CARH news

A Publication of
the Council for Affordable
and Rural Housing

JUNE - JULY 2018

Message from the Executive Director

Dear Members,

The Annual Meeting and Legislative Conference, which was held on June 18-20 at the Ritz-Carlton, Pentagon City in Arlington, Virginia, was one of the most successful ever! We had excellent attendance, engaging speakers, and a record amount of donations at the fundraising raffle! Thank you to all the members and guests who attended, our speakers, CARH's Board of Directors, and the dedicated CARH staff who worked hard to make this meeting a success.

Since the meeting, we continue working on securing enhancements to the Housing Credit and Bond programs. A fixed rate for 4% bonds would increase preservation of the rural portfolio. We are trying to show members of Congress that, while they have passed pieces of the legislation put forward by Representatives Carlos Curbelo (R-FL) and Richard Neal (D-MA) and Senators Orrin Hatch (R-UT) and Maria Cantwell (D-WA), there are still important sections of the their proposed legislation, such as the 4% fixed rate, that are needed. We also continue to strive for adequate funding for all affordable housing programs.

I hope you are all having a great summer and thank you again for your support and help in making our Annual Meeting a success!

Sincerely,

Colleen M. Fisher
Executive Director, CARH

In this issue:

Annual Meeting Highlights

By Colleen Fisher, CARH Executive Director

The 2018 **CARH Annual Meeting & Legislative Conference** was held on June 18 – 20, 2018 at The Ritz-Carlton, Pentagon City in Arlington, Virginia. Excellent attendance, industry experts, and engaging speakers all combined for a successful meeting!

The educational sessions addressed key topics for the industry. Attendees learned about issues, trends, policies, and regulations that will impact their businesses. Social gatherings provided an opportunity to meet and network with industry colleagues. The CARH opening reception on June 18th and after-hours private tour at Mt. Vernon, George Washington's estate, was one of the highlights of the meeting

The networking reception at the Ritz-Carlton, Pentagon City on June 19th gave attendees the

Tammy Burtness – New CARH President

—continued on page 2

Tax Credit Percentages

*Up to the moment tax credit percentages always available at **www.carh.org***

2018	4% Credit	9% Credit
Aug	3.28	7.66
July	3.29	7.68
June	3.29	7.68
May	3.28	7.65
Apr	3.28	7.66

—continued from page 1

opportunity to bid on raffle items, ranging from electronics, to special events at the 2019 Midyear Meeting, to vacation home rentals. Proceeds from the raffle, which raised the highest amount ever, will benefit both CARH and the CARH Scholarship Foundation.

The Scholarship Foundation presented the five scholarship winners at the Awards Breakfast on Wednesday, June 20th. Rural Development also presented its national Site Managers and Maintenance Person of the Year Awards at the breakfast as well.

You can read more about the meeting in the articles that follow.

Click here to view the 2018 Annual Meeting Materials, Bios, and Presentations.

Tom Reynolds & Todd Fentress

Renee Waddell, Judy Joehl, Ryan Daniher, David Layfield, and Thomas Ayd

Matt Melnick and Shay Dugan

Seth Hutton and Cindy Snider

Bob Morton and David Lacki

Tanya Eastwood

Rodney Corley – CARH Scholarship Foundation President

Mike Bishop, Judy Flynn, and Tom Flynn


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Administrator Baxley Talks Preservation at CARH Meeting

Featured Topics Crucial to Operations, Finance

By Joseph P. Poduska, Poduska & Associates

Joel Baxley, the new Rural Housing Service (RHS) Administrator, spoke at the CARH 2018 Annual Meeting and Legislative Conference, which had a full agenda of important topics of interest to stakeholders of rural housing, including a CARH legislative review and outlook, insight from a key Congressman on the House Ways and Means Committee, and House and Senate staff members, the effect of tax code changes, bond and housing tax credit finance, a rural rental market outlook, accessibility standards, information technology, and cost-saving ideas.

Administrator Baxley, who spoke during the Regulators Forum, has in-depth knowledge of real estate and the rural housing portfolio, having served as Consulting Services Director and Senior Real Estate Technical Consultant with RSM US LLP. He worked on two RSM projects that assessed the capital needs and management risks of the portfolio. Baxley said he's gained a new appreciation of at the amount of work employees are asked to undertake at RHS since he crossed over from consulting. He also shared his thinking on preservation in broad terms. Just seven weeks after starting his job, Baxley delved into the topic of preserving USDA Rural Development's (RD) multifamily portfolio. He told CARH members that the Trump Administration is working on a preservation plan for aging Section 515/514 properties which, at last estimate, had capital improvement needs of $5.6 billion. The Administrator also discussed Section 521 Rental Assistance (RA), maturing mortgages, and processing time for ownership transfers.

Portfolio Restructuring

Baxley told CARH members that they "are currently looking at a major restructuring of how we take care of the portfolio," adding that a draft plan is under review and will be made public at some point in the next 12 months. When it's released, the Administration wants to get comments from CARH and other stakeholders, gathering recommendations on how it can be improved. The plan may include the issue of rural rental properties losing low-income affordability after mortgages mature. Baxley noted that a big wave of these maturities will hit in a decade, but added, "My goal is to get way ahead of this. We need to be proactive. Right now we're reactive."

USDA recently changed its map of rural areas. Baxley said that a Department of Housing and Urban Development (HUD) subsidy may be the pathway to preservation for some properties that are now in suburban or metro areas. For example, a housing authority could draw on its allocation of Section 8 vouchers and project-base them in a refinancing transaction that raises rents high enough to fund capital improvements.

"As Administrator, I want all these properties to remain affordable," said Baxley. "They don't necessarily have to stay in our portfolio." He said a test case RD approved for an 87-unit Mississippi Section 515 development, that's no longer in a rural area, received project-based vouchers (PBVs). This raised an additional $487,000 in annual revenue.

RD Processing Time

CARH members have reported getting inconsistent answers from different state RD offices about whether properties need a capital needs assessment, as well as the extent budget-based rent increases are approved to replace building systems. There are reports that processing of a transfer of assets can range from eight months to four years. Baxley said RD has a goal of getting processing times down to six months. Investors should not have their funds tied up for a long period of time.

Baxley said some of the processing delays have resulted from a suspension of hiring for the national staff and several retirements of staff members who know these processes. He favors a centralization of multifamily underwriting functions in the national office and perhaps in the field. Much of the problem is the layers of staff that a decision must filter through.

On the topic of RA, Baxley said RHS has reserved about 2,700 units of RA for potential disaster assistance but has decided this is too much. He announced that RD will soon issue an unnumbered letter (UL) that prioritizes the return of RA funds to the states where they came from after a mortgage prepayment and, secondarily, give owners the opportunity to apply for any unused portion.

CARH members also asked about the potential of making servicing RA available for the first time in years and having RA for prepayment prevention. Baxley said RD is unlikely in this budget climate to get large increases in RA approved. The most likely scenario is increases in the order of two percent a year to cover annual contract renewals. This is why a portfolio-wide preservation plan is in order, he said, so RD doesn't have to continue with a piecemeal approach.

HUD Overview

Bob Iber, Senior Adviser in the HUD's Office of Multifamily Housing programs, was also at the Regulators Forum. HUD has undergone its own centralization through its Transformation plance. HUD multifamily production offices were reduced from 51 to 18. At the direction of Congress, asset management staff members have been retained in the 51 locations. Not all job vacancies are being filled in these offices. HUD has additional funds this year and is hiring in some field offices and for some senior positions at headquarters.

Iber said the Transformation has resulted in shorter processing times and better customer service on the FHA loan production side, but he acknowledged that HUD is struggling to reach its processing goals for asset management. He asked owners and managers to contact HUD Multifamily at headquarters if they have any difficulty getting the help they need from their account executive. The workload is now shared among field offices, so the HUD contact for a property may not be at the nearest office.

Iber reported that HUD has full funding to renew all Section 8 project-based rental assistance contracts this year. Every property should have received

Pam Borton and Kevin Flynn

Meeting Attendees

funds by the end of June. There are some HUD-assisted projects that may not have been paid for their service coordinators, some stretching back to Fiscal Year (FY) 2017, for various reasons. HUD was working through each of these cases and should have paid all these contracts as of June 30.

Portfolio Management

RHS staff members were on hand for a portfolio management update. Acting Director of Multifamily Housing Portfolio Management, Janet Stouder, announced that a FY 2019 management fee was in process. (The fee increase was announced the next day on June 21 in a Special Procedural Notice, and will be effective January 1, 2019.) The fees vary among states because RD has based the increase on HUD's operating cost adjustment factor (OCAF), which varies based on location. The OCAF is applied to each state's current maximum fee. CARH has proposed that additional add-on fees should be part of the calculation, but RD has not yet agreed to that.

In other news, RD is revising its December 2016 UL on the Management of Loan Payoffs in Multifamily Housing Properties. Under this guidance, RD can re-amortize the loan for up to 20 years if the owner has paid ahead of schedule on the mortgage note, a transaction referred to as a Ream Lite. There were 25 of these transactions in process in June. Some are for a shorter term, such as five years, to provide time to assemble all the pieces for a refinance with housing tax credits or other funding sources. Under this notice, owners also can apply to prepay their loan, which makes rental vouchers available for tenants. Owners who have fully paid their loans aren't eligible for vouchers.

The rent incentive pilot program, which previously was limited to five states, is being expanded nationwide through another RD UL. The future guidance will give owners and managers the flexibility to use funds from the return to owner (RTO) in combination with their budgeted vacancy factor to offset the cost of vacant rental units that do not have RA. This means owners can use RTO funds without having to agree to a workout plan. The funds can be requested as a narrative in the budget. Because issuance of this UL has been delayed, owners will be allowed during the first year to use RTO by emailing a request to RD stating they will include it in the budget.

RD also plans to reissue a UL on project allowable expenses, originally issued April 2017. This is in response to an open Inspector General audit. Another future UL will extend farm labor housing occupant eligibility to H-2A temporary agricultural workers.

Reporting on portfolio performance, Stouder said the Section 515/514 mortgage delinquency rate is a low 1.7 percent and Section 515 vacancies are 6 percent.

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Financial Reporting

RD is updating Chapter 4 on financial reporting in Handbook 2-3560 to align it with HUD's audit format, except for the tenant file review. The rewrite will eliminate the current agreed upon procedures (AUP). A risk-based threshold of dollar amounts rather than number of units. Reporting is per borrower (tax ID number) rather than for each property and is based on combined federal financial assistance rather than property size. For-profit and limited-profit owners with less than $500,000 of combined federal funds will file RD forms and borrower certification while those over $500,000 must file an audit in addition to RD forms and a borrower certification.

Financial reporting is in transition now. For FY 2017 there is no change in reporting, except the borrower can opt out of providing an AUP. For FY

—continued on page 6

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2018 the new reporting is optional, but in FY 2019 every RD borrower must submit budgets and year-end financial statements according to the new regulations.

Congressional Briefing

Representative Tom Reed (R-NY-23), who serves on the Ways and Means Committee, gave a legislative briefing for CARH members. Reed is co-chair of the Problem Solvers Caucus, a group of 48 Republican and Democratic House members that support bipartisan policy solutions. A former mayor of Corning, New York, Reed was first elected to the House in a special election in November 2010. As a Ways and Means member, he serves on three subcommittees: Trade, Health, and Human Resources.

In a separate session on Breaking News from the Halls of Congress, moderated by Tom Reynolds of Holland & Knight LLP, congressional staff members reviewed what's happening with appropriations and other legislation as the 115th Congress winds up its second session.

Also at the Halls of Congress session, Dan Garcia-Diaz, Director of Financial Markets and Community Investments with the Government Accountability Office (GAO), and Holly Hobbs, a GAO analyst, reviewed RD's efforts to preserve Section 515 and 514 properties with maturing mortgages. A GAO audit said RHS has taken steps to preserve properties with maturing mortgages but concluded that the agency needs to improve the online preservation tool it uses to track mortgage maturities. GAO said RHS should develop performance goals for its preservation efforts and monitor the results.

Officials told GAO auditors that RHS has acted to preserve these properties but has not fully planned for maturing mortgages. The high percentage of exits from the program suggests current planning efforts are insufficient, GAO said, since an average of 61 percent of maturing mortgage properties left the portfolio from 2014-17. One problem that GAO identified: About 35 percent of rural rental properties –nearly 5,000 out of about 14,000 projects—can potentially prepay before mortgage maturity. RHS is unable to predict whether or when prepayments will occur.

Guaranteed Loans

In a session on the Section 538 program, Mike Steininger, Director of Multifamily Housing Guaranteed Loan Division, estimated that the program is on track for a loan volume of $170-180 million before the fiscal year ends in September. The FY 2018 omnibus appropriations provided $230 million for the guaranteed loan program. This follows two record years of business: $176 million in FY 2017 and $186 million in FY 2016.

Through June 15, RD had committed $110 million in loans for 22 new construction projects and 63 preservation transactions. There's a pipeline of 112 responses to the multiyear Notice of Solicitation of Applications (NOSA) for loans totaling $200 million and an application pipeline of 21 applications of $30 million. Steiniger noted that, although the loan commitments and pipeline exceed what Congress has authorized for the fee-based program, some applications fall out or are delayed into the next fiscal year.

Steininger noted there have been a lot of changes to the program in recent years. What was initially a high delinquency rate has declined to about 40 to 50 basis points. The program is self-supporting: Congress authorizes the total commitment level each year, but program costs are paid through guarantee fees. The current NOSA is outstanding through December 2021, and RD is currently working on a regulatory change that will eliminate the need for an annual notice of funding.

RD is drafting guidance, to be issued in two to four months, that responds to several CARH recommendations that include a lower guarantee fee, an adjustment in the loan-to-cost ratio, and changes designed to make the program more efficient and consistent throughout the country.

Tom Reynolds, Monica Sussman, Chuck Edson, Richard M. Price, and Colleen Fisher

CARH Washington Report

CARH members heard from Charles "Chuck" L. Edson during the Washington Report session. He recounted the major events in housing history during his 50-year career. Now retired, he is a Senior Counsel with Nixon Peabody LLP. He began work in the HUD Office of General Counsel the year Congress passed the Housing and Community Development Act of 1968. The Act became law after urban riots scarred cities in the wake of the Martin Luther King Jr. assassination. After HUD, his law practice encompassed all phases of affordable housing development, finance, and legislative efforts. He was among a small group of people who came up with the idea of creating the Council for Rural Housing and Development (CARH's previous name) in the office of Lane & Edson, and organized its charter meeting in Chicago in 1980.

Also in 1968, Congress created the Section 236 and Section 515 subsidized mortgage programs to build affordable housing in urban and rural areas. Edson said there have been moments of crisis for affordable housing over the years. One was the 1986 Tax Act, which ended many longstanding tax incentives for housing. But housing advocates lobbied for the creation of the low income housing tax credit to compensate for this loss. Edson said CARH battled to make the tax credit program workable and to grandfather in existing affordable housing deals under the landmark tax law. There have been other major fights over the right to prepay mortgages and to retain the housing tax credits. He noted a rarely remembered bill that would have eliminated the housing tax credit. Fortunately for the industry, President Clinton vetoed the bill.

The lesson learned in a long career, he said, is that the affordable housing industry always needs to be prepared to act. "It has always been one thing after another in this field," he said. "But overall, we in the private community should take pride in the fact of 8 million (existing) units of affordable housing. Combined with that pride, is the duty to always keep fighting. It's wonderful to see old friends here and the next generation. And it's wonderful to be celebrating 50 years in this field. I'm reminded of the National Archives slogan 'What's past is prologue.' What that means is, "You ain't seen noth'n yet."

Midterm Elections

During the Washington Report, Tom Reynolds of Holland & Knight LLP, provided a legislative outlook. He predicted that the Agriculture Appropriations bill for FY 2019 will be put off until after the midterm election. In what has become routine practice, Congress will likely approve a short-term continuing resolution to fund the government after October 1. A lame duck session in early November may take up appropriations bills, but Reynolds said that depends on which political party controls Congress. If Republicans stay in charge, they may finalize funding for the government before year end. If Democrats gain control, they may postpone final action until after January 1, when they can take over as the majority party, he said. There's a possibility of split party control, but Reynolds noted the Senate will continue to govern by consensus, since it takes 60 votes to pass most items.

Also on the panel were CARH General Counsel Richard M. Price and Monica Sussman, both of Nixon Peabody, LLP. Both said most political appointees at RD and at HUD come from the housing industry and therefore understand federal housing programs. Sussman said that streamlining of HUD rules, a stated objective of HUD Secretary Ben Carson, would be welcome. There is wide agreement in the industry, she said, that some of the requirements added by the Obama Administration were costly and burdensome, for example, applying Davis-Bacon Act area wages to existing affordable housing construction projects.

What is widely called the Tax Reform 2.0 bill will be considered in the House, said Reynolds. Earlier this year this was viewed as a vehicle for other tax improvements, but Reynolds expects it will be limited only to making the tax cuts on personal income in the Tax Reform and Jobs Act permanent. He said Republicans want to take up a Tax Reform technical corrections bill, perhaps after the election. The industry views this as an opportunity to add improvements to the low income housing tax credit, including passage of the minimum 4 percent tax credit. But Reynolds cautioned that the Democrats, if they control Congress after the midterm election, may not want to take up technical corrections for a bill they strenuously opposed. He noted that after the 1986 Tax Act, a technical corrections bill was not enacted until two years later.

Tax Reform, Appropriations

Another panel of experts reviewed major changes made by both the Tax Reform and Jobs Act and the Consolidated Appropriations Act of 2018. Tax Reform lowered the pricing of housing tax credits in 2016 and 2017 even before the legislation passed. The main reason: the top corporate tax rate ultimately was lowered from 35 to 21 percent, which lessened the need for tax credits.

The Appropriations Act increased the allocation of 9 percent competitive tax credits by 12.5 percent for four years beginning in 2018 to make up for less investment per dollar of credit. Also, for the first time, the Act allows for income averaging to qualify for the 60 percent area median income set-aside for 40 percent of the low-income units. This makes it possible to have tenants with incomes as high as 80 percent of AMI that can cross-subsidize lower income units in a project.

Todd Fentress of the Tidwell Group drew attention to a new limit on the interest deduction in the Tax Reform law that will have an impact on tax credit partnerships. The deduction of interest expense is limited to 30 percent of adjusted taxable income. Real estate entities may elect out of the limitation but if they do, they will be subject to the longer 30-year residential and 40-year nonresidential property depreciation. On the other hand, depreciation is maintained at 27.5 years and 39 years, respectively, if a partnership does not elect out of the interest deduction limitation.

Fentress said this affects new projects going forward, and that developers and investors will have to analyze each partnership deal through a cost segregation study to determine whether to elect out. Any choice can affect general partners and limited partners differently. He recommended that CARH members consult with their CPA or chief financial officer on this. He

David Lacki, Chris Eisenzimmer, Tanya Eastwood, Greg Clark, & David Williams, Jr.

also said some guidance is needed from IRS on whether the 30-year of 40-year depreciation term applies to those who elect out.

Joseph Jones, Vice President of Equity Capital Raising with Cinnaire, said that banks motivated by the Community Reinvestment Act are coming about 30-35 percent smaller into the tax credit market so far this year compared to a year or two ago. "For several reasons, they have to get their dollars out there, but they also don't want to do it too early. They also want to see what happens later this year." Jones said investors in the major markets of Washington, DC, Baltimore, and Wilmington, Delaware, are looking for yields of 3.5 to 4 percent. Prices offered by investors are 90 cents to a dollar in CRA markets and about the mid 80-cent range in other areas.

Utilizing Tax-Exempt Bonds

Experts on a tax-exempt bond panel, said there's renewed interest in 4 percent housing tax credits with bonds as an alternative to competitive 9 percent credits. "The problem is, if you sit around and wait for a 9 percent deal, a state will only do one or two rehab deals a year, and you will not get that deal done in a timely manner," said David Lacki, Senior Vice President of Community Development Lending and Investment with KeyBank Real Estate Capital. Others on the panel said housing finance agencies are attaching more requirements to 9 percent credits or restricting the amount of credits per rental unit.

Lacki reported that short-term interest rates have recently been higher than long-term rates. KeyBank can get positive arbitrage for cash-back bond deals these days. In late June, for example, as 12-month tax-exempt bond will cost 2.17 percent, but KeyBank could earn 2.35 percent on an investment. For an 18-month bond, the numbers were 2.23 percent and 2.45 percent, respectively. Lacki noted that the amount of positive arbitrage that tax credit projects can retain is limited by program rules.

Tanya Eastwood of Greystone Affordable Development said more rural housing needs to be preserved at a faster pace. With 61 percent of rural properties with maturing mortgages leaving the program, it is even more imperative to have attractive preservation financing available, she said. One way to do that is for the states to be more innovative and creative, for example, combining 4 percent and 9 percent tax credits, she said. Lacki also suggested there needs to be a greater push at the local and state levels to have adequate rural set-asides in state Qualified Allocation Plans.

Also on the tax-exempt panel were attorney David Williams with Butler Snow LLP; Chris Eisenzimmer, Director of Business Development,

—continued on page 8

—continued from page 7

Charlie Brindgardner, Amanda Grice, Dan Giddens, and Ed Goesel

SAVE THE DATE!

2019 Midyear Meeting

Ocean Reef Club • Key Largo, Florida
Monday, January 28 - Wednesday, January 30, 2019

Greystone Affordable Development; and Greg Clark, Partner and attorney with Coleman Talley LLP.

Several other important presentations and training sessions were available to CARH members, including:

Multifamily Economic and Market Commentary—Tatyana Zahalak, Senior Multifamily Economist with Fannie Mae, reviewed recent trends in rural areas. About one-quarter of the U.S. population (71.5 million) lives in rural regions and about half of this total live in what are classified as high-needs areas. Rural census tracts in high-needs areas are losing population and renter median income in these areas lags the nation by about $10,000. Growth can be found in rural areas with an economic driver such as oil, agriculture, or a military base. Also, good health care and amenities can attract retirees. There are some rural census tracts, like Riverside, California, in growing metro areas that are an option for commuters. Other rural growth is found in small towns with a diverse economic base and access to innovative colleges. Zahalk said Fannie Mae needs help from CARH and its members in finding ways to lend and invest in underserved rural areas.

Hot Civil Rights Topics in the RD World---Sharese Paylor, RD Program Compliance Branch Chief, provided information about the civil rights laws and regulations pertaining to RD multifamily housing programs, including the Violence Against Women Act, Limited English Proficiency requirements, the Fair Housing Act, and Section 504 Rehabilitation Act self-evaluation and transition plans. Also participating were Mark English and Larry Fleming of the E&A Team.

Transition plans must be developed when it's necessary to remove physical barriers from a property. English said owners are in compliance as long as they are on time with the transition plan schedule. English said it's acceptable to set aside money for a larger project, but a narrative should be included in the plan documenting what your intentions are, and owners/managers must follow through. He added it may be a good idea to do the small items first, like trimming tree limbs, while saving up for that $20,000 improvement on the list.

Two major actions in the past several months that can potentially change owners/managers' view of handicapped accessibility are new Recommended Best Practices from the National Council of State Housing Agencies, approved in December 2017; and the Department of Justice accessibility initiative announced in October 2017. Four out of the 46 NCSHA best practices relate to accessibility.

IT Security Protocol – Protecting Your Company, Employees, and Residents' Identity—Some advice from Pradeep Ponnuswamy, Principal Consultant with Crypsis: if you're concerned about the security of a personal electronic device like a laptop or cellphone, turn off the Bluetooth feature when you aren't using it. That's how many hackers gain access. Also, many third-party providers of cloud storage services are relatively secure, since they take their own precautions against intrusion. Also participating in the discussion was Jason Gonzalez, Partner and Practice Group Leader for Data Privacy and Cybersecurity with Nixon Peabody's Los Angeles office.

Saving Money for Your Properties – This panel provided the latest information on the ever-popular topic of saving money. Providing the latest cost-saving ideas were panelists from four of CARH's Preferred Buyer Vendors: Charlie Bringardner of HD Supply; Dan Giddens of the Sherwin Williams; Ed Goesel of USI Insurance Services; and Amanda Grice of ONLINE Rental Exchange.

Here's a link to the agenda listing speakers and backup materials: http://bit.ly/carh0618

Joseph P. Poduska is President of Poduska and Associates. He may be reached at joepoduska@gmail.com.

Widespread Shortage of Affordable Housing

The U.S. has a shortage of 7.2 million rental homes affordable and available to extremely low income renters, whose income is at or below the poverty guideline or 30% of their area median income. Only 35 affordable and available rental homes exist for every 100 extremely low income renter households. Extremely low income households face a shortage in every state and major metropolitan area, including the District of Columbia. Among states, the supply of affordable and available rental homes ranges from only 15 for every 100 extremely low income renter households in Nevada to 59 for every 100 extremely low income renter households in Maine. For the 50 largest metropolitan areas in the U.S, the supply ranges from 10 affordable and available rental homes for every 100 extremely low income renter households in Las Vegas, NV to 47 in Providence, RI.

Download 2017 Gap Report

CARH 2020 Results Announced for 2018

The CARH 2020 results for 2018 were announced during the Opening Luncheon at the 2018 Annual Meeting and Legislative Conference. The CARH 2020 ranks the top 20 affordable rural housing property managers, developers, and owners based on portfolio unit size as of the end of 2017 and the number of units placed in service in 2017.

Please see the entire list following this article. Survey results can also be found at www.CARH2020.com. If you are not on the list, and think you should be, make sure to complete the survey next year. And, if you just missed the cut-off to be in the top 20, you know how many deals you need to close this year to make the cut!

CARH wishes to thank CARH staff, the Board of Directors, all the companies that took the time to complete the survey and especially our generous sponsors who made this project possible. The sponsors are:

- Affordable Housing Online (subsidiary of ApartmentSmart.com)
- Bernard Robinson & Company
- Boston Capital
- Gill Group
- Hudson Housing Capital
- Greystone Affordable Development
- Propp Christensen Caniglia LLP
- Streamroll, Inc.
- Tidwell Group
- TM Associates Management, Inc.

A special thanks to David Layfield, long-time CARH member and President/Owner of ApartmentSmart.com and Green Street Housing. David introduced the concept for CARH 2020 and continues to volunteer his time and expertise to make it happen.

June Board of Directors Meeting

By Tamara Schultz, Membership Manager

The CARH Board of Directors met on June 18th during the Annual Meeting & Legislative Conference. The Board's ongoing priority is to ensure that CARH's strong and active legislative voice on Capitol Hill continues to be in demand and has an impact on lawmakers and their staff members. CARH must also continue to provide suggestions and advice to the federal agencies that oversee all aspects of rural housing.

The Board met at the end of a full day of CARH standing committee meetings, whose recommendations were reviewed, discussed and adopted by the Board. The recommendations include:

Best Practices/Education Joint Committee

- Create three subcommittees:
    - CARH Designations – to determine what the designations should require and offer in order to make them beneficial to members
    - Scholarship – how to better expand the scholarship program to get more participation from throughout the country and help state associations expand their programs – which will in turn provide more applicants to the national program
    - CARH Membership – look at ways to expand CARH membership

Development/Owners Joint Committee

- MPR Program
    - Improve reporting to owners regarding the process and their order in the funding allocation.
    - Protect the funding for MPR.
    - Two-year deferral program is coming to the end of two-years and owners do not know if they will receive an additional deferral.
    - Address closing challenges in the local RD offices.
- Tenant Protection Reserves
    - This is the requirement to fund private rental assistance for existing tenants which would have increased rents in order to fund a increased RTO after an acquisitions rehab transaction.
    - Push back on changes to funding requirements. RD is trying to shift RA from the program to the owner/GP.
    - Maintain the two-year funding amount that has been the historical funding requirement.
    - Set the funding date of the Tenant Protection Reserve to match the later of placed in service date or implementation of rent increase. Allow for matching this to the investor equity installment that coincides with this. The policy would help yields to the investor which result in increased credit pricing.
    - Clarify that ONLY tenants in place at the transfer are eligible for rent protection.
- RD is working on a new Subordination Agreement without input from the stakeholders. This will impact 538 loans and other loans. This should be done with stakeholder input.

Management Committee

- Create a subcommittee to review current reserve funding inconsistencies and make recommendations to the agency that will promote reasonable reserve funding increases and uses that are consistent across the portfolio.
- Continue discussions with RD regarding how to deal with the dual signature accounts issue.

The Board addressed other business including reports from the CARH National Office and General Counsel. The Board will meet again September 5-6, 2018, for the Fall meeting.

For more information on the CARH Board of Directors, who represent all CARH members nationwide, please click here.

CARH2020

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TOP 20 DEVELOPERS

	Company	City/State	Properties	Units*
1	**The Hallmark Companies**	Atlanta, GA	26	1,310
2	**Boyd Management**	Columbia, SC	20	814
3	**Greystone Affordable Development**	Raleigh, NC	18	762
4	**MACO Management**	Clarkton, MO	5	303
5	**PK Housing & Management**	Okemos, MI	5	282
6	**Woda Cooper Companies**	Westerville, OH	6	270
7	**Buckeye Community Hope Foundation**	Columbus, OH	6	230
8	**Chrisman Development**	Enterprise, OR	5	154
9	**TM Associates, Inc.**	Rockville, MD	4	126
10	**Morrow Companies**	Tuscaloosa, AL	2	122
11	**DeShano Development**	Gladwin, MI	5	109
12	**Apartment Services & Management**	Auburn, AL	1	100
13	**Syringa Property Management**	Boise, ID	3	100
14	**CMS Management**	Corinth, MS	4	98
15	**Dudley Development LLC**	Ridgeland, MS	3	98
16	**Valenti Real Estate Services**	Indianapolis, IN	5	96
17	**TJ Development**	**Lansing, MI**	3	75
18	**MAC Real Estate**	Metairie, LA	2	56
19	**Hamilton Valley Management**	Burnet, TX	1	40
20	**Green Street Housing**	Salisbury, MD	1	38

TOP 20 MANAGERS

	Company	City/State	Properties	Units*
1	**Boyd Management**	Columbia, SC	322	12,697
2	**MACO Management**	Clarkton, MO	478	12,051
3	**The Hallmark Companies**	Atlanta, GA	248	10,278
4	**Partnership Property Management**	Greensboro, NC	238	9,454
5	**J & A, Inc.**	Cornith, MS	267	8,390
6	**RLJ Management**	Columbus, OH	208	7,680
7	**TM Associates Management**	Rockville, MD	205	7,290
8	**AWI Management**	Auburn, CA	154	7,246
9	GEM Management	Charlotte, NC	188	6,114
10	**Woda Cooper Companies**	Columbus, OH	175	5,845
11	**Apartment Services & Management**	Auburn, AL	100	5,000
12	**Huff Management**	Opelika, AL	113	4,440
13	**Landura Management**	Winston-Salem, NC	100	4,200
14	**KMG Prestige**	Mount Pleasant, MI	136	4,187
15	**Hamilton Valley Management**	Burnet, TX	94	3,971
16	**MAC Real Estate**	Metairie, LA	113	3,831
17	**Morrow Companies**	Tuscaloosa, AL	78	3,635
18	**Olympia Management**	Albertville, AL	87	3,427
19	**Viridian Management**	Enterprise, OR	108	3,388
20	**CMS Management**	Corinth, MS	110	3,300

TOP 20 OWNERS

	Company	City/State	Properties	Units*
1	**MACO Management**	Clarkton, MO	453	11,287
2	**Hallmark Companies**	Atlanta, GA	251	10,375
3	**J & A, Inc.**	Cornith, MS	251	7,893
4	**Boyd Management**	Columbia, SC	208	7,705
5	**TM Associates, Inc.**	Rockville, MD	183	6,412
6	**Woda Cooper Properties**	Columbus, OH	174	5,805
7	**Weaver Investment Company**	Greensboro, NC	127	5,308
8	**Huff Management**	Opelika, AL	113	4,440
9	**Buckeye Community Hope Foundation**	Columbus, OH	113	4,044
10	**Apartment Services & Management**	Auburn, AL	91	4,010
11	**MAC Real Estate**	Metairie, LA	113	3,831
12	**Morrow Companies**	Tuscaloosa, AL	74	3,554
13	**Landura Management**	Winston-Salem, NC	70	3,500
14	**Olympia Management**	Albertville, AL	87	3,427
15	**Hamilton Valley Management**	Burnet, TX	87	3,305
16	The Provident Companies	Mansfield, OH	75	2,762
17	**CMS Management**	Corinth, MS	75	2,500
18	**Chrisman Development**	Enterprise, OR	64	2,059
19	**PK Housing & Management**	Okemos, MI	54	1,998
20	**Community Preservation Partners**	Irvine, CA	35	1,979

*Companies in **BOLD** are CARH Members.*

**Number of units/properties as of 12/31/17 based on survey responses and industry estimates. Firms are ranked based on number of housing units. The number of properties is provided for informational purposes, not for ranking purposes.*

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CARH Elects New Officers and Board Members at Annual Meeting

The 2018-2019 Executive Officers and four new members of the Board of Directors were elected at the CARH Annual Meeting and Legislative Conference on June 18-20, 2018. The Chairman of the Board and the past president are automatically Executive Officers under the CARH by-laws. The Executive Officers for the next term are as follows:

2018 – 2019 Executive Officers

Tammy Burtness
President
Metroplains Management, LLC

Mitchell A. Copman
Treasurer
Streamroll, LLC

Chris Potterpin
Vice President
PK Housing & Management

Tanya Eastwood
Chairman of the Board*
Greystone Affordable Development

Ian Maute
Secretary
Buckeye Community Hope Foundation

Lowell Ray Barron II
Past President*
The Vantage Group, LLC

**Positions are automatic under CARH's Bylaws*

Board Members

CARH extends its appreciation to John Huff, Dana Knopp Krusz, and Cameo Townzen, who recently completed their terms on the Board of Directors.

The new board members are Daniel Duda, Kent Neumann, Katrina Thompson and Mitch Walters. CARH appreciates their willingness to serve on the board. The full board for the next term is as follows:

2018 - 2019 CARH Board of Directors

***Daniel Duda**
Churchill Stateside Group

Cash Gill
Gill Group

William (Billy) Glisson
Hallmark Management, Inc.

Robert Hall
Bonneville Multifamily Capital

Russell D. Kaney
Enterprise Community Partners, Inc.

David Lacki
KeyBank Real Estate Capital

Mel Nagata
Waipahu Jack Hall Memorial Corporation

***Kent Neumann**
Tiber Hudson, LLC

Herbert "Chip" Peterson
CMS Management

Michael Regan
Boston Capital

Jina Sullivan-Hamm
The Sullivan Companies

***Katrina Thompson**
MACO Management Company, Inc.

Zac Wallace
Wallace Architects, LLC

***Mitch Walters**
Justus Property Management

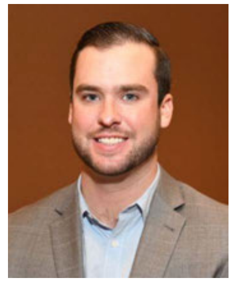
Nathan Yoder
Warrior Run Development Company

**Denotes new board member*

Meet the New Board Members!

DANIEL DUDA

Churchill Stateside Group LLC, Clearwater, FL



Dan Duda is Vice President, National Associate Director of Originations and Acquisitions for CSG in the Clearwater office. He is responsible for debt and equity origination for both affordable and market rate properties in the East region. Mr. Duda previously served CSG as an Underwriter and was responsible for identifying risk in debt and equity real estate transactions throughout the United States.

Prior to joining CSG in 2013, Mr. Duda served as a Financial Analyst at Investors Bank in New York City. He focused primarily on originating and underwriting multifamily, mixed-use, retail, and industrial loans in the Northeast. Throughout his career, he has been responsible for originating and underwriting loans totaling more than $400M.

He holds a Bachelor of Science degree in Finance from East Carolina University. Mr. Duda sits on the Board of the Council for Affordable and Rural Housing (CARH) and is a frequent speaker at many industry events across the country.

KENT NEUMANN, ESQ.

Tiber Hudson, LLC, Washington, DC

Kent Neumann has been in the affordable housing and healthcare business for almost 20 years. He has served as underwriter's counsel, purchaser's counsel, bond counsel, lender's counsel and borrower's counsel and has also advised issuers and other clients on the legal and financial aspects of a wide range of tax-exempt and taxable financings around the country. These include publicly offered and privately placed financings using credit enhancement provided by FHA, Ginnie Mae (GNMA), Fannie Mae, Freddie Mac, the Federal Home Loan Bank, municipal bond insurance, bank letters of credit, insurance company guaranties, as well as unrated and/or uncredit-enhanced bond deals. Many of these transactions have involved multiple-tier financings utilizing senior/subordinated and other complex structures designed to achieve optimal efficiency and savings. These include "50% test" and cash-collateralized bonds as well as loans from Rural Development and HUD / FHA under various programs including 515, 538, 202, 221, 223, 236, 242, Section 8, HOPE VI, etc.

Mr. Neumann has been one of the most innovative attorneys in his field creating and developing many of the financial structures used today in both housing and healthcare industries. Many of these structures have created millions of dollars in savings while simultaneously providing efficiency in the execution. In addition, Mr. Neumann has a unique level of experience in and knowledge of cash flow modeling, rating agency requirements, credit enhancement programs, financial structures and other critical variables affecting bond financings.

Mr. Neumann graduated magna cum laude from the University of California, San Diego, where he received a B.A. degree in Psychology in 1995. He graduated magna cum laude from Tulane Law School in May of 1998 and is a member of both the State Bar of California and the District of Columbia Bar. He is also a member of the American Bar Association and the National Association of Bond Lawyers.

—continued on page 14

—continued from page 13

KATRINA THOMPSON

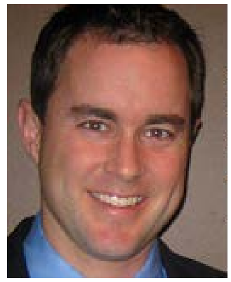
MACO Management Company, Inc., Clarkton, MO

Katrina Thompson is a Regional Operations Director for Maco Management, based in Clarkton, Missouri. Maco has over 30 years of Rural Development (RD) and Low-Income Housing Tax Credit (LIHTC) management experience, the Maco portfolio has expanded to include 513 affordable properties in Missouri, Arkansas, Kansas, Illinois, Indiana, Nebraska, Oklahoma, Mississippi and Tennessee, totaling over 12,000 units. She oversees the physical and financial management of half of the Maco portfolio. Mrs. Thompson has a hands-on management style and is dedicated to always improving all aspects of affordable housing.

Mrs. Thompson has achieved the Housing Credit Certified Professional (HCCP), C3P, and STAR designations. She holds a Bachelor of Communications and Information Science from the University of Alabama. CARH Director Mitch Walters

MITCH WALTERS

Justus Property Management, Zionsville, IN



Mitch Walters, the President of Justus Property Management, Inc., has been involved in the property management business since 2008. Justus manages more than 2,500 affordable housing units (HUD, RD, 42, HOME, FHLB, Etc.) throughout the State of Indiana. Mitch has received his Certified Occupancy Specialist (COS) and his Certified Credit Compliance Professional (C3P) designations and today oversees the operations of Justus. Mr. Walters is also a project developer in the Section 42 Indiana tax credit program as well as a licensed Real Estate Broker in the state of Indiana.

Mr. Walters currently serves as the Vice President of the Affordable Housing Association of Indiana (AHAIN) and serves on the Council for Affordable and Rural Housing (CARH) national organization's Board of Directors. He is also a member of the St. Alphonsus Liguori Parish Council and spends his spare time coaching youth baseball and basketball in Zionsville, IN.

Mr. Walters is a graduate of Butler University in Indianapolis, IN.

RD Awards 2018 Site Managers and Maintenance Person of the Year

By Portfolio Management Division Staff, Rural Development

The US Department of Agriculture (USDA) Rural Development (RD) presented their awards for the 2018 National Site Managers of the Year and Maintenance Person of the Year at the CARH Annual Meeting & Legislative Conference. The Site Managers and Maintenance Person of the Year are selected by a panel of housing professionals, including staff from both CARH and RD.

A site manager of the year is expected to set a standard of excellence in tenant satisfaction, curb appeal of the project, accurate and complete record keeping, and performance above and beyond normal expectations. The maintenance person of the year is expected to set a standard of excellence in tenant satisfaction, ensure the property is maintained and has good curb appeal on a continuous basis and consistently does more than what is expected.

Joel Baxley, Administrator, Rural Housing Service, presented the awards to:

Carla Hutto
2018 Elderly Housing
Williston Elderly Apartments
Williston, SC
Managed by GEM Management

Erika Keaton
2018 Family Housing
Apple Hill Apartments
Jackson, OH
Managed by Premier Management

Lizbeth Lozano
2018 Farm Labor Housing
Sugarloaf Apartments
Hendersonville, NC
Managed by Partnership Property Management

Steve Anderson
2018 Maintenance Person of the Year
Village Apartments of Seymour I
Seymour, IN
Managed by Village Management Company

Stephanie White Presented Harry L. Tomlinson Award

Stephanie White and Katie Alitz

Stephanie White, retired Director of Multifamily Portfolio Management for USDA/Rural Development (RD), was presented the 2017 Harry L. Tomlinson Award at the 2018 Annual Meeting. In her 14 year career with RD, Ms. White managed the $1 billion Rental Assistance Program, and oversaw asset management of the $11 billion Direct Loan portfolio, which includes Farm Labor Housing. Since 1983, the Harry L. Tomlinson award has been presented annually to honor meritorious achievements by a public servant working to provide or manage affordable housing. This award is usually presented at the CARH Midyear Meeting, but Ms. White was unable to attend. See the CARH News January-February 2018 issue, page 5, for the complete article about Ms. White.

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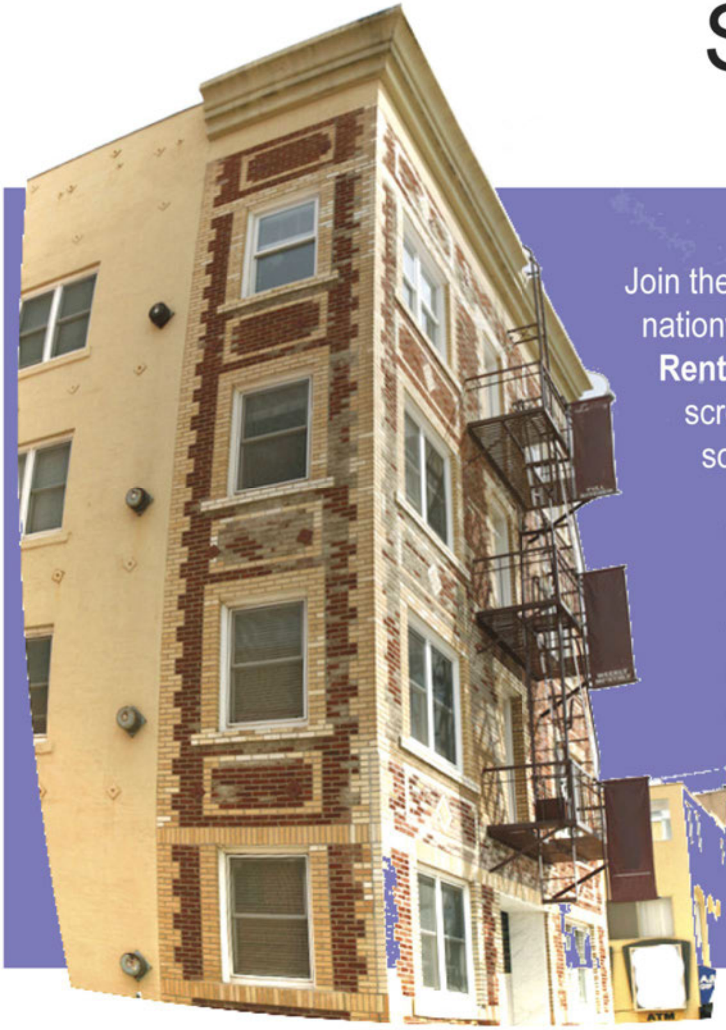

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Five Outstanding Students Awarded College Scholarships at CARH Annual Meeting

By Rodney Corley, President, CARH Scholarship Foundation

The CARH Scholarship Foundation presented college scholarships to five exceptional students on June 20 at the awards breakfast, during the 2018 CARH Annual Meeting and Legislative Conference. As part of their application, students wrote essays using their own unique, personal life experiences that have helped shape their belief that affordable housing should be a vital component of communities throughout the country. Almost 40 students submitted applications. Five recipients were then selected by the CARH Scholarship Selection Committee for their academic excellence and potential for achievement, as well as for their essay. The recipients of the scholarships live in rural affordable housing properties, owned or managed by CARH members. Each scholarship provides $1,500 per semester for up to four years of under-graduate college or vocational/trade school. The 2018 CARH Scholarship Recipients are:

Maddison Robinson

James L. Poehlman Scholarship

Maddison received her scholarship while a resident of North Pine Village Apartments in Solomon, Kansas, a property managed by CARH member, **MACO Management Company**. Maddison is a 2018 graduate of Solomon High School where she earned a 3.9 GPA and was the class Valedictorian. Maddison was president of the FFA and the National Honor Society, vice president of the Student Council, a member of the FBLA and played volleyball and track. In addition, she participated in numerous volunteer and extracurricular activities. Maddison will attend Emporia State University and study Nursing.

Sarah Harding

Gordon L. Blackwell Scholarship

Sarah received her scholarship while a resident of Gaslight Square Apartments in Gaylord, Michigan, a property managed by CARH member, **KMG Prestige**. Sarah is a single mother of a young son and daughter and works part-time while attending school. She is currently enrolled at Northwood University and has a 3.7 GPA. Sarah is pursuing a bachelor's degree in business management and marketing. Her goal after her degree is to have a career that enables her to give back to the community.

Courtney Murphree

Jack Godin, Jr. Scholarship

Courtney received her scholarship while a resident of Stonecrest Apartments in Russellville, Alabama, a property managed by CARH member, **Irby Management**. She is a graduate of the 2018 class of Tharptown High School where she had a 3.96 GPA and earned an Advanced Diploma. Courtney was class president, member inductee of the National History Honor Society and the National Honor Society, president of the FBLA, vice present of student government, and treasurer of both Junior Civitan and S.A.D.D. She was also on the Robotics team and Homecoming committee, as well as several other volunteer and extracurricular activities. She will attend Northwest Shoals Community College and then transfer to the University of Alabama at Huntsville to obtain a degree in Astronomy.

Alexis Dixon

CRHD Founders Scholarship

Alexis received her scholarship while a resident of Golden Acres Development in Pompano Beach, Florida, a property managed by CARH member, **Nelson & Associates, Inc.** She is a 2018 graduate of Dillard High School where she earned a 4.4 GPA. Alexis was the treasurer of the student government, president of Students Working Against Tobacco, treasurer of the class of 2018, secretary of the Woman of Tomorrow Mentorship Organization, a cheerleader, participated in track and field, flag football and performing arts dance. She also extensively volunteered and participated in other extracurricular activities. Alexis will attend Florida Memorial University and pursue a degree in Criminal Justice. Her goal is to become a criminal defense attorney.

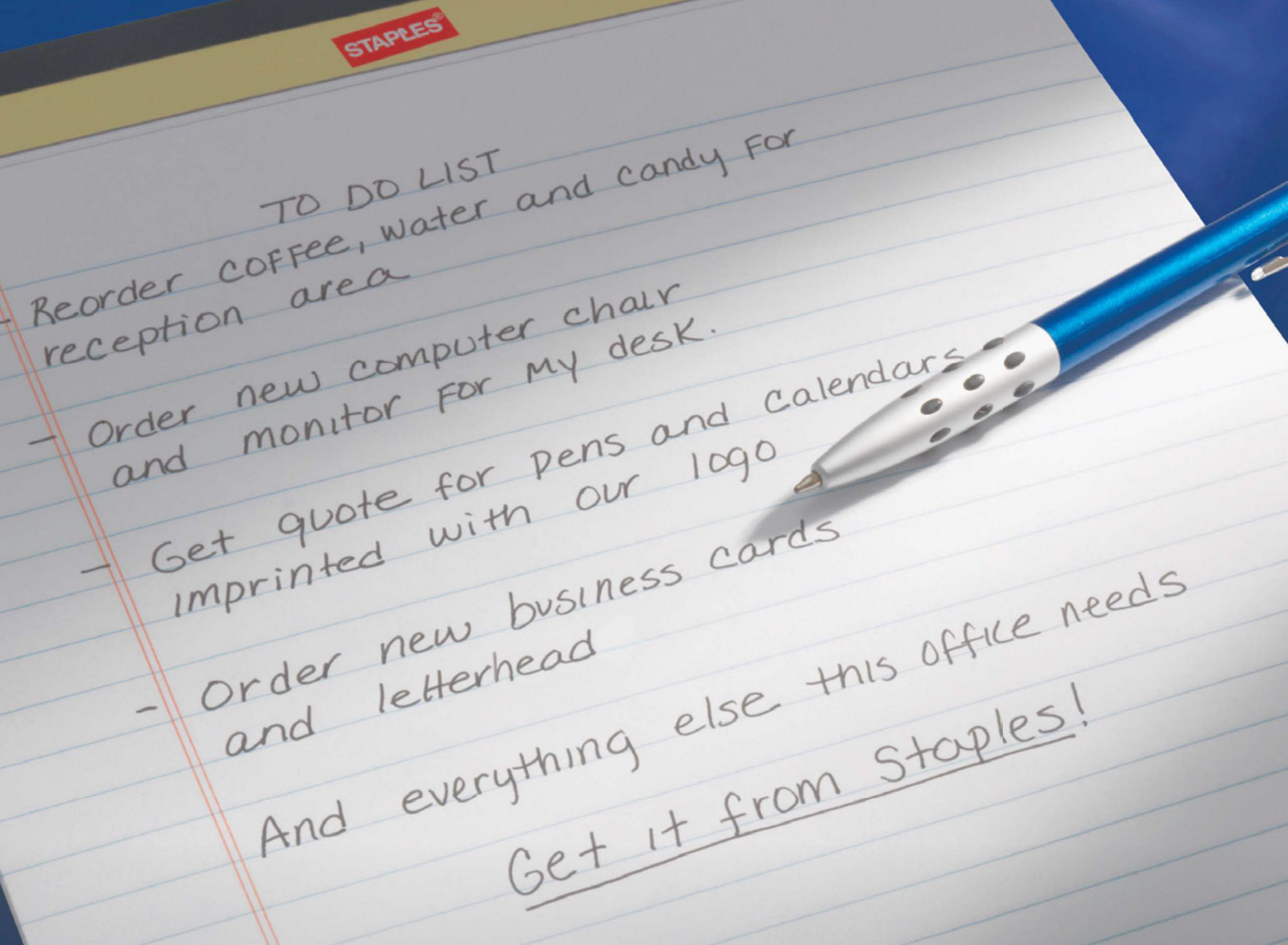
Ge'Naya Berry-Hughes

Scholarship Foundation Scholarship

Ge'Naya received her scholarship while a resident of Colonial Pines Apartments in Tavares, Florida, a property managed by CARH member, **Flynn Management Corporation**. She is a member of the 2018 graduating class of Tavares High School where she earned a 4.34 GPA and graduated with an Honors Diploma. She was vice president of the FBLA, secretary of Fellowship of Christian Athletes, a member of the National Honor Society and participated in cheerleading and weightlifting. Ge'Naya also volunteered extensively and worked part-time. She will attend the University of North Florida and pursue her degree in Nursing. Her goal is to become a neonatal nurse.

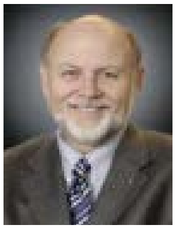
CARH created the Scholarship Foundation in 2005 to promote education and expand opportunities for residents of CARH member properties. CARH currently awards five scholarships annually, three of which are named in memory of past CARH members who served CARH and the affordable housing industry with distinction; one scholarship is named for the founders of the original CARH, the Council for Rural Housing Development; and the fifth scholarship is named in honor of the Scholarship Foundation.

For more information about the CARH Scholarship Foundation, past recipients and how to donate to the foundation, please click here.


STAPLES
TO DO LIST
- Reorder coffee, water and candy for reception area
- Order new computer chair and monitor for my desk.
- Get quote for pens and calendars imprinted with our logo
- Order new business cards and letterhead
And everything else this office needs
Get it from Staples!

A Fool With a Plan is Better off than a Genius Without a Plan Every Time!

By, Mark English, E&A Team, Inc.



T. Boone Pickens, the successful Texas Oilman, has said many times that his dad once told him that "a fool with a plan can beat a genius with no plan every time." WOW! That thought will stop you in your tracks no matter what subject you are addressing. I am going to leave you to marinate on that thought and we will come back to it later.

A typical conversation I have with property owners, developers, and management professionals goes something like this, "If my properties have accessibility deficiencies (no matter how big or small) such as my sidewalks after last winter have some heaves, environmental controls are off a few inches, running slopes on my accessible routes are exceeding 2%, but really they're only 3.9%... ok maybe closer to 4%, but it's not my fault. We had a harsh winter the last couple of years. And how about those pesky grab bars in the wrong place or my properties were built after March 13, 1991 and no one actually can remember if the blocking covers the full range 8 inches or did they use 2x6, (which by the way is not truly 2 inches by 6 inches, but that is another topic for another day). I'm not sure if we really have blocking at all and on and on. But my real question is, do I really need to concern myself with all that?"

The question about whether or not they need to be concerned with the issues is a good question, and the only way to address a good question is with good facts.

The United States Department of Justice (DOJ) has introduced an ***Accessibility Initiative***. You should always pay attention to anyone or any organization that can make decisions that could change your life in ways you don't even want to think about. DOJ is strongly suggesting that you change the way you look at Accessibility. They are suggesting you take a **Pro**active vs **Re**active approach. I think it is important to first look at the wording DOJ has chosen: Accessibility Initiative. The dictionary defines *Initiative* as, *the power or opportunity to act or take charge before others do*. That sums up the reality of the situation and poses the question that begs an answer—Do you want the power or opportunity to take charge before others do? If you don't, please stop reading this article because I have nothing to say to you that will be of benefit. But, if you are that person who doesn't want to wait for others to take charge, I suggest you continue reading.

The process of becoming **pro**active about accessibility can be accomplished by a few simple actions. First, consider retaining an Accessibility Consultant to review the plans and specs for your next new construction or rehab property. Everyone "assumes" that the architect who designs the property and oversees the process will address every accessibility item. But, you would be amazed at the items that are not addressed, because most architects are not properly trained in Section 504 and Fair Housing Accessibility regulations. Consequently, many required items and features are left out and not incorporated into your design. At this point of the conversation I always hear, "but I am covered by the architect because he or she signed the stack of documents and they CERTIFIED that the project would comply with all applicable federal, state and local civil rights laws." Most Owners once they receive a Certificate of Occupancy assume that compliance with state and local codes means federal compliance and it does not.

A second way to be **pro**active is to arrange for your entire Development Team to be trained in the applicable accessibility laws and regulations. Make sure that you include in that training not just the owner and architect, but the contractor, the job superintendent, and every sub-contractor that will affect accessibility on your site (grading, concrete, framing, electrical, plumbing, sheetrock and cabinetry). Also make sure that the training covers not just ADA, but also addresses the Fair Housing Accessibility requirements and if there is federal funds or assistance, then you must also include the requirements for Section 504.

Next, hire a competent Accessibility Construction Inspection firm to come out during framing and plumbing and electrical rough-in, then come out mid-construction and then do a pre-final inspection (BEFORE the sub-contractors move off site). During these three inspections the objective is to identify and correct any accessibility issues and make sure they are not replicated throughout the property.

The last and most overlooked way to be **pro**active is to consider hiring an Accessibility Consulting Firm to review your entire portfolio and get a jump on identifying any and all of your accessibility deficiencies, so you can at least start to consider a game plan or provide yourself *"the power or opportunity to act or take charge before others do"*.

It's not just DOJ that has gotten into the game of filing complaints, The Department of Housing and Urban Development (HUD), Accessibility Advocate organizations, and persons with disabilities all have gotten much more active in testing and filing complaints. In fact, on May 11, 2018, the USDA Rural Housing Service published a clarifying document under the title of Management Control Review (MCR) that tells you in no uncertain terms, if you have accessibility issues on your property to prepare a Transition Plan and get to work on correcting these items. It goes without saying, having a competent accessibility firm prepare your Transition Plans instead of your maintenance person who has never obtained any accessibility training, will provide you the correct results. It was also clarified in the MCR that paying an independent third party to inspect and prepare this document is still a legitimate property reserve account expense.

Lastly, we would be remiss if we didn't mention last December's NCSHA Board of Directors announcement of their 46 new Best Practices, with almost 10% directly relating to Accessibility. E&A Team has already been in conversations with several State Housing Finance Agencies that are working on 2019 QAP's wording which will incorporate some of these new Best Practices either as Threshold Requirements or areas to receive extra points. Either way, developers, as we all know, would sell their mother's good silver for an extra point for their application.

The potential effect of State Housing Finances Agencies QAP's creating new thresholds for mandatory requirements on any or all of these pro-active steps (Accessibility Plan Reviews, Accessibility Training for Architects, Contractors, Sub-Contractors, Accessibility Construction Inspections of existing portfolios by knowledgeable third parties) will begin to change the development landscape as we know it today.

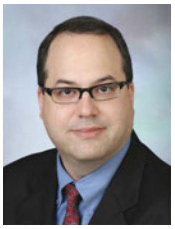
So, looking back now at the T. Boone Pickens quote, when it comes to being proactive about accessibility which are you? The fool or the genius?

Mark English is President of E&A Team, Inc., a company comprised of over twenty team members who have been leaders in all areas of Multi-Family Housing Training & Accessibility Inspections for twenty-six years. Since its beginning in 1992, E&A has inspected over 600,000 units and has worked in all 50 states and U.S. Territories. E&A Team, Inc. is an Advisory Trustee member of CARH. Mark may be reached at mark@eandateam.com or 205-722-9331.

COUNSEL'S CORNER

RD's New Guidance on "Suitability"

By Richard Michael Price, Esquire, Nixon Peabody LLP



Rural Development (RD) issued a June 4, 2018, Procedure Notice (PN) amending RD's guidance on whether Section 515 multifamily rural rental housing and Section 514 farm labor housing are suitable to remain in the RD programs. The PN made other changes to other programs, particularly single family. "Suitability" is not new, but rather has been in the guidance for some time. That said, the guidance had been limited and applied in a limited manner. Indeed, we have seen RD very reticent to go into what is and is not suitable among existing properties. The new guidance, contained in a revised Chapter 6 to RD Handbook 3560-3, was explained as a new tool to decide how to address the existing portfolio, at the final panel at CARH's Annual Meeting & Legislative Conference this past June.

Chapter 6, as revised, states that it is designed to assist RD loan servicers in assessing the Multifamily Direct Loan portfolio. The goal of assessment is to position the property for long term viability either within or outside of the RD programs. As we have seen in current RD practices, loan services are to evaluate and classify properties on a scale of A to D, from highest quality to lower quality. There has been scant written guidance on this practice until now, and the new Chapter 6 provides some procedures about these classifications. RD loan servicers are advised to focus on "D" classified properties.

At the same time, the new guidance also asks RD loan servicers to put properties in one of three other kinds of categories—Category 1, 2, and 3. Category 2 is for properties remaining in the RD programs, which are needed and suitable for revitalization because they are in a good market, well performing or otherwise remains viable. Categories 1 and 3, however, would be for properties targeted for removal from the RD programs. Category 1 is for properties that are needed, in a strong market, but "very expensive" for RD. That is defined as costing more than 50% of its replacement value to preserve.

Category 3 would most likely dovetail with D rated properties—these are properties no longer needed in the program, or with too many financial issues like delinquent taxes, lack of insurance and the like. The guidance seeks to have loan servicers intensify efforts on D properties—send series of servicing letters, obtain a workout plan, and if needed prepare a Problem Case Report and even accelerate the loan.

Section 6.3 focuses on loan servicers creating an implementation plan to remove properties from the program. As written, it leaves the reader with the perception that RD is seeking to move a large number, perhaps 2/3 of its multifamily properties to another platform or out of affordability altogether and issuing vouchers to residents. At a different point in RD's presentation, RD noted only a 6.08% vacancy rate across the portfolio—or nearly a 94% occupancy rate. This demonstrates high demand and vital need for RD financed multifamily property that would in and of itself evidence the need for nearly all RD multifamily properties to fall into Category 2.

To the extent RD guidance is looking to replace properties with vouchers there would need to be a geometric increase in funding for rural vouchers as there are more than 14,000 RD multifamily properties and rural Section 542 vouchers are funded at only $25 million for Fiscal Year (FY) 2018, primarily for renewal of existing vouchers.

Chapter 6 also lists 9 property and market factors for RD loan servicers to consider: 1) whether or not the ownership is cooperative; 2) ongoing management problems; 3) health and safety issues; 4) physical deterioration or obsolescence; 5) prepayment eligibility or maturity; 6) revitalization cost versus new construction; 7) market demand and vacancy rates; 8) economic viability in the market; and 9) environmental influences that make siting difficult, like industrial facilities. Chapter 6 mentions replacing current assistance with vouchers.

There is also the question of how this guidance properly fits with the Emergency Low Income Housing Preservation Act (ELIHPA) of 1988. ELIHPA requires RD to make all reasonable efforts to preserve properties. Those efforts would include funding incentives to not prepay. However, the June 4th guidance focuses more on moving properties out of the RD programs rather than steps to becoming more suitable. One area where RD can accomplish both ELIHPA purposes and suitability goals would be to release rental assistance and other funding already provided by Congress for ELIHPA incentives to avoid prepayment. In this way, RD can help more directly improve property performance and tenant benefits and help make optimize property suitability.

Richard Michael Price is a partner with the law firm of Nixon Peabody, LLP, and works in the Washington, DC office. He specializes in affordable housing, low-income housing tax credits, tax credit finance and syndication, real estate and community development, governmental relations and public policy and government contracts. He is the editor-in-chief of Nixon Peabody's Affordable Housing and Community Development blog. Richard may be reached at 202-585-8716 or rprice@nixonpeabody.com.

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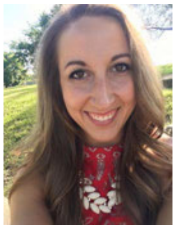
Key to Success: One Company's Insight for Rural Development

By Georgia Coffman and Cash Gill, Gill Group, Inc.



Georgia Coffman

Cash Gill

For some time now, construction costs and zoning regulations have posed threats to new developments. The former is especially true for rural areas with fewer resources, and the latter seems to be more of a restraint on urban areas that tend to be overcrowded and more heavily controlled by local officials. In contrast to many urban areas, city councils in many rural towns want to see growth and expansion, especially with affordable housing. There is a general need for more affordable housing, which is true for both urban and rural communities. To get a fuller picture of how construction costs and zoning regulations affect rural developments, we asked Shawn Smith of Belmont Development Company for his experience and insight.

Belmont Development Company's primary focus is USDA Rural Development (RD) in several states including Oklahoma, Arkansas, Texas, Colorado, Kansas, and Missouri. Since its inception in 2007, Belmont has fully completed 31 LIHTC developments, making up over 1600 rehabilitated and new construction affordable housing units. Shawn Smith himself has over 15 years of experience with financing affordable housing.

When asked about the challenges of rural projects as opposed to urban ones, Smith says that it's the construction and/or rehabilitation itself. Smith says, "It's a challenge to find subcontractors to do the work here [in remote areas]." A past project that proved to be particularly difficult in this regard was a rural development rehabilitation property under Section 515, the Garden Walk Apartments in South Fork, Colorado. This is an extremely rural town, and it was costly to hire and transport a productive and efficient team necessary to complete the repairs and remodeling.

Belmont overcame this obstacle by using local resources and labor. They also relied on loyal subcontractors who were vital in getting this building rehabilitated. "Over the years, we've built strong relationships with many great and talented subcontractors who we can call up," Smith says. Because of this, they were able to complete the rehabilitation after three long years of waiting for the proper funding and resources.

Belmont Development was able to complete this project with RD funding. Finding labor is one part of the equation, and the other is financing the whole project. For this, Smith says, "We have to find creative solutions for financing with lower lending rates." At the same time, "We look for favorable solutions that increase capital to cover construction costs." He says that rural areas generally have lower rents and demand compared to urban areas, so "this creates a balancing act—we need the funding for a project to cover construction costs and such, but we also want to pursue a project with favorable profit." This is where tax credits play a significant role since Smith and his team usually use them to fill in the gaps. As with the Garden Walk Apartments, this can take some time, but it's well-worth it in the end.

The small town of South Fork now has an updated affordable housing apartment complex for its low-income residents to feel safe in. The property is complete with refurbished sidewalks and parking lot, and new playgrounds, laundry facilities, and more for its residents to enjoy. Garden Walk Apartments even received the 2017 USDA Colorado Multi-Family Housing Award. This award recognizes low-income rural housing complexes that cater to their residents' needs and enhance the community overall.

Excellence takes time, but also stalling projects are zoning regulations. Although Smith says that these rarely ever put a stop to a project completely, it can take time for their company to adhere to these regulations. This takes time and effort before a project can even begin. Smith says, "Most state agencies want proper zoning in place before we can even apply for funding." There may be times that a developer may think a certain property to be a great place for residential project, but the city may want to keep that area commercial. This can stop the project altogether.

Even once proper zoning regulations are met, they may not always meet the developers' expectations for the project. Sometimes, the plans for a particular project must change to meet functional and aesthetic goals of the town. Smith explains, "When a project, especially multifamily housing, requires a certain number of units and/or stories, but the zoning regulations restrict this size, we must alter our plans differently and accordingly." This could mean less units are built, and sometimes, more money is needed.

In establishing the proper zoning, developers find land that they believe will support new affordable housing and is in an effective location with respect to transportation, services, and more. City employees are sometimes involved in locating land as well, in order to uphold the town's aesthetic, environmental and safety expectations, which are usually what zoning regulations are for. Smith says that city employees will sometimes even steer developers to land that they already know would be fruitful for all to benefit. This way, developers can sometimes bypass opposition of any kind before beginning on a project.

In general, Smith says that rural communities don't typically oppose rehabilitation projects. He says, "They're usually not a problem since most city councils want to see more and better housing for their people." On the other hand, there can be opposition from neighbors when it comes to new construction of affordable housing. Smith describes that "there's a common misconception of affordable housing." People fear it, believing it will attract more negativity to the neighborhood.

According to Smith, "If we get the sense that there may be some objections—usually from realtors or connections in town—we are proactive and hold a meeting open to all concerned citizens to let them know what our plans are." They send out notices to make as many people aware of their meeting to get the best attendance. Smith says, "We usually take pictures of our previous projects to show them [at the meetings] that these communities are well built and aesthetically pleasing."

Also important in gaining support and easing minds, is to educate them on who the typical tenant is. This is important, according to Smith, because these communities do not often understand that several of the folks already living in their community qualify to live in LIHTC housing. This helps reassure them that new housing will in fact bring about positive additions and give their fellow citizens—friends even—a quality home.

In Smith's experience, "we're actually improving what's currently there." They provide decent homes, whether through rehabilitation or new construction, and they make sure the property has quality tenants and stays well maintained. Affordable housing provides much-needed homes for low-income families with nowhere else to go. It attracts more people, which attracts more developments and growth for the community to survive. Not only this, but developments in general keep a community moving forward since they provide new jobs, spur economic growth and encourage even more investments. The cycle can keep turning from there with an initial push.

Thus, Smith says, "The reason for our success is getting the community behind the development, especially with soft funding—it all goes a long way when it comes to success." It's a team effort among the developers, city officials and community in order to complete projects and be successful. The key is to use all resources and be proactive when coming together for each community's well-being.

Georgia Coffman is an Affordable Housing Content Strategist for Gill Group, Inc. with a Master's in Professional Writing. She may be reached at 573-625-4133 or Georgia.coffman@gillgroup.com. Cash Gill is Vice President of Gill Group, Inc. and serves on CARH's board of directors. He may be reached at 800-428-3320 or cash.gill@gillgroup.com. Gill Group, Inc. is a long-time Advisory Trustee member of CARH.

STATE AFFILIATED ASSOCIATION PROFILE

Michigan Rural Development Council

Compiled by Betsy Valentine, Marketing Consultant, CARH

The Michigan Rural Development Council (MRDC), established in 1984, is dedicated to furthering the development, finance, management, and rehabilitation of affordable, multi-family housing in Michigan's rural communities. MRDC serves developers, owners, management companies, non-profits, accountants and other businesses involved with the affordable housing industry.

MRDC is affiliated with the **Council for Affordable and Rural Housing (CARH)**, a national, non-profit trade organization dedicated to the affordable rural rental housing industry. Membership in CARH provides instant contact with other industry professionals and staff members in the USDA Rural Development National Office. CARH's credibility illustrates to others that MRDC is united and networked with other housing professionals. CARH advocates for the industry by protecting the interests of Owners, Managers and Developers with USDA Rural Development and Congress.

National CARH recognized MRDC as the State Affiliated Association of the Year for 2015.

MRDC hosts an Annual Meeting and Training for its members. The next meeting will be held on October 3-4, 2018, at the Soaring Eagle Casino & Resort in Mt. Pleasant, Michigan. Members, guests, and industry experts will learn the latest updates on federal and state legislation, housing agency rules and issues impacting the rural housing industry. Panel discussions provide members with the opportunity to discuss issues with federal and state agencies impacting the industry, namely the U.S. Department of Agriculture Rural Development (USDA-RD) and Michigan State Housing Development Authority (MSHDA). For more information, contact Kathy McCarthy at kmccarthy@mirdc.org or Katrina Greeley at kgreeley@mirdc.org. Both can also be reached at 517-347-9665. Or visit www.mirdc.org.

For more information about MRDC, click here.

The CARH News

If you have questions, comments, suggestions, or submissions for the CARH News, please contact Tamara Schultz, Membership Manager, at tschultz@carh.org or 703-837-9001.

In Memoriam

Winston Sullivan of Linden, Texas
May 28, 1941 - June 02, 2018

Long time CARH Member, Winston Sullivan, 77, of Linden, Texas passed away Saturday, June 2, 2018, at his home surrounded by his family. Mr. Sullivan was born May 28, 1941, in Morton, Texas to Ferd and Goldie Sullivan. He was a builder, designer, and developer. He was also a talented cabinet maker and artist. Winston was a member of the Linden United Methodist Church where he served faithfully in many different capacities, but most of all he was a tenacious prayer warrior. His favorite pastime was being a grandfather and great-grandfather. Finally, he loved the Linden Kildare Tigers.

He leaves behind his high school sweetheart Judy, whom he was married to for fifty-eight years; son Marlon Sullivan and special friend, Donna of Linden; daughter Jina Hamm and son-in-law Ronnie of Kildare; three grandchildren, Amanda Tucker and husband Justin of Linden, TX., Seth

Sullivan and his wife Anglique of Austin, TX, and Olivia Martinez of Linden, TX; three great-grandchildren, Logan Hankins, Reagan Hankins, and David Winston Sullivan; brother-in-law and sister-in-law, Jim and Sandra Templeman of Lovington, NM, and numerous nieces, nephews, and friends.

Mr. Sullivan's daughter, Jina Sullivan-Hamm, is a member of the Board of Directors of CARH.

Services were held at 1:00 p.m., Tuesday, June 5, 2018, at the Linden United Methodist Church with Pastor Michael Bedevian and Bro. Bryan Baggett officiating. A reception was held immediately following the service in the fellowship hall. Please make memorials to the Linden United Methodist Church, P.O. Box 338, Linden, TX. 75563.

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National Low Income Housing Coalition | Out of Reach 2018 Report

The National Low Income Housing Coalition's (NLIHC) annual report that details the discrepancy between what American workers earn and what they have to pay for rental housing at a fair market rent.

The National Low income Housing Coalition (NLIHC) recently released ***Out of Reach 2018: The High Cost of Housing.*** The report shows that on average a full-time worker in the U.S. must earn $22.10 per hour to afford a modest two-bedroom apartment at the fair market rent and $17.90 for a modest one-bedroom apartment. The report illustrates that rental housing is out of reach for millions of low-wage workers, seniors and people with disabilities living on fixed incomes, and other low income households.

Read the full report here.

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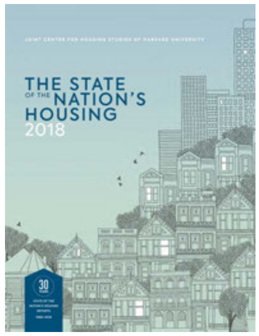
30th Anniversary Harvard Report Shows Some Improvement in the U.S. Housing Market But Much That Has Worsened



Since the Harvard Joint Center for Housing Studies first released its seminal ***State of the Nation's Housing*** report in 1988, more than 40 million housing units have been built in the U.S., the country has added 27 million new households, and last year's national homeownership rate of 63.9 percent was very close to the 64 percent rate of the late 1980s. At the same time, however, the number of Americans burdened by housing costs has risen by nearly 14 million households over the last 30 years, the number of households with student loan debt has nearly doubled, and the gap between black and white homeownership has widened.

These and other findings are detailed in the Center's 2018 *State of the Nation's Housing* report recently released at the National Press Club in Washington, DC.

"By many metrics, the U.S. housing market in 2018 is on sound footing," said Chris Herbert, managing director of the Harvard Joint Center for Housing Studies. "But a number of challenges highlighted in the first *State of the Nation's Housing* report 30 years ago persist today, and in many respects the situation has worsened for both the lowest-income Americans and those higher up the income ladder."

Growing income inequality has helped drive the increase in cost-burdened households. According to the report, the real median income of households in the bottom quartile increased only 3 percent between 1988 and 2016, while the median income for adults aged 25 to 34 rose by just 5 percent. Meanwhile, the median home price grew 41 percent faster than inflation between 1990 and 2016, the median rent grew 20 percent faster, and the nation had 2.5 million fewer units renting for less than $800 a month (in real terms).

The increases in prices and rents combined with a growing lack of subsidies for low-income households mean that nearly a third of all households (38.1 million) paid more than 30 percent of their incomes for housing in 2016, the widely-accepted metric for affordability. These include 20.8 million renters (47 percent), and of these, 11 million pay more than half their income for housing. While these figures are down slightly from their peak during the recession, they are significantly higher than in previous decades.

"If incomes had kept pace with the economy's growth over the past 30 years, they would have easily matched the rise in housing costs," notes Daniel McCue, a senior research associate at the Harvard Joint Center for Housing Studies and lead author of the report. "But that hasn't happened."

The Harvard report also points to constraints in the supply of new housing, which is helping fuel affordability challenges. Construction started on 1.2 million new housing units in 2017, up slightly from 2016. The entire increase last year came from single-family starts, which were up 8.6 percent but, at just 849,000 units in 2017, remained well below the 1.1 million per year historical average. In contrast, multifamily starts declined by 9.7 percent to 354,100 units. The relative lack of new housing, along with Americans' decreasing propensity to move, limited the number of homes for sale, which dropped to record lows in 2017.

As a result, house prices rose 6.2 percent in 2017 and now top their pre-crisis peaks in a majority of the nation's largest metros. While rents also increased by a more modest 3.7 percent, there are signs that rent increases are slowing and vacancies are increasing, particularly for new, high-end units.

The easing of conditions in the rental market reflects the fact that, after a decade of soaring rental demand, U.S. households are returning to home buying. The national homeownership rate rose for the first time in 13 years to 63.9 percent last year, up 0.5 percentage point from its low in 2016. Although the overall rate is now similar to the rate that prevailed in the late-1980s, the gap in black and white homeownership rates is larger than it was 30 years ago and homeownership rates among young adults is down sharply.

Overall, the new report shows that, if the nation is to make real progress in addressing its housing challenges, there is a clear need to expand assistance for those beyond the market's reach. "We need strategies to help the private sector produce more moderately-priced housing," said Herbert. "Doing so will require new approaches for making effective use of public funding, reducing construction costs, and easing regulatory barriers."

Download the full report along with interactive maps and tools at: www.jchs.harvard.edu/state-nations-housing-2018

Reprinted from www.jchs.harvard.edu/

Even Fully-Employed and Moderate-Income Households Struggle to Pay the Rent

By Whitney Airgood-Obrycki, Senior Research Analyst, Harvard Joint Center for Housing Studies

The nation's almost 21 million cost-burdened renter households are not just low-income or unemployed. Rather, as the Joint Center documented in its latest ***America's Rental Housing*** report (and accompanying interactive tools), a growing number of moderate-income and fully-employed renter households are also cost-burdened, spending at least 30 percent of their income on rent and other housing costs.

Cost burden continues to be most common among lowest-income households making less than $15,000 per year. In fact, 83 percent of these households were cost burdened in 2016, including 72 percent with severe burdens, which meant that they paid more than 50 percent of their income for housing costs. This figure has increased modestly since 2001, when about 80 percent of households were cost burdened and about 68 percent were severely cost burdened.

In contrast, since 2001, the fastest growth in cost burden shares has been among moderate-income renters. For example, the share of cost-burdened renters making $30,000-$45,000 (in constant dollars) rose from 37 percent in 2001 to 50 percent in 2016. During the same time frame, the share of cost-burdened renters making $45,000-$75,000 nearly doubled from 12 percent to 23 percent.

—continued on page 28

—continued from page 27

Additionally, almost one-third of all renters who worked 35 hours or more per week for at least 48 of the previous 52 weeks were cost burdened in 2016. Moreover, as the interactive chart below shows, cost burden rates are particularly high for fully-employed renters in occupations with lower wages and where hours can be unpredictable or vary by season. These occupational fields include personal care and service, food preparation and serving, and building/grounds cleaning and maintenance **(Figure 1)**.

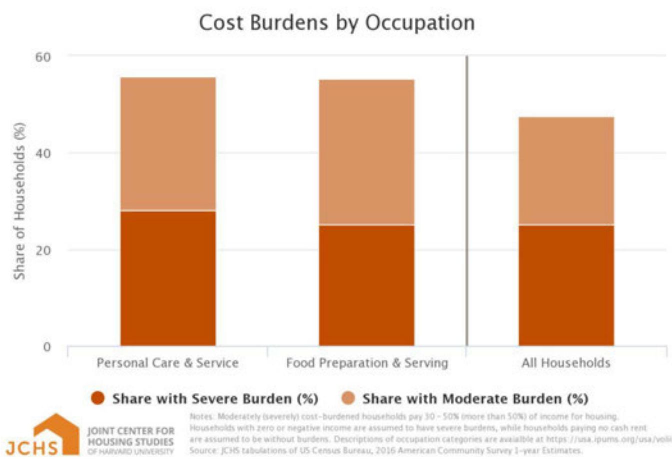


Figure 1: Cost Burdens By Occupation

People working in the personal care and service occupations include personal care aides, childcare workers, flight attendants, hairdressers, and fitness workers. Fifty-six percent of fully-employed renters in this occupation category were cost burdened in 2016, including 28 percent who were severely cost burdened. Within this category, childcare workers, who had median incomes of $2,670 per month and housing costs of $1,020, were most likely to be cost burdened.

Similarly, 55 percent of renters in occupations related to food preparation and service—which includes cooks, waiters, bartenders, and dishwashers—were cost burdened. Within this occupation category, renters working in food concession jobs such as counter staff in coffee shops and cafeterias were most burdened. Seventy percent of the renters working full-time in those jobs were cost burdened. Finally, just over half of fully-employed renters working in building and grounds maintenance were burdened. This category consists of janitors and housekeepers, grounds maintenance workers, and lawn service professionals. Renters working full-time as maids and housekeeping cleaners had the highest rate of cost burden at 56 percent.

Looking forward, renters in these occupations are unlikely to see a substantial increase in their wages while their housing costs will probably continue to increase. As a result, cost burden rates among these renters are likely to remain high and may grow larger.

Additionally, the Bureau of Labor Statistics projects that most job growth in the next ten years will be in occupations with incomes that are less than $37,300, which was the median income for renters in 2016. For example, the number of jobs for home health aides and personal care aides—occupations where reported median incomes are around $22,000—is expected to increase 37 and 47 percent respectively. The number of jobs in food preparation and serving—where median incomes are only about $19,000 per year—is also projected to increase by 17 percent. Given the current lack of low-cost, affordable units, many renters in these fields will continue to be cost burdened despite working full time.

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CARH'S Legislative Update

President Trump released his FY 2019 budget proposal on February 12, 2018. The House Appropriations Committee approved the USDA appropriations bill on May 13 and the HUD appropriations bill on May 23. The Senate Appropriations Committee approved the USDA bill on May 24 and the HUD bill on June 8. CARH will update this chart throughout the year.

SUBJECT	ADMINISTRATION'S PROPOSAL	CARH'S POSITION
Section 515 Rural Rental Housing Program	FY19: The Trump Administration proposed elimination of the Section 515 program.	CARH strongly opposes the proposed elimination of the program and supports a minimum funding level of $40 million.
Section 521 Rental Assistance Program (1-year contracts)	FY19: The Trump Administration proposed $1.351 billion for Section 521. The voucher program would be funded under the RA account.	CARH strongly opposes the proposed funding level and supports a minimum funding level of $1.405 billion. CARH continues to support hearings on a host of programs administered by RHS.
Section 538 Guaranteed Rural Rental Housing Loan Program	FY19: The Trump Administration proposed $250 million for Section 538.	CARH supports the request of $250 million.
Enhancements to Low Income Housing Tax Credit (Housing Credit)	The Protecting Americans from Tax Hikes Act (PATH) of 2015 permanently extended the minimum 9 percent Housing Credit rate for new construction and substantial rehabilitation.	The Protecting Americans from Tax Hikes Act (PATH) of 2015 did not establish a minimum 4 percent credit rate for acquisitions. CARH supports this minimum rate. CARH also supports efforts of the ACTION campaign for a Housing Credit cap increase.
Section 502 Direct Loans	FY19: The Trump Administration proposed elimination of the Section 502 Direct Loan program.	CARH strongly opposes the elimination of the program and supports a minimum funding level of $1.1 billion.
Section 502 Guaranteed Loans	FY19: The Trump Administration proposed $24 billion for Section 502 Guaranteed Loans.	CARH supports the request of $24 billion.
Multifamily Preservation and Revitalization (MPR) Program	FY19: The Trump Administration proposed elimination of the MPR program.	CARH strongly opposes the elimination of the program and supports a minimum funding level of $25 million and $28 million for vouchers.
HOME	FY19: The Trump Administration proposed elimination of the HOME program.	CARH strongly opposes the elimination of the program and supports a minimum funding level of $1.362 billion.
Section 8 (Project Based Rental Assistance)	FY19: The Trump Administration proposed $11.147 billion for Section 8.	CARH supports the request of $11.515 billion.
Section 8 (Tenant Based Rental Assistance (Vouchers)	FY19: The Trump Administration proposed $20.55 billion for Section 8 Vouchers.	CARH supports a minimum funding level of $22.015 billion.
Community Development Fund (CDBG)	FY19: The Trump Administration proposed elimination of the CDBG program.	CARH strongly opposes the elimination of the program and supports a minimum funding level of $3.365 billion.
Public Housing Capital Fund	FY19: The Trump Administration proposed elimination of the Public Housing Capital Fund, however Emergency/Disaster Grants and Jobs-Plus Pilot would be funded at $10 million each under the Public Housing Operating Fund.	CARH strongly opposes the elimination of this fund and supports a minimum funding level of $2.75 billion.
Public Housing Operating Fund	FY19: The Trump Administration proposed $3.279 billion for the Public Housing Operating Fund.	CARH supports a minimum funding level of $4.55 billion.

HOUSE ACTION	SENATE ACTION	CONFERENCE/FINAL ACTION
H.R. 5961 provides $40 million in funding.	S. 2976 provides $40 million in funding.	N/A
H.R. 5961 provides $1.331 billion, of which $40 million can be carried forward.	S. 2976 provides $1.331 billion in funding.	N/A
H.R. 5961 provides $230 million in funding.	S. 2976 provides $230 million in funding.	N/A
H.R. 1661 was introduced by Representatives Curbelo (R-FL) and Neal (D-MA) on March 21, 2017, which is similar to S. 548. However, H.R. 1661 does not provide for an increase to the annual allocation for Housing Credits by 50%. Additionally, energy provisons regarding not reducing Housing Credit basis only includes Section 48 investment tax credits, not the Section 45L credit or Section 179D deduction that is included in S. 548. On October 31, Representative Suzan DelBene introduced legislation that would increase the Housing Credit allocation by 50%.	S. 548 was introduced by Senators Cantwell (D-WA) and Hatch (R-UT) on March 7, 2017, and establishes a minimum 4% credit rate, allows income-averaging, modifies student occupancy rules, allows states to grant a 30% basis boost if necessary to make project financially feasible and renames to the Affordable Housing Tax Credit.	N/A
H.R. 5961 provides $1 billion in funding.	S. 2976 provides $1.1 billion in funding.	N/A
H.R. 5961 provides $24 billion in funding.	S. 2976 provides $24 billion in funding.	N/A
H.R. 5961 provides $25 million in funding for MPR and $28 million for vouchers.	S. 2976 provides $24 million in funding for MPR and $26 million for vouchers.	N/A
The House bill provides $1.2 billion in funding.	S. 3023 provides $1.362 billion in funding.	N/A
The House bill provides $11.347 billion in funding.	S. 3023 provides $11.747 billion in funding.	N/A
The House bill provides $22.476 billion in funding.	S. 3023 provides $22.781 billion in funding.	N/A
The House bill provides $3.365 billion in funding.	S. 3023 provides $3.365 billion in funding.	N/A
The House bill provides $2.75 billion in funding.	S. 3023 provides $2.775 billion in funding.	N/A
The House bill provides $4.55 billion in funding.	S. 3023 provides $4.756 billion in funding.	N/A

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RealPage Releases Rural Housing Combo Product

RealPage, Inc., a leading provider of on-demand software and services to the multifamily industry, has released its new web-based rural housing system, OneSite Leasing & Rents Rural Housing.

The system, which supports the Rural Development (RD) Section 515 program, is available in a combo package with OneSite Leasing & Rents Affordable HUD and OneSite Leasing & Rents Tax Credits, providing owners of affordable properties a full solution for administering multiple subsidy portfolios. A standalone version of the system is also available.

OneSite Leasing & Rents Rural Housing incorporates easy-to-use tools to gather and process resident data accurately, and automate and streamline certification processing, MINC electronic submissions, and project worksheet reporting. Property owners and managers can access the system 24 hours a day, seven days a week through the Internet and secure passwords.

"Rural Housing is the newest addition to our Affordable suite of products," said Ranjeev Teelock, vice president of affordable housing for RealPage. "The system integrates seamlessly with our existing HUD and Tax Credits products, providing a complete solution for compliance monitoring and reporting with all government regulations."

Features of OneSite Leasing & Rents Rural Housing include:

- Ability to set up multiple RD project types and associate units to different projects
- Quick qualify tool that provides the ability to quickly determine eligibility of a prospect or applicant
- An interview wizard that simplifies the collection of household member and financial data
- A verification letter management system that provides a library of letters and notices
- Audit trail capabilities for every verification letter
- A certify wizard that provides step-by-step guidance for tasks
- Built-in RD regulations

OneSite is RealPage's integrated, on-demand property management suite of products that automate the entire process of leasing, renting, and managing apartments. For more information on OneSite Leasing & Rents Rural Housing and other RealPage products and services, please call 1-87-REALPAGE or visit www.realpage.com.

MARK YOUR CALENDAR

Upcoming Meetings

NATIONAL CARH MEETINGS

Click here to view CARH's 2018 Annual Meeting Attendee Materials, Speaker Bios, and Presentations.

2019 Midyear Meeting

CARH's 2019 Midyear Meeting will be held on Monday, January 28 – Wednesday, January 30, 2019, at The Ocean Reef Club in Key Largo, Florida. The 2018 Harry L. Tomlinson, Member of the Year, and State Affiliated Association of the Year Awards will be presented.

2019 Annual Meeting & Legislative Conference

CARH's Annual Meeting & Legislative Conference will be held Monday, June 24-Wednesday, June 26, 2019, at the Ritz-Carlton Pentagon City in Arlington, Virginia. The winners of the CARH Scholarship Foundation's 2019 Scholarships and Rural Development's Site Managers and Maintenance Person of the Year will be honored during this conference.

Save the Dates for Upcoming National CARH Meetings

2020 Annual Meeting & Legislative Conference – June 22-24, 2020
2021 Annual Meeting & Legislative Conference – June 21-23, 2021

STATE AFFILIATED ASSOCIATION AND PARTNER MEETINGS FOR 2018

Ohio Rural Housing Conference

9/10-12/2018

The Council for Rural Housing and Development of Ohio (CRHDO) will host the Ohio Rural Housing Conference on September 10-12, 2018, at the Embassy Suites Dublin in Dublin, Ohio. Contact Patricia Richards at 614-470-4260 or office@crhdo.org for more information. Or visit www.chrdo.org.

MOCARH Annual Conference and Vendor Fair

9/11-13/2018

The Missouri Council for Affordable Rental Housing (MOCARH) will host its Annual Conference and Vendor Fair on September 11-13, 2018, at the Branson Convention Center in Branson, Missouri. Contact Sonja Bennett at 816-679-4581 or executivedirector.mocarh@gmail.com for more information. Or visit www.mocarh.org.

MRDC Annual Meeting & Training

10/3-4/2018

The Michigan Rural Development Council (MRDC) will host its Annual Meeting & Training on October 3-4, 2018, at the Soaring Eagle Casino & Resort in Mt. Pleasant, Michigan. For more information, please contact Kathy McCarthy at kmccarthy@mirdc.org or Katrina Greeley at kgreeley@mirdc.org. Both can also be reached at 517-347-9665. Or, visit www.mirdc.org.

CARH Membership Application

Join CARH Today! Please click on the link to access the CARH Membership Application

MNCARH Conference

10/4/2018

The Minnesota Council for Affordable and Rural Housing (MNCARH) will host its 2018 Conference on October 4, 2018, at the Mystic Lake Hotel & Casino in Prior Lake, Minnesota. Please contact Allison Peterson at mncarh@gmail.com or 800-944-3078 for more information. Or, visit www.mncarh.com.

FLCARH Annual Meeting

10/8-10/2018

The Florida Council for Affordable and Rural Housing (FLCARH) will host its 2018 Annual Meeting on October 8-10, 2018, at the Sheraton Sand Key Resort in Clearwater, Florida. Please contact Kevin Flynn at 727-449-1182 or kflynn@flynnmanagement.com for more information. Or, visit www.flcarh.org.

AHAIN Affordable Housing Conference and Annual Meeting

10/17-18/2018

The Affordable Housing Association of Indiana (AHAIN) will host its 2018 Affordable Housing Conference and Annual Meeting on October 17-18, 2018, at the Embassy Suites by Hilton Noblesville/Indianapolis Conference Center in Noblesville, Indiana. Contact Charyl Luth at 260-724-6492 or cluth@inaha.org for more information, or visit www.inaha.org.

HAM Annual Convention and Training Seminar

10/24-26/2018

The Housing Association of Mississippi (HAM) will host its 2018 Annual Convention and Training Seminar on October 24-26, 2018, at the Beau Rivage Resort & Casino in Biloxi, Mississippi. Please contact Ettie Pittman at 601-955-2942 or housingms@yahoo.com for more information. Or, visit www.ham-inc.org.

WI-CARH 21st Annual Conference

11/8/2018

The Wisconsin Council for Affordable and Rural Housing (WI-CARH) will host its 21st Annual Conference on November 8, 2018, at the Kalahari Resort & Convention Center in Wisconsin Dells, Wisconsin. Please contact Diane Hamm at 608-437-2300 or info@wicarh.org for more information. Or, visit www.wicarh.org.

TAAH Annual State Conference

11/14-16/2018

The Tennessee Association of Affordable Housing, Inc. (TAAH) will host its Annual State Conference on November 14-16, 2018, at the Embassy Suites in Franklin, Tennessee. Contact Beverly Thaxton at 615-642-3973 or admin@taah.org for more information. Or, visit www.taah.org.

CARH *news*

CARH News is a bi-monthly publication of the Council for Affordable and Rural Housing (CARH). Material may not be reproduced without permission (direct requests to carh@carh.org).

The Council for Affordable and Rural Housing (CARH) is a non-profit association that was founded in 1980. For over 35 years, CARH has served as the nation's leading advocate for the financing, development, and management of affordable rural housing. There is no other association that solely represents the needs of the rural housing industry and its participants, which include owners, developers, managers, non-profits, housing authorities, syndicators, accountants, architects, attorneys, bankers, and vendors to the industry. For more information about the benefits CARH provides to its members, including savings, networking, continued education, resources, and meetings, please visit www.carh.org.

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CARH *news*

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