NATIONAL AFFORDABLE HOUSING MANAGEMENT ASSOCIATION

NAHMANews

July August 2021

PROTECTING THE INTERESTS OF AFFORDABLE HOUSING PROPERTY MANAGERS AND OWNERS

IN THIS ISSUE

COMMUNITIES OF QUALITY

Exploring the Rising Costs Of Insurance

NAHMA, along with industry partners, sponsored an independent, third-party survey of their memberships to collect data on the actual insurance cost increases experienced by housing providers. The associations retained the services of the research firm NDP Analytics to conduct a survey in April 2021.

The NDP survey received 174 responses, including housing providers with insurance policies covering solely affordable housing units, conventional housing units, and providers with policies that covered both types of units. The survey respondents operate approximately 2.6 million housing units across the U.S., including 1.3 million affordable housing units—over 241,000 Section 8 units and 1.0 million other affordable units—and 1.3 million conventional units.

While all the findings in the NDP survey are impactful, several key trends emerged:

1. Magnitude of Premium Increases: Both conventional and affordable housing providers are experiencing higher premiums across multiple lines of insurance. The most widespread and highest magnitude increases in annual premiums were reported in general umbrella/excess liability insurance and commercial property insurance.

2. Rationale for Increased Premiums: Limited markets are among the most common reasons for increased insurance

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CDC Extends Eviction Moratorium Through Oct. 3

ON AUG. 3, THE CENTERS FOR DISEASE CONTROL AND PREVENTION (CDC) issued a new order temporarily halting evictions through Oct. 3 in counties with "substantial and high levels of community transmission" to respond to the recent rise of COVID-19 infections especially the Delta variant. It is intended to target specific areas of the country where cases are rapidly increasing. The order can be found at https://www.cdc.gov/coronavirus/2019-ncov/covid-eviction-declaration.html.

The latest moratorium order could face legal challenges after the U.S. Supreme Court determined the Biden administration couldn't extend the previous moratorium eviction through executive action, and Congress has to date failed to pass legislation authorizing the CDC's actions.

On June 29, the U.S. Supreme Court refused to lift the CDC's eviction moratorium, at least in part because it was set to expire July 31, and the White House had signaled it would not be extended.

In the 5-4 decision, Chief Justice John Roberts and

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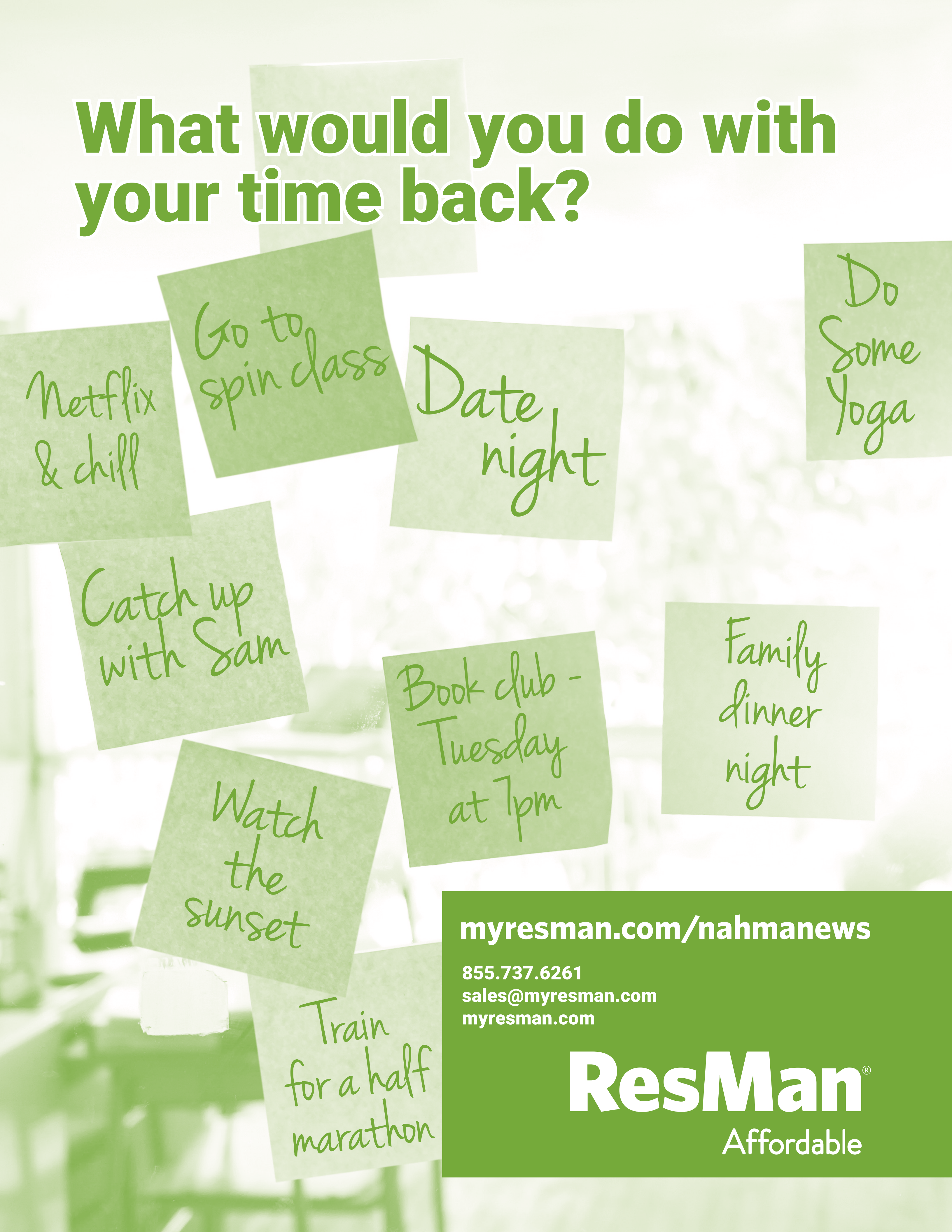
What would you do with your time back?
Netflix & chill
Go to spin class
Date night
Do Some Yoga
Catch up with Sam
Book club - Tuesday at 7pm
Family dinner night
Watch the sunset
Train for a half marathon
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QUERIES: Letters to the Editor and other queries should be sent to Jennifer Jones at the address above.

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BY KRIS COOK, CAE

The Work Continues

A YEAR AGO, NATIONAL PROTESTS took place seeking social reform and justice for Black Americans in the wake of the tragic deaths of George Floyd, Breonna Taylor, and too many others.

In the July/August *NAHMA News*, then association president, Timothy Zaleski, announced he was creating a "NAHMA Board Diversity, Equity and Inclusion (DEI) Task Force that will review NAHMA's current protocols and recommend a DEI Policy, as well as any other changes to ensure we are recruiting a diverse membership, and treating everyone fairly, and with the respect they deserve as equals, and more importantly as humans beings."

The task force, consisting of Board of Directors members Noel Gill and Sonya Brown, current NAHMA President Michael Simmons, and former NAHMA Presidents Gianna Richards and Phil Carroll, set to work, and by that October, NAHMA announced the adoption of the NAHMA Diversity, Equity and Inclusion Policy Statement, which is located on the Overview webpage under the About Us tab at nahma.org.

Additionally, a special session, Best Practices in Launching Diversity, Equity, and Inclusion Program in Property Management, was featured in the October 2020 meeting. The association is committed to having a DEI session at least once a year moving forward.

The work toward creating DEI opportunities continues. NAHMA and its board have agreed to the following:

- Adding a statement of acknowledgment and commitment to NAHMA's DEI policy in the NAHMA Board Member Agreement beginning with the next officer election
- Holding a NAHMA board-level strategic planning discussion on advancing DEI within NAHMA and the industry more broadly every two years at the beginning of the term of NAHMA's president, beginning with the strategic planning effort in 2022-2023
- Including NAHMA's DEI Policy Statement in every in-person meeting registration bag at NAHMA's March and October meetings beginning with the October 2021 fall conference
- Incorporating the tenets of NAHMA's DEI policy into all of its programs and activities
- Encouraging NAHMA representatives, such as the NAHMA president or NAHMA staff, who are visiting or participating in AHMA meetings or conferences to include a focus on NAHMA's DEI policy in their presentations or remarks

These are just the first steps. There is still plenty of work to do, and NAHMA's leadership is committed to creating a diverse and inclusive association that benefits us all.

WELCOME BACK

NAHMA's Biannual Top Issues in Affordable Housing fall conference will be held in person, Oct. 20-22, at the Fairmont in Washington, D.C., and we can't wait to see you all again.

New this time around, the meeting will take place Wednesday through Friday.

NAHMA and the Fairmont will be taking all necessary safety precautions as recommended by the Centers for Disease Control and Prevention and the Washington, D.C., government.

Registration opens on or about Aug. 13; visit https://www.nahma.org/meetings/. **NN**

Kris Cook, CAE, is executive director of NAHMA.

premiums for conventional and affordable housing. However, housing providers with policies covering affordable housing units more frequently identified renter population and risk characteristics such as crime statistics as drivers of increased premiums.

3. Impact of Increased Premiums: Higher premiums impact housing providers and, subsequently, renters. Most housing providers indicated that they would take action to mitigate cost increases due to higher insurance premiums. Some of the most common actions include increasing insurance deductibles, decreasing operating expenses, and increasing rent.

These higher premiums impact housing providers and, subsequently, renters. Additional results from the survey reveal that these premium increases were related to risk, not actual losses. Recent research from Virginia Tech found that risk modeling using crime statistics has many drawbacks, such as relying on larger geographies that may or may not reflect an individual property's experiences.

NAHMA shared the results of the survey with Deputy Assistant Secretary for Multifamily Housing Ethan Handelman, Department of Housing and Urban Development, and Deputy Administrator of Multifamily Housing Nancie-Ann Bodell, Department of Agriculture, Rural Housing Service.

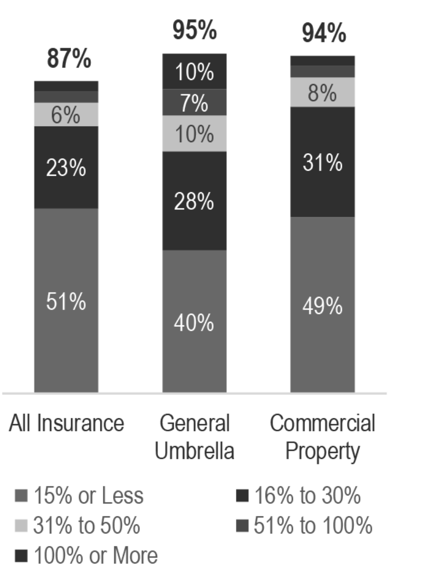
MAGNITUDE OF PREMIUM INCREASES

The survey asked respondents about the change in premiums for 2020 and 2021 policy renewals for the following lines of insurance: builder's risk, commercial property, flood, general umbrella/excess liability, workers' compensation, and other (e.g., directors and officers liability, earthquakes, wildfires, wind). Nearly all respondents reported premium increases across multiple lines of insurance.

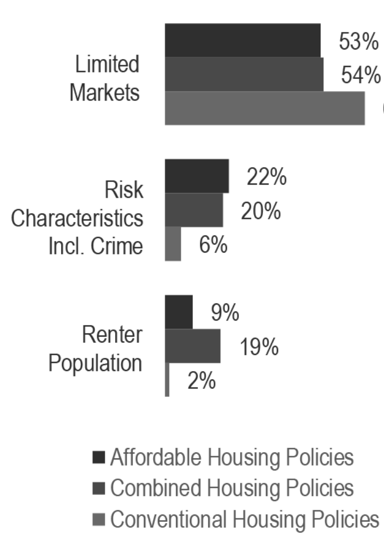
Across all lines of insurance, premiums increased for 87% of renewed policies in 2020 and 2021, most commonly for general umbrella/excess liability and commercial property insurance. These lines also had the highest magnitude increases. For general umbrella/excess liability insurance, premiums increased for 95% of policies, including 26% with rate increases over 30% in 2020 and 2021. For commercial property insurance, premiums increased for 94% of policies, including 14% with rate increases over 30% during the same period.

Across all lines of insurance, premiums increased for 87% of renewed policies in 2020 and 2021, most commonly for general umbrella/excess liability and commercial property insurance. These lines also had the highest magnitude increases. For general umbrella/excess liability insurance, premiums increased for 95% of policies, including 26% with rate increases over 30% in 2020 and 2021.

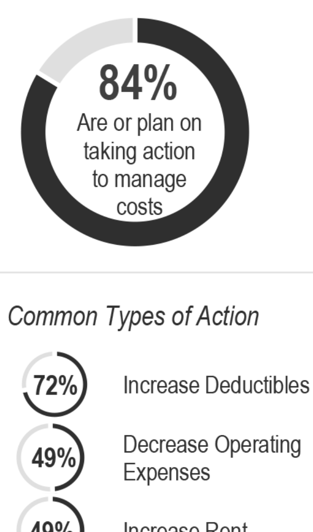
Increases in Housing Provider Insurance Premiums, 2020-21



Select Reasons for Premium Increases Across All Lines of Insurance



Efforts to Manage Increased Costs Due to Higher Premiums



NDP Analytics examined variations in increased premiums by region and type of housing covered by the insurance policy—affordable housing, conventional housing, and combined policies covering both types of housing.

According to the survey, for all lines of insurance, the share of 2020 and 2021 policy renewals with increased premiums was similar across regions, ranging from 85% for policies held by housing providers who primarily operate in the Northeast to 89% for those in the South. However, the magnitude of increases varied. Housing providers in the South reported higher premium increases than other regions. Increased premiums were most frequent among housing providers with insurance policies covering both affordable and conventional housing units (90% of policies had increased premiums), followed by housing providers with policies specific to affordable housing (86%), and those with policies specific to conventional housing (84%).

NDP Analytics conducted the same analysis for the top two lines of insurance with premium increases: general umbrella/excess liability and commercial property.

For general umbrella/excess liability insurance, the share of 2020 and 2021 policy renewals with increased premiums ranged from 92% for housing providers primarily operating in the West and Midwest to 97% for those in the South. However, housing providers in the Northeast reported the highest premium increases, with 16% increasing by over 100%. Housing providers with insurance policies that covered both affordable and conventional housing units reported the most general umbrella/excess liability premium increases (97%), compared to 93% for those with policies specific to affordable or conventional housing.

For commercial property insurance, the 2020 and 2021 policy renewals with

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CDC Extends Eviction Moratorium Through Oct. 3, *continued from page 1*

Justice Brett Kavanaugh voted with the court's three liberal justices—Justices Stephen Breyer, Sonia Sotomayor, and Elena Kagan—and denied the request, leaving the protections in place until July 31. Justices Clarence Thomas, Samuel Alito, Neil Gorsuch, and Amy Coney Barrett dissented.

Justice Kavanaugh wrote in a brief opinion, "I agree with the District Court and the applicants that the Centers for Disease Control and Prevention exceeded its existing statutory authority by issuing a nationwide eviction moratorium. … Because the CDC plans to end the moratorium in only a few weeks, on July 31, and because those few weeks will allow for additional and more orderly distribution of the congressionally appropriated rental assistance funds, I vote at this time to deny the application to vacate the District Court's stay of its order. … In my view, clear and specific congressional authorization (via new legislation) would be necessary for the CDC to extend the moratorium past July 31."

Lower courts have ruled the CDC did exceed its authority in creating the eviction ban; however, the moratorium remained in effect while appeals made their way through the courts.

On June 30, the Biden administration hosted a summit on eviction prevention. According to the White House Press Secretary Jen Psaki, "The White House hosted a virtual Eviction Prevention Summit to support and facilitate coordination among local public officials, court officials, legal services—legal service organizations, local bar associations, community-based organizations, emergency rental assistance administrators, and local philanthropies from cities across the country to work on developing local eviction prevention action plans. … This summit is just one of a number of steps we are taking … to keep people in their homes by protecting renters and helping state and local governments prevent evictions."

NAHMA staff joined the first hour of the virtual summit.

The Biden administration said it would implement a whole-of-government approach to promote housing stability by supporting vulnerable tenants and preventing foreclosures. The actions are intended to give state and local governments more time to distribute more than $46 billion in emergency rental assistance to those most in need. They include:

- **Highlighting American Rescue Plan funds for state and local governments and Emergency Rental Assistance can be used to fund eviction diversion plans, including counseling, navigator, and legal services;**
- **Issuing new guidance from the Department of the Treasury (Treasury) for the Emergency Rental Assistance program to accelerate and broaden state and local delivery of funds;**
- **Accelerating and broadening state and local delivery of emergency rental assistance by providing clarity on bulk payments, aiding Americans experiencing homelessness, and overcoming language and disability barriers;**
- **Having the Department of Justice (DOJ) send guidance to state courts encouraging them to adopt anti-eviction diversion practices;**
- **Providing guidance from the Department of Housing and Urban Development (HUD) to help prevent Fair Housing Act violations; and**
- **Activating a whole-of-government effort to raise awareness about emergency rental assistance, tapping agencies including Treasury, HUD, the Consumer Financial Protection Bureau, DOJ, and the Department of Agriculture to inform tenants and landlords of available support.** NN

increased premiums ranged from 91% for housing providers operating primarily in the Northeast to 96% for those in the Midwest. The highest premium increases were reported by housing providers in the South and West. Housing providers with policies covering both affordable and conventional housing units reported the most commercial property premium increases (96%), compared to 93% for housing providers with policies specific to affordable housing and 92% for those with policies specific to conventional housing.

RATIONALE FOR INCREASED PREMIUMS

The survey asked respondents about the reasons their premiums increased for 2020 and 2021 policy renewals. The selection included: claims history/loss experience, construction of property, government regulation (e.g., labor law), limited markets/capacity (fewer insurers writing habitational insurance), renter population (e.g., elderly, low-income), risk characteristics (e.g., crime statistics), and other. Respondents were asked to select any that apply.

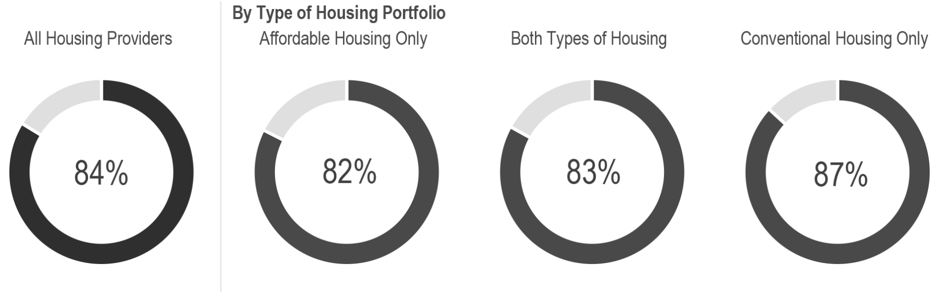
Across all lines of insurance, limited markets/capacity was the most frequently identified reason for increased premiums in 2020 and 2021 (57% of policies), followed by claims history and loss experience (33%) and risk characteristics such as crime statistics (17%). The rationale varied by region and type of housing covered by the insurance policy. For example, limited markets were identified more frequently by housing providers primarily operating in the Northeast and South. Risk characteristics and renter population were more commonly identified by housing providers with affordable housing policies (either policies specific to affordable housing or combined with conventional housing) compared to policies specific to conventional housing.

NDP Analytics conducted the same analysis for the top two lines of insurance with premium increases: general umbrella/excess liability and commercial property.

For general umbrella/excess liability insurance, limited markets/capacity was the most frequently identified reason for increased premiums in 2020 and 2021 (67%), followed by claims history and loss experience (33%) and risk characteristics (29%). The rationale varied by region and type of housing covered by the insurance policy. For example, limited markets were identified most frequently by housing providers operating primarily in the Northeast. Claims history, risk characteristics, and renter population were more commonly identified by housing providers with policies that included affordable housing—either policies specific to affordable housing or combined with conventional housing—compared to policies specific to conventional housing.

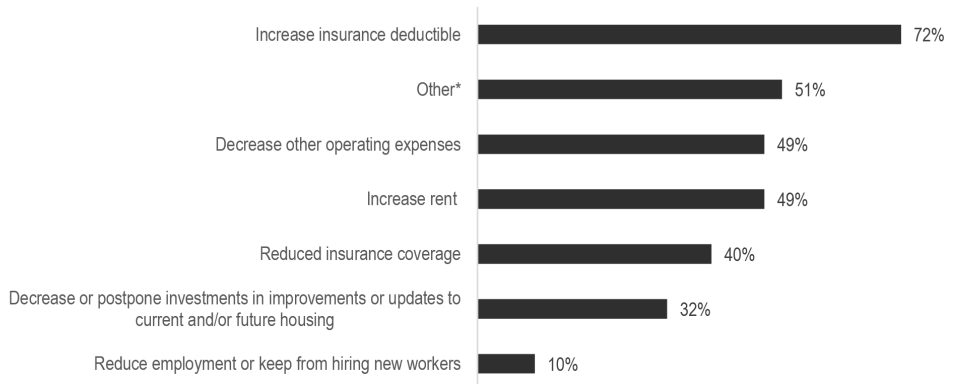
For commercial property insurance, limited markets/capacity was the most common reason for increased premiums in 2020 and 2021 (58% of policies), followed by claims history and loss experience (38%) and construction of property (22%). The rationale varied by region and type of housing covered by the insurance policy. For

Share of Housing Providers Taking Action to Manage Increased Costs Due to Higher Premiums



Of those housing providers who plan to or are currently taking action to manage increased costs due to higher insurance premiums, top actions include increasing in insurance deductibles (72%), taking other actions such as increased risk management (51%), as well as decreasing operating expenses and increasing rent (both 49%).

Most Common Actions to Manage Increased Costs Due to Higher Premiums



* "Other" was often identified as increasing risk management or reducing tenant services.

example, construction of property was a more common reason for premium increases for housing providers operating primarily in the Northeast. Similar to the findings from general umbrella/excess liability insurance, claims history, risk characteristics, and renter population were more commonly identified by housing providers with policies that included affordable housing (either policies specific to affordable housing or combined with conventional housing) compared to policies specific to conventional housing.

For general umbrella/excess liability insurance, limited markets/capacity was the most frequently identified reason for increased premiums in 2020 and 2021 (67%), followed by claims history and loss experience (33%) and risk characteristics (29%).

IMPACT OF INCREASED PREMIUMS

The survey asked respondents about current or planned actions to manage costs due to higher premiums in 2020 and 2021. The selection included: decrease or postpone investments in improvements or updates to existing housing units and/or future housing projects, increase rent (if applicable), reduce employment or keep from hiring new workers, decrease other operating expenses, increase insurance deductible, reduce insurance coverage, other, and no planned action. Respondents were asked to select any that apply.

Overall, 84% of housing providers indicated that they are or plan on taking actions to manage costs, including 87% of those whose portfolios are comprised of conventional housing only, 83% for those with both affordable and conventional housing, and 82% of those with affordable housing only.

Of those housing providers who plan to or are currently taking action to manage increased costs due to higher insurance premiums, top actions include increasing insurance deductibles (72%), taking other actions such as increased risk management (51%), as well as decreasing operating expenses and increasing rent (both 49%). **NN**

Habitational Risk Solutions

Professional Liability with Tax Credit Coverage

Innovative Professional Liability Coverage for Affordable Housing Markets

USI is pleased to offer a new professional liability coverage tailored for affordable housing markets. Our team understands the importance of tax credits for affordable housing management companies to operate successfully. Failure to comply with the Low-Income Housing Tax Credit (LIHTC) regulations can lead to recapture of previously given credits and ineligibility for future credits. Our newly developed coverage, placed through a preferred carrier, includes coverage for professional services related to the compliance with housing tax credit rules and regulations.

Policy Highlights

To meet the growing needs of affordable housing markets, our tax credit coverage includes:

- Coverage for professional services related to compliance with housing tax credit rules and regulation
- Up to $5,000,000 General Aggregate limits
- Claims Made form to protect against retroactive tax credit loss exposures
- Broad definition of professional services covered including residential, commercial, retail, or industrial property management and construction management
- Coverage for ownership of properties in excess of 25%
- First Dollar Defense coverage
- Third Party Discrimination coverage
- Definition of employees includes Independent Contractors
- Expanded definition of claim to include: arbitration demand, administrative proceeding, and request to toll the statute of limitations

Proactive Risk Management Strategies

We provide proactive risk management strategies to:

- Management Companies
- Affordable Housing
- Senior Housing
- Coastal Locations
- Developers

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USI Insurance Services | www.usi.com
trent.iliff@usi.com | 312-848-3626

BY LARRY KEYS JR.

Congress Begins Summer Work on Fiscal Year 2022 Funding Bills

SECRETARY FUDGE TESTIFIES IN HOUSE HEARING ON HUD'S BUDGET REQUEST

In late June, the House Budget Committee held a hearing on the Department of Housing and Urban Development (HUD)'s fiscal year (FY) 2022 budget proposal. HUD Secretary Marcia Fudge testified before the committee about the role of the FY 2022 HUD budget in expanding safe and affordable housing. Fudge called for greater investments in affordable housing in her opening statement and said the FY 2022 budget request would provide HUD with much-needed tools to address the racial disparities in providing affordable housing and expanding homeownership.

During the hearing, Rep. Steven Horsford (D-NV) asked about HUD initiatives to address the disproportionate impact of student loans on homeownership rates for Black Americans. Fudge said that the FY 2022 HUD budget includes nearly $100 million to support first-time homebuyers and outlined several initiatives to strengthen access to credit for communities of color.

Members of the committee also discussed HUD's efforts to expand broadband services to families in underserved communities. In response, Fudge committed to HUD providing equal funding for broadband in rural areas and Community Development Block Grants.

When discussing staff shortages, Fudge said that they are seriously affecting the response to the COVID pandemic, hindering the distribution of emergency aid to low-income tenants, and leaving many localities without guidance from experienced employees on how to run new emergency rental assistance programs. She said that the FY 2022 budget request includes funding to hire hundreds of managers and skilled technical support staff.

HOUSE APPROVES FY 2022 HUD FUNDING BILL

In mid-July, the House Appropriations Committee approved the draft FY 2022 Transportation, and Housing and Urban Development, and Related Agencies funding bill, which funds agencies and programs in the Departments of Transportation and HUD. For FY 2022, the bill provides a total of $56.5 billion for HUD, an increase of $6.8 billion above FY 2021 and $314 million below the president's 2022 budget request. The bill includes $14 billion for Project-Based Rental Assistance, an increase of $545 million above FY 2021. An additional $1 billion is provided for Housing for the Elderly (Section 202) to build approximately 2,200 new affordable housing units for low-income seniors and $352 million for Housing for Persons with Disabilities (Section 811) to construct approximately 1,800 new affordable housing units for persons with disabilities. The bill includes $29.2 billion for Tenant-Based Rental Assistance. The bill also has $8.64 billion for Public Housing, including $3.4 billion to meet the full annual capital accrual need. The bill includes an increase in supportive services for HUD-assisted households to improve their connections to jobs, health care, and educational opportunities by providing $200 million for Self-Sufficiency Programs, an increase of $45 million above the FY 2021. Finally, the bill includes $3.7 billion for Community Development Block Grants and $1.85 billion for the HOME Investment Partnerships Program.

HOUSE APPROVES FY 2022 USDA FUNDING BILL

In early July, the House Appropriations Committee approved the FY 2022 Agriculture, Rural Development, Food and Drug Administration, and Related Agencies. This bill includes several proposed increases to the U.S. Department of Agriculture's rural housing programs. For Section 515 rental housing direct loan program, the House bill keeps the previous year's funding level at $40 million. For Section 521 rural rental assistance, the House bill provides $1.45 billion, an increase of $75 million. While the budget would increase the Multifamily Preservation and Revitalization program to $32 million from $28 million in FY 2021, the House bill would provide a far larger boost to $65 million. The House would also grow the Section 504 grant program for elderly low-income homeowners and the Section 533 Housing Preservation Grants program.

The House bill retains several provisions in the current appropriations law, but that were dropped in the administration's budget. These call for incentives to nonprofits to preserve rental housing, reuse of recaptured Rental Assistance (RA), and the use of recaptured RA from farmworker housing in other farmworker housing when possible. Like the president's proposed budget, however, it eliminates a provision from the FY 2020 and FY 2021 appropriations laws that allowed property owners to request RA contracts with 20-year terms. The House Appropriations Committee voted to approve it on June 30. The Senate has not yet begun its appropriations process. **NN**

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

BY MARK SHELBURNE

LIHTC Agencies Respond to Increased Costs

ONE OF THE TOP REAL ESTATE headlines this year has been the dramatic rise in the cost of lumber and other construction materials. Developments with Low-Income Housing Tax Credits (LIHTCs) have the added challenge of a limited ability to increase sources, causing many to face difficult or insurmountable gaps. Effectively the same problem occurred in 2017, although then it was due to a rapid reduction in equity investment.

In both instances, LIHTC allocating agencies demonstrated an ability and willingness to help. Below are summary descriptions of the responses so far (those known to Novogradac at the time of this writing). The descriptions are not necessarily complete and leave out state-specific nuances, such as the documentation required. Also, some of the deadlines to request assistance have passed.

> The variation between states makes sense; agencies take different approaches to many aspects of administering LIHTCs. While occasionally a source of frustration for some, the ability to respond in ways specifically tailored to local circumstances has been and will be a continuing source of strength for the program.

ARKANSAS

Developers had the opportunity to request LIHTCs for developments with awards from the 2019 and 2020 rounds. The Arkansas Development Finance Authority (ADFA) is reviewing these on a "case-by-case" basis. Only changes to the hard construction costs are eligible; no other increases are allowed, including general requirements, contractor overhead, and contractor profit. The developer fee cannot increase.

Of particular note was ADFA's statement that the policy "could result in there being no competitive 9% LIHTC round in the year 2022." Among the 11 awards from 2019, seven asked for more, as did all 10 of those from 2020.

GEORGIA

The Department of Community Affairs (DCA) is allowing developers with awards from the 2019 and 2020 rounds to ask for additional LIHTCs. The request may cover only increases in hard construction costs. Developers must describe their attempts to secure more equity, loan amounts, and/or other sources. The developer fee may not increase, and the deferred portion cannot decrease.

For each additional $1.00 of LIHTC requested, DCA will reduce the "Project Team award limitation" by $1.50 in the 2022 round.

OHIO

The Ohio Housing Finance Agency (OHFA) has set aside Housing Development Loans (HDL) and up to $4 million of LIHTCs. These resources will be available on a "first-come, first-served basis" to awards from the 2019 and 2020 rounds facing a gap due to increases in hard construction costs. Properties already placed in service are ineligible for LIHTCs, and HDLs are available only for properties that have not yet closed. Developers must describe their attempts to increase equity, loan amounts, and/or other sources. The developer fee may not increase, and an additional 10% must be deferred.

Owners may request up to $100,000 in LIHTCs and up to $1 million in HDL funding. For each additional $1.00 of LIHTC awarded, OHFA will reduce the development team's LIHTC award limit by $1.50 in the 2022 round or 2023 for those not applying next year. OHFA will consider requests in excess of $100,000, but if approved, the development team "must forego their ability to compete" in 2022.

PENNSYLVANIA

The Pennsylvania Housing Finance Agency (PHFA) dedicated a "significant portion" of its National Housing Trust Fund (NHTF) appropriation to support developments from the 2019 and 2020 LIHTC rounds with a gap due to increased construction costs. PHFA received 41 applications totaling $38 million and is giving priority to applicants that obtain other additional funding.

SOUTH CAROLINA

SC Housing is making LIHTCs available for 2020 awards facing hard construction cost increases. Developers must describe attempts to increase equity, loan amounts, and/or other sources. For each additional $1.00 of LIHTC awarded, SC Housing will reduce the development team's LIHTC award limit by $1.50 to take effect with the next application submitted by any member.

TEXAS

The Texas Department of Housing and Community Affairs (TDHCA) is making $37,575,662 in NHTF available to developments with a 2020 LIHTC allocation. The minimum request is $500,000 and $5 million is the maximum. The developer fee may not increase, and the deferred portion may not decrease. Construction cannot have started (other than necessary health and safety repairs), and applicants must provide at least 7.5% as match.

OTHERS

Agencies in some states, like Virginia, have not announced a formal policy but rather reached out to developers directly.

CONCLUSION

The variation between states makes sense; agencies take different approaches to many aspects of administering LIHTCs. While occasionally a source of frustration for some, the ability to respond in ways specifically tailored to local circumstances has been and will be a continuing source of strength for the program.

Anyone facing challenges is welcome to contact a Novogradac professional. **NN**

Mark Shelburne is a housing policy consultant with Novogradac. He primarily advises LIHTC agencies, including on the revision of 23 QAPs in 16 states to date.

Administration Lays Out Budget Priorities for HUD, Rural Development

On May 28, President Joe Biden submitted to Congress his administration's fiscal year 2022 (FY 2022) budget. The request totals $6 trillion and provides the administration's budgetary priorities. Of this amount, a request for $68.7 billion is made for the Department of Housing and Urban Development (HUD), and a request for $27.8 billion is made for the Department of Agriculture (USDA).

The FY 2022 budget proposes over $30.4 billion for the Tenant-Based Rental Assistance (vouchers) program, a $4.6 billion increase from the funding level provided in FY 2021 enacted levels.

KEY HUD PROGRAMS

The administration's FY 2022 budget requests $68.7 billion for HUD programs, a $9 billion increase above the FY 2021 enacted level.

The FY 2022 budget proposes over $30.4 billion for the Tenant-Based Rental Assistance (vouchers) program, a $4.6 billion increase from the funding level provided in FY 2021 enacted levels. This includes $25 billion for Housing Assistance Payments contract renewals, $100 million for Tenant Protection Vouchers, $508 million for Section 8 Mainstream Renewals, $491 million for Mobility Services, a new program for 2022 that will assist families in moving to high-opportunity neighborhoods, and $1.6 billion for Incremental Vouchers. This new effort could result in 200,000 additional families receiving support, including those who are homeless or fleeing from domestic violence.

The administration's request proposes about $14.1 billion for Project-Based Rental Assistance (PBRA), including $13.5 billion to renew all expiring contracts. This PBRA request includes $355 million for Performance-Based Contract Administrators and $30 million for Budget-Based Rent Increases to cover the cost of service coordinators.

The request includes $928 million for Section 202 Housing for the Elderly, an increase of $73 million from the FY 2021 enacted levels. This includes $700 million for contract renewals, $100 in new Capital Advance funding, and $125 million to fund service coordinators.

The budget proposes $272 million for Section 811 Housing for Persons with Disabilities, increasing $45 million from the FY 2021 enacted levels. This also includes $80 million for capital advance and project rental assistance.

It requests $800 million for targeted investments to improve the quality of housing through climate resilience and energy efficiency. Funds will be used to create a new Green and Resilient Retrofit Program within Multifamily Housing to be used as follows, "$212.5 million for grants and loans for energy retrofits, green investments, and climate resilience improvements for approximately 15,000 units at approximately 150 Project-Based Rental Assisted properties nationwide; $25 million for utility benchmarking data collection and systems; and $12.5 million for administrative contract expenses which will enable HUD to quickly scale up the program and realize improvements." Investments are proposed in the following program areas: $300 million for Public Housing Fund; $100 million for Native American Programs; $50 million for Choice Neighborhoods; $250 million for Multifamily Green and Resilient Retrofit; $100

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Housing and Urban Development
Fiscal Year 2021 Appropriations Act

HUD Programs	FY 2021 Enacted	FY 2022 Request
Tenant-Based Rental Assistance	$25,777	$30,442
Project-Based Rental Assistance	$13,465	$14,060
Housing for the Elderly (Section 202)	$855	$928
Supportive Housing for Persons with Disabilities (Section 811)	$227	$272
Public Housing Capital Fund	$2,942	$3,500
Public Housing Operating Fund	$4,864	$4,887
Community Development Block Grant	$3,475	$3,770
HOME Investment Partnerships Program	$1,350	$1,850

FIGURES EXPRESSED IN MILLIONS

Infrastructure and Tax Plans Impact Housing

President Joe Biden's fiscal year 2022 spending request includes the major housing investment proposals outlined under the administration's $2.3 trillion American Jobs Plan to modernize the nation's infrastructure, including housing resources and the $1.8 trillion American Families Plan to invest in education and social safety net improvements. The administration also released the Department of Treasury's Made in America Tax Plan.

HOUSING IN THE AMERICAN JOBS PLAN

In April 2021, the president unveiled his American Jobs Plan, a draft $2.3 trillion infrastructure proposal, which includes several investments in housing. The proposal includes committing over $213 billion to produce, preserve, and retrofit more than a million affordable, resilient, accessible, energy-efficient, and electrified housing units. It also includes tax credits, formula funding, grants, and project-based rental assistance to extend affordable housing rental opportunities to underserved communities nationwide. In late May, the White House released a fact sheet that provided funding details on $318 billion—$213 billion and $105 billion in tax provisions—in housing and community development provisions in the American Jobs Plan. These provisions include expanding access to federal subsidies to enable the construction or rehabilitation of more than 1 million affordable rental housing units. The subsidies include:

- $55 billion expansion in Low-Income Housing Tax Credits
- $35 billion HOME investment
- $45 billion for the Housing Trust Fund
- $2 billion in Community Development Block Grants for resilience activities in communities vulnerable to climate change
- $12 billion for the Capital Magnet Fund
- $2 billion in new Project-Based Rental Assistance agreements—first new contracts in 20 years
- $2 billion to finance new rental homes for Section 202 Housing for the Elderly
- $40 billion for the Public Housing Capital Fund
- $5 billion for Incentive Local Zoning Reform
- $2 billion for Build and Rehab housing in rural areas
- $2 billion for Housing and Community Development in Tribal areas
- $3 billion for 175,000 homes for lead-based paint inspection and removal
- $500 million to establish an energy-efficiency and resilience retrofit program for multifamily housing

Other relevant housing provisions include a few new programs and increased investments. The plan proposes $20 billion to enact the Neighborhood Homes Investment Act to build and rehabilitate more than 500,000 homes for low- and middle-income homebuyers. It also provides $100 billion for broadband infrastructure to bring affordable, reliable, high-speed broadband to every American. The plan proposes building affordable housing and supportive infrastructure in small towns all across America, including investing $250 million toward a new Main Street Revitalization Program that would provide grants to communities for renovating their downtown business districts and adding units of affordable housing while retaining the area's traditional and historical character. Finally, the plan calls for revitalizing the physical assets that build community connectedness and spark innovation by proposing an investment of $10 billion to create a Community Revitalization Fund for community-led redevelopment projects that create innovative shared amenities, spark new economic activity, provide services, build community wealth, and strengthen social cohesion, including but not limited to upgrading access to natural areas, restoring vacant buildings

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million for Rental Assistance Demonstration (RAD)—$50 million for RAD PBRA and $50 million for RAD Project-Based Vouchers (PBV).

The budget requests $50 million for RAD conversion subsidy and modifications to the RAD statute to expand and improve the efficacy of RAD conversions to both PBRA and PBV, including:

- Eliminate the sunset date by which applications must be received
- Authorize conversion to PBRA or PBV for properties supported by Section 811 Project Rental Assistance Contracts and Senior Project Rental Assistance Contracts to modernize housing for very low-income elderly persons and persons with disabilities
- Ensure continued availability of services for residents following a RAD conversion to PBRA or PBV by a) excluding existing service coordinators and service costs from the 120% of Fair Market Rent rent cap for new Section 8 contracts so that properties serving the elderly can effectively be preserved without losing access to critical services and b) permitting the full implementation of the Jobs Plus Initiative program design following conversion of properties benefiting from Jobs Plus program grants
- Authorize conversion and integration into the RAD PBRA or RAD PBV contracts of the budget authority associated with the Tenant Protection Vouchers issued following a Section 18 approval

For the HOME Investment Partnerships program, the FY 2022 budget requests $1.9 billion, which is $500 million more than the FY 2021 enacted level.

This includes a new $100 million set-aside for a FirstHOME Downpayment Assistance initiative for states and insular areas to better ensure sustainable homeownership.

The president's FY 2022 budget requests $3.8 billion for the Community Development Block Grant Fund, $295 million more than the FY 2021 enacted level.

KEY USDA RURAL HOUSING SERVICE PROGRAMS

The president's FY 2022 budget request includes $27.8 billion for USDA, a $3.8 billion increase from the FY 2021 enacted level. USDA's FY 2022 budget proposes to eliminate some protections for Section 521 Rental Assistance (RA). It would delete a requirement that recaptured RA be reused for rehab, preservation, or RA, and deletes a provision from FY 2020 and FY 2021 appropriations that allows owners to request RA renewals for 20-year periods, subject to annual appropriations, which fund RA contracts for one year at a time.

USDA's budget summary shows $1.5 billion for 521 Rental Assistance, $40 million for Section 515 Rental Housing Direct Loans, $45 million for Section 542 vouchers, $32 million for the Multifamily Preservation and Revitalization (MPR) program, and $230 million for the Section 538 multifamily loan guarantee program, which is the same enacted FY 2021 funding level.

USDA-Rural Development

RHS Programs	FY 2021 Enacted	FY 2022 Request
Section 521 Rental Assistance	$1,410	$1,450
Section 515 Rental Housing Direct Loans	$40	$40
Rental Preservation Demonstration (MPR)	$28	$32
Section 542 Rural Housing Vouchers	$40	$45
Section 538 Loan Guarantee	$230	$230

FIGURES EXPRESSED IN MILLIONS

NEXT STEPS

Presidential budget requests outline the administration's funding and policy priorities for future fiscal years. Congress controls the power to fund the government. Over the summer, Congress will begin drafting its appropriations (spending) bills. To fund the government, the U.S. House of Representatives and U.S. Senate will each need to pass a budget and 12 spending bills and then align those bills before they are signed into law by the president.

In the House, NAHMA expects spending bills will be passed along party lines with only Democrats' support where they have a slim majority. However, the Senate normally requires 60 votes, but it is currently split, 50 Democrats and 50 Republicans. That means both parties will have to agree on funding levels in the chamber's spending bills. Republicans have already expressed opposition to the president's proposed FY 2022 spending.

In late June, the House Appropriations committees started drafting and voting on FY 2022 spending bills. NAHMA expects full committee votes to be held in early to mid-July. In late July, the Senate Appropriations committees are expected to begin drafting their bills and voting.

To prevent a government shutdown on Oct. 1, Congress has until Sept. 30 to pass new spending bills. There remains a high possibility that Congress will be unable to meet this deadline and must enact a continuing resolution to keep the government functioning until a spending deal is reached. **NN** to provide low-cost space for services and community entrepreneurs, and removing toxic waste and building new parks, greenways, and community gardens.

MADE IN AMERICA TAX PLAN

The president's FY 2022 budget request includes other tax changes that could impact affordable housing under the Made in America Tax Plan.

The White House proposes increasing the corporate tax rate from 21% to 28% to raise revenue to pay for the investments listed in the American Jobs Plan.

The Made in America Tax Plan proposes replacing the Base Erosion and Anti-Abuse Tax (BEAT) with a new Stopping Harmful Inversions and Ending Low-tax Developments (SHIELD) tax. This tax change would deny multinational corporations U.S. tax deductions by reference to payments made to related parties subject to a low effective tax rate. According to the Affordable Housing Tax Credit Coalition (AHTCC), currently, BEAT does not take into account the full value of the housing credit and would eliminate the credit value beginning in 2026. The SHIELD proposal does not yet specify how credits will be counted.

According to AHTCC, the plan proposes a 15% minimum book tax for large corporations that report high profits to stakeholders. However, "firms would be given credit for taxes paid above the minimum book tax threshold in prior years, for general business tax credits (including R&D, clean energy and housing tax credits), and for foreign tax credits."

According to the American Jobs Plan fact sheet, "Employers will be required to pay workers prevailing wages; enter into project labor, community workforce, and local hire agreements; and use workers from registered apprenticeships and other labor or labor-management training programs. Employers receiving funding would also be required to remain neutral when their employees seek to organize a union and bargain collectively and may not require their employees to agree to mandatory individual arbitration." The proposal would invest $10 billion to provide federal enforcement agencies with the tools they need to ensure employers are providing workers with good jobs—including jobs with fair and equal pay, safe and healthy workplaces, and workplaces free from racial, gender, and other forms of discrimination and harassment.

NEXT STEPS

Over the past few months, the Biden administration and Congress have pursued a bipartisan infrastructure deal. The central disagreement remains the overall amount of new spending for infrastructure and the revenue to pay for it. Republicans, and some Democrats, have indicated their opposition to raising taxes, specifically the corporate tax rate.

In late June, the president and a bipartisan group of senators agreed to a $953 billion infrastructure deal, including $559 billion in new spending invested in roads, broadband internet, electric utilities, and other traditional infrastructure projects over the next five years. At the time of this publication, no legislative text was available. It is unclear if any affordable housing-related items are included in this deal.

Looking forward, it is possible the bipartisan infrastructure plan will advance with enough support to reach 60 votes in the Senate. However, the larger American Jobs Plan will likely need to move through reconciliation since it only has Democrats' support. **NN**

HUD Issues Rules for Disparate Impact and AFFH

The Department of Housing and Urban Development (HUD) published its Fair Housing Disparate Impact proposed rule and Affirmatively Furthering Fair Housing interim final rule, both in June.

DISPARATE IMPACT PROPOSED RULE

On June 25, HUD published a proposed rule in the *Federal Register* titled Restoring HUD's Discriminatory Effects Standard. The proposed rule would rescind HUD's 2020 disparate impact rule and restore the 2013 discriminatory effects rule. HUD believes the 2013 rule is more consistent with decades of case law and better effectuates the Fair Housing Act's broad remedial purpose of eradicating unnecessary, discriminatory practices from the housing market. HUD has stated that it will continue to enforce the Fair Housing Act, including addressing policies and practices by housing providers, lenders, insurers, appraisers, and others that cause unjustified systemic inequities based on race or other protected class.

To read the notice, visit https://www.nahma.org/wp-content/uploads/2021/06/HUD-Disparate-Impact-proposed-rule-2021-Fed-Reg-Notice.pdf.

"We must acknowledge that discrimination in housing continues today and that individuals, including people of color and those with disabilities, continue to be denied equal access to rental housing and homeownership," said Secretary Marcia Fudge in a press release. "It is a new day at HUD, and our department is working to lift barriers to housing and promote diverse, inclusive communities across the country. Today's publication of the proposed discriminatory effects rule is the latest step HUD is taking to fulfill its duty to ensure more fair and equitable housing."

The Fair Housing Act prohibits discrimination in housing and housing-related services because of race, color, religion, national origin, sex, familial status, and disability. According to the HUD press release, the discriminatory effects—also referred to as disparate impact—doctrine is a tool for addressing policies that cause systemic inequality in housing. It has long been used to challenge policies that unnecessarily exclude people from housing opportunities, including zoning requirements, lending and property insurance policies, and criminal records policies.

According to the release, HUD's 2013 discriminatory effects rule codified longstanding case law for adjudication of Fair Housing Act cases under the discriminatory effects doctrine, for cases filed administratively with HUD, and for federal court actions brought by private plaintiffs. Under the 2013 rule, the discriminatory effects framework established that a policy that had a discriminatory effect on a protected class was unlawful if it did not serve a substantial, legitimate, nondiscriminatory interest or if a less discriminatory alternative could also serve that interest. The 2020 rule complicated that analysis by adding new pleading requirements, new proof requirements, and new defenses, all of which made it harder to establish that a policy violates the Fair Housing Act. HUD now proposes to return to the 2013 rule's straightforward analysis, according to the release.

The public has until Aug. 24 to file comments. HUD will review the comments, develop responses, and publish a final rule. In the meantime, HUD's Office of Fair Housing and Equal Opportunity (FHEO) continues to enforce the Fair Housing Act, including addressing policies and practices by housing providers, lenders, insurers, appraisers, and others that cause unjustified systemic inequities based on race or other protected class, according to the press release.

AFFH INTERIM FINAL RULE

On June 9, HUD issued an interim final rule titled Restoring Affirmatively Furthering Fair Housing Definitions and Certifications. According to the HUD press release, the department published the interim final rule to restore the implementation of the Fair Housing Act's Affirmatively Furthering Fair Housing (AFFH) requirement.

To read the interim final rule, visit https://www.nahma.org/wp-content/uploads/2021/06/HUD-AFFH-Interim-Final-Rule-6.10.21.pdf.

In addition to barring housing discrimination, the Fair Housing Act requires HUD and its funding recipients to take affirmative steps to remedy fair housing issues such as racially segregated neighborhoods, lack of housing choice, and unequal access to housing housing-related opportunities.

According to the release, to fulfill this requirement, in 2015, HUD promulgated a rule that compelled each covered funding recipient to undertake a defined fair housing planning process. The Trump administration suspended implementation of this rule and eliminated the 2015 rule's procedural requirements, redefining the regulatory AFFH requirement, so it was no longer consistent with the actual requirements of the Fair Housing Act.

Under the restored AFFH regulatory definition announced in June, municipalities and other HUD funding recipients that must regularly certify compliance with the Fair Housing Act's AFFH requirement will, in doing so, commit to taking steps to remedy their unique fair housing issues. To support compliance with AFFH, HUD will provide a voluntary process that funding recipients can use to identify the fair housing concerns that exist locally and commit to specific steps to remedy them. According to the release, HUD will provide technical assistance and support to funding recipients that carry out this voluntary fair housing planning process.

The interim final rule went into effect on July 31. **NN**

Tracking Bills Impacting Affordable Housing

NAHMA is monitoring several bills related to housing introduced in the U.S. Congress this session.

HOUSING ACCOUNTABILITY ACT

Sen. Marco Rubio (R-FL) reintroduced S.987, the Housing Accountability Act (HAA). The legislation would seek to hold property owners of low-income housing accountable for poor living conditions. Specifically, the legislation would require residents of private properties with Section 8 Housing Assistance Payment (HAP) contracts to be surveyed twice a year to determine the existence of persistent problems with a property's physical condition or management.

The HAA would codify sanitation standards and would require the Performance-Based Contract Administrator (PBCA) of properties receiving Housing Assistance Payments from the Department of Housing and Urban Development (HUD) to administer a semiannual survey that allows tenants to report problems at their property. The secretary of HUD would have the ability to refer properties for remediation or fine owners of neglected Section 8 properties based on the surveys and PBCA observation. The revenues generated from the fines may only be used to improve the conditions at the property or finance tenant relocation. Lastly, the HAA requires HUD to submit a report to Congress detailing the capital reserves for Section 8 properties and how these funds are used for purposes other than maintenance and property improvement. S.987 has been referred to the Senate Committee on Banking, Housing, and Urban Affairs for further consideration. A companion bill is expected to be introduced in the House of Representatives by Rep. Steve Cohen (D-TN).

BUILD MORE HOUSING NEAR TRANSIT ACT

Rep. Scott Peters (D-CA) introduced H.R.2483, the Build More Housing Near Transit Act, to encourage the construction of low- and middle-income housing in transit-served, walkable locations. The bipartisan bill, which reflects language included in last year's H.R.2, the Moving Forward Act, would provide incentives for transit applicants who meet requirements related to building more housing along the future transit corridor. It covers projects submitted under the Federal Transit Administration's New Starts and Core Capacity programs, which fund projects like commuter rail, light rail, and bus rapid transit through the Capital Investment Grants Program. The bill has been referred to the House Financial Services Subcommittee on Highways and Transit for further consideration.

CHOICE IN AFFORDABLE HOUSING ACT

Sen. Chris Coons (D-DE) introduced a bill to expand housing choice, opportunity, and fairness by increasing the number of units in high-opportunity neighborhoods that accept Housing Choice Vouchers. The Choice In Affordable Housing Act proposes to:

1. Provide $500 million to create a Housing Partnership Fund. The funds would be distributed for:

- Public Housing Agencies (PHAs) to offer a signing bonus to a landlord with a unit in an area with less than 20% poverty;
- PHAs to provide security deposit assistance so that tenants can better afford to meet required deposits and landlords are assured greater protection against damages; and
- HUD to provide a financial bonus to PHAs that retain a dedicated landlord liaison on staff.

2. Increase funding to the Tribal Housing and Urban Development-Veterans Affairs Supportive Housing (HUD-VASH). To help renters on tribal land, the bill supports the Tribal HUD-VASH program for Native American veterans who are homeless or at risk of homelessness.

3. Use neighborhood-specific data to set rents fairly. The bill would require HUD to expand its 2016 rule requiring the use of Small Area Fair Market Rents to calculate fair rents in certain metro areas.

4. Reduce inspection delays. Units in buildings financed by other federal housing programs would meet the voucher inspection if the unit has been inspected in the past year. New landlords could also request a pre-inspection from a PHA before selecting a voucher-holding tenant that would be good for 60 days.

5. Refocus HUD's evaluation of housing agencies. The bill would encourage HUD to reform its annual evaluation of PHAs to promote an increase in the diversity of neighborhoods where vouchers are used. The bill also requires HUD to report to Congress annually on the effects of the bill.

YES IN MY BACKYARD ACT

The Yes In My Backyard Act (YIMBY) was reintroduced simultaneously in the House by Reps. Derek Kilmer (D-WA) and Trey Hollingsworth (R-IN) and in the Senate by Sens. Todd Young (R-IN) and Brian Schatz (D-HI). The bill would seek to remove discriminatory land-use policies and eliminate barriers that depress the new production of affordable housing. The proposed legislation would achieve these goals by requiring local governments applying for federal housing development funds through the Community Development Block Grant to report periodically on the extent to which they are removing discriminatory land-use policies and implementing inclusive and affordable housing options. The bill seeks to increase transparency in land use, zoning, and housing decisions; sheds light on exclusionary policies; and ultimately encourages localities to play a constructive role in solving the housing crisis by eliminating barriers to much-needed housing, encouraging communities to play a constructive role in solving the housing crisis. The bill passed the full House and was referred to the Senate Committee on Banking, Housing and Urban Affairs in the previous Congress.

> The bill seeks to increase transparency in land use, zoning, and housing decisions; sheds light on exclusionary policies; and ultimately encourages localities to play a constructive role in solving the housing crisis by eliminating barriers to much-needed housing, encouraging communities to play a constructive role in solving the housing crisis.

FAMILY STABILITY AND OPPORTUNITY VOUCHERS ACT

Sens. Chris Van Hollen (D-MD) and Todd Young (R-IN) reintroduced the Family Stability and Opportunity Vouchers Act, which, if enacted, would create an additional 500,000 housing vouchers specifically designed for low-income families with young children to expand access to neighborhoods of opportunity with high-performing schools, strong job prospects, and other resources. If enacted, the legislation would seek to eliminate homelessness among families with young children and substantially reduce the number of children growing up in areas of concentrated poverty. Specifically, the bill would prioritize new vouchers for low-income pregnant women and families with children under age 6 who have a recent history of homelessness or housing instability, live in an area of concentrated poverty, or are at risk of being displaced from an opportunity area. The new vouchers would be coupled with counseling and services with a proven track record of supporting parents and helping families move out of neighborhoods of concentrated poverty. The half-million new vouchers created through this legislation would be phased in over five years at 100,000 per year.

HOUSING SUPPLY AND AFFORDABILITY ACT

In the Senate, the bipartisan Housing Supply and Affordability Act was introduced by Sens. Amy Klobuchar (D-MN), Tim Kaine (D-VA), and Rob Portman (R-OH). The bill would authorize $1.5 billion for federal grants to local governments that commit to increasing their supply of local, affordable housing to be distributed over the next five years. The legislation would address the affordable housing crisis by giving localities resources to overcome obstacles to new construction, such as discriminatory zoning regulations. Eligible local governments, including regional coalitions, would be able to apply for grants that would be used to develop local housing plans that commit to removing barriers to construction while avoiding the displacement of current residents by new developments. The grants will be awarded by HUD and will be divided into two primary silos: for planning grants to help local leaders design their housing policy plans, and for implementation grants to help local leaders put their plans into action. Applicants that pledge to increase housing near places of employment and transit would take priority. The Housing Supply and Affordability Act broadly falls in line with the goals of HUD Secretary Marcia Fudge, who identified barriers to housing as one of her top priorities. The bill has been referred to the Senate Committee on Banking, Housing, and Urban Affairs for further consideration.

AMERICAN HOUSING AND ECONOMIC MOBILITY ACT

The American Housing and Economic Mobility Act was reintroduced in both chambers of Congress. The legislation was introduced with lead sponsors Rep. Emanuel Cleaver II (D-MO) and Sen. Elizabeth Warren (D-MA) along with a group of lawmakers, who also released a summary of the bill and an analysis of the legislation by Moody's Analytics that found the legislation would build or rehabilitate nearly 3 million units over the next decade and save families an average of $100 per month. If passed, the American Hous-

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NAHMA Submits Comments to IRS

NAHMA has submitted comments on the IRS' recommendations for the 2021-2022 Guidance Priority Plan. The comments focused on important matters related to the management of Section 42 Low-Income Housing Tax Credit (LIHTC) properties.

SECTION 42, LIHTC MONITORING REGULATIONS

According to the comments, NAHMA members are requesting relief from the Feb. 26, 2019, Final Regulations that amended the compliance monitoring regulations concerning the LIHTC under section 42 of the Internal Revenue Code (RIN 1545–BL39).

"Since the beginning of the pandemic's outbreak, our members have been on the frontlines working to provide a safe home for residents to shelter at home, as well as to provide safe working conditions for property employees, including maintenance staff. Many NAHMA members have faced significant numbers of COVID cases at their properties or on their staff, and all have had to suspend normal property management operations due to state and local public health emergency declarations and stay-at-home orders. Except for Exigent Health and Safety (EH&S) work orders, most maintenance work has not been addressed over the past few months due to the significant health risks for staff and residents of entering units. Even in cases of required emergency maintenance work, NAHMA members have reported that residents have expressed concern in allowing staff into their units," the letter said.

The comments argued that as the nation reopens at different rates in different geographic areas, depending on how hard the pandemic hit the area, NAHMA members will need time to return to normal staff operational levels, assess their properties, and provide the necessary maintenance to bring all units up to appropriate standards.

To provide adequate time for NAHMA members to reopen, recover, assess and address maintenance needs across the entire portfolio across the country, the letter requested that the IRS provide state Housing Finance Agencies (HFAs) the authority to consider other approaches that might mitigate the potentially significant health risks and portfolio-wide negative assessment impacts resulting from operational disruptions caused by the pandemic. Such approaches could include, for the remainder of 2021, or even into early 2022:

- Scheduling physical inspections only for high-risk properties that scored low/failing or demonstrate a high risk, based on their most recent inspection;
- Applying a Real Estate Assessment Center (REAC)'s National Standards for the Physical Inspection of Real Estate (NSPIRE) demonstration-type approach to all housing credit physical inspections, in that properties would be inspected but not receive a specific score, but findings would be documented, and work would need to be accomplished to address the findings (except for exigent health and safety findings);
- Waiving the drastically shortened physical inspection 15-day notification timeframe for LIHTC properties, as announced on Feb. 26, 2019, through the Final Rule: Amendments to the Low-Income Housing Credit. To ensure the maximum safety of residents, management staff, and inspectors, NAHMA called for a temporary return to scheduling a physical property inspection in the 30-day timeframe. HFAs should consider the health and safety risks of all parties involved and provide some flexibility given the logistical impacts of the pandemic;
- Discouraging HFAs from a requirement to issue Form 8823 for every physical deficiency or allow providers to request an extension of time to come into compliance with such requirement. Implementing this requirement immediately upon resumption of physical inspections will likely result in thousands of Form 8823(s) for minor issues and resident-caused or unreported damages. It is NAHMA's understanding that some HFA physical inspections are based on the HUD Uniform Physical Condition Standard Protocol used for REAC inspections. Level 1 deficiencies in REAC inspections are minor, non-health, and safety issues. For every Level 1 deficiency to be issued a corresponding Form 8823 seems unreasonable and would cause undue administrative burden not only to housing credit properties, but it will be equally burdensome to HFA staff;
- Encouraging postponing HFA implementation of fines and other new penalties until the current state of emergency and COVID-19 pandemic have passed or grant exceptions to those who can demonstrate that noncompliance was related to the COVID-19 pandemic;
- For HFAs performing desk audits, implementing longer time frames for housing providers to submit documents and scanning files, and provide accommodations for extenuating circumstances and hardships. According to the letter, many NAHMA members are reporting unreasonable turnaround times, such as less than 48 hours.

SECTION 42, STUDENT OCCUPANCY RULE

The student occupancy rules for the LIHTC program are intended to ensure that qualified families are not displaced by college students who need affordable off-campus housing. While NAHMA supports the goal of these restrictions, the association said the LIHTC student occupancy policies require comprehensive modernization. Under the current laws, owners and managers of LIHTC properties have had to deny tenancy to full-time students, even if the applicant is 50 years old and employed. Similarly, LIHTC residents risk losing their housing if they become a full-time student household while living on the property. Once again, the policy adversely affects independent adults who are the sole member of the household. Ideally, NAHMA said it would like the Treasury-IRS to pursue reasonable statutory changes that preserve the intent of the student occupancy restrictions but allow otherwise qualified independent adults to pursue greater economic opportunities through education.

As LIHTCs are used to preserve and recapitalize older HUD-assisted properties, housing providers are concerned that residents who are full-time students may be displaced under the LIHTC rules. NAHMA recommended that Treasury-IRS change the definition of a full-time student to a person under the age of 24 who is classified as a full-time student by the school attended, or add another exception to the five current exceptions: the student is age 24 or older.

IMPROVE COORDINATION WITH OTHER FEDERAL AGENCIES

NAHMA recommended that Treasury-IRS, HUD, and the U.S. Department of Agriculture-Rural Housing Service (RHS) reestablish and utilize the Rental Policy Working Group with stakeholders to propose uniform rental policy solutions for all federal multifamily housing programs. The working group can be formed to standardized best practices and address the impact of the pandemic on residents, properties, and staff, across the rental housing industry. **NN**

TRACKING BILLS IMPACTING AFFORDABLE HOUSING, *continued from page 19*

ing and Economic Mobility Act:

- Controls the cost of renting or buying a home by leveraging federal funding to build nearly 3 million new housing units for lower-income and middle-class families, bringing down rents by 10%, according to an independent analysis from Moody's Analytics.
- Reduces the cost of housing across America by creating incentives for local governments to eliminate unnecessary land-use restrictions that drive up costs. The bill puts $10 billion into a new competitive grant program that communities can use to build infrastructure, parks, roads, or schools. To be eligible, local governments must reform land-use rules that restrict the production of new affordable housing or implement measures to protect tenants from harassment and displacement.
- Provides assistance to people hurt by federal housing policy failures in the form of down payment assistance to communities historically denied mortgages by the government. The federal government denied Black borrowers mortgage subsidies as late as the 1960s, blocking opportunities to build wealth. As a first step to address the resulting wealth gap between white and Black families, the bill provides down payment grants to first-time homebuyers living in formerly redlined or officially segregated areas.
- Extends Department of Veterans Affairs (VA)-guaranteed home loan eligibility for descendants of certain veterans. While the GI Bill provided for VA-guaranteed home loans for veterans, federal discrimination prevented many Black veterans from accessing this benefit. The bill extends eligibility for VA-guaranteed home loans to direct descendants of veterans who served between enacting the GI Bill and the Fair Housing Act but did not receive that benefit.
- Holds financial institutions accountable for providing access to credit for all Americans. The bill would strengthen obligations under the Community Reinvestment Act to give credit to low- and moderate-income communities by expanding the law to cover non-bank mortgage companies, promote investment in activities that help poor and moderate-income communities, and strengthen sanctions against institutions that fail to follow the rules.
- Promotes mobility by strengthening anti-discrimination laws and improving the housing voucher program. The bill prohibits housing discrimination based on sexual orientation, gender identity, marital status, veteran status, and source of income. The bill also makes it easier to use housing vouchers in neighborhoods with good schools and good jobs and allows tribal housing authorities to administer their own voucher programs.
- Requires more accessible housing. The bill doubles the minimum requirement for accessible units built or supported with funding provided in the bill.
- Changes the rules to stem the pipeline of government-owned, foreclosed, or distressed homes to private equity firms, including through the Claims without Conveyance of Title program. **NN**

White House Takes Step to Close Racial Wealth Gap

The Biden administration announced new steps to help narrow the racial wealth gap and reinvest in communities that failed policies have left behind. Specifically, the administration is expanding access to two key wealth-creators—homeownership and small business ownership—in communities of color and disadvantaged communities. To address racial discrimination in the housing market, the administration is launching a first-of-its-kind interagency effort to address inequity in home appraisals and conducting rulemaking to aggressively combat housing discrimination. Additionally, the president's plan includes using the federal government's purchasing power to grow federal contracting with small, disadvantaged businesses by 50%, translating to an additional $100 billion over five years, and helping more Americans realize their entrepreneurial dreams.

The Department of Housing and Urban Development (HUD) Secretary Marcia Fudge will lead the interagency initiative to address inequity in home appraisals. The effort will seek to utilize the many levers at the federal government's disposal, including potential enforcement under fair housing laws, regulatory action, and development of standards and guidance in close partnership with industry and state and local governments, to root out discrimination in the appraisal and homebuying process.

The White House also released new information regarding the president's American Jobs Plan proposals to increase access to affordable housing and build wealth in communities of color, including:

Create a Community Revitalization Fund to Support Community-Led Civic Infrastructure. The American Jobs Plan calls for a new $10 billion Community Revitalization Fund based at HUD to support community-led civic infrastructure projects in urban, suburban, and rural areas that create innovative shared amenities, spark new local economic activity, provide services, build community wealth, and strengthen social cohesion. The fund would be targeted to economically underdeveloped and underserved communities that suffer from the effects of persistent poverty, historic economic disinvestment, and the ongoing displacement of longtime residents.

Incentivize Ending Exclusionary Zoning and Expanding Housing Choices. In the American Jobs Plan, the president is calling on Congress to enact the Unlocking Possibilities Program. This new $5 billion competitive grant program awards flexible funding to jurisdictions that take concrete steps to eliminate needless barriers to producing affordable housing and expand housing choices for people with low or moderate incomes.

The fund has several key features to support locally-led efforts to advance zoning reforms: grant program for community engagement, technical assistance and analysis that will help communities identify the most powerful levers to produce more affordable housing; investment and incentives to implement land-use and zoning policies that remove needless barriers to needed housing; and extensive evaluation and development agenda to identify the policy changes that most effectively encourage affordable housing production.

Communities that qualify for implementation and investment awards will have access to flexible funding that helps support public services in neighborhoods where new affordable housing is being developed and that benefits all community members. The goal of these efforts will be to increase the production of affordable housing, expanding access to good jobs, and powering inclusive economic growth.

Enact a New Neighborhood Homes Tax Credit. The American Jobs Plan calls for a new Neighborhood Homes Tax Credit to attract private investment in developing and rehabilitating affordable homes for low- and moderate-income homebuyers and homeowners. These tax credits will increase homeownership opportunities and asset building for underserved communities, reduce blight and vacant properties, and create thousands of good-paying jobs. The Neighborhood Homes Tax Credit will encourage investment in homes that cost more to redevelop than they can sell for on the open market. Approximately 40% of U.S. housing stock is at least 50 years old, and more than 15 million properties are vacant even as families struggle to find affordable housing. In many neighborhoods, these properties make it difficult to attract or retain local homebuyers, reducing property values and community wealth. Modeled after the Low-Income Housing Tax Credit and the New Markets Tax Credit, state housing finance agencies would receive an annual allocation of Neighborhood Homes Tax Credits based on population. Each state's housing finance agency would then award tax credits to project sponsors—developers, lenders, or local governments—through a competitive application process.

Sponsors would use the credits to raise investment capital for their projects. The investors could claim the credits against their federal income tax when the homes are sold and occupied by eligible homebuyers. These tax credits would cover the difference between total development costs including acquisition, rehabilitation, demolition and construction, and the sales price. **NN**

To view the White House's fact sheet, visit https://www.whitehouse.gov/briefing-room/statements-releases/2021/06/01/fact-sheet-biden-harris-administration-announces-new-actions-to-build-black-wealth-and-narrow-the-racial-wealth-gap/?utm_source=NCSHA&utm_campaign=ceb046a383-EMAIL_CAMPAIGN_2019_02_06_09_58_COPY_01&utm_medium=email&utm_term=0_f00bc192e4-ceb046a383-65495351.

COVID-19's Impact on Affordable Housing

Over the past year, many businesses and households were affected by the public health and economic crisis brought about by the COVID-19 pandemic. Low-income renters in the labor force, many already in financial distress before the pandemic, were significantly impacted by pandemic-related business closures and partial shutdowns, hampering their ability to pay rent. Landlords and property managers faced financial pressure, especially with the national federal eviction moratorium in effect until July 31.

Primarily using recent data and observations from *The State of the Nation's Housing 2020* report by the Joint Center for Housing Studies at Harvard University (JCH report), *The March 2021 GAP Report, A Shortage of Affordable Homes* by the National Low Income Housing Coalition (NLIHC report), and the Urban Institute's *Emergency Rental Assistance Priority Index,* NAHMA provides an initial assessment of COVID-19's impact on affordable housing and describes challenges remaining that hinder a strong and equitable recovery.

STATE OF CRISIS EXISTED PRIOR TO COVID-19

At the onset of the COVID-19 pandemic, rental markets had already started tightening, and concerns about affordability were rising despite a slowdown in demand and the increase of new construction. In the previous decade, rents had risen faster than incomes in many segments of the market—increasing the number and share of cost-burdened and severely cost-burdened renters, hitting low- and middle-income earners especially hard.

To read the NAHMAnalysis in its entirety, visit https://www.nahma.org/wp-content/uploads/2021/04/NAHMAnalysis-COVID-19-and-the-State-of-Affordable-Housing-FINAL.pdf

Constraints on supply coupled with substantial losses of low-cost rentals also contributed to the rise in cost and decrease in the availability of affordable rental stock. Meanwhile, the supply of affordable housing for low- and extremely low-income families and individuals continued to be limited or nonexistent. With limited support at federal, state, and local levels, communities and businesses alike advocated for a comprehensive response from all levels of government to address the growing rental affordability crisis.

EVIDENCE OF SHIFTS IN DEMAND CONTINUING

The JCH report found that at the start of the pandemic, the share of U.S. households renting their housing was also showing signs of slowing down, dipping to 35.2% in the first quarter of 2020—its lowest point in six years. However, while overall rental demand has slowed in recent years, the NLIHC report indicated that the number and share of higher-income renters were rising —7.9 million renter households were added between 2004 and 2019, bringing the total number to 44.0 million. With higher-income households driving over half of this growth, the number of renter households with incomes of at least $75,000 increased by 4.6 million from 2004 to 2019, and their share of renter households jumped from 18% to 26%.

Meanwhile, the number of renter households with incomes under $30,000 grew by just 654,000 over this interval, reducing their share of renters from 42% to 36%. Indeed, the number of lower-income renter households declined in recent years, including a drop of more than 750,000 in 2019 alone. However, the massive job losses due to the COVID-19 pandemic could potentially reverse this trend, increasing the number and share of renter households with lower incomes.

Going forward, rising unemployment among younger workers could also stifle rental demand and encourage the growth of nontraditional households, such as adults living with parents or unrelated individuals. These nontraditional households were already a fast-growing household type before the pandemic, accounting for a third of renter household growth in 2004–2019. Roommate households and adult children living with parents made up a fifth of all renter households in 2020. It's worth noting that these nontraditional households are most commonly formed in expensive housing markets, suggesting that these living situations are related closely to rental affordability.

PERSISTING SHORTAGE OF AFFORDABLE HOUSING

According to the NLIHC report, the current shortage ranges from 7,479 rental homes in Wyoming to nearly 1 million in California. The states where low-income renters face the greatest challenges finding affordable homes are Nevada, with only 20 affordable and available rental homes for every 100 low-income renter households, California (24 for every 100 low-income renter households), Oregon (25/100), Arizona (26/100), and Florida (28/100). The states with the greatest relative supply of affordable and available rental homes for low-income renters still have significant shortages. The five top states are Wyoming and Mississippi, with 61 affordable and available rental homes for every 100 low-income renter households, West Virginia (60/100), Alabama (58/100), and South Dakota (58/100).

Before the start of the national lockdown measures to help combat the virus, the construction of multifamily housing at the beginning of 2020 was above the previous year's pace. According to the JCH report, multifamily housing starts fell sharply during the lockdown. Still, they made a quick and strong comeback, lifting year-to-date starts in September above those in the same period in 2019, which was already the strongest year for multifamily construction in three decades.

holds in the top decile ($316,000) soared by 20%, or about $52,000. As a result, the average income of top-decile households increased from 35 times the average income of bottom-decile households in 2010 to 41 times in 2019.

But the COVID-19 economic recession and its resulting job and wage losses have only magnified and accelerated the inequality gap, especially for those who were already struggling. More than 20 million renters live in households that have suffered COVID-19-related job loss. While the overall unemployment rate fell to 6.7% by the end of 2020, the Black and Latino unemployment rates were still considerably higher—9.9% and 9.3%, respectively—and a recent Federal Reserve analysis found the unemployment rate for workers in the bottom wage quartile may have been higher than 20%.

Constraints on supply coupled with substantial losses of low-cost rentals also contributed to the rise in cost and decrease in the availability of affordable rental stock. Meanwhile, the supply of affordable housing for low- and extremely low-income families and individuals continued to be limited or nonexistent.

INCOME GAPS CONTINUED TO WIDEN

Before 2020, strong income growth and falling unemployment fed the optimism surrounding housing demand. According to the JCH report, which utilized the American Community Survey, median household income was up 4.7% in 2018-2019, to $65,000. Adjusted for inflation, the U.S. median household income grew at a 2.5% average annual rate from 2014-2019 and was 11% higher last year than in 2010. While all age groups posted gains, the biggest increase was among younger households. Indeed, the real median income for households under age 35 jumped by 21% over the decade. Across-the-board income growth, however, did nothing to reduce the inequality between high- and low-income households. The gap between the lowest and the highest income households widened. After adjusting for inflation, the average annual income of households in the bottom decile ($7,800) increased just 5% from 2010 to 2019, or about $340. In contrast, the average income of house-

RENTAL PAYMENTS DECREASED

As of late September 2020, 15% of renter households responding to the Census Bureau Household Pulse Survey said they were behind on rent. Meanwhile, the National Multifamily Housing Council (NMHC) reported that just 5% of the renters in professionally managed apartments did not make payments by the end of September, a difference of just 0.9 percentage points from a year before. Even in April, when rent payments were down the most (3.1 percentage points), 95% of renters were reported to have still made payments.

The JCH report found that just 7% of renter households making at least $75,000 were behind on rent in late September, closely aligning with the NMHC rent collections rate. At the same time, though, some 21% of renters making less than $25,000 reported being behind on rent in September.

A larger share of renters also reported being behind on rent in single-family (17%) and small multifamily rentals (14%)—the types of units that are not typically professionally managed. As a result, the landlords of smaller rental properties may already be struggling to cover their costs. Apartment List has reported that renters of buildings with under 50 units were more likely to make partial payments or miss a payment in the first week of July 2020 than those living in larger multifamily buildings.

DEMOGRAPHICS CHANGES CONTINUE

The racial and ethnic diversity of renters increased from 2004-2019, with households headed by a person of color accounting for about three-quarters of growth and foreign-born households making up more than a quarter of the growth. As a result, the share of renter households headed by a person of color increased 6 percentage points over this period, to 48%—well above their 33% share of all U.S. households. And regardless of their incomes, households of color, particularly Black and Hispanic households, are more likely to rent their housing than white households.

With the aging population, adults

continued on page 26

age 55 and over drove about two-thirds of renter household growth in 2004–2019, lifting their share of all renters from 22% to 30%. Indeed, the rentership rate for older adults continued to increase in 2019, with their numbers up 327,600. While households under age 35 still made up just over a third of all renters, the slowdown in their household formation rates kept their share of renter household growth to only 4% over this period. Although the number of younger renters picked up by about 110,000 in 2018–2019, the pandemic will likely slow any gains in 2020.

The COVID-19 pandemic and economic collapse of 2020 devastated millions of families; however, people with low incomes and people of color have been disproportionately impacted. According to the Census Bureau's Household Pulse Survey in late September 2020, 41% of all U.S. households reported a pandemic-related loss in earned income since mid-March. Although economic impact payments from the federal government provided temporary support, the drop in employment income hit Hispanic, Black, and Asian households disproportionately hard. Some 54% of Hispanic households reported income losses over this period, 12 percentage points above the national average share. At 48%, the share of Black households that lost income was also well above average. The share of Asian households with losses was only slightly lower, at 42%. By comparison, 37% of white households reported income losses between mid-March and late September.

Conditions for low-income families with children and those headed by older adults are especially troubling. Among households in the bottom expenditure quartile that included children under age 18, those with moderate cost burdens spent 57% less on health care, including insurance premiums and out-of-pocket expenses, and 17% less on food than unburdened households. Those with severe burdens spent 93% less on healthcare and 37% less on food.

The NLIHC report also provides data that shows pandemic-induced rent debt has been concentrated among households of color and lower incomes households: 29% of Latino renters and 36% of Black renters were behind on rent, compared with 12% of white renters. Additionally, Apartment List also found that 53% and 38% of Black and Hispanic renters, respectively, have unpaid housing bills, compared with 27% of Asian renters and 21% of white renters.

ACCESSING AND PRIORITIZING RESOURCES

To help renters and landlords deal with the rental shortfalls, numerous states have started to receive federal resources for emergency rental assistance programs and have opened or are opening their 2021 emergency rental assistance programs to local applicants. To help renters and landlords access rental assistance in their respective localities, two organizations, the National Low Income Housing Council (NLIHC) and the National Council of State Housing Agencies (NCSHA) have created separate data dashboards tracking COVID-19 emergency rental assistance programs. The NLIHC dashboard provides an interactive map and searchable database to find state and local emergency rental assistance programs. The NCSHA dashboard also offers ways to find emergency rental assistance programs at the state level. Both sets of data are updated continuously.

Additionally, to help inform federal and state decision-makers on the economic and health impacts exacerbating the nation's affordable housing, the Urban Institute created the Emergency Rental Assistance Priority Index. The index estimates the level of need in a census tract by measuring the prevalence of low-income renters at risk of experiencing housing instability.

OUTLOOK TOWARD THE FUTURE

With a new administration in the White House, Congress has been given an outline of a much-needed long-term recovery strategy. This includes increased funding and resources for low-income individuals and for the departments of Housing and Urban Development (HUD) and Agriculture affordable housing programs. However, in the past, funding for affordable housing has fallen well short of the need. Between 2001 and 2010, housing assistance declined from an 8.8% share of non-defense discretionary spending to 7.1%, even as the number of cost-burdened renter households rose by 6 million. While spending did increase to 7.4% in 2019, the increase was negligible compared to the growing incidence of cost burdens over the past two decades.

The Urban Institute estimates that the cost of helping all renters return to their pre-pandemic income-to-rent ratio without unemployment assistance would be $5.5 billion per month—although even this support would leave many households with cost burdens. A recent report by the National Council of State Housing Agencies calculates a cumulative rent shortfall of at least $25 billion as of January 2021. The JCH report puts the cost of rental assistance at $3.5 billion per month when paired with state unemployment support. **NN**

The Urban Institute estimates that the cost of helping all renters return to their pre-pandemic income-to-rent ratio without unemployment assistance would be $5.5 billion per month—although even this support would leave many households with cost burdens.

Illustrating the Rewards of Taking Responsibility

Judging for the 2021 AHMA art and poster contest has wrapped, and the winners are being notified they will appear in the popular 2022 NAHMA Drug-Free Kids calendar. The underlying message for the annual contest is always a drug-free theme. Still, the association wanted to open the door for more avenues of expression, so a subtheme is incorporated into the poster contest. The subtheme for this year is With Responsibility Comes Reward: Holding Ourselves Accountable.

Due to the uncertainties and disruptions created by the coronavirus pandemic, electronic copies of the poster entries were due to NAHMA on June 1, after first being submitted to a local AHMA for consideration. The original winning artwork was then sent to NAHMA and will appear in NAHMA's annual calendar, which has sold out every year since 2014.

The poster and art contest invites children, seniors, and adults with special needs living in affordable multifamily housing to create artwork and compete for prizes.

Through the annual sale of the winning poster entries, the contest generates significant contributions to the NAHMA Educational Foundation's scholarship program and is a key source of support for NAHMA foundation scholars.

"This is one of the most popular contests NAHMA holds each year," Kris Cook, CAE, NAHMA executive director, said. "Everyone looks forward to seeing the fantastic artwork produced by the talented residents. The auction is always a fun time and supports a great program."

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

For each grade category for children and the elderly and special needs levels, local AHMAs selected up to three winning posters, which can consist of photographs, websites, computer art, or other media.

The grade categories for children are based on the grade the contestants have completed by June 2021: kindergarten-first grade, second-third grade, fourth-sixth grade, seventh-ninth grade, and 10th-12th grade.

All AHMA winning submissions were then forwarded to NAHMA electronically, where a distinguished panel of judges selected the 13 winning entries. The winning original artwork was then sent to NAHMA for reproduction for the 2022 calendar. One special entry is chosen as the grand prizewinner, which will appear on the cover. Only children are eligible for the top prize.

The winners of each local contest receive various prizes from their AHMA.

In addition to appearing on the cover of the 2022 calendar, the national contest's grand prizewinner receives a $2,500 educational scholarship and a trip to Washington, D.C., where the artist will be honored at NAHMA's October meeting. Since the pandemic shifted last year's meeting online, the 2021 calendar cover artist will also be honored at the in-person meeting this year.

Each national winner of the NAHMA contest—regardless of entry category—receives a $1,000 educational scholarship from the NAHMA Educational Foundation. All winners are also featured in the 2022 calendar.

Furthermore, participants in the annual art contests held by the local AHMAs are eligible to be selected as Regional AHMA Art Contest Honorable Mentions. Those selected for this distinction are featured in a special section of the NAHMA 2022 Drug-Free Kids calendar and receive a $100 scholarship check.

The NAHMA 2022 Drug-Free Kids calendar will go on sale in September. **NN**

Diversity Is a Hallmark of the 2021 Scholarship Applicant Pool

A REVIEW OF THE 2021 SCHOLARSHIP applicant pool reveals great diversity across a broad demographic spectrum. Not only did students from 22 different states and 12 different AHMAs apply, but the students also represent many ethnic backgrounds, races, and religions. Their involvement in a wide variety of school and community-based activities reflects their interests and desire to enhance the communities they live in and bring about positive change. These students are enrolled in community colleges, colleges, universities, and trade/technical schools throughout the country, seeking degrees in everything from social work to medicine.

"The NAHMA Educational Foundation is, once again, extremely proud that diversity on a variety of levels is found in our applicant pool. This enables the foundation to assist a broad cross section of the population living in affordable housing across America. Helping worthy student residents from all backgrounds continue their educational pursuits has always been a primary goal of the foundation," said Alice Fletcher, chairperson of the NAHMA Educational Foundation.

The NAHMA Educational Foundation has long been proud of each class of NAHMA scholars' diverse makeup, and this year is no exception. From Boston to Honolulu, student residents living in affordable multifamily communities receive much-needed financial assistance from the NAHMA Educational Foundation as they work toward their degrees which will hopefully turn into good jobs and the betterment of their communities. As the foundation makes scholarships available for the 15th consecutive year, we recognize and honor the differences of our recipients, all working toward the same goal of receiving their degrees. NN

REGULATORY WRAP-UP

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

HUD NEWS

THE DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT (HUD) PUBLISHED on July 2 a notice in the *Federal Register* extending the period by 180 days for which certain 2019 and 2020 qualified census tracts (QCTs) and difficult development areas (DDAs) are effective for purposes of the Low-Income Housing Tax Credit (LIHTC). The notice, in response to the COVID-19 pandemic and presidentially declared emergency, extends the eligibility period from 730 days to 910 days for properties in QCTs and DDAs that are not on subsequent lists of QCTs and DDAs and that submitted applications while the area was a 2019 or 2020 QCT or DDA.

IN JUNE HUD ANNOUNCED IT WAS AWARDING THE FIRST TRANCHE OF AMERICAN RESCUE PLAN FUNDS for Emergency Housing Vouchers (EHVs) for individuals and families who are experiencing homelessness or at risk of homelessness. Specifically, HUD is awarding $1.1 billion—70,000 vouchers—for 626 public housing authorities (PHAs) administering the Housing Choice Voucher Program

HUD PUBLISHES AN INTERACTIVE MAPPING TOOL to assist in reaching out to a Federally Qualified Health Center (FQHC) for help with a community vaccination. Find help with HUD's interactive mapping tool, visit https://hud.maps.arcgis.com/home/webmap/viewer.html?extent=-144.2301%2C11.7408%2C-36.3005%2C58.3339&utm_medium=email&utm_source=govdelivery&webmap=5d97982e33b34d7f819565ac1e9f83d8.

HUD PUBLISHED A NEW APPENDIX TO HUD'S SERVICE COORDINATION IN MULTIFAMILY HOUSING Resource Guide, on "Building Capacity for Virtual Service Coordination." This new resource (Appendix C of the Guide) provides best practices in conducting service coordination when working from a location other than the property. It builds on the experience of multifamily property owners and service coordinators during the coronavirus pandemic, when many properties had to transition to virtual service coordination to support residents while adhering to state and local social distancing guidelines.

USDA NEWS

ON FEB. 2, THE RURAL DEVELOPMENT PUBLISHED A NOTICE OF SOLICITATION OF APPLICATIONS (NOSA) for the Section 514 Off-Farm Labor Housing (FLH) Loans and Section 516 Off-FLH Grants for New Construction for Fiscal Year 2021. The program provides financing for the construction of new Off-FLH units for domestic farm laborers, retired domestic farm laborers, or disabled domestic farm laborers. The program objective is to increase the supply of affordable housing for farm laborers. This NOSA offers three rounds of pre-application submissions and selections. The Fiscal Year 2021 NOSA can be found at the following link, https://www.govinfo.gov/content/pkg/FR-2021-02-02/pdf/2021-02193.pdf. The second round will open on Sept. 1. Rural Housing Service will host an Off-Farm Labor Housing Workshop for New Construction on Aug. 25, from 1-2 p.m. EDT to discuss the application process, the borrower's responsibilities under the Off-FLH program, among other topics. Requests to attend the workshop will be accepted beginning on Aug. 18th. Requests must be sent to the following email address: Off-FLHapplication@usda.gov. The email must contain the following information: SUBJECT LINE: "Off-FLH Workshop"; BODY OF EMAIL: Borrower Name, Project Name, Borrower Contact Information, Project State; REQUEST LANGUAGE: "Please reply with information for attending next week's Off-FLH Workshop." **NN**

JULIA GORDON NOMINATED FOR FHA COMMISSIONER

PRESIDENT JOE BIDEN HAS NOMINATED Julia Gordon for assistant secretary for Housing, Federal Housing commissioner, Department of Housing and Urban Development (HUD).

Gordon is the president of the National Community Stabilization Trust (NCST), a nonprofit organization that supports neighborhood revitalization and affordable homeownership through facilitating the rehabilitation of residential properties in underserved markets. In addition to managing NCST's programmatic work, Gordon specializes in federal policy related to homeownership, community development, and the nation's housing finance system.

Previously Gordon has served as the senior director of housing and consumer finance at the Center for American Progress, manager of the single-family policy team at the Federal Housing Finance Agency, and senior policy counsel at the Center for Responsible Lending. She also has worked in the civil legal aid sector and as a litigation associate and pro bono coordinator at the law firm of WilmerHale. Gordon received her bachelor's degree in government from Harvard College and her Juris Doctor from Harvard Law School.

WITH JENNIFER ROGERS

BY JENNIFER JONES

Rogers Is Always Up for a Challenge

YOU COULD SAY WORKING IN affordable housing runs in the family, even if it was serendipitous for Jennifer Rogers.

After spending three years in the Peace Corps, Rogers and her partner, Walter, decided to settle in Boise, Idaho. After moving in, the Wisconsin native accepted a position as a compliance auditor with the Idaho Housing and Finance Association. Rogers said her time in the Peace Corps dealing with various government rules and regulations gave her the experience she needed to make the jump into the affordable housing industry. As a bonus, her mother administered a Section 8 voucher program in Wisconsin.

She has been with IHFA for almost 19 years now, serving as the asset operations manager of IHFA's development and property management nonprofit, The Housing Company, for the last 13 years.

"Over the years, Walter and my mom and dad have been amazing supporters and a big part of my success," Rogers said. "My mom, in her last position, oversaw Section 8 vouchers in Wisconsin, so it's funny I landed where I did, mostly by accident."

The Housing Company is a nonprofit organization whose primary purpose is to preserve Idaho's existing affordable housing stock, facilitate development of new housing in under-served areas of the state, and provide quality professional property management for affordable properties located throughout the state. In her current position, Rogers manages the compliance department, oversees site operations, and writes policies and procedures. She also handles contract renewals and has two regional managers that report to her.

"It's always another challenge around the corner. I like to find solutions for problems. I like making things better for my team, the tenants, and our third-party owners," she said. "Once I start something, I stick with it, and I'm comfortable with rules and regulations."

Rogers earned a Master of Business Administration from Boise State, a bachelor's in economics from Ripon College in Wisconsin, and several industry-related certifications.

Rules and regulations have not always been a passion for Rogers. In the mid-90s, she was a bass guitarist in Chicago, where she moved after college.

"I had a day job and gigs in the evenings or on weekends," she said. "I got in with a poetry music group called Street Sounds right after college, then I was with a rock band and played live shows for about seven years."

While in the Peace Corps, Rogers served in Bolivia, where she was a microenterprise business volunteer teaching business classes to under-educated women and facilitating a large computer donation from Bank of America. After her two-year commitment ended, she stayed a third year serving as an assistant project director.

"It was a great experience. I learned Spanish in Bolivia, which helps in my current job," she said.

Rogers also serves as president of Idaho AHMA and is past president of the Idaho Returned Peace Corps Volunteers. **NN**

"It's always another challenge around the corner. I like to find solutions for problems. I like making things better for my team, the tenants, and our third-party owners."

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

Welcome New Members

NAHMA welcomes the following new members as of July 7, 2021.

EXECUTIVE

Joe Engle, AAMCI, Knoxville, Tenn.

David Nargang, McCormack Baron Management, St. Louis, Mo.

AFFILIATE

Wendi Leibowitz, SimpliSafe, Collingswood, N.J.

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/.

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

SEPTEMBER

7
How to Navigate the Conflicts Between Multiple Affordable Program Rules
Virtual
AHMA-PSW
866-698-2462
www.ahma-psw.org

8
Fair Housing Timely Topics
Webinar
SAHMA
800-745-4088
www.sahma.org

Preparing for MOR
Webinar
SAHMA
800-745-4088
www.sahma.org

9
Green Cleaning Practices
Webinar
SAHMA
800-745-4088
www.sahma.org

13
Fair Housing Basics for Maintenance Personnel: Spanish Edition
Virtual
JAHMA
856-786-9590
www.jahma.org

14
Half-Day Fair Housing-Approved for DPOR Certification
Webinar
Mid-Atlantic AHMA
804-564-7898
www.mid-atlanticahma.org

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

14
Fair Housing Compliance (FHC) Certification
Virtual
SAHMA
800-745-4088
www.sahma.org

14–15
Professional Development Series 2: Session 1 – Developing Effective Presentations
Virtual
AHMA-PSW
866-698-2462
www.ahma-psw.org

16
Basic LIHTC Compliance
Webinar
Mid-Atlantic AHMA
804-564-7898
www.mid-atlanticahma.org

SHCM Exam Prep: Certifying Income Eligibility
Webinar
SAHMA
800-745-4088
www.sahma.org

How to Avoid the Top 10 Landlord Mistakes
Live Webinar
Oregon AHMA
503-357-7140
www.oregonaffordable housingmanagement.com

21
Income & Assets Verification & Calculation
Webinar
Mid-Atlantic AHMA
804-564-7898
www.mid-atlanticahma.org

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

Certified Virtual Training: CPO, Session 1 of 4
Virtual
AHMA-PSW
866-698-2462
www.ahma-psw.org

21
Understanding HOME
Live Webinar
Oregon AHMA
503-357-7140
www.oregonaffordable housingmanagement.com

22
Reasonable Accommodations
Webinar
NEAHMA
781-380-4344
www.neahma.org

Fair Housing
Webinar
MAHMA
614-481-6949
http://mahma.com

Tenant Selection Plan
Webinar
SAHMA
800-745-4088
www.sahma.org

22–23
LIHTC/SHCM
Webinar
MAHMA
614-481-6949
http://mahma.com

22–24
CPO Three-Day Course
Virtual
PennDel AHMA
856-786-2183
www.penndelahma.org

AHMA-NCH 40th Annual Conference
Virtual
AHMA-NCH
833-246-2624
https://ahma-nch.org

23
Half-Day Preparing for Physical Inspections
Webinar
Mid-Atlantic AHMA
804-564-7898
www.mid-atlanticahma.org

23
Certified Virtual Training: CPO, Session 2 of 4
Virtual
AHMA-PSW
866-698-2462
www.ahma-psw.org

Sexual Harassment in the Workplace
Webinar
SAHMA
800-745-4088
www.sahma.org

27–28
JAHMA's Annual Spring Management Event
Atlantic City, NJ
JAHMA
856-786-9590
www.jahma.org

28
EIV 101
Webinar
NEAHMA
781-380-4344
www.neahma.org

Certified Virtual Training: CPO, Session 3 of 4
Virtual
AHMA-PSW
866-698-2462
www.ahma-psw.org

30
Certified Virtual Training: CPO, Session 4 of 4
Virtual
AHMA-PSW
866-698-2462
www.ahma-psw.org

Preparing for a HUD MOR
Live Webinar
Oregon AHMA
503-357-7140
www.oregonaffordable housingmanagement.com

OCTOBER

TBD
Annual Conference and Trade Show
NEAHMA
781-380-4344
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PROTECTING THE INTERESTS OF AFFORDABLE HOUSING PROPERTY MANAGERS AND OWNERS

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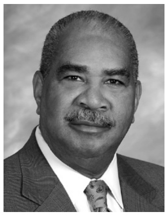

Take the First Step to COQ Recognition

IF YOU ARE LIKE ME, YOU HAVE received at least one press release informing you that applications for the Communities of Quality (COQ) Awards are due Nov. 4. The awards are open to all COQ properties—regardless of size—that scored at least a 325 on their COQ national recognition program application.

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

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

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

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

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

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

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

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

Michael Simmons, NAHP-e, is senior advisor, business development officer and broker of record for Community Realty Management Inc., and serves as NAHMA president.