CARH news

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Message from the Executive Director

Dear Members,

The CARH National Office is focusing on the upcoming 2019 Midyear Meeting, to be held at Ocean Reef in Key Largo, Florida, January 28-30. The educational sessions and networking activities will engage you and prepare you for the year ahead. Our expert speakers will cover the key topics in the industry today and prepare you for changes in the future. The article below will provide you an overview of the meeting. If you haven't already registered, do so now!

We continue to work on passage of our legislative priorities. As CARH News goes to press, there is a threat of a government shutdown when the current Continuing Resolution expires on December 21. We hope this does not happen, as even a small disruption can have negative impacts on housing programs and services provided.

Best wishes for a Happy Holiday season! We hope to see you in January at Ocean Reef!

Sincerely,

Colleen M. Fisher
Executive Director, CARH

2019 Midyear Meeting Facing Challenges - Focusing on Success

Ocean Reef in Key Largo, Florida, will be the site of the Council for Affordable and Rural Housing's (CARH) Midyear Meeting on January 28-30, 2019. CARH's national meetings are regarded as the industry's premier affordable rural housing meetings. The 2019 Midyear Meeting, Facing Challenges-Focusing on Success, will feature exceptional industry experts and government officials who will present the latest information on regulations, pending legislation, and trends that impact all segments of the industry.

A prominent feature of the schedule will be the outcome of the 2018 Congressional elections and the agenda as we begin the 116th Congress. CARH's Washington, DC, experts will guide us through leadership changes, primarily in the House, and new committee chairs in both chambers. We will explore lessons learned from past divided Congresses and how that changes the dynamic for passing legislation. In addition,

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IMPORTANT INFORMATION FOR ATTENDEES: Due to the overwhelming popularity of this location and desire to attend the meeting, CARH's hotel room block at Ocean Reef has been filled.* **If you have not yet made your hotel reservation, please email Anne Stuart, CARH's Meetings and Special Events Consultant, at astuart@verizon.net. Anne has created a WAIT LIST for attendees' room reservations and is working with the hotel to get everyone a room. (Please note, if you currently have a room and must cancel for any reason, please contact Anne at the email address above before cancelling your reservation!)**
**Note, there is still availability for two-bedroom condos. Therefore, if you are traveling with a colleague, this may be a viable alternative. Click here to reserve a two-bedroom condo.*

In this issue:

Tax Credit Percentages

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

2018	4% Credit	9% Credit
Dec	3.32	7.74
Nov	3.31	7.72
Oct	3.29	7.67
Sept	3.29	7.68
Aug	3.28	7.66

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Left to right: Joe Menendez, Conference Services Manager at Ocean Reef; Colleen Fisher, CARH Executive Director; Rudy Gonnella, Sales Manager at Ocean Reef; and Anne Stuart, CARH Meeting and Special Events Consultant, finalize plans for the CARH 2019 Midyear Meeting at Ocean Reef.

we'll review how CARH's role changes in working to bring members of Congress together to introduce, debate, and pass into law legislation for which we advocate.

Sessions throughout the meeting will focus on further tax changes and regulations that will implement these revenue measures. Federal budget analysis will be part of our discussions about funding and appropriations measures being considered. Attendees will come away with the most up-to-date information and tools needed to increase business efficiencies and achieve long-term success.

CARH will present the prestigious Harry L. Tomlinson, the State Affiliated Association, and the Member of the Year Awards. Be sure to attend the Opening Reception on Monday, January 28 to help recognize and celebrate your colleagues who have excelled in the affordable housing industry. Also, enjoy networking with your colleagues from across the U.S. after a full day of committee meetings.

CARH is pleased to return to Ocean Reef, the sight of the 2013 Midyear Meeting. Located at the Northern tip of Key Largo, Florida, the resort is less than one hour from Miami International Airport and approximately an hour and a half from Ft. Lauderdale International Airport. Ocean Reef is a completely self-contained community offering a wide array of activities. When not attending sessions, guests can enjoy golf, tennis, swimming, snorkeling, kayaking, fishing, sailing, and boating, as well as the cooking school, wonderful restaurants and unique shopping opportunities. All the networking events will be held on the grounds of Ocean Reef, affording guests the convenience and time to enjoy the resort.

Visit www.oceanreef.com before you arrive to plan your free time!

Please plan to attend the CARH 2019 Midyear Meeting. Click here to view the Meeting Brochure, which includes the meeting schedule and descriptions of the sessions and activities. You'll find the registration form on page 35.

We look forward to seeing you in January!

For Year 30 Housing Credit Properties, Limited Funding Forces Choice Between Preservation and Mobility

By Joseph P. Poduska, Poduska & Associates

A report on the preservation of Year 30 Low-Income Housing Tax Credit (LIHTC) properties explores the dilemma that limited federal funding creates between preserving affordable rental homes, and promoting the mobility of low income families, that can benefit from moving to higher opportunity neighborhoods. Collaborating on this report, the National Low Income Housing Coalition (NLIHC) and the Public and Assisted Housing Research Corporation (PAHRC) address this problem by offering their vision of how to prioritize housing assistance.

The report is based in part on data from the National Housing Preservation Database, maintained by the Housing Coalition and PAHRC. It contains information on all federally assisted rental housing, including properties subsidized by the Department of Housing and Urban Development (HUD), the U.S. Department of Agriculture, and the housing tax credit. It contains information on when and where affordability restrictions on LIHTC properties expire.

The housing tax credit has added 3 million rental homes to the affordable housing stock since 1986, making it the largest U.S. affordable housing program. But by 2030, nearly half a million current LIHTC rental units will reach the end of their federally mandated rent-affordability and rent restrictions. Some of these rentals will be lost from the affordable housing supply as they convert to market-rate rents. Others may be lost to physical deterioration unless new capital investments are made available for rehabilitation and renovation.

According to the report, as many as 8,420 LIHTC properties with 486,799 rental units will reach Year 30 during the 2020 decade and do not receive other types of subsidies that extend affordability restrictions.

Neighborhood Categories

Some of these properties are potentially prime locations of economic mobility for low-income families. Nine percent of LIHTC units reaching Year 30 between 2020 and 2029 are in neighborhoods that the report ranks as high or very high in both desirability and opportunity. An additional 13 percent of Year 30 rental units are in neighborhoods that rank high or very high in opportunity but are not ranked as high in desirability, ranking moderate, low or very low in this category. So just over one-fifth are in areas of educational and job opportunities even if some aren't in the most highly desirable neighborhoods.

Another major finding is a large number of these Year 30 projects (42 percent) are in neighborhoods that rank very low or low in both desirability and opportunity.

Neighborhood desirability is defined as the preference for and quality of a given neighborhood, as measured by the percent of households with annual incomes above $200,000, the percent of population in poverty, median home values, the personal crime index, and the housing vacancy rate. *Neighborhood opportunity* is the degree to which neighborhoods provide amenities integral to economic mobility such as labor market access and a healthy environment.

The report assumes that Year 30 rental units in neighborhoods of very-high or high opportunity are at greater risk for converting to higher-cost market-rate or owner-occupied housing, because demand for housing tends to be stronger in higher-opportunity neighborhoods. So even Year 30 projects ranked high or very high in opportunity that are not in highly desirable areas are potentially at risk of being lost from the affordable housing inventory.

The need for federal and other financial resources for Year 30 preservation is underscored by research from the (NLIHC) that estimates a national shortage of more than 7 million rental units that are both affordable and available to low-income renters and that only one in four eligible low-income renters receive housing assistance.

Higher-Opportunity Neighborhoods

"While we need to preserve as much of the existing affordable housing stock as possible, given the significant shortage, we must also make efforts to provide greater access to higher opportunity neighborhoods for disadvantaged households," the Year 30 report says. "The conflict between preservation and mobility, however, would not exist if we committed adequate resources to meet the needs of low-income renters."

Housing tax credit properties in high-opportunity, highly desirable areas would be the most difficult to replace if lost from the affordable housing stock, the report notes. It would be difficult for tenants displaced from these properties to find affordable housing in the same neighborhoods or in an area offering a similar degree of opportunity. The report's authors conclude that the demand for preservation resources may be greater from LIHTC owners seeking to address the physical deterioration of units in lower opportunity neighborhoods.

Some Year 30 units are in neighborhoods of low desirability but high opportunity that should not be overlooked. The researchers encouraged policymakers to look beyond the aggregate opportunity metrics in the report when making preservation decisions for housing in these neighborhoods. For example, educational opportunity is likely more relevant to LIHTC properties that primarily serving families than it is for properties that house the elderly.

Expanded Voucher, Tax Credit Programs

Attempting to look beyond the status quo, the report calls for expanded access to Housing Choice Vouchers, as well as the production of affordable housing in markets, and for households where there is the greatest need. This includes enactment of the bipartisan Affordable Housing Credit Improvement Act of 2017 (S. 548), which would authorize a 50 percent increase in LIHTC allocations for the production and preservation of affordable housing and a 50 percent basis boost for developments that set aside at least 20 percent of units for extremely low-income households.

Regarding preservation efforts, the report suggests that 9 percent tax credits could be targeted through state qualified action plans (QAPs), toward at-risk units in neighborhoods ranked high or very high for desirability and opportunity. The 9 percent tax credits could also target at-risk units that need investment in neighborhoods with very low desirability, especially in properties providing on-site services, serving populations that

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Do you have ten minutes to change someone's life?

The CARH Scholarship Foundation recently created a video, featuring current and past scholarship recipients, as well as foundation board members.

Our goal is to raise the visibility of the scholarship foundation and inspire others to contribute, through the moving stories told by the recipients.

You may access the video any time through the link on the Home Page of www.carh.org. Please click here to view the video and take ten minutes to change someone's life!

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have less success with vouchers or that are part of a concerted community revitalization effort.

"LIHTC units reaching Year 30 in neighborhoods of lower desirability, but higher opportunity would be particularly worth preserving," the report says. "Most other LIHTC housing would likely continue to operate as affordable housing even without affordability restrictions in place. Nine percent tax credits could also be targeted towards preserving housing in gentrifying neighborhoods."

Proposed Allocation System

Looking at the longer term, the report also advocates for what would be a major change in the LIHTC program, the allocation of housing tax credits according to each state's unmet housing needs, as well as variations in development costs rather than each state receiving credits based on population. This raises questions of how this need would be determined, the criteria used, and what federal or state agency would determine need. A crucial question for CARH members would be how rural areas that have definite, unmet needs for affordable housing fit into this allocation system.

The authors of the NLIHC/PAHRC report believe this strategy could increase the supply of units available to voucher holders in tighter markets and help housing providers meet the higher cost of developing housing in these areas. They suggest that incentives to develop in qualified census tracts (QCTs) could be replaced by incentives to develop in areas with unmet housing needs and a need for production subsidies.

While acknowledging that the public-private nature of the tax credit program allows developers to leverage significant capital from the private sector, authors of the report said consideration should be given to requiring mission-driven nonprofits to be part of LIHTC property ownership structures. Based on research cited in the report, they believe that nonprofit or even public ownership would help ensure that Year 30 LIHTC properties continue to operate as affordable housing and serve the public interest. It should be noted that, even without this requirement, there is already significant nonprofit ownership of affordable housing that includes ownership by public housing agencies.

Universal Voucher Enrollment

The report advocates for expansion of the Housing Choice Voucher program fully funded to serve as a housing safety net for all extremely low-income and very low-income households. Through this "open enrollment," the most vulnerable LIHTC tenants would either already possess or have immediate access to housing assistance in the event of a LIHTC property leaving the affordable housing stock due to expiring affordability restrictions, conversion to another use, foreclosure, or physical deterioration. Additionally, vouchers help the lowest income tenants afford LIHTC rents.

"Vouchers, at their best, can also promote neighborhood choice by allowing tenants to choose to remain in their current homes and neighborhoods, or take their housing assistance elsewhere, regardless of preservation efforts," the report states.

The NLIHC/PAHRC report attempts to provoke discussion about how to prioritize housing tax credits and other housing assistance when there is a continued scarcity of funding to meet all the shelter needs of our lowest income families. The report advises that the success of this proposed new affordable housing system is contingent on further research into strategies for improving voucher utilization and mobility. It also hinges on an improved understanding of where supply and demand-side housing subsidies are most needed and effective.

"Balancing Priorities: Preservation and Neighborhood Opportunity in the Low-Income Housing Tax Credit Program Beyond Year 30" is available at https://nlihc.org/research/balancing-priorities. The report authors are Andrew Aurand and Dan Emmanuel of NLIHC and Keely Stater and Kelly McElwain with PAHRC. PAHRC at HAI Group is a nonprofit research center dedicated to conducting research that promotes a national conversation about the importance of affordable housing. Founded in 1974 by Cushing N. Dolbeare, NLIHC is an advocacy group dedicated to assuring that people with the lowest income in the U.S. have affordable and decent homes.

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

Wishful Thinking and Are You a Principled Person?

By Mark English, E&A Team, Inc.

Hidden in this article is a free gift…seriously. I am giving you a gift worth $99. This gift, if you choose to accept it, could benefit your organization in ways that could ultimately save you hundreds of thousands of dollars.

But - it seems in life there is always a "but" and this is no different - just before you receive something free, I want to tell you a story first.

Have you ever been accused of being a "wishful thinker?" I was thinking about this concept the other day, so I did some research on this term. A "wishful thinker" is one who naively believes his/her desired outcome will happen without taking into consideration what the most realistic outcome will be. Wishful thinkers are very kind people but get into trouble with this way of assessing situations. They are often unrealistically optimistic in a silly way, and they allow their sincere desires to blind them to reality.

The idea of wishful thinking can manifest in almost any situation. It may be something as seemingly insignificant as "I am sure the police will just give me a warning for my out-of-date inspection sticker" or "I did not read any of the material for the test, and did not prepare at all, but I am sure I will get a good grade." Though we know these scenarios pose unrealistic hopes by those involved, the consequences of these false realities are relatively minimal.

Wishful thinking can also have devastating consequences. Take, for instance, the business owner who says to himself, "I paid professionals - architects, general contractors, highly regarded companies - to properly design, oversee, and build my property. As long as they are willing to sign off on all the plans, specifications, and compliance reports, I have nothing to worry about." Soon after the project is completed, this business owner is sued by accessibility advocacy groups, individuals with disabilities, or even the Department of Justice (DOJ). Why? Because their blind faith and wishful thinking were enough to keep them from doing final Accessibility inspections on the property once it was finished. Unfortunately, these are the stories I keep reading, even about some of the most highly respected developers/owners in the country.

I also continue to read about the most highly credible organizations, like the National Council for State Housing Agencies (NCSHA). They consistently bring in speakers for panels and hold Accessibility Forums to educate about

rules and regulations that are not followed. The result is that aggressive actions are being taken all over the United States. Last December, the NCSHA stopped just talking about it and decided instead to take action towards helping to resolve the issue. The Board of Directors of NCSHA voted to pass 46 new Best Practices, almost ten percent of which deal directly with this accessibility topic. At some point you have got to ask why.

In conjunction with the actions taken by the NCSHA, the USDA Rural Development (RD) came out with a special unnumbered letter that specified that Capital Needs Assessments (CNA's) are being turned in as complete, and being approved by RD State Office personnel. A large amount of them are not addressing ALL of the accessibility items that exist and are mandated by federal law to be in place.

The only conclusion I can draw from these situations is that this problem is REAL and it is time to respond differently than we have in the past. I speak on this topic 35-40 times a year to various housing associations, trade groups, architectural firms, and management companies. Recently during a Q&A session with a large company that owned multifamily properties, the owner made this statement, "I am confused and frustrated. I consider myself a professional. I only hire professionals who are considered to be top in their particular trade or field. I have designed, I have built, I own, and I manage over 7,800 units in multiple states and have been doing this for 25 years. I have properties that have been financed by various programs administered by the Department of Housing and Urban Development (HUD), RD, and Treasury, and I even own several conventionally funded properties, yet I am being sued right now because I have "out of accessibility" compliance issues that no architect, contractor, funding agency, or the building inspector who issued my Certificate of Occupancy (CO) EVER said a word about. I have had a REAC inspection every time I am supposed to have one and have NEVER had one of those reports even MENTION an accessibility issue. REAC inspections NEVER address accessibility issues. How do I correct this problem, when I have spent all the money building the project the way EVERYONE signed off on in the beginning? I pride myself on being the BEST in the industry, but I find myself now tainted with this shadow of doubt that I tried to 'pull a fast one' or 'get away with taking a shortcut to make more money.' That is not how I have ever done business and I need a new game plan. I have built my life on principles. Principles of doing the right thing the first time and being the best at what I do."

WOW! Blunt honesty said aloud in front of a group of peers. Very refreshing.

After hearing this firsthand, it is easy to see that this problem is NOT GOING AWAY. When unexpected issues are exposed, there are little to no funds budgeted to fix these issues after having spent all the money originally allocated to completing the project.

So maybe we have all been going about this accessibility problem the wrong way. Maybe we should all begin to realize that accessibility compliance is mandated by federal law and has been for more than 25 years. As I have said many times in the past, Section 504, the Americans with Disabilities Act (ADA), and Fair Housing Accessibility regulations are the most poorly explained topics to ever come out of Washington, DC. It is time we change the way we do business. I wish I had all the money needed to help you solve your problem, but this is not something for me to fix. Compliance issues on your property are YOUR problem, ones for which YOU will be held legally responsible. My hope is simply to warn you of the dangers of "wishful thinking" when it comes to your business, as well as provide some advice, and yes that free gift too.

First is the advice. Get a CNA from a provider who is known in the industry to understand all the applicable accessibility regulations. Also, engage with an Accessibility professional that will provide training for your entire team, including architects, contractors, job superintendents, and all sub-contractors (grading, concrete, framing, electrical, plumbing, sheetrock and cabinetry). Have the Accessibility professional review your plans and specifications and then schedule Accessibility Construction Inspections during the construction of your new and/or rehab properties to ensure Total Accessibility Compliance.

I would also like to remind you about the Accessibility Initiative that was introduced by DOJ. As I have said in past articles, you should always pay special attention to anyone or any organization with the ability to make decisions that could drastically change your life. DOJ is one such organization, and it is strongly suggesting that you take a Proactive vs Reactive approach when thinking about accessibility.

The process of becoming proactive about accessibility can be accomplished by a few simple actions, including Accessibility Plan Reviews, Accessibility Construction Inspections of existing portfolios by knowledgeable third parties, and Accessibility Training for architects, contractors, and sub-contractors. Taking these additional proactive steps will begin to change both your business and the development landscape we know today.

You do have the option of running your business using the reactive approach. However, I must warn you of the dangers this involves. Organizations such as DOJ, HUD, accessibility advocate organizations, and persons with disabilities have all gotten much more active in testing and filing complaints. On May 11, 2018, the USDA Rural Housing Service published a clarifying document under the title of Management Control Review (MCR) that states in no uncertain terms to begin preparing a transition plan for and working towards correcting any accessibility issues on your property. It goes without saying that having a competent accessibility firm prepare your transition plans (instead of your maintenance person who has never completed any accessibility training) will ensure your business is in full compliance in regards to accessibility. It was also clarified in the MCR that paying an independent third party to inspect and prepare this document is still a legitimate project reserve account expense.

In past articles, I have made mention of the conversations E&A Team has begun with several State Housing Finance Agencies addressing the wording of future QAPs, which we hope will interpret new "Best Practices" as either "Threshold Requirements" or areas to receive extra points. Either way, change is on its way, so do not wait until it is too late! Unless you STOP performing your trade the same way you have always done it, this problem will not go away. It will just get worse.

And now for the "free gift" - one year's access to E&A Team's multimedia eBook, ***Fair Housing Act Design Manual Made EZ***. This multimedia eBook contains 247 videos of our experts explaining the concepts of the Fair Housing Act Design Manual and provides full color photos showing examples. It's word-searchable and has digital highlighting, digital sticky notes, and digital bookmarks. It works on all platforms. An internet connection is required for multimedia content. To claim your gift, go to http://member.eandateam.com/newebook and enter the coupon code "Christmas18" at checkout. Offer valid now through December 31, 2018.

Merry Christmas, Happy Holidays, and Happy New Year from all of us at E&A Team!!

Mark English is President of E&A Team, Inc., which has become one of the nationally recognized accessibility firms who provide accessibility evaluations, CNAs, and training, to property management firms, owners and developers, architects, contractors, engineers, State Finance Agencies, and multiple governmental agencies in all 50 states and various U.S. Territories. Mark may be reached at 205-722-9331.

Rural Community on the Rise by Way of Historic Tax Credits

By Georgia Coffman and Cash Gill, Gill Group

Georgia Coffman

Cash Gill

The Historic Tax Credit (HTC) program has been vital for rural communities, as it has attracted private investments to these towns throughout the country. Since its creation in 1976, this program has generated much-needed jobs and economic activity, increased property values, and created affordable housing for numerous communities of various sizes. It's also responsible for the improvements to many of the country's rural downtowns and main streets.

This program, along with the help of Ogee Preservation and the support of the community, is exactly what helped the small town of Elgin, Texas revitalize its historic downtown. Ogee's clients rehabilitated 19th and 20th century Main Street buildings into retail space with apartments at the rear or on the second floor. They used HTCs under the guidance and consultation of Ogee to complete these projects. The portfolio includes Southside Market, 114-116 North Main Street, 24 North Main Street and Lundgren Building.

This is 114-116 N. Main. Before rehabilitation, it housed a drug store and grocery store. Now it is used for retail and residential purposes.

This is 24 N. Main, one of the oldest extant buildings on Elgin's Main Street.

This is the Lundgren Building. It was once a saloon with a boarding house in the second floor but is now used for retail and residential purposes.

According to Haley Wilcox of Ogee, the original home of the Southside Market made Elgin the "Sausage Capital of Texas." It's a commercial building that was vacant for years before rehabilitation. The building was naturally deteriorating, but the rehabilitation restored original transom openings, beadboard ceilings, and pressed tin ceilings. The original barbecue pits and meat locker were also retained in the kitchen. A few new additions were made, but the overall renovation preserved the building's historic appearance and character. The barbecue pit and meat locker are symbolic of the history of the building as a barbecue. It's now a pickle factory.

The building at 114 - 116 North Main Street was also used commercially as a drug store and grocery store. The rehabilitation retained the historic parts of the building while stripping it of its non-historic finishes and windows. The historic tin ceilings and light fixtures were restored. The building is now used for retail and apartments for low-income residents.

The property at 24 North Main Street is one of the oldest extant buildings on Elgin's Main Street, and was vacant for many years before its rehabilitation. According to Ogee, "The intensive rehabilitation restored the original storefront, door, and awning, and re-opened the transoms, creating a sun-filled retail space." This building also houses an ADA-compliant apartment in the rear.

The fourth property, the Lundgren Building, historically housed a saloon on the ground floor and a boarding housing on the second. The rehabilitation project removed non-historic partitions that were added over time, which created a light, airy retail space. There are also four spacious apartments on the second floor, each with access to the original balcony. Other original parts of the building were kept as well.

While it started as a "typical Texas railroad community" many years ago, Wilcox said, Elgin is now growing by the day. Elgin currently has a population of 8,000 and counting. Its proximity to Austin makes this small suburb more and more attractive to potential residents. Also enticing are its monthly and annual events, including Sip Shop & Stroll and the annual Hogeye Festival.

Many of these popular events are held in Historic Downtown Elgin, much of which has been rehabilitated for the further enjoyment of its residents and visitors. This was possible through the use of Historic Tax Credits. "HTC was crucial as it is in most cases," said Wilcox.

She further explained the process of securing these credits for the small projects. "With the Elgin projects, we started with our foot in the door

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because the buildings were all listed in a National Register Historic District, so they automatically qualified for credits." Otherwise, this would have added another step to the process, which can be lengthy. Once the tax credits were secured, it was a matter of team work. Because these are small projects, the state credit piece was sold to local businesses while the federal credit was retained by the owner. From there, Wilcox said that she and the rest of Ogee "worked with the owners and architects to come up with a design for improved retail space without removing historic materials, and adapting the upper floor, essentially blank spaces, into modern, marketable apartments."

Also involved was the Texas Historical Commission, which provided a challenge during the Elgin downtown rehabilitation. Wilcox said, "This is true with any State Historic Preservation Office, simply because each reviewer has their own opinion about the project. There usually ends up being a few compromises in HTC projects or conditions." With these conditions, the projects' overall goals remain intact, although the plans to get there might change.

The results are rewarding at a project's completion and beyond, especially with Elgin. Wilcox says, "The projects have truly spurred interest in investing in downtown Elgin, as its quickly becoming an Austin bedroom community." This is especially advantageous as Austin itself continues to grow. PricewaterhouseCoopers LLP shows that Austin's local economy has no shortage of investor interest. It also projects Austin's population growth at 2.8% in 2018, well above the U.S. average. There is so much promise in this area that is only enhanced with Elgin's revitalization.

HTC's provided the necessary funds to make the rehabilitation of these buildings possible, and thus the spurred interest. The architects for each project preserved many of the original elements. "These projects are preserving the building's historic use (retail) while adding a new use (apartments)," said Wilcox. This way, the mixed-used developments breathe new life into downtown Elgin, with whispers of the past to remind us of the successful town Elgin once was and will be again.

Georgia Coffman is an Affordable Housing Content Strategist at Gill Group, Inc. She may be reached at 573-625-4133 or Georgia.coffman@gillgroup.com. Cash Gill is Vice President of Gill Group, Inc. and a 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. For more information about Gill Group, please visit https://gillgroup.com.

Income Averaging: Know the Elephant in the Room

By Jeremy Densmore and Quinn Gormley, Tidwell Group

Jeremy Densmore

Quinn Gormley

While a number of state agencies are starting to adopt Income Averaging (IA) policies, there is still speculation on what the future IRS guidance will be. Recent industry articles have provided some speculative insight outlining common approaches for interpreting the IA amendment to the code. However, in the midst of all the opportunity that IA provides, the "elephant in the room" is still the potential issue of non-compliance.

Tidwell Group's previous article on IA, ***Income Averaging: Handling a Double-edged Sword***, presented the opportunities brought forth by the new rules and shared our words of caution. In Tidwell Group's efforts to keep you abreast of new developments and provide insight on current rules, we present the following information as we continue to pursue further discussions with government authorities.

Opportunities Abound

Industry experts and developers with extensive experience in the mitigation of risk with developing and operating LIHTC properties all agree: Income averaging is a very powerful tool allowing greater flexibility in addressing affordable housing issues faced by urban and rural communities. IA provides opportunities for offsetting rents of higher area median income (AMI) residents with the rents of low-income and very-low income residents. More specifically, in urban communities with higher AMI and less centrally located affordable housing, IA is closer to benefiting middle-income workforce housing that has reduced affordable housing options in those markets.

As a result, communities could experience relief for traffic congestion as housing is closer to job centers and central urban amenities. In addition, IA could result in providing additional job options to both lower and middle-income tenants. In rural markets where AMI may be naturally lower than urban centers and where additional soft financing is more difficult to acquire, deeper rent-skewing can become more attainable thereby providing current and long-term rent stability.

Pay Attention to the Two Levels of Non-compliance

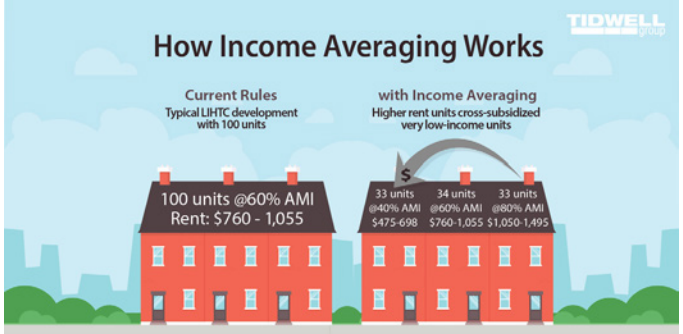
It is important to remember that there are fundamentally two layers of non-compliance with the IA rules:

- Federal compliance with elections made on IRS Form 8609 that could result in recapture; and
- State agency compliance regarding the utilization of housing tax credits in accordance with state generated policies and recorded in the state issued land use restriction agreement (or "LURA")

As states start to implement IA policy, the following question arises: How will the "imputed income limitation designated by the taxpayer with respect to the respective unit" be implemented in the LURA?

Regarding federal compliance in accordance with the Internal Revenue Code (IRC), where a taxpayer "designated" unit falls out of compliance with its income designation, the average income over the building or the project could be skewed above the Form 8609 income average designation. Under the rules, such non-compliant designated units could face recapture of credits associated with such units (or units that place the project above the 60% average-depending on interpretation). Depending on your 8609 election, non-compliance could be based on a unit basis affecting the applicable fraction instead of on a project basis affecting the minimum set-aside, hence negating the detrimental "cliff test" scenario. This is believed to be the case as long as at least 40% of the designated units in the project still have an average affordability of 60%. This is an important clarification as the applicable fraction addresses the question of how many credits can be claimed, where the minimum set-aside addresses the question if you can take any credits at all.

Regardless of the policy in the respective Qualified Allocation Plan, close attention should be paid to the IRS Form 8609, Line 8b "multiple building project" election. It could mean the difference in applying the minimum set-aside election to each individual building or multiple collected buildings in the project.



Besides the federal elections, another important factor includes state agency low-income designations that may be required for either threshold requirements or scoring requirements, which are ultimately recorded in the project's LURA – the other factor of non-compliance. The intent of IA is to provide flexibility and broaden the availability of housing across income bands. It is hoped that states will adopt a high level of flexibility with respect to the taxpayer designation of units under IRC §42(g)(1)(C)(i). For many years, states strived to allocate credit authority to "projects that serve the lowest income tenants." Many of these LURAs already provide operational flexibility. This is to allow the units that serve AMIs below 60% (and 50% in some cases) to be moved within the project as long as those respective AMI "set-aside" units are maintained at the same percentage of the overall restricted units and unit types. Creating more rigid designations may have unintended consequences.

Under the LURA, when a lower AMI unit was mistakenly rented to a higher-income tenant, the project would be out of compliance with the state's LURA but would likely still remain in compliance with the election made on the older Form 8609, Line 10c (20% at 50% AMI or 40% at 60% AMI). In such instances of state-regulated non-compliance, the project did not necessarily face recapture of the credit, but may have received an IRS Form 8823 (Report of Noncompliance) from the state. This is still the case under the new 8609 and IRC §42(g)(1)(C)(i). This non-compliance may not lead to recapture at the Federal level, but many states require the disclosure of previous 8823s at the time of application on future projects. Even though the owner's other project(s) may be in compliance at the Federal level, the fact that there are 8823s issued from previous LURA violations, the owner could be negatively impacted on future proposed affordable housing developments for non-iniquitous reasons due to the rigidness of policy.

In reviewing the current situation, it is clear that our congressional law-makers provided a new tool to serve a broader band of incomes in an effort to address the affordability crisis faced by many states and municipalities today for incomes at 80% and below AMI. Certain IA rules[4] provide for a desired preference of "projects that serve the lowest income tenants." In relation to that preference mandated to the states under the code, IA under IRC §42(g)(1)(C) provides a new tool that allows a higher-income tenant band to also be served. This furthers the stability of the market and the project that serves the lowest-income tenants. Under reasonable interpretation, IRC §42(g)(1)(C) allows flexibility at the federal level to limit the event of recapture upon non-compliance. State IA policy for Qualified Allocation Plans should also consider providing a level of reasonable flexibility under the code for evolving guidance.

In Summary

IA clearly provides significant opportunities to constituents of affordable housing projects and to the general public as well. However, it is critical to be cognizant of the factors impacting non-compliance and the resulting consequences. While the aforementioned article is only a brief synopsis and analysis of the non-compliance IA rules, it serves as an update to Tidwell Group's previous article on IA. Tidwell Group will continue to monitor guidance from both the state agencies and the IRS and provide updated information as new developments arise. We recommend contacting a Tidwell Group professional for more complete and particular guidance regarding the IA rules and how they may impact your particular project.

Jeremy Densmore, CPA, is an Assurance Partner in the Atlanta office of Tidwell Group. He may be reached at 470- 273-6619 or jeremy.densmore@tidwellgroup.com.

Quinn Gormley is a Tax and Real Estate Consulting Partner in the Austin Office of Tidwell Group. He may be reached at 512-693-2187 or quinn.gormley@tidwellgroup.com.

For more information, please visit https://tidwellgroup.com/.

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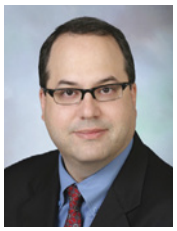
The CARH News

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.

COUNSEL'S CORNER

Possible Changes to the Community Reinvestment Act

By Richard Michael Price, Esquire, Nixon Peabody LLP



The Office of Comptroller of Currency published an Advance Notice of Proposed Rulemaking (Notice) for possible changes to the Community Reinvestment Act (CRA) on September 5th seeking responses to 31 questions by November 19th. CARH submitted responses supporting low income housing tax credits (Housing Credits) and greater access to buying credits and making multifamily housing loans in rural areas.

The questions were put forth in several groups: current regulatory approach; metric-based framework; redefining communities and assessment areas; expanding eligible areas; and bank record keeping and reporting.

CRA is a federal statute that sets goals and procedures encouraging federally regulated depository institutions to extend loans, and certain kinds of investments, in ways that benefit communities in which they are located. CRA does not weaken or change sound banking practices. But it encourages banks to loan and invest in low and moderate income communities (LMI). Housing Credit developers, syndicators, and investors know that banks seek areas that are eligible for CRA, which increases both Housing Credit pricing and availability. A 2013 study by CohnReznick noted the Housing Credit spread between CRA and non-CRA areas have been as much as 35 cents on a dollar of credit. One clear way banks can meet CRA goals in their assessment area is to invest and/or loan to support qualifying affordable housing, like meeting Housing Credit and Rural Development program requirements.

The Notice discusses the current complexity in CRA rules, and CARH's comments acknowledged the complexity. While efforts to clarify, and increase transparency of CRA are laudable, some complexity is needed to achieve CRA's goals. Streamlining should only be done in a way that preserves incentives to invest in affordable housing in rural areas.

CARH's comments also agree with adding flexibility in the identification and classification of assessment areas to include rural communities without access to bank branches or facilities. This would widen assessment areas into more rural communities. Some banks may determine that it is not feasible to operate or maintain branches or facilities within rural communities, however, they may still provide many of their services within these communities remotely or through investments in affordable housing.

We certainly made clear we support expanding and improving the consideration of CRA-qualifying activities beyond a bank's existing assessment area. We noted OCC could expand assessment areas and the definition of "community and economic development" to include investments in Opportunity Zones within the same state or states as the financial institution's current assessment area or areas.

We also supported recognition of community development activities arising out of federal and State programs designed to benefit LMI populations. Programs included Housing Credits, and USDA Rural Development rural rental housing loan and subsidy programs that are designed to assist low income workers and retirees. These programs assist activities that have been vetted by government agencies already. Banks can efficiently meet CRA requirements by lending to or investing in such activities.

Small business and consumer lending are also important because those activities provide crucial opportunities for many rural families and communities. Such loans also include loans for the construction and operation of small buildings, comprised of fifty (50) or fewer units.

While CARH's comments were generally supportive, we expressed concern about, and opposed, a proposed a single ratio to establish benchmarks for rating categories. We supported the retention of a distinct investment test because investments in affordable housing in rural areas have tremendous positive impact within those communities.

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.

ADVISORY TRUSTEE PROFILE

Yoder Builders, Inc. and Warrior Run Development Corporation

Compiled by Betsy Valentine, CARH Marketing Consultant

Yoder Builders, Inc. and Warrior Run Development Corporation make up the Yoder Group. For more than 40 years, they have built, managed and maintained over 80 family and elderly complexes, totaling approximately 2300 rental units, and countless single family homes throughout Pennsylvania. The company has expanded from one construction company, to five corporations and over seventy partnerships.

Bob Yoder

Yoder Builders, Inc. provides construction services throughout Pennsylvania, including residential construction, light commercial construction and construction of low, moderate and high income single family homes and multi-family complex's. Yoder Builders provides the flexibility that enables the customer to build at an affordable price.

Warrior Run Development Corporation handles all development activities and all aspects of rental and property management. Hundreds of people are living comfortably and affordably in attractive apartment complexes throughout Pennsylvania. Each complex is an asset to its community, harmonizing environmentally and aesthetically with its surroundings while providing an economic boost to nearby businesses. It all begins with a visit to the community to discuss the feasibility of a development with government representatives and citizens. One question is uppermost: will it be beneficial for the community? If so, the site is selected that's within easy reach of fire and police protection, medical facilities, schools, shops, and supermarkets. Parking, walkways, lighting, landscaping, and access for the handicapped are all incorporated into the complex.

Nathan Yoder

Nathan Yoder is Vice President of Yoder Builders Inc., and Warrior Run Development Corporation, and is the third generation in the family business. Over the past 15 years, Mr. Yoder has assisted in the on-site development and construction of new homes and multifamily housing. He is also responsible for design, estimation and the sale of homes, both first time and conventional home buyers. He is actively involved in the planning of developments, working with various municipalities. Mr. Yoder is also involved with energy efficient and green building practices, both in the single and multi-family construction activities.

Mr. Yoder serves as Vice President of Council for the Borough of Turbotville. He is actively involved in the National Council for Affordable and Rural Housing (CARH) and serves on the CARH Board of Directors. He is also active in the National Home Builders Association (NAHB), and is a former member of the Affordable Housing Advisory Council Committee with the Federal Home Loan Bank of Pittsburgh. Nate's father, Bob Yoder, served as CARH's President in 1998-2001.

For more information, please visit http://www.liveinpa.com/.

STATE AFFILIATED ASSOCIATION PROFILE

Wisconsin CARH

Compiled by Betsy Valentine, CARH Marketing Consultant

The Wisconsin Council for Affordable and Rural Housing (WI-CARH) is dedicated to the preservation, promotion, and education of the rural housing industry in Wisconsin. The association has been a leader in the affordable housing industry there since its inception in 1998. Their three primary goals include: provide support and educational opportunities to rural housing professionals; maintain open communication and be supportive of rural housing funders; provide members with services and support; and advocate for the enhancement and well-being of rural housing in Wisconsin. Their activities take several directions such as supporting agencies like Rural Development (RD), Wisconsin Housing and Economic Development Authority (WHEDA), lenders, and other affordable housing funders. This includes ensuring continuation of program funding and advocating new sources of funding for the various programs directed toward rural affordable housing. Russell D. Kaney, Director, Rural and Native American Initiative of Enterprise Community Partners, Inc. is President of the Board of Directors and also serves on national CARH's Board of Directors.

WI-CARH was named the ***2011 State Affiliated Association of the Year*** at the National CARH Midyear Meeting in January 2012. This award recognizes excellence in the program, services and management of a state affiliated association. In addition, CARH has honored one of WI-CARH's best known members, Jim Poehlman, now deceased, by naming one of their scholarships in his honor.

WI-CARH holds an annual conference and general membership meeting each year, usually in the fall. This meeting gives members time for networking, educational seminars and training. Speakers include industry experts from all over the country. The 21st Annual Meeting & Conference was held on November 8, 2018, at the Kalahari Resort & Convention Center. The theme, **"The Challenges and Changes in Rural Housing,"** provided the framework for educational sessions. Toni Blake, a popular international speaker, consultant, author, and comedienne inspiring thousands of multifamily apartment industry professionals every year, was the keynote speaker.

WI-CARH also maintains a Liaison Committee with RD to discuss housing issues that RD is addressing, as well as training needs of members. These highly productive meetings have been part of WI-CARH since 1997.

WI-CARH is represented on the Wisconsin Collaborative for Affordable Housing and WHEDA Affordable Housing Advisory Committee. They are an important voice in the rural housing community in Wisconsin. Each spring, WI-CARH schedules a one-to-three day session for members and housing professionals on topics like fair housing, marketing properties, management training, budgeting, maintenance issues and alternative financing models. In 1999, WI-CARH started a property lease program, which insures members that the lease meets all current Wisconsin statutes as well as RD and HUD regulations.

A scholarship was introduced in 2006 to assist students who live in affordable rural housing to attend college. WI-CARH awards a $1,000 scholarship for post-secondary education each year at their Annual Conference.

For more information, please visit https://www.wicarh.org/.

2019 CARH Membership Renewals

By Tamara Schultz, Membership Manager

It's time to renew your membership in the Council for Affordable and Rural Housing (CARH)! CARH members are a vital part of the nation's premier association advocating for the affordable rural rental housing industry. CARH members are key players in the industry and make the association strong. We need your continued support to remain the industry leader CARH has been for almost 40 years!

In partnership with you, CARH advances major legislation, impacts policy changes, develops educational programs, creates new communication channels and ensures that every member of Congress, as well as officials in the Executive Branch, are keenly aware of the issues facing the affordable rural housing industry. In the face of tumultuous times in Washington, it's more important than ever that CARH continues its important work to impact national policy.

Legislation/Policy

Next year, CARH will focus on the final Appropriations bills for Fiscal Year 2019, to ensure adequate funding for all affordable housing programs. We will continue to encourage the Administration to develop policies leading to long-term preservation solutions for the rural housing portfolio. CARH will engage Congress in reviewing and examining current affordable housing policies, determining what works, what needs improvement, and revising or replacing policies and procedures with those that support the industry.

The Administration and Congress are still discussing funding for infrastructure needs. CARH is working with a broad coalition to ensure that rural communities' needs are part of this discussion. Finally, we will continue to urge enactment of legislation that will enhance the housing credit and housing bond programs. It's critical to rural areas that both programs are used for preservation of the rural housing portfolio.

Meetings/Education/Networking

National meetings are a key benefit of CARH membership. The Midyear Meeting in January and the Annual Meeting in June, host educational sessions that keep members informed of the latest regulations, policies, and trends in the industry. Networking opportunities provide a chance to develop important relationships that foster business growth and success. The CARH Midyear Meeting will be held January 28–30, 2019 at Ocean Reef in Key Largo, Florida. The 2018 Harry L. Tomlinson, Member of the Year and State Affiliated Association of the Year Awards will be presented. Registration information is available on www.carh.org. The full agenda, with educational sessions and featured speakers, is available here.

News and Information

CARH keeps members informed on the latest industry news, policies, legislation and trends through:

- The ***CARH News*** is published digitally every two months.
- ***Insights for On-Sites*** is geared toward on-site property managers and maintenance personnel.
- The ***Electronic AN Express*** contains key excerpts from various federal publications.
- **CARH Broadcast Emails** keep members informed in real time.
- **Members Only** section of www.carh.org hosts an abundance of information exclusively for CARH members.

Training

CARH Professional Designations are designed to elevate professional standards, enhance individual performances, and designate those leaders in the rural affordable housing industry who demonstrate the highest standards of professionalism, ethics, dedication and expertise. The designations are:

- Rural and Affordable Housing Executive (RAHE)
- Rural and Affordable Housing Professional (RAHP)
- Rural and Affordable Housing Maintenance Professional (RAHMP)

Online training offered by industry experts in partnership with CARH.

Discounts for Your Properties and Company

The ***CARH Preferred Buyer Program*** offers CARH members and member properties discounts on products and services through Preferred Vendors.

As a National CARH member, you understand the importance of your continued participation in CARH. With your active support, CARH will remain the industry leader and you will continue to enjoy the great benefits CARH membership provides.

Renewing Your Membership is Easy

Renewal notices were mailed at the beginning of October to all direct-billed CARH members. Simply complete the enclosed form with the renewal letter and invoice. Send the form, appropriate membership dues, and property education and trainings (if appropriate), along with a listing of those properties, to the national CARH office at:

CARH
116 S. Fayette Street
Alexandria, Virginia 22314

National direct-billed CARH members can pay by check or credit card. CARH accepts American Express, MasterCard, Visa, Discover or Diner's Club. **State affiliated associations that invoice for CARH national dues at the same time as they invoice for their state dues, will be sending out your renewal notices for 2019 dues soon.**

For member companies with properties in your portfolio, those properties ***must*** *pay the training and education fees outlined in the enclosed materials to receive the* Insights for On-Sites *newsletter and to participate in the CARH Preferred Buyer Program. Paying this fee also allows employees at these properties to be eligible for discounts on CARH-sponsored education programs, including the online training courses and for residents to apply for the CARH Scholarship Foundation scholarships.*

If you have not yet joined CARH at the national level, click here or visit www.carh.org.

We appreciate your membership in CARH and look forward to your continued partnership as we move into 2019 and beyond!

If you have any questions regarding your membership or the property training and education fees, please contact Tamara Schultz, Membership Manager, at 703-837-9001 or tschultz@carh.org.

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2019 Scholarship Applications Now Being Accepted

By Rodney Corley, President, CARH Scholarship Foundation

The CARH Scholarship Foundation is accepting applications now through April 30, 2019, for its five college scholarships. The Foundation was established in 2005 to promote education and expand opportunities for residents of affordable housing in rural America. Five scholarships are offered. Three are named in memory of CARH members who left distinguished records of service to CARH and the affordable rural housing industry, one is named in honor of the founding members of the organization, and the last scholarship is named in honor of the Scholarship Foundation itself. The Scholarships are as follows:

James L. Poehlman Scholarship

James L. Poehlman was a founding member of CARH who also served on the CARH Board of Directors, was Chair of the Owners and Development Committees, and the Aging Portfolio Committee Co-chair. He was also an Advisory Trustee and received the 1998 Member of the Year Award.

Gordon L. Blackwell Scholarship

Gordon L. Blackwell, of GLB Associates in Raleigh, North Carolina was a longtime CARH member and past member of CARH's board of directors. Gordon was President and Chairman of the Regency Housing Group.

Jack Godin, Jr. Scholarship

Jack Godin, Jr., was a founding CARH member and former President. He was also founder and president of Southern Development Company, LLC, in Montgomery, Alabama.

CRHD Founders Scholarship

The CRHD Founders Scholarship honors the founding members of the Council for Rural Housing and Development (CRHD), the precursor of CARH.

The 2018 CARH Scholarship Recipients, left to right: Ge'Naya Berry-Hughes, Alexis Dixon, Maddison Robinson, Courtney Murphree and Sarah Harding

CARH Scholarship Foundation Scholarship

The CARH Scholarship Foundation Scholarship is named in honor of the Foundation itself.

To view a list of past recipients of CARH Scholarships, click here.

Each scholarship will grant $1,500 per semester for educational expenses, with a maximum four years of funding. Two types of applications are available, however **one scholarship has been reserved for a qualified applicant who has been accepted at or is enrolled in an accredited vocational or trade school program (if there is a qualified application submitted).** All applicants are eligible for the other four scholarships. For complete instructions on applying for a CARH scholarship and to download an application, please visit the "Scholarship Foundation" section of CARH's website, www.carh.org, or click here.

Please encourage deserving students of CARH-member properties to apply, and to submit their applications no later than April 30, 2019.

TM

On-site Property Managers Can Win $250

On-site property managers play an integral role in the lives of residents who live in rural housing complexes. To reward those managers who encourage students residing at their properties to apply for these scholarships, the CARH Scholarship Foundation will present to the manager of each complex where there is a successful scholarship recipient, $250, plus recognition in CARH's two publications, *CARH News* and *Insights for On-sites*.

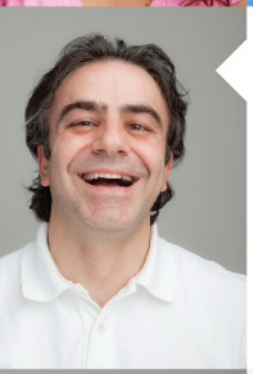
Ask your property managers to help do their part and encourage residents to apply for one of the five 2019 CARH Scholarships!

Season's Greetings!

Wishing you all the joys of the season and happiness throughout the coming new year!

from the
CARH National Office Staff

Colleen, Eppie, Tamara, and Anne!



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Moved in
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Gloria T.

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on Bing

Moved in
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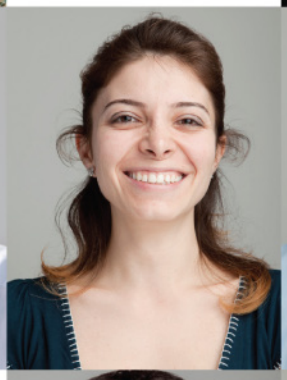
Maria C.

Found us
Through Friend

Moved in
December 11



Clark B.

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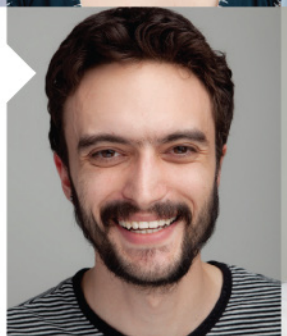
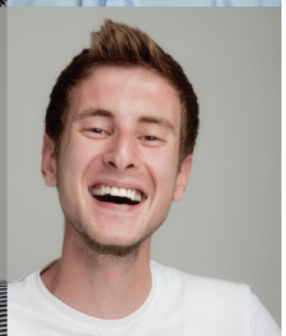
June 5





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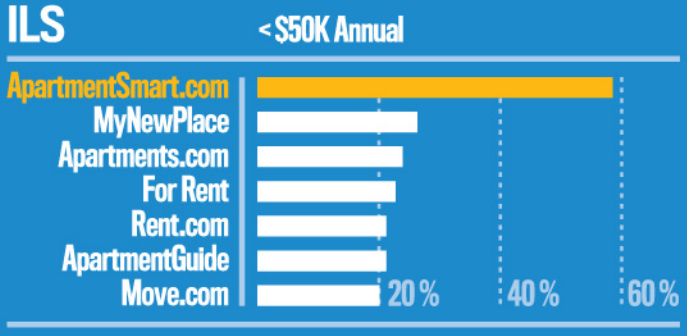

Source: Quantcast, May 2013.

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More Than a Third of American Households Were Cost-Burdened Last Year

By Sean Veal and Jonathan Spader, Harvard Joint Center for Housing Studies

The share of US households facing housing cost burdens fell slightly last year, according to JCHS analysis of newly-released data from the 2017 American Community Survey. The percent of households with cost burdens (paying more than 30 percent of their total household income for housing) declined from 32.0 percent in 2016 to 31.5 percent in 2017 (37.8 million households). The share facing severe housing cost burdens (paying more than 50 percent of their income for housing) also fell slightly, declining from 15.6 percent in 2016 to 15.2 percent in 2017 (18.2 million households). However, despite the decrease in cost-burdened households last year, the share of such households remains larger than in 2001.

These declines occurred among both renters and homeowners and appear to be driven by recent increases in household incomes. Among renters, the share of cost-burdened households declined from 47.5 percent in 2016 to 47.4 percent in 2017 (20.5 million households), and the share of severely cost-burdened renters declined from 25.2 percent in 2016 to 24.9 percent in 2017 (10.8 million households). During this period, the median rent payment (rent plus utilities) among renter households increased from $1000 in 2016 to $1,010 in 2017, but the median income among renters increased from $37,791 in 2016 to $38,300 in 2017.

Among homeowners, the share of cost-burdened households declined from 23.0 percent in 2016 to 22.5 percent in 2017 (17.3 million households), and the share of severely cost-burdened owners declined from 10.0 percent in 2016 to 9.7 percent in 2017 (7.5 million households). Similarly, the median monthly payment (mortgage plus property tax, property insurance, and mortgage insurance) among homeowner households decreased from $1085 in 2016 to $1,080 in 2017, but the median income increased from $74,152 in 2016 to $75,000 in 2017.

While these recent declines in housing cost burdens are a positive trend, they are not large enough to offset the substantial increase in cost burdens since 2001, particularly among renters. The share of renter households with housing cost burdens in 2017 is 6.8 percent (5.7 million households) above the 2001 level of 40.6 percent (14.8 million). This difference reflects the sharp increase in housing cost burdens among renter households between 2001 and the peak of 50.8 percent in 2011, with recent declines only slightly lowering this figure to 47.4 percent in 2017.

Table 1: Cost-Burdened Households (Thousands)

Year and Tenure	Not Burdened	Moderately Burdened	Severely Burdened	Total
2001				
Owners	53,231	10,270	6,485	69,986
Renters	21,658	7,335	7,457	36,450
Total	74,889	17,605	13,942	106,436
2016				
Owners	57,809	9,802	7,492	75,103
Renters	22,984	9,761	11,013	43,758
Total	80,793	19,563	18,505	118,860
2017				
Owners	59,472	9,837	7,469	76,779
Renters	22,784	9,720	10,780	43,284
Total	82,257	19,557	18,250	120,063

Source: JCHS tabulations of US Census, American Community Survey 1-Year Estimates

Table 2: Share Of Cost-Burdened Households (Percent)

Year and Tenure	Not Burdened	Moderately Burdened	Severely Burdened	Moderate + Severe
2001				
Owners	76.1%	14.7%	9.3%	23.9%
Renters	59.4%	20.1%	20.5%	40.6%
Total	70.4%	16.5%	13.1%	29.6%
2016				
Owners	77.0%	13.1%	10.0%	23.0%
Renters	52.5%	22.3%	25.2%	47.5%
Total	68.0%	16.5%	15.6%	32.0%
2017				
Owners	77.5%	12.8%	9.7%	22.5%
Renters	52.6%	22.5%	24.9%	47.4%
Total	68.5%	16.3%	15.2%	31.5%

Source: JCHS tabulations of US Census, American Community Survey 1-Year Estimates

Lastly, the 2017 data show that housing cost burdens are nearly universal among the lowest-income households, including both homeowners and renters. Among renter households in 2017 with incomes below $15,000, 82.8 percent (83.8 percent for homeowners) were housing cost burdened and 71.7 percent (67.9 percent of homeowners) were severely cost burdened. These high levels of burden underscore the difficulty for households with the lowest incomes to find housing in the private market.

Because housing units often cannot be supplied at rents affordable to households with the lowest incomes, reducing the extent of severe housing cost burdens requires strategies that increase the availability of housing assistance, or increase these households' incomes. At higher income levels, greater production of housing units at all price points also has a role to play in reversing the longer-term rise in housing cost burdens since 2001.

Sean Veal is a Research Assistant at the Joint Center for Housing Studies.Jonathan Spader is a Senior Research Associate at the Joint Center for Housing Studies.

For more information, please visit http://www.jchs.harvard.edu/blog/.

CARH MEMBERS:

Remember to visit www.carh.org where you'll find the "Resources" and "Members Only" sections "Helpful Links" and "Forms and Other Best Practices." These sections of the website contain valuable information that CARH provides exclusively for members!

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What Accounts for Recent Growth In Homeowner Households?

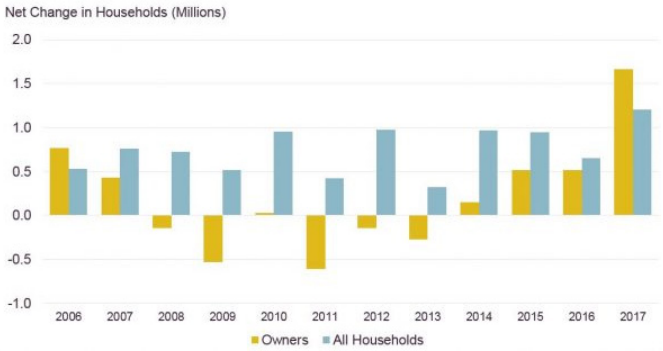
By Alexander Hermann, Harvard Joint Center for Housing Studies

In 2017, the US added more homeowners than any year since at least 2005, when the **American Community Survey (ACS)** was first fully implemented.

However, the nation's stock of newly built units grew only modestly last year. This begs the question: where did all the remaining owner-occupied units come from? In addition to new construction, ACS data suggests that homeowners were increasingly likely to occupy units that were previously rented, as well as some that were once vacant.

In total, the number of US households rose to 120.1 million last year, up 1.2 million from 2016. This is less than the growth in homeowners, which grew by 1.7 million households on net, an increase that was offset by a nearly 500,000 household net decrease in the number of renters **(Figure 1)**. These household growth totals are in line with the Census's quarterly **Housing Vacancy Survey**, which found that the number of homeowners rose by 1.6 million between the end of 2016 and the end of 2017.

Figure 1: The Large Number of New Homeowners Drove Household Growth in 2017



Source: JCHS tabulations of the US Census, American Community Survey 1-Year Estimates.

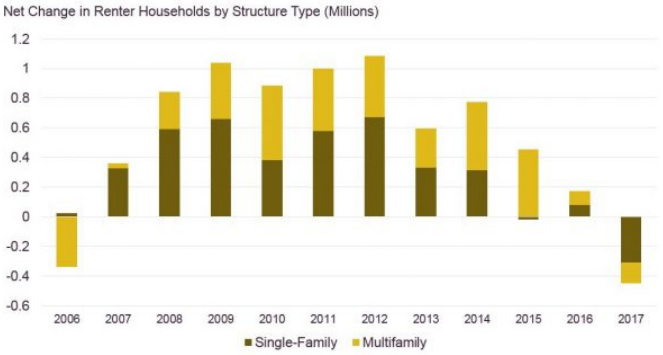
New residential construction could have accounted for only a share of the growth in new homeowner households. In 2017, 795,000 new single-family homes were completed, according to the Census Bureau, and approximately 95 percent of those units were built for owner-occupants. An additional 22,000 multifamily units were also built for sale.

A small share of the new homeowner households was previously vacant. According to the ACS, over the past year, the vacancy rate for owner-occupied units declined from 1.8 to 1.6 percent, a drop that could account for as many as 150,000 additional owner-occupied units. (Notably, this estimate doesn't consider demolitions or other possible losses to the vacant stock that could cause the vacancy rate to fall.)

Even more importantly, our tabulations of ACS data also suggest that rental units are increasingly likely to be bought and occupied by homeowners, which is a notable reversal of patterns from recent years. For example, Stuart Rosenthal has estimated that between 2000 and 2014, more than 10 percent of homes built in the 1990s switched from owner- to renter-occupancy on net. Similarly, our latest ***State of the Nation's Housing*** report found that 3.9 million single-family homes converted to the rental market in 2006–2016.

But in the last few years, recently built housing has been transitioning back to the owner-occupied stock, a trend that continued, even accelerated, in 2017. Notably, the total number of rental households dropped by 459,000 in 2017, and losses were particularly concentrated in unit types that are more likely to be owner-occupied. The number of single-family rentals, for example, declined 309,900 on net (2.1 percent of single-family rental households) while those in multifamily buildings declined 140,000 units (or 0.5 percent of the multifamily rental stock). This is significant because in 2017, homeownership rates in single-family homes were 82 percent and only 13 percent in multifamily buildings (Figure 2).

Figure 2: After Growing by 3.9 Million Units Since 2005, Single Family Rentals Comprised the Bulk of Losses to the Rental Stock Last Year



Source: JCHS tabulations of the US Census, American Community Survey 1-Year Estimates.

Of course, single-family rentals might be more likely to leave the stock for other reasons. For example, these units tend to be older and, therefore, more likely to be demolished. Illustratively, 62 percent of single-family rentals were built before 1980 compared with only 54 percent of multifamily rentals.

However, the loss of single-family rental units was especially concentrated among newer homes, which are the units least likely to be demolished. The Joint Center's analysis of ACS data, for example, indicates that among the net losses to single-family rentals, about 132,800 units (or 41 percent of the total net losses to the rental stock) were built between 2000 and 2009. In contrast, 47,600 single-family rentals built between 1980 and 1999 were also lost in some fashion, as were 97,100 units built between 1960 and 1979 and 103,700 units built before 1960.

Sampling error and upward corrections to housing unit counts in 2017 are another possible—and potentially more problematic—source of the reported growth in owner-occupied units. But homeownership rates, which should be less influenced by year-to-year changes in the stock count, provide additional evidence that conversions to homeownership accelerated in 2017. Specifically, any over-counting of homeowners would need to apply differently to renters, or change systematically over time, to bias the homeownership rates for different vintages of the housing stock.

Consistent with Rosenthal's findings, the homeownership rate for all homes, regardless of their age, declined between 2010 and 2013. However, starting in 2014, the homeownership rate increased modestly only for units built between 2000 and 2009, increasing even more sharply for those units built in 2016 and 2017. In contrast, homeownership rates for units built before 2000 fell in 2014, had mixed results in 2015 and 2016, and increased modestly for all older homes in 2017 (Figure 3).

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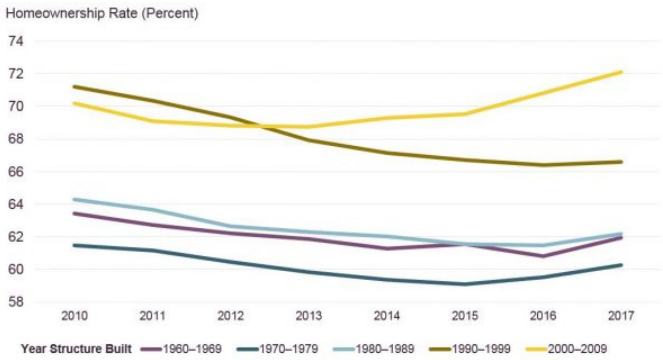
Figure 3: The Homeownership Rate Has Increased Most for Newer Units Since 2015, But Increased for Older and Newer Units Alike Last Year



Source: JCHS tabulations of the US Census, American Community Survey 1-Year Estimates.

These changes in tenure are especially noteworthy because they seem inconsistent with conventional views of long-run trends in housing at first glance. Housing quality inevitably declines as the housing stock ages and that decline in quality generally causes units to filter from owner- to renter-occupancy. This helps explain why homeownership rates are higher for households in newer units than those in older units.

But, as Rosenthal has discussed, tenure switches involve both short- and long-term conversions. And in the short run, the "normal" filtering process can reverse (or accelerate) to accommodate fluctuating market conditions. Data in the 2017 ACS provides strong evidence that while new construction met a significant share of the demand for homeownership opportunities, tenure conversions, particularly among new units, also helped fill the gaps created by historically low levels of new construction.

Alexander Hermann is a Research Analyst at the Joint Center for Housing Studies at Harvard, working on projects related to housing markets, demographics, and housing policy.

For more information, please visit http://www.jchs.harvard.edu/.

Welcome New CARH Members!

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jbaker@beaconcommunites.com

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www.cinnaire.com
302-231-4426
Contact: Krista Wriston
kwriston@cinnaire.com

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www.creativebenefitsgroup.com
615-512-3555
Contact: Bob Scarlata
bscarlata@creativebenefitsgroup.com

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781-704-4241
Contact: Matt Littlefield
mlittlefield@innovativecostsolutions.com

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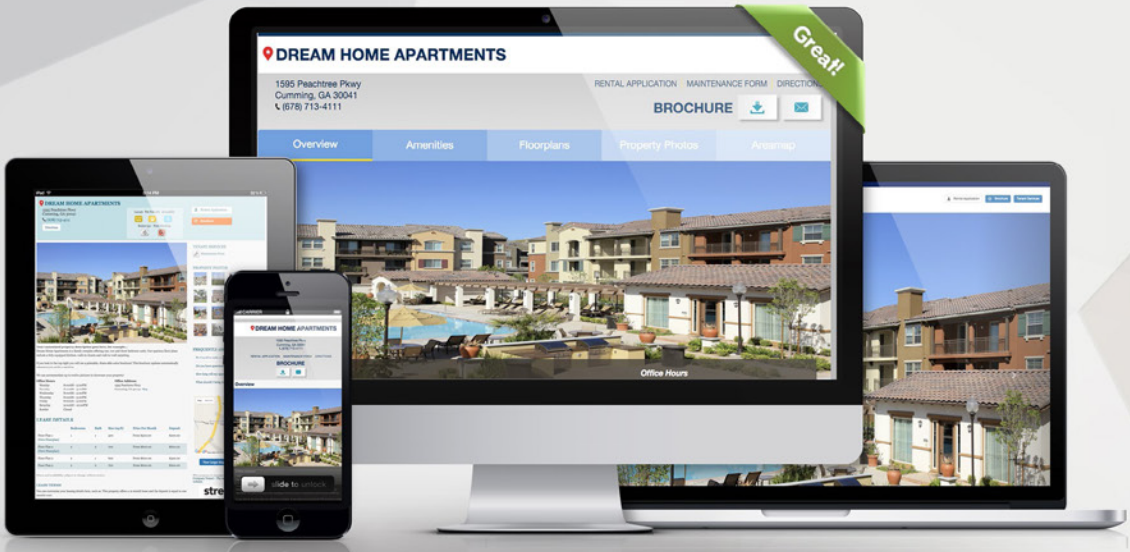

Online Statistics you should know

- NARealtors study reports **90%** of apartment hunters start their search online *1
- **78%** of apartment hunters visit a community's website before contacting the office *2

Stats from Streamroll's network of 500+ affordable housing apartment websites *3

- Apartment hunters are most active online between 10am and 2pm, Monday and Tuesday
- **53%** of apartment website visitors are referred by Google
- **59%** of apartment website visitors referred by Google use the city name in the search
- **62%** of apartment website visitors use a smart phone
- **85%** of apartment website visitors immediately go to the floor plans pages, then photos
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- **11%** of apartment website visitors share listing information with friends and family

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Sources:
*1 - National Association of REALTORS' 2013 "Study-Digital-House-Hunt"
*2 – SatisFacts Research's 2015 "Today's Online Renter"
*3 – Streamroll apartment community network of sites 01/2015 to 12/2015

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01/2015v1

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. On August 1, the Senate passed H.R. 6147 - a four bill "minibus" appropriations legislation. On September 28, a Continuing Resolution (CR) was passed and funded the government through December 7. On December 7, a second CR was passed funding the government through December 21.

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 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 FY 2018 funding level 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
	H.R. 6072 provides $1.2 billion in funding.	S. 3023 provides $1.362 billion in funding.	N/A
	H.R. 6072 provides $11.347 billion in funding.	S. 3023 provides $11.747 billion in funding.	N/A
	H.R. 6072 provides $22.476 billion in funding.	S. 3023 provides $22.781 billion in funding.	N/A
	H.R. 6072 provides $3.365 billion in funding.	S. 3023 provides $3.365 billion in funding.	N/A
	H.R. 6072 provides $2.75 billion in funding.	S. 3023 provides $2.775 billion in funding.	N/A
	H.R. 6072 provides $4.55 billion in funding.	S. 3023 provides $4.756 billion in funding.	N/A

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MARK YOUR CALENDAR

Upcoming Meetings

NATIONAL CARH MEETINGS

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 Midyear Meeting – New Orleans, LA – January 27-29, 2020

2020 Annual Meeting & Legislative Conference – Arlington, VA – June 22-24, 2020

2021 Annual Meeting & Legislative Conference –Arlington, VA – June 21-23, 2021

STATE AFFILIATED ASSOCIATION AND PARTNER MEETINGS FOR 2019

CCAH Annual Meeting

4/28-30/2019

The Carolinas Council for Affordable Housing (CCAH) will host its Annual Meeting on April 28-30, 2019, at the Marriott Grand Dunes in Myrtle Beach, South Carolina. Contact Jill Odom at 919-529-4937 or ccahboard@aol.com for more information. Or visit www.ccahonline.com.

VCARH Annual Meeting

5/19-21/2019

The Virginia Council for Affordable and Rural Housing (VCARH) will host its Annual Meeting on May 19-21, 2019, at The Madison Hotel in Harrisonburg, Virginia. Contact Sandra Lux at 804-674-5162 or vcarh@comcast.net for more information. Or visit www.vcarh.org.

AAHA Annual Conference

5/22-25/2019

The Alabama Affordable Housing Association (AAHA) will host its Annual Conference on May 22-25, 2019, at the Holton Sandestin Beach Golf Resort & Spa in Destin, Florida. Contact Arrice Faught at 205-331-8668 or arrice@theaaha.org for more information. Or visit www.theaaha.org.

RRHA TX Annual Convention & Trade Show

7/16-18/2019

The Rural Rental Housing Association of Texas (RRHA TX) will host its Annual Convention & Trade Show on July 16-18, 2019, at the Waco Hilton/Waco Convention Center in Waco, Texas. Contact Royce Ann Wiggins at254-778-6111 or office@rrhatx.com for more information or visit www.rrhatx.com.

Ohio Rural Housing Conference

9/9-11/2019

The Council for Rural Housing & Development of Ohio is hosting the Ohio Rural Housing Conference on September 9-11, 2019, at the DoubleTree Cleveland Downtown in Cleveland, Ohio. Contact Pat Richards at 614-470-4260 or office@crhdo.org for more information. Or, visit www.crhdo.org.

MOCARH Annual Conference & Vendor Fair

9/30 – 10/2/2019

The Missouri Council for Affordable and Rural Housing (MOCARH) will host its Annual Conference & Vendor Fair on September 30 – October 2, 2019, 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.

FLCARH Annual Conference

10/21-24/2019

The Florida Council for Affordable and Rural Housing (FLCARH) will host its Annual Conference October 21-24, 2019, at the Sheraton Sand Key in Clearwater Beach, Florida. Contact Kevin Flynn at 727-754-8445 or kflynn@flynnmanagement.com for more information or visit www.flcarh.org.

AHAIN Affordable Housing Conference & Annual Meeting

10/23-24/2019

The Affordable Housing Association of Indiana (AHAIN) will host its Affordable Housing Conference and Annual Meeting on October 23-24, 2019, at the Embassy Suites by Hilton Noblesville Indianapolis Conference Center in Noblesville, Indiana. Contact Charly Luth at 260-724-6492 or cluth@inaha.org for more information or visit www.ahainconf.org.

WI-CARH Annual Conference

11/7/2019

The Wisconsin Council for Affordable and Rural Housing (WI-CARH) will host its Annual Conference on November 7, 2019 at the Kalahari Resort & Convention Center in Wisconsin Dells, Wisconsin. Contact Diane Hamm at 608-427-2300 or info@wicarh.org for more information or visit www.wicarh.org.

CARH Membership Application

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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.

Located in Carrollton, Texas, RealPage provides products and services to more than 20,000 apartment communities across the United States. Its five on-demand product lines include OneSite® property management systems that automate the leasing, renting, management, and accounting of conventional, affordable, and student living properties; CrossFire® sales and marketing systems that automate and enhance the process of capturing and closing leads; YieldStar® asset optimization systems that maximize asset valuation and investment return through revenue management and market intelligence; Velocity™ utility and billing services that help accelerate payments for resident charges; and LeasingDesk™ point of lease systems that streamline the lease process.

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REGISTRATION FORM

Council for Affordable and Rural Housing

2019 Midyear Meeting

Monday, January 28 - Wednesday, January 30

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Name *-- (Please complete one form for EACH registered attendee)* ***Title***

Company/Organization

Street Address

City ***State*** ***Zip***

Telephone ***Fax***

E-mail ***Website***

Guest(s) Name(s)

How would you best describe your company? ☐ **Developer** ☐ **Manager** ☐ **Owner** ☐ **Syndicator/Equity Financier**

☐ **Vendor/Supplier** ☐ **CARH State Affiliated Association Executive** ☐ **Other (please describe)**

REGISTRATION FEES

Advisory Trustee (first registration free):		
2 or more attendees (per person)	$660	$
Associate Plus (first registration free):		
2 or more attendees (per person)	$730	$
Basic Plus Member:		
1 or 2 attendees (per person)	$790	$
3 or more attendees (per person)	$750	$
Associate or Basic Member:		
1 or 2 attendees (per person)	$840	$
3 or more attendees (per person)	$800	$
State Affiliated Assn. Member:		
1 or 2 attendees (per person)	$880	$
3 or more attendees (per person)	$840	$
Exhibitor's Table + 1 Member Attendee:	$930	$
Each additional exhibitor attendee	$800	$
Non-Member:		
1-2 attendees (per person) (non-exhibitor)	$1,350	$
3 or more attendees (per person)	$1,100	$
Exhibitor's Table + 1 attendee	$1,850	$
Each additional exhibitor attendee	$1,150	$
Government Employee:	$620	$
Additional Guest Registration Fees:		
Monday, January 28 - ***Awards Reception***	$85	$
Tuesday, January 29 - ***Networking Reception***	$85	$
(Receptions included in registration fee. Complete section only for additional guests.)	**TOTAL**	**$**

HOTEL INFORMATION

Please note, as of December 18, 2018, the Ocean Reef is sold out of rooms under CARH's room block (except for two-bedroom condos) (to reserve, visit https://book.passkey.com/e/15982607 by January 4, 2019. (Link is also available on CARH's website.) **Please contact Anne Stuart at astuart@verizon.net to add your name to waiting list in case a room opens up, or visit https://www.visitflorida.com/en-us/cities/key-largo.html to check on room availability at other Key Largo hotels.**

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CANCELLATION/REFUND POLICY

Cancellations must be made via email to **emarecheau@carh.org**. A $35 fee will be charged for registration cancellations received by 5 p.m., Friday, January 11, 2019. $110 will be deducted from cancellations received after that date. Absolutely no refunds will be given after 5 p.m. on Thursday, January 24, 2019, or to registrants who fail to attend the program. An additional $85 will be assessed on all at-door registrations.

To pay by credit card, complete the section below. Or, make check payable to CARH. Send form and payment to:

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CARH news

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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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