; and advises of HUD’s plans to issue rules or guidance on this new law.

The notice does not offer program guidance for any individual HUD program covered by the new law. HUD will issue guidance and rules for covered programs at later dates.

Comments on the VAWA 2013 FR notice were due to HUD on October 7, 2013. HUD also invited comments on certain issues related to implementation of the new provisions. Of particular concern to NAHMA members are those related to eviction and new provisions governing emergency transfers.

HUD notes that VAWA 2013 “adds increased protection for victims of abuse by requiring HUD to adopt a model emergency transfer plan for use by PHAs, owners, managers or other housing providers participating in HUD covered programs.”

“The model plan must allow tenants who are victims of domestic violence, dating violence, sexual assault, or stalking to transfer to another available and safe dwelling under a covered housing program,” says the notice, “and must incorporate reasonable confidentiality measures” to protect the victim from the person committing such an act.

HUD’s notice also points out:

- The role of the tenant in requesting a transfer;
- That transfers are subject to unit availability and that all other HUD

requirements are met; and

- That the law requires HUD to “establish policies and procedures under which victims of abuse requesting an emergency transfer may receive, subject to the availability of tenant protection vouchers, assistance through the tenant-based Section 8 program.”

## COVERED PROGRAMS

The 2013 law expands the number of HUD programs subject to the statute’s protections beyond HUD’s public housing and Section 8 tenant-based and project-based programs covered under the earlier law. VAWA 2013 makes the following HUD programs subject to the VAWA protections, according to the FR notice (Docket No. FR-5720-N-01):

- Section 202 Supportive Housing for the Elderly;
- Section 811 Supportive Housing for Persons with Disabilities;
- Housing Opportunities for Persons With AIDS (HOPWA) program;
- HOME Investment Partnerships (HOME) program;
- Homeless programs;
- Federal Housing Administration (FHA) mortgage insurance for multi-family rental housing, under Section 221(d)(3) of the National Housing Act, with a below-market interest rate pursuant to Section 221(d)(5);

- FHA mortgage insurance for multi-family rental housing under Section 236 of the National Housing Act; and
- HUD programs assisted under the U.S. Housing Act, specifically, public housing under Section 6 and tenant-based and project-based rental assistance under Section 8 of the 1937 Act.

Other “covered housing programs” are rural housing assistance under certain sections of the Housing Act of 1949 and the low-income housing tax credit (LIHTC) program under Section 42 of the Internal Revenue Code.

## VAWA IN CHANGE 4

In August 2013, HUD issued Change 4 to the occupancy handbook (Handbook 4350.3 REV-1 “Occupancy Requirements of Subsidized Multifamily Housing Programs”), which included previous VAWA requirements for the Section 8 program, but did not incorporate the expanded requirements and program applicability under the new VAWA law. (See box for more information on Change 4.)

NAHMA has worked in consultation with its Regulatory Affairs Committee and industry colleagues to develop comments on the notice, and will continue to monitor VAWA 2013 and any subsequent guidance and rules issued for specific covered programs. **NN**

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## HUD Issues Change 4 to 4350.3 Handbook

**HUD RECENTLY ISSUED CHANGE 4 to Handbook 4350.3 REV-1, “Occupancy Requirements of Subsidized Multifamily Housing Programs.”**

**Change 4 includes information on use of the Enterprise Income Verification (EIV) system; Violence Against Women Act (VAWA) requirements; supplemental information to Application for Federally Assisted Housing; Rent Refinement of Income and Rent Determination Requirements in Public and Assisted Housing Programs; and Final Rule and requirements relating to admission of individuals subject to state lifetime sex offender registration requirements.**

**At press time, NAHMA was reviewing the changes with its Regulatory Affairs and other appropriate committees and will provide further information to members based on the review. To view Change 4, visit the NAHMA HUD webpage at [www.nahma.org/member/hud.html](http://www.nahma.org/member/hud.html).**

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## NAHMA 2014 CALENDAR CONTEST

# Art Contest Winners LOVE “Family and Friends”

NAHMA RECENTLY TOOK ON THE CHALLENGING TASK of judging its 27th annual “AHMA Drug-Free Kid” poster art and calendar contest. “There’s almost nothing harder than judging the calendar-art/poster contest winners that we receive from the local AHMAs,” said Kris Cook, CAE, NAHMA’s executive director. “There are great entries from all across the country, in every age category.”

Almost 5,000 children, elderly/disabled and special needs residents of NAHMA- and AHMA-member affordable housing communities nationwide participated in the contest. Winning artwork will be featured in the 2014 calendar which is available for sale through NAHMA and the regional, state and local Affordable Housing Management Associations (AHMAs).

“Every year, we are so proud of the quality of our calendars,” Cook said.

Through fundraising efforts such as the “AHMA Drug-Free Kid” poster art contest, the NAHMA Educational Foundation awards scholarships and encourages children to set goals, emulate good role models, and live a drug-free lifestyle.

In addition to the drug-free message, this year’s contest had a new sub-theme that reinforces a message about the importance of family and friends: We are One Family: “Friends Make the World a Nicer Place.”





THIS YEAR'S GRAND-PRIZE WINNER IS ANNA WEN, a 12th grader from Honolulu, HI. Her artwork will appear on the cover of NAHMA's 2014 calendar. She will also receive a trip to Washington, D.C. where she will be honored with a scholarship of \$2,500 from the NAHMA Educational Foundation, which will be presented at NAHMA's annual fall meeting in October 2013. Other national winners whose artwork will appear in the 2014 calendar receive scholarships of \$1,000 from the foundation, which also awards honorable mentions \$100 scholarships. Seniors and special needs winners have their cash awards made to their housing communities.

Calendars may be ordered by calling (703) 683-8630, ext. 115 or by visiting NAHMA's website at [www.nahma.org](http://www.nahma.org). Calendars cost \$5.50 and are a HUD and RHS allowable project expense.

In the following pages are the contest winners and their winning artwork. For more information about the contest, see NAHMA's website at [www.nahma.org](http://www.nahma.org).

## NATIONAL WINNERS

**NAME:** Daniah Alzubaidy  
**GRADE:** 3  
**PROPERTY:** Casa Mesa Estates  
**CITY/STATE:** Mesa, AZ  
**MGMT. CO.:** Biltmore Properties, Inc.  
**AHMA:** AHMA PSW

Daniah believes that together, we can change the world. She loves art and music and hopes to pursue a career as a singer or artist. She wants other youths to remember that "drugs are bad for life."

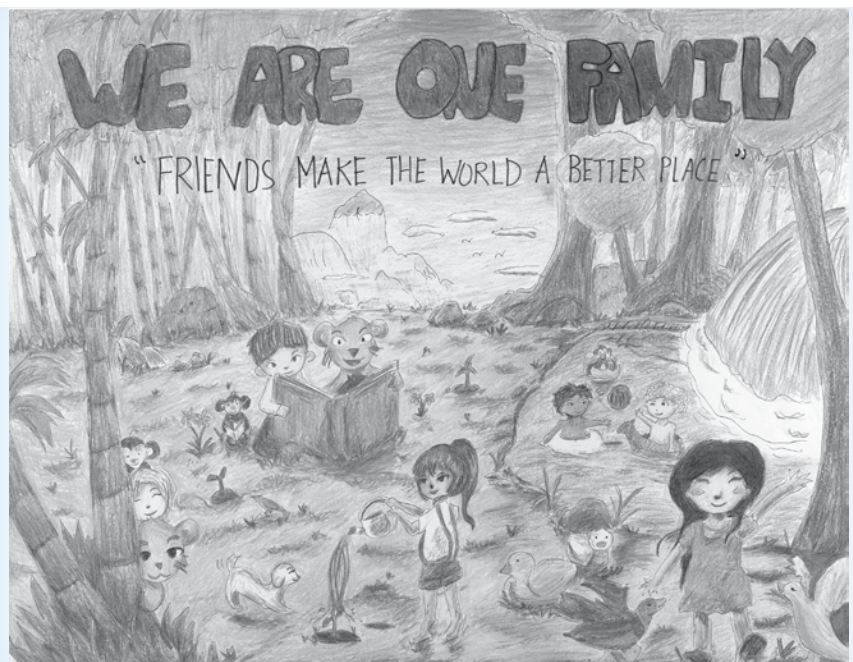
**NAME:** Claudemyre Benoit  
**GRADE:** 12  
**PROPERTY:** Davis Commons  
**CITY/STATE:** Brockton, MA  
**MGMT. CO.:** First Realty Management  
**AHMA:** NEAHMA

Claudemyre's painting sets out to prove that "we really can be one fam-

## GRAND-PRIZE WINNER: Anna Wen

**GRADE:** 12  
**PROPERTY:** Kukui Tower  
**CITY/STATE:** Honolulu, HI  
**MGMT. CO.:** EAH Housing  
**AHMA:** AHMA NCNH

Anna's inspiration for her picture was how much she loves her family and friends. Drawing is her passion, though she dreams of someday becoming a nurse.

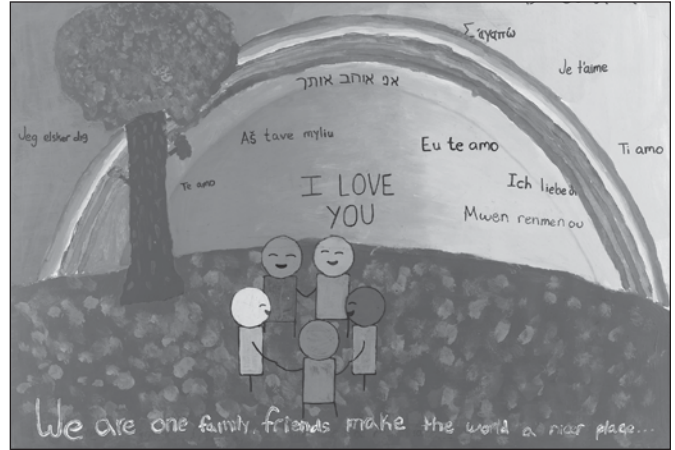




# Art Contest Winners



**Daniah Alzubaidy**



**Claudemyre Benoit**

ily.” He enjoys video games, reading, and hanging out with his friends, and dreams of being a physicist someday. He emphatically reminds his peers that “drugs aren’t doing anything positive for you, so it isn’t a smart choice. DON’T DO IT!”

**NAME:** Katherine Camacho—Special Needs  
**PROPERTY:** Winteringham Village  
**CITY/STATE:** Toms River, NJ  
**MGMT. CO.:** Interstate Realty Management  
**AHMA:** JAHMA

Katherine is inspired by her love for animals. Drawing is one of her passions, and she hopes to be a Disney

animator someday. She also enjoys playing video games and hopes other youths will remember that “drugs destroy your body and your life.”

**NAME:** Kenny Camacho—Special Needs  
**PROPERTY:** Winteringham Village  
**CITY/STATE:** Toms River, NJ  
**MGMT. CO.:** Interstate Realty Management  
**AHMA:** JAHMA

Kenny believes that everyone in the human race makes up one big family, which is what inspired his drawing. He enjoys art, comics, and animation and has always dreamed of becoming a comic book artist. Instead of turning to drugs, he suggests that the arts be used as a way to get a “natural high on life.”



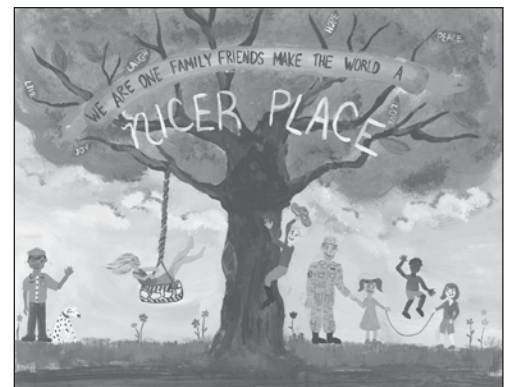
**Kenny Camacho**



**NAME:** Zoe George  
**GRADE:** 6  
**PROPERTY:** Casa Mesa Estates  
**CITY/STATE:** Mesa, AZ  
**MGMT. CO.:** Biltmore Properties, Inc.  
**AHMA:** AHMA PSW

Zoe loves to draw, so she created her poster as a challenge for herself. When she grows up, she’d like to be a doctor so that she “can help people and learn

**Katherine Camacho**



**Zoe George**

# NAHMA 2014 CALENDAR CONTEST



along the way.” She has many interests, from bike riding and reading to making doll clothing and creating stories. She says to stay clear of drugs because “they get in the way of happiness and living a good life.”

**NAME:** Toni Gilbert—Senior  
**PROPERTY:** Lenola School Apartments  
**CITY/STATE:** Moorestown, NJ  
**MGMT. CO.:** M.E.N.D., INC.  
**AHMA:** JAHMA

Toni is retired and now spends her time as a role model for others. She takes pride in encouraging friendship and support throughout her community, which is what sparked her entry into the poster contest. In her spare time, she enjoys painting, drawing, scrapbooking and gardening.

**NAME:** Marissa Ibarra  
**GRADE:** 12  
**PROPERTY:** Strathern Court Apartments  
**CITY/STATE:** Sun Valley, CA

**MGMT. CO.:** Thomas Safran and Associates

**AHMA:** AHMA PSW

This year’s theme inspired Marissa to “think outside the box and show how we truly are all one family in this world.” She loves to exercise and be outdoors, and she has a passion for music and singing. She dreams of being successful at whatever she chooses to pursue—right now, a director of photography or a business major are at the top of her list.

**NAME:** Jennifer Lauzon

**GRADE:** 7

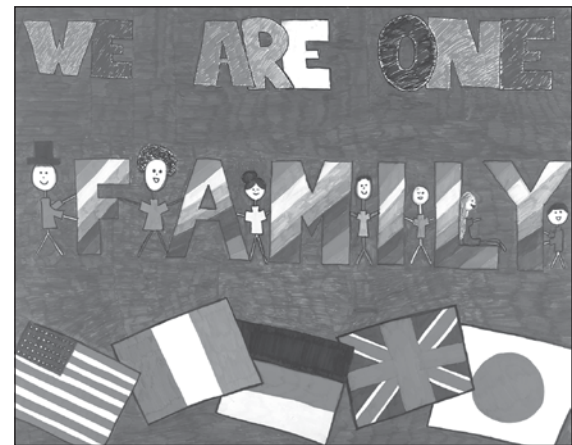
**PROPERTY:** Bay Village Apartments

**CITY/STATE:** Fall River, MA

**MGMT. CO.:** First Realty Management

**AHMA:** NEAHMA

Jennifer was inspired by the idea that all families are different but that everyone can be friends. She enjoys singing and drawing, and would like to be a hair stylist, teacher or babysitter when she grows up. She feels adamantly that



**Jennifer Lauzon**

“drugs can ruin your life. There are NO positive effects!”

**NAME:** Vivian Lee

**GRADE:** 12

**PROPERTY:** Kukui Tower

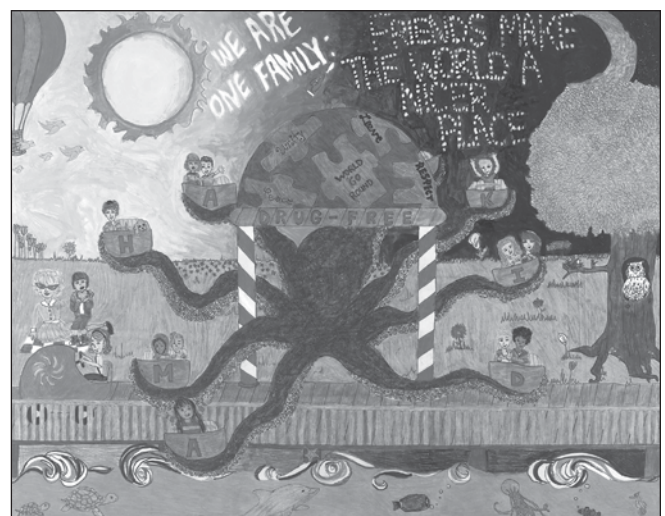
**MGMT. CO.:** EAH Housing

**AHMA:** AHMA NCNH

Vivian was motivated to create her drawing based on the idea of friend-



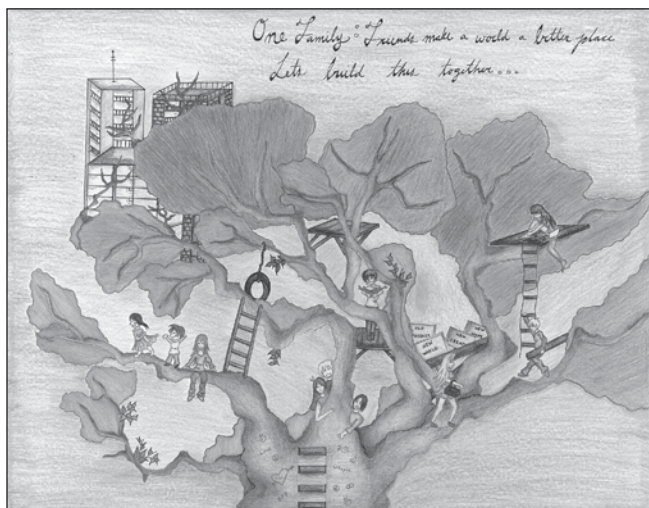
**Toni Gilbert**



**Marissa Ibarra**



# Art Contest Winners



**Vivian Lee**



**Jamaurio McMillian**

ship, which she values because “it means you’re never alone.” She likes to draw and play on the computer, and she dreams of combining them to become an architect who designs buildings.

**NAME:** Jamaurio McMillian  
**GRADE:** 8  
**PROPERTY:** Winteringham Village  
**CITY/STATE:** Toms River, NJ  
**MGMT. CO.:** Interstate Realty Management  
**AHMA:** JAHMA

Jamaurio’s picture shows people and animals interacting with each other. “They’re all the same—all one family—so I put them together.” He enjoys playing sports, especially football, basketball, soccer and running. When he grows up, he would like to be an FBI agent or a professional football player.

**NAME:** Melvin Stevenson  
**GRADE:** 9  
**PROPERTY:** Eastgate Schoolhouse Road Estates  
**CITY/STATE:** Clarksdale, MS  
**MGMT. CO.:** Southland Management Corp.  
**AHMA:** SAHMA

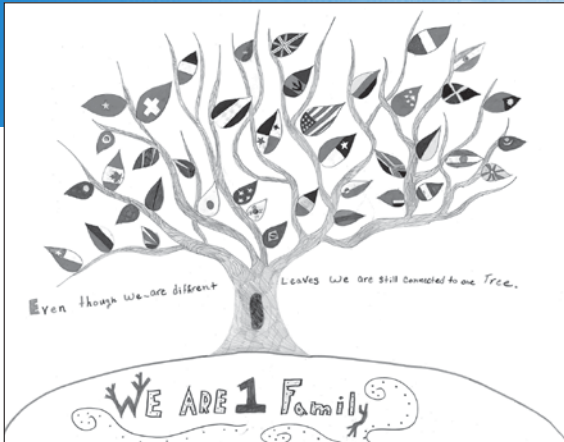
Melvin created his picture to take a stand against drugs and crime. He wants kids to know that “no matter how

much you see drugs in your neighborhood, you do not have to sell them or use them. Be the one that makes a difference.” He loves playing football and dreams of playing for the NFL.

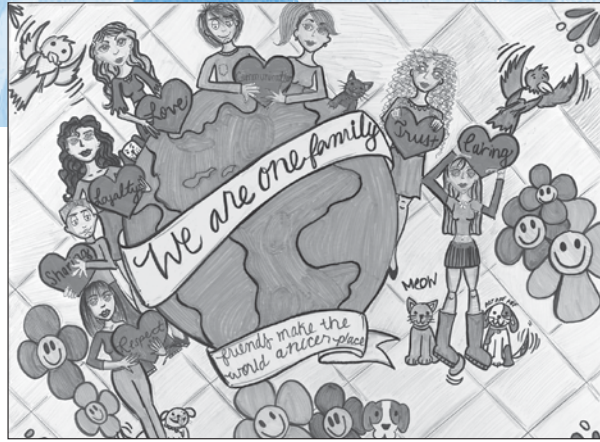


**Melvin Stevenson**

# NAHMA 2014 CALENDAR CONTEST



**Christian Vera**



**Vivianna Salcido**

**NAME:** Christian Vera

**GRADE:** 10

**PROPERTY:** The Fairways

**CITY/STATE:** Worcester, MA

**MGMT. CO.:** First Realty Management

**AHMA:** NEAHMA

Christian has a passion for drawing trees, which is what inspired this drawing. He also believes that everyone in every country should be treated equally. When he grows up, he'd like to be an artist or a track runner and plans to achieve these goals by living a drug-free lifestyle and encouraging others to do the same.

**NAME:** Vivianna Salcido

**GRADE:** 9

**PROPERTY:** Strathern Park Apartments

**CITY/STATE:** Sun Valley, CA

**MGMT. CO.:** Thomas Safran and Associates

**AHMA:** AHMA PSW

Vivianna thrives off of encouragement from her family and friends, which is why she created her drawing. She loves walking in the park and spending time with her cat, but also saves time for shopping! She hasn't settled on her dream job but may pursue cosmetology, film, or something in the medical field. **NN**

## HONORABLE MENTIONS

**1 NAME:** Gamalia Cruz

**GRADE:** 7

**PROPERTY:** Kensington Townhouses

**CITY/STATE:** Philadelphia, PA

**MGMT. CO.:** The Michaels Organization

**AHMA:** PennDel AHMA

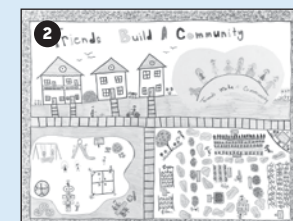
**2 NAME:** Delores Johnson—  
Special Needs

**PROPERTY:** Irving Apartments

**CITY/STATE:** Denver, CO

**MGMT. CO.:** Archdiocesan Housing

**AHMA:** Rocky AHMA



**3 NAME:** Marte Craig

**GRADE:** 9

**PROPERTY:** Southpark Apartments

**CITY/STATE:** Columbus, OH

**MGMT. CO.:** American Apartment Mgmt Company

**AHMA:** MAHMA

**4 NAME:** Tayah Teel-Sullivan

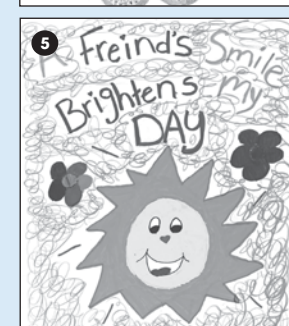
**GRADE:** 4

**PROPERTY:** Greene Hills Estate

**CITY/STATE:** Springfield, VA

**MGMT. CO.:** NDC Real Estate, Inc.

**AHMA:** Mid-Atlantic AHMA



**5 NAME:** Janice Mendoza

**GRADE:** 1

**PROPERTY:** Sherwood Apartments

**CITY/STATE:** Edinburg, TX

**MGMT. CO.:** Wedge Management

**AHMA:** SWAHMA

**6 NAME:** Betty

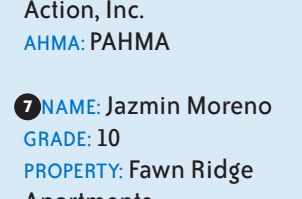
Rodkey—Senior

**PROPERTY:** Leonard Court Apartments

**CITY/STATE:** Clearfield, PA

**MGMT. CO.:** Central PA Development Corp., Inc. and Central PA Community Action, Inc.

**AHMA:** PAHMA



**7 NAME:** Jazmin Moreno

**GRADE:** 10

**PROPERTY:** Fawn Ridge Apartments

**CITY/STATE:** The Woodlands, TX

**MGMT. CO.:** BSR Trust

**AHMA:** AHMA ET



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# HUD Accepts Applications for SPRAC Funding

In early July, HUD issued a final notice for the Senior Preservation Rental Assistance Contracts (SPRAC) program funding set for \$16 million, which should assist up to 2,000 units. Applications were due September 3, 2013.

SPRAC is for non-subsidized units in pre-1974 Section 202 projects, with interest rates of 6 percent or less. The goal is to prevent displacement of elderly residents and to support long-term preservation and affordability.

Eligible projects needed additional qualifications, including:

- A passing Real Estate Assessment Center (REAC) inspection, no open referrals to the Department Enforcement Center (DEC), and a satisfactory Management and Occupancy Review (MOR), or a HUD-approved plan to address REAC, DEC or MOR issues;
- Proximity to or arrangements for necessary services and amenities for tenants;
- Compliance with fair housing rules;
- Readiness to prepay the Section 202 loan; proposed repairs needed to meet HUD's requirements for substantial rehabilitation or capital repairs;
- Location in a HUD-designated "high need" county (i.e., where more than 6 percent of elderly households are 80 percent of AMI with one or more standard housing problem such as insufficient plumbing, overcrowding and rent burden exceeding 30 percent of monthly income); and
- A Rent Comparability Study (RCS).

HUD decided to process and rank applications under four tiers (in order):

■ Properties that commit to serving very low-income tenants and to completing substantial rehabilitation.

■ Properties that commit to serving very low-income tenants and to completing capital repairs.

■ Properties that commit to serving low-income tenants and to completing substantial rehabilitation.

■ Properties that commit to serving low-income tenants and to completing capital repairs.

Priority goes to qualified owner-applicants that commit to target 100 percent of SPRAC assistance to very low-income and low-income tenants living in the project at the time of loan prepayment, and exclusively to

very low-income tenants at unit turn-over (under tier one). Properties in tiers one through four will be further ranked by mortgage maturity date.

Those with mortgage maturities before the SPRAC application date and those with maturities within 60 days of the SPRAC application date were not eligible. Within the tiers, properties in high-need areas receive priority over others with the same mortgage maturity date.

Additional details on the SPRAC award process are covered in a *NAHMA* Analysis of the final HUD Notice FR-5667-N-02, which is posted on NAHMA's website at [www.nahma.org](http://www.nahma.org). **NN**

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# 2013 NAHMA Scholars: Diverse, Capable, Inspiring

BY BRUCE JOHNSON

**T**he NAHMA Scholars of 2013 attend an impressive cross section of schools, including Duke University, Washington State University, Penn State University, Virginia Commonwealth University, University of Rhode Island, The Ohio State University, UMass-Boston, Lehigh Carbon Community College, University of the Virgin Islands, Massachusetts Community College, Cross Country Trucking School, Rutgers University, Front Range Community College and City College of San Francisco.

The involvement of this year's recipients in co-curricular and community service activities is extensive, and the profiles of several of the individuals are both compelling and inspiring. A few examples include:

■ **A 26-year-old single mother** graduated from her nursing program in 2012 with a 3.4 grade point average. She has returned to school seeking her nurse practitioner's license. During her undergraduate career, she served as the president of the Mississippi Student Nursing Association. She is currently employed as a registered nurse at Northwestern Mississippi Regional Medical Center and continues as a part-time employee at the Quitman County Nursing Home where she has worked for the past 4 years. As an active member in her church congregation, she helps organize outreach programs for children.

■ **Five years into a six-year program** at Massachusetts College of Pharmacy and Health Sciences, this 24-year-old resident of Salem, Mass., maintains a 3.83 grade point average. As part of the preparation for his career as a

pharmacist, he has worked for three years as a pharmacy intern at his local CVS drugstore. He is a member of the National Pharmacy Honor Society.

■ **As a graduate student** at Sam Houston State University, this single mother of two is majoring in public administration. She graduated from the University of Houston with a 3.4 grade point average and a degree

**Six people of diverse backgrounds from across our great nation, pursuing different goals and taking advantage of the opportunity to continue their education in hopes of making a better life for themselves and their families.**

in anthropology. After finishing her advanced degree, she hopes to serve her community by promoting and advocating programs that focus on education, nutrition and protecting the environment. She has an extensive background of working on behalf of children as the educational outreach coordinator of The Woodlands Children's Museum and at her church.

■ **Her involvement in an abusive marriage** drove this now single mother of a young son to the safe haven of a women's shelter. Her experiences at the shelter and in life motivated her to get an undergraduate degree in social work, achieving a 3.7 grade point average along the way. She also completed several internships as part of her program: two at women's shelters, one at an elderly facility and one with cognitively delayed adults. She is now pursuing her MSW at Metropolitan State University in Colorado.

■ **At the age of 6, this young man** came to the United States from the

Dominican Republic. After graduating from high school, he enlisted in the Air Force. Three years later, he was honorably discharged, but since he was not a citizen at the time, he was not eligible for the GI Bill. He is now a senior at Rutgers University majoring in mathematics, economics and statistics, carrying a 3.954 grade point average. He is also now a

United States citizen.

■ **This 42-year-old father of three** grown children from North Carolina had been a mechanic for most of his adult life. He is now fulfilling his lifelong dream of becoming a truck driver by attending the Cross Country Trucking School. He is active in his church and received glowing references from a current and former employer. He has already received a bona fide job offer to drive a truck pending his graduation from his program.

Six people of diverse backgrounds from across our great nation, pursuing different goals and taking advantage of the opportunity to continue their education in hopes of making a better life for themselves and their families. The NAHMA Educational Foundation is proud to help make this possible for all of our 2013 NAHMA Scholars. **NN**

*Bruce Johnson is Program Administrator of the NAHMA Educational Foundation.*

## COQ Award Deadline Coming Soon!

November 8 is the deadline for local Affordable Housing Management Associations (AHMAs) to submit entries to NAHMA's 2013 Communities of Quality® (COQ) Awards program. The deadline for property owners/managers to submit to their local AHMA was September 6.

The COQ Awards is a highly competitive program that honors outstanding property management companies for exceptionally high-quality affordable multifamily rental housing at a particular site.

"These property owners and management agents demonstrate a commitment to quality that many not familiar with the industry would find remarkable," said NAHMA President Gianna Solari, FHC, SHCM, NAHP-e. "Typical entrants in all categories show what an asset affordable housing can be, whether it's in the form of a multi-story building, garden apartments, townhomes or any other development."

COQ Awards are given in five categories:

- Exemplary Family Development
- Exemplary Development for the Elderly
- Exemplary Development for Residents with Special Needs
- Exemplary Development for Single Room Occupancy Housing
- Outstanding Turnaround of a Troubled Property

NAHMA is also pleased to announce that this year's COQ Awards program will be jointly sponsored by HD Supply Multifamily Solutions, a leading supplier of maintenance and renovation products to the multi-housing industry, and RealPage, a leading provider of on-demand products and services for the rental housing industry.

Detailed application information and submission materials for the NAHMA COQ National Recognition and Awards programs are available at the NAHMA website at <http://www.nahma.org/content/coq.html>.

Award winners will be notified in early January 2014 and will receive their awards in a special ceremony at the NAHMA 2014 winter meeting in Washington, DC.

For questions, please call Tim Bishop at NAHMA at 703-683-8630, ext. 117, or email [tim.bishop@nahma.org](mailto:tim.bishop@nahma.org). NN

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# NAHMA

# REGULATORY WRAP-UP

USDA-RURAL HOUSING SERVICE (RHS) IS PROPOSING NEW regulations to implement its Rural Development Voucher Program (RDVP). Since 2006, RD has conducted a demonstration voucher program funded and authorized by Congress to protect eligible multifamily housing (MFH) tenants in properties financed through RD's Section 515 Rural Rental Housing program who may be subject to economic hardship through prepayment or foreclosure of the Rural Development mortgage. This demonstration program has been operating by utilizing a Notice of Funding Availability (NOFA) published annually in the *Federal Register*. Rural Development now proposes to establish a permanent regulation for this program. NAHMA reviewed this proposed rule in consultation with its Rural Housing Committee. Written comments were due to RD on or before October 15, 2013.

ON JULY 24, THE HOME PROGRAM FINAL RULE WAS PUBLISHED in the *Federal Register*. This final rule amends the HOME regulations to address many of the operational challenges facing participating jurisdictions, particularly challenges related to recent housing market conditions and the alignment of federal housing programs. The final rule also seeks to clarify certain existing regulatory requirements and establishes new requirements designed to enhance accountability by states and units of local government in the use of HOME funds, strengthen performance standards and require more timely housing production. The final rule also updates property standards applicable to housing assisted by HOME funds. To review the final rule, go to [www.nahma.org](http://www.nahma.org) under the HUD page.

## HUD NEWS

**ON AUGUST 1, HUD'S OFFICE OF PUBLIC AND INDIAN HOUSING** released notices which may be of interest to members who participate in the Section 8 Housing Choice Voucher (HCV) program. Notice PIH 2013-18 (HA), "Revision for Requests for Exception Payment Standards for Persons with Disabilities as a Reasonable Accommodation" supersedes Notice PIH 2011-19 (which extended Notice PIH 2010-11). Prior to this revision, public housing agencies (PHA) were informed that an exception payment standard may remain in effect until or unless a higher exception payment standard was warranted, requested, and subsequently approved. With this notice, PHAs must maintain the approved exception payment standard. Section 6 of the prior notice has also been revised to explain the expedition of the review process and allow for advanced copies of waiver requests to be sent to HUD Headquarters directly.

**ON AUGUST 1, HUD ISSUED NOTICE PIH 2013-19, "REVISED POLICIES AND PROCEDURES FOR SPECIAL PURPOSE HOUSING CHOICE VOUCHERS** for Non-Elderly Disabled Families and Other Special Populations," which updates Notice PIH 2011-32 policies and procedures for issuing, tracking and monitoring Housing Choice Vouchers (HCV) that were awarded under a Notice of Funding Availability (NOFA) to provide rental assistance specifically for non-elderly disabled (NED) families.

**HUD HOUSING NOTICE H 2013-23, "CHANGE IN ANNUAL FINANCIAL STATEMENT (AFS) Submission Requirements for Some Multifamily Housing Projects,"** has been published and is now available on NAHMA's website. This notice revises the financial reporting requirements

*continued on page 30*

## AFFORDABLE CARE ACT ENROLLMENT STARTS OCTOBER 1, 2013

**ON OCTOBER 1, THE HEALTH INSURANCE Marketplace** was scheduled to open in every state. With a single application, HUD-assisted tenants can see if their families qualify for Medicaid, for the Children's Health Insurance Program or for subsidized health insurance premiums, and can enroll in coverage that begins as soon as January 1, 2014.

The benefits of the Affordable Care Act to HUD-assisted households is explained in this video message and blog post by HUD Secretary Shaun Donovan, who explains how sharing information about the Affordable Care Act with HUD-assisted tenants contributes to HUD's mission of building strong and healthy communities

across the country. The link for the blog can be found at <http://blog.hud.gov/index.php/2013/07/24/message-hud-secretary-shaun-donovan-affordable-care-act/>.

The best place for the latest, most accurate information on the Marketplace is the updated website, [www.HealthCare.gov](http://www.HealthCare.gov). At the site, you can learn what it is, who can apply for insurance, how to get insurance, how to lower costs, and more. Tenants can also call a toll free number, 1(800) 318-2596, to speak with a trained customer service representative. The site can also help connect people in local communities who can provide HUD-assisted tenants with personal help making insurance choices.

## Still Loving What He Does, 30 Years In

GUSTAVO SAPIURKA CAME INTO the affordable housing arena almost 30 years ago through his skills in computer technology and has loved it ever since.

He left his native Uruguay in 1983 to go to college in Israel, where he earned a computer science engineering degree and met his American-born wife. She wanted to return to America, so they moved to the Washington, D.C. area in 1987.

"I started to look for a job immediately, and two months later I was working with The Gulledge Corporation, which developed and managed eight affordable and eight conventional properties across the country," he said. His position as chief information officer gave him huge insight into property management, since he was a liaison between the vice president for property management, the accounting comptroller and the CEO.

He was with Gulledge for a little over a year when, during a hard time for developers, the company went bankrupt. He found a new position with TCG Technologies, LLC, which was just beginning to sell an affordable housing software called CAM II. At the time, they had about 16 installations nationwide.

"That was a perfect opportunity for me because I'm a people person," Sapiurka said. He was the first employee in the D.C. area, doing sales, training and installations of the software system.

TCG Technologies grew from there, and Sapiurka became CEO in 1999. By 2007, CAM II was used by more than 4,000 sites managing close to 450,000 units. "We then sold the company to Domin-8, and I ran their affordable housing portfolio," he said.

In 2010, Domin-8 was acquired by

RealPage. Sapiurka stayed on with RealPage to oversee its affordable housing operations, which now supports over 16,000 properties and 1.4 million units nationwide.

This past May he moved to RealPage headquarters in Dallas and took on a new role as senior vice president for strategic markets, in which he is responsible for the affordable, senior, student, military and commercial sectors. "Now that I am exposed to other markets, I see how incredibly complex affordable housing is in comparison. Those of us in affordable housing share a special DNA."

Sapiurka said he feels excited about the opportunity to apply what he knows about affordable housing to these other markets, and vice versa. "At the end of the day, you're still talking about managing assets at the site and portfolio levels," he said.

### AFFECTING CHANGE

Sapiurka has been involved in NAHMA since the 1990s, at a time when TRACS and the computerization of properties really took off. "NAHMA is a great vehicle to help owner/agents, as well as vendors who do business with HUD, USDA and LIHTC," he said. "We can work as a joint force and be more effective in discussing policy changes. Through NAHMA we were able to get HUD to agree to formalize timing to implement new regulations. That was huge victory for the industry.

"We have also been able to implement the NAHMA XML [standardized electronic format for transmitting LIHTC data] to have consistent trans-



mission protocols for tax credits. We haven't yet been able to get 100 percent of the housing finance agencies to adopt it, but we are making great strides. It's another example of how NAHMA can pull us all together under the same umbrella, to help get some common sense into the equation."

NAHMA is also a place to generate friendships. "Three times a year, at NAHMA's conferences, we get to spend time with friends. NAHMA has had major impact on my professional career, and in my life."

### NOWHERE NEAR RETIRING

The day he was scheduled for his interview for TCG back in 1988, Sapiurka's first daughter, Maya, was born. His second daughter, Jordana, was born in 1992, and over the years his family often traveled with him to company events. "A lot of our customers know our family," he said. Maya is in the fourth year of her Ph.D. program in neuroscience at the University of California, San Diego, and Jordana is studying theatre and communications at the University of Southern California in Los Angeles.

"I'm not anywhere near retirement," Sapiurka said. "I just turned 49 for the third time. I love what I do, and will do it as long as I love it. My next job might be teaching or coaching soccer, or maybe both!

"There is still a lot of work to be done to assure the preservation of our existing affordable housing properties and a huge challenge to keep up with demand as our residents' age. I would like to still be active and make a difference finding a solution." **NN**

# EDUCATION CALENDAR

For information on specific classes being offered, please contact the AHMA or organization directly. All dates and locations are subject to change. For the most up-to-date listings, visit the NAHMA website at [www.nahma.org/content/mem\\_calendar.html](http://www.nahma.org/content/mem_calendar.html).

## OCTOBER

**7-8**

**CGPM**

Oakland, CA  
Jennifer Diehl, AHMA NCNH  
(510) 432-2462  
[www.ahma-ncnh.org](http://www.ahma-ncnh.org)

**8**

**FHC**

Indianapolis, IN  
Audra Garrison, MAHMA  
(888) 242-9472  
[www.mahma.com](http://www.mahma.com)

**8-9**

**FHC**

San Diego, CA  
Jennifer Diehl, AHMA PSW  
(866) 698-2462  
[www.ahma-psw.org](http://www.ahma-psw.org)

**9-10**

**Tax Credit/SHCM**

Mount Laurel, NJ  
Gerri Aman, PennDel AHMA  
(856) 786-2183  
[www.penndelahma.org](http://www.penndelahma.org)

**9-11**

**CPO**

Los Angeles, CA  
Jennifer Diehl, AHMA PSW  
(866) 698-2462  
[www.ahma-psw.org](http://www.ahma-psw.org)

**15-17**

**CPO**

Columbia, SC  
Betsy Eddy, SAHMA  
(800) 745-4088  
[www.sahma.org/cpo](http://www.sahma.org/cpo)

**16-17**

**FHC**

Norwood, MA  
Julie Kelliher, NEAHMA  
(781) 380-4344  
[www.neahma.org](http://www.neahma.org)

**22-23**

**Tax Credit/SHCM**

San Francisco, CA  
Jennifer Diehl, AHMA NCNH  
(510) 432-2462  
[www.ahma-ncnh.org](http://www.ahma-ncnh.org)

**23-25**

**CPO**

Jackson, MS  
Betsy Eddy, SAHMA  
(800) 745-4088  
[www.sahma.org/cpo](http://www.sahma.org/cpo)

**24**

**MOR**

Detroit, MI  
Audra Garrison, MAHMA  
(888) 242-9472  
[www.mahma.com](http://www.mahma.com)

**29-30**

**Tax Credit/SHCM**

Cleveland, OH  
Audra Garrison, MAHMA  
(888) 242-9472  
[www.mahma.com](http://www.mahma.com)

**19**

**REAC**

Grand Rapids, MI  
Audra Garrison, MAHMA  
(888) 242-9472  
[www.mahma.com](http://www.mahma.com)

**19-21**

**CPO**

Detroit, MI  
Audra Garrison, MAHMA  
(888) 242-9472  
[www.mahma.com](http://www.mahma.com)

## NOVEMBER

**6-8**

**CPO**

Birmingham, AL  
Betsy Eddy, SAHMA  
(800) 745-4088  
[www.sahma.org/cpo](http://www.sahma.org/cpo)

**12-14**

**Mid-Atlantic AHMA Annual Fall Conference**

Richmond, VA  
Terry Doherty, (804) 673-4128  
[www.mid-atlantichma.org](http://www.mid-atlantichma.org)

**13-14**

**SHCM**

Memphis, TN  
Betsy Eddy, SAHMA  
(800) 745-4088  
[www.sahma.org](http://www.sahma.org)

## JANUARY

**22**

**FHC**

Atlanta, GA  
Betsy Eddy, SAHMA  
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[www.sahma.org](http://www.sahma.org)

**23-24**

**SHCM**

Atlanta, GA  
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(800) 745-4088  
[www.sahma.org](http://www.sahma.org)

## HUD NEWS, *continued*

for some multifamily housing projects. Specifically, it relieves the owner of small multifamily projects of the burden and cost of submitting audited financial statements. For purposes of this notice, the term "small multifamily housing project" means a project for which the owner is under an obligation to submit an audited financial statement but receives less than \$500,000 in combined federal financial assistance. To view this notice, go to [www.nahma.org](http://www.nahma.org) and visit the HUD page.

**ON JULY 25, HUD ISSUED HOUSING NOTICE 2013-21, "IMPLEMENTATION AND APPROVAL OF OWNER-ADOPTED ADMISSIONS preferences for individuals**

or families experiencing homelessness. This notice provides guidance to HUD field offices, contract administrators and property owners on the circumstances under which owners of assisted properties may adopt admissions preferences. This notice clarifies 24 CFR §5.655(c)(1) - (c)(5) to allow for owners to adopt, with HUD approval, admissions preferences not specified in the regulation, in particular, a preference to house homeless families. Questions about the notice and/or the implementation of a homeless preference may be sent to [MFH\\_Homeless@hud.gov](mailto:MFH_Homeless@hud.gov).

**HUD ISSUED A TECHNICAL CORRECTION TO ITS RULE, "STREAMLINING REQUIRE-**

**MENTS GOVERNING THE USE OF FUNDING FOR SUPPORTIVE HOUSING FOR THE ELDERLY AND PERSONS WITH DISABILITIES PROGRAMS."** The original rule was published on June 20, 2013. It governs the Section 202 and Section 811 programs to streamline requirements for mixed finance developments and to amend other regulations for these programs. This technical correction clarifies that the intent is to extend the duration of the fund reservation for a capital advance from the date of issuance of the award letter so that owners could reach initial closing, and not to extend the time after the date of initial closing. This correction was effective as of August 15, 2013, and applicable beginning July 22, 2013. **NN**

## A Preference for the Front Lines

JANE MCDONALD IS HAPPY WHERE she is. “I really prefer site work,” said the property manager for Harsch Investment Properties in Portland, Oregon, who also serves as a founding member and current president of the Oregon AHMA. “I can’t imagine being in an office and not interacting with residents, maintenance staff, service coordinators and others. People wonder why I don’t ‘advance,’ and it’s because this is the work I love.”

This doesn’t mean McDonald hasn’t grown and developed in her field, and aided in others’ growth and development. Her experience with property management grew out of her commitment to her mother, who she took care of in her home when her mother developed Alzheimer’s disease. When her mother became bedridden and needed 24-hour care, McDonald mentioned to one of the service agency caseworkers that she now needed to go back to work, and when she said she did payroll and accounting, she was told about a job with a property management company.

When that company was absorbed by a larger management company, the accounting systems were all centralized, so they kept her on and trained her to do occupancy work. She was with this company for about three years before moving on to work for Christian Church Homes of Oregon as first an assistant manager and then a property manager. She stayed about 10 years and worked at two sites, a Section 8/202 high rise in downtown Eugene, and a smaller Section 811 PRAC property.

“Then I took a position with Salvation Army in their Silvercrest senior housing division,” McDonald said. She was there for nine years, working in site management but also becoming a

“traveling trainer, which was really fun,” she said. “I’d train new staff on software and procedures—in Nevada in the summertime and Montana in the wintertime. It was a really fun part of the job. When I left they had about 37 sites.”

She’s only been with Harsch Investment Properties for about a year. “I was kind of ready for a change, and I knew them through the AHMA. My current boss also served on the AHMA board with me at the beginning of establishing the AHMA.”

### PART OF OREGON AHMA’S CORE

When the HUD office in Portland began having meetings with the Washington State AHMA about creating an organization in Oregon, McDonald went to a few of the first tentative meetings. “Christian Church Homes was very supportive of the AHMA relationship and that startup,” McDonald said. “It was really exciting to be in from the ground up.” The Oregon AHMA was officially created in 2001. “As we’ve grown, we’ve gotten our own executive director and launched some programs that are a little out of the norm for some of the other AHMAs.”

The Oregon AHMA has focused on the need for training of site staff. Among its programs is McDonald’s baby, the AHMA boot camp program, which is a series of half-day programs offered several times a month on topics ranging from maintenance needs to more advanced subjects like HUD Handbook chapter updates. “We have a traveling road show, sending trainers around the state, so that we’re not just concentrating on the more



populated western part of the state,” she said. Soon to come are some programs aimed at service coordinators.

The AHMA’s annual conference is also held mid-state to draw from both the highly populated and least populated areas, she

said. Its recent conference had about 300 attendees, “which was really great,” she said. Oregon AHMA fortunate to have “a completely supportive local HUD office, which sends a liaison to our board meetings, and the contract administrator’s office also sends one or two people,” she said.

“This makes it possible for us to find out where the training holes are and plan events around that. Tax credit reviews are among the things where there are consistently problems, for example, so we are doing more trainings on them.”

The AHMA is also doing some work to make itself more attractive to housing authorities, especially those in the more rural areas, “because our training is so accessible to them,” she said. Among the issues unique to rural areas is that of farm labor housing, which McDonald called “a very underserved group.”

### KEEPING HERSELF GROUNDED

McDonald keeps her own training up-to-date, including getting certifications from companies like Quadel, and through NAHMA’s certification programs.

McDonald’s term as board president expires soon and she’s already expressed a willingness to stay on the board, keeping her service since the very beginning intact. “I don’t know which saddle I’ll be in,” she said, “but I’ll still be in one of them.” **NN**

## thelastword

# Impressions of a President's First Year



AS THE FIRST YEAR OF MY TERM as NAHMA's president comes to a close, I am reflecting on all of the wonderful work that has been accomplished by so many... on behalf of so many more. The past 12 months have been busy, to say the least, in our affordable housing arena.

NAHMA and the AHMA's members and staff have stepped up to numerous challenges and made great strides for improving our industry. Granted, there are days I wonder, and I know you do as well, if "anyone" is hearing our voices. I firmly believe the answer is yes.

I say this because it is obvious to me during my travels to the AHMA's that the voices of affordable housing are being heard. I see the evidence in the relationships between members and agencies, in the outcomes of the committees charged with tasks, and in the grassroots efforts. While we might not be heard every time we speak, our efforts are acknowledged.

Having been able to participate in the many AHMA conferences, I have been impressed to see the growth of

the organizations, the excitement the attendees have for their careers, and the boundless support of NAHMA.

There is still plenty of work to be completed, especially by NAHMA's Alternative Futures Working Group. Members continue to analyze and recommend ideas for potential budget savings and program efficiencies, as a proactive response to sequestration.

I ask that every member take time to visit NAHMA's webpage at [www.nahma.org](http://www.nahma.org), specifically the Grassroots Advocacy page, to review our urgent grassroots advocacy action campaigns. You will see what NAHMA is doing and what you can do to restore the Fiscal Year 2013 cuts to the Section 521 Rural Rental Assistance Program. You might not be involved with any Section 521 communities; however, you should know that actions to one assistance program could set precedence for another program.

You also will find talking points for Project-based Section 8 funding for Fiscal Year 2014.

Last but not least, you will find information on sequestration, including a link to NAHMA's Sequestration Grassroots Action webpage. Should you have questions or need assistance in understanding this or in pursuing advocacy, please feel free to contact either NAHMA staff or me.

Additionally, as you likely know, the HUD Handbook 4350.3 REV-1, Change 4 was issued August 7, 2013. NAHMA's Education and Training Committee is currently reviewing the changes and revising the CPO course materials. In the meantime, many AHMA's are offering educational opportunities for their members to be kept current on the revisions.

Mark your calendars for NAHMA's Winter Meeting on Legislative Issues in Washington DC, March 9-11, 2014 at The Washington Court Hotel. Visit NAHMA's webpage at [www.nahma.org](http://www.nahma.org) for more information on meetings and current happenings in affordable housing. **NN**

*Gianna Solari, SHCM, NAHP-e, FHC, is Vice President/COO of Solari Enterprises, Inc. of Orange, CA and is President of NAHMA.*