November 2016 | Volume XXVIII No. 11

Tax Credit *Advisor*

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Thom Amdur (*New Developments*, p. 5) is the Executive Vice President and Executive Director of the National Housing & Rehabilitation Association, Associate Publisher of *TCA* and has been the leader in the creation and presentation of the Preservation Through Energy Efficiency program.

Bendix Anderson's (*The New Old Neighborhood*, p. 14) work has appeared in *Urban Land Magazine, Affordable Housing Finance Magazine, National Real Estate Investor* and many others. He likes to imagine how abandoned, old houses and crumbling landmarks might turn into something beautiful.

Darryl Hicks (*Talking Heads*, p. 8) is the Vice President, Communications for the National Reverse Mortgage Lenders Association and a 17-year veteran of associations managed by Dworbell, Inc, the management company of NH&RA.

Mark Olshaker (*Ruckus in Rockford*, p. 20 and *Careers in Development*, p. 28) is a best-selling author of fiction and non-fiction and an accomplished researcher in the areas of crime and medicine. Olshaker has written 14 books, most recently *Law & Disorder* with former FBI Agent John Douglas.

David A. Smith (*The Guru is In*, p. 6) is Chairman of Recap Real Estate Advisors, a Boston-based real estate services firm that optimizes the value of clients' financial assets in multifamily residential properties, particularly affordable housing. He also writes Recap's free electronic periodical, "*State of the Market*," available by emailing dsmith@recapadvisors.com.

Joel L. Swerdlow (*The Real Seniors on Campus*, p. 33) is an author, researcher, professor and journalist whose work has appeared in *Harpers, Atlantic, Rolling Stone, Harvard Business Review, Washington Post*, and most major American newspapers, as well as academic and scientific journals. He covered the White House for NPR and was Associate Editor and Senior Writer for *National Geographic Magazine*. TCA

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BLUEPRINT FOR NOVEMBER

By Marty Bell

Barack's Blocks

By the time you read this, we will have elected a new President. The Obamas have reported they will relocate from the White House to a lovely home in the Adams Morgan area of DC until Sasha finishes high school at which point Michelle and Barack will likely return to their family home in the Kenwood neighborhood of Chicago. At that juncture, on those days when the President walks south down South Lake Avenue through Hyde Park where he grew up, past the University of Chicago where he taught and into the Woodlawn neighborhood (where his Presidential Library will be built), he will likely see quite a different scene than when he left to relocate to Washington eight years back. And that change reflects a part of the President's governing philosophy that I feel got lost amidst all the whines and cackles of the past eight years.

Obama was the first President since Franklin Roosevelt to encourage cabinet departments to conduct themselves as collaborators rather than islands. He advocated sharing expertise, budgets and achievement. My long time friend and one time business partner Rocco Landesman served as head of the National Endowment for the Arts during Obama's first term and would enthusiastically rave about his working relationships with Secretaries Shaun Donovan at HUD, Ray LaHood at Transportation and Kathleen Sibelius at Health and Human Services. What were the arts doing with housing, transportation and health? They were aiming to create neighborhoods, not just buildings, transit routes or health centers, but all of that together.

This issue is devoted primarily to neighborhoods. Our cover story features the flourishing of the Woodlawn neighborhood, directly adjacent to the blocks where Barack grew up, thanks to impressive work over the past decade by the not-for-profit POAH (Preservation of American Housing). The photos on our cover are just a sample of the community face-lift and accompanying spirit lift which our staff writer Bendix Anderson captures for you. (*The New Old Neighborhood,* p. 14)

Another (and not so rosy) side of what we will remember about the Obama Era is chronicled by staff writer Mark Olshaker in the "Ruckus in Rockford" (p. 20) where the Gorman Companies have battled against strong community opposition to a planned new affordable housing development that has resulted in law suits filed by both sides. Gorman has had strong backing from HUD in upholding their AFFH directive. It would be nice to think the days of these local protests are over, but they are not, and Mark's story prepares you if you ever face one.

A new neighborhood option for older adults seems to be blossoming throughout the country as senior living facilities of various kinds and with various services are being constructed on available land at universities and colleges. In addition to continued learning, many of the schools have hospitals, entertainment options and attract the construction of public transportation, thus providing convenience it may be difficult to duplicate elsewhere. Staff writer Joel Swerdlow provides an overview of this trend. (*The Real Seniors on Campus*, p. 33)

Finally, this month both of our columnists, NH&RA Executive Director Thom Amdur (p. 5) and guru David A. Smith (p. 6), attended a discussion on Naturally Occurring Affordable Communities (NOAH), an outside the box look at an alternative method of increasing needed homes, and were so inspired, they each wanted to tell you about it.

Now that the addictive, if disturbing, election bickering is no longer sating our living rooms, you should have plenty of leisure time to stroll with us and enjoy our visits through these interesting neighborhoods.

Marty Bell, *Editor*

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Naturally Affordable

Thom Amdur

Housing is generally considered affordable if total housing costs do not exceed 30 percent of an individual's gross income. This is really more of a programmatic definition than a practical one; it is a helpful measure for setting subsidized rents and utility allowances for low-income families that are lucky enough to live in LIHTC or Section 8 housing.

But this definition doesn't take into account the myriad of other factors that aren't "technically" regarded as housing costs but effect affordability. Transportation and commuting costs, for example, are not considered in this formula. Yet many families can only find affordability in the suburbs and exurbs or in neighborhoods without easy access to mass transit and, as a result, getting to work makes their housing more expensive.

The subsidized market is only a small part of the affordable housing landscape. According to data from the CoStar Group, subsidized housing only represents about eight percent of the overall rental market. Although it may be a little more of the total rental stock if you include market rate apartments that accept portable vouchers.

So most low and moderate income renters don't live in subsidized housing. There simply is not enough supply to meet demand. Many of these renters are in the "workforce housing" income band—they are severely housing- cost- burdened but earn too much to qualify for subsidy.

So where do they all live?

Many of them live in the approximately 5.6 million units of "Naturally Occurring Affordable Housing" or "NOAHs." The rents in these apartments are affordable to low-income families because the apartments are older and of lower quality. The amenities and features tend to be very limited and the neighborhood characteristics and qualities can be pretty variable. It's functional housing and it is at risk. Residents living in NOAHs in desirable locations are facing rising rents while those living in NOAHs in impoverished neighborhoods confront deterioration.

As a society and as an industry, we need a concerted strategy to preserve these properties as affordable, but given the private nature of the product we lack the regulatory levers necessary to do so. Society needs to increase the supply of these units but we are not building them because regulatory barriers make it cost prohibitive to build at this price point absent subsidy in most markets.

Fortunately, there is a lot of innovation around the edges of this market that could change this dynamic. For example, Senator Ron Wyden has proposed a workforce housing credit that, if enacted, could be a great resource to preserve and increase these units. Local programs in Massachusetts and New York City are similarly leveraging "lighter" subsidies to encourage building new workforce units.

Meanwhile, mission-oriented private equity acquisition funds operated by Enterprise Community Partners, PNC, Housing Partnership Network, as well as CDFI's, like CIC, LIF and others, are a promising source of capital active in this space. A recent paper published by the American Enterprise Institute (*Economical Rental Housing For Communities that Work)* suggests that a combination of cost-effective land use regulation and more efficient design, construction and management practices might be another way of encouraging more naturally affordable housing.

As our industry matures and becomes more competitive, diversification of income sources beyond developer fees and an increased emphasis on cash-flow are on many of our members' minds. Industry data has found that as an investment opportunity, NOAHs actually compare pretty favorably to higher end rentals. Historically, vacancy is low and rent growth is surprisingly strong. A skilled developer can create many operational efficiencies through property management economies of scale and strategic energy investments.

While we do not want to lose focus on our core mission and business model, it is important that we also expand the preservation and production conversation beyond our highly specialized space. TCA

The asset class under our noses

In early October, the Urban Land Institute's (ULI) Terwilliger Center for Housing and the National Association of Affordable Housing Lenders (NAAHL) co-hosted a day-long symposium/roundtable on what we decided by the end of the day just might be an emerging asset class whose preservation is integral to the success of America's cities and the urban economy. We called it NOAH, Naturally Occurring Affordable Housing, and using as our base of discussions fantastic big data accumulated by CoStar[1], we spent six intense hours identifying facts, discovering implications, and contemplating a way forward.

Facts: 70 percent more rentals than the entire affordable inventory?

Of America's 42.8 million rental units[2], 3.3 million are what you and I would call 'affordable housing' – governmentally influenced with rent regulation or subsidy. Another 23.5 million (55 percent of the rental inventory) are in 1-4 apartment properties[3], leaving 16.0 million of what we can call the 'investable' rental inventory. CoStar then classifies all these properties using not the traditional market-adjusted A-B-C-D, but a location-independent physical-attributes star system (analogous to hotels) ranging from 5-star (highest) to 1-star (lowest). While the better LIHTC properties are 3-star, for the sake of comparison CoStar limited its analysis to 1-star and 2-star properties[4], of which CoStar counts 5.5 million.

That's right, America has 70 percent more 1-star and 2-star conventional NOAHs than it has all governmentally-affordable housing. Of these, the data showed other striking if explicable findings:

1. The NOAH inventory is old, built mainly in the 60s and 70s and by inference not substantially rehabbed since then.
2. Unlike the luxury (4-star and 5-star) properties, which are concentrated in larger developments, the NOAH inventory is evenly distributed among 5-9 unit buildings, 10-19, 20-49, 50-99, 100-199, and up, with each band representing roughly one million apartments.

David A. Smith

3. The NOAH inventory is anti-concentrated; the largest owner CoStar identified has 11,000 apartments (a 0.2% share of the national market), and the 25th largest has 3,000.
4. The NOAH inventory is becoming less affordable. In the three years from 2013 to 2016, rents rose 7.8 percent relative to median income.
5. NOAHs also represent much of the dwindling stock of larger (3-BR and 4-BR) apartments. Four decades of favoring 1-BR's and 2-BR's in both conventional and affordable development makes the bigger, older apartments rare, hence in demand.
6. For most big American cities[5], the aggregate market capitalization of its metropolitan NOAH inventory is substantial: Boston, in tenth place nationwide, has $8 billion of NOAHs; Denver (ranked 19th) has $4 billion, and San Diego (ranked 4th) has $21 billion.

Implications: Essential national infrastructure disappearing under pressure?

Three decades of LIHTC-dominated practice have remade the affordable-housing financial ecosystem to be LIHTC-congenial, and unintentionally uncongenial to NOAH's, which are materially different in three interlocking ways:

1. *Physical configuration.* The prevalence of smaller properties assures that even the medium-scale NOAH owner-operators will have multiple discrete buildings, often in clusters of scattered sites. Heterogeneity of street address, shell, HVAC, layout and configuration means these are high-complexity assets even as they are smaller-dollar-value apiece. A regulatory overlay would smother them in standardization.

[1] CoStar (http://www.costar.com/), a national real estate market-analytics firm, has built a national platform to capture highly granular data, including scrapes via its subsidiary Apartments.com (http://www.apartments.com/), covering roughly 400,000 rental properties ranging in size from the largest down to 5-9's.

[2] Unless otherwise referenced, all statistics in this article are from the CoStar presentation. For a copy, email me at dsmith@recapadvisors.com.

[3] Census data; CoStar does not track it.

[4] They showed photographs of representative properties in the various categories. 1-stars look like your typical older urban low-end conventional property, while 2-stars would be right at home in the older assisted inventory of §221d3, §236, §221d4, and §515.

[5] Los Angeles ($115 billion) and New York City ($160 billion) are conspicuous outliers, but they always have been.

2. *Owner/operator model*. Older, conventional, smaller, anti-concentrated, NOAHs are often operated by people who aren't just the owners, they're the principal employees. Though these properties will produce tax losses, they go to waste because the passive loss rules make them largely useless for the owner/operators and impractical to syndicate. In making extinct the older tax shelters, the 1986 Tax Reform Act also unwittingly killed off the professional smaller conventional owner-operators by depriving them of resources.
3. *Financing*. Because they are older urban properties, NOAHs often have a commercial/retail ground floor and may have an owner-operator living in one of the apartments. Three income sources makes them hard to underwrite, and tends to disqualify them from the triopoly of secondary-market liquidity sources (Fannie Mae, Freddie Mac, FHA).

For NOAH's to be a proper asset class, all three of these elements have to work replicably, and currently none of them do. NOAH's are capital-disadvantaged, which goes a long way to explaining why the preservation-related efforts of many national-leading innovators – many of whom were present as highly valuable contributors during the day-long session – are both so urgent and so complex to do.

A way forward: what makes an asset class?

Thirty years ago, when the ink was scarcely dry on the 1986 Tax Reform Act, LIHTC wasn't an asset class, it was a consolation prize whose viability many of us doubted[6]. Today it's not only an asset class, but big business with scaled swift sophisticated capital flowing from the nation's largest and most visible financial institutions to small-scale, high-touch properties everywhere in the country.

NOAH's aren't a national problem: they're a metropolitan problem occurring nationwide. They're an endangered species, and for their survival, and the health of America's cities and our urban economy, they need to become a recognized preservation asset class. TCA

[6] Myself included. Mea maxima culpa.

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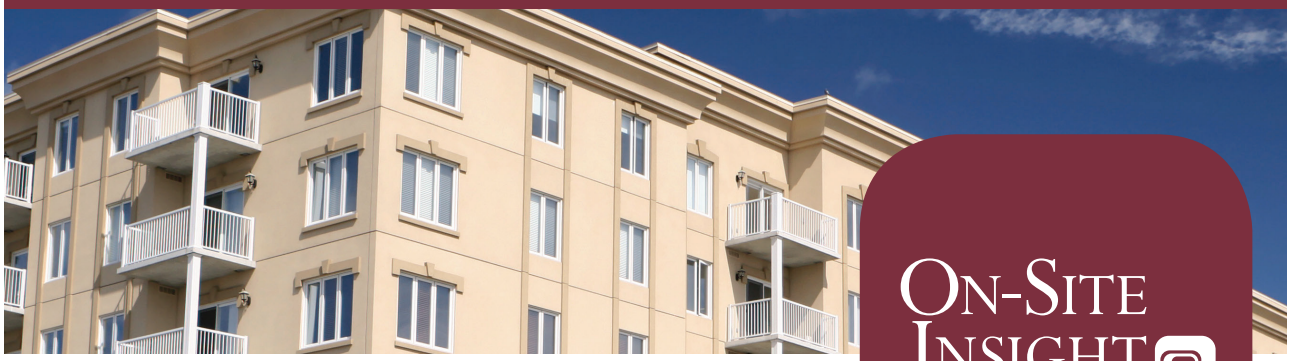

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Talking Heads

Paul Weissman, Hunt Mortgage Group

By Darryl Hicks

Based in El Paso, Texas, Hunt Companies is one of the oldest and largest real estate companies in America, with over 6,000 employees and $30 billion in assets. Hunt is primarily known for being the largest military housing owner in the country.

Hunt Companies also has a thriving mortgage business, Hunt Mortgage Group, which operates in 19 major markets nationwide and finances everything from multifamily housing to affordable housing, manufactured housing, healthcare/senior living, office, retail, industrial, and self-storage facilities.

In July 2015, Hunt hired Paul Weissman, a seasoned lender with a 20-year track record in multifamily housing, as its Senior Managing Director of Affordable Housing Finance with the goal of establishing HMG as a Top 5 lender in the affordable housing space.

Weissman's first job after earning a law degree and MBA was Associate General Counsel for Simpson Housing Limited Partnership in Denver. He later transitioned from the legal side of the business to finance, working as a tax credit syndicator and investment banker, and today is one of the industry's most successful lenders.

He has financed well over $1 billion of affordable and market-rate multifamily transactions using almost every known subsidy, including tax exempt bonds, Section 8, Section 202, Section 236, Low Income Housing Tax Credits, HOPE VI and FHA's Tax Credit Pilot Program.

Tax Credit Advisor sat down with Weissman to talk about his time at Hunt and where he sees the company headed.

***Tax Credit Advisor:* Let's discuss your early life. Where did you grow up? What aspirations did you have as a child? Where did you go to college? What was your major?**

Paul Weissman: I was born in New York City, but my family moved to Boulder, Colorado when I was two years old. I did a lot of theatre work when I was young and wanted to be an actor. Then I had a transformative experience that derailed my acting aspirations when I studied abroad in France as a junior in high school. I attended Lewis and Clark College in Oregon as a Foreign Language major with a minor in Eastern European Studies. I spent a semester in the former Soviet Union and when I graduated from college I moved to Taiwan and taught English for a year. I came back to the United States uncertain what I wanted to do, and wound up back at home in Boulder, earning a law degree and MBA from the University of Colorado.

Paul Weissman

***TCA:* What led you to a career in affordable housing?**

Weissman: An opportunity arose with Simpson Housing here in Denver. The general counsel was very interested in affordable housing development. My role was in-house counsel, but because of my MBA, he had me reviewing numbers for development opportunities. That was how I got into affordable housing. Later on, we acquired a tax credit syndication and development firm that was a division of Kaufman & Broad, which became Simpson Housing Solutions. I moved out to California and worked in that group for a couple of years and gravitated away from the legal side of the business and moved to the financing side. I came back to Colorado and worked for Newman and Associates, and ever since I've been primarily focused on the debt side.

***TCA:* Let's focus on your current employer, Hunt Mortgage Group. What percentage of Hunt's $11 billion servicing portfolio is affordable? Do you lend nationally or in certain geographic areas? What projects do find most appealing?**

Weissman: Roughly 10 percent of our existing servicing portfolio falls under my group. I am based in Denver, but we have offices in 19 cities, so we lend nationally.

Talking Heads, continued on page 10

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We are happy financing both preservation and new tax credit deals. I personally, and many on my team, find new development deals more interesting and exciting. By virtue of the number of assets that exist, and the number of new deals that get done every year, our volume trends toward preservation.

TCA: The affordable lending group that you manage is a small division within a very large company focused on a lot of different things. How do you keep growing within such a diverse company when everybody is competing for attention and resources?

Weissman: In many ways, the Hunt Companies has a tremendous interest in businesses that mix public benefit and private activity. Within the mortgage group, affordable housing is seen as a key component because it fits squarely in the company's overall strategic plans. The mortgage business has been successful for the Hunt Companies and it continues to provide capital for the business to grow it. So I have not found a lack of attention in any way, shape or form as it pertains to the affordable housing group. I've grown from a few origination staff when I started to hiring almost a dozen people during the past year.

TCA: What attracted you to Hunt?

Weissman: There are a lot of different institutions involved in the affordable housing business and I've worked for a number of them. Wall Street-type banks, commercial banks and private firms. I enjoy the environment of a private firm and the entrepreneurial spirit that exists within Hunt. I feel strongly that if I come up with an idea that furthers our business line, and is likely to be profitable, I am going to get a fair hearing. Unfortunately in a large financial institution I might come up with something and the response will be 'Is that really part of our business?' or 'how much scale can you do?' along with other roadblocks that are common in larger, bureaucratic companies. That is one of the things I find most appealing about Hunt.

TCA: You have an extensive background in development, tax credit syndication, lending and investment banking. How do all these business skills impact your daily routine and the types of projects you finance?

Weissman: First and foremost, I like to be a resource to my clients. I've tried to build this group with a diversity of backgrounds and abilities. Some of our recent hires include Sean Spear, who spent a fair amount of time in the public sector at the California Debt Allocation Committee and who worked for the Cities of Los Angeles and New York. He adds depth for clients that are working with cities, housing authorities and states, because he can speak their language in a way that other people may not be able to. Aaron Wooler, also a recent hire, came from Century Housing, a large California-based CDFI that works with non-profits and other institutions. Aaron brings a non-profit lender's perspective to things that we do. My background, being involved in a number of different facets, helps me understand what our clients hope to accomplish and devise solutions that other traditional 'bread and butter' lenders might not think about. This is where I see added value in my background and the backgrounds of the other members of our group.

TCA: What distinguishes Hunt Mortgage Group from other FHA Lenders? What types of projects and/or markets do you specialize in?

Weissman: Our deep experience helps us explain a lot of affordable housing programs to FHA staff who oftentimes may not have seen that many affordable housing transactions. That has changed a lot in the last 3-5 years but when the Tax Credit Pilot Program first came out and when people first started executing transactions where tax exempt bonds were set up in escrow structures to generate 4 percent tax credits, many of the folks at HUD didn't have a solid knowledge base of how 4 percent bond transactions worked. We are in a position to help educate them, work through those kinds of issues, and I think that makes us somewhat unique. We do 'bread and butter' market- rate multifamily apartment deals in the FHA space, but our uniqueness lies within affordable housing.

TCA: What major trends are you seeing in today's debt markets?

Weissman: It's really interesting how rates continue to stay incredibly low. For a moment, it seemed like they would break out of the low cycle that they've been in, but in the last two weeks we've seen the 10-year Treasury

Talking Heads, continued on page 12

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decline another 15 basis points. From a trend perspective, we continue to see very aggressive lending from commercial banks that I believe is driven primarily by CRA obligations. That said, I think we are starting to see the agency loans become more competitive with the offerings that those banks are providing. Fannie Mae and Freddie Mac are becoming more comfortable with higher levels of construction on rehab preservation-type deals. The FHFA mandate to increase production in the affordable and small balance areas has really driven Fannie and Freddie to be more innovative than they have in the past.

TCA: Where do you see your company in the next five years in terms of its strategic vision?

Weissman: Our desire is to continue to grow this business. The first half of 2016 was the best we've ever had in terms of building production staff and we expect that to continue. Our pipeline has rapidly increased by nearly $500 million in a very short period of time. I am excited about building out the affordable and FHA teams. One of the next areas where I intend to focus more attention is senior housing. I see opportunities in the senior housing space, particularly the way that senior care relates to senior housing. My hope is that within five years we will be a Top 5 affordable housing lender and we will re-establish the position that this company has historically had in the affordable housing space.

TCA: For borrowers who are new to FHA – do you have any tips, recommendations or pitfalls to watch out for?

Weissman: Many borrowers struggle with the paperwork that is required. There tends to be a desire to fight back and say "is this really necessary?" or 'why do they need this?' It's important to realize that while we might be able to get waivers to avoid providing certain types of documentation, the effort to do so will chew up a lot of time. It will almost certainly take a lot longer than if we simply provide the information that is typical and standard under the FHA application process. That's one of the main things that people need to understand. There is flexibility, but that comes with a lot of effort and time. Part of the reason that people complain about the duration of FHA transactions is that they are fighting the system rather than simply complying with all of the standard FHA requirements.

TCA: What has been your favorite affordable housing project thus far at Hunt?

Weissman: The most interesting project that Hunt has done closed shortly before I came over. It was a RAD transaction that involved 13 non-contiguous sites and almost 1,600 units of affordable housing, managed by the Housing Authority of the City of El Paso, Texas. It was the largest RAD transaction at the time, representing a $250 million initial public/private investment, which is expected to grow to $1 billion over the next five years. It was also the first transaction of its kind under Freddie Mac's tax exempt loan program. We continue to do a fair amount of work with the City of El Paso and they have been a great partner. Although I wasn't involved on the project at the beginning, I've done some post-mortem work and it's clearly one of the most interesting projects in affordable housing that has been done over the past few years. TCA

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The New Old Neighborhood

POAH's massive redevelopment on Chicago's South Side

By Bendix Anderson

In 2010, Woodlawn, a neighborhood on Chicago's lakeshore about eight miles south of the downtown Loop and just south of the much more-expensive Hyde Park neighborhood, was blighted by vacant lots and abandoned buildings. It had been hit especially hard by the housing crash. The foreclosure rate in the neighborhood was well-above the average for the city, or even the South Side.

In between Woodlawn and the bustling life of the University of Chicago campus a few blocks away in Hyde Park stood a privately-owned, project-based Section 8 property with a terrible reputation in the neighborhood. The squat, brick buildings of Grove Parc Plaza lined Cottage Grove Avenue, one of the neighborhood's main streets, with 504 crumbling apartments.

"The apartments were badly deteriorated," says Bill Eager, Vice President for developer Preservation of Affordable Housing (POAH). The property had failed several inspections from the U.S. Department of Housing and Urban Development. In 2006, federal officials announced their intention to cancel the contract to provide rental subsidies.

Enter POAH that has led a massive neighborhood redevelopment that will eventually replace all 504 apartments at Grove Parc with new apartments with project-based Sec. 8 subsidies, in addition to hundreds of additional apartments affordable to residents earning a mix of incomes. The giant redevelopment, which has good public transportation access, is now more than halfway complete.

"I have witnessed an incredible comeback," said Chicago Mayor Rahm Emanuel. "Crime is down and hope is up."

Since construction began in Woodlawn in 2011, the rate of violent crime in the neighborhood has fallen 40 percent, according to city officials.

The redevelopment in Woodlawn began with the demolition of hundreds of failing, privately-owned Sec. 8 apartments. All of those Sec. 8 units will be replaced, either in the neighborhood or nearby. The redevelopment plan has grown into a massive $200 million enterprise to build more than 1,000 new units of housing affordable to residents earning a mix of incomes, in addition to new schools, services and commercial space supported

by a Choice Neighborhoods grant.

Just this summer, construction started on the first building in Woodlawn in more than 50 years where close to half the apartments will rent at unrestricted "market" prices. Private developers are also beginning to build for-sale housing. Also this summer President Barack Obama announced plans to bring his Presidential Library to the neighborhood.

"Our goal is to drive a redevelopment that changes the community for generations," says Eager. "Some of that is beginning to happen."

Total Replacement

POAH began to demolish apartments at Grove Parc in 2010. "The demolition of Grove Parc eliminated probably the biggest problem property in the community," says Eager. "Everyone who was a resident at that time is guaranteed a new home in Woodlawn Park."

POAH has already opened nine properties in Woodlawn, starting with its first ribbon-cutting in 2011. These include four new properties and five rehabilitations of older buildings.

So far, they add up to 420 apartments. These nine properties have replaced 266 of the 504 project-based Sec. 8 apartments demolished at the old Grove Parc with new apartments that are affordable to very low-income residents with help from project-based Sec. 8 rental subsidies.

By 2017, POAH plans to start construction on developments that will bring the total number of new apartments with project based Sec. 8 subsidies to 378 in the Woodlawn neighborhood. POAH is also building another 126 new Sec. 8 apartments within five miles of the original site of Grove Parc in Woodlawn.

In the same year that POAH demolished the first few apartments at Grove Parc, the developer began construction of The Jackson, also known as Woodlawn Center South.

It was the first new construction on Cottage Grove Avenue south of 61st Street in 25 years. The $21.1 million development opened in August 2011 with 67 new apartments. Of those, 60 have project-based Sec. 8 rental subsidies to replace apartments demolished at Grove Parc.

"We front-loaded the redevelopment with more replacement Sec. 8 units and fewer 'market-rate' units than we hoped," says Eager.

It took some work at first to show city and state housing officials that the demand for rental housing in Woodlawn was strong enough to support even apartments affordable to low-income households – let alone unsubsidized apartments with unrestricted rents.

"It is difficult to sell a community when the markets are down," says Eager. "It was the bottom of the market hit when we were getting started."

POAH's first development in Woodlawn also established the developer's commitment to sustainable design. The Jackson earned a Leadership in Energy and Efficient Design (LEED) Platinum certification. It includes a solar thermal hot water system, extensive stormwater retention and landscaping. The building won the 2013 Residential Energy Efficiency Award in the 'Multifamily' category.

Choice Neighborhoods

The redevelopment of Woodlawn got a huge boost in August 2011, when it received a $30.5 million grant under HUD's Choice Neighborhoods Initiative.

In many ways, Choice Neighborhoods is the next generation of HUD's HOPE VI program, which once provided grants to transform public housing developments to become mixed-use, mixed-income communities, says Eager.

The Choice Neighborhoods grant allowed POAH to expand its plan. Including the projects planned to start construction next year, the $30.5 million grant will have been leveraged to help finance more than $200 million in new development by 2017.

"This deliberate process of leveraging resources responsibly and in partnership, with a holistic emphasis on community, is positively impacting the Woodlawn Community in a way that we all can be proud of," says Willie B. Cochran, Alderman for the 20th Ward.

Chicago was one of just five cities nationwide to receive the first-ever Implementation Grants awarded under Choice Neighborhoods.

"Woodlawn Park is exactly the kind of development HUD had in mind when the Choice Neighborhood Program was created," said Housing Secretary Julián Castro. "A mix of incomes, a mix of land uses – that anchor schools, new businesses and the safe environment that are the hallmarks of a sustainable community."

Since receiving the Choice Neighborhoods grant, POAH has started construction on two new buildings. The Grant at Woodlawn Park opened 33 new apartments in November 2013 – including another 29 units with project-based Sec. 8 rental subsidies.

The Burnham at Woodlawn Park, also known as

Woodlawn, continued on page 16

Woodlawn, continued from page 15

"Woodlawn Center North," opened in October 2015. All 65 apartments for seniors receive project-based Sec. 8 rental subsidies.

Like POAH's first phase at Woodlawn Park, the new buildings both earned LEED certifications for sustainable-design features, like extensive insulation, in addition to gardens and rain barrels to catch and retain water from heavy storms.

POAH has also bought and fixed up 18 buildings in the neighborhood around the old Grove Parc site – for a total of 255 rehabilitated apartments. That includes another 112 apartments with project-based rental subsidies.

Reclaiming troubled buildings has been an important part of stabilizing the neighborhood, according to Eager.

These rehabs include a mix of apartments subsidized with federal Low-Income Housing Tax Credits that will be affordable to low-income households and also apartments without affordability restrictions that will rent at prices set by the local market.

POAH has certainly shown that the housing market in Woodlawn can support these apartments.

"All of the phases at Woodlawn are fully-leased or almost fully-leased," says Eager. "We've been able to prove that we can do it."

In July, the new development in Woodlawn took another new step forward, when POAH started construction on the first new building in more than 50 years where close to half of the apartments rent at unrestricted "market" prices.

When it opens in 2017, the $12.5 million Trianon Lofts will include 24 two-bedroom apartments and 7,000 square feet of commercial space. Thirteen of the apartments will be reserved for those earning between 80 to 120 percent of area median income – as low as $49,200 for a family of two.

The Trianon's financing includes $3.3 million in New Markets Tax Credit equity, $3.3 million in HUD Choice Grant funds, a $2.5 million City loan and a $3 million private construction loan.

For-sale home developers are also coming to Woodlawn – though it has taken longer than POAH expected. "We had hoped to see more pure market-rate development by now," says Eager. "Finally, for-sale housing development is getting underway."

In September, developer KMW Communities bought eight vacant city-owned lots where it plans to build nine single-family homes, 12 townhomes and four condominiums. Prices for the one- to four-bedroom homes will range from $201,000 to $595,000.

Greenline Development also plans to build nine 3,330-square-foot, single-family homes priced at $475,000 on the city-owned lots it also bought in September.

Tough challenges for Woodlawn

"New businesses are opening, abandoned buildings have been reclaimed," says Mayor Emanuel. But Woodlawn still has a lot of problems to overcome.

The population in the neighborhood is still just 24,000. That's a fraction of the 81,000 people who lived here in 1960.

The empty spaces left behind by this vanished population dominate the neighborhood.

Vacant lots and tattered buildings far outnumber the properties that have been redeveloped. Nearly 150 acres of vacant land and more than 350 vacant buildings line the streets, some owned by the city, some by private entities, according to a 2015 report by the design firm Gensler. Nonprofit developers are helping new homeowners rehab some of these homes. Renew Woodlawn, a partnership between POAH, city officials and two other other local nonprofits, plans to assist 20 prospective homebuyers by September 2017. POAH had already closed on six properties and had another 18 under contract, as of September. All these developments are signs that the property values in Woodlawn are beginning to stabilize. "Real estate prices are starting to climb in Woodlawn—you hear it all the time," says Eager.

New schools and new services for the neighborhood

The Woodlawn neighborhood also still struggles with poverty. The average per capita income is just $19,000 a year, a full $10,000 below the average for Chicago. Unemployment is at 17 percent.

POAH's plan will bring services to these residents. That includes 80,000 square feet of planned retail and commercial space – often providing vital support to people living in Woodlawn.

There's a new job training center serving the first floor of POAH's new senior housing building, The Burnham,

Woodlawn, continued on page 18

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Woodlawn, continued from page 16

for example. The Woodlawn Resource Center helps unemployed or underemployed individuals with financial coaching and career planning, employment services and access to income supports, like public benefits. POAH matched a $525,000 grant from Local Initiative Support Corporation to create the $1.05 million program. A 100-year-old Chicago social service organization, SGA Youth and Family Services, manages the center.

POAH also broke ground on its MetroSquash Center in 2014, next door to the University of Chicago's Medical Center campus. It's a 19,300-square-foot sports and educational facility for young people, with eight squash courts, four classrooms and community space for 300-plus youth, in 5th grade through college.

"When you make investments like this, other investments follow, creating opportunities throughout the neighborhood and lifting the economic fortunes of the entire community," says Mayor Emanuel.

Other organizations have joined the development boom in Woodlawn. In late 2017, the University of Chicago will open a new charter school, already under construction.

Two other schools have already opened in Woodlawn: the new Sonia Shankman Orthogenic School, a coeducational residential treatment program affiliated with the University of Chicago for children and adolescents in need of support for profound emotional issues, and New Hyde Park Day School, a specialized school for students with certain learning disabilities.

POAH is also working to bring retail services to the neighborhood.

"We think we are going to get an agreement for a new grocery store," says Eager.

Obama's Library coming to Woodlawn

This summer, the neighborhood also received an unexpected vote of confidence from the President of the United States.

President Barack Obama announced that he would bring his Presidential library to Jackson Park, which is nestled between the Woodlawn neighborhood and Lake Michigan.

The $500 million Presidential Center will include a library, museum and the offices of the Obama Foundation. It will be the first-ever presidential library built in the heart of an urban area.

"Michelle and I are thrilled the Presidential Center will be developed in the heart of Chicago's South Side, a community we call home, and that means the world to us," said President Obama. "We are proud that the center will help spur development in this key urban area and look forward to giving back to the people of Chicago – people who have given so much to us." TCA

Estimated Total Development Costs
POAH in Woodlawn, 2011-17

COMPLETED PROJECTS

Project	Total Dev. Cost
The Grant	$12,779,341
The Burnham	$24,367,794
The Jackson	$21,132,337
6157 South Evans	$883,510
6418 South Maryland	$1,823,190
Ingleside	$967,139
6456 South Maryland	$1,563,550
The Washington	$10,798,726
Renaissance	$19,086,717
Metrosquash*	$8,000,000
SUB-TOTAL	**$101,402,304**

2016 CLOSINGS (In development)

Trianon Lofts	$12,500,000
Woodlawn Station	$29,068,100
SUB-TOTAL	**$41,568,100**

2017 CLOSINGS PLANNED

Woodlawn Roll-Up**	$28,250,980
WECAN Preservation***	$15,000,000
The Midway	$17,271,151
SUB-TOTAL	**$60,522,131**

TOTAL DEVELOPMENT COSTS **$203,492,535**

Caveats:

* POAH did not develop Metrosquash, but we contributed to its development with a land donation on our site. We consider it part of Woodlawn Park

** The cost of the Woodlawn roll-up is a little overstated because it includes refinancing previously developed phases

*** WECAN Preservation number is a very rough estimate; deal is in underwriting now

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Ruckus in Rockford

Gorman & HUD confront NIMBYism

By Mark Olshaker

NIMBY – "Not In My Back Yard" – has been a real estate rallying cry for generations – whether it replied to integration, ethnicity, unwanted businesses, addiction treatment centers or even architectural diversity. Affordable housing agencies and developers have borne the brunt of citizens' action committees and organized, often ugly protests. But in the wake of HUD's Affirmatively Furthering Fair Housing rule (AFFH) and last year's Supreme Court decision upholding the validity of disparate impact in fair housing claims, a dedicated affordable housing developer, along with the local housing authority, has challenged the city of Rockford, Illinois. The action has brought the case to court and wide attention.

Tom Capp is Chief Operation Officer of Gorman & Company, a Wisconsin-based company with offices in Arizona, Colorado, Florida and Illinois, and a more than 30-year track record of commitment to quality affordable housing, equal opportunity and community revitalization. The majority of Gorman's developments are in challenged urban areas with high concentrations of poverty. They have the metrics to prove that these developments have been, in the company's word, "catalytic" for neighborhood improvement and bringing in additional economic growth.

Gorman & Company also closely follow trends and studies to look for ways to better serve its lower-income clientele.

Tom Capp

"A big intellectual driving force in housing policy over the last five years has been spearheaded at Harvard and Stanford by Raj Chetty," says Capp. Chetty is a prominent, 37-year-old economist with a focus on public policy economics and equality of opportunity, who has taught at both institutions. "His research seems to show that outcomes for people in affordable housing are measurably different in neighborhoods with better metrics. Historically, most of our development has been in neighborhoods with high concentrations of poverty. But we now want to see if outcomes would be better if we allocated some of our resources to opportunity zones."

Opportunity Zones

"Opportunity zone" is a term of art for higher-income neighborhoods, which are likely to have better schools and public facilities, and more upwardly mobile residents. As HUD states clearly in its published explanation of AFFH rules, "No child's ZIP code should determine her opportunity to achieve."

"A number of policymakers will say, 'We cannot do both,'" says Capp. "But we disagree. We accept the research on social mobility as important, and it has manifested itself in a number of ways, including HUD's support and state agencies taking these concepts into strong consideration when scoring projects in QAPs [Qualified Allocation Plans]."

Capp has viewed the affordable housing world from a variety of perspectives. Before coming to Gorman, he worked for an urban planning firm in Chicago, was mayor of Fitchburg, Wisconsin, and directed land use policy for Madison and surrounding Dane County. He currently serves on the NH&RA Board of Directors.

Fairgrounds Valley Apartments on the west side of Rockford, Illinois, was a public housing project Gorman decided to undertake as a RAD (Rental Assistance Demonstration) conversion in an $11.8 million joint venture with the Rockford Housing Authority (RHA). The project had the full support of the Illinois Housing Development Authority (IDHA). Fairgrounds consisted of what Capp characterizes as "substandard, barracks-style houses laid out over many acres. It is in a tough, tough, primarily African American neighborhood: a classic, urban challenged neighborhood."

The first phase called for "repositioning" 72 of the approximately 200 residential units to two- and three-bedroom apartments on a new site in east Rockford that RHA purchased and which IDHA had defined as an opportunity area. Plans for "New Towne" featured attractive row houses with different colors of siding, with front walks leading to sidewalks, all built around grassy squares with newly planted trees.

When the full project was complete, RHA wanted Fairgrounds Valley razed and rebuilt as a smaller community.

"Forever, communities have felt the right to ask whether your development is market-rate or affordable-rate, and treat you differently depending on your answer," Capp comments. "But if you're meeting all other guidelines and zoning, it's no longer a legitimate question to ask.

"Now, the HUD regs are very clear: There is to be no extra layer of performance or compliance because of the socioeconomic status of who's going to live there. 'Socioeconomic' is often a code word for race."

In March 2015, Gorman applied for 9 percent Low Income Housing Tax Credits for the 72 initial units and was awarded the credits in June. Boston Capital and Citibank were the financial partners.

Rockford Mayor Lawrence "Larry" Morrissey was a strong supporter of the project. "Larry is one of the most amazing standup guys," says Capp. "He had insisted the development be designed very well and blend into the neighborhood, and he stayed with it throughout." One of the reasons RHA chose the particular site was that an old post office was to be converted into a new police station next to the development.

Community Reacts

The project went forward under the leadership of Andre Blakely, Gorman's Illinois Market President. Almost immediately, the protests began. "What I've been really shocked at is the number of emails I've gotten and some of the comments from people saying, 'You shouldn't let those people come to the east side,' which is a code word in my opinion," Mayor Morrissey declared during an interview on WROK radio. He went on to acknowledge that there had been high crime around Rockford's public housing projects in the past, "but there's a big difference between a housing project of the 1960s and an affordable housing development we're talking about building today." He also cited the presence of the police station to reassure neighbors.

But it wasn't enough. In town meetings, opponents shouted out their anger and held up petitions. Neighborhood lawns bore large signs proclaiming: RHA – NO PROJECTS inside a red circle with a red slash through it.

"It was a classic: 'Are you kidding? You're going to turn our neighborhood into Fairgrounds!'" says Capp. Though the LIHTC award had been for 72 units, that plan would have required a zoning variance from the city. In light of the fierce opposition, Gorman opted to go matter-of-right, which meant trimming the first phase to 49 units.

That didn't mollify the opponents, either. Based on the media coverage, this had become a highly visible story. In November, through a letter to Morrissey, HUD notified the city it had serious civil rights concerns regarding the New Towne situation. Posters appeared with messages such as "The Federal Government Is Coming For Your Neighborhoods."

"Lots of statements made by public officials and community members prompted HUD to commence an

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Rockford, continued from page 21

investigation," Capp recalls. "And if they find there are civil rights violations, they can end all federal funding to a city or municipality."

In December, the developer submitted plans for construction permits. Later that same month, the deeply divided Rockford City Council hired a special counsel. According to public statements, the move was to sort out the issues and insure that everything was being "done right." Supporters strongly believed opponents on the council wanted to halt the project, as evidenced by the council not reporting out the subdivision plat within its legally mandated timeframe.

At that point, Gorman felt it had no choice. Together with RHA, it sued the city on January 12 to let the project go forward.

"For an affordable housing developer, it's not a good proposition to have to sue a city," Capp comments. "We're not a ginormous national company and it would have been a rational reaction to withdraw. But we have enough presence that we're in this for the long game. So we told HUD that we'll stay in this kind of development, but this is going to cause some real friction, so it's important that our partners share the risk; that they have our back. And I have to say, throughout this process, something we really appreciated was that our financial partners—Boston Capital and Citibank—were four-square behind us and willing to move forward, even before the final court decision."

Opposing Lawsuits

On January 19, 2016, the council relented and approved Gorman's plat application by a 7-5 vote. The following month, east side neighbors sued the city to stop it from issuing permits and prevent construction.

NBC Television affiliate WREX reported on one resident portrayed as representative of the area, saying, "Like many residents who live around New Towne, [he] believes the units will be a target for criminal activity and bring down property values. Supporters say just the opposite and that move to South New Towne Drive can help get public housing residents out of poverty."

Breaking ground for New Towne

"I've heard various concerns from our residents," RHA CEO Ron Clewer was quoted. "But not one of them felt it was not good for them to have a new opportunity and a new place to live."

In July, the 17th Judicial Circuit Court in Winnebago County ruled in favor of letting the permits and construction go forward. According to WREX reporter Audrey Moon, Judge Eugene Doherty said in a July 8 memo about his ruling that the plaintiffs "lack legal standing to contest the city's approval of the plat. And with regard to the constitutionality of the claim, he said those who filed the lawsuit cited no provisions in the U.S. or Illinois constitutions that give them the rights they said they have."

Ground was finally broken on August 30 with first-phase construction expected to be completed by next June. In the fallout from the more than yearlong controversy, Gorman, RHA and other like-minded officials changed the name from New Towne to The Grove at Keith Creek. "We thought the Grove represents new opportunities, growth and change," said Andre Blakely, who welcomed HUD regional administrator Antonio Riley as the groundbreaking's guest speaker.

The overall plan for Gorman's partnership with RHA is to rehab or rebuild 1,100 public and affordable housing units for the city, with an overall budget of $84 million.

Capp sees several lessons for the industry and the nation emerging from the Rockford experience. "What

Rockford, continued on page 24


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Rockford, continued from page 22

we just saw in Rockford is a prototype of what we may see throughout the country in terms of socioeconomic conflicts, racial conflicts, and heated political conflicts. Those who get involved in these developments need a very thick skin, partners who are not faint of heart, and sufficient financial resources to endure the time it will all take."

He also points out that development in opportunity zones will carry higher costs due to higher land values. "Allocating agencies are going to need to recognize that, and I think they are, because given measurably improved outcomes for residents, it will be worth it."

When asked how Gorman will allocate its human and financial resources on future affordable housing developments—urban improvement or new opportunity zone construction—Capp replied, "We are equipped to do both. We are committed to community development, so we are absolutely committed to inner cities. But after this experience, we feel more comfortable pursuing projects in opportunity areas. And we've been very happy that HUD and the state housing agencies have our backs." TCA

The plan for New Towne

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LIHTC on Washington D.C. Radar

- Speaker of the House Paul Ryan has recently been vocal about his support for the low income housing tax credit as part of his poverty alleviation plan "*A Better Way.*"
- While the recent tax reform blueprint issued by Ways and Means Chairman Kevin Brady was silent on the housing credit, House Republican housing credit champion Pat Tiberi continues to look at the potential for a companion bill to the Senate version which proposes to increase the credit 50% over five years at a cost of $7 billion.
- Secretary Clinton's platform is very clear on increasing resources for housing. Secretary Clinton went as far as mentioning the credit by name in a recent New York Times op-ed piece,

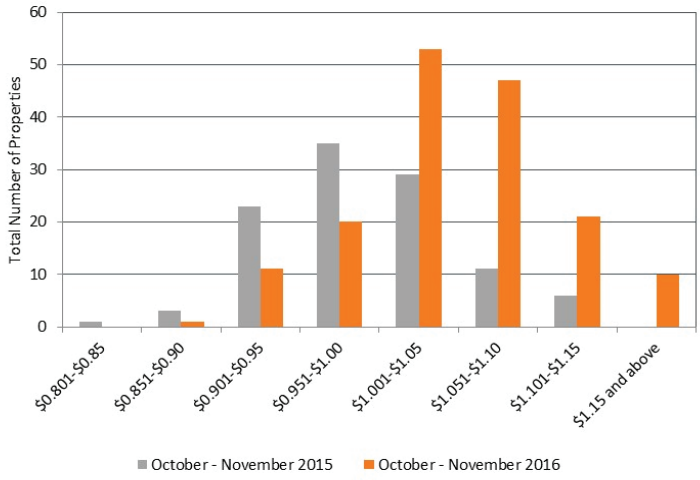
"My plan would expand Low Income Housing Tax Credits in high-cost areas to increase our affordable housing supply, and fuel broader community development."

- Secretary Hillary Clinton, New York Times; September 21, 2016

- While Donald Trump has been silent on the issue of the housing credit, both Presidential candidates' running mates have prior housing experience. Mike Pence has supported the housing credit QAP process in Indiana, and Tim Kaine served many years as a housing attorney in Richmond, Virginia.

Housing Credit Pricing Update

- On an equity-weighted average basis, participants in our latest survey (conducted in October 2016) reported a **$1.05** net equity price and a **4.61%** IRR among national multi-investor funds. While the average credit price remained unchanged, average IRR decreased from the 4.70% level reported in the September 2016 issue of this publication.
- The following graph represents the distribution of lower tier pricing for participating syndicators in the last 60 days based on 163 properties, presented in comparison to survey data from a year ago. The average reported housing credit price in the last 60 days was $1.05 across the 163 deals, generally consistent with the average reported price two months ago.



Current National Multi-Investor Funds

Syndicator/ Fund Name	Estimated Fund Size (millions)	Projected After -Tax Cash Needs IRR	Net Equity Price	Target Closing
Alliant - Tax Credit Fund 86	$120	Tiered 4.00% - 4.75%	$1.04	12/16
BFIM - Institutional Tax Credits 46	$205	Tiered	$1.07	11/16
Boston Capital - BCCTC Fund 43	$200	Tiered	TBD	12/16
CREA - Corporate Tax Credit Fund 51, LLC	$210.6	Tiered 3.75 - 5.25%	TBD	12/16
NDC - Corporate Equity Fund XIII	$100	4.50%	TBD	6/17
PNC - Tax Credit Institutional Fund 64, LLC	$100 - $130	Tiered 3.25% - 5.00%	TBD	12/16
R4 - Housing Partners VII LP	$250	Tiered	TBD	12/16
Richman - USA Institutional Tax Credit Fund CXI, L.P.	$150	Tiered 4.50% - 5.00%	TBD	Q1/17
Stratford - Fund 21 LP	$120	Tiered	$1.04	11/16
WNC - Institutional Tax Credit Fund 43, L.P.	$100	5.00%	$1.00	Q1/17

Equity-Weighted Average	Net Equity Price	Projected After-Tax IRR
All National Funds	**$1.05**	**4.61%**

Current State & Regional Multi-Investor Funds

Syndicator/ Fund Name	Regions	Estimated Fund Size (millions)	Projected After -Tax Cash Needs IRR	Net Equity Price	Target Closing
Cinnaire - Mid-Atlantic Fund 3	DE, MD, PA, NJ	$40	4.00%	$1.11	11/16
MHIC - MHEF XXIII	MA, CT, RI	$75	4.50%	TBD	3/17
Raymond James - CAHOF VI	CA	$125	TBD	TBD	12/16
WNC - Institutional Tax Credit Fund X California Series 15, L.P.	CA	$100	4.25% - 4.50%	$1.10	Q1/17

Equity-Weighted Average	Net Equity Price	Projected After-Tax IRR
State / Regional Funds Excluding CA	**$1.11**	**4.00%**
California Funds	**$1.10**	**4.38%**

Note: In calculating the equity-weighted average net equity price and projected after-tax IRR, tiered pricing and IRR data were averaged for those funds who reported a range. All fund data was provided by fund sponsors and compiled by CohnReznick. Neither CohnReznick nor the Tax Credit Advisor takes responsibility for the accuracy of the data represented by the sponsors. If you would like a fund included in the next *Housing Tax Credit Monitor*, please contact TCIS@cohnreznick.com or (617) 648-1414 to speak with a professional in CohnReznick's Tax Credit Investment Services practice. Please visit CohnReznick's website at www.cohnreznick.com.

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Careers in Development

The stairway to the top is in-house

By Mark Olshaker

Like many complex industries, companies in affordable housing development encompass many functions and many moving parts. This suggests a great diversity of career opportunities.

Speaking with executives from three accomplished NH&RA member companies admired throughout the field, some key consistencies emerge. For one, most companies are driven by a dedicated mission in the affordable housing field, so corporate culture is important to them and it is important for any employee or potential hire to understand it. In keeping with that culture, when possible they like to grow their own talent and promote from within. Each has somewhat different needs and different balances of necessary skills, but they are similar in the types of people they look for.

Pam Goodman

"I view us as a real estate company," states Pam Goodman, Chief Executive Officer of Beacon Communities of Boston. "So our key functions are development, asset management, property management, resident services, human resources and accounting. We think corporate culture is very important, along, obviously, with smarts, so we like to promote from within and we have a lot of movement within our company." At Beacon, all of the current senior vice presidents came up through the management ranks.

"Internal promotion is very important to us," agrees Rick Wishcamper of the Wishcamper Companies of Portland, Maine. "We really like to build talent from within."

"We have a strong retention record," says Vince Bennett, President of McCormack Baron Salazar of St. Louis, Missouri. "We do a lot of coaching and training and we team up seasoned individuals with newer people to mentor. We have a great mentoring program, so that each employee is coached on job performance and career advancement within the company."

All three executives articulated some form of a "triple bottom line" philosophy, involving profit, human values for both clients and employees, and sustainability. As

Rick Wishcamper

Wishcamper put it, "We believe in the old saying, 'Character is what you do when no one is looking.' Our culture's values are critical—not only in terms of the mission, but also not stepping on someone else's toes to get ahead. It's easy to teach Section 8 regulations, for example. It's a much bigger task to teach a newcomer or outsider our values." This collectively expressed attitude is clearly in line with each company's approach to hiring.

Job Options

"Because a real estate organization is so diverse, it offers tremendous career opportunities across the board," says Goodman.

For nearly every affordable housing company, development—or what is often called deal origination—is the central and most dynamic function. "What we call our development associates often come right out of undergraduate or graduate school," she explains. As they learn the business, they take on more and more responsibility. And someone who is motivated and increasingly skilled can work her or his way up to development director, where you take the deal the whole way."

Vince Bennett

"Here at McCormack Baron, an associate project manager can work all the way up to a managing director," says Bennett. "Our vice president of communications started out as an intern. She displayed very strong writing and communications skills and convinced us she was the right person to head that department. She helped us in organizing our grant writing, marketing and visual communications."

McCormack Baron makes a great effort to keep abreast of each employee's progress. "We take great care to give and get good feedback on an annual basis. We

Careers, continued on page 30

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Careers, continued from page 28

train on the 'science' of real estate development, but also on our cultural values, which amounts to an oral history of the company."

"We have 25 in our development division and four have just been promoted," Wishcamper notes. "We are about finding and originating deals where there is an opportunity to create value. So we always look for creative, tenacious, experienced people for our operations team, because deals these days are so complicated. We complete about eight to ten deals a year. The simplest capital stack is four or five layers and the most complex is eight or nine. Bryan Shumway, our Director of Development, is an incredible dealmaker."

While deal making and financing are critical functions, Bennett believes that success in the affordable housing arena requires a larger skill set. "We get a lot of resumes from people with impressive real estate backgrounds. But in both development and finance, we want individuals who can work well with community stakeholders, who have the passion for consensus building and community cooperation." Before joining McCormack Baron, Bennett worked for a community development corporation in Pittsburgh, where he was responsible for facilitating communication with local organizations and elected officials, neighborhood residents, lenders, foundations and local, state and federal agencies.

"Communications, empathy and consensus building are really the keys to a successful project," he says. "So we are looking for people with interest and a willingness in dealing with urban complications and have a passion for that kind of real estate calculus. We are finding there is a group that could be working for the government or nonprofit sector that is interested in large-scale community transformation. We are always looking for people who want to share the mission, to participate in that."

We are about finding and originating deals where there is an opportunity to create value. So we always look for creative, tenacious, experienced people for our operations team, because deals these days are so complicated.

In-house vs. Farmed Out

Depending on each firm's manpower, priorities and such factors as geographical footprint, some functions are performed by employees and some are farmed out. Beacon and McCormack Baron place great emphasis on property management—in addition to its own 20,000 units, McCormack Baron manages a large number for others. "We look for property managers with local experience," says Bennett. This dovetails with Urban Strategies, a now-national program founded by McCormack Baron CEO Richard Baron, dedicated to empowering residents of distressed urban core areas to learn and develop marketable skills.

Wishcamper no longer has in-house property management. "Our portfolio is so geographically diverse that it isn't practical," Rick Wishcamper explains. Nor does he have need of a deep marketing department, since the business is mostly Section 8 contracts rather than tax credit-backed developments. McCormack Baron outsources most of its marketing, but many other companies have in-house marketing departments that look for specialists in the field.

Asset management, on the other hand, generally tends to be an internal function. "It is really important to us, because that is what maintains our reputation," Wishcamper declares. "It's about keeping our promises to state agencies and tenants, and reporting to investors and syndicators. Our Director of Asset Management, Kevin Rose, is rock solid. Syndicators have a ton of confidence in him."

He has the same regard for the importance of the sustainability department, cutting energy consumption and undertaking retrofits in energy and water, and "adding a ton of value to all of our new projects."

All three companies stress not only career advancement, but flexibility as well. "Resident services is a very important part of our operation," says Goodman. For companies, like Beacon, with an important presence in senior housing and wellness programs for residents, on-site services present a wide variety of career opportunities. Resident services coordinators act in many ways like social workers, assisting residents to address lease compliance challenges, providing on-site programming and community-building activities to enhance resident quality of life and to promote resident well-being, and developing partnerships

with local service agencies. Beacon's website states, "We believe that providing excellent resident services is not only the right thing to do but also a necessary component of ensuring our properties' financial success and ongoing regulatory compliance."

"Someone from resident services can certainly come over into management," says Goodman. "So can someone from accounting if he or she wants a broader set of responsibilities and shows the aptitude. A maintenance person can move up to property management or even other operational divisions," a career path Bennett echoes.

"Leasing agent to property manager is a normal route with us," he states. "We focus on finding strengths, which is also about identifying weaknesses, and working with them. We try to provide and encourage a lot of opportunities: public speaking, financial training, design exposure. We like our finance people to learn something about design and construction, and vice versa. If we find someone who is good, we will look for the best fit."

One of the most important considerations for Goodman is bringing together complimentary skill sets into a working team structure. For example, in top management, she says that she, with a background in project management, is focused on development and organization, while CEO Howard Cohen, whose background is in law, concentrates on finance and deal structuring. "I'm more into 'How do we get this done?'" she says. "And you need both types to lead an organization."

Beyond that, it should be clear how many different skill sets, backgrounds and experiences are necessary to manage and operate a successful affordable housing development organization. Whatever your professional focus and interest, if accompanied by dedication and passion, there is probably a place for you. TCA

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The Real Seniors on Campus

Land for developers, classes for residents

By Joel L. Swerdlow

A new kind of senior is on campus. As described by Andrew Carle, an assistant professor at George Mason University, in northern Virginia, and founder of the nation's first Master of Science in Senior Housing Administration (MSHA) Program, this new senior—age 55 all the way up to anything—lives on or near campus; goes to class, theater performances and ballgames; wears school sweatshirts, and engages in activities like mentoring undergraduates. It is, Carle says, "the future of senior living."

Purchase College, part of the State University of New York system, is proposing to build 385 units of housing for people ages 62 and older on 40 acres within its 500-acre campus, Akiko Matsuda reported in *The Journal News*. "Thomas Schwarz, president of the college who has been spearheading the project, called the proposed 'senior learning community' - under discussion for more than a decade - a 'home run all around.'

"'We're excited about this. It offers a number of benefits. It offers integrated learning for our students, inter-generational learning,'" Schwarz said, noting that interacting with seniors who have firsthand experience in epoch-making events, such as the Civil Rights Movement or the Vietnam War, would give students better understanding of modern history.

"'And it's an extension of our educational mission. We see people being interested in continued learning and continued involvement in the arts.'"

"Arizona State University is looking to put a new twist on senior living in Arizona by opening a retirement community on a college campus," Mike Sackley recently reported on the KTAR News site.

"The plan is for 230 independent living units and 60 assisted living units. The community will be geared to older residents who want to stay close to the university and remain engaged in a younger environment. Residents will also get a Sun Card, or a student ID. They will be able to use the ASU library and can take classes. There will also be an auditorium in the facility where classes can take place."

The campus-senior relationship exists now on perhaps 100 campuses, including some of the country's most prestigious schools, such as Penn State University, Duke University, Notre Dame, University of Texas and Dartmouth College. Often, the housing facility is administered by a medical school, and a range of care is part of the package.

What constitutes a "relationship" between a senior living facility and an academic institution, has yet to have a formal or commonly accepted definition. But clear and undeniable is the gravitational pull of America's aging: Baby Boomers are becoming Senior Boomers. By the end of the 2020s, 20 percent of U.S. citizens will be 65 or older; and, difficult as it may be for many to accept, "aging" can be placed in front of any generational term—Aging Xers and Aging Millennials will become seniors on dates that can be specified with pinpoint precision.

With this aging, something exciting—and still difficult to see—is being born on our nation's college and university campuses.

Life Long Learners

"About one-third of all seniors say they are interested in these sorts of projects because they are attracted to the idea of becoming part of a community of life-long learners," says Gerard Badler, Managing Director of the Boston-based Campus Continuum, which was founded in 2004 and assists developers and academic institutions who want to integrate senior communities within their campuses. "Seniors like the idea of being able to interact with younger students and with faculty and staff. And many of these projects are in small college towns with lower cost of real estate than where prospects live now. By downsizing and moving to a lower cost of living area people can stretch their retirement dollars—and enjoy a stimulating lifestyle as well."

Thus, the top-rated locations on AARP's Livability Index, which measures best places for aging, gives highest including many university towns such as Madison, Wisconsin, Boise, Idaho and Boston, Massachusetts.

Of course, such living is not for everyone. Many seniors, as can be expected, say they find college students "loud and obnoxious," and have little desire to live near, or interact, with them.

"Until the Great Recession, the college-affiliated

The Real Seniors, continued on page 34

The Real Seniors, continued from page 33

retirement marketplace was growing moderately," Badler continues. "Since then there have been few newly built projects, but there has been renewed interest recently in studying the feasibility of specific projects."

To date, most developers of senior housing projects on campuses have built Continuing Care Retirement Communities-upon entering, healthy adults can reside independently, when necessary they can move into assisted living or nursing care facilities."But we expect greater growth in projects that start as independent living residences only for younger seniors," says Badler, and what he calls "tighter integration" with academic institutions.

Tax credit driven construction has benefitted America's colleges and universities. New Markets Credits funded the $16 million health and science building at the University of the Cumberlands in Williamsburg, Kentucky; the $20 million Nucleus Innovation Center Life Sciences Park at the University of Louisville; and the 2009 $30 million overhaul of the Boston Conservatory. Historic Credits were utilized to rethink usage of buildings on campuses, including Wayne State University in Detroit, Baldwin Wallace College in Berea, Ohio and the School of Public Health at the University of Wisconsin-Milwaukee. Senior housing on campus thus far has primarily depended on developer financing, traditional lenders and, in some cases, tax-free bonds. If the trend is to primarily independent residences, as Badler predicts, subsidized multifamily housing should be in the future mix.

Fundamental questions still await answers, Academia and the developers of senior housing—whether profit-making or nonprofit—can find it difficult to understand each other. Campus decision-making can be too slow for developers pressured by construction loans; and at the same time, academics must be careful not to too-readily lend their names and prestige to projects beyond their control.

George Mason University's Carle has labeled the new category of senior housing University Based Retirement Communities (UBRCs). He suggests five criteria which any developer claiming "affiliation" with an academic institution should meet; in brief, they are:

- A location accessible to the school;
- Formalized programming incorporating the school and senior housing facility;
- A full program of continuing care, from independent to assisted living;
- At least 10 percent of residents have some connection to the school; and
- A documented financial relationship between the school and the senior-housing provider.

Other experts argue about what exact specifications should be included, but such criteria provide a useful baseline because, among other things, senior housing providers can make a range of claims—it's common to say that a facility has its own "campus" and "learning programs," and is situated in "close proximity to prestigious institutions of higher learning."

Activity Influences Health

Whatever is being born, it appears likely that seniors and academic institutions could both emerge as winners. Seniors need far more than they are getting now; the *N.Y. Times* reports, "We have added 30 years to our lives, not just for the lucky few but for the majority of people in the developed world, and now the developing world…. The truth is, we don't yet know what this new stage of life can be, but the first step is to change the lens through which we view aging and challenge our stereotypical assumptions."

A steady flow of studies, moreover, shows that these "new old" people can maintain and improve their physical and psychological health by engaging in exactly what academia offers; indeed, plasticity, the capacity of neurons in the brain to grow new connections, once thought to be an attribute only of the young, has now been found to exist in "late" life.

From academia's perspective, seniors can do far more than attend classes or use the library. They volunteer, mentor, provide career advice, and engage in other activities that add a new dimension to the meaning of "diversity" on campus.

Indeed, a rough model for this may be found in a type of senior facility emerging across the country by such developers as Generations of Hope—in a particular building, some units are reserved for seniors; others for families. There, the seniors must provide babysitting, and the parents of young children help the seniors with

errands and provide other tasks.

Among the major attractions to developers is the availability of land. In many areas around the country—including some urban centers—colleges and universities have the most available land which they can sell or lease. The institutions can also earn annual fees in exchange for granting seniors access to the college's programs and facilities, and through donations/bequests from residents.

"Surveys indicate that the best prospects for senior housing are willing to pay a significant premium over plain vanilla retirement projects in exchange for the college affiliation," says Badler. "Such projects afford the developer with significant product differentiation that is able to draw prospects from a much wider geographic area than is typical for most retirement communities."

Thomas Kuhn, author of the seminal book, *The Structure of Scientific Revolutions* (1962), and widely regarded as the leading scholar on how new ideas take hold, writes that, "the pieces suddenly [begin] coming together in a new way."

That's what is happening now. It is still too soon to see what will emerge, but a cautionary note comes from Badler: "Although colleges are often intrigued by the idea of hosting such projects it is rarely a major priority for them. Projects rarely go anywhere without the strong support and leadership of the President of the academic institution. All the other issues pale in comparison to this one." TCA

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NH&RA News

Information on NH&RA and its Councils is available online at http://www.housingonline.com

NCHMA Announces New Leadership

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Asset Management Benchmarking Data Presented at Fall Forum

NH&RA's Asset Management Council recently surveyed nearly 40 organizations, accounting for roughly 3,600 properties and 131,000 units representing 48 states and the District of Columbia. Initial results were presented at NH&RA's Fall Forum which took place in Boston on November 1st and 2nd. The survey collected data on such topics as asset management watch lists and the corporate structure of asset management departments. A more in-depth look at the data is forthcoming.

Public Housing Revitalization Council Discusses Recent HUD Rule Proposal and Legislative Activity

Members of NH&RA's Public Housing Revitalization Council convened to discuss HUD's recent posting in the *Federal Register* regarding RAD closing documents. The Council drafted a comment letter relating to the proposed changes. The Council also discussed advocacy efforts on promoting the Senate's appropriations bill which, if passed, would raise the RAD cap to 250,000 units, remove the 2018 sunset of the program, and extend eligibility to Section 202. Members of the council plan to attend a RAD Collaborative event in Washington, DC, on November 16th. TCA

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Member News

CDFI Fund Awards $185.7M, 10 NH&RA Members Awarded

The FY 2016 funding round moved the Community Development Financial Institutions Fund past the $2B mark in investments to CDFIs and Native CDFIs through the CDFI and NACA Programs. This year, 158 organizations were awarded funds from a list of 457 applicants. The awardees are located across 48 states and the District of Columbia. Twenty-two million dollars from this year's awards went to nine CDFIs as part of the Healthy Food Financing Initiative.

NH&RA would like to congratulate the following members as awardees of this year's round:

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Massachusetts Housing Investment Corporation
Ohio Capital Finance Corporation (this is an affiliate of OHCC)
Preservation of Affordable Housing Inc
Volunteers of America National Services
Wisconsin Housing and Economic Development Authority

NH&RA Members Receive AHF Readers Choice Awards

Affordable Housing Finance's 2016 Readers' Choice Awards included awards to three NH&RA members:

- Tapestry Development Group's Greystone Apartments in Rome, Ga. was named as the overall winner.
- The Community Builders won for Historic Rehab with The Lofts at Loomworks in Worcester, Mass.
- Gorman & Co. won for rural with Bowman Senior Residences in Nogales, Ariz.

Thirty-four finalists from a pool of 87 nominees were selected for the 12th annual awards, with 10 projects receiving awards. Congratulations to our members!

POAH Celebrates 15 Years

Preservation of Affordable Housing, Inc. celebrated a 15-year milestone on September 28th. The event hosted presentations and a discussion on key public policy issues. POAH expresses

deep appreciation to its partners, funders, investors, colleagues, and supporters for helping in its achievements and looks forward to continuing work in the future.

CREA Hires Neala Martin As Vice President Of Acquisitions

CREA, LLC has hired Neala Martin as Vice President, Acquisitions. She will work out of CREA's New York office and will report directly to Charles Anderson, Executive Vice President, Acquisitions.

Cynthia Lacasse named as MassHousing's New Director of Rental Business Development

Cynthia Lacasse has joined MassHousing as the Director of Rental Business Development where she will oversee rental lending product development, loan origination and approvals for the Agency's multifamily lending operations.

Doug Bates Promoted to CFO at National Affordable Housing Trust

National Affordable Housing Trust (NAHT) has announced the promotion of Doug Bates to Chief Financial Officer. Mr. Bates joined NAHT in 2007 as an Assistant Controller prior to moving into his role as the Director of Accounting and Investor Reporting. Additionally, for the past year, Mr. Bates has served as NAHT's Interim CFO. TCA

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State Roundup

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Washington Proposes Changes to Bond / 4% Tax Credit Policies

Washington State Housing Finance Commission has released proposed changes to Bond and Tax Credit policies. The following is a summary of some significant changes:

- Expanding Bond Cap Limits: No more than 50% of the Bond Cap may be allocated to any one developer in a given round and for the year (previously, this 50% limit only applied to one project or group of projects on contiguous properties).
- Rehab/Re-syndication Projects Waiver language added, however, "please note: The Commission is not likely to grant a TDC waiver when the acquisition price is the primary reason for the waiver request."
- Waiver of Total Development Cost limit considered for new construction costs resulting in energy or water savings beyond local building code or Evergreen Sustainable Development Standard.
- Add DDA to list of projects eligible for Total Development Cost increase.

Arizona Releases Second Draft of 2017 QAP

Arizona Department of Housing has published the second draft of the 2017 QAP. Changes include updating several definitions and the following:

- Set-asides: projects not awarded in a set-aside category will still be required to complete a project as presented in the application if awarded remaining credits. Applicants not selected in the 811 set-aside will still be required to accept Section 811 voucher holders during future years.
- Section 811 Set-Aside: The number of eligible units for the set-aside was changed from 39 to 50.

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- Scoring: "Service Enriched Location" is now worth 35 points rather than 17.5. Additional points come from existing facilities located within a 5 mile radius of the site (previously, only a 1 mile radius counted).

Oregon: Margaret Salazar Named New Director of OHCS

Governor Kate Brown has appointed Margaret Salazar as Director of Oregon Housing and Community Services.

Salazar is Director of the Portland Field Office for the U.S. Department of Housing and Urban Development, where she represents the agency to housing providers and government officials throughout Oregon. She has convened providers, local governments, and housing authorities to share and adopt best practices for ending veteran homelessness in communities across Oregon. She also spurred the creation of the Springfield Manufactured Housing Solutions Collaborative, an Oregon Solutions project that created a toolkit for local agencies to prevent and address the closures of manufactured home parks and assist tenants facing displacement from their homes.

Salazar joined HUD in 2006 where she first financed the development of hundreds of multifamily rental housing units across California, Nevada, and Hawaii. She later served as Associate Deputy Assistant Secretary for Multi-family Housing in HUD Headquarters in Washington, D.C. where she designed and led national programs to preserve and revitalize affordable and public housing.

California Posts Document for Public Comment on Land Use and Climate Change Policy

The California Natural Resources Agency has posted a draft document titled "Vibrant Communities and Landscapes: a Vision for California in 2050." The document is intended to consider land use in the context of California's climate change policy and begin to explore how the state can support actions, at all levels of government, to facilitate development and conservation patterns that help to achieve the state's climate goals, both greenhouse gas emission reductions and the ability of communities and natural systems to adapt to the expected impacts of climate change. The state asks that comments be sent to ca.50m@opr.ca.gov. TCA

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NLIHC Releases Publication on Housing Choice Vouchers and Public Housing Waitlists

The National Low Income Housing Coalition (NLIHC) released Housing Spotlight: A Long Wait for a Home—a report that analyzes the current state of Housing Choice Vouchers (HCV) and public housing waiting lists across the country. The report spotlights the problems around HCV waiting lists and its systemic effects on extremely low income (ELI) households. Problems stem from 53% of HCV waiting lists closed to new applicants, 65% of waiting lists had been closed for at least one year, and the average waiting list wait time is 1.5 years.

ELI households accounted for 74% of households on the average HCV waiting list and 67% of households on the average Public Housing waiting list. Considering the needs of the largest population to utilize the HCV waiting list, the NLIHC report clearly outlines the need for the reintroduction of current legislation on vouchers and other public housing programs for ELI renters. The private and subsidized rental markets make available only 3.2 million affordable homes for the nation's 10.4 million ELI renter households, resulting in a national shortage of 7.2 million rental homes. Unable to find affordable housing, 75% of ELI renter households are severely cost burdened, spending more than 50% of their income on housing costs and leaving little money for other necessities.

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RAD Collaborative Announces Sign-On Letter for RAD in FY 2017 Budget

The RAD Collaborative asks that interested parties express their support for the Senate's RAD proposals. The FY 2017 appropriations bill in the Senate includes measures to raise the RAD cap to 250,000 units, remove the 2018 sunset of the program, and extend RAD eligibility to Sec. 202. The House bill is without these measures. Recent Hill discussions reinforce that weighing in with your Congressional representatives about extending RAD in FY 2017 will make a critical difference.

As an additional step, interested parties should consider signing-on to the Collaborative and CLPHA's letter by October 20, 2016. Taking both steps will help assure Congress addresses RAD in the final FY 2017 Appropriations bill—increasing the cap for new applicants, providing more time to those with RAD awards and helping extend RAD to housing for seniors.

HUD: New Energy Benchmarking Requirements for Section 8, Multifamily FHA Insured and PRAC Properties

HUD's Office of Multifamily Housing published a notice in the *Federal Register* creating a 60-day period for public comment for proposed regulations that would require HUD-Assistance and FHA Insured Multifamily Properties to benchmark and report to HUD energy and water utilities. Covered properties include:

- Section 202 Project Rental Assistance Contracts (PRAC)
- Section 811 PRAC and Project Rental Assistance contracts
- Section 202/162 Project Assistance Contracts
- Section 202 Senior Preservation Rental Assistance Contracts
- Section 8 Housing Assistance Payment contracts
- Multifamily Housing properties insured under Sections 223(a)(7), 223(f), 221(d)(3), 221(d)(4), 220, 231, 236, and 241(a).

Owners will be encouraged to voluntarily submit data to HUD annually but will be required to submit water and energy benchmarking data.

HUD has dedicated technical assistance resources to help owners collect, track, and analyze energy data. This includes building a website with tools, case studies, and links to federal resources. The utility benchmarking requirement will apply when executing any covered transaction beginning 90 days after OMB approval of the PRA request, and not sooner than April 15, 2017. The first scheduled submission date for a majority of assisted-housing respondents is estimated to occur in 2019. Multifamily Housing will finalize the timing and requirements in a forthcoming Housing Notice that will be published after this notice is approved.

HUD Sets Operating Cost Adjustment Factors for 2017

HUD recently published a notice establishing operating cost adjustment factors (OCAFs) for project-based rental assistance Section 8 contracts with an anniversary date of Feb. 11, 2017, or later. OCAFs are used primarily to adjust rents for contracts renewed under Sections 515 and 524 of the Multifamily Assisted Housing Reform and Affordability Act of 1997. The 2017 OCAFs range from no change (Hawaii) to an increase of 2.4 percent (North Dakota). The posted U.S. average is 1.9%.

GAO on Elderly Housing: HUD Needs to Improve Link to Resident Services

The Government Accountability Office released a report entitled *Elderly Housing: HUD Should Do More to Oversee Efforts to Link Residents to Services*. To summarize the report, GAO found that HUD's data and reporting in this area is somewhat unreliable and recommended that HUD improve the accuracy of its data and develop procedures for verifying and analyzing performance data. GAO also found that roughly half of Section 202 properties have HUD-funded service coordinators. GAO noted that HUD lacks written policies regarding how service coordinators should be monitored in fulfilling Section 202 requirements. HUD officials plan to develop guidance in this area by December 2016.

Numbers

On the Watch List

Affordable housing companies and their investors maintain a Watch List of properties that are under performing. NH&RA's Asset Management Council recently surveyed members on categories viewed to determine Watch List properties. Responses came from 36 companies that own, on average, 68 multifamily properties, representing over 200,000 units.

WATCH LIST METRICS

Economic occupancy below x% for most recent quarter (vacancy)	81%
DSC below x% (Cash Flow)	77%
Cash flow (deficit) per unit	71%
Projected shortfall of NOI greater than x% of budget (Cash Flow)	65%
Rent delinquency greater than x% of gross potential income for x consecutive months (Rent)	61%
REAC score below 70 (Physical Inspection Results)	61%
Life/Safety Issues	55%
Code violations of inspection deficiencies that remain unresolved beyond allowed correction period	52%
Inadequate resources to pay for immediate capital needs during the next year	52%
Minimum reserve requirements met	52%
Casualty event at property resulting in uninhabited units (Physical Inspection Results)	48%
Timing of next value event - REFINANCE	48%
Lawsuit filed against project, partnership, of GP pending/in litigation/in arbitration	48%
Project in initial lease-up phase	45%
Projected failure to achieve year-end occupancy target for delivery of tax credits	45%
Compliance failure: Annual Rent restrictions	45%
Compliance failure: Annual reporting submissions	42%
Timing of next value event - RESYNDICATION	42%
Financial records/reporting late, incorrect or caused audit findings	42%
Timing of next value event - LP BUYOUT	39%
Compliance failure: Income targeting	39%
Maintenance needs are consistently not met	39%
Compliance protocols are weak, evidenced by poor regulatory reviews	39%
Expired property insurance	35%
Construction delays resulting in x months behind initial lease-up schedule	35%
Property has chronic staff turnover	35%
Compliance failure: Population restrictions	35%
Past due real estate taxes (Contractual Obligations/Fixed Payments)	32%
Past due replacement reserve deposits (Contractual Obligations/Fixed Payments)	32%
Services do not meet requirements of LIHTC application/LURA and tax credits are at risk	32%
Project-based subsidies are at risk	32%
Timing of next value event - SALE	29%
Past due debt service payments (Contractual Obligations/Fixed Payments)	29%
Compliance failure: Affirmative Fair Housing Marketing Plan for Multifamily Housing	29%
Market conditions resulting in x months behind initial lease-up schedule	26%
Escrow account funded per requirement	26%
Property insurance compliance with terms and conditions of loan doc/partnership agreement	26%
Criminal lawsuits against third-party professionals and/or service provider	26%
Service grant funds in jeopardy	26%
Security deposit account vs. liability	23%
Unfocused management company resulting in x months behind initial lease-up schedule	19%
Inadequate underwriting resulting in x months behind initial lease-up schedule	16%
Properties automatically added to watch list for x period when a new site manager has been hired	16%
Equity installments pending/due/past due	13%
Support provided by service provider does not meet the resident service plan	13%

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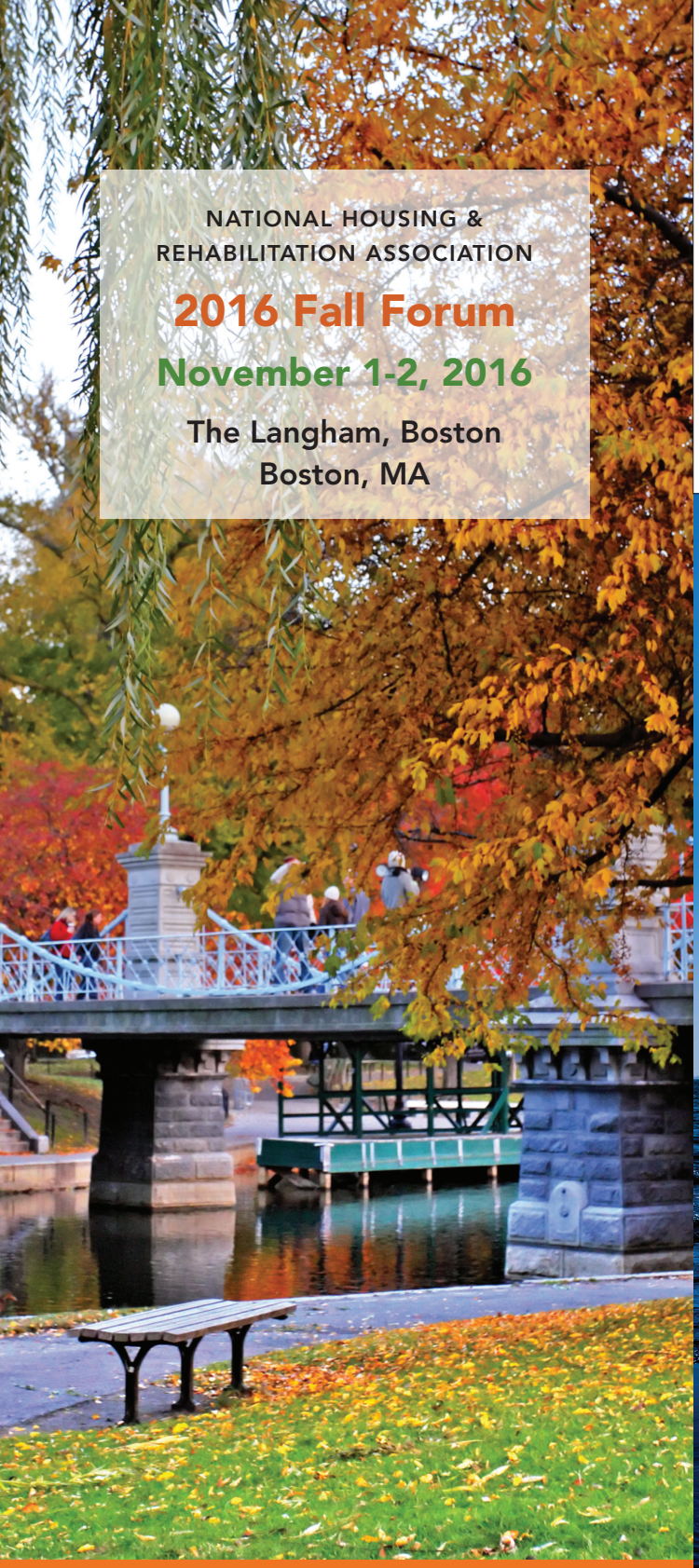

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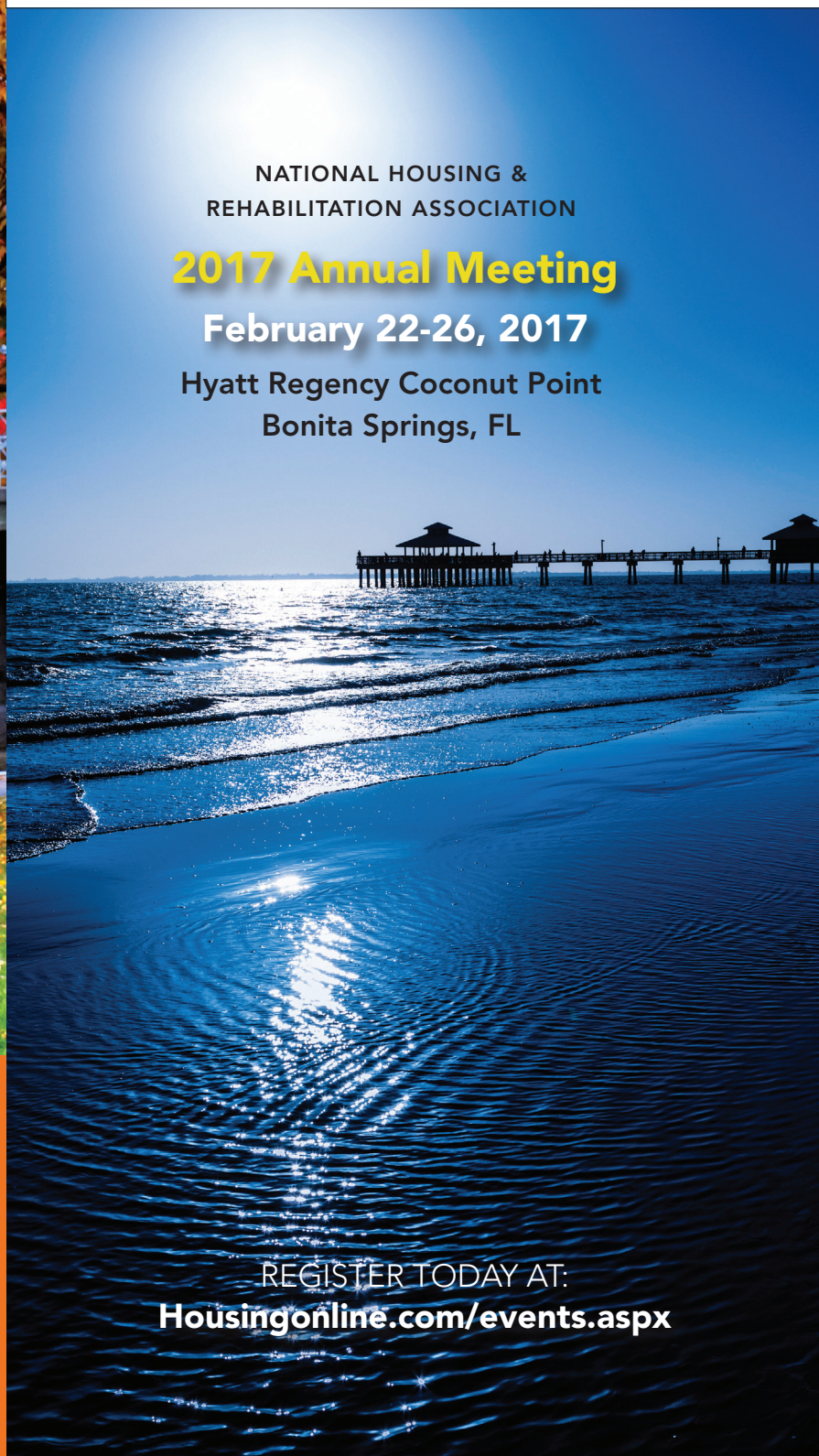
2016 Fall Forum

November 1-2, 2016

The Langham, Boston
Boston, MA



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2017 Annual Meeting

February 22-26, 2017

Hyatt Regency Coconut Point
Bonita Springs, FL

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UPCOMING EVENT

National Housing & Rehabilitation Association
2017 Spring Developers Forum
May 8-9, 2017
The Ritz Carlton • Marina del Rey, CA