

# NAHMA News

PROTECTING THE INTERESTS OF AFFORDABLE HOUSING PROPERTY MANAGERS AND OWNERS

## IN THIS ISSUE

- 3 Inside NAHMA
- 7 Washington Update
- 9 Tax Credit Compliance
- 13 Industry Groups Question RD Short Funding Rationale
- 17 2015 Calendar Competition
- 28 Regulatory Wrap-Up
- 30 Education Calendar
- 31 Up Close & Personal



## Changes in Section 8 Renewal Policy Guide in Effect in November

The Department of Housing and Urban Development (HUD) released the long awaited revised Section 8 Renewal Policy Guide in August. The revisions take effect Nov. 5.

The renewal guide is a pivotal document that is used by HUD staff, contract administrators, housing providers, appraisers and other professionals to process the renewal options and understand the policies related to Section 8 Housing Assistance Payment contracts that have been renewed or will be renewed under the Multifamily Assisted Housing Reform and Affordability Act of 1997.

A key area of focus for NAHMA in this guide has been Chapter 9: Rent Comparability Studies. Previous versions of a revised Section 8 Renewal Guide issued in 2014, and before that in 2012, had very problematic requirements in

The renewal guide is a **PIVOTAL** document that is used by HUD staff, contract administrators, housing providers, appraisers and other professionals to process the renewal options and understand the policies related to **Section 8 Housing Assistance Payment** contracts that have been **RENEWED** or will be renewed under the Multifamily Assisted Housing Reform and Affordability Act of 1997.

this chapter that were hotly contested by NAHMA and other industry groups. In the 2014 proposed revision, HUD was recommending the use of raw census data as a comparison of proposed renewal rents established by an owner-contracted Rent Comparability Study (RCS) for the purposes of determining whether a second HUD-contracted RCS was warranted. NAHMA opposed using the census benchmark because median gross rents, as determined and published by the census, do not reflect market conditions and are not adjusted for inflation. In industry comments submitted May 2014 to HUD on the proposed revision, NAHMA and other groups recommended alternative methodology for determining the necessity of a second RCS.

*continued on page 4*

Streamline affordable housing oversight with one platform to manage your properties, residents, and subsidies.



# SOCIAL. MOBILE. SMART.



## **YARDI** Voyager<sup>®</sup> Affordable Housing

Save time and money with full property and financial management on a single, mobile solution compliant with all major subsidies, including 50059, LIHTC, HOME, and Rural Development.

To learn more, call **800.866.1144**  
or visit [www.yardi.com/affordable](http://www.yardi.com/affordable).

## PRESIDENT

Ken Pagano, CPM, SHCM, NAHP-e  
jkpagano@essexplazamgmt.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 MANAGER

Scott McMillen  
scott.mcmillen@nahma.org

## EDUCATION AND TRAINING COORDINATOR

Natasha Patterson  
npatterson@nahma.org

## ADMINISTRATIVE COORDINATOR

Paulette Washington  
pwashington@nahma.org

## EDITOR

Jennifer Jones  
jjones@nahma.org

## DESIGN

Mary Prestera Butler  
butler5s@comcast.net

## 2015 NAHMA OFFICERS AND BOARD OF DIRECTORS

### President

Ken Pagano, CPM, SHCM, NAHP-e

### President Elect

Michael Johnson, SHCM, NAHP-e

### Vice President

Tim Zaleski, SHCM, NAHP-e  
Michael Simmons, CPM, NAHP-e

### Secretary

Karen Newsome, SHCM, NAHP-e

### Treasurer

Steve Henderson, NAHP-e

### Past President

Gianna Solari, SHCM, NAHP-e

### Directors

Ron Burson, SHCM, NAHP-e  
Nancy Evans, SHCM, NAHP-e  
Melanie Kibble, FHC, SHCM, NAHP-e  
Peter Lewis, CPO, CGPM, SHCM, NAHP-e  
Mark Morgan, CPM  
Christina Sanchez  
Larry Sisson, FHC, SHCM, NAHP-e  
Rich Skoczylas, FHC, CPO, SHCM, NAHP-e  
Lisa Tunick  
Angie Waller, FHC, CPO, SHCM, NAHP-e  
Chris White, NAHP-e  
Bill Wollinger, SHCM, NAHP-e

### Voting Past Presidents

Phil Carroll, SHCM, NAHP-e  
Jim McGrath, SHCM, NAHP-e



# Focusing on the Positives

FALL IS A GOOD TIME TO TAKE stock of the year and celebrate the positives within the affordable housing industry. But we need your help.

Each year, NAHMA commends the communities that prove the classification of “affordable housing” does not have to be a negative. We applaud the leaders that keep the industry strong. And NAHMA pays tribute to the children and the adults that call these communities home.

## RECOGNIZING EXCEPTIONAL COMMUNITIES

Help us honor the multifamily developments that prove affordable housing can be an asset to any community through the Communities of Quality (COQ) National Recognition Program and COQ Awards.

To be eligible for the COQ Awards, a community must be a COQ Nationally Recognized property.

The COQ Awards honor the achievements of affordable housing providers who have made an unprecedented contribution to the industry by developing and maintaining outstanding properties that are safe and vibrant places to live.

If you are already a Nationally Recognized property, you have done the hard part. Now is the time to work on your application for the 2015 COQ Awards competition, which is due Nov. 6. See page 25 for more details.

## SEND US YOUR CHOICES

Nominations for NAHMA’s annual Industry Awards are due Nov. 2. To nominate someone for any of the following three awards, please send me an email explain-

ing which award you are nominating the person for and why you think the person should be the award winner, including specific accomplishments supporting your recommendation. This section should be a minimum of 100 words up to a maximum of 1,500 words.

### NAHMA Industry Statesman

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

### NAHMA Industry Achievement

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

### Industry Partner Award:

Given annually to a government agency or other affordable housing organizational partner that has made a significant contribution to the cause of affordable housing in the previous year.

## SUPPORT BUDDING ARTISTS

Celebrate the people who make up our wonderful communities by ordering a 2016 NAHMA Drug-Free Kids Calendar.

The calendars feature outstanding original artwork by children, seniors and adults with special needs living in affordable multifamily housing. This year’s contest celebrated community spirit with its theme and subtheme, Our Hands Are United: Reach Out and Be a Good Neighbor.

The cost is \$5.50 per calendar, which is a HUD and USDA allowable project expense. **NN**

*Kris Cook, CAE, is executive director of NAHMA.*

©2015 National Affordable Housing Management Association

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

**SUBSCRIPTIONS:** Free for NAHMA/AHMA members, \$100 for nonmembers.

**ADVERTISING:** Digital ads preferred. Rates vary. Contact: Brittany Thomas at (301) 215-6710, or bthomas@townsend-group.com.

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

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

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



imagine

Fast.  
Friendly.  
Excellent  
Service.

(from a Software Company!)

Affordable Housing Property management has never been faster, easier, or more cost-effective than with MultiSite Systems.

- Free Services
- No Hidden Fees
- Remote Access with iPad and Other Tablets
- Manage Multiple Properties on One Interface
- Work Order Requests from Your Web Site
- Integrated Accounting System
- RAD, HUD (59 & 58), RD, LIHTC Compliant
- NEW USDA-RD XML Transmission Implemented
- Web Based - ASP Hosted (Tablet Friendly)
- Maintenance and Cloud Inspections

Celebrating  
15 Years  
of Stable Software



888-409-5393 (USA)  
787-225-9798 (PUERTO RICO)  
WWW.MULTISITESYSTEMS.COM

## CHANGES IN SECTION 8 RENEWAL POLICY, *continued from page 1*

To view the newly issued Section 8 Renewal Policy Guidebook, as well as NAHMA's comments on the 2014 revision, visit the NAHMA HUD Issues webpage under Agencies at [www.nahma.org](http://www.nahma.org).

### MAJOR CHANGES

Besides completely revising chapters 2 and 16, HUD made a number of changes it describes as "major." As far as revisions to the chapter on Rent Comparability Studies, HUD incorporated some of the changes that were suggested in the 2014 letter from NAHMA and other industry organizations.

Among them was the recommendation that HUD develop a universal checklist for field offices and contract administrators to use when completing RCS reviews. Initially, the department authorized the offices and administrators to create their own worksheets, which the industry said could lead to inconsistency issues. The revised guide requires appraisers to use the standardized checklist available on the HUD website.

The updated guide calls for a third-party appraiser to complete a HUD RCS if the rents in the owner's study exceed 140 percent of the median gross rent by ZIP code tabulation area. The previous revision called for a 110 percent differential. At the time, the industry said this figure was too low, based on research from MPF Research, which was commissioned by the trade groups.

Another major change to this chapter is the removal of the section on "Special Procedures for Mark-Up-To-Market Projects."

Finally, the 2014 revisions called for the changes to be implemented immediately upon release. The industry letter called for a 90-day timeframe. The guidebook released Aug. 7 will be effective Nov. 5 and applies to renewal and amended rent packages received by HUD on that date or later.

### OTHER INDUSTRY SUGGESTIONS

The trade groups made other suggestions in their 2014 letter that did not find

their way into the revised guide.

For example, the letter said the median rent data provided from the American Community Survey (ACS), which HUD favored, was not the best indicator of current market conditions given the figures available at the time were two to six years out of date. Additionally, the letter said in some cases the ACS data was incomplete or limited such as reporting rents simply as "\$2,000+" or not at all if the sample size was too small.

Additionally, the letter pointed out the ACS median gross rents were tenant-reported rents, not "asking rents" and that they were not separated by housing type or size of the housing unit. The industry letter advocated for the use of actual rents from comparable properties. The letter suggested HUD could use the rent comparability studies submitted by appraisers to compile a database. The letter further suggested using what it called the "5 percent test" to trigger a second RCS as an interim measure while the database was compiled. Under the 5 percent test methodology, a second RCS would be ordered if, according to the owners' comparability study, there was a 5 percent difference between the new proposed rent and current rents for that specific project.

The trade organizations also objected to HUD eliminating the ability of the owner to appeal and review a copy of HUD's RCS. The letter said, "If the objective is to preserve housing, it is important that the rent established be a true comparable market rate. The lack of due process suggests that HUD is attempting to force rents that are below the comparable market." The letter went on to say that the no-appeal process fails to recognize that a flawed study by either appraiser could result in a significant rent reduction that would threaten the viability of the property. The industry groups instead advocated for both appraisers to be able to discuss large discrepancies.

Most of the objections made in the industry letter of 2014 are reiterations of a letter sent to HUD in June 2012. **NN**

## YARDI TALKS

# AFFORDABLE HOUSING

with James Daddario Vice President of Residential Management Corporation

**Q** *Tell us about Residential Management Corporation.*

**A** RMC is a growing affordable housing and market rate housing provider based in Suffield, Connecticut. We were founded in 1979 and have more than 550 units in New England.

**Q** *What led RMC to seek new software?*

**A** Our processes were very antiquated. Our property managers completed paper rent rolls and then shipped the files to our main office. Once the files arrived, our accounting staff had to rekey the data into a locally hosted accounting program. It was definitely time for a change, and we chose Yardi Beacon.™

**Q** *How has Yardi Beacon worked out?*

**A** The most important thing that Beacon does for RMC is put information at our fingertips whenever we need it. Beacon has enabled us to eliminate travel to our properties and cut the shipping costs we used to incur moving paper files between properties and the main office. Now, I can log in to Beacon and instantly see all the critical information I need, even if I am away on vacation or working at home after hours. I am much more connected to our properties with Beacon.

**Q** *And for your affordable housing mandates?*

**A** The majority of communities we own and/or manage are part of the USDA Rural Development 515 program. Beacon streamlined our efforts to receive subsidy payments through this program

for lengthy meetings or travel expenses. Ongoing training for new users is just as easy because Beacon doesn't come with a complicated paper user manual. Instead, users have access to an online database of process walkthroughs and other Web-based instructional materials.

“Beacon streamlined our efforts to receive subsidy payments through Rural Development by approximately 200%.”

by approximately 200%, mainly because we are able to push information directly into USDA's online MINC interface without entering data by hand. It is an incredible time saver for us.

**Q** *How was the implementation process?*

**A** Implementation of Yardi Beacon for RMC was a simple process done exclusively through remote webinar sessions and without need

**Q** *Would you recommend Beacon to other companies?*

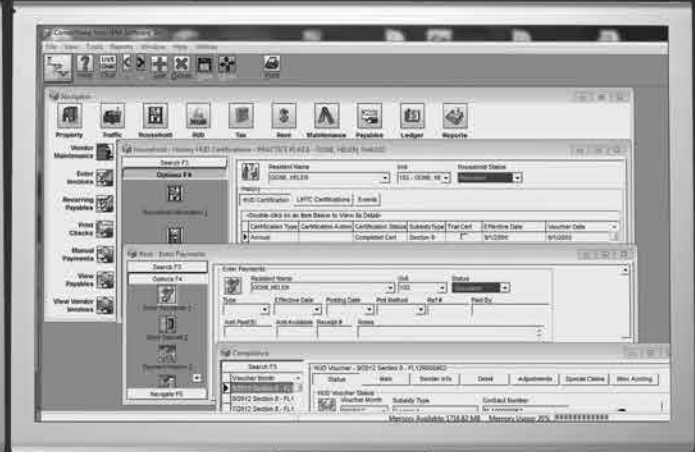
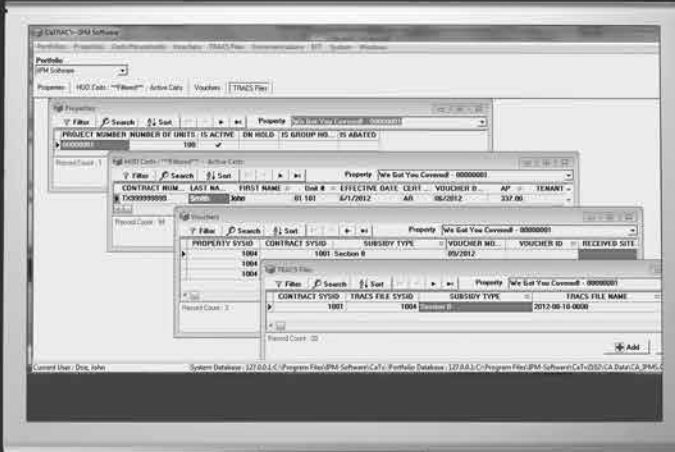
**A** Absolutely. For a relatively small investment we are getting access to powerful technology. I'd encourage any company looking for affordable housing or market rate asset management to give Beacon a shot; I am sure you will find that it is far more user friendly and efficient than any other paper or software system available.



To learn more, call **800.866.1144** or visit [www.yardi.com/BeaconAFF](http://www.yardi.com/BeaconAFF)



# IPM SOFTWARE



INTEGRATED PROPERTY MANAGEMENT SOFTWARE  
**CaTRAC'r™**



## We understand both sides.

The premier PBCA software product for voucher processing, CaTRAC'r™ reduces processing time and increases efficiency.

Whether you manage conventional or affordable sites, CornerStone™ works for you. A property management and accounting solution comprised of fully integrated customizable modules and over 500 built in CA-level error checks.

sales@ipm-software.net | www.ipm-software.net | **800-944-5572**

# Federal Housing Assistance Favors the Wealthy, Not the Low-Income Population

LAST YEAR, THE FEDERAL GOVERNMENT spent \$200 billion on housing assistance and only 25 percent of that amount went to housing assistance for low-income households. This is according to a new Congressional Budget Office (CBO) report, *Federal Housing Assistance for Low-Income Households*.

The CBO is a nonpartisan agency whose independent analyses of budgetary and economic issues supports the congressional budget process. The recent report on federal housing assistance examined how the federal government provides housing assistance to low-income households and included information about the households that receive such assistance.

## A CLOSER LOOK AT SPENDING

According to the CBO, only 25 percent of the eligible low-income population received housing assistance through federal spending programs in 2014. The federal government provided about \$50 billion in housing assistance to these low-income households. This assistance was provided through spending programs and preferential tax treatment. Three programs and one tax credit account for the majority of the assistance provided directly to low-income households: the Housing Choice Voucher (HCV) program, Project-based Rental Assistance (PBRA), public housing and the Low-Income Housing Tax Credit (LIHTC). In 2014, the HCV program accounted for the largest amount of rental assistance, with \$18 billion in housing assistance. PBRA accounted for \$12 billion in spending in 2014. Public housing had costs of \$7 billion. The federal

government provided about \$8 billion in 2014 for other housing programs, mostly through grants to state and local governments. LIHTC accounted for roughly \$7 billion in indirect assistance to low-income households, through tax expenditures.

In addition to providing support for low-income housing, the federal government provided support for housing in general. The CBO stated that “most of that assistance is made available through provisions in the tax code—deductions, exclusions and excess depreciation—that primarily benefit households with higher income. In total, all tax-code provisions that support housing resulted in estimated tax expenditures of \$130 billion in 2014. This support triples the amount supplied to low-income households. Moreover, the federal government provides mortgage assistance through loan guarantees and insurance.” Fannie Mae and Freddie Mac provide the most guarantees.

“In 2013, CBO projected that Fannie Mae and Freddie Mac would issue about \$1.2 trillion in loan guarantees in 2014. The Federal Housing Administration (FHA) mortgage insurance was only provided to 6 percent of owner-occupied housing units with incomes below federal poverty guidelines,” according to the report.

This CBO report highlights the fact that more federal housing assistance goes toward the wealthy than low-income population.

## KEY CHARACTERISTICS

According to the CBO report, “The federal government’s three main spend-

ing programs for low-income housing provide assistance to 4.8 million low-income households. Roughly 75 percent of the assisted households have income of no more than 30 percent of Area Median Income (AMI). The households that receive assistance comprise 9.8 million people or roughly 3 percent of the U.S. population. Of those households, almost one-half are headed by people who are neither elderly (defined by the Department of Housing and Urban Development as age 62 or older) nor disabled—yet work is the largest source of income for only about half of households headed by such people. Housing assistance, like many programs that provide support to low-income populations, provides some incentives that may support employment and others that may discourage employment.”

The CBO cited recent studies that found housing assistance reduces employment by “about 5 percent and earnings (an indicator of hours worked) by about 10 percent. Households that receive assistance are generally required to pay 30 percent of their income toward their housing expenses. In contrast, of the eligible population that does not receive housing assistance—roughly 14 million households or about six out of seven—pay more than 30 percent of their income toward housing expenses. Well over half pay more than 50 percent of their income in rent.”

To read the CBO report, *Federal Housing Assistance for Low-Income Households*, visit <https://www.cbo.gov/publication/50782>. **NN**

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

*When it doesn't feel right...*

**...GO LEFT!**

---

meet our BOARD of Vice Presidents!



Carrie



Selenia



Kelly



Mitzi

---

**Our clients enjoy same day results, one-on-one continual support, and over 20 years FREE from Noncompliance Findings!**

---

*...this is*



**PREFERRED**  
COMPLIANCE SOLUTIONS  
GUIDING THE WAY

Although not broken, somethings are good to be improved when the consequences of not doing so are so high. We provide our clients with **THE BEST** compliance monitoring for their Affordable Housing investments. Including and not limited to programs like Sec 8 and LIHTC.

**[www.PreferredCompliance.com](http://www.PreferredCompliance.com)**



# Exiting from a Low-Income Housing Tax Credit Project In Year 15: What Should Be Considered?

IF YOU ARE THE GENERAL PARTNER or managing member of a project using Low-Income Housing Tax Credits (LIHTC) that closed more than 12 years ago, then you need to begin the process of determining what will happen when the investor exits the LIHTC project (the Project) in the 15th year after the first tax credits were taken for the Project (Year 15). There are many issues to consider, all of which are important for the long-term success and viability of the Project.

## LIHTC BACKGROUND

Most LIHTC transactions use either a limited partnership or a limited liability company taxed as a partnership as the entity that owns and operates the LIHTC project (the Ownership Entity). The Ownership Entity is formed pursuant to an "Organizational Document," which may be either a limited partnership agreement or an operating agreement.

If the Ownership Entity is a limited partnership, the Ownership Entity usually consists of (i) a general partner that contributes very little capital to the Project, but is responsible for the day-to-day operations and management of the Project, and (ii) a limited partner that purchases the LIHTCs and provides much of the capital for the Project. The limited partner is not involved in the day-to-day operations of the Project, and generally only gets involved with the Project if there are major decisions to be made regarding either the Own-

ership Entity or the Project, or if the limited partner is in danger of losing the LIHTCs it purchased.

If the Ownership Entity is a limited liability company, the role of the general partner is generally handled by the

credit compliance period is 15 years (the Compliance Period). The Project must be operated in strict compliance with TRA86 during the Compliance Period, or the Investor Entity may lose the tax benefit of some or all of the LIHTCs

**After the Compliance Period is over, the Investor Entity will have received the benefit of all of the LIHTCs, and there no longer will be any danger that it can lose any of the LIHTCs or other tax benefits.**

managing member, and the role of the limited partner is generally handled by the entity that purchased the LIHTCs. I will refer to the entity that serves as general partner/managing member as the "Manager Entity" and the entity that serves as the limited partner/purchaser of the LIHTCs as the "Investor Entity."

## WHY IS YEAR 15 SO IMPORTANT?

The details of the LIHTCs are described in Section 42 of the Tax Reform Act of 1986 (the TRA86), which initiated the LIHTC program. In each state, LIHTCs are administered by a housing credit agency (HCA) that awards LIHTCs to Projects based on a scoring system. The LIHTCs are then sold to an Investor Entity who purchases the tax credits to offset their federal income tax liability Project. The proceeds from the sale of the LIHTCs are then used to provide financing for the low-income housing Project. Most LIHTC investors are institutional investors, and the price paid for LIHTCs frequently fluctuates. The Investor Entity claims the LIHTCs over a period of 10 years, but the tax

that it purchased.

After the Compliance Period is over, the Investor Entity will have received the benefit of all of the LIHTCs, and there no longer will be any danger that it can lose any of the LIHTCs or other tax benefits. At this point, the Investor Entity usually will be ready to exit the Project. In addition, the Manager Entity usually will be glad to have the Investor Entity out of the transaction since the Investor Entity typically places some fairly burdensome reporting requirements on the Manager Entity.

The first step the Manager Entity should take as Year 15 approaches is to re-evaluate the entire Project. This should include an examination of the physical condition of the Project, possible future uses of the Project, and a market study to evaluate the continuing viability of the Project.

## THREE WAYS TO DISPOSE OF THE PROJECT

There are three basic ways to dispose of the Project, which are as follows:

*continued on page 10*

1. **The first is the exercise of a right of first refusal or other purchase option (Purchase Option) to purchase the Project.** For qualified nonprofit organizations and certain governmental entities (including most housing authorities) and their nonprofit designees, a special right of first refusal is usually available after the Compliance Period. The purchase price is typically the outstanding balance of any debt on the Project, plus any federal, state, and local taxes the Investor Entity is required to pay to exit the Project. The relatively low purchase price usually makes this a very attractive option for the Manager Entity or its designee. For a for-profit entity, the purchase price usually uses the appraised value of the Project as a factor in determining the price of the Purchase Option. The capital accounts of the parties need to be carefully monitored, as a Year 15 reconciliation may lead to unexpected results in determining the appropriate price for the Purchase Option.

2. **The second option is the purchase of the Investor Entity's interest in the Ownership Entity.** In this situation, the Investor Entity's interest in the Ownership Entity is purchased, not the Project itself. Since this results in the Manager Entity owning a 100 percent interest in the Ownership Entity, which in turn, owns a 100 percent interest in the Project, the net effect is the same as the Manager Entity's purchase of the Project itself. The transaction costs associated with this approach can be lower than exercising the Purchase Option, which makes this a factor to consider when deciding which option to use.

3. **The third option is an arm's length sale to a third party.** This would typically be used when the Manager Entity either does not want to or cannot (i) exercise the Purchase Option, or (ii) purchase the Investor Entity's interest in the Ownership Entity. This could occur for a variety of reasons, including the Manager Entity's inability to obtain funding to either exercise the Purchase Option or purchase the Investor Entity's interest, or the Manager

Entity's desire to terminate the involvement with the Project.

#### ADDITIONAL CONSIDERATIONS

A key consideration is the amount of exit taxes that may be due and payable by the Investor Entity when it exits the transaction, and may occur when either the Investor Entity's interest in the Ownership Entity is sold or the Project itself is sold. There are only exit taxes when the Investor Entity's capital account is negative, which occurs when cumulative tax losses exceed the investor's invested capital and are calculated by taking the negative amount in the Investor Entity's capital account divided by the Investor Entity's tax rate, which will usually include a gross-up factor. Exit taxes can be avoided by not allowing the Investor Entity's capital account to become negative. During the operation of the Project, there are a number of strategies that can be used to keep the Investor Entity's capital from becoming negative, such as capitalizing repairs instead of expensing them, and allocating expenses to the Manager Entity and income to the Investor Entity. If any exit taxes are due, possible sources of payment are new funds from a refinancing or the application of any cash reserves remaining in the Project.

Other issues to consider for Year 15 include determining if there are any expiring rent subsidies and the status of any restrictive covenants on the Project. In order to initially obtain the LIHTCs, many HCAs require that the Project be used for low-income housing for 30 years.

Also keep in mind that each Project is unique and may have other factors that need to be considered in determining the appropriate exit strategy and possible future uses of the Project. These factors include the restrictions placed on public housing units financed with HOPE VI or capital funds, as well as a number of unique issues that must be considered if bond financing is involved.

#### THE FUTURE OF THE PROJECT

As part of your analysis, you should contact your team of professionals and let them know that Year 15 is approaching. Your financial consultant can advise you on current market conditions and advise you on any loan or financing you may need in conjunction with any purchase of the Project or related interests, and can give you the necessary guidance if you choose to refinance using LIHTC again. Your accountant can advise you on the tax implications of the various exit strategies that may be used in Year 15. Involving your accountant cannot be overemphasized since the tax impact on you may be the single most important factor in determining which exit strategy to use. Last, but not least, get your attorney involved. They will need to review the Operating Document to see how the Year 15 issues are addressed and what other options you may have as part of Year 15. Your attorney can also provide advice on your post-Year 15 transaction structure, and draft and negotiate the necessary documentation.

#### CONCLUSION

Early planning is the key to successfully transitioning a low-income housing tax credit Project after Year 15. This planning should include involve re-evaluating all aspects of the Project, including but not limited to, market conditions for the units, physical condition of the property, and the general financial health of the Project. Finally, the tax implications of any restructuring should be carefully examined, as these may ultimately determine the final structure of the transaction. **NN**

*Stephen Switzer is a partner at Bingham Greenebaum Doll LLP. His practice focuses on tax credit financing, representing both nonprofits and housing authorities in low-income housing tax credit transactions.*

*From Bingham Greenebaum Doll LLP, by Stephen W. Switzer, © August 2015. Used with permission from Bingham Greenebaum Doll LLP, Lexington, Ky., 859-231-8500, [www.bgdllegal.com](http://www.bgdllegal.com). All rights reserved.*

# SAFETY NET WHAT'S YOURS?

Making sure your LIHTC and HUD properties are in compliance with local, state, and federal regulations is a delicate balancing act. One slip could cost you a lot. But with the right compliance solution, you don't have to worry about slip ups. Windsor Compliance is your safety net.



Our experts are an extension of your team and provide compliance services, including:

- Comprehensive Compliance Monitoring which includes Investor and State Reporting
- Capital Needs Assessments
- In-Depth ADA Accessibility Plans
- File Audits and On-Site Inspections

**Attend our live webinar every  
Wednesday at 3:00PM Central.**  
Learn how to put your safety net  
in place with Windsor Compliance.

**Register at:**  
[www.realpage.com/compliance-webinar](http://www.realpage.com/compliance-webinar)



# HAVING DIFFICULTY SPEAKING HUD?



Certified Public Accountants and Advisors Since 1947

- SERVE AS AN ADVISORY TRUSTEE TO CARH
- PRACTICE LEADERS ELECTED BY HUD TO TEACH THEIR INTERNAL MANAGEMENT
- EXPERIENCE IN AFFORDABLE HOUSING SINCE INDUSTRY CONCEPTION
- COMMITTED TO DELIVERING EXCEPTIONAL CLIENT SERVICE FOR OVER 65 YEARS

## WE CAN HELP.



Greensboro, NC | Raleigh, NC | Winston-Salem, NC | [www.brccpa.com](http://www.brccpa.com)



WE HAVE THE  
**SOLUTIONS**  
YOU NEED

### **BECAUSE EVERY JOB COUNTS**

For more than 40 years, we've helped multifamily professionals prevent and respond to difficult issues. Depend on us for the maintenance and repair products, services, and fast, reliable delivery that will help you keep your residents satisfied and stay ahead of the next repair.

*Trust HD Supply to deliver what you need, when you need it.*

**HDSUPPLY**  
FACILITIES MAINTENANCE  
MULTIFAMILY SOLUTIONS

Visit [hdsupplysolutions.com](http://hdsupplysolutions.com) for more information.



# Industry Groups Question RD Short Funding Rationale

Several groups, including NAHMA, have joined together to express their concern over the short funding of the U.S. Department of Agriculture's Rural Development (RD) Rental Assistance contracts, sending letters to Congress and the administrator of the Rural Housing Service.

Language included in the Fiscal Year 2015 Appropriations Act—and thus far repeated in FY 2016 funding bills—prohibits RD from re-renewing Rental Assistance (RA) agreements more than once in a year. As a result, based on RD's estimates, approximately 50 properties will be impacted before the end of this fiscal year. However, if this re-renewal language remains in the appropriations bills, there will be in the neighborhood of 800 properties just in the first quarter of FY 2016 that will be impacted by the re-renewal provision.

In a letter sent to property owners with expiring agreements, RD senior staff said their "RA Agreement was last renewed after the effective date of the 2015 budget and therefore, is not eligible for second renewal until 12 months after the date of the last renewal. However, your RA Agreement is expected to exhaust funding prior to that time."

The letter offered possible options the owners can use to assist in managing the property such as a deferral of the RD mortgage payment, suspension of deposits to the replacement reserve account, and use of the replacement reserve account funds for operating expenses.

In the industry letter, the trade groups said they do not believe the RA shortages faced by the developments are caused by the prohibition on renewals during the contract term, but rather RD's failure to adequately fund RA contracts during the fiscal year.

According to the industry letter, the FY 2015 appropriations not only restrict the re-renewal of RA agreements, it also obligates the agency to fund RA contracts for one full

year. Therefore, the letter continued, "any shortfalls are due to the agency's reliance on a faulty method of calculating the amount of RA needed by developments and constitutes a failure to adhere to its statutory obligation to fund contracts for one year."

The industry letter, sent in August, also questioned RD's estimate of impacted properties. "We understand that RD estimates that about 50 properties will be adversely impacted during the next 90 days and estimates range from another 20,000 to another 125,000 units will be shorted rental assistance in FY 2016. The lack of transparency from RD makes the exact extent of this problem difficult to pinpoint, but what is clear is that it is a major problem."

The options to help cover the shortfall suggested in the RD letter to owners will compromise the financial stability of the properties and could cause resident displacement, borrower defaults and foreclosures, said the trade groups.

The industry letter stated, "We suggest that RD correct the crisis that it has created by admitting that its methodology for calculating project RA needs was arbitrary and that it correct the problem by amending or modifying contracts to reflect the actual needs of each development."

The letters sent to both houses of Congress by the industry groups, called on "Congress to immediately inquire into RD's statutory violations, jeopardizing the homes and businesses of thousands of Americans. It is vital that Congress add corrective language to any Continuing Resolution for FY 2015 as well as remove the re-renewal language from S.1800, the Fiscal Year 2016 Agriculture, Rural Development, Food and Drug Administration and Related Agencies Appropriations bill. Therefore, we urge Congress to hold RD to its obligations and fund the remaining months of the affected FY 2015 contracts and ensure that contracts in FY 2016 are funded for the entire year." **NN**

## Senate Requests GAO Study Maturing Mortgage Problem

### THE SENATE APPROPRIATION

Committee's Subcommittee on Agriculture, Rural Development, Food and Drug Administration and Related Agencies requested the U.S. Government Accountability Office (GAO) research a number of questions concerning the U.S. Department of Agriculture's (USDA) sections 515 and 514 properties, especially as they pertain to maturing mortgages and their impact on keeping rents affordable when they mature.

The requesting letter said, "Although the U.S. Department of Agriculture (USDA) has tools for extending rental assistance in order to keep the properties low-income, developers have shown frustration with USDA's preservation process and may opt to leave the program if economically feasible. At the same time, USDA face ongoing challenges in effectively administering its rental assistance program, even for owners of properties whose mortgages are not maturing."

Among the 14 questions the subcommittee wants answered are:

- What is the total number of Section 515 and 514 mortgages that will be maturing over the next 10 years disaggregated by month and year of maturity and by county and state?
- How and when can the USDA make project level information available to the general public?
- What percentage of developments/units are in need of substantial rehabilitation such that USDA would not be willing to extend their mortgages or only extend them for a short period?
- What are the potential impacts on tenants living in projects where mortgage maturities occur?
- How can USDA more effectively manage its rental assistance program?

## Appropriations Update

ON SEPT. 30, CONGRESS PASSED a continuing resolution (CR) to keep the government funded through Dec. 11, avoiding a government shutdown. The bill passed in the House of Representatives by a vote of 277-151, and was approved by the Senate 78-20. A CR continues the funding for federal programs from the previous fiscal year, typically for a limited amount of time so that lawmakers may draft alternative appropriations bills.

NAHMA anticipated a temporary CR would be passed for this short period to prevent the shutdown and provide Congress enough time to work on a long-term budget solution. Over the next 10 weeks, legislators will be working on a comprehensive budget agreement with the hope of passing new appropriations legislation for fiscal year 2016 similar to the Bipartisan Budget Act of 2013, a two-year budget agreement introduced by Sen. Patty Murray (D-WA) and Rep. Paul Ryan (R-WI) that set aside Budget Control Act spending caps for FY 2014 and 2015. Under the Budget Control Act, passed in 2011, Congress must adhere to strict spending caps for FY 2016 (through 2023) in order to avoid automatic, across-the-board funding cuts known as sequestration. The strict caps, however, prevented Congress from passing FY 2016 appropriations bills that would adequately fund all federal programs to their current need.

With this CR, Congress avoids the possibility of another devastating and costly government shutdown. More importantly, President Barack Obama and the congressional leadership of both parties have recently indicated their willingness to negotiate a broad budget agreement for discretionary programs. NAHMA will continue to advocate for a budget deal which eliminates the threat of sequestration and lifts the current budget caps in order to fully fund affordable housing programs. NN

# Government Accountability Office Recommends Joint Oversight of LIHTC Program

A July report issued by the U.S. Government Accountability Office (GAO) recommended joint IRS-Department of Housing and Urban Development (HUD) oversight of the Low-Income Housing Tax Credit (LIHTC) program.

The GAO found that IRS oversight of the program has been minimal, pointing out the agency has conducted only seven audits, since 1986, of the 56 state housing finance agencies (HFAs) that administer and oversee the LIHTC program. The GAO concluded the IRS views the LIHTC program as “a peripheral program” in terms of its mission and priorities for resources and staffing. “Without such reviews, IRS cannot determine the extent of non-compliance and other issues at HFAs,” said the report.

It also criticizes IRS for not regularly reviewing state Qualified Allocation Plans, not setting goals or assessing the program’s performance, and for having inadequate and unreliable program data.

The report pointed out that the IRS already jointly administers some programs with other agencies, and that it could benefit from HUD’s expertise administering affordable housing programs and with working with state and local housing agencies. The GAO concluded HUD would require additional staff and other resources, should it gain shared oversight.

“Joint administration with HUD could better align program responsibilities with each agency’s mission and more efficiently address existing oversight challenges. Under joint administration, IRS could retain responsibilities consistent with its mission (as it does in the other two tax

credit programs),” said the report.

The LIHTC program, established under the Tax Reform Act of 1986, is the largest source of federal assistance for developing affordable rental housing and cost an estimated \$8 billion in forgone revenue in 2014, according to the report. LIHTC encourages private equity investment in low-income housing through tax credits. HFAs receive an annual allocation of tax credits and competitively award the credits to owners of qualified projects.

According to the report, the GAO was asked to review the administration and oversight of the program. The GAO reviewed regulations and guidance for monitoring HFAs and taxpayers; analyzed information on IRS audits of HFAs; reviewed selected programs that award tax credits similarly to LIHTC; and interviewed IRS, HUD and HFA officials.

The report recommended Congress should consider designating HUD as a joint administrator of the program. HUD’s role should include oversight responsibilities, such as regular monitoring of HFAs, to help address deficiencies GAO identified. Treasury agreed HUD could be responsible for analyzing the effectiveness of LIHTC, with IRS continuing to enforce tax law. According to the report, HUD and IRS did not comment on the matter for congressional consideration. It said HUD supported consideration of a structure for enhanced interagency coordination, but the association representing HFAs disagreed with the matter. The GAO’s report maintains that joint administration would strengthen program oversight. NN

AVAILABLE NOW!



**MRI**  
AFFORDABLE  
HOUSING  
BOSTONPOST

MRI Bostonpost's newest functionality allows users to access more data and gives them the ability to modify the 300+ standard reports that come with Bostonpost Property Manager.

# CONFIGURABLE REPORTING

[MRISOFTWARE.COM/BOSTONPOST](http://MRISOFTWARE.COM/BOSTONPOST)

**MRI**  
software

## Simple & Affordable Compliance

FHA *Software* has been successfully automating the affordable housing industry since 1985 with over 5,500 RD/HUD/LIHTC projects currently relying on FHA *Software* for their monthly forms compliance, nationwide. FHA *Software* has been 100% Windows-based since 2000 and continues to be supported by the very same people that created it over 30 years ago. Experience, simplicity, affordability and prompt, courteous support are strong reasons why smart managers use and recommend FHA *Software*.

Take back the ownership of your project database, reduce your compliance software costs with no contracts and simplify your automation efforts with FHA *Software*.

Request your **FREE 30-Day Trial Package** Today

*Simply Computer Software, Inc.*

Toll-free 1-800-626-2431 Sales ext.#3

Email: [Sales@SimplyComputer.net](mailto:Sales@SimplyComputer.net)

\* Fee Based Submission Service is also available

- Built-in Accounting / Work Orders
- Built-in Unit Inventory / Custom Reports
- Prompt & Unlimited Toll-Free Support
- Reasonable Support & Update Fees
- Built-in Competitor Data Conversion
- Automated Internet-based Updates
- Site or Web-based Installation Options
- Runs in Windows XP/2000/VISTA/7/8/10

**FHA *Software***  
*Affordable Housing Automation*

On the Web: <http://SimplyComputer.net>



# Multifamily Affordable Housing Insurance Program (MAHIP)



## Why Wells Fargo Insurance?

- **National resources.** We offer broad risk management and claims experience and knowledge
- **Depth of industry understanding**
- **Market clout**
- **Commitment to community support:** In 2011, nearly 100,000 team members donated almost \$64 million, and one in five team members volunteered time. Wells Fargo granted \$33 million to non-profits supporting home ownership and \$3.6 billion in community loans and investments supporting affordable housing and community services.

## Wells Fargo Insurance Services USA, Inc.

601 Union Street, Suite 1300 | Seattle, WA 98101  
206-892-9200 | fax: 206-892-9201

**J. Megan Davidson, Program Director**  
MAHIP@wellsfargo.com

[wfis.wellsfargo.com/mahip](http://wfis.wellsfargo.com/mahip)

## To whom do we provide access to insurance solutions?

Affordable housing providers, including:

- For-profits and non-profits
- Assisted-living facilities
- Property developers
- Social-service agencies
- Management companies
- Public-housing authorities
- Senior housing
- Market-rate apartments
- Commercial occupancies

Wells Fargo Insurance is the insurance broker for over a million housing units. We would love the opportunity to demonstrate how our knowledge of your industry will provide you the protection to sleep well at night.

Together we'll go far



Products and services are offered through Wells Fargo Insurance Services USA, Inc., and Wells Fargo Insurance Services of West Virginia, Inc., non-bank insurance agency affiliates of Wells Fargo & Company.

Products and services are underwritten by unaffiliated insurance companies except crop and flood insurance, which may be underwritten by an affiliate, Rural Community Insurance Company. Some services require additional fees and may be offered directly through third-party providers. Banking and insurance decisions are made independently and do not influence each other.

© 2012 Wells Fargo Insurance Services USA, Inc. All rights reserved.



2015 CALENDAR CONTEST WINNERS

# Bring Community Spirit TO LIFE

THIS YEAR'S VOLUNTEER JUDGES HAD A TOUGH TASK AS they set out to narrow the entries in NAHMA's annual poster contest to the top 14 for the 2016 NAHMA Drug-Free Kids Calendar. They also named eight entries as Honorable Mentions.

The calendars are a great way to celebrate the residents that make multifamily affordable housing communities great. To order a 2016 NAHMA Drug-Free Kids Calendar, visit the NAHMA Online Store at [www.nahma.org](http://www.nahma.org). Don't wait, the 2015 edition sold out. The cost is \$5.50 per calendar, which is a Department of Housing and Urban Development and U.S. Department of Agriculture allowable project expense.

The calendars feature outstanding original artwork by children, seniors and adults with special needs living in a community of a NAHMA or a local Affordable Housing Management Association (AHMA) member company. This year's contest celebrated community spirit with its theme and sub-theme, **Our Hands Are United: Reach Out and Be a Good Neighbor.**

## 2015 CALENDAR CONTEST WINNERS

Stephanie Vázquez Collazo, a 12th-grader from Manatí, Puerto Rico, is the grand prizewinner in the 29th annual poster and art contest. Her artwork appears on the cover of NAHMA's 2016 calendar. Stephanie, 18, also received an all-expenses-paid trip to Washington, D.C., for NAHMA's Regulatory Issues fall meeting in October, as well as a scholarship of \$2,500 from the NAHMA Educational Foundation.

Nearly 5,000 eligible children, elderly/disabled and residents with special needs participated in the nationwide contest. Each child winner of the NAHMA contest received a \$1,000 educational scholarship from the foundation. A \$1,000 cash award was made in the name of the adult winners to their community for use in purchasing or funding a project from which all of the community's residents will benefit. All winners are also featured in the 2016 calendar.

Additionally, participants in the annual art contests held by the local AHMAs were eligible to be selected as Regional AHMA Art Contest Honorable Mentions. Those selected for this distinction are featured in a special section of the NAHMA 2016 Drug-Free Kids Calendar and received a \$100 check.

The original winning artwork is auctioned at the NAHMA fall meeting, Oct. 25-27, with the proceeds supporting the Educational Foundation's scholarship program. Through this program, the foundation awards scholarships and encourages children, teens and adults to set goals, emulate good role models, and live a drug-free lifestyle.

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

### NATIONAL WINNERS

#### KENNY CAMACHO

SPECIAL NEEDS  
WINTERINGHAM VILLAGE, TOMS RIVER, NJ  
INTERSTATE REALTY MANAGEMENT COMPANY  
JAHMA

Kenny says he was inspired by his own neighbors when deciding what to draw for the contest. He likes art, comics and video games. In fact, he hopes to become a comic book artist.

#### TYSHAUN DARGBEH

SEVENTH GRADE  
ROCHELLE MANOR APARTMENTS, DURHAM, NC  
WESTMINSTER COMPANY  
SAHMA

Tyshaun wants to be a Marine, like his dad, or a professional football player. He likes playing sports especially football, track and field, and lacrosse, as well as drawing comics. His mom's lessons about helping to make the world a better place anyway you can and the things a person can do to stay drug free inspired his artwork.

#### JENNIFER LAUZON

NINTH GRADE  
BAY VILLAGE APARTMENTS, FALL RIVER, MA  
FIRST REALTY MANAGEMENT  
NEAHMA

Jennifer plans on being a cosmetologist, artist or graphic designer when she grows up. In the meantime, she likes shopping, going outside and drawing. She says that people should not do drugs, "It will ruin the rest of your life."

#### JESSICA LAUZON

SIXTH GRADE  
BAY VILLAGE APARTMENTS, FALL RIVER, MA  
FIRST REALTY MANAGEMENT  
NEAHMA

Jessica plans to be a nurse one day. She enjoys drawing, playing outside and watching television. Her drawing represents everyone coming together as one.

#### HERMAN MA

SECOND GRADE  
KUKUI TOWER, HONOLULU, HI  
EAH HOUSING  
AHMA-NCH

The happiness Herman feels going to school was the motivation for his drawing. He has

### GRAND PRIZEWINNER

#### STEPHANIE J. VÁZQUEZ COLLAZO

12TH GRADE  
VILLAS DE MANATÍ, MANATÍ, PR  
MARTINAL MANAGEMENT CORP.  
SAHMA

Stephanie likes to draw, dance, go to the beach and watch movies. She would like to study psychology because she wants to help people. Stephanie says the contest theme motivated her to illustrate how a united neighborhood without drugs can create a better world.



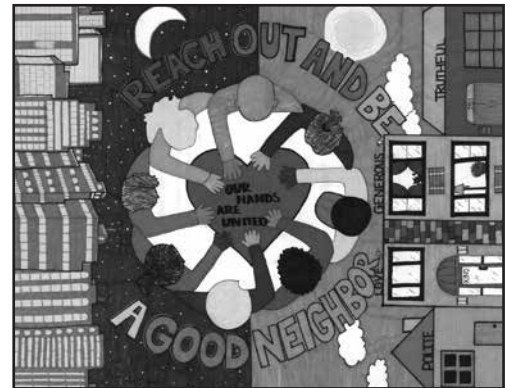




KENNY CAMACHO



TYSHAUN DARGBEH



JENNIFER LAUZON



JESSICA LAUZON



HERMAN MA



MADISON McELROY

plenty of school to look forward to as he pursues a career as a doctor. Outside of class, he likes playing soccer.

**MADISON McELROY**

FIFTH GRADE  
BAY VILLAGE APARTMENTS, FALL RIVER, MA  
FIRST REALTY MANAGEMENT  
NEAHMA

Madison's image represents a neighborhood coming together to do good things for the community. She aspires to be a veterinarian when she gets older. Until then, she likes playing with her Xbox, drawing and spending time with her family and friends.

**WINNIE MEI**

NINTH GRADE  
CHARLESVIEW RESIDENCES, BRIGHTON, MA  
PEABODY PROPERTIES INC.  
NEAHMA

Winnie hopes to be a fashion designer or have another career in the arts. All her neighbors of varying backgrounds working together inspired her artwork. She enjoys drawing, watching television and playing on the computer.

**MICHAEL MIREKU**

THIRD GRADE  
STRATTON HILL PARK APARTMENTS  
WORCESTER, MA  
CORCORAN MANAGEMENT COMPANY  
NEAHMA

Michael says people need to stay away from drugs because, "If they put too many into



WINNIE MEI



## 2015 CALENDAR CONTEST WINNERS

their body, they may die or get arrested.” He likes to play basketball and soccer. If fact, he wants to be a soccer player and doctor when he grows up.

### AIMEE PUGH

SIXTH GRADE

BULL CREEK APARTMENTS, COLUMBUS, GA

WINNRESIDENTIAL

SAHMA

Aimee says the people where she lives are like the people on her poster, “We look out for each other.” She enjoys swimming, riding her bike, drawing, singing and she loves to dance. When she gets older, she wants to be a singer.

### BIANCA X. SALCIDO

12TH GRADE

STRATHERN PARK, SUN VALLEY, CA

THOMAS SAFRAN & ASSOCIATES

AHMA-PSW

Bianca says an Alfred Hitchcock film was the motivation behind her drawing. When she grows up, she wants to help and cure animals as a veterinarian technician. She says drugs are completely unnecessary and often lead to self-destruction.

### VIVIANNA SALCIDO

11TH GRADE

STRATHERN PARK, SUN VALLEY, CA

THOMAS SAFRAN & ASSOCIATES

AHMA-PSW

Vivianna’s hobbies are drawing, playing

tennis, hanging out with friends and being with her cats. She would like to be a graphic designer or something related to the design world. The intent of her artwork was to capture everyday locals helping out their building and coming together as a united community.

### BETTE SHAPIRO

SENIOR

OCEAN PARK VILLAS, SANTA MONICA, CA

G & K MANAGEMENT CO., INC.

AHMA-PSW

The people in her neighborhood inspired Bette’s drawing. Her hobbies include art, reading and taking care of newborn babies. She says not to start taking drugs, “You’ll miss out on your life.”

### ANIYAH TAYLOR

THIRD GRADE

WINTERINGHAM VILLAGE, TOMS RIVER, NJ

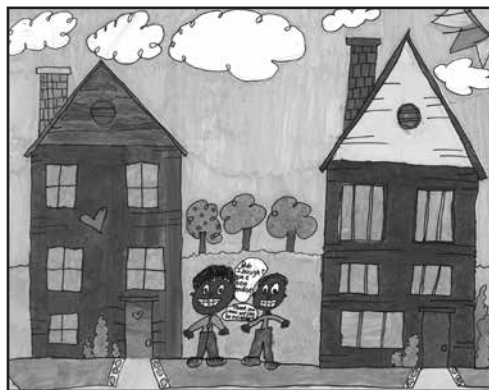
INTERSTATE REALTY MANAGEMENT COMPANY

JAHMA

Aniyah likes art, gymnastics and playing sports with her friends. She hopes to be a veterinarian one day. When she was looking for ideas for her drawing, she thought of an earth and hands.



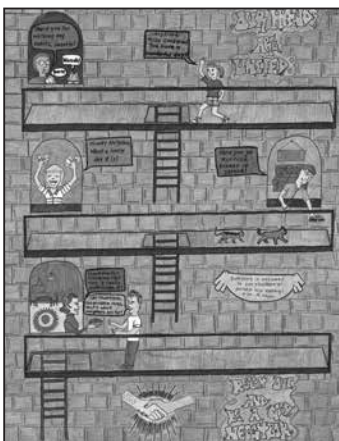
ANIYAH TAYLOR



MICHAEL MIREKU



AIMEE PUGH



VIVIANNA SALCIDO



BIANCA X. SALCIDO



BETTE SHAPIRO





**HONORABLE MENTIONS**

**LOUISE ATWELL & DOLORES JANCAJ**

SENIOR  
CANNON HOUSE HIGHRISE FOR THE ELDERLY,  
CANONSBURG, PA  
REDEVELOPMENT AUTHORITY OF THE  
COUNTY OF WASHINGTON  
PAHMA

**MARTE CRAIG**

11TH GRADE  
SOUTHPARK APARTMENTS, COLUMBUS, OH  
AMERICAN APARTMENT MANAGEMENT  
COMPANY  
MAHMA

**TYRAH GARY**

FOURTH GRADE  
BECKETT GARDENS APARTMENTS,  
PHILADELPHIA, PA  
COMMUNITY REALTY MANAGEMENT  
PENNDL AHMA

**ANNA PARRISH HUNT**

SENIOR  
HERITAGE PLACE APARTMENTS  
MCMINNVILLE, OR  
HOUSING AUTHORITY OF YAMHILL COUNTY  
OREGON AHMA

**JAZMIN MORENO**

12TH GRADE  
FAWN RIDGE APARTMENTS, THE WOODLANDS,  
TX  
BSR TRUST  
AHMA EAST TEXAS

**JOHN NICHOLS**

SENIOR  
STONECROFT APARTMENTS, HAGERSTOWN,  
MD  
INTERSTATE REALTY MANAGEMENT COMPANY  
MID-ATLANTIC AHMA

**ELLIOT SEYMOUR**

NINTH GRADE  
COUNCIL GROVES APARTMENTS, MISSOULA,  
MT  
TAMARACK PROPERTY MANAGEMENT CO.  
ROCKY AHMA

**ANGEL VALDILLEZ**

11TH GRADE  
WEST END BAPTIST MANOR APARTMENTS, SAN  
ANTONIO, TX  
MCDUGAL PROPERTY MANAGEMENT  
SWAHMA



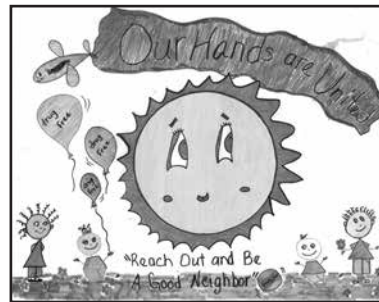
MARTE CRAIG



JOHN NICHOLS



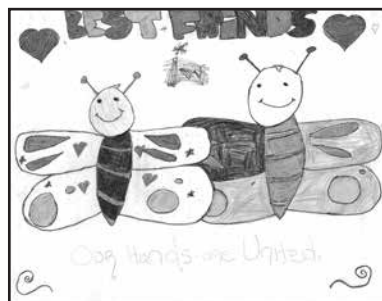
LOUISE ATWELL & DOLORES JANCAJ



ANGEL VALDILLEZ



ANNA PARRISH HUNT



TYRAH GARY



JAZMIN MORENO



ELLIOT SEYMOUR

8609 3115 990 BASIS HAP LIHTC HUD 2/15



We speak your language.



Dauby O'Connor & Zaleski, LLC  
A Limited Liability Company  
Certified Public Accountants

[www.doz.net](http://www.doz.net) | 866.848.5700

 @dozcpa  /company/doz



Less work.  
More order.

Lessen your workload with **HOUSINGMANAGER.COM™**



Take some of the "work" out of work orders with HousingManager.com's iPad app, available in the App Store. Work orders sync on-demand from anywhere, no wifi required.

No more back-and-forth trips to the office. No more lost paperwork. Just easy, efficient solutions that save you and your technicians' time. All it takes is an iPad and a data plan.

**LEARN MORE at [HousingManager.com](http://HousingManager.com).**



**HOUSINGMANAGER.COM™**

# HUD Issues Final Rule on SBRS Initiative

**T**he Federal Housing Administration (FHA) published a notice in July providing guidance on the new Small Buildings Risk Sharing (SBRS) Initiative. SBRS invites new private sector high-capacity lenders to partner with FHA to provide long-term fixed-rate lending products to multifamily property owners with mortgages of \$3 million and up to \$5 million in high-cost areas. According to the press release, SBRS builds on the successful record of affordable housing lending under the Department of Housing and Urban Development's (HUD) existing Risk Sharing programs with state and local housing finance agencies as well as Fannie Mae and Freddie Mac.

"Communities across the nation are seeking ways to support affordable housing production and preservation," said Ed Golding, principal deputy assistant secretary for HUD's Office of Housing. "The risk share initiative allows us to target our products to an important and underserved part of the rental market by partnering with CDFIs [Community Development Finance Institutions] and other lenders who have on the ground relationships with small building owners in their communities. By offering FHA mortgage insurance and facilitating access to long-term fixed rate capital we can help preserve affordable housing for property owners and tenants."

According to the release, small buildings comprise 34 percent of the total 17.5 million multifamily rental units in the U.S., housing nearly 6 million households and, on average, offer lower rents than larger properties. Nearly 60 percent of small rental property owners are individuals, households and estates who face significant constraints accessing

financing due to more stringent credit standards than larger property owners and the loss of many local banks after the 2008 recession. SBRS is designed to encourage lenders to enter this market and provide long-term, fixed rate capital to small building owners.

Under the Initiative, qualified applicants will rely on a 50 percent risk sharing arrangement with HUD to underwrite, originate, and service loans that (1) are secured with properties of five or more rental dwelling units, and (2) do not exceed the amount of \$3,000,000, or, in the case of projects located in "High Cost Areas" annually designated by HUD, the amount of \$5,000,000.

Also stated in this notice is HUD's intentions to pursue statutory changes

to Section 542(b) of the Housing and Community Development Act of 1992 that would, through loans originated by lenders that have demonstrated experience in affordable housing lending, remove affordability restrictions currently required under Section 542(b). The change is intended to reduce the burden on owners who access this capital in order to provide affordable housing in their communities. The language would also authorize Ginnie Mae to securitize loans on small buildings made under Section 542(b), which could significantly enhance the impact and utility of the initiative.

To read the final notice in its entirety, visit the NAHMA HUD Issues webpage under Agencies at [www.nahma.org](http://www.nahma.org). **NN**

## AdCar Associates

### Uniquely qualified to help

- ✓ Rent increases - budget, OCAF and AAF...
- ✓ Section 8 renewal advice and assistance...
- ✓ REAC pre-inspections and appeals...
- ✓ Preparation for MORs...
- ✓ TSPs, AFHMPs and related requirements...
- ✓ "Troubled" projects, CDEs and Enforcement...
- ✓ ... and so much more

Tired of plugging away, of devoting valuable staff time to ever-changing increasingly complex programs? There is an alternative: An experienced independent third party who can supplement your staff – *and* work with HUD on your behalf – may be just what you need.

**(718) 631-5654**

**fax (718) 631-5914**

**on the web: [www.adcar.com](http://www.adcar.com)  
affiliated, of course, with NAHMA**



# GAO Seeks Feedback from NAHMA Members on Supportive Services

**R**epresentatives from the U.S. Government Accountability Office (GAO) visited NAHMA in August to gather information on the Department of Housing and Urban Development's (HUD) service coordinator and Section 202 programs. In anticipation of the visit, NAHMA distributed a GAO survey to its Senior Housing Committee and Service Coordinators Task Force for members' feedback.

The survey included 12 questions broken down into five categories: funding; provision of supportive services; reporting, monitoring and evaluation; sustainability and "looking forward." The GAO has not given an indication when its report may be completed, which can take up to a year.

According to its website, the GAO provides Congress, the heads of executive agencies and the public with timely, fact-based, nonpartisan information that can be used to improve government and save taxpayers billions of dollars. The GAO has been reporting on government spending for more than 90 years, with both performance and financial audits.

The GAO's work is done almost entirely at the request of Congress or is statutorily required by public laws or committee reports. It also undertakes research under the authority of the Comptroller General. Most GAO reports and testimonies are publicly available on its website, [www.gao.gov](http://www.gao.gov), unless the reports contain classified information.

"We offer the perspective of managers and owners. They're the ones who work with the coordinators," Scott McMillen, manager of government affairs for NAHMA, said. "Our members are happy to participate."

Members expressed concern over the current funding levels for service coordinators and whether or not funding would continue to be available at all. One respondent said the funding level provided by HUD does not always support a full-time person. Another said there are properties without service coordinators because

when there might be a change in the program or services eliminated.

Members suggested the effectiveness of service coordinators or programs that facilitate aging in place be assessed through data collection and outcomes. As one respondent said, "HUD is currently focused on outputs rather than outcomes when looking at service coordinator effectiveness."

Respondents expressed concern about the ability to continue the program when asked their views on HUD's efforts to ensure the Section 202 program remains sustainable. A

**The GAO provides Congress, the heads of executive agencies and the public with timely, fact-based, nonpartisan information that can be used to improve government and save taxpayers billions of dollars.**

there is not enough money available. Members also said if a service coordinator is not available for a property, the responsibility usually falls to the manager or a third-party program. Overwhelmingly, respondents said lack of funding is the reason a property would not have a service coordinator.

When asked to describe their observations of HUD's efforts to monitor or evaluate the effectiveness of the service coordinators in the Section 202 housing, one respondent noted that the program is monitored minimally and that decisions that affect the operation and functionality of the program are often made without consulting the owners, property managers or members. Often, those decisions result in a reduction of funding. The NAHMA member suggested holding informational sessions

lack of adequate funding was the biggest concern.

Survey respondents called for HUD to recommend and advocate for adequate funding levels for service coordinators in subsidized and public housing, which would ultimately "save taxpayer dollars by keeping low-income frail older adults with chronic medical conditions in less costly independent housing as opposed to institutionalized care."

Another suggestion submitted was to involve state-level policy makers, hospitals and managed care providers in advocacy discussions. The member said, "In order to effectively advocate, we need to have a deeper understanding of the residents that live in our buildings, their needs and the impact of housing with services." **NN**

## COQ Awards Applications Due in November

THE SUBMISSION DEADLINE FOR ENTRIES TO NAHMA'S 2015 COMMUNITIES OF QUALITY (COQ) AWARDS PROGRAM IS NOV. 6. The COQ Awards recognize outstanding property management companies providing the highest quality of safe, affordable multifamily rental housing in communities across the country.

To enter the 2015 COQ Awards competition, a property must first apply for and achieve National Recognition as a NAHMA Community of Quality with a minimum score of 325 points on its National Recognition Application. The deadline for submitting an application to a local AHMA for consideration in the national program has already passed for this year, but it is never too late to begin working on your application for next year's cycle. Applications for the National Recognition Program are accepted year-round, but the submission deadline to be considered in the current year awards program is early September. Applications received after this date can enter the following year's award competition.

If you are already a Nationally Recognized property, you have done the hard part. Now is the time to work on your application for the awards competition. The application brochure can be downloaded from the COQ webpage at [www.nahma.org](http://www.nahma.org).

The AHMAs will be honoring their local NAHMA Communities of Quality program participants. Please check with your local AHMA for its program details. A directory of the AHMAs is available on the NAHMA website, at <http://www.nahma.org/membership/ahma-directory>.

NAHMA is 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 multihousing industry, and Navigate Affordable Housing Partners, a leading provider of consulting and development services to public housing authorities and the HUD Section 8 Project-based contract administrator (PBCA) for Alabama, Mississippi, Virginia and Connecticut.

"NAHMA believes it is essential that outstanding affordable properties—and the individuals who establish them—be publicly recognized for providing quality housing that offers a safe, healthy environment," Ken Pagano, CPM, SHCM, NAHP-e, president of NAHMA, said. "All of our properties are more than bricks and mortar. They are communities supplying essential programs and services for their residents. These awards bring valuable well-deserved attention to the important work we are all doing."

Detailed application information and submission materials for the NAHMA COQ National Recognition and Awards programs are available on the NAHMA website at <http://www.nahma.org/awards-contests/communities-of-quality>.

The awards competition includes 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

COQ Awards entry materials should be submitted directly to NAHMA by Nov. 6, c/o NAHMA COQ Awards Entry, 400 N. Columbus St., Suite 203, Alexandria, VA 22314.

Award winners will be notified in early January 2016 and will receive their awards in a special ceremony at the 2016 NAHMA Federal Affairs Issues winter meeting, March 6-8, in Washington, D.C.

An overview of the COQ National Recognition program, including a quick how-to apply video and overview flowchart is available at <http://www.nahma.org/awards-contests/communities-of-quality/national-recognition-program>. To download a copy of the COQ Awards brochure, visit [http://www.nahma.org/wp-content/uploads/2014/04/2015\\_COQ\\_Awards\\_Brochure.pdf](http://www.nahma.org/wp-content/uploads/2014/04/2015_COQ_Awards_Brochure.pdf).

For more information, contact Paulette Washington at 703-683-8630, ext. 110 or [pwashington@nahma.org](mailto:pwashington@nahma.org). NN

## NAHMA Supports Bills Protecting LIHTC

NAHMA has submitted letters to members of Congress in support of a Senate bill protecting the Low-Income Housing Tax Credit (LIHTC) program and a companion bill in the House of Representatives.

Sens. Maria Cantwell (D-WA) and Pat Roberts (R-KS) introduced Senate bill 1193, and Reps. Pat Tiberi (R-OH) and Richard Neal (D-MA) sponsored House Resolution 1142. Both pieces of legislation would permanently establish a fixed 9 percent (for new rental construction property) and 4 percent (for existing property) LIHTC rates.

The letters said eliminating the floating rate would provide more stability and assurance in the LIHTC program. It would allow new construction developers awarded with the credit to better plan for their construction projects knowing that financing options are more predictable.

According to the letters, currently many developers in the affordable housing industry are worried that credit rates will continue to fluctuate in upcoming years and that financing for new construction or extensive rehabilitation may become challenging. These concerns threaten the private-public partnership that has blossomed from the LIHTC program.

NAHMA believes that the legislation would remove these uncertainties from the market and provide an incentive for more developers to construct affordable housing properties.

In the LIHTC's 26-year history, nearly \$100 billion in private equity capital has been leveraged to finance more than 2.6 million affordable homes. NN

# Personification of a NAHMA Scholar

**A**s part of the NAHMA summer forum in Las Vegas in June, the NAHMA Educational Foundation was pleased to invite Margaret Brown, a 2014 NAHMA scholarship recipient, to attend. The intent was to have Margaret mingle with members, sponsors and donors while sharing her story, gratitude and thoughts about the NAHMA Scholarship Program. It was a great idea and very well received as Margaret served as an excellent ambassador for the program. She was eager to share her experience, made friends easily

and inspired many with her story of academic achievement hallmarked by motivation, determination and commitment. Margaret, in her mid-30s, is a single mother of two young children. She is a native of Camden, N.J., and still lives there with her family. She earned an associate degree at Camden County College and went on to receive her bachelor's degree in social work at Rutgers University-Camden. In May of 2015, she earned her master's degree in social work from Rutgers-Camden while receiving NAHMA scholarship funding.

She is employed by the Center for Family Services in her hometown.

Camden has a reputation, based on national surveys and statistical information, as being an undesirable place to live. Factors contributing to the city's reputation include blighted neighborhoods, a high crime rate, past government and police corruption scandals, a



**Melissa Fish-Crane and Margaret Brown**

## NAHMA Educational Foundation Names 85 Scholars

The NAHMA Educational Foundation has selected 85 student/residents to receive scholarships this year. Each individual scholarship is worth \$2,500 and the total amount of money awarded is \$212,500. Additionally, \$2,000 will be donated to the Real Estate Management Department at Virginia Tech. The 2015/2016 scholars, including their community, management company and school are listed according to their AHMA.

### AHMA-NCH

Vivian Lee  
Kukui Tower, Honolulu, Hawaii  
EAH Housing  
University of Hawaii, Manoa, Honolulu, Hawaii

Anna Wen  
Kukui Tower, Honolulu, Hawaii  
EAH Housing  
University of Hawaii, Manoa, Honolulu, Hawaii

### AHMA-PSW

Alma Ayala  
Azusa Apartments, Azusa, Calif.  
SK Management Company LLC  
University of La Verne, La Verne, Calif.

Ruby Castillo  
Las Lomas Gardens, La Habra, Calif.  
G & K Management Company  
St. Norbert College, De Pere, Wis.

Ellada Davtyan  
LaBrea Franklin Apartments, Los Angeles, Calif.  
Thomas Safran & Associates  
California State University-Northridge, Northridge, Calif.

Jolin Morcos  
Los Lomas Gardens, La Habra, Calif.  
G & K Management Company  
University of California, Riverside, Calif.

### AHMA OF WASHINGTON

Dai Nis Barragan-Gomez  
Pear Tree Place, Yakima, Wash.  
Next Step Housing  
Yakima Valley Community College, Yakima, Wash.

Abdirisak Mohamud  
New Holly, Seattle, Wash.  
Impact Property Management (Seattle Housing Authority)  
University of Washington, Bothell, Wash.

Jamal Nurdin  
Seattle Housing Authority Scattered Site, Seattle, Wash.  
Seattle Housing Authority  
University of Washington, Seattle, Wash.

Deeqa Roble  
New Holly, Seattle, Wash.  
Impact Property Management (Seattle Housing Authority)  
University of Washington, Seattle, Wash.

### JAHMA

Alana Chmeil  
Princeton Community Village, Princeton, N.J.  
Princeton Community Housing  
Rutgers University, New Brunswick, N.J.

Jacquelynn Chmeil  
Princeton Community Village, Princeton, N.J.  
Princeton Community Housing  
Rutgers University, New Brunswick, N.J.

Jonas Daniecki  
Princeton Community Village, Princeton, N.J.  
Princeton Community Housing  
Norwich University, Norwich, Conn.

Mary Eborg  
Princeton Community Village, Princeton, N.J.  
Princeton Community Housing  
Rutgers University, New Brunswick, N.J.

Cindy Guzman  
Princeton Community Village, Princeton, N.J.  
Princeton Community Housing  
Rutgers University, New Brunswick, N.J.

Vanessa Guzman  
Princeton Community Village, Princeton, N.J.  
Princeton Community Housing  
Farleigh-Dickinson University, Teaneck, N.J.

Phoebe Hanna  
Princeton Community Village, Princeton, N.J.  
Princeton Community Housing  
Seton Hall University, South Orange, N.J.

Alexander Huertas  
Woodbine Manor Apartments, Woodbine, N.J.  
Community Realty Management Inc.  
Neumont University, Salt Lake City, Utah

Rebecca Huertas  
Woodbine Manor Apartments, Woodbine, N.J.  
Community Realty Management Inc.  
Culinary Institute of America, Hyde Park, N.Y.

Roger Licairac  
Baylor Arms, Moorestown, N.J.  
MEND Inc.  
Rutgers University, New Brunswick, N.J.

Christian Nazario  
Princeton Community Village, Princeton, N.J.  
Princeton Community Housing  
Laboratory Institute of Merchandizing, New York, N.Y.

Omari Pettway  
Riverside Apartments, New Brunswick, N.J.  
The Community Builders Inc.  
Rutgers University, New Brunswick, N.J.

Celaine Sackey  
Princeton Community Village, Princeton, N.J.  
Princeton Community Housing  
Rutgers University, New Brunswick, N.J.

### MID-ATLANTIC AHMA

Herve Iradukunda  
Northampton, Alexandria, Va.  
Fairfax County Department of Housing  
Virginia Commonwealth University, Richmond, Va.

Derek Litvak  
Afton Garden Apartments, Roanoke, Va.  
WinnResidential  
Virginia Tech, Blacksburg, Va.

McAllister, Monique  
Highland Terrace Apartments, Washington, D.C.  
Vesta Management Corporation  
University of the District of Columbia, Washington, D.C.

Alisha Prince  
Ansell Garden Apartments, Portsmouth, Va.  
Community Housing Partners  
Old Dominion University, Norfolk, Va.  
Tristen Stone  
Dolly Ann, Covington, Va.  
Community Housing Partners  
Mary Baldwin College, Staunton, Va.

### NEAHMA

Sydney Anzellotti  
Fresh Water Pond, Enfield, Conn.  
SHP Management  
Southern Connecticut State University, New Haven, Conn.

Andres Brito  
Wiggin Village Apartments, Providence, R.I.  
WinnResidential  
University of Rhode Island, Kingston, R.I.

Mingqing Chen  
Mishawum Park, Charlestown, Mass.  
Peabody Properties Inc.  
Simmons College, Boston, Mass.

Iouliana Chifrina  
West End Place, Boston, Mass.  
Maloney Properties, Inc.  
Bunker Hill Community College, Boston, Mass.

Todd Davison  
Grenwoods, Brockton, Mass.  
First Realty Management Corp.  
St. John's University, Queens, N.Y.

Justin DeJoy  
Woodridge Homes, North Andover, Mass.  
Barkan Management Company Inc.  
University of Massachusetts, Lowell, Mass.

Pascal Delpe-Brice  
Stony Brook Commons, Boston, Mass.  
First Realty Management Corp.  
Wentworth Institute of Technology, Boston, Mass.

Jose Elyssee  
LaPrise Village, Medford, Mass.  
Medford Housing Authority  
Wentworth Institute of Technology, Boston, Mass.

Michael Fedorouk  
West End Place, Boston, Mass.  
Maloney Properties Inc.  
Rollins College, Winter Park, Fla.

Jacqueline Furtado-Cole  
Mount Pleasant Apartments, Somerville, Mass.  
Peabody Properties Inc.  
Lesley University, Cambridge, Mass.

Audrey Gagne  
Bixby Brockton, Brockton, Mass.  
Peabody Properties Inc.  
Massasoit Community College, Brockton, Mass.

Paul Ghazali  
Canterbury Place, Boston, Mass.  
First Realty Management Corp.  
College of the Holy Cross, Worcester, Mass.

Jiamin Huang  
Charles Newtown, Charlestown, Mass.  
WinnResidential  
Simmons College, Boston, Mass.

Jake MacMillan  
Village at Brookline, Brookline, Mass.  
WinnResidential  
Bridgewater State University, Bridgewater, Mass.



median household income well below the state average, a high unemployment rate and a high-school graduation rate below the state and national averages.

But Margaret is not leaving. She was born and reared in Camden and is committed to staying to help empower and educate the residents about the resources available to them. As Margaret said, "I want my friends and neighbors to know that our address does not define who we are."

Margaret has a positive personality, a warm smile and an infectious demeanor that came shining through when she

addressed the many members and donors that attended the annual Educational Foundation fundraising dinner in Las Vegas. In telling her story, Margaret conveyed her grateful appreciation for the scholarship and how it helped her complete her education while avoiding costly loans she would have had to take if not for the foundation. She helped those in attendance understand the incredible positive impact the scholarship program has on people like her, living in affordable housing trying to complete their educa-

tion and moving forward with their lives. She received a rousing ovation at the conclusion of her comments. The foundation was thrilled to have invited her as their honored guest. Margaret Brown truly is the personification of a NAHMA scholar. **NN**

*An article in the July/August NAHMA News thanking the NAHMA Educational Foundation Dinner organizers and sponsors misidentified one of the Diamond sponsors. It should have read, First Realty Management/William and Lynn Kargman Fund.*

Melissa Mejia  
Market Mills, Lowell, Mass.  
Peabody Properties Inc.  
University of Massachusetts-Lowell,  
Lowell, Mass.

Matthew Mills  
Taunton Gardens, Taunton, Mass.  
First Realty Management Corp.  
University of New Hampshire,  
Durham, N.H.

Stephanie Miranda  
Zbikowski Park, Bristol, Conn.  
Bristol Housing Authority  
Tunxis Community College,  
Farmington, Conn.

Fiona Mwariama  
Fairways Community Apartments,  
Worcester, Mass.  
First Realty Management Corp.  
Westfield State University, Westfield,  
Mass.

Aylda Nazaire  
Fresh Pond Apartments, Cambridge,  
Mass.  
The Schochet Companies  
Syracuse University, Syracuse, N.Y.

Mary Okyere  
Riverside Village Apartments,  
Leonminster, Mass.  
The Schochet Companies  
University of Massachusetts,  
Dartmouth, Mass.

Kelseigh Ryan  
Mishawum Park, Charlestown, Mass.  
Peabody Properties Inc.  
Stone Hill College, Easton, Mass.

Jonathan Sanchez  
Roodner Court, Norwalk, Conn.  
Norwalk Housing Authority  
Norwich University, Norwich, Vt.

Maria Teixeira  
Fieldstone Apartments, Dorchester,  
Mass.  
Peabody Properties Inc.  
Northeastern University, Boston,  
Mass.

James Tetreault  
Greenwoods, Brockton, Mass.  
First Realty Management Corp.  
Massasoit Community College,  
Brockton, Mass.

Jenny Trinh  
Charles Newtown, Charlestown,  
Mass.  
WinnResidential  
Boston University, Boston, Mass.

Terry Voong  
Charles Newtown, Charlestown,  
Mass.  
WinnResidential  
Simmons College, Boston, Mass.

Kevin Walsh  
Mashpee Village Apartments,  
Mashpee, Mass.  
The Community Builders Inc.  
Bridgewater State University,  
Bridgewater, Mass.

Tiffany Wong  
Tai Tung Village, Boston, Mass.  
WinnResidential  
Massachusetts College of Pharmacy  
and Health Sciences, Boston, Mass.

Terry Woolard  
Old Middletown High School,  
Middletown, Conn.  
POAH  
Central Connecticut State, New  
Britain, Conn.

Javed Wright  
Colonial Village, Norwalk, Conn.  
Norwalk Housing Authority  
Sacred Heart University, Fairfield,  
Conn.

Juxhin Xhuxha  
Brandywyne, Boston, Mass.  
First Realty Management Corp.  
University of Massachusetts, Boston,  
Mass.

Jia Ye  
Charles Newtown, Charlestown,  
Mass.  
WinnResidential  
College of the Holy Cross, Worcester,  
Mass.

**OREGON AHMA**

Denise Goldsmith  
Myrtle Terrace Apartments, Myrtle  
Creek, Ore.  
Umpqua Community Property  
Management  
Argosy University, Phoenix, Ariz.

Charlene Ramlose  
Aurora Building, Eugene, Ore.  
St. Vincent DePaul  
Lane Community College, Eugene,  
Ore.

Samantha Scallion  
Stellar Apartments, Eugene, Ore.  
St. Vincent DePaul  
University of Oregon, Eugene, Ore.

**PENDEL AHMA**

Raven Black  
Washington Square Apartments,  
Harrisburg, Pa.  
Arbor Management Inc.  
Penn State University, University  
Park, Pa.

Kofi Brobbery  
Spring Garden Housing, Philadelphia,  
Pa.  
The Community Builders Inc.  
Temple University, Philadelphia, Pa.

Islam Ekhwat  
Stoney Brook, Claymont, Del.  
Arbor Management Inc.  
University of Delaware, Newark, Del.

Catherine Humphreys  
Advanced Living Communities,  
Lansdale, Pa.  
Advanced Living Management &  
Development  
Penn State University, Abington, Pa.

Ashley Pugh  
Venice Ashby I, Bristol, Pa.  
Community Realty Management Inc.  
Kutztown University, Kutztown, Pa.

Sabira Rahim  
Stoneybrook Apartments, Claymont,  
Del.  
Arbor Management Inc.  
Widener University, Chester, Pa.

Merwah Shinwair  
Stoney Brook, Claymont, Del.  
Arbor Management Inc.  
University of Delaware, Newark, Del.

Markeata White  
Eagle Ridge Apartments,  
Edwardsville, Pa.  
Community Realty Management Inc.  
Wilkes University, Wilkes Barre, Pa.

**ROCKY AHMA**

Zachary Atherton  
Suncrest Apartments, Provo, Utah  
Management Community Housing  
Services Inc.  
Brigham Young University, Provo,  
Utah

Shannon McMillan  
Mountain View III, Hamilton, Mont.  
Highland Property Management  
Montana State University-Northern,  
Havre, Mont.

Michelle Miller  
Willow Place, Loveland, Colo.  
Housing Authority of the City of  
Loveland  
Colorado State University, Fort  
Collins, Colo.

Jonathan Tucker  
Council Groves Apartments,  
Missoula, Mont.  
Tamarack Property Management Co.  
University of Montana, Missoula,  
Mont.

**SAHMA**

Keturah Bethel  
Lorraine Village, Fredriksted, St. Croix,  
Virgin Islands  
Community Realty Management Inc.  
Columbia University, New York  
City, N.Y.

Michelle Bozeman  
Creekwood Village Apartments,  
Clemson, S.C.  
Westminster Company  
Tri-County Technical School,  
Pendleton, S.C.

Shawntise Brown  
Abbey Lane Apartments, Winter  
Haven, Fla.  
Interstate Realty Management  
Company  
Polk State College, Winter Haven, Fla.

LaLonne Humphrey  
Valley Garden, Huntsville, Ala.  
Oxford Properties  
University of Alabama, Huntsville,  
Ala.

Julian Jones  
Ledgewood Village Apartments,  
Asheville, N.C.  
Housing Management Resources Inc.  
Western Carolina University,  
Cullowhee, N.C.

Laquinta Linder  
Kensington Manor, Spartanburg, S.C.  
Westminster Company  
Spartanburg Community College,  
Spartanburg, S.C.

Kyrie Purdy  
Valley Garden Apartments,  
Huntsville, Ala.  
Oxford Properties  
University of Alabama, Huntsville,  
Ala.

Dionne Stevenson  
Partnership Village, Greensboro, N.C.  
Partnership Property Management  
ECPI, Greensboro, N.C.

Shameka Turpin  
Abbey Lane Apartments, Winter  
Haven, Fla.  
Interstate Realty Management  
Company  
Polk State College, Winter Haven, Fla.

**SWAHMA**

Michelle Marlow  
Lakeshore, Claremore, Okla.  
Interstate Realty Management  
Company  
Northcentral University, Prescott  
Valley, Ariz.

# REGULATORY WRAP-UP

A SEPTEMBER NAHMANALYSIS, WHICH COMPARES A RECENTLY issued notice on completing multifamily housing utility analysis (UA) with comments NAHMA submitted regarding UA methodology is available at NAHMA.org.

In September 2014, the Department of Housing and Urban Development (HUD) issued a notice containing new draft methodology for completing a multifamily housing utility analysis. This notice provided instruction to owners and management agents for completing their utility analysis required at the time of the annual or special adjustment of contract rents. The notice built upon a June 2011 memo titled Clarification Utility Allowance Regulations, which provided clarification on existing statutes, regulations and policies, but did not identify a methodology to be used to complete a utility analysis and determine utility allowances.

The 2014 UA notice was released as part of HUD's effort to streamline the UA methodology and to continue to make energy and water conservation a priority at all HUD multifamily properties.

Stakeholders were invited to comment on the 2014 UA notice and its draft methodology. After receiving comments from NAHMA and other industry groups, HUD issued its revised notice, Methodology for Completing a Multifamily Housing Utility Analysis, on June 22. This NAHMA Analysis compares NAHMA's comments with the revised notice as well as provides owners and management agents with considerations for completing a utility analysis.

## MULTIFAMILY HOUSING AND HEALTH CARE PROGRAMS

**IN AUGUST, HUD ISSUED A RULE THAT WOULD REVISE THE REGULATIONS for reviewing the previous participation in federal programs of certain participants seeking to take part in multifamily housing and health care programs administered by its Office of Housing.**

**The proposed rule would clarify which individuals and entities will be reviewed, HUD's purpose in conducting such review and describe the review to be undertaken. By targeting more closely the individuals and actions that would be subject to prior participation review, HUD hopes to create greater certainty and clarity to the review process. Through this rule, HUD proposes to replace the current previous participation regulations in their entirety.**

**NAHMA plans to review this proposed rule in consultation with its Regulatory and Federal Affairs committees. To view this proposed rule, visit the NAHMA HUD Issues webpage at [www.nahma.org](http://www.nahma.org).**

## HUD NEWS

**AN AUGUST NAHMANALYSIS THAT REVIEWS HUD'S RECENTLY ISSUED FINAL RULE FOR AFFIRMATIVELY FURTHERING FAIR HOUSING IS AVAILABLE AT NAHMA.ORG.** On July 16, HUD issued the final rule on affirmatively furthering fair housing (AFFH). The final rule comes after the proposed rule received more than 1,000 public comments, when it was issued July 19, 2013. At that time, the proposed rule described the new assessment of fair housing (AFH) process that replaces the current Analysis of Impediments (AI) performed by states and local jurisdictions and extended the requirement to complete an AFH to Public Housing Authorities (PHAs). The final rule requires PHAs, states and local jurisdictions to complete an AFH once every five years. The goal of this NAHMA Analysis is to provide an overview of Final AFFH Rule, which includes examining key terms, the AFH process, and HUD responses to comments provided by NAHMA on the proposed AFFH rule.

**THE OFFICE OF THE INSPECTOR GENERAL (OIG) FOR HUD RELEASED A REPORT REVIEWING HUD'S OFFICE OF MULTIFAMILY ASSET MANAGEMENT AND PORTFOLIO OVERSIGHT** as part of OIG's annual audit plan in August. OIG's audit objective was to determine whether HUD adequately monitored its management agents to ensure that front line costs and direct costs were not excessive across the portfolios as identified in audits performed by OIG. Overall, the OIG found that HUD did not adequately monitor its management agents and that the department's monitoring of its management agents did not always include detailed reviews of front-line costs and direct costs across portfolios to ensure costs were not excessive. OIG found that HUD chose

to forego its requirements for monitoring the management agents' portfolios, and performed other broader and less detailed assessments. OIG recommended that the director of the Office of Multifamily Asset Management and Portfolio Oversight perform management reviews of the management agent's central office activities as well as regular on-site reviews of functions carried out at the projects, as is required in their handbook. These central office reviews should be performed at least once every 18 months, the report from OIG said. To read the report from HUD's OIG, visit the NAHMA HUD Issues webpage at [NAHMA.org](http://NAHMA.org).

**HUD ISSUED THE FINAL RULE FOR STREAMLINING THE PORTABILITY PROCESS IN THE HOUSING CHOICE VOUCHER (HCV) PROGRAM IN AUGUST.**

Portability is a feature of the HCV pro-

gram allowing an eligible family with a housing choice voucher to use that voucher to lease a unit anywhere in the United States where there is a public housing agency (PHA) operating an HCV program. HUD's changes to the portability regulations is intended to enable PHAs to better serve families and expand housing opportunities by improving the overall portability processes. This final rule completes the rulemaking process, which commenced in 2012, to revise the existing portability regulations to streamline the portability process and facilitate the ability of participating families to move to the jurisdiction of their choice. The key regulatory changes in this final rule include:

- Removing the mandatory absorption requirement discussed in the proposed rule and clarifying the notification

requirement for mandatory voucher suspension;

- Requiring an initial PHA to notify the local HUD office within 10 business days of a determination to deny a portability move based on insufficient funding;
- Providing that the voucher issued by the receiving PHA to the family may not expire before 30 calendar days has passed from the expiration date of the initial PHA's voucher;
- Requiring briefings for all participating on how portability works and the benefits of living in low-poverty census tracts; and
- Allowing a family to choose the receiving PHA to administer their voucher should they choose to use portability.

To view this final rule, visit [www.nahma.org](http://www.nahma.org). **NN**



**Manage and grow  
with confidence**  
Specialized software for  
affordable housing



Call 800.851.1115  
Visit [infor.com](http://infor.com)



Copyright ©2015 Infor. [www.infor.com](http://www.infor.com). All rights reserved.



# EDUCATION CALENDAR

For information on specific classes being offered, 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 <http://www.nahma.org/education/education-event-calendar/>.

## OCTOBER

**15-16**

### **PAHMA Annual Conference and Trade Show**

Seven Springs, PA  
PAHMA  
412-445-8357  
[www.pahma.org](http://www.pahma.org)

**20-21**

### **NEAHMA Annual Conference & Trade Show/Tax Credit/Fair Housing Compliance (FHC) & REAC**

Massachusetts  
NEAHMA  
781-380-4344  
[www.neahma.org](http://www.neahma.org)

**20-22**

### **Certified Professional of Occupancy (CPO)**

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

**21**

### **Advanced HUD \*Wait List, AFHMP, LEP**

Oakland, CA  
AHMA-NCH  
510-452-2462  
<http://ahma-nch.org>

**22**

### **Calculating Expenses and Deductions**

Conference Call  
SAHMA  
800-745-4088  
[www.sahma.org](http://www.sahma.org)

**23**

### **Focus Friday**

Salem, OR  
Oregon AHMA  
503-357-7140  
[www.oregonaffordablehousingmanagement.com](http://www.oregonaffordablehousingmanagement.com)

**26-28**

### **CPO Exam**

Denver, CO  
Rocky AHMA  
303-840-9803  
[www.rockyahma.org](http://www.rockyahma.org)

**29**

### **Service Programs on Shoestring Budget (PM)**

Webinar  
AHMA-NCH  
510-452-2462  
<http://ahma-nch.org>

## NOVEMBER

**4**

### **Tax Credit Continuing Education**

Princeton, NJ  
JAHMA & PennDel AHMA  
856-786-9590  
[www.jahma.org](http://www.jahma.org)

**4-5**

### **FHC Training & Testing**

Oakland, CA  
AHMA-NCH  
510-452-2462  
<http://ahma-nch.org>

**10**

### **504 Coordinator**

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

**10**

### **Hoarding Webinar**

AHMA-NCH  
510-452-2462  
<http://ahma-nch.org>

**13**

### **Tax Credit Compliance File Audit: Tips & Tricks**

Salem, OR  
Oregon AHMA  
503-357-7140  
[www.oregonaffordablehousingmanagement.com](http://www.oregonaffordablehousingmanagement.com)

**17**

### **Advanced HUD Occupancy**

Massachusetts  
NEAHMA  
781-380-4344  
[www.neahma.org](http://www.neahma.org)

**17**

### **Fair Housing Compliance (FHAC)**

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

**17**

### **Fair Housing Hot Topics/ Updates/Changes**

Massachusetts  
NEAHMA  
781-380-4344  
[www.neahma.org](http://www.neahma.org)

**17-19**

### **Annual Regional Affordable Housing Management Conference**

Richmond, VA  
Mid-Atlantic AHMA  
804-673-4128  
<http://mid-atlantichma.org>

**18**

### **Fair Housing Timely Topics Webinar**

SAHMA  
800-745-4088  
[www.sahma.org](http://www.sahma.org)

**18-19**

### **SHCM Training & Testing**

Pleasanton, CA  
AHMA-NCH  
510-452-2462  
<http://ahma-nch.org>

**18-20**

### **Certified Professional of Occupancy (CPO)**

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

**19**

### **Electrical Awareness and Safety**

Massachusetts  
NEAHMA  
781-380-4344  
[www.neahma.org](http://www.neahma.org)

## DECEMBER

**2**

### **Bed Bugs Webinar**

AHMA-NCH  
510-452-2462  
<http://ahma-nch.org>

**9**

### **Fundamental LIHTC Webinar**

SAHMA  
800-745-4088  
[www.sahma.org](http://www.sahma.org)

**10**

### **EIV Policies & Procedures Conference Call**

SAHMA  
800-745-4088  
[www.sahma.org](http://www.sahma.org)

**16**

### **Fair Housing Timely Topics Webinar**

AHMA-NCH  
510-452-2462  
<http://ahma-nch.org>

## JANUARY

**26-28**

### **CPO Course**

SeaTac, WA  
AHMA of Washington  
360-561-3480  
<http://ahma-wa.org>

## FEBRUARY

**9**

### **Basic LIHTC Compliance**

Richmond, VA  
Mid-Atlantic AHMA  
804-673-4128  
<http://mid-atlantichma.org>

**16**

### **Income & Assets Verification & Calculation**

Richmond, VA  
Mid-Atlantic AHMA  
804-673-4128  
<http://mid-atlantichma.org>

## Creating Affordable Housing with Dignity

NAREN DHAMODHARAN SAID he has always had an interest in senior housing, leading him to earn his master's degree from Boston College Graduate School of Social Work and to spend most of his professional life in positions related to affordable senior housing including a tenure as director of Housing and Supportive Services at the Commonwealth of Massachusetts Executive Office of Elder Affairs. "I worked for the state of Massachusetts and was part of the team that created the assisted living regulations. I realized

Project Rental Assistance Contract programs. NDA also assists properties in the refinancing process, as well as with new construction and has been successful in obtaining funding for clients at the federal, state and local levels.

As the affordable housing industry evolved, Dhamodharan created NDA's sister company, Hampden Park Capital, as a way to continue the creation and preservation of affordable housing. Hampden Park is a HUD approved



which to live. That dignity is so important to me, especially for our nation's seniors. Imagine how many seniors are going to come through the doors of these properties and have access to an affordable, dignified living environment that connects

them to the community. That's our mission and why we are here," he said.

As the need for affordable senior housing continues to grow and the existing stock of housing for seniors needs to be preserved, NDA and Hampden Park

believe that they will have a great opportunity to play a significant role in meeting this demand.

While the two companies specialize in housing with

services for seniors, they also work with companies across the affordable housing spectrum. "I'd like us to be a leading company in creating and preserving affordable housing in all 50 states," Dhamodharan said. "I think the company will grow if we remain focused on our mission."

Dhamodharan said he and his colleagues are fortunate to be in the affordable housing industry and that it makes him feel humble.

"Being able to be in this position to help. I feel so blessed," he said. "I'm looking forward to being able to make a bigger impact."

Dhamodharan is not all work and no fun. He likes to travel, play tennis and paddle tennis, and spend time with his son and daughter. **NN**

**"Everyone deserves a safe, secure environment in which to live. That dignity is so important to me, especially for our nation's seniors. Imagine how many seniors are going to come through the doors of these properties and have access to an affordable, dignified living environment that connects them to the community. That's our mission and why we are here."**

a lot of seniors couldn't afford to live in assisted housing," he said.

As a result of his experiences working for the state, Dhamodharan decided to venture out on his own and started NDA Consultants LLC nearly 12 years ago, followed by its sister company, Hampden Park Capital LLC in 2013, to help create and preserve affordable housing.

NDA has been a leader in the housing with services movement through the Department of Housing and Urban Development's (HUD) Assisted Living Conversion Program for the past 10 years and provides consulting services on a number of HUD preservation initiatives including obtaining project-based subsidies through the Rental Assistance Demonstration and Senior

lender, which offers financing for the construction and refinancing of multifamily housing properties and health care facilities under a number of Federal Housing Administration mortgage insurance programs.

"We are unique in the sense that we are a one-stop shop for our clients," he said. The two companies, which are based in Longmeadow and Northborough, Mass., respectively, serve clients across the country. One of the driving forces behind Dhamodharan's companies is to provide premier professional services to clients to support them in meeting their broader missions of providing affordable housing and services.

"Housing is a basic need. Everyone deserves a safe, secure environment in

PROTECTING THE INTERESTS OF AFFORDABLE HOUSING PROPERTY MANAGERS AND OWNERS

## thelastword

# Strength in Numbers



IN SEPTEMBER AS THE GOVERNMENT faced yet another possible fiscal shutdown, NAHMA joined with 2,500 national, state and local organizations to sign a letter from NDD United calling on Congress “to replace sequestration with a balanced approach to deficit reduction that takes into account the deep cuts NDD has already incurred since 2010.” The letter also calls for the assurance that the so-called “sequestration relief” in the 2013 Bipartisan Budget Act (BBA) is equally balanced between NDD (nondefense discretionary) and defense programs.

The 2013 act called for the relief—an increase of the spending caps spelled out in the Budget Control Act of 2011—to be evenly split between NDD and defense programs in 2014 then allowed for higher spending for defense programs in 2015. The relief completely expires in 2016.

The letter said NDD programs, including education, job training, hous-

ing, natural resources and veterans services, among others, have been cut disproportionately by Congress in an effort to reduce the deficit.

Why is this important to NAHMA members? The fiscal year 2016 appropriations bills making their way through Congress reflect spending caps set in the BBA. As NAHMA has been telling its members all year, the proposed appropriations bills in both houses for Project-based Section 8, HOME Investment Partnerships Program and Section 521 Rental Assistance are insufficient to meet the current needs of these programs.

That is why it is so important for you to become an advocate for affordable housing programs. Call, write, tweet or better yet, meet with your local congressional members and let them know how these programs are helping to create and preserve decent and safe affordable housing for their constituents.

Reaching out to a member’s office is easy, and their staff is willing to receive your comments and requests. NAHMA’s Grassroots Advocacy page at [www.nahma.org](http://www.nahma.org) features a full toolkit for members to use including webinars on advocacy strategies, frequently asked questions on Congress as well as numerous documents to help you understand the program and funding considerations for fiscal year 2016. Additionally, NAHMA Maps can help you identify your elected official and their contact information. Take advantage of these resources and make your voice heard.

Be sure to review the Aug. 7 Grassroots Advocacy memo, which summarizes the fiscal challenges facing each program. And as always, NAHMA will continue to monitor the progress of the spending bills and keep members informed of the latest developments. **NN**

*Ken Pagano, CPM, SHCM, NAHP-e, is president of Essex Plaza Management and president of NAHMA.*