NATIONAL AFFORDABLE HOUSING MANAGEMENT ASSOCIATION

NAHMANews

March April 2019

PROTECTING THE INTERESTS OF AFFORDABLE HOUSING PROPERTY MANAGERS AND OWNERS

IN THIS ISSUE

COMMUNITIES OF QUALITY

NAHMA Responds to HUD's REAC Changes

In response to the planned overhaul of the Department of Housing and Urban Development (HUD)'s Real Estate Assessment Center (REAC) inspection notification timeframe and protocols, and as a follow up to the HUD Forum at the NAHMA Biannual Top Issues in Affordable Housing Winter Conference, NAHMA has sent a letter to HUD's senior leaders, as well as members of Congress, sharing members' concerns with the plans. The letter requests "urgent consideration of our members' concerns and alternative solutions for promoting quality affordable housing, as provided in this letter."

Of key concern is the shortened notification period of a REAC inspection to a period of exactly 14 days. The changes were announced Feb. 22 through PIH Notice 2019-02, which had a 30-day window before it became effective.

HUD stated at a listening session in Philadelphia in February that the impending overhaul is intended to meet two key goals: Adjusting the notification timeframe of physical inspections to improve the year-round condition of the portfolio—to take effect in the near term; and adjusting the inspection protocol, model and scoring to improve the REAC tool as a reflection of the portfolio—to take effect over the long term.

"NAHMA members take great pride in providing quality housing that offers a safe, healthy environment for their residents. As property owners and managers, NAHMA members understand the agency's efforts to strongly incentivize portfolio compliance, but we disagree with the newly imposed method for achieving it," the letter states.

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

inside nahma

BY KRIS COOK, CAE

Focusing on All Things Affordable Housing

NAHMA WRAPPED UP ANOTHER productive winter meeting in March that attracted members from across the country, as well as the Communities of Quality winners who were featured in the January/February *NAHMA News*. The three-day event also featured an inspirational appearance from a NAHMA Educational Foundation scholarship winner, Alana Chmiel, who spoke about how important the program has been to her educational endeavors. And of course, the meeting gave members the opportunity to hear the latest from representatives of the Department of Housing and Urban Development, the U.S. Department of Agriculture and other experts.

One of the highlights of the meeting was Monday evening when members gathered to honor this year's Industry and AHMA Awards winners.

The highest honor we bestow, the NAHMA Industry Statesman Award, was given to affordable housing leaders and mentors, and long-time association supporters: Don Beebout and Scott Reithel.

Don Beebout, who recently retired as vice president of Showe Management Corporation, has been instrumental in the advancement of the affordable housing industry in Ohio. He has worked tirelessly as an industry advocate providing a strong and reasonable voice for owners and managers. His vast experience in affordable housing, including his previous experience with the Department of Housing and Urban Development (HUD), has proven an invaluable resource to MAHMA, of which he is a founding member, over the past two and a half decades. Additionally, he has served as a past treasurer and board member of NAHMA and has attended NAHMA meetings consistently for more than 35 years.

Scott Reithel, who recently retired as vice president of Community Housing Partners, began his multifamily property management career 40 years ago and has been a property management executive for several national and regional property management companies. He has been a property management instructor with the Milwaukee Area Technical College and is a guest lecturer at Virginia Tech. He is active in NAHMA, where he is a past president and was named an emeritus member in 2018. He was involved in MAHMA where he was a three-time past president and a board of directors member. He also served as the vice chair of the NAHMA Educational Foundation and is a certified member of the Institute of Real Estate Management.

For more on the night's other winners, visit page 17.

Our next meeting is in October and will feature the Vanguard Awards honorees. The October meeting also includes the annual Educational Foundation fundraiser and poster auction. So mark your calendar now and plan to be to be in Washington, D.C., Oct. 27-29.

Speaking of the Vanguard Awards, there is still time to finalize your award application before the June 7 deadline.

The Vanguard Awards recognize new, quality multifamily affordable housing development. Details about the awards and a downloadable application can be found in the Awards & Contests section of nahma.org. **NN**

Kris Cook, CAE, is executive director of NAHMA.

According to HUD's own data, 95 percent of the assisted portfolio satisfies the physical condition standards under the REAC protocol, with 5 percent of the vast portfolio designated by the agency as "troubled." NAHMA's letter stated that although HUD's planned adjustments to physical inspection notification timeframes is in large part targeted at the 5 percent of the portfolio that is troubled, the blanket policy change will severely impact the entire portfolio, most notably good property management owners and agents who maintain high performing portfolios.

Shortening the notification timeframe, according to HUD, is intended to amend what the agency perceives as owners "performing to the test" through the use of work orders that are lined up once the inspection has been scheduled, as opposed to maintaining the portfolio year-round.

However, the NAHMA letter stated that "the severely compressed notice period will lead to a breakdown of the logistical feasibility of managing HUD-assisted properties, as well as the crucial elements of trust and collaboration between the agency and the private owners and operators of affordable housing. We also believe that PIH Notice 2019-02 will create hardship for residents and will further erode the confidence and integrity of the agency's physical inspections as a tool for assessing the state of the portfolio."

Instead, the letter proposed a number of alternate solutions.

NAHMA'S RECOMMENDATIONS

NAHMA's letter proposed five alternate and constructive approaches with regard to the physical inspection process.

First, HUD should utilize recently enhanced inspection enforcement tools enacted by Congress to address the 5 percent of the portfolio that is "troubled," instead of circumventing Congress and penalizing the entire portfolio.

NAHMA's letter pointed out that in recent appropriations language, Congress enacted significantly enhanced inspection enforcement tools for HUD, as well as requirements for owners and agents participating in HUD's assisted housing programs. It also pointed to "robust enforcement changes" that were implemented by the agency Oct. 29, 2018, through Notice HA-2018-08, including owner requirements when a property fails to meet HUD's Physical Conditions Standards and Inspection Requirements or when the owner fails to timely and properly certify in writing that the Exigent Health and Safety deficiencies identified during a physical inspection have been resolved.

However, requiring an exact 14-day inspection disregards a number of important logistical concerns related to preparing for and carrying out a physical inspection that may in effect harm both the residents and the properties involved," the letter stated.

The letter pointed out that many affordable portfolios span large geographic areas making it difficult to arrange travel and work schedules for the appropriate regional staff to be present at an inspection on short notice. The exact 14-day timeframe also disregards circumstances that may be out of the property owners' or managers' control such as limited agency- and inspector-capacity, as well as weather-related delays.

> "The severely compressed notice period will lead to a breakdown of the logistical feasibility of managing HUD-assisted properties, as well as the crucial elements of trust and collaboration between the agency and the private owners and operators of affordable housing."

Secondly, NAHMA's letter recommended the agency go through appropriate regulatory channels, including a *Federal Register* notice and public comment period, as well as in partnership with Congress, to design and implement improvements to the REAC process and protocol, including to amend the inspection notification timeframe. For example, the letter noted, HUD has stated that it plans to begin a REAC demonstration program in the fourth quarter of fiscal year 2019 in order to test an alternative inspection protocol in a contained regional sample of assisted properties and to accept feedback throughout the testing period. Adjustments to the notification period should be similarly tested.

NAHMA's third recommendation called for HUD to foster strong partnerships between the agency, owners and operators of affordable housing properties, and residents by allowing for proper notification and logistical feasibility when scheduling physical property inspections.

"The agency's recent announcement to severely limit the scheduling process for physical inspections of its assisted portfolio is intended by the agency to ensure acceptable property conditions at any given time.

The shortened notice also prevents property staff from providing residents adequate notice of impending in-unit inspections, which amount to a significant intrusion on the household.

Furthermore, the two-weeks' notice, according to the letter, does not allow for the completion of already scheduled or already initiated routine maintenance projects that the agency is seeking to promote across the portfolio, such as window replacement, appliance upgrades and general property upkeep. In fact, it could lead to maintenance projects being delayed because undergoing an inspection while such work is occurring on-site would negatively affect the results of the inspection.

Next, the letter recommended that HUD should promote private owner participation in its assisted programs by implementing a forbearance policy in a limited number of documentable situations in which the property is held harmless for inspection scheduling non-compliance, such as natural disasters or major property rehabilitation.

"As published, PIH Notice 2019-02 does not consider scheduling circumstances

continued on page 6

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that warrant reasonable exceptions. For example, the notice states that a property that fails to undergo an inspection within the required timeframe will receive an automatic score of zero," the letter states. "Even with a more reasonable and feasible inspection notification timeframe and scheduling window, this policy disregards documentable scenarios that fall outside of the owner's control and that cause extensive delay or disrepair, such as the devastating effects of a natural disaster or instances in which a property is undergoing major rehabilitation. In fact, the agency often relies on private owners to take over troubled properties in an effort to bring them back to a standard that better serves the residents and the broader community; this type of property or portfolio 'turn-around' often takes significant time and financial investment on behalf of the owner, which will be severely disincentivized under the agency's new policy unless a forbearance policy is adopted by the agency."

Finally, NAHMA recommended HUD improve data integrity of the REAC protocol by reversing its new automatic zero score policy in favor of a more accurate and actionable compliance incentive.

The letter stated, "As an alternative method for incentivizing compliance within an inspection timeframe, NAHMA instead urges the agency to utilize its current tools for assigning a risk factor to a property and incentivizing good business practice with the owner. These tools include the use of positive reinforcement, such as the 3-2-1 risk-based physical inspection protocol, for owners who consistently operate exceptional properties, which NAHMA recommends the agency continue to utilize and further enhance. Additionally, HUD has a number of punitive tools at its disposal, such as the ability to issue a 'Demand for Corrective Action' or the placement of flags in the Active Partners Performance System (APPS) to alert of a violation of a business agreement or a heightened risk factor related to a property."

HUD'S PROPOSED CHANGES

HUD announced its plans to shorten the inspection notification timeframe to a strict 14 days, effective March 20, for the entire portfolio on Feb. 22 through PIH Notice 2019-02. If an owner/agent/landlord/housing authority declines the inspection or the inspection timeframe, the property will receive an automatic score of zero. The property then has seven days to rectify the score by rescheduling the inspection. Otherwise, the zero score is maintained.

HUD also said it planned to update the Uniform Physical Condition Standards (UPCS) to require the presence of a carbon monoxide monitor in all units with combustion, such as gas appliances, etc.

In the long run, HUD proposed launching a limited two-year demonstration, or pilot program, for physical inspections in Region 3, to begin in the fourth quarter of fiscal year 2019—approximately July—with the demonstration inspection model to be released over the summer.

The pilot program would be applicable to Region 3 states and territories, which encompasses Pennsylvania, Virginia, Maryland, Delaware and Washington, D.C., but excluding West Virginia.

As part of the program, every property in Region 3 will receive an inspection during this timeframe under the new model. The scores would be advisory during the demonstration. In the meantime, HUD intends to "carry over" scores from before the demonstration for administrative purposes.

During the demonstration program, the UPCS would be waived for inspections occurring in Region 3. Instead, the UPCS would be replaced by a new model and scoring for inspections.

HUD would test the new model throughout the demonstration and accept feedback. Following the demonstration program, HUD intends to roll out the new inspection protocol nationwide.

The stated goals of the demonstration program are to test a new model and scoring method for physical inspections. While the new model is still in the "design and build" phase at the agency, REAC staff have said they intend to replace the current inspection model, which emphasizes a property's curb appeal and appearance, with a new model that emphasizes the residents' living conditions and functionality.

DETAILS OF THE PILOT PROGRAM

The demonstration program for Region 3 "Resident-Focused" Physical Inspection Model will focus on:

1. Health and Safety Issues. Is the unit safe to live in? Are there health hazards resulting from mold, lead, pests, dangerous conditions, etc.?

2. Functionality/Repair. Do the sink and appliances work? Is the unit in good repair?

3. Condition of the Property. Is the property in good condition? What is the appearance of the outside of the building and the common areas?

The agency has said that within the new model, 50 percent of the inspection will consist of the unit, meaning that properties must pass this portion in order to pass the inspection. The outside of the property will account for only 25 percent of the inspection to represent the shift away from a curb appeal emphasis. In addition, the new model will likely shift away from deficiencies that are currently evaluated at a level one, such as rust, etc. Instead, the model will emphasize deficiencies that present a health and safety hazard for residents.

The new inspection protocol for the demonstration program for Region 3 requires owners to self-inspect 100 percent of units at any point each year or throughout the year. As with the current model, it will utilize contract inspectors to conduct physical inspections on the risk-based model—every three years for high-performing properties, every two years for middle-performing properties, and every year for troubled properties. Also, as with the current model, HUD will send a quality assurance inspector to reinspect a property if significant health and safety hazards are suspected.

Visit the Emerging REAC Issues webpage by scrolling down to the HUD Issues webpage under the Agencies tab at nahma.org to learn more. **NN**

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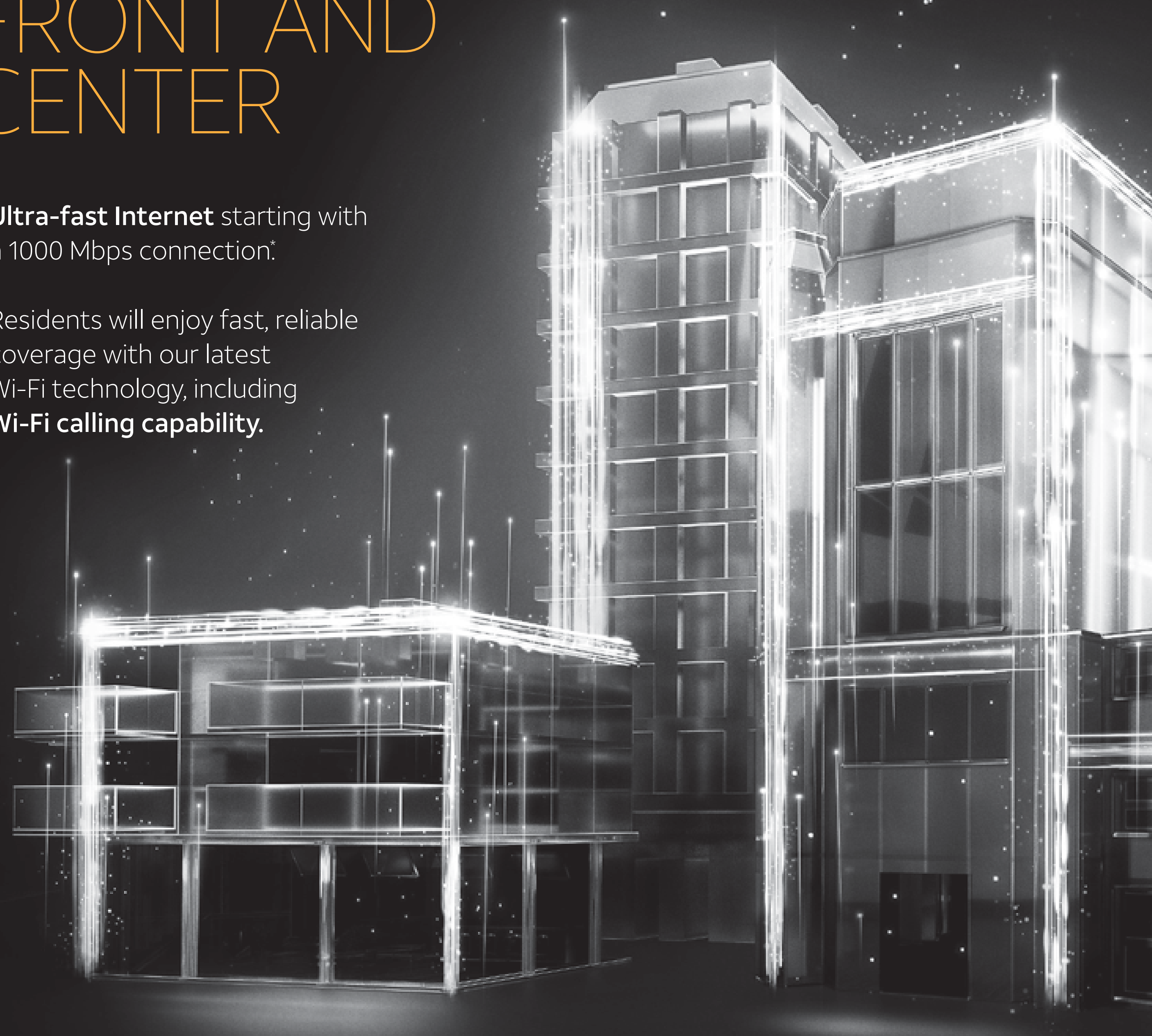

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BY LARRY KEYS JR.

Members Take Their Message to Congress; Housing Legislation Takes Shape

THANK YOU TO NAHMA MEMBERS who took time to go to the Hill and advocate for our industry during the recent NAHMA Biannual Top Issues in Affordable Housing Winter Conference—we set a new record for the number of members making Congressional visits!!!

During their Hill visits, NAHMA members met with lawmakers to highlight the importance of affordable housing. Key messages conveyed to lawmakers included the need for their support for full funding for housing and community development programs in fiscal year 2020, preserving the rural affordable housing portfolio, strengthening the Low-Income Housing Tax Credit (LIHTC), meeting the needs of the growing senior population, and addressing concerns regarding changes to the Real Estate Assessment Center (REAC) inspection notification timeframe and physical inspection protocols. NAHMA has received great feedback and developed new housing partners in Congress as a result of members' advocacy.

HOUSING LEGISLATION BEGINS TO TAKE SHAPE

Affordable housing in the 116th Congress is gaining momentum. Now beyond the government shutdown, the new House of Representatives is fulfilling its commitment to ensure affordable housing is a priority. The new Congress has held hearings on homelessness, fair housing, housing production and the Department of Housing and Urban (HUD)'s management of housing contracts during the government shutdown. In addition to the hearings, key legislation is taking shape. Here are few notable pieces of legislation that were recently introduced.

VAWA Reauthorization: In March, Rep. Karen Bass (D-CA) and Rep. Brian Fitzpatrick (R-PA) introduced legislation to reauthorize the Violence Against Women Act (VAWA), which lapsed during the funding negotiations earlier this year.

The new VAWA legislation contains a number of housing provisions, including giving victims of VAWA crimes living in covered housing programs the opportunity to terminate a lease before its end date without penalty; directing agencies to develop emergency transfer policies to be overseen by HUD; and amending the requirements for what must be included in public housing agency plans to incorporate information about emergency transfers and emergency transfer plans. In early March, the House Judiciary Committee considered the bill in a markup.

Sustainable Communities: In March, Rep. Norma Torres (D-CA) introduced a bill that would encourage local and federal government collaboration to create more sustainable housing, environmental, transportation and infrastructure programs. The legislation, titled the Sustainable Communities Act, would support community development through U.S. Department of Transportation grants to provide more transportation options, develop more affordable housing and improve the livability of communities.

The legislation builds on HUD's Sustainable Communities Initiative (SCI), which provided Sustainable Communities Regional Planning Grants to locally led initiatives and collaborations between public and private entities. Specifically, the legislation would reauthorize this program for an additional five years, with an authorization of $150 million to invest in cities, counties, tribal organizations, universities, commissions and associations.

As a member of the influential House Appropriations Committee, Torres has ushered a number of transit and infrastructure funding bills through Congress in previous years. According to the congresswoman's press release, "HUD's $250 million investment opened the door to hundreds of millions of dollars of public and private investment and engaged more than 3,300 partner groups across the country working to strengthen American cities, counties and regions."

Voucher Mobility: A group of bipartisan senators reintroduced legislation to incentivize greater choice and mobility in HUD's Housing Choice Voucher (HCV) program. Introduced by Sens. Todd Young (R-IN), Chris Van Hollen (D-MD), Marco Rubio (R-FL), Amy Klobuchar (D-MN), Roy Blunt (R-MO), and Margaret Wood Hassan (D-NH), the Housing Choice Voucher Mobility Demonstration Act would authorize a demonstration program to help voucher holders meet their mobility goals. The biill passed the House on a bipartisan vote.

Five years after implementation of the demonstration program, HUD would submit a report evaluating the effectiveness of the program to help identify the most cost-effective methods to increase voucher mobility.

NAHMA will keep members up to date on the legislation as it moves through Congress. **NN**

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

BY ALISON HICKMAN

Compliance Monitoring Changes

THE IRS PUBLISHED NEW COMpliance monitoring regulations (§ 1.42-5) in the *Federal Register* on Feb. 26, 2019, to amend and clarify requirements related to physical inspections and review of low-income certifications and other documentation. These regulations replace temporary regulations published on Feb. 26, 2016.

Here's a high-level summary about how these changes will impact your business.

These regulations replace temporary regulations published on Feb. 26, 2016.

- The final regulations remove the provision that allows minimum sample size to be the lesser of 20 percent of the total number of low-income units or the minimum sample size set forth in the Low-Income Housing Credit Minimum Unit Sample Size Reference Chart, based on the Department of Housing and Urban Developing's Real Estate Assessment Center (REAC) protocol.
- Sample sizes for physical inspections and review of low-income certifications will now only be based on the minimum sample size set forth in the attached chart based on REAC protocol. For smaller projects containing 100 or fewer units, the elimination of the 20 percent option will increase number of units selected. Agencies have discretion to increase the number of units selected.
- Agencies are still required to physically inspect "all buildings" unless a project inspection is conducted under REAC protocol. If randomly selected units don't cover all buildings, then the agency may inspect some aspect of the building like the exterior, common areas, or heating, ventilating and air condition.
- The reasonable notice requirement is shortened from 30 to 15 days with notice of specific low-income units identified for certification or physical inspection to occur only on the day of inspection. Agencies are required to randomly and separately select units for inspection and certifications for review, by choosing at least the minimum number of units in each case.
- Agencies are required to amend their qualified allocation plans (QAP) to reflect the final regulations by Dec. 31, 2020. IRS Revenue Procedure 2016-15 is obsolete with respect to an agency at the earlier date on which the agency's QAP is amended to reflect these final regulations or Dec. 31, 2020. **NN**

Alison Hickman is a senior manager, Project Finance & Consulting at CohnReznick LLP.

This article first appeared March 8, 2019, on the CohnReznick LLP website.

NO. OF LOW-INCOME UNITS IN THE LOW-INCOME HOUSING PROJECT	NO. OF LOW-INCOME UNITS SELECTED FOR INSPECTION OR FOR LOW-INCOME CERTIFICATION REVIEW (MIN. UNIT SAMPLE SIZE)
1	1
2	2
3	3
4	4
5–6	5
7	6
8–9	7
10–11	8
12–13	9
14–16	10
17–18	11
19–21	12
22–25	13
26–29	14
30–34	15
35–40	16
41–47	17
48–56	18
57–67	19
68–81	20
82–101	21
102–130	22
131–175	23
176–257	24
258–449	25
450–1,461	26
1,462–9,999	27

Omnibus Spending Bill Positive for Industry

In February, President Donald Trump signed into law the remaining fiscal year (FY) 2019 agency funding bills, including for the departments of Housing and Urban Development and Agriculture. This comes after Congress reached a deal on border security funding, ending a 35-day government shutdown from Dec. 22, 2018 to Jan. 25, 2019. Enacted funding levels for both HUD and USDA were quite positive and maintained funding increases from FY 2018, despite both agencies facing significant cuts proposed in the administration's FY 2019 budget request.

For HUD, the FY 2019 bill provides $53.8 billion, a $1.02 billion increase from last fiscal year, and over $12.5 billion more than the administration's request. For USDA Rural Development, the FY 2019 bill provides mostly flat funding with minimal increases to rural housing programs. In providing increased funding, Congress rejected the administration's proposed rent reforms to HUD's rental assistance programs. Congress also rejected the administration's proposed elimination of several key affordable housing programs, including: Public Housing Capital Fund, Housing Trust Fund, HOME Investment Partnerships (HOME) program, Community Development Block Grant (CDBG) program, Choice Neighborhoods and the U.S. Interagency Council on Homelessness.

After industrywide opposition to the president's budget request for this fiscal year, which had proposed funding levels insufficient to renew Section 8 contracts and eliminated funding for certain community development programs, NAHMA welcomes the much needed boost for Project-Based Rental Assistance (PBRA) and other programs.

APPROPRIATIONS FOR HUD'S AFFORDABLE HOUSING PROGRAMS

The FY 2019 omnibus spending bill provides increased funding levels for nearly all of HUD's affordable housing and community development programs. After industrywide opposition to the president's budget request for this fiscal year, which had proposed funding levels insufficient to renew Section 8 contracts and eliminated funding for certain community development programs, NAHMA welcomes the much needed boost for Project-Based Rental Assistance (PBRA) and other programs.

The omnibus bill provides $11.75 billion for PBRA, an increase over FY 2018 that is sufficient to renew all contracts. The bill provides $245 million for Performance Based Contract Administrator (PBCA) oversight. NAHMA continues to monitor the PBCA process closely and expects updates from HUD before the end of the fiscal year. Current PBCA contracts will continue in the meantime.

The omnibus spending bill provides $22.60 billion for tenant-based rental assistance, or Housing Choice Vouchers (HCV), an increase over FY 2018 enacted levels and significantly more than requested by the administration. The increased funding provides $20.31 billion for voucher renewals. The bill also funds a new Family Mobility Demonstration. This includes $25 million to implement a voucher mobility demonstration program—$20 million to support public housing authority programs designed to empower families to success-

HUD Programs	FY 2018 Enacted	FY 2019 Admin. Proposed Budget	FY 2019 Enacted
Tenant-Based Rental Assistance	$22,015	$20,550	$22,598
Contract Renewals	$19,600	$18,749	$20,313
Project-Based Rental Assistance	$11,515	$11,147	$11,747
Housing for the Elderly (Section 202)	$678	$601	$678
Capital Advance	$105	$0	$51
Service Coordinators	$90	$90	$90
Home Modifications—Aging in Place	$0	$0	$10
Supportive Housing for Persons with Disabilities (Section 811)	$230	$140	$184
Capital Advance	$83	$0	$30
Community Development Grant	$3,365	$0	$3,365
HOME	$1,362	$0	$1,200

FIGURES EXPRESSED IN MILLIONS

fully move to, and remain in, lower-poverty areas—and up to $5 million for incremental housing vouchers for families with children that participate in the demonstration.

HUD Section 202, Housing for the Elderly, received $678 million, same as FY 2018 enacted levels. The bill provides $51 million for new capital advances and PBRA contracts, up to $90 million for service coordinators and the continuation of existing congregate service grants, and $10 million for the new aging in place home modification grant program.

Similar to Section 202, HUD Section 811 receives new capital advance funding ($30 million) under the omnibus bill. Overall, the program funding is decreased to $184 million in FY 2019 from $230 million in FY 2018.

After being targeted for elimination under the president's FY 2019 budget request, both the HOME and CDBG programs continue under the omnibus spending bill. Funding for HOME was $1.25 billion. The bill maintains funding for the Community Development Fund at $3.37 billion.

Rural Development Housing Programs	FY 2018 Enacted	FY 2019 Admin Proposed Budget	FY 2019 Enacted
Section 521 Rental Assistance	$1,345	$1,331	$1,331
Section 515 Rental Housing Direct Loans	$40	$0	$40
Multifamily Revitalization	$47	$0	$51.5
Preservation Demonstration	$22	$0	$24.5
Section 542 Rural Housing Vouchers	$25	$20*	$27
Section 538 Loan Guarantee	$230	$250	$230

FIGURES EXPRESSED IN MILLIONS/ *MOVED TO RA ACCOUNT

APPROPRIATIONS FOR USDA RURAL HOUSING PROGRAMS

In the FY 2019 omnibus spending bill, some of USDA's rural housing programs also see an increase over FY 2018 enacted levels. The funding levels are sufficient to renew affordable housing contracts.

The spending bill provides $1.33 billion for the Section 521 Rental Assistance (RA) program, which represents a slight decrease due to program attrition.

Lawmakers continue to pay more attention to the impending number of Section 515 properties that are reaching their mortgage maturity dates. The omnibus bill maintains $40 million funding level from last year's enacted level. The bill also directs the USDA secretary to incentivize public housing authorities and nonprofits in preservation activities for their rural rental housing portfolio by allowing these entities to receive a return on investment and an asset management fee up to $7,500 per property.

Despite the administration's request to zero out funding for the Multifamily Revitalization Program, the omnibus bill provides a slight increase to the program. The new total funding level of $51.5 million maintains $24.5 million for the Preservation Demonstration, while funding for Rural Housing Vouchers is increased to $27 million.

Lastly, the Section 538 Loan Guarantee remains flat at $230 million.

Although behind schedule and coming after a devastating government shutdown, the FY 2019 omnibus bill represents a clear victory for affordable housing. NAHMA strongly supports the funding increases in the bill and applauds members of Congress for rejecting drastic program cuts and enacting bipartisan legislation to invest in affordable housing and community development programs. However, the country is still in the midst of an affordable housing crisis and continued funding will be required to meet the nation's housing needs.

OUTLOOK FOR FISCAL YEAR 2020

A divided government presents new challenges, as was evidenced by the recent shutdown. Over the next few months, the Trump administration and Congress will need to pass another budget agreement to increase the overall spending caps for upcoming fiscal years. The president's budget request for FY 2020 falls short of the funding levels required to renew contracts and continue to invest in communities across the country. See the article on page 14 for more details on the request that was released March 11.

NAHMA asks members continue to advocate for funding above the FY 2019 enacted levels for the next fiscal year, which begins Oct. 1. NAHMA will keep members updated as funding negotiations unfold throughout the summer and early fall. **NN**

Administration Releases Budget That Cuts HUD, USDA

The Trump administration released it proposed budget for fiscal year 2020 on March 11, which included deep cuts to most federal government programs. As in the past, Congress is expected to reject many of the cuts, but the proposal provides insight into the administration's priorities, as well as foreshadows potentially contentious budget negotiations later in the year, especially with a divided Congress.

The $4.7 trillion budget proposal calls for increases to the departments of Defense, Homeland Security and Veterans Affairs, while cuts are recommended for all other departments, in some cases as much as 31 percent (the Environmental Protection Agency).

The departments of Housing and Urban Development (HUD) and Agricultural (USDA) would see more than 10 percent of their budgets cut, according to the administration's proposal, titled "A Budget for a Better America. Promises Kept. Taxpayers First."

In his budget message, President Donald Trump said, "In the 20th century, America saved freedom, transformed science, and defined the middle class standard of living. Now we must write the next chapter of the great American adventure, turbocharging the industries of the future and establishing a new standard of living for the 21st century. An amazing quality of life for all of our citizens is within reach. We can make our communities safer, our families stronger, our culture richer, our faith deeper, and our middle class bigger and more prosperous than ever before."

The $4.7 trillion budget proposal calls for increases to the departments of Defense, Homeland Security and Veterans Affairs, while cuts are recommended for all other departments, in some cases as much as 31 percent (the Environmental Protection Agency).

USDA

The proposal requests $20.8 billion for the USDA, which represents a 15 percent decrease. The cuts would come from the department's discretionary budget, the Supplemental Nutrition Assistance Program, federal crop insurance subsidies, conservation programs and foreign food aid.

It calls for the USDA to "maintain and modernize rural utilities by providing critical support for infrastructure, such as $528 million in funding for water and wastewater grants and loans that support $1.2 billion in water and wastewater direct loans, $5.5 billion in electric loans, and $690 million in telecommunications loans. Through USDA's $24 billion portfolio of guaranteed housing loans, the department assists lenders in providing low- to moderate-income rural Americans with access to affordable housing. In addition, the budget supports a $3 billion loan level for community facility direct and guaranteed loans, which assist communities in developing or improving essential public services and facilities across rural America, such as health clinics or fire and rescue stations."

HUD

Under the administration's budget proposal, HUD would receive $44.1 billion, which is $8.6 billion below the FY 2019 enacted level. HUD would see cuts that include eliminating the Community Development Block Grant (CDBG) program and capital improvement funds for public housing repairs.

The budget proposal calls for "$37.9 billion to maintain services to all currently assisted low-income families and proposes reforms that build on the administration's Making Affordable Housing Work Act (MAHWA). This legislative proposal would not only reduce program costs, but also promote tenant work and self-sufficiency."

NAHMA believes this finding level would be insufficient to renew all Project-Based Rental Assistance contracts.

The proposal would not only reduce the proposal also requests $100 million for the Rental Assistance Demonstration program, $290 million "to promote healthy and lead-safe homes," and $75 million for the Family Self-Sufficiency program.

However, it eliminates funding for HUD programs it said "lack measurable outcomes or are ineffective," including the CDBG program and HOME Investment Partnerships Program. **NN**

Honoring Those Who Inspire All of Us

NAHMA members and guests gathered Monday, March 4, to honor the winners of the annual AHMA and Industry Awards, as part of the NAHMA Biannual Top Issues in Affordable Housing Winter Conference. Gianna Richards, president, Solari Enterprises Inc., served as the master of ceremonies.

PHOTOS BY LARRY FALKOW

NAHMA INDUSTRY STATESMAN AWARD

The award is given to a NAHMA member either in or nearing retirement in recognition of many years of outstanding leadership and service to NAHMA and the affordable housing industry. There were co-recipients this year.

Don Beebout, who recently retired as vice president of Showe Management Corporation, has been instrumental in the advancement of the affordable housing industry in Ohio. He has worked tirelessly as an industry advocate providing a strong and reasonable voice for owners and managers.

Beebout is a founding member of MAHMA, where he is a past president and has served actively on the Executive Committee in several capacities.

Additionally, he has served as a past treasurer and board member of NAHMA and has attended NAHMA meetings consistently for more than 35 years.

Beebout has lectured and conducted training for various real estate associations throughout the country.

A graduate of Youngstown State University in 1973 with a Bachelor of Science and Bachelor of Arts degree, he continued his education at the MBA Program at Virginia Commonwealth University and the Graduate Tax Program at Capital University Law School. In addition, he has earned designations as a Certified Public Accountant, Licensed Real Estate Broker, Certified Assisted Housing Property Supervisor, Certified Assisted Housing Manager, and National Assisted Housing Professional, Executive level.

Beebout has worked hard over the years to positively affect affordable housing policy not only in Ohio, but also, throughout the country.

He has testified in front of Congress on behalf of the affordable housing industry and met with Ohio representatives and senators both in Washington, D.C., and at home.

He has served on several workgroups with the Ohio Housing Finance Agency, the Assisted Housing Services Corporation and the Department of Housing and Urban Development (HUD).

Beebout's other professional credits include being a member of the Columbus Apartment Association, Midwest Association of HUD Management Agents, and Ohio Society of Certified Public Accountants.

Scott Reithel began his multifamily property management career more than 40 years ago and has been a property management executive for several national and regional property management companies. Most recently, he served as vice president of property management for Community Housing Partners until 2018, when he retired and created his consulting business. His management experiences include affordable and market-rate housing throughout the United States.

Reithel graduated from Roberts Wesleyan College in Rochester, N.Y., with a bachelor's degree in sociology and social work, and he attended the University of New York at Albany studying toward his master's in social work.

Reithel has been a property management instructor with the Milwaukee Area Technical College and is a guest lecturer at Virginia Tech.

He has served NAHMA in many roles over the years, including as president, as well as board member, officer and chair of numerous committees. He also served as the vice chair of the NAHMA Educational Foundation. In 2018, NAHMA named Reithel an emeritus member. He has also received the NAHMA President's Award in 2016 and won the Membership Recruitment Award on multiple occasions.

Reithel was also involved in MAHMA, where he was a three-time past president and board member. Additionally, he is a certified member of the Institute of Real Estate Management.

He has received national recognition awards from the Eli Lily drug company and the National Mental Health Association, as well as the Milwaukee Ovation Award for his work in developing housing and programs for persons with mental illness. In addition, he has been recognized by HUD for his work in the area of fair housing.

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NAHMA PRESIDENT'S AWARD

This elite award is given each year to an individual or organization selected by NAHMA's president.

Melissa Fish-Crane was born into her family's business and began working there when she was 15, following in the footsteps of her great-grandfather and grandfather—who worked in the family-owned construction company—as well as her father, Edward Fish, who started Peabody Properties Inc. All through college, on school breaks and summer vacations, she worked for her dad and just loved the industry and helping people.

When her father passed away, she and her sister, Karen Fish-Will, became the principals of Peabody, with Fish-Crane serving as the chief operating officer.

She has dedicated more than 20 years to superior achievement in the management of client-owned multifamily residential and mixed-use real estate developments. Resolute in her commitment to exceptional service and to cultivating long-term relationships of trust with clients, Fish-Crane is consistently relied upon for her business acumen, her expertise and her results-oriented approach to complex issues.

Fish-Crane expertly used the skills she honed in business while serving on the NAHMA Educational Foundation Board of Directors. She joined the foundation board in 2014 and served as its chair beginning in 2015. She stepped down in 2018 to join the NAHMA Board of Directors.

Under her leadership, the foundation has seen its fundraising efforts double, which allowed the nonprofit to award a record 130 scholarships in 2017. Fish-Crane successfully guided the volunteer board in its fundraising, event planning and marketing efforts.

She lives in Hingham, Mass., with her family.

NAHMA INDUSTRY PARTNER AWARD

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

This year's award was presented to **Delton Nichols**, who most recently served as director of HUD's Real Estate Assessment Center (REAC), a position he held since 2016.

While at REAC, Nichols served as a direct point-of-contact for operating and improving the physical inspection program and has said he found significant pleasure in communicating with and obtaining feedback from property owners, management agents and executive directors.

During his tenure some physical inspection improvements included transferring the inspection of elevator electrical rooms from HUD inspectors to state, local and municipal code inspectors, the integration of photo capability into the physical inspection process, improved Technical Review and Database Adjustment (appeal) process, Industry Standards for Repair, effective measures to improve the cadre of contract inspectors, and other improvements.

Nichols joined HUD in 1999 after completing his service as an Army officer. He retired from HUD in September 2018, after nearly 20 years of service. Nichols said he considers his time at HUD and the professional alliances with the federal and nonfederal affordable housing community to be one of the high points of his military and federal service careers.

He also served as a frequent speaker at NAHMA meetings.

NAHMA INDUSTRY ACHIEVEMENT AWARD

Given to a NAHMA member who has exhibited significant or noteworthy leadership in recent activities. There were two pairs of honorees this year.

The first duo was **Cindy Lamb and Matt McGuire**.

Lamb, the corporate controller for CSI Support & Development, and McGuire, the director of housing for National Church Residences, were honored for their commitment of time and outstanding leadership to NAHMA as the 2017-2018 vice chair and chair of the NAHMA Regulatory Affairs Committee.

In addition, their support in creating NAHMA's Management Occupancy Review (MOR) survey and helping analyze the results were instrumental in NAHMA's ability to publish a thorough and meaningful survey report.

For 2019-2020, Lamb serves as chair of our Regulatory Committee, and McGuire serves as vice chair of our TRACS and Contract Administration Committee.

The second duo was **Heather Staggs (right) and Gwen Volk.**

Staggs, president of S.T.A.R. Momentum Compliance Consulting Inc., and Volk, president of Gwen Volk INFOCUS Inc., both serve as NAHMA-approved credential course instructors.

Additionally, both have held and continue to hold leadership roles on NAHMA committees. For 2019-2020, Volk serves as chair of the Certification Review Board, and Staggs serves as vice chair of the Education & Training Committee.

Staggs and Volk were honored for their generous commitment of time, leadership and expertise to NAHMA in creating the new One-Day CPO course, which provides a new educational opportunity to NAHMA and AHMA members.

AHMA OF THE YEAR AWARD

This award is presented to AHMAs using criteria such as size, number of members, success in membership recruitment, membership retention, education and training course attendance, financial stability and other factors. There was one winner this year.

SAHMA

SAHMA was able to recruit 42 new members out of a pool of 53 leads for 2018, all while the association maintained a 91 percent retention rate. SAHMA, which covers eight southeastern states and the Caribbean, held 58 educational events drawing almost 900 students. Additionally, SAHMA held one regional and eight state-level meetings that attracted more than 3,600 participants.

AHMA COMMUNITIES OF QUALITY AWARDS

This award honors AHMAs with superior numbers of Communities of Quality (COQ) properties and active COQ recruitment and recognition programs.

SAHMA

SAHMA has 566 COQ National Recognition Program participants, with 39 new communities since the previous year. In addition, 10 SAHMA member companies have received the Communities of Quality Corporate Partner Designation.

SAHMA continues to market the program through social media posts, marketing, and at its state meetings and regional conference.

AHMA INNOVATION AWARD

Given in recognition, by AHMA size, of a new program, service or activity that an AHMA began sometime in late 2017 or in 2018. There were two winners in two size categories this year.

Large: SAHMA

SAHMA established an Advocate Committee, as part of its strategic planning, to develop a robust approach to advocacy for the organization and tie into its relationship with NAHMA. SAHMA's board recruited former officers and board members to form the Advocacy Committee, which works with current directors in scheduling and meeting with their U.S. representatives and senators twice a year in their district offices to discuss SAHMA's issues. The purpose of the committee is to encourage all members to establish contacts with their representatives and senators; provide guidance, templates and mentors to assist members with their efforts; leverage SAHMA's relationship and resources developed by NAHMA; educate members on the importance of advocacy and encourage their support of the NAHMA Legislative Fund; and provide NAHMA with feedback.

Small: AHMA East Texas

In the wake of Hurricane Harvey in 2017, AHMA East Texas created a Disaster Plan educational course where all participants would gain an in-depth familiarity with the HUD Handbook Chapter 38: Multifamily Emergency/Disaster Guidance, and leave the course with a functioning disaster plan adaptable to the unique characteristics of any property. This plan is suitable for any man-made, local disaster or widespread presidentially declared disaster. Forty-one of AHMA East Texas' 72 members attended the disaster training and left with a ready-to-use plan, representing 57 percent of the association's membership.

NAHMA COMMUNITIES OF QUALITY (COQ) AWARD

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

The award for the most new COQ communities in the past year went to **Michaels Management,** formerly known as Interstate Realty Management Company, headquartered in Marlton, N.J.

Community Realty Management, headquartered in Pleasantville, N.J., earned second place.

In addition, **Burlington Capital Properties** in Omaha, Neb., was named honorable mention. **NN**

Staying on Top Of Industry Issues

NAHMA's Biannual Top Issues in Affordable Housing Winter Conference in March drew members from across the country who attended educational panels specifically geared toward the affordable housing industry and led by the people who are experts in their fields. Additional activities during the three-day affair included the Industry and AHMA Awards (see page 17), and Communities of Quality Awards luncheon. The event concluded with prearranged Capitol Hill meetings with congressional representatives and their staff. The association's next event is the Biannual Top Issues in Affordable Housing Fall Conference, Oct. 27-29, in Washington, D.C. *For more photos, visit the association's Facebook page; search NAHMA.* **NN**

PHOTOS BY LARRY FALKOW

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Special Congratulations to COQ Corporate Partners

To be recognized as a COQ Corporate Partner, a management company must have at least half of its affordable multifamily portfolio earn National COQ Recognition. Current COQ Corporate Partner companies are:

Aimco

American Apartment Management Company Inc.

Barkan Management

Community Realty Management

CSI Support and Development Services

First Realty Management

Housing Management Resources Inc.*

HumanGood (formerly Beacon Communities/ABHOW)

Jewish Community Housing for the Elderly

Mansermar Inc.

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Peabody Properties Inc.

PRD Management*

Southern Development Management Company Inc.

Spear Management

Tesco Properties Inc.

The Community Builders Inc.

The Schochet Companies

Walton Community Services

Wesley Living (formerly Wesley Housing Corporation of Memphis Inc.)*

Westminster Company

WinnResidential

*Housing Management Resources Inc., PRD Management and Wesley Housing Corporation of Memphis Inc., have each achieved COQ Recognition status for 100 percent of their portfolios.

Housing a Priority for Key Funding Committees

The 116th Congress convenes from Jan. 3, 2019, to Jan. 3, 2021. The House of Representatives consists of 235 Democrats and 198 Republicans, and there are currently two vacancies. The Senate has 53 Republicans and 47 Democratic caucus members, including two Independents who caucus with Democrats.

POLICY OUTLOOK

With Democrats taking over the House and Republicans controlling the Senate, the 116th Congress will present both opportunities and challenges for affordable housing funding. The previous Congress rejected drastic funding cuts and provided investments in affordable housing programs, despite being Republican-controlled.

In March, the Office of Management and Budget asked agencies to make cuts of at least 5-10 percent across their budget requests for fiscal year 2020. There is also potential for the Trump administration and House Democrats to make significant increases in infrastructure investments.

Due to divided government, NAHMA believes the industry will have to work hard to prevent negative impacts from potential government shutdowns. It will likely be very difficult to build on overall increases in spending for federally subsidized housing programs in the 116th Congress.

NAHMA expects the House Financial Services Committee and Senate Banking Committee to focus on legislation to reform the government-sponsored entities Fannie Mae and Freddie Mac. NAHMA believes the committees, particularly on the House side, will also explore legislation that combats homelessness and addresses the rural housing portfolio. However with a divided government, large reforms to agencies may face an uphill battle.

NAHMA believes the Ways and Means Committee and Senate Finance Committee will focus on infrastructure investments. The association is unsure of how this will impact the Low-Income Housing Tax Credit (LIHTC). NAHMA expects LIHTC reform and expansion legislation will be introduced, similar to bills introduced during the last Congress.

HOUSE LEADERSHIP

Speaker of the House: Nancy Pelosi (D-CA). The speaker of the House is third in the line of succession for the presidency behind the vice president. The speaker controls the agenda for the House.

Majority Leader: Steny Hoyer (D-MD). The majority leader schedules votes on the House floor and is charged with making sure the proverbial "trains run on time." He will likely oversee the day-to-day operations of the legislative agenda.

Minority Leader: Kevin McCarthy (R-CA). The minority leader is the recognized leader of the party with fewer members.

SENATE LEADERSHIP

Majority Leader: Mitch McConnell (R-KY). In the Senate, an individual becomes majority leader if he/she was the elected leader of his party and has the most senators caucusing, or aligning themselves, with his party. The Senate majority leader decides what business comes to the Senate floor, and when it gets a vote.

Minority Leader: Charles "Chuck" Schumer (D-NY). The Senate minority leader is the recognized head of his/her party. He is generally the person who tries to ensure that his party members get an opportunity to vote on desired amendments and negotiates time agreements on debate and amendments with the majority leader.

HOUSE COMMITTEES

Each political party has its own rules for choosing committee chairmen. Committee chairs control the legislative agenda, schedule and enjoy subpoena power. They are members of the majority party. Ranking members of the committees lead the minority party. They do not control the agenda nor schedule of the committees, but they can be influential in crafting legislation and choosing witnesses at hearings.

House Financial Services Committee
Chairwoman: Maxine Waters (D-CA); **Ranking Member:** Patrick McHenry (R-NC)

The House Financial Services Committee and its subcommittees have oversight responsibility of the Department of Housing and Urban Development (HUD) and the Department of Agriculture's Rural Housing Service (USDA-RHS). As the appropriate "authorizing committee" for housing issues, consideration of most new housing related legislation in the House begins here.

Waters said in a press release laying out her priorities, "A very important issue we will be bringing renewed attention to in the Financial Services Committee is housing.

"This country is experiencing a housing affordability and homelessness crisis. Today, there are over half a million people experiencing homelessness here in the richest country in the world, over one-fifth of whom are children. This includes veterans who we failed to support when they returned home after serving our country, women fleeing domestic violence, people who have left prison after serving their debt to society, and people who have simply fallen on hard times. It is simply shameful, and Congress has a responsibility to act."

She went on to say: "To tackle the homelessness crisis, Congress needs to provide a surge of funding and resources. Just as Congress puts billions of dollars into defense spending, we must provide the funding necessary to ensure that all Americans have access to safe, decent and affordable housing."

Waters said she plans to reintroduce her bill, Ending Homelessness Act, which provides $13.27 billion in new funding over five years to federal programs and initiatives to prevent homelessness. Additionally, she said housing finance reform needs to include a comprehensive strategy around access to the affordable mortgage credit and well as to affordable rental housing. Waters also said she will reintroduce the Restoring Fair Housing Protections Act to "reverse the harmful steps taken by HUD Sectary Ben Carson and the Trump administration to undermine fair housing."

Housing, Community Development, and Insurance Subcommittee
William Lacy Clay (D-MO) is taking over the Housing, Community Development, and Insurance Subcommittee chair position, while Sean Duffy (R-WI) is taking over as the ranking member on the subcommittee. The remaining subcommittee members are:
Democrats: Cindy Axne (IA), Emanuel Cleaver (MO), Joyce Beatty (OH), Vicente Gonzalez (TX), Al Green (TX), Denny Heck (WA), Al Lawson (FL), Carolyn B. Maloney (NY), Brad Sherman (CA), Rashida Tlaib (MI), Juan Vargas (CA) and Nydia M. Velázquez (NY).
Republicans: Anthony Gonzalez (OH), Lance Gooden (TX), Bill Huizenga (MI), David Kustoff (TN), Blaine Luetkemeyer (MO), John Rose (TN), Bryan Steil (WI), Scott Tipton (CO) and Lee M. Zeldin (NY).

Appropriations Committee
Chairwoman: Nita Lowey (D-NY); **Ranking Member:** Kay Granger (R-TX)

The Appropriations Committee decides how much money federal programs will receive each year and how the agencies will use that money. Their jurisdiction is limited to funding discretionary programs. They do not fund entitlements such as Social Security, Medicare and Medicaid. The Transportation, and Housing and Urban Development, and Related Agencies (T-HUD) Subcommittee is responsible for funding HUD programs. The Subcommittee on Agriculture, Rural Development, Food and Drug Administration, and Related Agencies funds USDA-RHS programs.

T-HUD Subcommittee
David E. Price (D-NC) becomes the T-HUD Subcommittee chairman, while Mario Diaz-Balart (R-FL) will serve as the subcommittee ranking member. The remaining subcommittee members are:
Democrats: Pete Aguilar (CA), Katherine Clark (MA), Bonnie Watson Coleman (NJ), Brenda Lawrence (MI), Mike Quigley (IL) and Norma Torres (CA).
Republicans: Will Hurd (TX), John Rutherford (FL) and Steve Womack (AR).

Agriculture Subcommittee
Sanford Bishop Jr. (D-GA) serves as the Agriculture Subcommittee chair. Jeff Fortenberry (R-NE), is the subcommittee ranking member. The remaining subcommittee members are:
Democrats: Henry Cuellar (TX), Rosa DeLauro (CT), Barbara Lee (CA), Betty McCollum (MN), Chellie Pingree (ME) and Mark Pocan (WI).
Republicans: Robert Aderholt (AL), Andy Harris (MD) and John Moolenaar (MI).

Ways and Means Committee
Chairman: Richard Neal (D-MA); **Ranking Member:** Kevin Brady (R-TX)

This is the tax writing committee and the authorizing committee for entitlement programs such as Social Security, Medicare, etc. Legislation to amend the Low-Income Housing Tax Credit (LIHTC) program falls under the jurisdiction of this committee.

SENATE COMMITTEES

While there are specific procedures followed by the Republican and Democratic caucuses in selecting committee chairmen, the tradition of the Senate generally recognizes that the member of the majority party having the most seniority on the committee becomes chairman. Likewise, the member of the minority party who has the most seniority on the committee becomes the ranking member.

There are few committee leadership changes since the Republicans retained control of the Senate.

Banking, Housing, & Urban Affairs Committee
Chairman: Michael Crapo (R-ID); **Ranking Member:** Sherrod Brown (D-OH)

The Banking Committee is the Senate counterpart to the House Financial Services Committee. The Subcommittee on Housing, Transportation, and Community Development is the counterpart to the House Subcommittee on Housing, Community Development, and Insurance.

David Perdue (R-GA) is the Housing, Transportation, and Community Development Subcommittee chair, while Robert Menendez (D-NJ) is the ranking member. The leaders of the Banking Committee traditionally have strong bipartisan interests in affordable housing programs.
Republicans: Tom Cotton (AR), Kevin Cramer (ND), Crapo, John Kennedy (LA), Martha McSally (AZ), Jerry Moran (KS), Perdue (GA), Mike Rounds (SD), Ben Sasse (NE), Tim Scott (SC), Richard C. Shelby (AL), Thom Tillis (NC) and Patrick J. Toomey (PA).
Subcommittee members: Cotton, Cramer, McSally, Moran, Perdue, Rounds, Shelby.
Democrats: Brown, Catherine Cortez Masto (NV), Doug Jones (AL), Menendez (NJ), Jack Reed (RI), Brian Schatz (HI), Krysten Sinema (AZ), Tina Smith (MN), Jon Tester (MT), Chris Van Hollen (MD), Mark R. Warner (VA) and Elizabeth Warren (MA).
Subcommittee members: Cortez Masto, Jones, Menendez, Reed, Smith, Warren.

Crapo recently released an outline for housing finance reform legislation for the Senate Banking Committee. Similar to earlier congressional proposals, Crapo's plan would remove Fannie Mae and Freddie Mac (the GSEs) from conservatorship, making them mortgage guarantors in the private sector instead. The GSEs have been in conservatorship since 2008.

The guarantors would be required to provide equal access to all originators, regardless of their size or loan volume. The Federal Housing Finance Agency (FHFA) would regulate the GSEs and would also be restructured to be run by a board of directors.

"We must expeditiously fix our flawed housing finance system," said Crapo in a press release. "My priorities are to

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HOUSING A PRIORITY FOR KEY FUNDING COMMITTEES, *continued from page 23*

establish stronger levels of taxpayer protection, preserve the 30-year fixed rate mortgage, increase competition among mortgage guarantors, and promote access to affordable housing."

Under the chairman's plan, the current affordable housing goals and duty-to-serve requirements would be replaced by a "Market Access Fund," which would provide grants, loans and credit enhancement to help address homeownership and rental housing needs in underserved and low-income communities. The Market Access Fund, the Housing Trust Fund and the Capital Magnet Fund would be collectively funded through an annual assessment of 10.0 basis points of the total loan volume guaranteed by each entity. No further details on the new Market Access Fund were provided in the plan outline.

In addition to the housing finance reform goals, the committee will work to identify opportunities to improve the efficiency and effectiveness of HUD programs, and will consider updates to Title VI of the Violence Against Women Act (VAWA).

Appropriations Committee
Chairman: Richard Shelby (R-AL); **Ranking Member:** Patrick Leahy (D-VT).

Like its House counterpart, the Senate Appropriations Committee decides how much money federal programs receive and how it should be spent. The subcommittees referenced below fund HUD and USDA-RHS programs.

T-HUD Subcommittee
Susan Collins (R-ME) will remain chair of the Transportation, Housing and Urban Development, and Related Agencies (T-HUD) Subcommittee. Jack Reed (D-RI) will remain ranking member. The remaining subcommittee members are:
Republicans: Lamar Alexander (TN), Roy Blunt (MO), John Boozman (AR), Shelley Moore Capito (WV), Steve Daines (MT), Lindsey Graham (SC), John Hoeven (ND) and Richard Shelby (AL).
Democrats: Richard J. Durbin (IL), Dianne Feinstein (CA), Christopher A. Coons (DE), Brian Schatz (HI), Joe Manchin (WV), Christopher Murphy (CT) and Patty Murray (WA).

Agriculture Subcommittee
John Hoeven (R-ND) is the new chair of the Agriculture, Rural Development, Food and Drug Administration, and Related Agencies Subcommittee. Jeff Merkley (D-OR) will remain ranking member. The remaining subcommittee members are:
Republicans: Roy Blunt (MO), Susan M. Collins (ME), Cindy Hyde-Smith (MS), John Kennedy (LA), Mitch McConnell (KY) and Jerry Moran (KS).
Democrats: Tammy Baldwin (WI), Dianne Feinstein (CA), Patrick Leahy (VT), John Tester (MT) and Tom Udall (NM).

Finance Committee
Chairman: Chuck Grassley (R-IA); **Ranking Member:** Ron Wyden (D-OR)

This is the Senate counterpart to the House Ways and Means Committee. The Finance Committee has jurisdiction for LIHTC bills.

Sen. Maria Cantwell (D-WA) introduced bipartisan legislation to expand and reform LIHTC during the last Congress. NAHMA expects the legislation to be reintroduced during the 116th Congress. **NN**

Impact of Opportunity Zones On Affordable Housing

In the current environment of constrained budgets and downward pressure on affordable housing investment, a December NAHMAnalysis looked at a recent tax code change that could increase access to housing and opportunity in economically depressed communities: the creation of "Opportunity Zones" and "Opportunity Funds" as a new investment vehicle. The analysis examined how the new tax benefit could affect affordable housing in the qualified investment zones and beyond.

WHAT ARE OPPORTUNITY FUNDS?

The new tax benefit, enacted as part of tax reform in December 2017, has bipartisan origins and is designed to incentivize long-term equity investments in both business and real property located in underserved areas. Structured as a new tool for aggregating and deploying investments in areas of need, the investment vehicle hinges on a tax code change that allows for tax-preferred treatment of unrealized investment income—subject to capital gains tax—that is reinvested into an "Opportunity Fund" within 180 days. Ninety percent of those funds would then be invested in a business property or interest located in qualified "Opportunity Zones," which are designated locally based on economic need.

Before making its way into last year's tax reform legislation, the bill to create the so-called "Opportunity investment vehicle" was first introduced in both the House and Senate in 2016. Originally sponsored by Sen. Tim Scott (R-SC) and former Rep. Patrick Tiberi (R-OH), the Investing in Opportunity Act gained significant bipartisan co-sponsorship over the following two years, including from prominent Democrats, such as Rep. Richard Neal of Massachusetts and Sens. Cory Booker of New Jersey and Mark Warner of Virginia.

The tax incentives for Opportunity Fund investment are significant, especially over the long term: Not only is the tax on the original gain temporarily deferred, but also the original tax liabilities are reduced by 10 percent or 15 percent as investments are maintained over a five- or seven-year minimum, respectively. At a 10-year minimum investment cycle, the taxpayer can elect to permanently exclude from taxable income the new gain earned on Opportunity Fund investments. The result is the potential for three separate tax benefits: temporary deferral of tax on the original gain; permanent exclusion of part of the deferred gain; and permanent exclusion of new gain. Importantly, taxpayers are not statutorily limited in the amount of realized gains obtained through Opportunity Fund investment.

> The tax incentives for Opportunity Fund investment are significant, especially over the long term: Not only is the tax on the original gain temporarily deferred, but also the original tax liabilities are reduced by 10 percent or 15 percent as investments are maintained over a five- or seven-year minimum, respectively.

WHAT ARE OPPORTUNITY ZONES?

After its enactment in late 2017, the IRS issued the first step in implementing the new tax benefit: establishing a timeline for Opportunity Zones to be identified by states and territories. In order to qualify, each zone had to meet certain income requirements that demonstrated historic underinvestment or a heightened need for opportunity investment. By midsummer of 2018, each U.S. state, Washington, D.C., and several territories had opted into the initiative by submitting their priority Opportunity Zone nominations and the IRS completed its first 10-year zone designation shortly thereafter.

The importance of place-based investment is undeniable. Unlike some previous federal initiatives designed to spur economic investment, this new investment vehicle emphasizes local control with regard to geographic targeting. According to an analysis by Enterprise Community Partners, about 11 percent of the total population of the U.S. and its territories lives within the designated Opportunity Zones, or about 35 million people; over three-quarters of the zones are situated within metropolitan areas, but there is a near even split between urban and rural ZIP codes.

Households in the selected zones tend to have higher levels of rent burdens, lower homeownership rates and home values and above-average populations of minority groups, including African-American, Hispanic and Native American. Compared with non-designated areas, the areas encompassed by the Opportunity Zones are more likely to be targets for other place-based federal programs, including subsidized housing. More than 25 percent of all affordable housing units are located in Opportunity Zones.

HOW ARE OPPORTUNITY FUNDS STRUCTURED?

By offering tax-preferred treatment of capital gains that are reinvested in des-

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ignated tracts, the tax benefit aims to spur new equity investments targeted at inequitable economic growth across the country. Both individual and corporate taxpayers can reinvest an unlimited amount of gains into an Opportunity Fund. Early research estimates capital from Opportunity Funds will meet up to 30 percent of equity needed for projects, so a key component of the new vehicle will be the ability to coordinate with local leadership, localized economic development strategies and debt financing programs to identify the best way for investors to engage. For example, Opportunity Fund investments could potentially be applied in conjunction with the Low-Income Housing Tax Credit (LIHTC), the New Markets Tax Credit (NMTC) and other programs designed to leverage private investment for both financial and social return.

In the past, leveraging private funds, innovation and expertise for social good has proven quite successful for affordable housing investment. One example is of course if the Department of Housing and Urban Development (HUD)'s Project-Based Rental Assistance program, which partners with private owners to offer place-based housing subsidies. Another example is the housing credit, which, according to the LIHTC database, has placed more than 3 million affordable units into service between 1987-2016.

However, Opportunity Zones and Opportunity Funds do not act as a program, but rather as a tax-preference, without the overarching structure of oversight, reporting requirements and transparency associated with a traditional program. In contrast to the LITHC program, key elements of the Opportunity tax benefit include its immense flexibility with minimal restrictions on types of investment projects or investor/investment fund qualifications, as well as its local control—qualifying investment areas are selected at the state and territory level—therefore, deals would likely be brokered locally. Similar to the housing credit program, long-term investment is incentivized through 10-year zone designations and through time-based increases in tax benefits. Lastly, a certain threshold of investment is encouraged through a so-called "substantial improvement" test to the business property.

LOOKING AHEAD: PROMISE AND PERIL

While the tax benefits are designed to pool resources for a strong impact, the potential for success is matched by investment uncertainty and the real potential for community displacement. Following its designation of Opportunity Zones in midsummer, the IRS released FAQs on certifying Opportunity Funds, as well as clarity for investors, and recently released proposed regulations addressing the initial investment in and the creation of a qualified Opportunity Fund. There are, however, a number of unanswered questions that related to penalties and tax consequences in certain scenarios that will shape Opportunity Zone investing over the next decade and beyond.

While the tax benefits are designed to pool resources for a strong impact, the potential for success is matched by investment uncertainty and the real potential for community displacement.

Despite the lingering uncertainty, the initiative has strong potential not only to increase investment in underserved areas, but also to reallocate equity from outside of a particular zone with an eye toward leveling the playing field. In fact, Opportunity Funds have garnered popular attention from various sectors. Some industry estimates put the total amount of unrealized capital gains in the trillions, and the White House recently established a White House Opportunity and Revitalization Council, with HUD Secretary Ben Carson at the helm, to target existing federal funding toward Opportunity Zones.

However, the very strengths of the initiative could backfire when it comes to affordable housing and community development. The other side of flexibility is arguably a lack of oversight and transparency that ensures equitable community advancement. The consequence of localized control could be the absence of a coordinated effort with overarching trajectories. And, the result of a substantial improvement test could be to steer investment toward higher-end developments, as opposed to projects that target low- and middle-income Americans or seek to maintain affordability for the existing community.

A recent congressional hearing revealed bipartisan concern about preserving flexibility while establishing accountability and transparency in the absence of statutory reporting requirements. In addition, witnesses and lawmakers alike explored the types of so-called "guardrails" necessary for creating an impactful investment initiative while avoiding displacement in rapidly changing neighborhoods. Moreover, many local investment strategies emphasize housing affordability, and new entities have formed in response to the enactment of Opportunity Funds to help guide funds toward projects that support housing stability as a key opportunity factor in economically distressed communities. A number of industry groups have also continued to call for increased guardrails, transparency and oversight of the types of investments made through this new incentive. **NN**

The NAHMAnalysis, *Opportunity Zone Investment and Affordable Housing*, is available in the Members Only section of nahma.org.

FHFA Releases Two Reports on GSEs

In December, the Federal Housing Finance Agency (FHFA) released two reports: the modified Fannie Mae Duty-to-Serve Plan and the 2019 Scorecard outlining specific conservatorship priorities for Fannie Mae, Freddie Mac—collectively known as government sponsored enterprises or GSEs—and their joint venture, Common Securitization Solutions LLC (CSS).

Meanwhile, talk of reforming the GSEs has picked up steam among legislators and regulators, including Senate Banking Committee chair Mike Crapo (R-ID) releasing his outline for housing finance reform legislation.

SCORECARD

According to the FHFA press release, the scorecard furthers the goals outlined in the agency's Strategic Plan for the Conservatorships of Fannie Mae and Freddie Mac, published in May 2014.

The goals of the strategic plan include:

1. Maintain, in a safe and sound manner, credit availability and foreclosure prevention activities for new and refinanced mortgages to foster liquid, efficient, competitive and resilient national housing finance markets;

2. Reduce taxpayer risk through increasing the role of private capital in the mortgage market; and

3. Build a new single-family infrastructure for use by the Enterprises and adaptable for use by other participants in the secondary market in the future.

To read the 2019 Scorecard for Fannie Mae, Freddie Mac, and Common Securitization Solutions, visit https://www.fhfa.gov/AboutUs/Reports/ReportDocuments/2019-Scorecard-12192018.pdf.

To read the Modified Fannie Mae Duty-to-Serve Plan, visit https://www.fhfa.gov/PolicyProgramsResearch/Programs/Documents/Fannie-Mae-Revised-Underserved-Markets-Plan-2018.pdf.

According to the scorecard, the GSEs earned a 40 percent for the first goal of maintaining, in a safe and sound manner, credit availability and foreclosure prevention activities for new and refinanced mortgages to foster liquid, efficient, competitive and resilient national housing finance markets.

Among the suggestions was for the GSEs to explore opportunities to further affordability through multifamily energy and water efficiency programs including conducting research and outreach on loans that finance energy and water efficiency improvements. Additionally, the scorecard said the GSEs need to manage the dollar volume of new multifamily business to remain at or below $35 billion for each GSE. The report also said that loans in affordable and underserved market segments are to be excluded from the cap.

As to the second goal of reducing taxpayer risk through increasing the role of private capital in the mortgage market, the GSEs scored a 30 percent. For multifamily credit risk transfers, the report suggests the GSEs transfer a "meaningful portion" of the credit risk on newly acquired mortgages, subject to FHFA target adjustments as may be necessary to reflect market conditions and economic considerations, and to report the actual amount of underlying mortgage credit risk transferred.

Finally, the scorecard awarded the GSEs a 30 percent for goal three of building a new single-family infrastructure for use by the GSEs and adaptable for use by other participants in the secondary market in the future.

DUTY-TO-SERVE PLAN

The FHFA published Fannie Mae's modified Underserved Market Plan for 2018-2020. Fannie Mae pledges in the new plan to substantially increase its housing credit equity investments for properties located in rural areas over the three-year period.

The plan outlines how Fannie Mae intends to fulfill its obligations under the agency's Enterprise Duty-to-Serve Rule. The rule requires the GSEs to support lending for housing for very low-, low- and moderate-income families—those earning 100 percent of area median income or below—in three underserved segments of the housing finance market: manufactured housing, affordable housing preservation and rural areas. As part of FHFA's implementation and oversight of the Duty-to-Serve Rule, each GSE is required to draft an Underserved Markets Plan every three years. The plans are subject to public comment, and final review and approval from FHFA.

In October, Fannie Mae proposed 22 modifications to its plan, of which FHFA sought public comment on four and deemed the others to be technical changes. After reviewing the comments, FHFA approved all of Fannie Mae's proposed changes, including increasing Fannie Mae's housing credit equity investments.

In its initial plan, Fannie Mae committed to researching the housing credit market in 2018, including outreach to at least 10 housing finance agencies with rural regions. It then intended to make at least five housing credit investments on projects in rural areas in 2019 and at least 10 such investments in 2020.

The modified plan substantially increases Fannie Mae's housing credit equity investments to reflect what it characterizes as its enhanced market insight and the strong syndicator relationships it has developed since re-entering the housing credit equity market.

According to the modified plan, Fannie Mae expects to make equity investments in 20 housing credit projects, through either proprietary or multi-

continued on page 28

Scholarship Application Deadline Is May 15

THE NAHMA EDUCATIONAL FOUNDATION 2019 scholarship application, which was released in mid-January, will be accepted until 10 p.m. EDT on Wednesday, May 15. It is important to note that the application was released two weeks earlier than in previous years and the deadline for completed applications is two weeks earlier as well. Residents can access the application at nahma.communityforce.com and must be filed online.

There are no changes to the application format this year and the requirements for a completed application are also exactly the same. Those required components include a completed application form, an essay, two references, a Certification of Residency in Good Standing form and a current official grade transcript. The grade transcript is the only required component that is submitted in hard copy via U.S. mail—the mailing address is included in the application information section. All necessary forms are contained within the software, hence no hard copies of these forms are needed. Only completed applications will be considered. Residents must be matriculated students at a community college, college, university or trade/technical school—high school seniors may apply and then verify their acceptance at one of the aforementioned type institutions—and be a resident in good standing at an AHMA-member multifamily community.

With only a few weeks remaining in the application window, there is still time for residents to complete an application, so be sure to announce the program to your residents today! Deadline for completed applications is May 15.

"As the foundation embarks upon its 13th consecutive year of granting scholarships to worthy student/residents, we want to be sure that all applicants are aware of the change of our application deadline date. It is May 15. Further, we want all applicants to be aware that the foundation remains committed to distributing $2,500 to each recipient. Please encourage your residents to take advantage of this wonderful program that has been providing financial assistance to residents that are furthering their education for over a decade," remarked Alice Fletcher, NAHMA Educational Foundation chairperson, when the 2019 application was released.

Anyone with questions about the application process or the scholarship program in general should contact Dr. Bruce W. Johnson, NAHMA scholarship program administrator, at 215-262-4230 or at bjohnson@tmo.com. With only a few weeks remaining in the application window, there is still time for residents to complete an application, so be sure to announce the program to your residents today! Deadline for completed applications is May 15. NN

FHFA RELEASES TWO REPORTS ON GSEs, *continued from page 27*

investor syndicated funds, in rural areas by the end of 2018. Fannie Mae also proposes to increase its goals for housing credit investments for projects in rural areas to 30 for both 2019 and 2020.

CHANGES AHEAD?

In February, Senate Banking Committee Chair Mike Crapo (R-ID) released an outline for housing finance reform legislation. According to the accompanying press release, "The outline incorporates elements of many plans and principles for housing finance reform legislation that have been discussed by legislators, analysts, stakeholders and thought leaders."

His plan, according to the release, "would create a permanent, sustainable new housing finance system that:

- Reduces the systemic, too-big-to-fail risk posed by the current duopoly of mortgage guarantors.
- Preserves existing infrastructure in the housing finance system that works well, while significantly increasing the role of private risk-bearing capital.
- Establishes several new layers of protection between mortgage credit risk and taxpayers.
- Ensures a level playing field for originators of all sizes and types, while also locking in uniform, responsible underwriting standards.
- Promotes broad accessibility to mortgage credit, including in underserved markets."

Crapo's plan, as far as affordable housing is concerned, includes replacing current affordable housing and duty-to-serve goals with a new Market Access Fund, which would provide grants, loans and credit enhancement to address the homeownership and rental housing needs in underserved and low-income communities. It would also make the Housing Trust Fund, Capital Magnet Fund and Market Access Fund collectively financed through an annual assessment of 10.0 basis points of the total annual loan volume guaranteed by each guarantor. **NN**

HUD NEWS

IN FEBRUARY, HUD'S OFFICE OF MULTI-FAMILY HOUSING PROGRAMS published a housing notice and related mortgagee letter that expand the use of the Low-Income Housing Tax Credit (LIHTC) pilot program into New Construction and Substantial Rehabilitation loan products under Sections 221(d)(4) and 220. The expanded pilot program will ensure faster and more efficient processing for low-risk, LIHTC transactions by eliminating redundant reviews. Under the pilot program, processing times are reduced to 30 days under the Expedited Approval Process track and 60 days under the Standard Approval Process track. To read the notice, visit https://www.hud.gov/sites/dfiles/OCHCO/documents/LIHTCPilotNotice022119.pdf. To read the mortgage letter, visit https://www.hud.gov/sites/dfiles/OCHCO/documents/19-03hsgml.pdf. HUD also released a mortgagee letter with Guidance for Foreign National Participation in FHA-Insured Multifamily Programs, which can be found at https://www.hud.gov/sites/dfiles/OCHCO/documents/19-02hsgml.pdf.

THE OFFICE OF MULTIFAMILY HOUSING AND THE OFFICE OF PUBLIC AND INDIAN HOUSING published a joint Tenant Protection Voucher (TPV) Set-Aside Notice on Feb. 15. The notice explains the eligibility and application requirements for $5 million of TPV set-aside funding as well as how applications will be processed. The purpose of the vouchers is to protect the residents of certain properties with expiring affordability restrictions. An owner is eligible to request assistance under this notice in the form of either an enhanced voucher or project-based voucher assistance. To view the notice, visit https://www.hud.gov/sites/dfiles/PIH/documents/PIH-2019-01.pdf.

LIHTC NEWS

ON FEB. 26, THE IRS PUBLISHED FINAL REGULATIONS THAT AMEND the Low-Income Housing Tax Credit (LIHTC) compliance monitoring regulations. The final regulations revise and clarify the requirement to conduct physical inspections and review low-income certifications and other documentation. The final regulations will affect owners of low-income housing projects that claim the credit, the residents in those low-income housing projects, and the state and local housing credit agencies that administer the credit. To read the final regulation, visit the LIHTC Issues webpage under the Agencies tab at nahma.org.

THE IRS ISSUED REVENUE RULING 2019-08, WHICH PROVIDES VARIOUS PRESCRIBED RATES for federal income tax purposes, including applicable federal interest rates, adjusted applicable federal interest rates and adjusted long-term and tax-exempt rates for April 2019. The appropriate percentage for the 70 percent present value low-income housing credit is 7.63 percent, while the appropriate percentage for the 30 percent present value low-income housing credit is 3.27 percent. Under section 42(b)(2), the applicable percentage for non-federally subsidized new buildings placed in service after July 30, 2008, shall not be less than 9 percent. To view the revenue ruling from the IRS online, visit the LIHTC Issues webpage under the Agencies tab at nahma.org. **NN**

HUD NEWS: CONVERSION OF SECTION 202 PRACS UNDER RAD

The fiscal year 2018 Appropriations Act authorized the conversion of properties assisted by Section 202 Project Rental Assistance Contracts (PRACS). The Department of Housing and Urban Development (HUD) is in the process of revising the Rental Assistance Demonstration (RAD) Notice to include a new Section 4 that would provide implementation instructions for the conversion of Section 202 PRACs under RAD. Prior to implementation, a draft Section 4 was posted to HUD's Office of Multifamily Housing's "Drafting Table" where HUD was accepting public feedback until March 12. Following consideration of public feedback received, the Office of Recap will proceed toward incorporation of the new Section 4 into a revised RAD Notice.

To read the draft Section 4, visit https://www.hud.gov/sites/dfiles/Housing/documents/Draft%20RAD%20Notice%20Rev%204%20-%20Section%20IV%20PRACs%202019-02-25%20Final%20for%20Drafting%20Table.docx. To access the Drafting Table, visit https://www.hud.gov/program_offices/housing/mfh/MFH_policy_drafts.

WITH LISA MCCARROLL
BY JENNIFER JONES

Doing Good In the Community

AS THE NEW CEO OF NAVIGATE Affordable Housing Partners, Lisa McCarroll boils her responsibilities down to a simple phrase, “advancing the board’s and company’s agenda to do good in the community.”

Having the patience needed to execute the agenda is another story.

“I’m a person who wants things done yesterday. One of my challenges is to measure my expectations and not get frustrated with the pace it takes to get things done. Stepping back,” McCarroll said. “My new mantra is it’s a marathon, not a sprint.”

One of the things she is anxious to see to fruition is a new initiative. The Birmingham, Alabama-based company is piloting a unique version of community development. They selected a neighborhood, with the intent of improving affordable housing.

Using a multipronged approach, Navigate hopes to increase the number and type of housing options. Their method will include improving multifamily housing choices, working with established nonprofits to build new single-family homes for working families and helping existing homeowners with critical repairs.

“We want to be a catalyst. We don’t want to come and dictate all of the work. We want to work with partners already in the community,” McCarroll said. “We want to learn from them, and I hope they learn from us. It’s about how best we can help the community.”

The community for the test project was selected for a number of reasons including what Navigate calls the “Work-Walk-Live Factor.” It is within walking distance of major employers, and it is on the transportation corridor. It is in an area primed for growth as other projects for housing and economic development take shape. Also, the community offers access to an urban lifestyle in a neighborhood setting.

Finally, it helped that a local not-for-profit was already working on housing issues using the community’s master plan.

“We’re looking to see where best our resources can be utilized,” McCarroll said. “If the community doesn’t want our help or it doesn’t work, we can walk away. We don’t want to be the 800-pound gorilla that comes in and takes over. We want to be respectful of everyone.”

McCarroll said they hope to take a more organic approach to community development and not just focus on housing. To accomplish its goal, Navigate is looking to assist with other factors that make for healthy and vibrant communities. Some of the first initiatives will include helping eliminate blight, helping the neighborhood school and creating educational and vocational opportunities. To that end, a number of Navigate team members volunteer at the school to begin building a relationship.

“We want our commitment to community development to be more than building houses or apartments; we want to be part of helping revitalize a neighborhood and in turn perhaps spur economic development. Our board understands the organic nature of community development and the time it takes to do it well … it is a long game.”

And since McCarroll can be so laser-focused at work, she likes to visit the gym as her stress reliever where she does weights or runs. “It helps me think,” she said. “I can do a lot of problem-solving on the treadmill.”

McCarroll also enjoys the art scene where she visits museums, takes in a show or wanders around a gallery. She said it feeds her creative side. At one point in her life, McCarroll took piano lessons but insists she is not a pianist. She also dabbles in creating her own art.

Lately, she enjoys spending time with her 20-month-old nephew the most. “I live for him,” she said. **NN**

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

Welcome New Members

NAHMA welcomes the following new members as of March 14, 2019.

AFFILIATE

Priyankar Baid, OHI, New Delhi, India

Jeff Eynon, CRG Residential, Carmel, IN

Maxx Hoffman, Conner Strong & Buckelew, Marlton, NJ

Nick Keiser, Moen Inc., North Olmsted, OH

Dan Schachter, Specialty Consultants Inc., Pittsburgh, PA

ASSOCIATE

Gustavo Lopez, Related Management Co., New York, NY

EXECUTIVE

Jennifer Hayward, Pennrose, Philadelphia, PA

Jose Mascorro, Prospera Property Management, San Antonio, TX

EDUCATION CALENDAR

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

MAY

7
Understanding REAC
Massachusetts
NEAHMA
781-380-4344
www.neahma.org

8
Connecticut Agency Meeting
Connecticut
NEAHMA
781-380-4344
www.neahma.org

The Many Hats of a Burnout
Webinar
AHMA-PSW
866-698-2462
www.ahma-psw.org

It's About Ethics: Creating and Maintaining Personal and Professional Boundaries
Webinar
AHMA of Washington
360-561-3480
www.ahma-wa.org

2019 SAHMA North Carolina State Meeting for Affordable Housing
Greensboro, NC
SAHMA
800-745-4088
www.sahma.org

14
Management of Section 8 Properties
Glen Allen, VA
Mid-Atlantic AHMA
804-673-4128
https://mid-atlanticahma.org/

15
Intermediate LIHTC Compliance
Wytheville, VA
Mid-Atlantic AHMA
804-673-4128
https://mid-atlanticahma.org/

One-Day Extensive Maintenance Training
Massachusetts
NEAHMA
781-380-4344
www.neahma.org

15
Two Workshops Wednesday for Front-Line Staff
Salem, OR
Oregon AHMA
503-357-7140
www.oregonaffordable
housingmanagement.com

Documentation of Resident Infractions
Webinar
SAHMA
800-745-4088
www.sahma.org

2019 SAHMA Alabama State Meeting for Affordable Housing
Birmingham, AL
SAHMA
800-745-4088
www.sahma.org

19–21
42nd Annual California AHMA-PSW Conference & Expo
Los Angeles, CA
AHMA-PSW
866-698-2462
www.ahma-psw.org

22
Real Estate CEC
Mars, PA
PAHMA
412-445-8357
www.pahma.org

Managing the Wait List
Webinar
AHMA-NCH
510-452-2462
https://ahma-nch.org/

Terminations in Subsidized Housing: Assistance and Tenancy
Webinar
SAHMA
800-745-4088
www.sahma.org

2019 SAHMA Tennessee State Meeting for Affordable Housing
Murfreesboro, TN
SAHMA
800-745-4088

23
Half-Day Interviewing Skills for Property Managers
Laurel, MD
Mid-Atlantic AHMA
804-673-4128
https://mid-atlanticahma.org/

Half-Day Fair Housing
Laurel, MD
Mid-Atlantic AHMA
804-673-4128
https://mid-atlanticahma.org/

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

29
Reducing Fair Housing Claims by Providing Exceptional Customer Service
Webinar
AHMA of Washington
360-561-3480
www.ahma-wa.org

29–30
SHCM Certification Training
Sacramento, CA
AHMA-NCH
510-452-2462
https://ahma-nch.org/

JUNE

4
REAC
Rhode Island
NEAHMA
781-380-4344
www.neahma.org

5
Massachusetts Agency Breakfast
Massachusetts
NEAHMA
781-380-4344
www.neahma.org

5-7
CPO Certification Class
McClellan, CA
AHMA-NCH
510-452-2462
https://ahma-nch.org/

11
Basic HVAC Troubleshooting 101
Walnut, CA
AHMA-PSW
866-698-2462
www.ahma-psw.org

11–13
Tax Credit Compliance Course with SHCM Exam
Glen Allen, VA
Mid-Atlantic AHMA
804-673-4128
https://mid-atlanticahma.org/

Certified Professional of Occupancy (CPO)
Massachusetts
NEAHMA
781-380-4344
www.neahma.org

12
Advocacy Workshop
Cranberry Township, PA
PAHMA
412-445-8357
www.pahma.org

Challenging Behaviors Associated With Untreated Mental Health Conditions
Webinar
AHMA of Washington
360-561-3480
www.ahma-wa.org

18–20
CPO
Montebello, CA
AHMA-PSW
866-698-2462
www.ahma-psw.org

18
Certified Professional of Occupancy (CPO)
Seattle, WA
AHMA of Washington
360-561-3480
www.ahma-wa.org

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

NAHMANews

National Affordable Housing Management Association

400 North Columbus Street, Suite 203

Alexandria, VA 22314

www.NAHMA.org

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PROTECTING THE INTERESTS OF AFFORDABLE HOUSING PROPERTY MANAGERS AND OWNERS

thelastword

Help NAHMA's Grassroots Advocacy to Grow

A PRIMARY PURPOSE OF NAHMA is to advocate on behalf of multifamily property managers and owners whose mission is to provide quality affordable housing. It is a duty NAHMA staff takes seriously and as a result, the association has become a leading voice in the industry.

However, it is also a mission the staff cannot fulfill alone. The old saying states there is strength in numbers and when it comes to Congress, the idiom could not be more accurate.

What does that mean for NAHMA members?

It means only you know what is in the best interest of your communities and therefore, only you are in a position to know what will work best in your communities. As a national organization, NAHMA can advocate on behalf of the industry as a whole, but cannot provide the personal accounts that illustrate the real-life impacts a Congress member's vote can have back home. And with daunting cuts facing housing programs, providing the personal perspectives have never been more important.

That is where our members come in. Thank you to all who took time after the winter meeting to meet with their representative or his/her staff on the Hill. Advocating for the affordable housing industry needs to be done on a year-round basis, not just at budget time. I'm excited that there were a record number of NAHMA members participating in Congressional visits. We hope to make just as many, if not more, in October to close out the annual fall meeting.

NAHMA encourages members to visit the Grassroots Advocacy section on its website, www.nahma.org. The Advocacy Resources page provides easy-to-use tools, including frequently asked questions, best practices, tips for congressional visits, legislative priorities and talking points. And don't forget that the NAHMA staff is available to help you plan congressional visits.

Grassroots advocacy does not have to take place on the Hill. NAHMA members are encouraged to attend a town hall meeting in the lawmaker's district, follow the member on social media or better yet, invite the representative to your property to see for himself/herself how important it is to fully support affordable housing programs.

Additionally, one of the best ways for your message to reach your representative is by getting to know the congressional staff. They are the so-called gatekeepers—they communicate with constituents on a daily basis, set the lawmaker's appointments and serve as the representative's boots on the ground back home. They are the ones who monitor the pulse of their district and who have the lawmaker's ear.

It is important for NAHMA members to be involved whether that is by simply replying to a lawmaker's social media post or by hosting a congressional representative's site visit. So take advantage of the grassroots advocacy tools NAHMA provides and lend your voice to the cause of advocating for multifamily affordable housing. **NN**

Timothy Zaleski, SHCM, NAHP-e, is president McCormack Baron Management Inc. and president of NAHMA.