

# News

PROTECTING THE INTERESTS OF AFFORDABLE HOUSING PROPERTY MANAGERS AND OWNERS

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## HUD Publishes Revised HOTMA Implementation Guidance

On Feb. 5, HUD published a revised version of the HOTMA Implementation Notice, Notice H 2023–10/PIH 2023–27 (see November/December 2023 *NAHMA News* for more information). The purpose of the notice is to provide guidance to Public Housing Agencies (PHAs) and Multifamily Housing Owners on the implementation of the many program changes brought about by the Housing Opportunity Through Modernization Act of 2016 (HOTMA) sections 102 and 104 and detailed in the final rule published in *Federal Register* Notice 88 FR 9600 on Feb. 14, 2023. Although the final rule addresses sections 102, 103, and 104, the notice only addresses guidance for sections 102 and 104.

Originally published on Sept. 29, 2023, the HOTMA Implementation Notice included placeholder language in Attachment A, which covers the section 104 asset limitation. The revised notice published on Feb. 5 provides full implementation guidance for the asset limitation. The revised notice also includes limited additional changes, described in section 2.1, “Technical Corrections and Clarifications.”

Importantly, Attachment A in the revised implementation notice now makes clear that owners have discretion regarding whether to enforce the asset limitation for existing tenants.

Additionally, the HUD Office of Multifamily Housing Programs published a housing notice, Notice H 2024–04, extending the HOTMA compliance date in Section 6.2 of Notice H 2023-10, from March 31 to May 31, 2024, for owners to update their Tenant Selection Plan (TSP) and Enterprise Income Verification (EIV) Policies.

HOTMA was signed into law on July 29, 2016, and consists of 14 sections that affect the Public Housing and Section 8 rental assistance programs. On Sept. 17, 2019, HUD issued a proposed rule to update its regulations according to HOTMA’s statutory mandate.

Sections 102 and 104 of HOTMA make sweeping changes to the United States Housing Act of 1937 (1937 Act), particularly those affecting income calculations and reviews.


Section 102 changes requirements related to income reviews for Public Housing and Section 8 programs. Section 104 sets maximum asset limits for Public Housing and Section 8 applicants and participants.



HOTMA Implementation Guidance: [www.hud.gov/sites/dfiles/OCHCO/documents/2023-10hsgn.pdf](http://www.hud.gov/sites/dfiles/OCHCO/documents/2023-10hsgn.pdf)

Revised TSP & EIV Compliance Date: [www.hud.gov/sites/dfiles/OCHCO/documents/2024-04hsgn.pdf](http://www.hud.gov/sites/dfiles/OCHCO/documents/2024-04hsgn.pdf)

HOTMA Resources: [www.hud.gov/program\\_offices/housing/mfh/hotma](http://www.hud.gov/program_offices/housing/mfh/hotma)



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# Making Human Connections

NAHMA HELD ITS WINTER CONFERENCE in March, marking our fifth in-person meeting in the post-COVID era. We are glad that about 190 members and industry partners were able to attend.

Besides offering a chance to join the daily sessions to hear about the latest issues facing the affordable housing industry, the biannual meetings allow our members to network and discuss and share ideas about the real challenges they are facing back home.

The meetings also allow our members to get away from work for a little while and catch up with friends. That's right, friends.

NAHMA's piece of the affordable housing industry is a niche in the housing market, and as such, it is like a small town where everybody knows everyone. Sure, our members are competitors, but ultimately, we are all here to improve our residents' lives. Sometimes, that means reaching out to a colleague for advice or even blowing off steam.

So, while we hope you gain a lot of insight from the educational sessions in March, we also hope you were able to make human connections that will help you professionally and personally in the future.

Mark your calendar now; the next NAHMA meeting will take place Oct. 23-25 at the Fairmont in Washington, D.C. Additionally, the NAHMA Educational Foundation will be holding its annual fundraising gala on Oct. 24. Both events will provide plenty of chances to reconnect with friends and colleagues.

The deadline to enter the NAHMA

Affordable Housing Vanguard Awards is June 7. While that may seem a long way away, it will be mid-to-late April when you read this column. Visit the awards overview webpage today to review the rules and requirements. You can find it under the Awards & Contests tab at nahma.org.

The Vanguard Award celebrates success in the multifamily affordable housing industry by recognizing and benchmarking newly developed or significantly rehabbed affordable multifamily housing communities that showcase high-quality design and resourceful financing.

The Vanguard Award complements NAHMA's Communities of Quality (COQ) National Recognition Program through which multifamily properties are certified as having achieved a high standard of excellence in the way they are managed, the services they provide residents, the experience and training of personnel, and other criteria. However, newly developed properties are too new to meet the criteria of NAHMA's COQ National Recognition Program—particularly in the inspection and financial audit categories—hence the creation of the Vanguard Award to recognize these properties. As the properties mature, they will become eligible—and will be encouraged—to enter NAHMA's COQ National Recognition Program.

We look forward to receiving plenty of applications from award-worthy communities. **NN**

*Kris Cook, CAE, is chief executive officer of NAHMA.*

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HOTMA updates and creates new rules for programs administered by the HUD Office of Public and Indian Housing (PIH): Housing Choice Voucher, including Project-Based Vouchers, Moderate Rehabilitation, Moderate Rehabilitation Single Room Occupancy, Public Housing, and programs administered by the HUD Office of Multifamily Housing (MFH): Section 8 Project-Based Rental Assistance (PBRA), Section 202/8 (202/8), Section 202/162 Project Assistance Contract (202/162 PAC), Section 202/811 Capital Advance with Project Rental Assistance Contracts (202/811 PRAC), Section 202/811 Capital Advance with Project Rental Assistance Contracts (202/811 PRAC), Section 811 Project Rental Assistance (811 PRA) and Senior Preservation Rental Assistance Contracts (SPRAC).

According to HUD, the department will not revise TRACS version 202D to make it compliant with HOTMA; instead, all HOTMA provisions will be rolled out with the future release of TRACS version 203A. This means that as of the release of the revised guidance in February 2024, the HUD MFH systems and forms used to receive and process owner vouchers have not yet been updated to reflect the new HOTMA rules.

HUD MFH states in its cover memo conveying the revised implementation guidance that owners must continue to follow their existing TSP and EIV policies until the owner's software is compliant with TRACS 203A, and it strongly recommends that owners align their HOTMA implementation timeframe with the release of 203A, anticipated in the summer of 2024.

HUD MHF also states in this memo that owner enforcement of the asset limitation is permitted only to the

extent that tenants subject to the limitation have signed the new HUD-approved Model Lease; instructions to owners for renewing families under these leases are provided in paragraph 6.2 of the February HOTMA Implementation Guidance. MFH will make these HUD-approved Model Leases available as soon as possible.

HUD MFH is updating the five program Model Leases to conform to the requirements in the HOTMA final rule. Owners must begin using the new HUD-approved leases once HOTMA is fully implemented at the property.

Under HUD Notice H 2024-04, owners are required to update their TSP and EIV policies and procedures to reflect HOTMA rules and discretionary policies and make them publicly available by May 31.

As outlined in HUD's implementation guidance, once an owner's software is HOTMA compliant, the owner must provide tenants with at least 60 days' notice that their lease will be modified at the end of the lease term after the 60-day notice expires. Once proper notice is given, MFH owners must begin using the revised Model Leases at the expiration of a family's lease term. All tenant data submissions must comply with the HOTMA regulations. Before their first reexaminations under HOTMA, owners must inform families that their income determinations will follow the HOTMA final rule. Additionally, owners must use the revised Tenant Consent form (form HUD-9887/9887A) and fact sheets.

Prior to Jan. 1, 2025, owners will not be penalized for HOTMA-related tenant file errors during Management and Occupancy Reviews. Instead, the contract administrator will issue observations with corrective actions.

Contract administrators will, however, issue a finding if an owner's TSP

and EIV Policies and Procedures were not appropriately updated or made publicly available by the extended deadline of May 31, as required.

Full compliance with the rule is effective Jan. 1, 2025. The notice supersedes relevant portions of HUD's guidance as provided in the HCV Guidebook, the Public Housing Occupancy Program Guidebook, and the HUD Handbook 4350.3: Occupancy Requirements of Subsidized Multifamily Housing Programs. HUD will update and replace all of the following sections and chapters:

HCV Guidebook chapters to be updated: Eligibility Determination and Denial of Assistance, and Reexaminations.

Public Housing Occupancy Guidebook chapters to be updated: Eligibility Determination and Denial of Assistance, Income Determination, and Reexaminations.

HUD Handbook 4350.3: Occupancy Requirements of Subsidized Multifamily Housing Programs chapters to be updated: Chapter 3. Eligibility for Assistance and Occupancy, Chapter 4. Waiting List and Tenant Selection, Chapter 5. Determining Income and Calculating Rent, Chapter 7. Recertification, Unit Transfers, and Gross Rent Changes, Chapter 9: Enterprise Income Verification (EIV), and Glossary.

HUD MFH provided guidance that an owner who implements HOTMA before the release of TRACS version 203A must utilize the "rent override" function in TRACS if a family's HOTMA-calculated tenant rent differs from their pre-HOTMA-calculated tenant rent, and owners must also annotate tenant files with specifically prescribed information. Details are provided by HUD MFH in its cover memo conveying the revised implementation guidance. **NN**

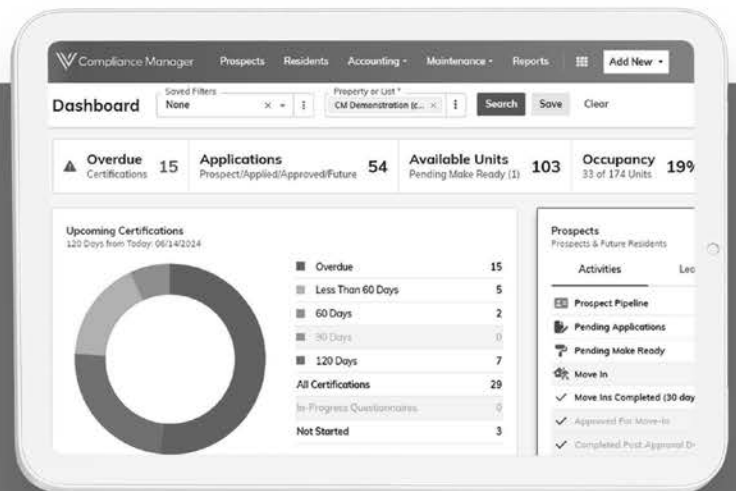
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# President Biden's Focus on Housing In the State of the Union Address

IN EARLY MARCH, PRESIDENT JOE Biden's State of the Union address highlighted some ambitious affordable housing plans, urging Congress to support initiatives to reduce housing costs nationwide and address the shortage of affordable housing. The plan focuses on expanding programs like the Low-Income Housing Tax Credit (LIHTC) and Housing Choice Voucher (HCV) programs. It aims to build and preserve over 2 million homes, establish a new Neighborhood Homes Tax Credit, and introduce a \$20 billion competitive grant fund. The administration also proposes doubling the Affordable Housing Program contributions from each Federal Home Loan Bank. Furthermore, Biden called for legislation to increase access to homeownership and lower rental costs, including a mortgage relief credit for first-time

homebuyers, a down payment assistance program, and guaranteed vouchers for low-income veterans and foster care youth. This summary outlines the key affordable housing initiatives from a fact sheet released after the address. Here is a breakdown of the proposed initiatives:

## **Building and Preserving Affordable Housing:**

- Expanding the LIHTC to incentivize the development of affordable rental units.
- Creating a new Neighborhood Homes Tax Credit to support construction and renovation of affordable homes for purchase.
- Providing funding for grants that encourage states and localities to increase housing supply.

## **Making Homeownership More Attainable:**

- Launching a First-Generation Down Payment Assistance Program to help first-time homebuyers whose parents didn't own a home.

- Calling on Congress to pass legislation offering a tax credit for first-time homebuyers and a tax credit for existing homeowners who sell their starter homes.

## **Promoting Rental Affordability and Fairness:**

- Creating a Housing Voucher Guarantee for extremely low-income veterans and youth aging out of foster care.
- Increasing funding for the HCV program to assist more low-income renters.

## **Preventing Evictions and Ending**

## **Homelessness:**

- Providing funding for grants to expand temporary and permanent housing options for people experiencing or at risk of homelessness.
- Increasing funding for Homeless Assistance Grants and Eviction Prevention programs.

Overall, the president outlined a comprehensive approach to address housing challenges across the country. It aims to increase the supply of affordable housing units, make homeownership more attainable, promote rental affordability and fairness, and prevent evictions and homelessness. However, many proposed initiatives need Congress to pass legislation, and there is no support for them in an election year.

Also in March, before the State of the Union address, the Biden administration announced new initiatives to address the nation's housing shortage. These actions aim to increase supply through various programs:

The Treasury Department and HUD are extending the Federal Financing Bank Risk-Sharing program, offering discounted Federal Housing Administration loans for affordable multifamily housing construction and preservation. This new extension will create an estimated 38,000 additional units over 10 years and bolster Housing

Finance Agencies' participation in the program.

HUD expects to publish a proposed rule to streamline and modernize the HOME Investment Partnerships Program regulations.

\$225 million for a new Preservation and Reinvestment Initiative for Community Enhancement (PRICE) grant program focusing on improving existing manufactured housing communities.

These actions come amidst a national shortage estimated at nearly 4 million units and record-high home prices. NAHMA is encouraged the administration recognizes further efforts are needed and plans to keep housing a top priority. **NN**

*Larry Keys Jr. is vice president of government affairs for NAHMA.*

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# President Signs 2024 Appropriations Bill That Includes HUD and RD Funding

On March 9, President Joe Biden signed into law H.R.4366, the Consolidated Appropriations Act, 2024, which provides full-year funding through Sept. 30, 2024, for departments and agencies of the federal government covered by six of 12 appropriations bills, including the Department of Defense military construction and family housing activities, the Department of Veterans Affairs, the Department of Agriculture, the Food and Drug Administration, the Department of Transportation, the Department of Housing and Urban Development (HUD), and several related and independent agencies.

The White House released the president's proposed fiscal year (FY) 2025 budget days later.

The FY 2024 appropriations bill provides HUD with \$70 billion, or an \$8.3 billion increase over last year.

Funding for domestic programs, including affordable housing and homelessness programs, was severely limited by the Fiscal Responsibility Act enacted in June 2023. Under the budget deal, Congress and the White House agreed to cap overall spending for domestic programs at approximately FY 2023 levels and to limit spending increases in FY

2025 to only 1% in exchange for raising the federal debt ceiling until 2025. Congressional leaders also negotiated a \$69 billion side agreement to help bolster spending for domestic programs. At the same time, HUD's budget for FY 2024 was under additional strain due to higher-than-expected renewal costs for vouchers caused by the increased cost of rent in communities nationwide and lower receipts from the Federal Housing Administration, which typically help offset the cost of HUD programs.

The final FY 2024 spending bill provides significant resources for the Housing Choice Voucher program, which was funded at \$32.4 billion, or a \$2.1 billion increase over FY 2023-enacted levels.

Project-Based Rental Assistance received an increase in funding compared to last year—\$16 billion, or an increase of \$1.1 billion—and Fair Housing programs received \$86 million.

Other programs saw funding cuts, including the HOME Investment Partnerships Program, which received \$1.25 billion, representing a \$250 million cut; Choice Neighborhoods received \$75 million or \$275 million less than last year; Section 202 Housing for the Elderly received \$913 million or a \$162 million cut; and Section 811 Housing for Persons with Disabilities received \$208 million or \$152 million less.

According to the White House press release, the president's FY 2025 proposed budget "increases affordable housing supply to reduce housing costs" by investing more than \$258 billion to build or preserve over 2 million units.

The proposed budget expands the existing Low-Income Housing Tax Credit and proposes a new Neighbor-

hood Homes Tax Credit. Additionally, it provides \$20 billion in mandatory funding for a new Innovation Fund for Housing Expansion.

The president's FY 2025 budget invests \$1.3 billion in the HOME Investment Partnerships Program to construct and rehabilitate affordable rental housing and provide homeownership opportunities.

It provides \$7.5 billion in mandatory funding for new Project-Based Rental Assistance contracts to incentivize the development of new climate-resilient affordable housing.

The budget proposes a new Mortgage Relief Credit to help increase access to affordable housing. The proposal includes a new tax credit for middle-class first-time homebuyers of up to \$10,000 over two years to ease affordability challenges. In addition, the president is calling on Congress to provide a one-year tax credit of up to \$10,000 to middle-class families who sell their starter home. The president's budget also provides \$10 billion in mandatory funding for a new First-Generation Down Payment Assistance program to address homeownership and wealth gaps.

For renters, the budget proposes \$32.8 billion in discretionary funding for the Housing Choice Voucher Program to maintain and protect services for all currently assisted families and support an additional 20,000 households. It also provides \$9 billion to establish a housing voucher program for all 20,000 youth aging out of foster care annually. It provides \$13 billion to incrementally expand rental assistance for 400,000 extremely low-income veteran families.

NAHMA will issue a *NAHMA* analysis detailing the FY 2024 bill and the president's proposed FY 2025 budget. **NN**



To read H.R.4366, visit <https://www.congress.gov/118/bills/hr4366/BILLS-118hr4366eah.pdf>

For an overview of the president's FY 2025 proposed budget, visit [https://www.whitehouse.gov/wp-content/uploads/2024/03/budget\\_fy2025.pdf](https://www.whitehouse.gov/wp-content/uploads/2024/03/budget_fy2025.pdf)

For the proposed FY 2025 HUD budget, visit <https://www.hud.gov/budget>

For the proposed FY 2025 Rural Development budget, visit <https://www.usda.gov/our-agency/about-usda/budget>

# NAHMA Opposes Proposed 30-Day Eviction Notification Rule

On Dec. 1, HUD published a 30-Day Notification Requirement Prior to Termination of Lease for Nonpayment of Rent Notice of Proposed Rulemaking in the *Federal Register* for public comment. NAHMA submitted comments on behalf of members while also signing onto joint industry comments filed by the National Apartment Association.

“The National Affordable Housing Management Association (NAHMA) appreciates the opportunity to comment on the proposed rule, which NAHMA strongly opposes. HUD has not demonstrated any relationship between notification periods and evictions. Delaying the process by imposing a 30-day minimum notice requirement is not a solution to the problem, especially for noncommunicative tenants. The rule will have negative impacts on the financial, operational, and maintenance capacity of owners and conflicts with the obligation to provide decent, safe, quality, affordable housing for all. NAHMA members have shared that the 30-day timeframe is leading to loss of income, increased operational costs, tenants owing growing unsustainable balances, and disruptive delays, not the prevention of eviction,” NAHMA’s comments said.

Under the proposed rule, when tenants who reside in public housing or properties receiving project-based rental assistance (PBRA) face eviction for nonpayment of rent, public housing agencies and owners would need to provide those tenants with written notification at least 30 days before the commencement of a formal judicial eviction procedure for lease termination. This includes projects in the following programs: Section 8 Project-Based Rental Assistance, Section 202/162 Project Assistance Contract, Section 202 Project Rental Assistance Contract (PRAC), Section 811 PRAC,

Section 811 Project Rental Assistance Program (811 PRA), and Senior Preservation Rental Assistance Contract Projects (SPRAC). According to the notice, the proposed rule would curtail preventable and unnecessary evictions by providing tenants with time and information to help cure nonpayment violations.

According to a HUD press release, the proposed rule would also require that the 30-day notice include instructions on how tenants can cure lease violations for nonpayment of rent and information on recertifying their income and requesting a minimum rent hardship exemption if applicable to avoid eviction.

The proposed rule would affect an estimated 3.9 million people in 2.2 million households—1.7 million people in 840,000 households in public housing and 2.2 million people in 1.4 million households in PBRA programs, according to the press release.

Stakeholders can access the proposed rule by visiting <https://www.federalregister.gov/documents/2023/12/01/2023-26348/30-day-notification-requirement-prior-to-termination-of-lease-for-nonpayment-of-rent>.

**Industry Mischaracterization Leads to Bad Policy:** NAHMA members are affordable housing providers and are not in the eviction business. For over three years, the Biden administration has branded housing providers as “not resident-centered.” NAHMA’s comments said this characterization has been and will always be factually false. HUD’s data and initiatives demonstrate this fact. NAHMA members brought an entire industry, including the livelihood of millions, through a pandemic, extreme political partisanship, and government dysfunction. Evictions have always been a means of last resort. NAHMA is concerned

that implementing the rule without some reasonableness and fairness will lead to a significant departure of some great housing providers. HUD does not need to make a bad policy for political reasons.

**Tenant Noncommunication/Arrears:** This rule does not adequately address tenant noncommunication. NAHMA members only pursue evictions in cases where a tenant stops communicating and does not come forward for a recertification or to enter a repayment agreement. This rule places no responsibility on tenants to communicate with property management staff. It wrongfully assumes that management staff do not attempt to assist residents before filing evictions. The comments said HUD must be fair and inform tenants to communicate when they cannot make full payments due to substantial loss of household income, reduced hours or wages, layoffs, or extraordinary out-of-pocket medical expenses. Tenants should also make their best effort to make timely partial payments as close as possible to full payments and meet with a HUD-approved housing counselor within 30 days. The comments said that HUD must become a willing partner for both housing providers and tenants, not continue to tilt the scales for political convenience.

**Housing Providers Facing Extended Nonpayment Period Beyond 30 Days:** Housing providers face 60 to 120 days of nonpayment. This is leading to significant tenant unpaid balances, growing gaps in Tenant Accounts Receivables, and declining operating budgets for their properties. NAHMA members have said they have uncollected rent in the millions. Evictions can take several months in the normal process, from filing with an attorney to waiting for the court to set a court date and the possibility of continuances from the court or the tenant. During this time, landlords cannot accept

rent, causing a significant strain on their operating budgets. As operating budgets deplete, fewer households in need can be assisted. NAHMA members convey this perspective: “The biggest problem with this is that we, as property managers, use rent to pay bills for the property. If residents do not pay rent for 30 days, this delay is not forgiving our own financial obligations that we were using the rent for. Our mortgage is still due on the first. We still must pay our managers and maintenance staff. We must maintain and make repairs to the property. All of these require rent to pay for [the expenses]. The longer we must wait for that, the harder it is to handle our own maintenance obligations. Vacancies are not any more expensive than residents occupying them and not paying rent. The costs to turn the unit will be higher the longer a resident is allowed to occupy a unit without paying rent. Studies consistently show that if a resident gets a month behind on rent, they will not get caught back up. Ten days would be doable. Ten days to pay rent before getting turned over to the attorney would be much more tenable than 30 days or more.”

**Inability To Address Lease Violations To Ensure Resident Safety:** The nonpayment rule does not address situations where eviction is necessary due to violence or other lease violations. Property owners are encountering situations where certain tenants compromise the safety of other residents or the integrity of the property, and they should be able to take appropriate legal action. HUD continues to remain silent on these matters, and the comments said it endangers the lives of residents. One NAHMA member shared the following story, which serves as an example of how this policy can lead to wrong interpretations: “A resident who sexually violated

a child, was arrested, charged, and later released on bail. This resident went through the HUD’s Continuum of Care (CoC) and was identified as the highest risk for homelessness and placed back into the same unit they were evicted from, and this traumatized the victim’s family. This is an extreme example, but because of existing federal/state/city eviction laws, this was allowed to happen. HUD must not create regulatory barriers to protecting the families housing providers are supposed to protect. HUD must state, in the strongest terms, that lease violations that endanger the lives of other residents and staff are not protected by a resident’s nonpayment status.” The comments said that not being able to address lease violations to

ensure resident safety runs counter to our members’ mission to provide decent, safe, affordable housing for all.

**Property Rights:** This rule infringes upon property rights. Affordable housing providers should be able to remove tenants for various lease violations, such as nonpayment of rent, property damage, or harm to others at the property—residents, visitors, or staff. This proposed rule circumvents the established legal process for eviction, denying housing providers due process rights and creating an imbalance in tenant-landlord relations by making nonpayment of rent a protected class. HUD must be fair and not overreach. The comments conclude this is a matter for states and local jurisdictions, not the federal government. **NN**

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# Industry Speaks Out Against Proposed Cap to Section 8 Income Limits

AHMA was one of eight industry partners to send joint comments to HUD regarding the notice, *Changes to the Methodology Used for Calculating Section 8 Income Limits Under the United States Housing Act of 1937*.

In January, HUD published a notice in the *Federal Register* proposing an annual cap of 10% on income limit increases for housing financed by housing credits, private activity bonds, and various HUD programs, including Section 8. The previous cap was 5% or twice the annual percentage change in median family income.

“While we understand that *Changes to the Methodology Used for Calculat-*

The industry partners said that HUD needed to understand the significant financial headwinds facing housing operators as it considered the notice. They urged HUD to consider the impacts of this rulemaking on affordable housing preservation and production.

The United States Housing Act of 1937 provides for assisted housing for low-income families (i.e., families whose incomes are below 80% of the area median family income, with adjustments for family size) and very low-income families (i.e., families whose incomes are below 50% of the area median family income, with adjustments for family size).

ing Section 8 Income Limits Under the United States Housing Act of 1937 is about income eligibility, the changes that the Department of Housing and Urban Development (HUD) proposes will create additional challenges that affect our ability to provide safe, decent and affordable housing. Operating apartments has become increasingly challenging, as demonstrated by rising expenses. Industry data shows an average expense increase of 9.3% for the 12 months preceding June 30, 2023, with insurance, state and local taxes, repairs/maintenance, and administrative and payroll costs taking the lead. Other cost drivers causing significant increases, especially in urban markets, are utilities and the provision of security,” the comments said.

These income limits are often called “Section 8 income limits” because of the historical and statutory links with that program. However, the same income limits are also used as eligibility criteria for many other federal programs.

The notice proposes several changes to the methodology to calculate Section 8 income limits:

**Maximum Annual Increases:** Under the proposed methodology, the existing caps on annual fluctuation in income limits (i.e., max decrease of 5% from the prior year’s level and max increase of the higher of (i) 5% or (ii) twice the change in the national median family income) would still apply, although the maximum increase would now be subject to an absolute cap of 10%. “As a result, income limits may be lower in certain

years than they would have been under the existing methodology. Also, for some programs where the income limits are also used to set rent levels for certain housing, the new cap on increases may prevent rents from reaching the level they would have reached under the current methodology,” the comments said.

**National Median Family Income:** HUD has used varying definitions/data for the national median family income over the years. Under the proposed methodology, HUD would use unadjusted estimates of national median family income from the Census Bureau’s American Community Survey (ACS), as it has done since 2022. “By continu-

ing to remove inflation adjustments from its calculation/definition of national median family income, HUD said it is keeping the calculation in line

with its purpose of capturing trends in median family income data addressing survey volatility rather than volatility introduced by accelerating or decelerating inflation. However, for housing providers who need certainty and clarity in the marketplace, it is not clear that using this one-size-fits-all approach provides any benefit,” the comments said.

**Year of ACS Data:** HUD typically relies on ACS data from three years prior when setting income limits. However, in 2023, HUD utilized data from two years prior, 2021, due to atypical data having been released in 2020 as a result of the COVID-19 pandemic. Under the proposed methodology, HUD would preserve this two-year gap between the vintage of the ACS data

*continued on page 14*

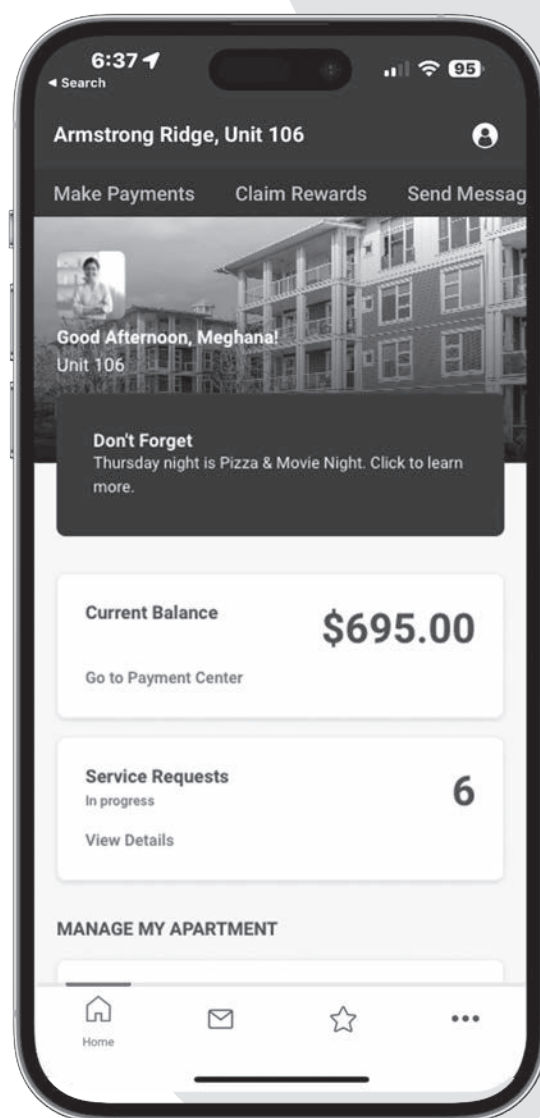


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and the fiscal year for which the income limits are published, subject to limited exceptions. While utilizing more recent data is useful for housing providers, there is still a lag that would potentially impact the financial viability of properties for housing providers. This is one of the reasons that inflation has historically been included in the AMI methodology.

“As noted and further discussed below, while we understand the goals that HUD is trying to accomplish with the changes set forth in the notice, the proposed methodology creates significant uncertainty for housing providers and residents. This uncertainty directly impacts housing providers ability to successfully operate their properties, and income limits may be insufficient to ensure that all citizens in need of safe and affordable housing are within the income requirements for available affordable housing opportunities. We appreciate that HUD is soliciting industry feedback and urge it to consider the below comments when making adjustments for the final regulation,” the comments said.

The industry comments said that, under the proposed methodology, it is unclear how many households will continue to fall within applicable income limits, making the impact on the supply of affordable housing unclear. Assistance programs such as Social Security include inflation in their annual cost of living adjustments—according to the Center on Budget and Policy Priorities analysis of HUD data, one-quarter of residents receiving federal rental assistance are disabled; almost one-fifth of

residents are 62 or older. Additionally, changes in the Area Median Income (AMI) methodology would impact Fair Market Rents, making it challenging to predict and plan for the construction and maintenance costs of affordable housing.

Additionally, the changes that the proposed methodology would implement follow several other recent changes to the methodology—such as using the 2021 ACS data to calculate

2023 income limits. Removing inflation from the AMI methodology does not account for the costs incurred by housing developers and operators that still rise with inflation, such as labor and material costs, operating expenses, and the increasing cost of insurance and more. This lack of predictability in the cap formula makes financing more challenging for developers, which makes less development likely.

“It is imperative that housing providers can plan for future projects and that they can understand the potential costs of regular upkeep. Certainty in the market encourages investment in property maintenance and improvement, as owners and investors can confidently allocate resources for upkeep without fear of sudden changes in expenses. Not knowing from year to year which tenants may qualify for Section 8 makes it very difficult to plan ahead and secure the appropriate capital needed. When housing providers can more precisely plan, this economic stability creates a more beneficial environment for lenders, developers, and investors, facilitat-

ing long-term planning and sustainable growth in the housing sector. Overall, certainty in the market is essential for preserving and furthering affordable housing opportunities across the country,” the comments said.

According to the comments, the proposed methodology limits the ability of owners, lenders, developers, and investors to successfully allocate resources and conduct long-term planning, thereby detracting from the

overall preservation and production of affordable housing. This is an overarching issue that HUD should consider when adjusting the final regulation.

Another concern, according to the comments, is the burdensome operating cost increases affordable housing providers are experiencing. Due to the rent restrictions in the programs that are subject to HUD’s income limits, housing providers have a very limited ability to offset these costs.

“One of the most challenging operational costs that has increased dramatically in recent years is insurance. The lack of affordability and availability of insurance options for property owners of all types increasingly puts needed insurance coverage out of reach or limits the ability of property owners to make needed investments in their properties,” the comments said.

Two new data sets show the significant impact of insurance costs on housing operations and affordability.

First, the National Multifamily Housing Council released the State of Multifamily Risk Survey & Report in June of 2023, which looked across all types of multifamily housing and showed, on average, property insurance premiums soaring 26% year over year. Yet, it is common to hear of triple-digit property premium increases in certain parts of the country. Other lines of coverage are also troublesome and impact property operations.

As problematic as this has been across the broader housing ecosystem, the challenge is even more daunting in the affordable and middle-income housing space. A new survey and report released in September, commissioned by the National Leased Housing Association, focused on the impact of the current insurance market challenges on affordable housing providers. The survey found that rental housing businesses face much higher premiums—nearly one in every three policies had rate increases of 25% or more. These conditions have negatively impacted both housing providers and renters, with most housing providers indicating that they would mitigate cost increases due to higher insurance premiums by increasing insurance deductibles, decreasing operating expenses, and being forced to increase rent. Insurance is not the only area of property operations with an acute cost increase. A report by NDP Analytics found that 26% of property insurance costs increased over the past year. Specifically, it found that for 2022-2023 renewals, 29% of housing providers experienced premium increases of 25% or more, compared to 17% the previous year. “These increases will be further exacerbated if housing providers have less certainty, and potentially less rent, from Section 8 residents,” the comments said.

Based on data from the National Apartment Association’s Income/Expense IQ, property taxes have

surged by an average of 6.5% from 2021 to 2022. Cities like Orlando, Norfolk, Va., Minneapolis, Riverside, Calif., and Salt Lake City have experienced double-digit increases. Data from the 2022 Income/Expense IQ also revealed that costs for utilities experienced the highest increase, up 14.3% year-over-year. Natural gas and heating fuel came out on top, increasing by 41.8% and 19.1%, respectively.

Additionally, electricity, internet/wireless and water/sewer all rose by double digits. Total repairs and maintenance were up 13.7%, with a median cost of \$950, driven by appliances, painting/decorating, and general repairs, all of which increased by 20% or more. Payroll and other administrative expenses increased by 8.5% for the rental housing industry. Labor market challenges have plagued the industry for years, particularly for on-site staff. Still, the red-hot job market kickstarted by the pandemic recovery and stayed strong through 2022 only exacerbated the problems.

The industry comments also proved responses to specific questions posed by HUD.

“Improving housing affordability and availability is essential for the many Americans in need of better housing options. Housing providers must be able to plan for their expenses without yearly disruptions and understand what rent they can count on. Similarly, residents should feel comfortable accessing assistance without fearing that it will no longer be available to them the following year. As drafted, the proposed methodology would result in a host of unintended consequences for both housing providers and tenants, as outlined. Again, we thank you for taking the time to consider this critical feedback and urge HUD to consider our comments when making adjustments for any regulations in this area,” the comments said. **NN**



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# NAHMA Honors Industry Standard-Bearers

NAHMA members and guests gathered in March to honor the annual AHMA and Industry Awards winners as part of the NAHMA Biannual Top Issues in Affordable Housing Winter Conference in Washington, D.C. Gianna Richards, president, Solari Enterprises Inc., served as the master of ceremonies. // Photos by Larry Falkow

*The Industry Statesman Award is given annually to NAHMA Executive Council members, either in or nearing retirement, to recognize many years of outstanding leadership and service to NAHMA.*

The award was presented to Michael Johnson and J. Kenneth Pagano this year.



**Michael Johnson** is a distinguished industry leader with over 40 years of dedicated service at ALCO Management Inc., where he began his career as an accounting manager and ascended through the ranks, ultimately reaching the position of executive vice president and chief administrative officer before his retirement in 2023.

Johnson's commitment to the affordable housing industry extended beyond his day job. He served as a valuable NAHMA Board of Directors member, including NAHMA president from 2017 to 2018. In 2019, his outstanding contributions were further recognized with the prestigious NAHMA President's Award.

His leadership also extended to the SAHMA Board of Directors, where he served from 2003 to 2011, including serving as president from 2007 to 2009. Johnson continues to contribute his expertise as a dedicated SAHMA Leadership Council member.



**Ken Pagano** has dedicated nearly five decades to the affordable housing management industry. His impressive journey includes having worked at the New Jersey Housing Finance Agency and being the president and CEO of Essex Plaza Management LLC.

Pagano is a founding member of JAHMA, having served on the board of directors for many years, during which he played a pivotal role in establishing the JAHMA Foundation. The JAHMA Foundation was established to provide scholarships for residents living in JAHMA affordable housing communities.

In the early 1990s, Pagano joined NAHMA and contributed significantly to various roles within the organization, including serving as NAHMA president from 2015 to 2016. Additionally, in 2005, Pagano was recognized with the NAHMA President's Award for his outstanding contributions to the affordable housing industry.

*Previously known as the President's Award, NAHMA's board chair gives the Chair's Award annually for outstanding leadership or other contributions to NAHMA and the affordable multifamily housing industry.*

This year's honoree was Cindy Lamb.



**Cindy Lamb** is the chief financial officer for CSI Support & Development and has been with the organization since 1994. She has active roles in the Midwest Affordable Housing Management Association (MAHMA) and the Midwest Association of Housing Cooperatives. Lamb served on the NAHMA Board of Directors from 2018 to 2023.

She is receiving the award for her impact on the industry, specifically for her calm and composed leadership. She is always ready to provide invaluable feedback to NAHMA staff and HUD personnel to benefit the affordable housing management industry.

*The NAHMA Industry Partner Award is given annually to a government agency or other affordable housing organizational partner that contributed significantly to the cause of affordable housing in the previous year.*

This year, NAHMA honored Donna O'Brien.



**Donna O'Brien** is the regional director of the Northeast Region for USDA's Rural Development Multi-Family Housing, which oversees 13 states and has a portfolio of about 21,000 Multi-Family Housing projects. She has 42 years of service with USDA, including work in Single-Family Housing, Community Programs, Water and Waste and most presently in Multi-

Family Housing programs. O'Brien has partnered with HUD, New Jersey Housing Mortgage Finance Agency, Housing Authorities, Affordable Housing Organizations and other state and local agencies to ensure that very-low, low- and moderate-income tenants are afforded a decent, safe, and sanitary place to live.

NAHMA commended O'Brien on her years of service and leadership within the USDA Office of Rural Development and her long-

*continued on page 18*

time commitment to the public-private partnership in advancing the preservation and development of safe, quality, affordable multifamily housing.

*The Industry Achievement Award is given annually to a NAHMA Executive Council member who has contributed significant or noteworthy leadership or other contributions to NAHMA within the past year or two.*

This year's honoree was Alicia Stoermer Clark.



**Alicia Stoermer Clark** is president/CEO of Seldin Company LLC and has been a NAHMA Board of Directors member since 2021. Additionally, she has served on the NAHMA Educational Foundation since 2018, including as the chair from 2021 to 2023.

Clark was recognized for her time, energy, and leadership commitment to the foundation. Her leadership resulted in incredibly successful fundraising events over the past several years, which, as a result, significantly increased the foundation's ability to provide deserving residents living in affordable housing with meaningful scholarships to advance their educational goals and the opportunity for them and their families to move toward financial self-sufficiency.

*The NAHMA's Communities of Quality Award is given annually to a NAHMA member with the most newly listed communities on NAHMA's National Recognition Program COQ Registry—based on data maintained by NAHMA staff.*



The award for the most new COQ communities in the past year went to **Lutheran Senior Services**, headquartered in St. Louis, Mo.

*The AHMA of the Year Award is given to AHMAs based on criteria such as size, number of members, success in membership recruitment, membership retention, education and training course attendance, financial stability, and other factors.*

**Large: SAHMA** had a 94% renewal rate, added 31 new members, and welcomed back 11 members who rejoined in 2023. On average, SAHMA offered five webinar opportunities a month, with 58 live webinars in 2023. In addition to virtual training, SAHMA offered four half-day Zoom classroom courses on various topics. The association hosted seven state conferences and trade shows throughout



the spring and its Leadership Conference in August. Many in-person conferences' attendance experienced growth and exceeded expectations, including 38% of conference attendees reporting as first-time attendees across the state conferences. SAHMA continues to concentrate on providing a diverse and extensive catalog of member services.



**Medium: AHMA of Washington** had another record-breaking year in 2023. It increased membership, the number of training sessions offered, and the number of attendees at the training

sessions. The association held a successful convention with the highest attendance ever, and its financial position continues to strengthen. AHMA of Washington had 98 renewals and eight new members for a total of 114 members and enjoyed a 96% renewal rate and an overall 7% net growth rate. It presented 22 trainings in 2023 with 623 total attendees. The April convention saw 530 attendees and 19 exhibitors—the highest-ever convention attendance. To engage with maintenance personnel, the AHMA held an in-person maintenance training in the fall and added a maintenance track at its annual convention. More than 200 maintenance staff members attended these two training sessions.

**Small: JAHMA and PennDel AHMA** were honored jointly.

**JAHMA** leadership has embraced the ever-changing industry and has continued to take an active role in upholding standards set before them. Through virtual learning, in-person events, and their annual Spring Management Event conference, JAHMA has delivered



outstanding education to its members and industry as a whole.

**PennDel AHMA** leadership continued their focus on providing outstanding education, informative membership meetings and a two-day conference and expo. For the first time since 2019, PennDel AHMA

hosted a two-day Fall Management Conference & Expo at a new location in Bethlehem, Penn.

NAHMA believes both JAHMA and PennDel are instrumental in advancing the mission of providing quality affordable housing while upholding high industry standards. The noteworthy accomplishments achieved by both AHMAs over the past year are a testament to their dedication and impact. The decision to present a joint award to JAHMA and PennDel AHMA reflects the collaborative efforts between these two organizations. Throughout the year, they have worked together on numerous educational offerings, showcasing remarkable cooperation and synergy. This joint recognition also extends to the excellent work of the AHMA executive director and staff, who have played a crucial role in maintaining both AHMAs simultaneously at consistently high levels of performance.

*The AHMA Innovation Award is given in recognition of a new program, service, or activity that an AHMA began sometime in late 2022 or 2023.*



**SAHMA** successfully implemented the new SAHMA Facts & Snacks to offer different educational opportunities to make learning more accessible to all members. The programs are 30-minute peer-to-peer

discussions on varying topics facilitated by volunteers. The discussions, which are currently offered quarterly, are a free SAHMA member benefit. Since beginning these SAHMA Facts & Snacks in February 2023, the survey response has shown the members find value in the conversations and continued interest in attending future discussions. Each discussion is facilitated in Zoom meetings utilizing the breakout rooms, allowing attendees to discuss industry topics, such as Professionalism and Fair Housing for Maintenance, What Residents Want, Curb Appeal Solutions, and Creative Solutions for Resident Services and Activities.



**LAHMA**, as part of its Education Series, held six in-person educational classes in six different locations across Louisiana in 2023. It expanded from four locations to two additional locations in 2023. The educational courses averaged approximately 150 participants across the six locations for each educational series. In addition, LAHMA participated in state-level conferences to promote LAHMA and NAHMA, including presenting at the Louisiana Rural Economic Development

Summit and serving as a conference sponsor with a vendor booth at the three-day Louisiana Housing Cooperative Affordable Housing Conference.



**AHMA of Washington and Rocky Mountain Heartland AHMA** jointly created a new program of bundled webinars. The AHMAs packaged content from their successful on-demand webinar

catalog into a series of webinars on different topics and offered discounted pricing for the bundles. Each AHMA has its own unique bundles—one providing content for New Hires, and one covering Rural Development issues. The bundle pricing and content vary between the AHMAs. However, they worked together on the concept, and shared resources, such as recorded webinars, to create the bundles. In 2022, the AHMAs had 20 participants use the bundle, and in 2023, 28 participants used the training bundle.

*The AHMA COQ Award is given to AHMAs that have a substantial number of COQ awards in their area, demonstrate support for the program, and introduce new or innovative activities.*



**SAHMA's** Board of Directors and members continue to embrace the COQ program, including the Corporate COQ designation, which has been well received and aligns well with the program's

goals. It's admirable that two SAHMA member companies have achieved the COQ Corporate designation, of which Wesley Living has attained the COQ designation for 100% of their portfolio.

SAHMA members' continuous growth and involvement in the COQ program highlights their dedication to ensuring quality affordable housing communities and fostering a positive living environment for residents. This brings the total number of communities participating in the COQ program under SAHMA's leadership to an impressive 614.



# Members Learn the Latest in Affordable Housing

THE NAHMA BIENNIAL TOP ISSUES IN AFFORDABLE HOUSING WINTER CONFERENCE drew more than 190 members and affordable housing insiders March 6-8. The multiday event featured panels concentrating on the issues facing affordable housing practitioners and educational topics for navigating today's world led by experts in their fields, a Communities of Quality (COQ) Awards celebration and winners panel, and the Industry and AHMA Awards ceremony.

The association's next event is the Biennial Top Issues in Affordable Housing Fall Conference, Oct. 23-25, in Washington, D.C. Additionally, the NAHMA Educational Foundation gala takes place Oct. 24, at The Hamilton Live, also in D.C. **NN** PHOTOS BY LARRY FALKOW



**CLOCKWISE FROM TOP:** T.J. Goldson of ResMan and Julie Walker of SeniorCare Management Inc. catch up before a session. Babbie Jaco of CAHEC Management Inc. asks a question during the Affiliates breakfast panel. Members wait for the next session. Joaquin Altoro, administrator of the USDA's Rural Housing Service, provides the keynote. Jennifer Schwartz of the National Council of State Housing Agencies leads the LIHTC panel. Nigereell Echols, a NHAMA Educational Foundation scholarship recipient, tells his story.

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- Barkan Management
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- Corcoran Jennison Management LLC
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- First Realty Management
- Housing Management Resources Inc.\*
- HumanGood
- Jewish Community Housing for the Elderly
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- Metropolitan Associates
- Napa Valley Community Housing
- Peabody Properties Inc.
- PRD Management\*
- Southern Development Management Company Inc.
- Spears Management
- TESCO
- The Community Builders Inc.
- The Schochet Companies
- Walton Community Services
- Wesley Living\*
- Westminster Company
- WinnResidential

*\*Housing Management Resources Inc., PRD Management and Wesley Living have achieved COQ Recognition status for 100% of their portfolios.*





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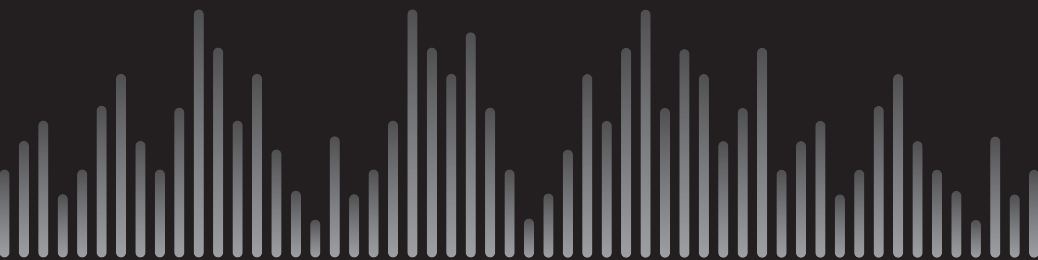
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# HUD Publishes Process For Contract Bifurcation

UD's Office of Multifamily Housing Programs (MFH) published a housing notice, *Approval and Processing of Requests to Bifurcate Contracts*. Bifurcation is an asset management and housing preservation tool. The notice explains the standards and conditions a project owner must meet to obtain HUD approval for a Housing Assistance Payments (HAP) contract bifurcation, clarifies owner submission requirements, and describes the processing of approved bifurcation requests. The notice applies to bifurcation requests submitted to HUD on or after Feb. 1, 2024.

According to the notice, MFH views HAP contract bifurcation as an essential asset management and housing preservation tool. There are various reasons for which a project owner may seek to bifurcate a HAP contract. Concerning asset management, it may be that the project is comprised of multiple properties that are more appropriately managed as single assets. In terms of housing preservation, it may be that a single project is so large as to require multiple Low-Income Housing Tax Credit (LIHTC) allocations, which requires subdividing the project into separate projects, each with a distinct ownership entity and HAP.

Bifurcation might be used in combination with other tools, such as transfers of budget authority under Section 8(bb), to reduce the assisted housing footprint in a particular location, either in combination with a redevelopment of the site into higher-density, market-rate housing with an affordable component or without any redevelopment,

but simply in the interest of deconcentrating assisted housing units.

Bifurcation may also be used in cases where a portion of a project becomes unsafe or uninhabitable, for example, as the result of a natural disaster.

HUD uses the term "bifurcate" to describe the division of a contract, even if the contract will be divided into more than two contracts. HUD refers to the initial contract that is subject to bifurcation as "Contract A." HUD refers to the contracts that result from bifurcation as "Contracts A1" and "A2."

The notice applies to the bifurcation of HAP contracts under all project-based Section 8 programs administered by HUD's MFH. It does not apply to a request from a project owner to assign a HAP contract to a new ownership entity. Such requests must be made separately, following the applicable HUD procedures. A project owner who contemplates requesting the assignment of Contract A1 or Contract A2 following HUD approval of a HAP contract bifurcation is advised to inform

their local HUD account executive to facilitate processing both requests. Additionally, the notice does not apply to a request from a project owner to transfer the budget authority associated with a HAP contract to another HAP contract pursuant to Section 8(bb) of the United States Housing Act of 1937. A project owner who wishes to request

HUD approval for an 8(bb) transfer following HUD approval of a HAP contract bifurcation must do so separately, following the applicable HUD guidance (e.g., Notice H 2015-03).

To request approval for a bifurcation, the project owner must submit the following information (as applicable) to the regional director for the geographic location in which the project is located:

A narrative statement with supporting documentation explaining why bifurcation is necessary to facilitate the asset management of a HUD-assisted project or the long-term preservation of assistance.

A description of any redevelopment activities for which a project owner intends to seek HUD approval following HUD's approval of the project owner's bifurcation request. The description must include the anticipated timeline for the conduct and completion of rede-

*continued on page 28*



Read the full notice: <https://www.hud.gov/sites/dfiles/OCHCO/documents/2024-03hsgn.pdf>



# HUD Announces New Environmental Initiatives

On Dec. 6, at the 28th U.N. Climate Conference (COP28), HUD announced new initiatives to address the challenges posed by the climate crisis and ensure that low- and moderate-income households and communities can benefit from a clean energy transition. The announcements include a memorandum of understanding (MOU) with the Department of Energy (DOE) to work together on domestic efforts to reduce carbon emissions in the building sector and cut consumer costs through energy efficiency improvements. HUD also announced that it was joining the White House Office of Science and Technology Policy's United States Global Change Research Program (USGCRP) to guide and contribute to the U.S. government's scientific research on global climate change and ensure that state-of-the-art research and data on climate change benefits the people and communities that HUD serves.

At COP28, the U.S. also joined the UNEP Buildings Breakthrough. Participating countries endorse the statement: "Near-zero emission and resilient buildings are the new normal by 2030." The Buildings Breakthrough mobilizes international collaboration to accelerate the transition of the building sector to zero emissions and resiliency.

According to the HUD press release, the announcements respond to the changing patterns of human settlements and the building sector's role in greenhouse gas emissions. By 2050, nearly 70% of the world's population is projected to reside in urban areas. The building sec-

tor is estimated to account for almost 40% of annual greenhouse gas emissions (GHG) globally. The press release said that HUD and its federal partners are committed to reducing GHG emissions in the U.S. building sector and leveraging the best available science to ensure that our homes and urban communities are built to withstand climate risks.

Additionally, the White House's Office of Science and Technology Policy has named HUD the 15th member of USGCRP. It is a consortium of federal member agencies coordinating federal research and investments in understanding the forces shaping the global environment, both human and natural, and their impacts on society.

HUD continues implementing a Climate Action Plan to develop an equitable nationwide building decarbonization framework. To further HUD's work, HUD and DOE are taking a "whole of government" approach and leading building decarbonization efforts with this MOU.

Also on Dec. 6, HUD announced its Energy and Water Benchmarking Service is available for properties participating in its Multifamily Project-Based Rental Assistance programs. The new, free service provides participating multifamily property owners with data on energy and water consumption at their properties. The data provided will aid property owners in identifying opportunities for energy efficiency improvements that can benefit residents and promote green investments in individual properties or entire property portfolios, according to the press release. Property owners can also use the information to assess rehabilitation efforts that may be eligible for grant or loan funding under HUD's Green and Resilient Retrofit Program (GRRP) or other funding sources.

President Joe Biden's Inflation Reduction Act (IRA) established the GRRP with more than \$800 million in grant funding and \$4 billion in loan commitment authority. GRRP is the first HUD program to invest simultaneously in energy efficiency, renewable energy generation, climate resilience, and low-embodied carbon materials in HUD-assisted multifamily housing. Investments under the program will be made in affordable housing communities serving low-income families.

Funded with \$42.5 million through the Inflation Reduction Act, the benchmarking service is free for owners of properties participating in HUD's Multifamily Assisted Housing programs, including Section 8 Project-Based Rental Assistance, Section 202 Housing for Low-Income Elderly, Section 811 Housing for Low-Income Persons with Disabilities, and Section 236 Preservation programs. Owners that choose to participate in HUD's benchmarking service can use the resulting data to apply for GRRP grants and loans under the Comprehensive cohort and comply with the general GRRP benchmarking requirement. This data can also help owners understand and qualify for other energy and water efficiency programs funded by the IRA or through their local jurisdictions and utilities. The benchmarking service offers owners the following:

- Specific information about a property's energy and water performance, comparisons of this usage with similar properties, and recommendations for savings;

- Benchmarking analytics from the ENERGY STAR Portfolio Manager, a tool developed by the U.S. Environmental Protection Agency; and

- Technical assistance, training, and other resources.

Owners can contact HUD at [mfbenchmarking@hud.gov](mailto:mfbenchmarking@hud.gov) to participate. **NN**



**To read** the HUD/DOE memorandum, visit <https://www.hud.gov/sites/dfiles/Main/documents/MOU-Decarb-Executed-wo-Signatures.pdf>

**To read** the benchmarking press release, visit [https://www.hud.gov/press/press\\_releases\\_media\\_advisories/HUD\\_No\\_23\\_270?utm\\_medium=email&utm\\_source=govdelivery](https://www.hud.gov/press/press_releases_media_advisories/HUD_No_23_270?utm_medium=email&utm_source=govdelivery)



Ensuring over **24,000 families** in multifamily properties **receive safe, decent and affordable housing** through our work as a **PBCA**.



Administration  
Training  
Consulting

Here to help you stay compliant with HUD affordable housing requirements.




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# FIND QUALIFIED CANDIDATES

Post your job vacancies on  
**NAHMA's Online Career Center**

For more information, visit  
<https://jobboard.nahma.org/employers/>



# NAHMA Makes It Easy For Next Generation to Join

AHMA is making it easy for the next generation of company leaders to become involved through its Buy Some, Get Some (BSGS) membership initiative.

To encourage owners/agents to get more of their staff involved in direct participation in NAHMA, the Buy Some, Get Some plan allows companies to receive free associate memberships based on the number of current NAHMA executive memberships they maintain and the number of affordable units they manage.

Companies with more than 20,000 units that already have or purchase five executive-level memberships at the existing discount rates receive four free associate memberships under the plan. Companies with 6,000-20,000 units and four executive memberships receive three free associate memberships, while companies with less than

6,000 units and two executive memberships receive one free associate membership.

“The free associate memberships allow management companies to enroll the next generation of leaders in their company in NAHMA. The association believes the up-and-comers would benefit significantly from a NAHMA membership through such opportunities as leadership development, networking, committee participation, and more,” Kris Cook, CAE, NAHMA CEO, said. “With an associate membership, these future leaders would have access to a range of mentors in NAHMA’s executive members, who have vast industry knowledge and diverse real-world experience.”

Associate members also receive the latest news concerning the affordable housing industry thanks to timely legislative NAHMA analysis updates,

email blasts for breaking Department of Housing and Urban Development (HUD) and Rural Development regulatory updates, and bimonthly issues of *NAHMA News* highlighting the issues facing the industry.

Additional benefits for associate members include access to the Members Only content on the NAHMA website and discounted registration to future meetings.

Other NAHMA membership initiatives include a small-tier associate membership for companies with less than 1,000 units and a BSGS program for AHMAs and Affiliate companies.

To learn more about NAHMA membership opportunities or to take advantage of the BSGS program, contact Brenda Moser, vice president of member services, by calling 703-683-8630, ext. 1, or emailing [brenda.moser@nahma.org](mailto:brenda.moser@nahma.org). **NN**

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**CAREER AND TECHNICAL EDUCATION STUDENTS** have always been eligible to apply for NAHMA scholarships. In 2024, the NAHMA Educational Foundation is promoting that fact in hopes that more career-focused education students become aware that they do not have to attend college to secure funding to continue their schooling.

Recent statistical tracking reveals that since the COVID pandemic, the number of students enrolling in trade/technical schools has risen sharply. Like every other form of postsecondary education, trade/technical schools are not cheap. As a result, those students could benefit from the financial assistance that a NAHMA scholarship can provide as much as college students.

Any resident seeking a required license or certification to secure employment and must go to school to receive the needed training should be encouraged to apply. Some occupations requiring licensing include pharmacy technology, phlebotomy, commercial driver’s license, medical office specialist, heavy equipment operator, court stenographer, building trades, cosmetology or veterinary technology. The deadline for submitting completed applications is 10 p.m. Eastern on May 10, 2024. Plenty of time remains for your resident students to apply before the deadline.

The 2024 application can be found at [nahma.communityforce.com](http://nahma.communityforce.com) and must be filed online. Only completed applications will be considered. Applications from graduate students will not be accepted. In each of the last five years, more than 85% of eligible individuals submitting a completed application have received a scholarship. Last

year, 111 scholarships were awarded, each worth \$3,500 for a total of \$388,500. The foundation anticipates that each 2024 scholarship will be worth \$3,500 again this year. It is worth the time to complete an application. Flyers promoting the scholarship program are available on the NAHMA Educational Foundation webpage at [www.nahma.org/about/educational-foundation](http://www.nahma.org/about/educational-foundation) and can be utilized by apartment community personnel in newsletters, bulletin boards, etc.

“As the NAHMA scholarship program enters its 18th consecutive year of awarding scholarships, our overall goal is to expand the total number of completed applications received and, in particular, the number of applications from trade/technical students. More completed applications will allow the foundation to award more scholarships nationwide and help relieve some of the financial burden our students feel. Thus allowing the students to more fully focus on their coursework and school-related activities. Our assistance to students over the last 17 years now totals more than \$2,985,000,” said Anthony Sandoval, NAHMA Educational Foundation chairperson, at the March NAHMA meeting in Washington, D.C.

Anyone seeking additional information regarding the scholarship program can contact Dr. Bruce W. Johnson, NAHMA scholarship program administrator, at [bjohnson@tmo.com](mailto:bjohnson@tmo.com). Again, the deadline for completed applications is 10 p.m. Eastern time on May 10, 2024. Please inform your residents of this terrific program that provides impactful financial assistance to students at member apartment communities. **NN**

# Learn To Be An Effective Leader

AHMA, in cooperation with Brenda Harrington, founder of Adaptive Leadership Strategies LLC, has expanded the NAHMA Emerging Leaders Learning Series (NELLS) course family to include two virtual programs designed to meet you where you are in your professional development.

The original NELLS program will continue to focus on topics relevant to senior organizational managers and leaders and will begin Aug. 1 with a registration deadline of July 12. Register today for NELLS through the NAHMA Online Store at [nahma.org](http://nahma.org); space is limited.

*NELLSManager*, which recently concluded its first cohort, focuses on topics relevant to first-line professionals, including property managers, leasing managers, maintenance managers and compliance specialists. The next *NELLSManager* course will be held in early 2025.

Both courses are virtual programs combining small group learning with one-to-one coaching, and are limited to a maximum of 15 participants. The NELLS course family was created exclusively for affordable housing property management professionals, and are designed to accelerate professional growth for the next generation of leaders in the affordable housing industry.

NELLS and *NELLSManager* are blended programs combining cohort learning benefits with executive coaching. In addition to three group sessions, each participant will have two one-on-one coaching sessions to tailor program content to their specific requirements. All sessions are conducted using the Zoom videoconferencing platform.

Group sessions are 90 minutes, except for Session I, which is 120 minutes and includes program orientation. All group sessions begin at 2 p.m. Eastern. Coaching sessions are scheduled individually and will alternate with group sessions.

The original NELLS program for senior organizational managers and leaders focuses on three dimensions: leading yourself, leading teams, and providing business leadership. Through group sessions and individual coaching, each participant will learn how best to enhance their personal leader-

ship competencies by developing the professional habits and skills needed to achieve desired outcomes.

“This is a different type of learning experience. It is participant-centered blended learning,” Harrington said. “It requires a high level of interaction among participants during group sessions when the full learning cohort is convened. When we get to one-on-one coaching sessions, each participant will learn how to apply what they are learning to their unique and specific circumstances.”

Each NELLS group session will address a leadership-related topic relevant to day-to-day business and operational challenges, including Management vs. Leadership, Adaptive Leadership, Authority vs. Influence, Growth Mindset, Effective Delegation, Navigating Uncertainty and Preparing for Disruption.

The orientation and first session are on Thursday, Aug. 1, from 2-4:15 p.m. Eastern. Session two takes place Thursday, Aug. 22, 2-3:30 p.m. Eastern, and the final session is Thursday, Sept. 12, 2-3:30 p.m. Eastern. The two 60-minute one-to-one coaching sessions will be scheduled individually with participants. The deadline to register is July 12.

Results of participating in the NELLS program include improved effectiveness across three leadership dimensions: self, teams, and business; refined strategic communication skills; competencies for maximizing team per-

formance and adaptability; enhanced skills for cultivating individual team member competencies; and skills to help build your organization’s capacity for managing uncertainty, complexity, and ambiguity.

Additionally, participants completing the program will be eligible for a free two-year associate membership with NAHMA.

Harrington said past participants have come to the course with varying degrees of participation readiness, but by session two, everyone embraces the concept.

“The program was organized and presented in a way that was helpful for grasping new concepts,” one participant wrote in an end-of-program survey last year.

The interactive, small group environment helps create a safe space for

*continued on page 28*

velopment activities, the improvements to be made, and the benefits to tenants;

A copy of the original HAP contract and any renewal contract that is currently in place;

A description of the proposed bifurcation, including:

- The number and bedroom counts of units assisted under Contract A;
- The number of HAP contracts into which Contract A will be divided; and
- The proposed number and bedroom counts of assisted units at Contracts A1 and A2 following bifurcation.

Requests to renew Contracts A1 and A2 for 20-year terms. The requests must comply with the requirements of the *Section 8 Renewal Policy Guidebook*. The owner is advised to contact the regional director before submitting a bifurcation request to learn what additional materials may be required to support the subsequent request for a renewal. Examples of such materials include but are not limited to, a capital needs assessment, a sources and uses statement, a document showing financing terms, a LIHTC commitment

or award letter, or a statement from a current lender consenting to the bifurcation and renewal. Note that HUD approval of the bifurcation request does not constitute HUD approval of a renewal request, which must be considered separately.

A copy of any Use Agreement to which the project is subject. HUD program counsel will be consulted on any request that involves the bifurcation of a Use Agreement.

For any project that is assisted under a Rental Assistance Demonstration Project-Based Rental Assistance HAP contract or was restructured under the Mark-to-Market program, additional materials may be required depending on activities for which an owner intends to request HUD approval following HUD approval of the bifurcation request (e.g., sale or refinance). The owner is advised to contact the Office of Recapitalization to learn what if any, additional materials or approvals will be required.

The regional director will require up to 14 calendar days to review the request for completeness. For any requests that

are found to be incomplete, the regional director will determine whether to return the application to the project owner or to request specific items by a specific date to avoid the return of the incomplete application.

After determining that a request for bifurcation is complete, the regional director will evaluate the request. If the regional director does not support the request, the project owner will be notified of the specific reasons for the denial. If the regional director supports the request, a memorandum to the Director of the Office of Asset Management and Portfolio Oversight (OAMPO) will be issued that describes the proposed bifurcation and state the reason for which the regional director supports the request. OAMPO will review all materials and either approve or deny the request. If OAMPO denies the request, the owner will be notified. If OAMPO approves the project owner's request, then HUD will process the bifurcation. **NN**

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**LEARN TO BE AN EFFECTIVE LEADER**, *continued from page 27*

participants to develop trust.

"It gives them a way to explore different approaches than the ones they have been using," Harrington said. "The participants also learn from each other by doing problem-solving exercises."

This type of interactive learning environment is one of the most effective methodologies for adult learning, leading to a higher retention level for participants developing non-technical skills than conventional training or seminar format, Harrington said.

A key component of adult learning is to be able to apply new knowledge in context. The one-to-one coaching sessions enable each participant to use the

content discussed during group sessions in their specific work environment and circumstances.

"Through the one-on-one coaching, we can apply the lessons to the participant's specific situation. It makes the lessons considerably more effective," Harrington said.

Although there are no formal assignments, NELLS participants are expected to begin applying what they learn during group and one-to-one sessions and then be willing to speak in general terms about the impact of what they learn during subsequent sessions.

"The individual coaching sessions helped to enhance my knowledge of how I could incorporate concepts dis-

cussed during group sessions into my day-to-day activities," a participant commented in the survey.

Class size is limited to five to 15 participants, and registration is first-come, first-served. Tuition is \$1,250 per person; NAHMA must receive full tuition payment by July 12.

Brenda Harrington, PCC, is a certified executive coach and former property management executive. The founder of Adaptive Leadership Strategies LLC, she works with leaders in private, public, nonprofit, government and intergovernmental entities to develop the professional competencies required for them to be effective 21st-century leaders. **NN**



# Putting All the Pieces Together

STACEY SMITH-SHELLEY SAID SHE ended up in the affordable housing industry as a fluke.

“My very first job in property management was as a leasing agent. I thought it was really cool to work at a community, live in a rent-free unit and have time to go to school at night,” Smith-Shelley said. “After several years in market rate, I decided to explore possibilities outside of my organization. I ended up working for an organization that was all affordable housing. It was exciting to learn something new and interesting while also being able to make a difference in someone’s life. I know it sounds cliché, but we really do make a difference.”

Not only did her first job allow her to earn a bachelor’s degree in business from the University of Redlands, but Smith-Shelley found her forever career 29 years ago. She was recently promoted to vice president of Real Estate Management (REM)-California at EAH Housing after spending six years as the director of REM. She also holds a California real estate license.

EAH Housing is a not-for-profit housing development and management corporation with a diverse portfolio throughout California and Hawaii, serving over 25,000 seniors, families, veterans, students, people with special needs, and the formerly unhoused. In her new position, Smith-Shelley works with the directors in the regions they serve in California.

“I’m a teacher at heart. Even in my other roles, I’ve always asked to be a trainer,” she said. “I love problem-solving—putting pieces together so they make sense.”

Smith-Shelley is also in her last term as president of AHMA-NCH, where she has served on the board for five years. She had served as president previously, but the president-elect ended up retiring, so Smith-Shelley’s term was extended to 2025.

“The first time I joined the board, I wasn’t sure what to expect,” Smith-Shelley said. “I worked with James [Vertovec, AHMA-NCH executive director] and the marketing team to develop job descriptions and have one-on-one meetings before new board members start.”

She said the recent accomplishments of the current board are a joint effort. Smith-Shelley said the AHMA had a record attendance for its conference just before the COVID lockdown and had to transition to online offerings during the pandemic.

“Our first in-person conference back had strong attendance,” she said. “I think people just wanted contact.”

She’d like to see AHMA continue to be innovative and stay fresh. She is also glad to see the varying makeup of the board.

“We have the most diversity since I’ve been on the board,” Smith-Shelley said. “Members can see themselves when they see the board.”

Before her term ends, she would still like the AHMA to define its committees and responsibilities better, redesign the website, and expand its reach in Hawaii.

Smith-Shelley and her husband, Peter, have twin daughters, Tori and Daina, who will be 9 years old this year. The family also has two “fur babies,”



Princeton and Sherman.

The family likes to be outdoors, including music festivals, hiking, riding bikes, dancing and “food, food and more food,” she said. Smith-Shelley and her husband also love to play tennis.

“We recently started taking boxing lessons to expand out of our comfort zone. We love to travel. We take grown-up vacations every summer, and we pick a new destination each year,” she said. “We also have a family summer trip where the girls get to go to a different tropical location. We also take small vacations, taking the girls to different states. Our daughters are water babies and have recently started diving lessons, so we spend a lot of time at the competition pools.” **NN**

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

## Welcome New Members

### EXECUTIVES

Kimberly Quint, The Shochet Companies, Braintree, MA

Richard Kingston, Northwest Real Estate Capital Corp. (NWRECC), Boise, ID

Stacey Rader, Park Properties Management Co., Charlottesville, VA

### AFFILIATE

T.J. Golson, ResMan, Plano, TX

effective March 22. Adrienne Todman is the acting secretary. The Senate previously confirmed Todman to serve as the deputy secretary of HUD in June 2021.

project-based rental assistance programs of flexibilities using recertifications to help support residents who are in rent arrears and accompanying requirements:

1. Interim recertifications. Tenants may request an interim recertification due to any change in family income that may affect their Total Tenant Payment (TTP) or tenant rent and assistance payment that occurred since their last income recertification. Owners must conduct the interim recertification within a reasonable period after the family's request, generally not to exceed 30 days from the date a family reports changes in income to the owner.

2. Obligation to apply adjusted rent. When a tenant complies with the owner's interim reporting requirements, the owner/agent must retroactively apply any reduction in rent starting on the first day of the month after the date of the action that caused the decrease in income.

3. Retroactive recertification. If a tenant does not comply with the owner's interim reporting requirements and the owner discovers the tenant has failed to

report the decrease in income and subsequently recertifies, any resulting rent decrease must be implemented effective the first rent period following completion of the recertification. Rent decreases may be applied retroactively at the owner's discretion, per the owner's conditions established in the written policy. Retroactive rent decreases may not be applied by the owner before the later of the first of the month following the date of the change leading to the interim recertification of family income or the effective date of the family's most recent previous interim or annual recertification (or initial recertification if that was the family's last examination).

Owners must establish as part of a written policy that they will implement retroactive rent decreases to exercise this flexibility.

against small businesses/ offices, and organizations that could include Multifamily program participants and those they work with.

The FBI published a Joint Cyber Security Advisory in partnership with the NSA highlighting the activity of Russian state-sponsored cyber actor's (APT28) use of compromised Ubiquiti EdgeRouters to facilitate malicious cyber operations worldwide. Due to their user-friendly Linux-based OS and ease of use make them popular with

consumers, and their popularity and widespread use make them a favorable target for malicious threat actors. EdgeRouters provide limited protections, such as firewalls and do not auto-update firmware/software; the consumer must manually update them. The lack of these features allows for undetected compromise of these devices, making remediation a manual process.

As early as 2022, APT28 actors had utilized compromised EdgeRouters to facilitate covert cyber operations against governments, militaries, and organizations worldwide. Targeted countries include the United States.

APT28 actors used the compromised devices to collect credentials for network traffic and have utilized them to host fraudulent landing pages and additional custom tools.

The FBI and their partners recommend factory resetting any compromised devices, updating to the latest firmware, changing any default credentials and implementing rules to limit administrative access from the internet on the devices.

Changes Related to Reserve Account Administration in Multi-Family Housing (MFH) Direct Loan Programs (RIN # 0575-AD23). The final rule amends Section 3560.306 Reserve account to include other third-party debt as an allowable use of surplus cash funds. MFH borrowers may now use surplus cash, as defined in MFH regulations, to access state and local government funding available as a capital source for property improvements when approved by MFH loan servicers. This will increase the tools available to borrowers to preserve properties as affordable housing resources. **NN**

## NAHMA MONTHLY MEMBER POLICY FORUM

# EDUCATION

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 [www.nahma.org/education/education-event-calendar](http://www.nahma.org/education/education-event-calendar).

## JAHMA Foundation Annual Golf Outing

Toms River, NJ  
JAHMA  
856-786-9590  
[www.jahma.org](http://www.jahma.org)

## Spring Management Event

Atlantic City, NJ  
JAHMA  
856-786-9590  
[www.jahma.org](http://www.jahma.org)

## Regional Affordable Housing Conference

Indianapolis, IN  
MAHMA  
614-481-6949  
<https://mahma.com>

## Managing Utility Allowances

Webinar  
Mid-Atlantic AHMA  
804-564-7898  
[www.mid-atlantichama.org](http://www.mid-atlantichama.org)

## NSPIRE Scoring and Standards

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

## Critical Elements of LIHTC Management with HOTMA Updates

Webinar  
Mid-Atlantic AHMA  
804-564-7898  
[www.mid-atlantichama.org](http://www.mid-atlantichama.org)

## HOTMA Essentials—HUD Verification Updates—HUD MFH Only

Webinar  
Rocky Mountain Heartland AHMA  
303-840-9803  
[www.rockyahma.com](http://www.rockyahma.com)

## Self-Auditing Tax Credit Files

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

## Budgeting for Sites: Budget Like a CFO

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

## PAHMA 2024 Spring Training Event

Cranberry Township, PA  
PAHMA  
412-874-3993  
[www.pahma.org](http://www.pahma.org)

## NSPIRE Specialist Seminar with NSPIRE-ACE Certification

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

## Basic EIV

Webinar  
AHMA of Washington  
360-561-3480  
[www.ahma-wa.org](http://www.ahma-wa.org)

## Basic LIHTC Management

Webinar  
Mid-Atlantic AHMA  
804-564-7898  
[www.mid-atlantichama.org](http://www.mid-atlantichama.org)

## North Carolina Add-Ons: Fair Housing Compliance (FHC) Certification, Are you Ready for HOTMA? and Fundamentals of Rural Development

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

## NEAHMA Maintenance Expo at Gillette Stadium

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

## LIHTC Fundamentals & Advanced

Detroit, MI  
MAHMA  
614-481-6949  
<https://mahma.com>

## SAHMA Affordable Housing Conference: North Carolina

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

## Oregon AHMA Annual Affordable Housing Conference

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

## Income & Assets Verification & Calculation (Updated to Include HOTMA Changes)

Webinar  
Mid-Atlantic AHMA  
804-564-7898  
[www.mid-atlantichama.org](http://www.mid-atlantichama.org)

## Specialist in Housing Credit Management Exam

Detroit, MI  
MAHMA  
614-481-6949  
<https://mahma.com>

## AHMA-PSW's 47th Annual California Conference & Expo

AHMA-PSW  
866-698-AHMA (2462)  
[www.ahma-psw.org](http://www.ahma-psw.org)

## Tennessee Add-Ons: Are You Ready for HOTMA? and Fair Housing Compliance (FHC) Certification

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

## HOTMA Essentials for the HOME Investment Partnerships Program

Webinar  
Rocky Mountain Heartland AHMA  
303-840-9803  
[www.rockyahma.com](http://www.rockyahma.com)

## SAHMA Affordable Housing Conference: Tennessee

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

## Basic Tax Credit

Webinar  
AHMA of Washington  
360-561-3480  
[www.ahma-wa.org](http://www.ahma-wa.org)

## Income Averaging

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

## Intermediate HUD Occupancy

Webinar  
AHMA of Washington  
360-561-3480  
[www.ahma-wa.org](http://www.ahma-wa.org)

## Certified Professional of Occupancy (CPO) Certification Training

JAHMA & PennDel AHMA Joint Session  
Laurel Township, NJ  
JAHMA  
856-786-9590  
[www.jahma.org](http://www.jahma.org)  
PennDel AHMA  
856-786-2183  
[www.penndelahma.org](http://www.penndelahma.org)

## HOTMA – Implementation of Requirements

Webinar  
Mid-Atlantic AHMA  
804-564-7898  
[www.mid-atlantichama.org](http://www.mid-atlantichama.org)

PROTECTING THE INTERESTS OF AFFORDABLE HOUSING PROPERTY MANAGERS AND OWNERS

last



## Chairman Challenge To Become a COQ-Certified Property

IN MARCH, I HAD THE PRIVILEGE OF hosting the Communities of Quality (COQ) Awards ceremony and winners' panel discussion during the NAHMA winter conference. Hearing from our honorees about the hard work they put in daily to make sure their residents have safe and decent places to come home is truly inspiring. Their commitment to assisting families, older adults, and people with special needs to have productive and rewarding lives should motivate us all to follow in their footsteps.

I challenge all our executive and associate members to submit their properties for COQ National Recognition. It is the first step to becoming a COQ Award winner.

The certification program recognizes the outstanding achievements of property managers and owners who provide high-quality, affordable multifamily rental housing. Through the program, multifamily properties can be certified as having achieved a high standard of excellence in how they are managed, the services they provide residents, the experience and training of their personnel, and other criteria.

Any property manager or owner

of affordable multifamily rental housing in the U.S. can apply for the COQ National Recognition program through their local AHMA anytime during the year. Applicants' properties receive scores for Physical Inspections, Employee Credentials, Financial Management, Programs and Services, Endorsements, and Photographs and Reports.

NAHMA streamlined the application, making it easier to read, understand, and complete to encourage more participation. The revised application is available on the NAHMA website on the National Communities of Quality Recognition Program webpage.

Besides making the program more accessible for non-HUD properties to participate, the revamped application changed the scoring to provide more weight to programs and services the properties do regularly. There is also an opportunity to earn extra credit.

That means affordable housing communities can earn extra points toward certification as a COQ property by participating in federal, state or local agency

programs geared toward creating healthy environments for residents, being LEED certified or incorporating energy-efficient amenities, and providing more accessible units than code requires.

Properties that earn a minimum of 225 points, or 200 points for properties with 49 units or less, on their application merit the COQ National Recognition.

There really isn't any excuse not to try to gain national recognition.

Several management companies have at least 50% of their property portfolio accepted into the COQ National Recognition program, qualifying them for the Communities of Quality Corporate Partner Designation, including three—Housing Management Resources Inc., PRD Management and Wesley Living—that have achieved COQ Recognition status for 100% of their portfolios.

We should all be striving for 100% for the benefit of our residents. **NN**

*Larry Sisson, FHC, SHCM, NAHP-e, CGPM, is president of TESCO Properties Inc. and serves as chair of the NAHMA Board of Directors.*