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Asset Management

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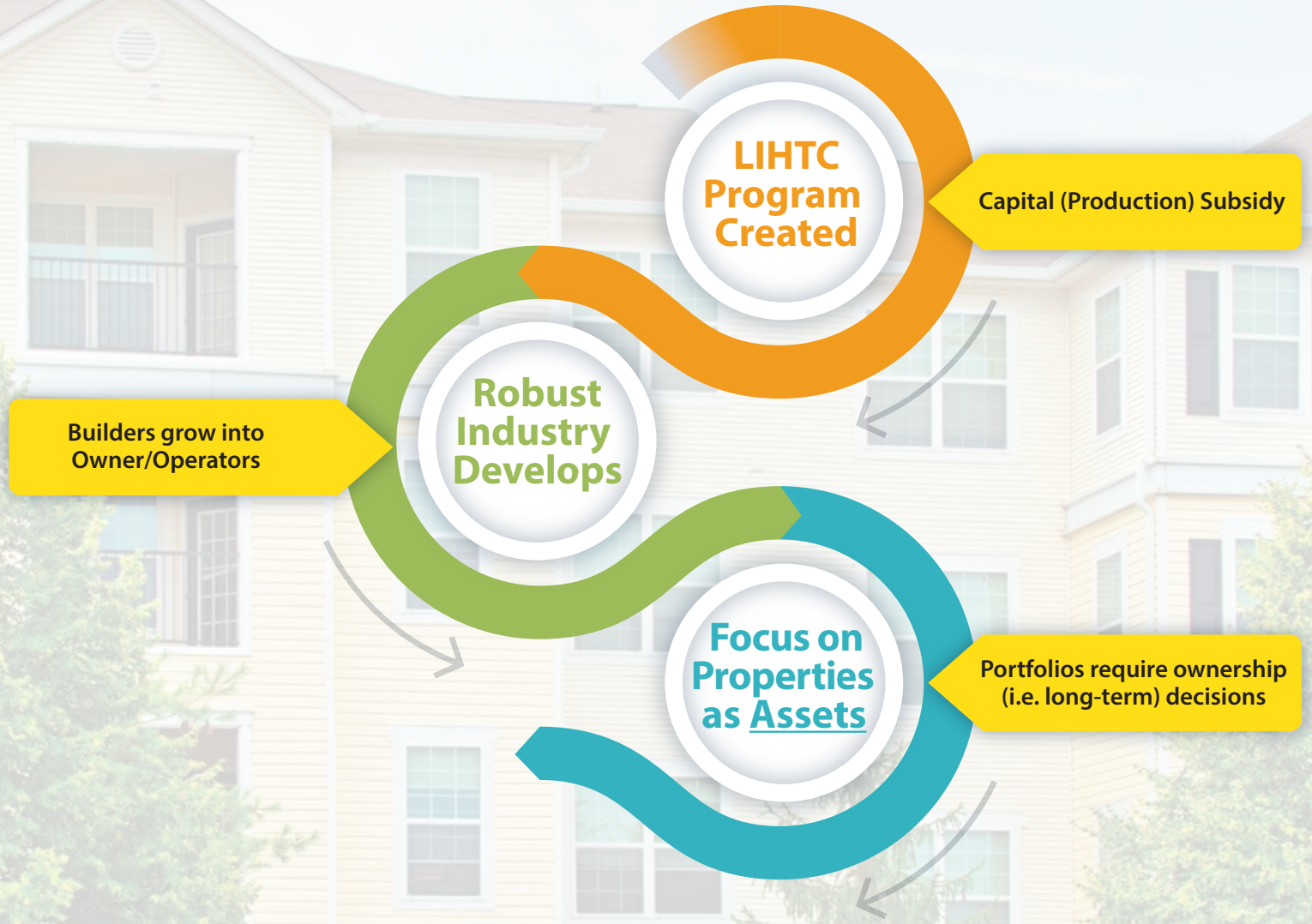
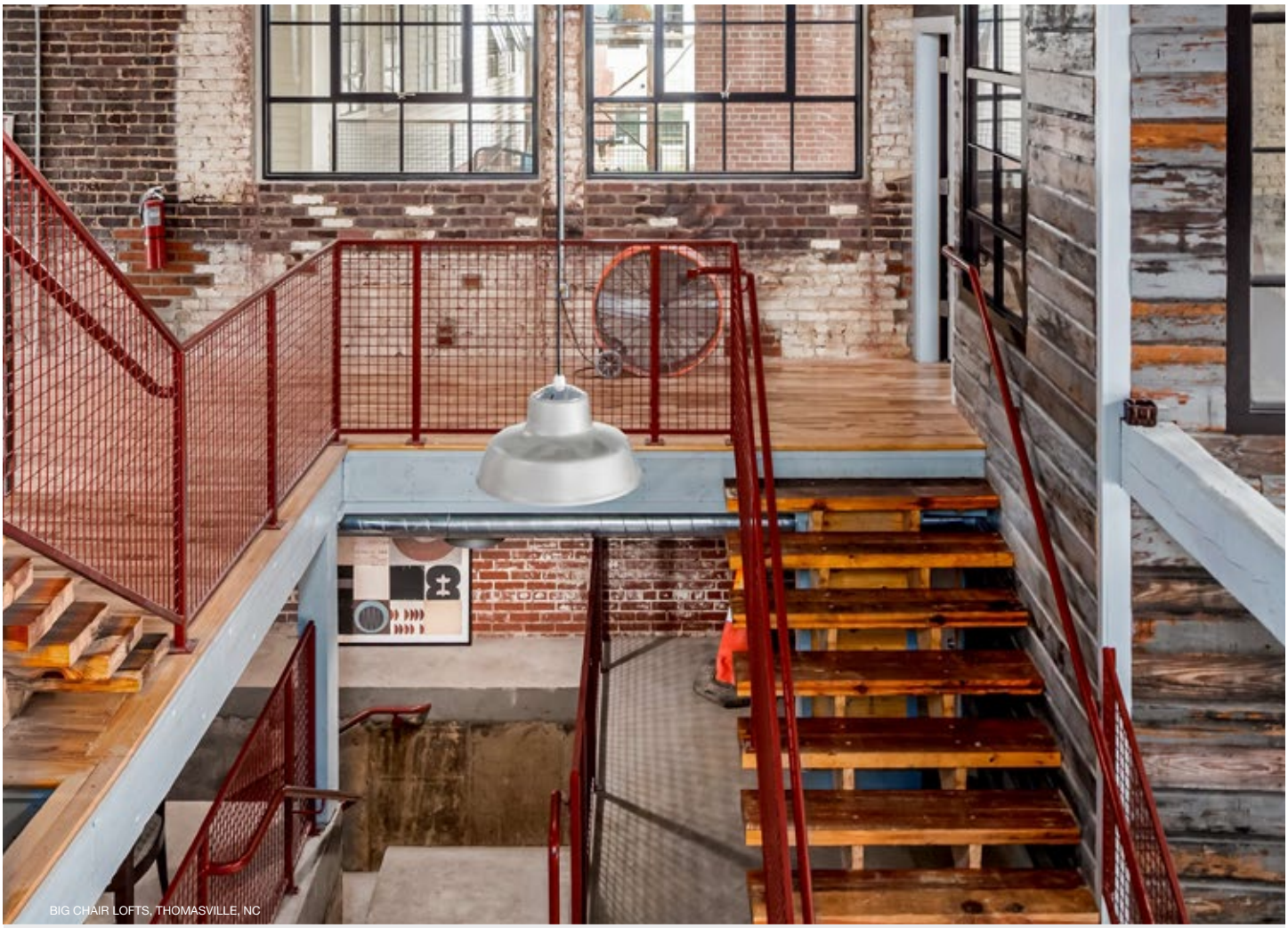
A New Era for the LIHTC Program



Utility Allowances | *Healthy Housing*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Thom Amdur (*New Developments*, p. 5) is the president and executive director of the National Housing & Rehabilitation Association, associate publisher of *Tax Credit Advisor* and has been the leader in the creation and presentation of the Preservation Through Energy Efficiency program.

Scott Beyer (*Housing USA*, p. 8) is a cross-country traveler covering U.S. urban issues. For three years, he circled America to live in 30 cities for a month each, starting in Miami and ending in New York City. The purpose of which is to write a book about revitalizing cities through Market Urbanism. You can find more about him on his website, Bigcitysparkplug.com.

Mark Fogarty (*Bring in the Engineer,* p. 18) has covered housing and mortgages for over 30 years. A former editor at *National Mortgage News*, he has written extensively about tax credits. He has also had pieces published in the *Chicago Tribune* and *Miami Herald*, among others.

John W. Gahan III, MAI, AICP (*Land of OZ*, p. 23) is an attorney for Sullivan & Worcester LLP and has extensive experience in complicated financing structures, including syndication of State and Federal Low Income Housing Tax Credits, State and Federal Historic Credits, New Markets Tax Credits, Brownfields credits, energy related credits and other state credits. He currently serves on the Board of Directors of Preservation Massachusetts and the National Housing & Rehabilitation Association and assisted in drafting laws and regulations dealing with affordable housing properties to better facilitate the advancement of his clients' projects.

Darryl Hicks (*Talking Heads*, p.12) is the vice president, communications for the National Reverse Mortgage Lenders Association and a 20-year veteran of associations managed by Dworbell, Inc, the management company of National Housing & Rehabilitation Association.

Mark Olshaker (*Affordable Healthy Housing*, p. 21 and *Resuscitating the Heart of the Commonwealth*, p. 27) is a best-selling author of fiction and non-fiction and an accomplished researcher in the areas of crime and medicine, as well as a documentary film writer and producer. Olshaker has written 16 books, including *Law & Disorder* with former FBI Agent John Douglas and *Deadliest Enemy: Our War Against Killer Germs*, with Dr. Michael Osterholm. His latest book with Douglas, *The Killer Across the Table*, was published by Harper Collins in 2019. Their book, *Mindhunter*, is the basis for the current Netflix series.

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.

Kaitlyn Snyder (*Addressing Affordability Through Supply*, p.10) is the director, Policy for the National Housing & Rehabilitation Association. She coordinates NH&RA councils and events, publishes the *HousingOnline Weekly* newsletter and represents NH&RA on various policy working groups. TCA

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BLUEPRINT FOR AUGUST

By Marty Bell

The Maturation of Affordable Housing

Our headline this month—"A New Era for the LIHTC Program"—might well have you scratching your head and wondering what the heck are they talking about. I am not a fan of tabloid-style front page promises that are not delivered upon once you turn the page. (I'll leave that to Jerry Hall's media mogul husband – whatever his name is.) But these words were actually said by Elaine Magil, director of Affordable Housing & Transactions at TCAM, during National Housing & Rehabilitation Association's recent asset management conference in Minneapolis. And, as you will read in Elaine's interview with staff writer Darryl Hicks (*Talking Heads*, p. 12), she has strong and valid arguments to back them up.

In 1939, in his *New York Times* opening night review for the Broadway musical *Pal Joey*, legendary theatre critic Brooks Atkinson wrote, "Last night will be remembered as the one on which the Broadway musical put on long pants." Atkinson was proclaiming that the art form had grown up. And that is not so distant from what Elaine Magil is telling us.

Once there was a piece of land that triggered a vision that became a building that needed to be occupied and managed and its success led to another plot of land and another vision and soon there were many buildings that all needed management and upkeep and eventually refinancing and new investors and a larger staff and all those buildings became a portfolio that needed overseers of its own and asset management became a necessity. That is what the graphic on our cover, also part of Elaine's presentation, shows us. A business once primarily focused on just getting a building built now has a much larger cache and significantly more cash to manage.

So, for the past few years at this time, immediately following NH&RA's annual and annually growing conference devoted to the topic, we focus an issue on asset management. And each year, largely due to the wily detective work of Thom Amdur and his team, we are delighted to find new innovative ideas that you may want to replicate.

For example, at this year's event, we were introduced to the option available in the state of Florida to, rather than using the state's FHA data to compute an utility allowance, bring in an approved private engineering firm that will offer more precise data. Staff writer Mark Fogarty shows one such firm's approach talking with Todd Stoltz of Matern Engineering and presenting a case study of their work on Coral Place Apartments in Miami. (*Bring in the Engineer*, p. 18)

We were also introduced to a comprehensive approach to adding "health equity" to your projects by Rebecca Schaaf, vice president for energy at Stewards of Affordable Housing for the Future – the Washington, DC-based nonprofit collaborative of 13 multistate affordable housing providers whose collective stated mission is to "Advance the creation and preservation of healthy, sustainable affordable rental homes that foster equity, opportunity and wellness for people of limited economic resources." We promptly put staff writer Mark Olshaker onto this progam. (*Affordable Healthy Housing*, p. 21)

In this month's columns you will find David A. Smith's recommendations to the White House's new Council on Eliminating Regulatory Barriers to Affordable Housing (*The Guru Is In*, p. 6); Scott Beyer's discussion of the initiatives of the 2,750 public housing authorities (PHAs) in smaller, mostly rural communities where 250 units is a large portfolio (*Housing USA*, p. 8); and NH&RA Policy Director Kaitlyn Snyder's introduction of a new Multifamly Tax Exempt Bond Toolkit now available to members. (*Addressing Affordability Through Supply*, p. 10)

Good summer reading all. And since it's hot all over the country as we write this, go ahead and read it in your shorts.

Marty Bell, *Editor*

Inspired by Summer Reading

Thom Amdur

With the National Housing & Rehabilitation's Summer Institute in our rearview mirror and Congress on summer recess, I'm looking forward to taking a few days off in August for some R&R. While I'm definitely inclined to novels, each summer I try to stretch a little and do some professional development as well. In recent years, my summer NH&RA reading included Matthew Desmond's *Evicted*, JD Vance's *Hillbilly Elegy*, and Jonathan Rose's *The Well-Tempered City*. All are very interesting books that explore themes related to poverty, community development, affordable housing and/or sustainability. I've also really enjoyed (and keep coming back to) Harry Kraemer's *From Value to Action: The Four Principles of Values-Based Leadership*, which has been a great entry point for me on aligning values and ethics with company culture and leadership development.

This summer, I'm planning on taking a deeper dive into source materials behind a recent posting by Solomon Greene and Jorge González of the Urban Institute – "How Communities are Rethinking Zoning to Improve Housing Affordability and Access to Opportunity." Greene and González highlight how local governments are "increasingly recognizing that restrictive zoning and outdated land-use regulations can suppress housing supply, drive up housing costs and widen racial and economic disparities. Leveraging smart zoning reforms and easing building restrictions can unleash housing supply to help meet the needs of current and future residents." I was surprised to learn how much recent activity there has been at the local level to remove barriers to development. Greene and González highlight several local strategies including:

- Minneapolis, MN – First major city to eliminate single-family zoning;
- Fairfax County, VA – Easing height and density restrictions;
- Washington, DC – In-law units;
- Seattle, WA – Rezoned single-family neighborhoods as "residential small lot" areas;
- Santa Rosa, CA – Streamlining review for infill housing;
- Pinellas County, FL and Austin, TX – Expediting review processes and waiving fees if the project involves dedicated affordable housing;
- Buffalo, NY, Hartford CT and San Francisco, CA – Eliminating off-street parking requirements;
- New York, NY – Mandatory inclusionary zoning;
- New Orleans, LA – Tailored neighborhood inclusionary zoning; and
- King County, WA – Affordable housing providers get "first look" at county-owned land.

We need an all of the above solution if we are going to make an impact on the affordable housing crisis. It is imperative that we expand federal resources for affordable housing by, amongst other things, enacting the Affordable Housing Credit Improvement Act (S. 1703/HR. 3077). We must take pains to preserve the affordable housing we already have (there were lots of great takeaways and strategies at our Symposium on Preservation Strategies last month in Newport). Local solutions to help increase production are also important. This means incorporating features from NH&RA's Bond Policy Toolkit (see pg. 10 for a current summary) into state Qualified Allocation Plans (QAPs), as well as adopting common sense local solutions highlighted in Greene & González's recent research. Hopefully, President Trump's recently announced "White House Council on Eliminating Barriers to Affordable Housing" can recommend further enhancements to remove other regulatory barriers that add to the cost of housing.

For the first time in my memory, presidential candidates are actually talking about affordable housing as a major campaign issue (see President Trump's Task Force and the *New York Times* recent editorial titled, "A New Approach on Housing Affordability: Some Democratic presidential candidates are emphasizing the need to build more housing. That could make a big difference"). There are literally dozens of bills in Congress addressing affordable housing and community development, as well as new initiatives almost every day in state legislatures. Now, more than ever, there seems to be some will outside of our industry to tackle the challenge of housing affordability head-on. We are ready to make the case and must also be ready to deliver results. TCA

Secret Santa Gifts for the White House Affordable Housing Council

In late June, to absolutely no press coverage, a Presidential executive order established the "White House Council on Eliminating Regulatory Barriers to Affordable Housing" with a pointed observation:

> Many of the markets with the most severe shortages in affordable housing contend with the most restrictive state and local regulatory barriers to development.

In addition to HUD Secretary Ben Carson as chair, his path lit and his steps guided by three lantern-bearing White House aides, the President dragooned one elf each from six other cabinet departments (Treasury, Interior, Agriculture, Labor, Transportation, Energy) and three executive agencies Environmental Protection Agency, Office of Management and Budget and Council of Economic Advisors. If the history of previous similar commissions is any guide, their report, due by purest coincidence amid the 2020 election season, will be a compendium of desirable goals loosely connected to the mission "grow the economy, add good jobs," anodyne passive-voice statements "discrimination against affordable housing should be ended" and unfunded hortatory advice to others "enact statewide mandatory inclusionary zoning" that might conceivably make Tweet-fodder.

That would be boring.

Instead, how about we reimagine the commission as a Secret Santa party? We'll use the commissioners' appointment power to add Health and Human Services and Department of Justice elves, and require every commissioner-elf to bring at least one nearly wrapped present we might actually want, so long as it is within that elf's power to manufacture and doesn't cost the Administration any ready money.

Shall we unwrap them?

- **Treasury.** Give double Community Reinvestment Act investment-test credit for Opportunity Zone investments that include at least 25 percent affordable housing, and zero for those with less.
- **Interior.** Establish a safe harbor historic-rehab renovation standard that invokes federal pre-emption to enable developers to bypass the National Park Service and override State Housing Preservation Officers.
- **Agriculture.** (1) Issue a blanket subordination (the financial but not tax equivalent of forgiveness) of all existing §515 and §518 loans to any such properties going through a preservation transaction; (2) Make a finding that, because the U.S. Department of Agriculture has never adequately funded the preservation loans mandated under *Franconia* and *Grass Valley*, owners of such §515 properties may now prepay (including the subordination gift just opened) in favor of any other preservation transaction; and (3) Sign an inter-agency agreement with Housing and Urban Development to launch RAD-RD administered by HUD, similar to RAD for PRAC.
- **Labor.** (1) Treat affordable multifamily housing under Davis-Bacon as residential property, not commercial; and (2) Issue either new regulations or a legal opinion that using project-based vouchers or project-based rental assistance does not *ipso facto* trigger Davis-Bacon.
- **Transportation.** Graciously crediting California Governor Gavin Newsom for the idea, cut highway funding for any jurisdiction (state or metropolitan statistical area) that has less than ten percent affordable housing, directly proportional to its shortfall. Redistribute the cut funding to states that have more than ten percent affordable housing in similar proportionality.
- **Energy.** (1) Working with HUD, develop a leasehold interest in energy conservation measures that HUD opines does not impair the first mortgagee's collateral; and (2) Develop, make available to HUD, and publish energy performance data that enables HUD lenders to underwrite projected energy savings, or benefits from Power Purchase Agreements, into HUD financing.
- **EPA.** (1) Modify regulations covering Habitat Conservation Plans under the Endangered Species Act to give full weight to the loss of affordable housing; (2) Require those suing to block affordable housing on environmental grounds to show standing and post bond equal to the potential increased costs resulting from delays based on ultimately unsuccessful challenges; and (3) In concert with Justice, issue regulations using the foregoing to pre-empt California Environmental Quality Act in California when it has discriminatory effect.
- **OMB.** Require a Housing Impact Analysis of any new federal agency's proposed rulemaking or rule revision.
- **HHS.** (1) Delegate to HUD broad authority to approve 'safe harbor' §1115 Medicare/Medicaid waivers for service or construction elements that show an HHS cost-aversion simple payback of ten years or fewer; (2) Construct an

authority to pledge such savings actually acquired as a funding source for Pay-For-Success programs.

- **Justice.** (1) Work with HUD to establish national standards for (a) specific types of housing where impact fees are permissible and others where they are not, and (b) determining fair amounts of impact fee exaction; (2) Adopt the previous administration's strategic use of the Fair Housing Act by bringing high-profile anti-discrimination litigation in several areas. (a) Prosecute impact fee exactions above these as discriminatory under the Fair Housing Act. (b) Bring a test case, with the intention of litigating to the Supreme Court, that finds excessive single-family, large-lot-size or parking-requirement zoning is discriminatory under Fair Housing. (c) Challenge Davis-Bacon as racially discriminatory, citing its legislative history and current impacts both on minority employment and on minority housing; and (3) Work with HUD to develop a model inclusionary zoning enabling act with fair-share component that, if enacted at the state level, will exempt states from further anti-discrimination zoning litigation.
- **HUD.** (1) Via risk-sharing approach like Fannie Mae's Delegated Underwriting and Servicing program, contract out all mortgage underwriting (not just MAP) to private companies or HFAs, just as HUD contracted out mark-to-market underwriting to private Participating Administrative Entities and Section 8 contract administration; (2) Offer all public housing residents an individual, voluntary, five-year exemption from income certification in exchange for flat rents at 100, 125, 150, 175 and 200 percent of current household tenant payments. At the end of five years, allow the households either to make the flat rents permanent (subject to Consumer Price Index increases) or to revert to income certification and 30 percent; (3) Working with Justice, pursue a national strategy of allowing Accessory Dwelling Units and Detached Accessory Dwelling Units within single-family zoning and without additional parking; and (4) Establish an Office of Anti-Discriminatory Zoning to coordinate with Justice on prosecuting zoning that violates Fair Housing.

Finally, as a stocking stuffer, on their first day issue all the commissioners a new digitally searchable copy of *Not In My Back Yard: Removing Barriers to Affordable Housing*, the 1991 study produced by the previous presidential commission on affordable housing. TCA

The Rural PHA

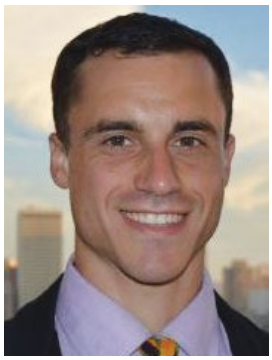
When people hear "housing agency," they likely envision a big city bureaucracy in New York or Philadelphia. But for each of those, there are numerous smaller agencies that serve tiny cities nationwide. According to Opening Doors, a housing publication for the disabled, there are over 3,000 Public Housing Agencies (PHA) in state and local government. Eighty percent manage under 250 units. Many are located in rural areas, helping address housing situations that are often worse than that of big cities. And because rural America is not defined by any one economic condition, these agencies have different challenges by location.

Rural America is indeed transitioning right now. Over a third of rural counties are experiencing population loss, and the share of Americans living in them has shrunk from 16 to 14 percent since 2000. But the rural situation is also nuanced. Analyst Richard Florida wrote that there are three rural Americas – "amenity-rich" ones have natural or cultural assets to attract the affluent; "transitioning" ones rely on a combo of blue-collar and white-collar jobs, and have strong population growth; and "chronically poor" ones were hit hard by deindustrialization, and haven't revived.

Each of them have housing challenges. In the amenity-rich and transitioning areas, fast growth creates demand, and the private sector does not always keep pace by adding necessary supply. In the chronically poor areas, there may actually be a housing glut, but it's old and substandard. And because incomes and economic activity are minimal, the private sector isn't impelled to build new housing. This has created a rural housing crisis.

"The problem of housing affordability, long a concern in popular big cities, has moved to rural America," reports the Pew Charitable Trust. "Nearly one-fourth of the nation's most rural counties have seen a sizeable increase this decade in the number of households spending at least half their income on housing."

This is where the aforementioned rural PHAs can and do step in. During recent travels and interviews, I saw firsthand how that looks in different cases.



Scott Beyer

Struggles Across West Virginia

On July 4th weekend, I traveled through much of rural West Virginia. The area fits Richard Florida's "chronically poor" description. The state has been hit hard by the decline of coal, and hasn't sufficiently readapted to embrace natural gas extraction, much less new economy industries like health and education. The average annual income in rural counties is generally below $20,000, and the poverty is worsened by the state's drug epidemic. This makes rural West Virginia's housing situation bleak: 16 percent of units are mobile homes, fourth-highest of any state, and many are in worse physical shape than the generic trailer park communities I've seen nationwide.

West Virginia's housing bureaucracies are trying to solve this problem. It starts at the top with the West Virginia Housing Development Fund (WVHDF), a state affordable housing finance agency. WVHDF both allocates Low Income Housing Tax Credit (LIHTC) equity and Section 8 assistance for multifamily projects, and provides mortgage financing for single-family homes. Some of that mortgage financing goes, in classic West Virginia fashion, towards the purchase of double-wide

trailers that are new, and better quality, than the trailers people lived in before.

WVHDF is "constantly in contact" with local PHAs, says George Gannon, the agency's communication manager. It organizes quarterly meetings so PHAs can describe their needs, and WVHDF can allocate funds accordingly. PHAs they work with are usually administered at county level, and generally have 20 staffers or fewer. Like elsewhere in America, West Virginia's PHAs have a variety of tasks; some are involved in the construction and management of facilities, while others acquire, improve, sell and win financing for sites.

One example of this latter type is the Fairmont Community Development Partnership (FCDP), a nonprofit that works with WVHDF to spur economic development. Fairmont is an 18,000-person city 14 miles south of Morgantown. The partnership operates two restaurants, and has been involved in the financing or development of several dozen housing units. Brian Chetworth, the finance manager, said Fairmont has common regional problems: a declining population, high poverty rate and economic turmoil following the decline of coal and steel. The nature of FCDP's job is thus to remove blight, and convince outside investors that the blight can be replaced with vitality.

Gannon, the communication manager for WVHDF, says Fairmont's problems are mirrored across West Virginia.

"There is a critical need for affordable housing in every county in the state," Gannon says by phone. "Many areas are not economically prosperous, many areas have been hit hard by downturns in the energy industry. And we're working with not just the county folks, but developers across the country to suppress that need.

"Right now it's a boom town, because we've got a lot of oil activity. The sand here can be mined and used for frack sand. So we've got sand plants everywhere, and oil field companies, and well service companies, and fracking companies – all kinds of stuff."

Rapid Growth in West Texas

The parts of rural America that have embraced the new energy economy—i.e. oil and gas—have the opposite scenario: rapid growth. So their housing problems are different. One example is Monahans, a 7,000-person city in west Texas where the population has increased by ten percent since 2010.

"Right now it's a boom town, because we've got a lot of oil activity," says Ginger Carrell, executive director for Monahans Housing Authority (MHA). "The sand here can be mined and used for frack sand. So we've got sand plants everywhere, and oil field companies, and well service companies, and fracking companies – all kinds of stuff."

Carrell says the industry brings temp workers, who either rent or own RVs. Monthly rents, she says, are between $900-$1,500, and even if a worker owns their RV, the cost of renting space on a campground is not much less. These demand pressures have inflated housing prices around town, making MHA one of the last respites for affordability. The agency manages 68 income-based public housing units, ranging in size from one- to four-bedrooms. It manages another 52 one-bedroom market-rate units on two separate sites, some of which it rents to Section 8 voucher tenants. The one bedroom apartments rent for $600/month, the cheapest in the area. Carrell says there are waiting lists for all MHA units, and that the agency may pursue further housing growth through HUD's RAD program.

The examples of West Virginia and west Texas—both of which are remote—show the different problems faced by America's 3,000 plus housing agencies. Some PHAs serve urban areas, some rural ones, and in either case, they are serving cities that are booming or declining, depending on economic conditions. But the common denominator is that affordable housing will be out-of-reach for some of the people living there, highlighting the important role of these PHAs. TCA

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Addressing Affordability Through Supply

NH&RA Issues New Multifamily Tax Exempt Bond Toolkit

By Kaitlyn Snyder

Several initiatives and policy proposals of late seek to address housing affordability through supply side solutions.

The Opportunity Zones incentive attempts to drive development in low-income areas.

The White House's Council on Eliminating Regulatory Barriers to Affordable Housing will recommend policies that reduce and streamline statutory, regulatory and administrative burdens that inhibit the development of affordable housing supply at all levels of government.

The biggest and most impactful supply side legislative solution is the Affordable Housing Credit Improvement Act of 2019 (H.R. 3077/S. 1703) that would increase the Low Income Housing Tax Credit (LIHTC) allocation by 50 percent and fix the four percent credit at four percent. Novogradac and Company estimates that these two provisions would build and preserve an additional 384,555 homes and 66,000 affordable homes over the next ten years, respectively.

Then there are the myriad housing affordability proposals from the 2020 democratic presidential hopefuls. Sen. Cory Booker (D-NJ), former HUD Secretary Julián Castro, Sen. Kamala Harris (D-CA) and Sen. Elizabeth Warren (D-MA) have all released plans that primarily proffer demand side solutions, like a renter's tax credit or expanding the Housing Choice Voucher Program. However, most of their plans also include a supply side solution. Sen. Booker proposes to build new affordable housing options for low-income renters through an additional $40 billion a year to the National Housing Trust Fund (HTF). Former Secretary Castro would fund the HTF and the Capital Magnet Fund at $45 billion per year and expand the LIHTC. Sen. Warren's American Housing and Economic Mobility Act of 2019 (H.R. 1737/ S. 787) would invest about $475 billion in federal programs over a ten-year period to preserve or create more than 3 million housing units for low- and middle-income families.

The National Housing & Rehabilitation Association emphatically supports all these initiatives and policy proposals and is working with our members, partners, Congress, the Department of the Treasury, the Department of Housing and Urban Development and the White House to pursue these supply- and-demand-side solutions to address housing affordability.

But NH&RA also believes that one of the biggest existing drivers of supply side housing affordability is being left on the table by too many states: tax-exempt bonds and the accompanying four percent LIHTCs.

Bond Volume Left on the Table

In its most recent analysis, the Council of Development Finance Agencies found that only eight states issued all or almost all of their private activity bond (PAB) volume cap in 2017. When accounting for new PAB cap, as well as carry-forward allocations, states had over $90.4 billion in private activity volume cap available in 2017. Only $24.9 billion was issued, while an additional $44.2 billion was carried forward. Utilizing even a portion of the unutilized $30 billion for additional multifamily housing would go a long way towards closing the affordability gap.

In our new Multifamily Tax-Exempt Bond Toolkit, we explore how Housing Credit Allocating Agencies (HCAAs) and state and local governments can scale up utilization of their private activity bond allocation to build and preserve more affordable housing. We offer recommendations in several topic areas including:

1. Differentiating criteria between four and nine percent credits;
2. Rolling application deadlines for four percent credits;
3. Prioritizing subordinate & gap funding to support bond transactions; structure soft sources to maximize leverage;
4. Maximizing eligible basis;
5. Allowing developers to choose financial partners;
6. Driving efficiency in the underwriting process;
7. Encouraging policy flexibility, transparency & transactional velocity; and
8. Allowing and encouraging the average income election.

Maximizing Eligible Basis

Perhaps the most important section of our toolkit focuses on maximizing eligible basis. Driving eligible basis generates more four percent credits, which in turn, reduces the need for gap funding and makes deals more financially viable on their own. There are a number of tweaks that HCAAs can make in their Qualified Allocation

Plans to maximize eligible basis, like differentiating caps on total development cost and/or total per unit cost between nine and four percent transactions, increasing deferred developer fee limitations and allowing related-party seller notes to be included in eligible basis.

We are excited to see the bond recycling provisions in the Affordable Housing Credit Improvement Act of 2019 that would give HCAAs 12 months instead of the current six months to recycle multifamily tax-exempt bonds into Mortgage Revenue Bonds. Many states feel they are faced with a false choice of devoting scarce resources to homeowners or renters. NH&RA encourages states to devote the majority of their private activity bond allocation to multifamily housing options even while we pursue enhancements to bonds recycling through Congress. The fact is no other tax-exempt bond use also generates another federal subsidy: the four percent LIHTC.

NH&RA believes that HCAAs and state and local governments have the power to increase new unit production and expand preservation opportunities of affordable housing through tax-exempt bonds and the four percent LIHTC right now. While we are eager to see production through Opportunity Zones and the recommendations from the White House Council on Eliminating Regulatory Barriers to Affordable Housing, we know those solutions will take a significant amount of time while there are currently millions of people struggling to pay rent at this very moment. Time is of the essence and we need to use every tool at our disposal to address housing affordability.

We encourage everyone to check out the toolkit, which can be found on our homepage at www.housingonline.com and reach out to us with questions. TCA

Talking Heads

Elaine Magil

Director, Affordable Housing Advisory & Transactions, TCAM

Asset Managers Are Your New Revenue Centers

By Darryl Hicks

Whether an affordable housing deal succeeds and remains profitable many years into the future often depends on the asset managers you work with and their level of involvement during the earliest planning stages and in the ensuing years after a property is placed in service.

Developers tend to be optimistic, according to Elaine Magil, but it's her job as an underwriter and asset manager to carefully look at the data and point out potential red flags.

Magil joined TCAM—the affordable sector's largest asset management consulting firm—five years ago. Before that, she worked in acquisitions at a tax credit syndicator and in supportive services and consulting to nonprofit community development organizations.

While speaking at the National Housing & Rehabilitation Association's Asset Management conference in Minneapolis this past June, Magil candidly remarked that affordable housing organizations must no longer see themselves just as developers who are concerned about "getting the next deal done" but increasingly as owners and operators of affordable properties. In her words, it was "a new era for the Low Income Housing Tax Credit program."

Tax Credit Advisor sat down with Magil to get more details on these comments and to discuss best practices that will help your projects succeed.

***Tax Credit Advisor:* Tell us more about this comment you made about developer attitudes changing. Why is this an important trend?**

Elaine Magil: It fundamentally shifts how you think and feel about many things. What do you pay upfront versus kicking down the line and deferring? It makes a big difference if you are focused on 'what it's going to cost me to own this property for the long haul, maybe for more than 50 years' versus, 'I am done, I need to think about the next project.' It affects what you staff for. Do you pay a lot of money to get the smartest developer to put the best deal together? Maybe, but you also need to think about having sharp, attentive, skilled asset managers in back-office functions. These people are your new revenue centers. They are not simply 'bean counters' nor are they just making sure that you follow the development plan. They are doing that, but they are also driving potential revenue, protecting you from important risks and setting you up for the next avenue of business. We increasingly see development pipelines coming from existing portfolios. The relationship between asset management and development is evolving. Asset management helps tee up successful redevelopment, which is a new pipeline of development fees.

Elaine Magil

***TCA:* Why do asset managers need to be involved early in the deal planning process?**

Magil: It is very easy for each of us individually to see that the work we do is hard and important. However, it can be difficult for us to see that what other people are doing is difficult and complicated and important. Even if everybody gets along and there's no malice and competing incentives, it's hard for people to fully understand how what other people are doing is equally useful. So, in the case of affordable development, there are finite dollars and sometimes the way you set up a deal affects how it operates. The development team has a very hard job putting together a tricky puzzle with finite resources. All those resources have strings attached to them and conditions that allow them to be used for this but not for that. Meanwhile, the asset management people are trying to run an operating budget and they might be worried that the development team has agreed to something or has projected something that the asset management team has concerns with. It's not because the development team is foolish. They operate under constraints and do the best

Talking Heads, continued on page 14

WHILE OTHERS ARE LOOKING FOR OPPORTUNITIES...

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National Equity Fund has been creating opportunities for individuals and families in big cities and small towns throughout the U.S. since 1987. Permanent affordable housing benefits people as well as the economic stability and growth of communities.

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National Equity Fund is a non-profit Chicago-based affiliate of the Local Initiatives Support Corporation (LISC) and a leading syndicator of Low Income Housing Tax Credits (LIHTC). For more than 30 years, we have played an integral role in creating affordable housing options, revitalizing communities and strengthening local economies.

Talking Heads, continued from page 12

they can to thread the needle. The reality is from where I sit, the only way this gets fixed is for the company leadership—no matter whether it's a nonprofit or for-profit—to say, 'look, you, front-end people, and you, back-end people, both need to be comfortable with the deal we're signed up for.' Not just, 'you, development, put the deal together and ship it down the hall,' which historically has been the way some companies operate. At many organizations, development or originations puts the deal together and maybe AM gets to weigh in or maybe not. Or maybe AM gets to sit on the investment committee, but maybe not. Once the deal is baked, then it's up to AM to figure it out. But for these deals to provide returns over the long term, it really does have to come from the top to say, 'we all are left holding the bag, not just the AM people. We need to be sure we're part of a deal that we are happy and proud to own for the next 15 years.'

TCA: What are the most important data points for you when evaluating property performance? What data is often overlooked by developers that should be scrutinized more closely?

Magil: Asset management is tied to data. We all understand occupancy rates, budget variance and compliance information. That's not new to anyone. Performance versus underwriting is less commonly looked at as much as it could or should be. Unless your data system is set up well to have your pro forma queued up there and then map your performance against the pro forma, it's more of a headache to get at actual versus underwritten. Whatever the pro forma was at closing that was part of the deal you made. While I am not saying that we should hold people to exactly what was in the pro forma, it is a more useful measure to pay attention to year-over-year to what you thought was going to happen. I often advise two things to my clients. First, and this often applies more to mission-driven companies, quantify and track what I call Feed. How many properties are you having to pay for property-level operations out of organizational money (including property management fees and expense reimbursements the properties cannot pay)? Some companies are savvy about tracking this, but a lot are not. If, by maintaining properties that are not self-sufficient, you must syphon money from the parent organization, that may be a decision you decide to make, but many are not aware that they are doing it or that they are not being strategic about it. The second thing I advise people to pay attention to seems incredibly obvious but it's cash flow. Is a property helping your portfolio and, if so, by how much and what you are getting out of it? Getting to your net cash flow number means doing the work of determining what you pay on your soft loans and what capital needs you're funding. I am not saying this is a chronic issue, but we do see some organizations that don't follow through to that bottom number.

TCA: What distinguishes a good asset manager from a bad one?

Magil: I've seen asset managers come out of property management, accounting, compliance and development and from unrelated fields, like residential real estate. A good asset manager says, 'I am the owner, the buck stops with me.' A good asset manager notices problems and takes responsibility for mobilizing the resources to get them fixed.

TCA: What best practices have you learned over the years that you can share with our readers?

Magil: One, 15 years—the lifespan of LIHTC deals—is a very long time to be looking into the future. Nobody can underwrite perfectly and predict that far into the future. We should be more honest with ourselves and accept the possibility that things could look worse 15 years from now. Maybe it's worth building in some back-up plans or cushions. Developers sometimes have to be optimistic. Listen to your asset management people. Take a cue from the last recession and recognize that there may be things you are not anticipating that will be worse than you expected and think about what that means for your portfolio and revenue stream. Two, soft loans matter a lot more than people give them credit for. Sometimes we treat them like squishy money that you can shove into a deal and never ask questions. That is not the case. They come with their own rules, their own interest rates. Don't ignore your soft loan exposure. Third, put the time into the annual budgeting process. There are organizations that don't spend a lot of time on it, and just roll forward the prior year's budget with some escalation factor, irrespective of what's been actually happening. Sometimes they get away with it, but other times they find it useful to check once a year whether they are way off course. Lastly,

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a lot of organizations are getting into property management because they think they can make money at it. The reality is that a lot of companies do not make money in PM. If it's their core business, then yes, they are making money otherwise they wouldn't be in business. If you're doing PM as a side business, how sure are you that, net-net, it's actually making money? There are good reasons to get into property management, but it is a tough business and you can lose money before you realize it. You need a solid business plan to make it work.

***TCA:* What common challenges do you encounter asset managing affordable housing assets and how do you overcome these challenges?**

Magil: The core of it all is that operating affordable housing is a very thin business. Affordable housing was never meant to have a lot of room for error. That's how it was designed. When things go wrong, it is notoriously difficult to solve problems. You can't throw money at a problem when there's no money to throw. Many organizations are now acknowledging that there are long-term risks that cannot be fully anticipated or underwritten ahead of time, so they are building reserves and contingencies at the organization level and putting money away while times are good.

I've seen asset managers come out of property management, accounting, compliance and development and from unrelated fields, like residential real estate. A good asset manager says, 'I am the owner, the buck stops with me.' A good asset manager notices problems and takes responsibility for mobilizing the resources to get them fixed.

***TCA:* Some of your clients are state housing finance agencies. How do you approach your job differently working for an HFA as opposed to a developer or a bank?**

Magil: HFAs are in a tough spot, because, first off, they have to be careful about overstepping. They may want to rush in and try to solve every problem that occurs in their jurisdiction. I understand they face political pressures that private companies do not, but sometimes a state HFA must acknowledge an unfortunate situation and say, 'we can't fix this problem with our limited resources.' The other issue that we see with HFAs is that they have so many different kinds of responsibilities and exposures. We try to help HFAs delineate that the stuff you only put tax credits on is not on your balance sheet. It's on someone else's balance sheet. That's not to say they shouldn't care about it, there may be a soft loan they put on a project, but they need to be clear with themselves about their exposure. There also may be a lot of stuff in HFAs' portfolios that has nothing to do with the LIHTC program. After operating for 40 or 50 years, HFAs sometimes have a lot of weird stuff in their portfolios that isn't tax credits, so we have to think about the diversity within that portfolio and what different exposures and drivers that comes with.

***TCA:* What other important trends are you seeing in the marketplace?**

Magil: We are seeing a blurring of the for-profit and nonprofit lines. I am not talking about a tax status thing. More that some for-profit developers are getting better at delivering supportive services that were historically provided by nonprofits. This allows them to make a more compelling case to an HFA that they are not just building units but creating communities. Meanwhile, some nonprofits are becoming more savvy about making money. They don't make a deal unless it provides a certain margin. It's interesting to see this from both sides and how they are beginning to look more like each other. One last exciting trend is that our industry appears more eager to look beyond LIHTC. There's a greater enthusiasm for homeownership, lease to own programs, addictions or rehab housing, multi-use development and intergenerational housing. All these things that are not what the LIHTC can easily do—or do at all—but are still exciting to see in the communities I work in. TCA

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Bring in the Engineer

Florida Allows a Better Way to Calculate Utility Allowances

By Mark Fogarty

An alternative way to estimate utility allowances (UA) in Florida is producing lower UA amounts for affordable housing managers – in some cases considerably lower.

Using an engineer to estimate usage instead of relying on Public Housing Authority (PHA) data means more accurate UA results, according to Todd Stoltz, project manager for Matern Professional Engineering Inc. of Maitland, FL.

PHA data use averages from within a district or zone, meaning inefficient properties can drive up the UA, sometimes significantly. In some cases, the engineer estimate can be more than 50 percent lower than the PHA allowance. At one 100-unit project analyzed by Matern the annualized allowance difference came to more than $68,000.

PHA allowances also are not accurate for every property, according to Stoltz, while engineer simulations are accurately based on industry standards.

Coral Place Apartments, Miami, FL

The incentive affordable housing owners have for using the engineer UAs is simple: the lower the UA, the higher the rent that can be charged. And the engineer analysis allows increases in energy efficiency put in by owners to be counted in the lower UAs, resulting in the higher rental amounts.

In a report called "An Affordable Housing Owner's Guide to Utility Allowances," the California Housing Partnership Corp. notes, "Because rents in affordable housing are regulated and restricted, owners cannot simply increase rents as improvements are made. Instead, property owners must consider strategies to lower UAs provided to tenants as part of the rent calculation to account for lower utility costs.

The report, co-written by the National Housing Law Project, says, "This method, where possible, can often increase the rent stream or Net Operating Income to the owner and offers a pathway to recovering some of the costs of energy improvements made by the owner."

Stoltz told the Asset Management Conference of the National Housing & Rehabilitation Association held recently in Minneapolis that simulations by his firm and three others approved by the Florida Housing Finance Corp. are "really accurate. We use a program that simulates every second of the year, rotates the sun. There's a high degree of certainty. And Florida Housing is really strict."

FHFC Model Is Very Specific

Florida Housing Finance Corporation (FHFC) spells out the alternative calculation quite specifically. It mandates using an energy, water, sewer consumption and analysis model.

"The (Energy Consumption) model must take into account factors, including unit size, building orientation, design and materials, mechanical systems, appliances, and characteristics of the building location. The Energy Consumption Model UA schedule shall include all utility types paid for by the tenants. Florida Housing staff must approve this owner estimate prior to implementation," according to the housing authority.

Besides Matern, the other FHFC-approved firms are Diamond Property Consultants Inc., Heath, TX; KN Consultants LLC, Safety Harbor, FL; and Florida Solar Energy Shelter, Cocoa, FL.

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To qualify as a vendor, firms must employ a professional engineer or certified energy staff on staff, must document relevant experience, list proposed software and give references.

The calculations the engineers must do are pretty involved. For electrical, they include size, orientation, wall construction, window construction, lights, plug loads, HVAC loads, water heating and people loads.

"Everyone has a computer. Everyone has a big screen television. Everyone has a cable box," Stoltz told the meeting.

Thermostat setpoints adhere to American Society of Heating, Refrigeration and Air Conditioning Engineers (ASHRAE) standards, Stoltz told the affordable housing leaders, using 74 degrees for cooling and 72 degrees for heating, with 50 percent relative humidity. "That's what the calculations are based on," he said.

Utility rates can vary between providers, he noted, sometimes substantially.

For water, each unit's water consumption stats are entered into a spreadsheet. These include gallons per flush for toilets, gallons per minute for sinks and showers, gallons per load for dishwashers and washing machines, and human usage based on Department of Energy standards.

There's also a methodology for reporting the UA results to the state housing authority. Stoltz said this involves a cover letter listing everything about the property that was used to calculate the allowance, housing requirements, like building identification numbers, a UA worksheet that lists only those utilities the tenant pays, lists each unit type, and certifications, and has backup information sheets, like simulation software reports for electrical and water consumption estimates.

Case Study: Coral Place Apartments

As an example of the value of engineer estimates, Stoltz used the Coral Place Apartments, a 100-unit development of one-, two- and three-bedroom rentals in Miami.

Stoltz described Coral Place as being in a tough environment "where all the outside is trying to get in. You're trying to fight that."

He said the walls are typical eight-inch stucco over concrete insulation with a resistance of R7 and interior drywall. The built-up roof has R30 board insulation, LW and steel decking, structural steel trusses and gypsum board ceilings. The windows are standard double pane clear. The windows are light-emitting diode (LED). The HVAC system is direct expansion split, with electric heat and air conditioning with a seasonal energy efficient ratio (SEER) of 13. Water heating is four KW and the local utility is Florida Power and Light.

Stoltz said the UA study was only for utilities the tenant paid directly, in this case electric. His estimate was well below the PHA value. So for a one-bedroom unit, (Coral Place has 68, at 565 square feet) the difference was $47 per unit per month, a two bedroom (28 units, at 805 sf), $75 per month, and a three-bedroom (four units at 1,176 sf), $98 per month. Multiplied by 12, that comes to a $68,256 lower utility allowance yearly.

"The numbers start adding up real quick," Stoltz said.

The analysis of Coral Place Apartments using the Trane TRACE 700 v6.2.8 computer system was quite detailed, according to a letter Stoltz sent to the Coral Place limited partnership.

It started with the building BINs, detailed the square footage of each of the three apartment sizes and noted a general north to south orientation for the project. "The top floor worst case orientation, for each unit type, was used for purposes of the estimate," Stoltz wrote.

The design and materials are noted, as are the mechanical systems and the Energy Star appliances present in the units. Details of the lighting, energy data used and weather characteristics are also included.

Stoltz also described for the NH&RA meeting the lighting, HVAC and plumbing retrofits that can be done at Coral Place and other projects, as increases in energy efficiency help bring down the UA.

Putting in these energy conservation measures can generate rebates from the utilities, Stoltz noted. These help reduce load on the grid and accelerate payback. And, there is a little reciprocity involved.

"You help us, we help you," Stoltz noted. TCA

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SOURCE:

California Housing Partnership Corp. and National Housing Law Project, "An Affordable Housing Owner's Guide to Utility Allowances."

Affordable Healthy Housing

SAHF Collaborative Strives for Health Equity

By Mark Olshaker

"Housing is a key driver of all the social determinants of positive outcomes, and safe, healthy housing is foundational." That is the essential message expressed by Rebecca Schaaf, senior vice president for energy at SAHF—Stewards of Affordable Housing for the Future—the Washington, DC-based nonprofit collaborative of 13 multistate affordable housing providers whose collective stated mission is to "Advance the creation and preservation of healthy, sustainable affordable rental homes that foster equity, opportunity and wellness for people of limited economic resources."

"We call ourselves a collaborative because we embrace topical issues together and find there is more success working together than working alone," Schaaf continues. "We are providing affordable housing as a way of addressing health." The organization was founded in 2003. The energy efficiency work began five years later in 2008, and a healthy building materials unit was launched about two years ago.

Health Equity

The phrase SAHF used to describe its main goal is "health equity," and that can be interpreted in both senses of the word: the fairness of giving everyone an equal opportunity at health resources, and the personal benefits each individual builds up as a result of access to, and following healthy lifestyle and practices. The premise under which the members operate is the growing body of literature indicating that traditional medical care has a limited impact on overall health outcomes, particularly for the population segment represented by affordable housing residents. The social determinants Schaaf alludes to—the conditions in which people are born, grow, live, are educated, work and age—have a greater impact on health status. Serving the most vulnerable populations, including low-income children, families and seniors, SAHF and its members work to leverage the impact of service-enhanced affordable housing to directly improve the health outcomes for residents.

SAHF purposes its goal through five main focus areas: mental and behavioral health; toxic stress and trauma-informed strategies; food security; aging-in-place; and healthy building materials.

Achieving that goal is pursued through three ever-evolving strategies: Health Sector Partnerships; Data-Driven Solutions; and Thought Leadership.

"We really rely on a lot of partners," Schaaf says. "For example, the Healthy Building Network [a national organization dedicated to healthy building practices and headquartered in Washington, DC] has an initiative on affordable housing backed up by a team of chemists. It's all directed to the question of what is our residents' daily experience of living in our [members'] properties and how do we hold ourselves accountable to that?"

However, she notes, "All of the resources and tools we develop for our members, we make available to others. Resident outcomes work is where we've really distilled a set of metrics that we continually monitor and evaluated over time [See Sidebar]. All of the things that go into [the research] we're always exploring for scale and actual best practices."

Dual-Purpose Strategies

The three main strategies SAHF employs each have a dual purpose. They are aimed not only at improving the health and wellbeing of affordable housing residents, but also increasing efficiencies in cost and delivery of services, Schaaf says. "In my own concentration, energy, the energy efficiency sector understands that we're not just doing this to lower our utility bills. We tie energy efficiency directly to the health sector. Bringing these two groups together can be a challenge, even on the vocabulary side, since each industry speaks a different language. But we'd like to see more integration of energy and health, and a partnership between energy efficiency resources and housing providers to promote cross-sectoral teamwork. And I think people have been very receptive."

These creative Health Sector Partnerships include healthcare payers, hospitals and health systems. SAHF searches for synergies to implement initiatives and collaborations to improve health outcomes for residents and reduce healthcare costs.

As to Data-Driven Solutions, through its Outcomes Initiative, SAHF members collect data on a variety of social determinants of health metrics. These include healthcare access, insurance status, social cohesion, food safety and education. This data allows members to understand and calibrate the impact of services provided to residents, as well as creating a conduit for partnership

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Healthy Housing, continued from page 21

building when approaching other sectors through common or standardized metrics of the impact.

Thought leadership is established through the same type of cooperative effort. SAHF's 13 members essentially provide 13 individual laboratories to test best practices and determine what works and what does not. Lifting up and sharing lessons learned "on the ground" and with other industry partners offers an enhanced opportunity to contribute to the great field of knowledge on the importance of housing investments that improve outcomes and create greater health equity.

SAHF OUTCOMES INITIATIVE MEASURES

Service Priority Area	Outcome Measures *What are the changes in residents' behaviors or attitudes?*
Work, Income, and Assets	% of households whose gross income increased
	% of households whose income from employment increased
	$ increase in median income from employment
	% of employed residents
	% of residents who gained employment over time
	% of households who reported increased assets
	% of unbanked households
Housing Stability	Median duration of residence
	% of households who moved out because of non-payment of rent
	% of households who moved out because of poor health
	% of households who moved out because of home purchase
	% of households who moved out because of death
	% of households who moved out because they no longer need the current level of financial assistance
Education	% of 3-4 year-old children enrolled in Pre-K, Preschool, Head Start, or other early education program
	% of young adults who graduated high school
	% of residents who completed higher education
Community & Engagement	% of residents who feel safe in their building.
	% of residents who feel safe in their neighborhood.
	% of residents eligible to vote who are registered to vote.
Health & Wellness	% of residents reporting that poor physical health kept them from doing their usual activities such as self-care, work, or recreation in the last 30 days
	% of residents reporting that poor mental health kept them from doing their usual activities such as self-care, work, or recreation in the last 30 days
	% of residents who used a hospital ER one or more times in 12 months
	% of residents with a usual place of care where he/she receives routine primary care services
	% of residents who visited a healthcare provider for a routine checkup in the last 12 months
	% residents enrolled in health insurance and type of insurance
	% of residents or households who report experiencing food insecurity

The Built Environment

An important concentration in health and housing is the built environment itself, and through their analysis, the SAHF members have zeroed in on the factors that have the greatest impact. These include active design considerations, such as sustainability and energy efficiency and, as Schaaf puts it, "a conservation overlap with building quality that promotes health; no smoking; promises safety and security; water quality; dust and pest control; moisture control; thermal health; air quality; proper ventilation, lighting and views; noise; water quality; and avoidance of toxic materials and chemicals that can cause asthma, cancer, reproductive and endocrine disorders, among others problems.

"In the last couple of years, Fannie Mae has been incentivizing healthy housing," Schaaf points out. She expects the trend to continue. And legislation regulating some or all of these sometimes "invisible" hazards is currently being considered in 29 states. And in terms of transparency, SAHF's Health Product Declaration (HPD) provides a standardized method of reporting the material contents of building products and the health effects associated with these materials. The website dubs it "an ingredient list for the built environment."

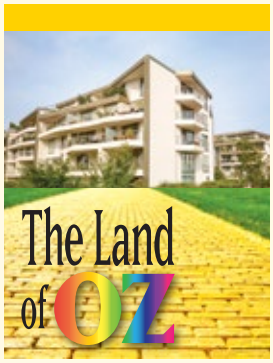
And finally, those living in SAHF communities have their own roles to play. "We're always trying to do a better job of engaging residents in our efficiency and health efforts," Schaaf states. "It gives them a sense of control of their own lives, and that is empowering."

SAHF Members

The 13 SAHF members own and operate more than 140,000 affordable residences across the nation: BRIDGE Housing; CommonBond Communities; Community Housing Partners; The Evangelical Lutheran Good Samaritan Society; Homes for America; Mercy Housing; National Church Residences; National Housing Trust/Enterprise; The NHP Foundation; Preservation of Affordable Housing; Retirement Housing Foundation; The Community Builders; and Volunteers of America. TCA

"Show Me the Community Benefit!"

By John W. Gahan III



In April, fueled by the realization that "the regulations have taken a little longer than anticipated" to be issued, aides to Senators Tim Scott and Cory Booker, the architects of the Opportunity Zone (OZone) legislation, hinted at a bipartisan legislative effort to extend some aspects of the program. Previously reluctant investors and sponsors cheered at the prospect of additional time to realize capital gain, invest it in a Qualified Opportunity Fund (QOF) and still receive the 15 percent basis bump. The overly optimistic even dreamed of a program extension beyond the current 2026 sunset, coupled with a round of new designations of different OZones.

To date, no such extension bill has been filed, let alone enacted. More alarmingly, Senator Scott announced in June his willingness to "kill" the program if "the communities it's meant for" are not being benefitted. One might logically ask what has happened to turn hope into dismay?

Answered simply, investors and Treasury have focused almost exclusively on the mechanics of getting investment dollars into a QOF and from there into qualified OZone businesses and properties. Dozens of tax and legal advisors, as well as business groups, weighed in with Treasury, seeking guidance and offering specific language intended to make it easier for investors to (finally) open their wallets. Scant attention has been paid to the paramount goal of providing community benefits. Even the subject of how to determine outcomes has been largely ignored.

Last October, I wrote about the importance of measuring results in these pages, a clarion call for those involved in OZones to agree upon metrics, which could be examined in a "before and after" context. I urged action, concluding that attention spans for public issues are regrettably short and those who sit in judgment will not wait ten years to announce success or failure. Senator Scott's recent remarks validated this observation.

There is currently pending proposed legislation, which would mandate certain reporting involving OZone investments. The proposed legislation, authored by Senators Scott, Booker, Young and Hassan, if enacted as proposed, would compile meaningful data on the "impacts and outcomes of OZones, including job creation, poverty reduction, new business starts and any other metrics the Secretary (of Treasury) may require." But, the proposal isn't law yet; and may never be enacted; and, even if enacted, may not require the reporting of the core data essential to evaluating community benefit.

Positioning for congressional action to extend the OZone initiative will require strategy, with Senator Scott's support as a critical component of that effort. The driver of that strategy cannot be the investment returns of QOF investors. However, documented evidence of positive, measurable impacts within the OZones may motivate Senator Scott (in concert with others) to act on an extension. Providing and proving community benefit, which is visible, dramatic and not nuanced is the key; a strategy, which combines measurement of outcomes with community involvement is most likely to be heard by those legislators most invested in the success of OZones.

Studies have shown that the majority of OZones share low levels of household income, fewer residents who have graduated from high school, and fewer members of the workforce age group gainfully employed. Improvement in these statistical benchmarks is the path to extending the OZone legislation. Increased household income, in combination with job and wage growth, and increased spending by the community itself on infrastructure improvements and education, would demonstrate tangible community benefits.

With investors more focused on profits and dwindling tax liabilities, and both branches of Congress hopelessly and continuously deadlocked, who is left to convince Senator Scott? The answer is the communities themselves!

Community outreach fashioned on showing "here's what OZone investments have done for my community" is the music Senator Scott is waiting to dance to. While it seems likely that, in 2019 at least, most of the bandwidth devoted to OZone investments will still center on structuring issues, amassing capital and deployment strategies, for those seeking a longer lifespan of the program, it isn't too soon to focus attention on documenting the community benefits their QOF investments have delivered. TCA

Corporate Tax Credit Fund Watch | *August 2019*

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Sponsor (1) Investor Contact Acquisition Contact	CURRENT MULTI-INVESTOR LIHTC CORPORATE FUND Fund Name Geographic Focus	Amount of Equity Raised to Date for Fund	Expected Size of Current Fund	Average Net Tax Credit Price	Cash Needs Basis IRR	# of Properties Specified	% of Gross Proceeds (2)	Estimated Front End Expense Load (3)	All LIHTC Equity Raised & Closed by Syndicator in 2019
Alliant Capital Stacie Nekus (312) 342-9696 Jen Erixon (303) 916-6311	***Alliant Tax Credit Fund 96*** National	N/A	$145,000,000	$0.92	Tiered: Economic 6.00%; CRA 5.25%	12	96%	N/A	$205MM
Boston Capital Kevin Costello (617) 624-8550 Brenda Champy (617) 624-8874	***BCCTC Fund XLVII*** National	$156,000,000	$156,000,000	$0.924	Tiered; 5.75%	17	100%	6.50%	$527MM
Boston Financial Investment Management Todd Jones (502) 450-9951 Sarah Laubinger (617) 488-3230	***ITC 51*** National ***Boston Financial California Fund*** California	$100,000,000 $27,000,000	$147,000,000 $50,000,000	$0.90 $0.947	Tiered; 6.00% Tiered; 0.85%	19 5	100% 100%	5.27% 7.16%	$242MM
CAHEC Mark Gipner (919) 788-1801 Greg Mayo (919) 788-1810	***Community Equity Fund XXIV, LP*** Southeast and Mid-Atlantic	$86,500,000	$150,000,000	$0.90	4.60%	25	95%	4.25%	$97MM
Cinnaire Marge Novak (517) 364-8929 Jennifer Everhart (517) 364-8911	***Cinnaire Mid-Atlantic Capital Fund 5 LP*** DE, MD, NJ, PA ***Cinnaire Fund for Housing 34 LP*** IL, IN, MI, MN, WI	$10,000,000 $167,000,000	$20,000,000 $167,000,000	$0.927 $0.884	4.25% Tiered; 5.00% (5.70% volume purchase discount)	2 12	49% 31%	3.00% 3.06%	$20.1MM
CREA, LLC Tony Bertoldi (617) 892-6071 Charles Anderson (317) 808-7365	***CREA Corporate Tax Credit Fund 74, LLC*** National	$100,000,000	$250,000,000 to $300,000,000	N/A	Tiered; 5.25%	30	100%	7.35%	$391.7MM
Enterprise Housing Credit Investment (formerly Enterprise Community Investment) Danielle Hammann (410) 772-2765 Scott Hoekman (410) 772-2508	***EHP 31*** National ***EHP 32*** National ***EHCF VI*** California	N/A N/A N/A	$167,000,000 $180,000,000 $80,600,000	N/A N/A N/A	N/A N/A N/A	N/A N/A N/A	N/A N/A N/A	N/A N/A N/A	$321.6MM
Massachusetts Housing Investment Corp. Peter Sargent (617) 850-1027 Kathy McGilvray (617) 850-1008	***MHEF XXV*** Massachusetts	$45,000,000	$65,000,000	$0.93	4.50%	4	75%	5.00%	$41.2MM
Midwest Housing Equity Group, Inc. Becky Christoffersen (402) 334-8899 Tom Stratman (402) 334-8899	***MHEG Fund 51, LP*** Midwest	$25,000,000	$200,000,000	N/A	5.25%	27	75%	7.25%	$39.4MM
National Development Council Mike Griffin (216) 303-7175 Jim Poznik (216) 303-7179	***NDC Corporate Equity Fund XV*** National	$85,000,000	$85,000,000	$0.92	4.50%	12	100%	6.50%	$50MM
Ohio Capital Corporation for Housing Jonathan Welty (614) 224-8800 Jack Kukura (614) 224-8800	***Ohio Equity Fund for Housing XXIX*** OH, KY, WV, TN, PA	$288,000,000	$300,000,000	$0.899	Tiered; 5.25%	40	81%	5.20%	$221.7MM
PNC Real Estate Tax Credit Capital Megan Ryan (202) 835-5965 Gayle Manganello (603) 387-6205	***PNC LIHTC Fund 73*** National	$50,000,000	$175,000,000	N/A	Tiered	25	100%	up to 7%	$131.2MM
R4 Capital LLC Jason Gershwin (646) 576–7661 Marc Schnitzer (646) 576-7659	***R4 Housing Partners XI LP*** National ***R4 California Housing Partners V LP*** California	$172,500,000 $35,000,000	$200,000,000 $75,000,000	N/A N/A	Tiered Tiered	22 6	100% 100%	N/A N/A	$68MM
Raymond James Tax Credit Funds Inc. Steve Kropf (800) 438-8088 James Horvick (800) 438-8088	***RJTC Fund 45*** National	$100,000,000	$200,000,000	N/A	Tiered	28	100%	7.00%	$650MM
RBC Capital Markets Tammy Thiessen (216) 875-6042 Tony Alfieri (216) 875-6046 Craig Wagner (980) 233-6459	***RBC Tax Credit Equity CA Fund 5*** California	N/A	$75,000,000	$0.9888	Tiered; 4.75%	7	N/A	N/A	$514MM
Red Stone Equity Partners Ryan Sfreddo (212) 225-8300 Rob Vest (704) 200-9505	***Red Stone Equity - Fund 75 LP*** National ***Red Stone Equity - 2019 CA Regional Fund, L.P.*** California	N/A N/A	$125,000,000 $90,000,000	N/A N/A	N/A Tiered	15 7	N/A N/A	N/A N/A	$491MM
Regions Affordable Housing LLC Catherine Such (404) 581-3750 Brian Coffee (205) 264-5613	***Regions Corporate Partners Fund 56 LLC*** National	N/A	$100,000,000	$0.89	Tiered; 5.75%	10	60%	N/A	$214MM
WNC & Associates Christine Cormier (949) 236-8233 Anil Advani (949) 236-8247	***WNC Institutional Tax Credit Fund 47, LP*** National	N/A	$131,500,000	$0.8812	Tiered; CRA 5.50% 5.75% investments <$25MM 6.00% investments >=$25MM	21	95%	N/A	$109MM

1) All data has been provided directly by the fund sponsors. Accordingly, neither Ernst & Young LLP nor *The Tax Credit Advisor* take any responsibility for the accuracy of the data or any calculations made by the sponsors. 2) The gross equity needed for properties for which an executed syndication contract is in place, as a percentage of total expected gross proceeds, assuming all single-payment cash investors. 3) The estimated expense load is the percentage of gross proceeds the sponsor expects to expend for offering costs and expenses, acquisition fees and expenses, brokerage commissions and all other front-end costs (other than working capital reserves) assuming all available units are sold to single-payment cash investors. If you would like to have a fund listed in the next edition of *The Tax Credit Advisor*, call Jillian Flynn, Tax Credit Investment Advisory Services, Ernst & Young LLP, at Jillian.Flynn@ey.com, 617-375-3796. There is no charge for a listing.

Mariposa at South Broadway
Joshua, TX
Bonner Carrington, LLC

Leadership in Affordable Senior Housing

RBC Capital Markets' Tax Credit Equity Group is proud to have committed over $16 million in LIHTC equity for affordable senior housing at Mariposa at South Broadway in Joshua, Texas. The newly constructed mixed-income development will provide 222 homes to seniors age 55 years and older. RBC is pleased to have again partnered with Bonner Carrington, LLC on this impactful project in the greater Dallas-Fort Worth area.

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CASE STUDY:

Resuscitating the Heart of the Commonwealth

Worcester Courthouse Converted to Affordable Housing

By Mark Olshaker

Throughout its history, Worcester, MA has experienced more than its share of ups and downs. Settled and abandoned twice before it was finally resettled in 1713, it became a center of radical activity leading up to the American Revolution. By the mid-19th century, the city had become one of the largest manufacturing centers in the Northeast, churning out textiles, clothing, shoes and power looms, leading Worcester to become the second largest city in New England. After World War II, it began to lose its manufacturing base and with it, some of its population. Large retailers, like Filene's and Jordan Marsh, moved from downtown out to the suburbs. Restaurants and entertainment venues closed. Biotech, healthcare and institutions of higher learning partially offset the drain, but the area still had difficulty attracting investment capital.

Worcester Courthouse, Worcester, MA

But lately, the city known as "the Heart of the Commonwealth" due to its central location 40 miles west of Boston and north of Providence, RI, and 50 miles east of Springfield, is undergoing something of a resurgence. "It's got great potential and opportunity," says Peter Sargent, director of capital development for the Massachusetts Housing Investment Corporation (MHIC), the private, self-sustaining 501(c)(3) involved in community development, Low Income Housing Tax Credit (LIHTC) syndications and New Markets Tax Credits. "In the last 24 months, there has been tremendous interest in putting capital into the Worcester market."

Peter Sargent

Among the signal projects is the historic former Worcester County Courthouse, currently being redeveloped into a 117-unit mixed affordable, workforce and market-rate housing community that Sargent calls a "major puzzle piece" and a "significant step forward" in stimulating further development in the historic Lincoln Square district and tying neighborhoods together. And, he adds, "It has just about every type of financing available!"

The project, with expected completion in July 2020, includes $56.9 million from MHIC that breaks down to $21.4 million in Federal LIHTC and Historic Tax Credit financing and $35.5 million in debt financing; another $35.8 million from MassHousing, the quasi-public affordable housing lending agency, in the form of a $12.2 million permanent loan, a $19.1 million bridge loan and separate $4.5 million Workforce Housing Initiative subsidy; the Massachusetts Department of Housing and Community Development's $1 million in Commercial Area Transit Node Housing Program (CATNHP) bonds, $2 million from the Affordable Housing Trust Fund (AHTF) and $3 million from the Housing Stabilization Fund (HSF); $16,150,000 in State LIHTCs and Historic Tax Credits that are generating $13,142,500 for the deal, also syndicated by MHIC; and $1.15 million from the City of Worcester.

Worcester Courthouse, continued on page 28

Worcester Courthouse, continued from page 27

An Incredible Building

The white stone and masonry courthouse at 2 Main Street and listed on the National Register of Historic Places, was built in the Greek Revival style in three stages, 1843, 1898 and then an annex in 1954. The 4.47-acre site has been vacant and increasingly dilapidated since 2007, when court operations moved to a new location and larger premises and the state deeded the property over to the city.

Michael Lozano

"It's an incredible building, built over multiple phases," says Michael "Mike" Lozano, vice president for development at Trinity Financial, the Boston-based, community-driven real estate firm. "We had been looking in Worcester for quite some time and had never quite found the right fit. As soon as we toured the building, we fell in love with it. There were a tone of original details and the city was keeping the important fabric of the building intact."

The city of Worcester looked for the right redevelopment partner and put out a request for proposal. In 2017, the project was awarded to Trinity.

"Worcester is an up-and-coming place with a lot of hype surrounding it, the downtown has come alive and it all came together for us at this location," Lozano continues. "This location is the northern gateway to downtown, near a number of monumental civic buildings that have been underutilized. The courthouse project should be a catalyst for redevelopment of that section of downtown."

Christine Vincenti

"This is a connection to several neighborhoods in the city," notes Christine "Chrissy" Vincenti, MHIC's senior investment officer. "It will draw development out from Main Street to surrounding areas."

While the courthouse was an obvious focus for historic credits, Lozano concedes, "It was a challenging building to work with and convert."

"Trinity is extremely well-known and highly regarded," says Sargent, who says that Lozano "lived and breathed the project. We provided them with a relatively small acquisition loan of $1.8 million to buy the property, which was extremely significant at the time because it grandfathered the Historic Tax Credits that were at risk as a result of tax reform."

"One reason Trinity came to us was our ability to get

all the moving parts to work together," says Vincenti.

"Our experience and knowledge in the Massachusetts market helped fast-track the process. And we were the logical partner to syndicate Federal and State LIHTCs and Historic Tax Credits," Sargent notes. He has high praise for MassHousing and all of the partners. "Our allocating agency [Massachusetts Department of Housing and Community Development (DHCD)] is very savvy in making the best use of scarce resources."

MHIC already had a track record in Worcester. "One of our early New Markets investments was the Hanover Theatre for the Performing Arts. We financed the renovation in 2007, and that really started things going. It has been a wildly successful development," Sargent says. The Worcester Courthouse apartments are expected to have a similarly stimulative effect.

Of the 117 units, 23 will be studios, 52 one-bedroom units, 31 two-bedrooms and 11 three-bedrooms. Thirteen LIHTC units will be reserved for households earning no more than 30 percent of area median income (AMI), 37 at 60 percent or below, 16 at 80 percent or below, 45 are classified as workforce housing at or below 110 percent, and six apartments are market-rate. The building will feature a fitness center, clubhouse lounge, gallery space, interior bike and resident's storage areas, landscaping restoration and outdoor gathering spaces. The exhibition space is being named for Marshall "Major" Taylor, the "Worcester Whirlwind," the first African American world cycling champion in the late 19th and early 20th centuries. The Worcester Courthouse is adjacent to the Worcester Art Museum, Worcester Polytechnic Institute, Worcester Memorial Auditorium and the Massachusetts College of Pharmacy and Health Services. The property also has access to public bus service and is less than a mile from the MBTA Commuter Rail at Union Station.

A Compelling Vision

Chrystal Kornegay, MassHousing executive director, and 2017 NH&RA Vision Award recipient, declares, "The transformation of the vacant former Worcester Courthouse into a new, inclusive housing community will be a major building block in Downtown Worcester's renaissance. Trinity Financial had a compelling vision for this property, transforming a historic structure into new homes for families of all means, from extremely low-income families, to workforce housing and market-rate households. MassHousing is proud to be a partner in helping to make that vision a reality."

One of the key factors in the residential mix is the use of income averaging, a new option for developers of LIHTC properties. While the particulars can be as complex and daunting as figuring out NFL salary caps, Vincenti says it widens the spectrum of income ranges we can deal with.

"It takes a very deep dive of underwriting analysis and new challenges in the world of compliance for this to be successful," Sargent states, calling income averaging, "an exciting new way of broadening bandwidth and capturing a larger audience." Basically, he says, "At the end of the day, the average AMI can be no higher than 60 percent."

No Separate Entrances

One issue that always seems to be part of the mixed-income dialogue is how the residents will relate to and get along with each other. "It's the wave of the future," Sargent states definitively. "Agencies and investors are getting more comfortable with it, and at certain levels, this is how you get deals done, particularly in a place like Massachusetts where housing at all levels is scarce. We've been financing mixed-income for quite a while and there haven't been any brushfires."

"Is there a problem?" Lozano poses. "The simple answer is no. We've done many housing projects that are mixed-income. They've all been successful, and the residents are happy. We believe in everyone experiencing the same facilities and benefits, regardless of their income."

Was consideration ever given to a separate entrance for the highly subsidized residents, as has been done in places like New York? "That is unimaginable in our market," Sargent insists.

"This is What We Like to Do"

One of the factors that made the project work would seem to be the participants' willingness—even eagerness—to take on complex challenges. "This is what we like to do," Sargent comments. "Complicated investment opportunities that represent transformational change in markets that have excellent potential for improvement. And this was an opportunity to make downtown Worcester more attractive not only to work in, but to live in."

"This is our specialty," says Lozano. "We like to take on challenging projects that sometimes require complex financing schemes. We take pride in taking on the tough ones and seeing them through. We don't often do easy projects!" TCA

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NH&RA News

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

NH&RA Operation Specialist Search

NH&RA is looking for an Operation Specialist to help support conference planning, membership and publications teams. The duties include conference budget tracking; sponsorship coordination; speaker logistics; member communications; committee reports and notes; website set-up; conference and membership materials and travel planning and calendar maintenance. Ideal candidates have five or more years of relevant experience and excellent organizational skills with a strong detail-oriented aptitude. Please send a resume and cover letter to jobs@dworbell.com and share this listing with your network!

Summer Institute Highlights

Last month, NH&RA hosted it's 2019 Summer Institute in Newport, RI. Over two hundred affordable housing and tax credit executives convened for discussions on a range of topics, including Opportunity Zones, changes to the Historic Tax Credit and Strengthening your Affordable Housing Company through Diversity & Inclusion. Go to https://www.housingonline.com/events/nhra-summer-institute-2019/summer-institute-agenda/ to find presentations from the event.

This year's event featured a pre-conference symposium on preservation strategies that dovetails with NH&RA's new multifamily tax-exempt bond toolkit described on page 10. Go to https://www.housingonline.com/events/nhra-summer-institute-2019/pre-conference-symposium-agenda/ to find presentations from the pre-conference symposium.

Registration Now Open for Fall Events; Call for presentations

Registration is now open for NH&RA's three fall events: the annual Fall Developers Forum and Affordable Housing Vision Awards presentation in Boston, MA (Oct. 15-16), the Tennessee Developers Symposium in Nashville, TN (Nov. 11) and the National Council of Housing Market Analysts Annual Meeting in Nashville, TN (Nov. 12). We hope to see you at all three events. Please send suggestions for panel topics and case studies to Kaitlyn Snyder at ksnyder@dworbell.com.

Save the Dates for NH&RA Annual Meeting – Feb. 26-29

Save the dates for NH&RA's Annual Meeting in Palm Beach, FL. This year, we'll convene at the legendary Breakers oceanfront resort. We hope to see you there! TCA

Member News

Enterprise & NeighborWorks Publish New Report on Health Outcomes

Enterprise Community Partners and NeighborWorks America released a new report titled, "On the Path to Health Equity: Building Capacity to Measure Health Outcomes in Community Development." The report highlights the findings of an innovative national demonstration project designed to build the capacity of 20 community-based organizations to measure the health outcomes of their work. This ground-breaking effort provides further evidence of the importance of the community development and healthcare sectors working together to find scalable solutions to the complex community challenges that are the root cause of many of the health disparities we see today. By the end of the project, the 20 participating organizations were equipped to engage in the catalytic cross-sector partnerships necessary to improve the health of low- and moderate-income communities.

Joan Hoover Appointed President Conifer

Conifer Realty announced the appointment of Joan Hoover as its president. Hoover has over 25 years of experience in the financial management and development of affordable housing. Since joining Conifer in 2007, she has been responsible for multiple functions including financing, acquisition & dispositions and most recently, she has led a talented multidisciplinary team of development, finance, legal and human resources associates. Hoover serves on NH&RA's Board of Directors and serves as an officer on NH&RA's Executive Committee.

Robinson Cole's Jerome Garciano Updates Green Tax Incentive Compendium

Robinson Cole has published its updated "Green Tax Incentive Compendium." This volume presents federal and state tax incentives promoting the renewable energy and energy efficiency industries. Each section outlines the basic features and regulatory requirements for a tax program, which provides financial incentives for clean technology development through renewable energy and energy efficiency projects. For additional assistance with these tax incentives please contact Jerome Garciano at (617) 557-5944 or jgarciano@rc.com. TCA

State Roundup

More state qualified allocation plan updates, deadlines, and documents at www.housingonline.com/resources/facts-figures/qualified-allocation-plans/

Two Additional California Cities Earn State-Approved Housing Plans

California state law AB 72 requires communities to adopt housing plans to meet the needs of the broader region and its economy. Under law, the city's housing plan must accommodate a fair share of the regional housing needs and provide zoning that encourages development of housing that is affordable to the city's residents across all income levels, including affordable housing and middle-income housing. The cities of Jurupa Valley and Paramount recently got their plans approved from the state Department of Housing and Community Development along with the cities of Orange Cove, Clovis and Soledad. Forty-two jurisdictions have yet to earn approved housing plans.

Michigan Posts HOME and HTF NOFAs

The Michigan State Housing Development Authority posted Notices of Funding Availability (NOFAs) for its HOME/Mortgage Resource Fund (MRF) Gap Financing program and the National Housing Trust Fund (HTF) Gap Financing program. For the HOME/MRF NOFA, $9 million in funding is available and applications are due Aug. 15, 2019. For the HTF NOFA, $4.8 million in funding is available and applications are due Oct. 15, 2019. Please direct all questions and submit all mailed application packages to:

John Hundt
Housing Development Manager
Rental Development
Michigan State Housing Development Authority
735 East Michigan Avenue, PO Box 30044
Lansing, Michigan 48909
hundtj1@michigan.gov
517-241-7207

Oregon Senate Passes Bill to Eliminate Single-Family Zoning

The Oregon State Senate recently approved House Bill 2001, which would authorize missing middle housing in large cities' single-family zones, advancing it to Governor Kate Brown's desk for her signature. This legislation would end bans on duplexes for every low-density residential lot in all cities with more than 10,000 residents and all urban lots in the Portland metro area. In cities of more than 25,000 and within the Portland metro area, the measure would authorize duplexes, triplexes, fourplexes, attached townhomes and cottage clusters on some lots in all areas zoned for residential use. If signed by Governor Brown, Oregon would be the first state to pass state-wide legislation that aims to address single-family zoning.

The State of the Nation's Housing: Address Constraints on the Development Process

The Joint Center for Housing Studies (JCHS) of Harvard University released its annual "The State of the Nation's Housing" report, which shows that housing production still falls short of what is needed, which is keeping pressure on house prices and rents and eroding affordability. Data from the American Community Survey shows 47.4 percent of renter households remained cost burdened, with the share improving just 0.1 percentage point in 2016 and 2017 and 3.4 percentage points from the peak in 2011. Renters make up 10.8 million of the 18.2 million severely burdened households that pay more than half their incomes for housing. TCA

Bulletins

Breaking news from Washington and beyond

HFSC Approves Bill Requiring Carbon Monoxide Detectors in HUD-Assisted Housing

The House Financial Services Committee (HFSC) has approved by a voice vote the Safe Housing for Families Act of 2019 (H.R. 1690). The bill provides $300 million over three years to fund the installation and maintenance of carbon monoxide detectors in HUD-assisted housing units that have combustion-fueled appliances or a ventilation system that connects them to such units. This rule would apply to Section 202 Supportive Housing for the Elderly, Section 811 Supportive Housing for Persons with Disabilities, Public Housing and Section 8 Housing.

This action is a part of a larger HUD initiative to modernize its risk-rating methodology through its new NSPIRE Demonstration to ensure that HUD-assisted housing is decent, safe and sanitary.

HUD Makes $330 Million in Grants Available for Lead Remediation

HUD announced $330 million in grants to clean up lead-based paint hazards and other housing-related health and safety hazards. HUD's grants will direct funds to qualifying cities, counties, states and Native American tribal governments to eliminate dangerous lead paint hazards. The grants will be available through two programs: $324 million for the Lead Hazard Reduction program, which aims to maximize the number of children under the age of six who are protected from lead poisoning; and $12 million for the Healthy Homes Production for Tribal Housing program that assists American Indian and Alaska Native tribal governments to remediate housing issues that contribute to health and safety issues.

Sen. Kaine Reintroduces Fair Housing Improvement Act

Senator Tim Kaine (D-VA) reintroduced the Fair Housing Improvement Act of 2019 (HR 3516) to protect veterans and low-income families from housing discrimination. This bill would expand the Fair Housing Act's protections to prohibit housing discrimination based on source of income or veteran status.

Bills Would Authorize Additional $500 Million in NMTC Allocation for Rural Job Zones

Representatives Terri Sewell (D-AL) and Jason Smith (R-MO) and Senators Ben Cardin (D-MD), Shelley Capito (R-WV) and Mark Warner (D-VA) introduced the Rural Jobs Act (HR 3538). This would authorize an additional $500 million in annual New Markets Tax Credits allocation for 2019 and 2020 that would go to rural job zones. Those zones are defined as low-income communities with a population of 50,000 residents or less that are not adjacent to any urbanized area. At least 25 percent of the new NMTC allocation authority would be prioritized for counties with persistent poverty and high migration.

RetrofitNY Publishes Report on Deep Energy Retrofits

The RetrofitNY team shared a study conducted by Ian Shapiro of Taitem Engineering assessing the transferability of the Energiesprong concept to New York State—"Energiesprong: A Dutch Approach to Deep Energy Retrofits and Its Applicability to the New York Market." Based on numerous site visits and interviews in the Netherlands, Ian's report includes Energiesprong's background, building stock, technical approaches, relationship management and identifies unusual issues.

He shares how net energy use is successfully being eliminated by reducing energy use, converting all energy uses to electricity (eliminating fossil fuels), and producing this electricity on-site with solar.

NATIONAL HOUSING & REHABILITATION ASSOCIATION

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October 15-16, 2019

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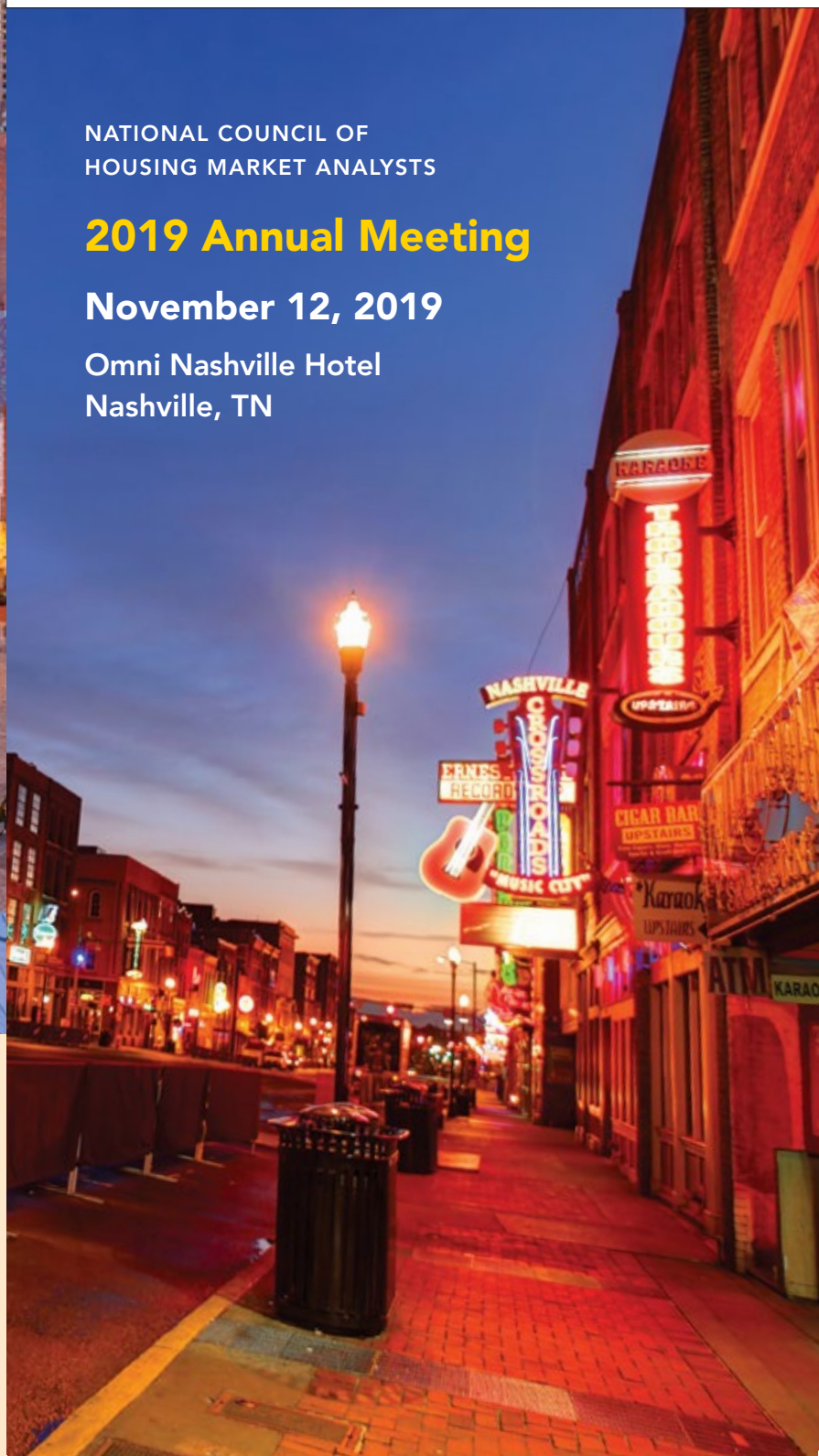

NATIONAL COUNCIL OF HOUSING MARKET ANALYSTS

2019 Annual Meeting

November 12, 2019

Omni Nashville Hotel
Nashville, TN

UPCOMING EVENTS

National Housing & Rehabilitation Association
Tennessee Developers Council Symposium
November 11, 2019
Omni Nashville Hotel • Nashville, TN

National Housing & Rehabilitation Association
2020 Annual Meeting & Symposium
February 26-29, 2020
The Breakers • Palm Beach, FL