

CAROLINAS COUNCIL FOR AFFORDABLE HOUSING



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Message from the President

It seems that everywhere I turn these days I am reminded of the importance of how we make our living. Home foreclosures are happening at an alarming rate, gas prices have risen to over four dollars per gallon, and banks and mortgage companies have tightened lending policies so much that more and more people cannot get loans. While we have all had to "tighten our belts" a bit, those that are affected the most are the individuals and families who qualify to live in the housing that we provide. Just the other day I had a site manager at an elderly property talk about residents having to decide whether they should purchase their medications or groceries. Where would they be living if not for affordable housing?

Recently we have received some good news on a couple of fronts with legislative issues. As I am sure you are all aware, the housing bill finally passed with several components that should have a positive effect on affordable housing. In addition, in North Carolina SB 1878 passed both the House and Senate. This should bring some much-needed property tax relief. Thanks go out to all of our members who had a part in helping make these things happen.

This is going to be a busy year for CCAH. The annual meeting committee is busy planning and preparing an agenda for our 2009 annual conference. Our Education Committee has been working hard preparing for three North Carolina Rural Development training and Fair Housing workshops in September, and the Spectrum S.T.A.R and C3P training courses are being offered in October [scroll down for registration forms and agendas].

We had a fantastic 2008 annual meeting at Myrtle Beach this past April, and we appreciate the participation of our membership, our sponsors, and exhibitors. As we move forward, the Council is excited about the educational opportunities being offered this year. The membership of CCAH has an opportunity to have a positive influence on the lives of so many individuals and families in North and South Carolina. As President of the Council, I am looking forward to working with the Board of Directors and the membership to improve our knowledge and experience in the development and management of affordable housing.

Debbie Honeycutt

A Washington Report

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September 2008

Major Victory

H.R. 3221, the comprehensive housing legislation passed by Congress and signed into law by the president, represents a major victory for us and the affordable housing industry.

The tax provisions, championed by Ways and Means Committee Chairman Charlie Rangel (D-NY) and supported by large bipartisan majorities in the House and Senate (even though the final comprehensive bill was not) are most important for our purposes.

To review, the legislation fixes the 9 percent credit at the full 70% present value and makes the Section 515 program eligible for the higher credit amount. It was too expensive for budget purposes for Congress to increase the 4 percent credit for tax-exempt bond-financed properties.

H.R. 3221 also expands the definition of area medium income in rural areas as the greater of the area median income or the national nonmetropolitan median income.

In addition, it permanently repeals the Alternative Minimum Tax on Housing Credits for buildings placed in service after December 31, 2007.

There is a 20-cent per capita credit cap increase for 2008 and 2009.

HUD is instructed to modify its income limit methodology for calendar years after 2008 to increase the applicable area median incomes by the actual amount of the rise in incomes even if the HUD-calculated median incomes would have been frozen by HUD's 2007 and 2008 formula.

The legislation also established a permanent Affordable Housing Trust Fund with the funds coming from Freddie and Fannie as well as other HUD sources. Mark this program with an asterisk: details to follow, maybe.

Fannie and Freddie Conservatorship

It took less than 48 hours for the partisan finger pointing to begin over the responsibility for the fortunes of the two GSE mortgage giants.

Key Democrats stopped short of saying the takeover was an overreaction, but there will be hearings this year and when the new Congress convenes next year.

Democrats suggested that the seizure was akin to the Soviet invasion of Georgia; Republicans long critical of Fred and Fan saw an opportunity (excuse) and took advantage of it.

Next year's battle over the structure and size of the two quasi-public, quasi-private companies or their successor(s) is already being billed as epic, pitched, or historic.

It appears, however, that it should be pretty much business as usual for the rest of this year and in 2009, with perhaps even some reductions in rates and fees possible.

Fiscal 2009 Funding

It has been clear since even before our last conference that passage of final appropriations bills for FY 2009, which begins October 1, will be put off, probably until January or even February.

A Washington Report
continued from page 2

Drafts of what will become the final legislation, however, retain current funding for Section 515 and provide adequate funding for renewal of all expiring rural rental assistance contracts and for HUD project-based rental assistance.

Republicans have hinted they may attempt to block any continuing funding resolutions—or that the president will use his veto—over offshore drilling or other issues. The possible government shutdown right before the election could make things very interesting.

Counting Down

Congress is scheduled to adjourn September 26 with hopes of not returning until the 111th Congress convenes in January.

On November 4, Democrats would like to emerge with a filibuster-proof 60-vote margin in the Senate. But most observers expect a gain of five to seven seats. In the House, a low double-digit pick-up, after a 30-vote increase in 2006, is predicted.

In the Carolinas, the only federal races in play, according to professional observers, are in North Carolina.

On a scale of *safe*, *likely*, *leans* and *toss up*: Senator Elizabeth Dole's reelection bid is called “leans Republican”; the North Carolina 8th District (Robin Hayes, R) is rated a “toss up”; and North Carolina 10 (Patrick McHenry) is listed “likely Republican.” These are the composite ratings of the best evaluators of elections in the business.

If you have any questions, please let me know.

Welcome to Our Newest Member!

The Carolinas Council for Affordable Housing was founded twenty-three years ago in February 1985, under the name North Carolina Council for Rural Rental Housing. In September 2000, we changed our name to reflect the merger of the North and South Carolina Councils. Currently we represent over 45,000 units of affordable rental housing in the Carolinas.

The Council's newest member is **Hallmark Management** of Atlanta, Georgia.

The Council's primary goals are to represent, advocate for, and provide quality educational opportunities to our members. If you have been a member in past years but have not renewed your membership for this year yet, please do so as soon as possible. Our membership renewal form can be found on our Web site: www.carolinascouncilforaffordablehousing.com.

Some of the Faces Seen at the Annual Meeting April 20-22 Myrtle Beach Marriott at Grand Dunes Resort



Outgoing president Rick Allen and new president Debbie Honeycutt



Meg Liles, Nickie Toomes, Nancy McElroy, and Lila Moses



Bill Hobbs of NC Rural Development

The memorandum below, from Sara Carr Newsom, Manager of Rental Assets, NC Housing Finance Agency, outlines the changes with respect to re-certification resulting from the Housing and Economic Recovery Act enacted in July.

Memorandum

To: Owners and Managers of Housing Credit Properties
From: Rental Assets
Subject: Changes to Re-certification
Date: August 13, 2008

The Housing and Economic Recovery Act (H.R. 3221) changed several aspects of the federal Low Income Housing Tax Credit (LIHTC) program. This memo addresses the provision in H.R. 3221 that eliminates the annual re-certification for 100% low-income LIHTC developments.

Effective 7/30/2008, owners of tax credit properties awarded credits based on 100% low-income occupancy are no longer required to obtain annual re-certifications beyond the re-certification at the first anniversary date of move-in. This includes properties with current Re-certification Waivers and properties in the Extended Use Period. Units receiving Key assistance must continue to re-certify annually.

Projects in North Carolina must comply with not only LIHTC requirements, but also deeper rent and/or income targeting required by the state tax credit or the Qualified Allocation Plan. In order to enforce these additional restrictions, NCHFA will require each household to undergo one re-certification upon the first anniversary of their tenancy, but need not be re-certified annually thereafter.

Important provisions of this new policy:

- The first-year re-certification is required of any residents that have moved-in within the last year and all future move-ins. It is not necessary to conduct annual re-certifications for the other residents that have been re-certified at least once since move-in.
- Only properties awarded credits based on 100% low-income units qualify for the elimination of annual re-certifications.
- Households must recertify upon transferring between buildings.
- Projects with households that were over income as of initial occupancy (prior to 2008) must conduct annual re-certifications for at least one year after the noncompliance is corrected. These properties will receive individual notification. Failure to re-certify during the corrective action period will result in issuance of 8823s.
- Tax credit developments with agency funding under the Rental Production Program do not qualify for the elimination of the annual re-certification.

This memorandum is intended to address issues of immediate concern. We will continue to provide updates as we learn more and formulate policy regarding the additional provisions of the H.R. 3221 and the revenue ruling recently published regarding utility allowances by the IRS. Additional information will also be provided as part of our compliance training. Please contact asset management staff with any questions you may have regarding these new provisions.

Sara Newsom can be reached at
NC Housing Finance Agency
P.O. Box 28066
Raleigh, NC 27611
(919) 877-5679
scnewsom@nchfa.com

Lease Changes - North Carolina

In response to a member inquiry concerning the use of the words "Rural Housing Services," we requested an opinion from the Rural Development Legal Department. They responded that we need to be using the following:

THIS PROJECT IS FINANCED BY THE UNITED STATES OF AMERICA, ACTING THROUGH THE U.S. DEPARTMENT OF AGRICULTURE, RURAL DEVELOPMENT (hereinafter referred to as "Agency") AND IS SUBJECT TO THE NONDISCRIMINATION PROVISIONS OF TITLE VI OF THE CIVIL RIGHTS ACT OF 1964, TITLE VIII OF THE FAIR HOUSING ACT, SECTION 504 OF THE REHABILITATION ACT OF 1973, THE AGE DISCRIMINATION ACT OF 1975 AND THE AMERICANS WITH DISABILITIES ACT. ALL COMPLAINTS ARE TO BE DIRECTED TO THE ADMINISTRATOR, USDA, WASHINGTON, DC 20250. HOWEVER COMPLAINTS OF FAIR HOUSING VIOLATIONS MAY BE SENT DIRECTLY TO THE SECRETARY OF HOUSING AND URBAN DEVELOPMENT, WASHINGTON, DC 20410.

You may also notice that the North Carolina lease is now printed "head to foot" so that when it is affixed in the file, it is not necessary to turn the file around to read the print on the back of the previous page. We hope that you will find this change helpful in your day-to-day use of the leases.

CCAH has recently ordered a new printing of the North Carolina lease and the above-referenced changes have been made with this order. These same changes will occur with a new printing of the South Carolina lease when the current inventory is depleted.

Please note: The South Carolina leases are still valid for use. If you have any questions, you can contact the CCAH Office at ccahboard@aol.com

**Carolinas Council for Affordable Housing
Co-Sponsor of Spectrum S.T.A.R. Training
October 8-9, 2008**

Doubletree Guest Suites at SouthPark • Charlotte, NC

CCAH Members: \$350.00

CCAH Members Only: Use your PTE Credit for Registration!

Non Members: \$400.00

Registration Deadline: September 22, 2008

Cancellation Policy

Cancellations on or before September 22, 2008, will receive reimbursement less a \$10.00 enrollment charge. Cancellations after September 22, 2008, NO REFUND. Substitutions must be in writing and may be made on or before September 30, 2008. No substitutions after September 30, 2008.

Doubletree Guest Room Reservations

CCAH has blocked a limited number of guest rooms at the Doubletree Suites at SouthPark at a negotiated rate of \$159.00, plus local taxes and fees. **The blocked guest rooms will be released on September 7, 2008.** Reservations must be made by calling Doubletree Suites or going to:

<http://doubletree.hilton.com/en/dt/groups/personalized/CLTDTDT-CAH-20081007/index.jhtml>

Phone: 704-927-0054. If you call for reservations, tell them you are attending the Carolinas Council for Affordable Housing Conference to receive the negotiated rate. Do not use the 800 number!

DoubleTree Guest Suites • 6300 Morrison Boulevard • Charlotte, North Carolina 28211

Registration for S.T.A.R. Training • October 8-9, 2008

Please complete a separate registration for each attendee.

Name: _____

Firm/Company: _____

Address: _____

City: _____ State: _____ Zip: _____

Telephone: _____ Fax: _____

Email: _____

If any attendee requires special assistance for physical, hearing or visual disabilities, please include written request with your registration.

Payment must accompany registration. Payment by check only. We do not accept credit cards.

Send registration and payment to: CCAH • 388 Cross Point Road • New Hill, NC 27562

Please visit the Carolinas Council for Affordable Housing website:

www.carolinascouncilforaffordablehousing.com

Questions? Call the CCAH office: 919-774-7713

S.T.A.R. Agenda

Day One

8:15 AM	Registration
9:00	Introduction, Review of Seminar Agenda and Materials/Legislative Update Overview of 3560-New Policies for Management Assets
10:15	Coffee Break
10:30	Assets Continued Definitions of Income
NOON	Lunch On Your Own
1:15 PM	Exempted Income
1:30	Allowance & Adjusted Income Income Limits & Eligibility
2:30	Break
2:45	RD 3560-8 Tenant Certification SPECTRUM back-up Worksheet
4:00	Submission of Tenant Certs-Penalties Recertification Issues: When to Recertify, When Recertification Is Not Required, Failure to Recertify. Tenant Fraud
5:00	Day One Ends

Day Two

8:30 AM	Day One Review/Q & A
9:00	Occupancy Requirements RD Occupancy & Eligibility Affirmative Fair Housing Marketing Plans
10:00	Coffee Break
10:15	The Fair Housing Amendment Act of 1988 Section 504 Requirements
NOON	Lunch On Your Own
1:15 PM	Other Occupancy Issues Students in RD 515 Housing Renting to Ineligibles Continuing Eligibility Application Requirements & Waiting Lists Tenant Selection & Rejection/Grievance Procedures Leasing & Security Deposits/Pet Rules Termination of Tenancy/Eviction
2:45	Break
3:00	S.T.A.R. Certification Exam
4:30	Seminar Completion

**Carolinas Council for Affordable Housing
Co-Sponsor of Spectrum C3P Training
October 21-22, 2008
Columbia Convention Center • Columbia, SC**

CCAH Members: \$400.00
CCAH Members Only: Use your PTE Credit for Registrations!

Non Members: \$450.00
Registration Deadline: October 6, 2008

Cancellation Policy

Cancellations on or before October 6, 2008, will receive reimbursement less a \$10.00 enrollment charge. Cancellations after October 6, 2008, NO REFUND. Substitutions must be in writing and may be made on or before October 14, 2008. No substitutions after October 14, 2008.

Hilton Columbia Center Guest Room Reservations

CCAH has blocked a limited number of guest rooms at the Hilton Columbia Center at a negotiated rate of \$149.00 plus local taxes and fees. **The blocked guest rooms will be released on September 16, 2008.**

Reservations must be made by calling the Hilton Columbia Center at 803-744-7800. Tell them you are attending the Carolinas Council for Affordable Housing Conference. Do not call the 800 number if you want the negotiated rate!

You may also reserve a room directly online: <http://www.hilton.com/en/hi/groups/personalized/CAECCHF-HOUSIN-20081020/index.jhtml>. The group code is HOUSIN.

Hilton Columbia Center • 942 Senate Street • Columbia, SC 29210

Registration for C3P Training • October 21-22, 2008

Please complete a separate registration for each attendee.

Name: _____
Firm/Company: _____
Address: _____
City: _____ State: _____ Zip: _____
Telephone: _____ Fax: _____
Email: _____

If any attendee requires special assistance for physical, hearing or visual disabilities, please include written request with your registration.

Payment must accompany registration. Payment by check only. We do not accept credit cards.

Send registration and payment to: CCAH • 388 Cross Point Road • New Hill, NC 27562

Please visit the Carolinas Council for Affordable Housing website:
www.carolinascouncilforaffordablehousing.com
Questions? Call the CCAH office: 919-774-7713

Spectrum Two-Day Tax Credit Certification (C3P) Course

Day One

8:15 AM	Registration & Coffee
9:00	Introduction, Review of Materials Discussion "Blue Book," Section 42 Glossary of Terms Program Basics Essential Compliance Checklist Different Sets of Rules
10: 15	Coffee Break
10:30	Placed in Service The Section 8 Requirement Monitoring/Compliance 9/92 IRS Final Monitoring Regs. Non-Compliance/8823 Form Administrative & Tenant File Set-Up
NOON	Lunch On Your Own
1:15 PM	Recapture/Credit Period Compliance Period Extended Use Eligible Basis - 9%-4% Details Qualified Basis
2:15	Break
2:30	Minimum Set-Aside Initial Compliance Other Set-Asides/HOME
3:50	Stretch Break
4:00	Vacant Unit Rule Income Limits Calculating Income Limits
5:00	Seminar End - Day One

Day Two

8:30 AM	Definitions of Income, Assets Verification Requirements Overview 4350.3 Revision 1 Move-in Certification Recertification
9: 45	Coffee Break
10:00	Tenant Selection Criteria Conflicts with Other Programs Waiting Lists Leasing Issues Commercial Space
11:00	Stretch Break
11:15	Medical Use Staff Units Students
11:45	Lunch On Your Own
1:00 PM	Fair Housing/504 and Tax Credit Properties Familial Status Issues What is Elderly Housing? Transfers Continuing Eligibility - 140% Rule
2:15	Break
2:30	Rent Calculation Utility Allowance Subsidy/Overage Budgeting Summary
3:20	Stretch Break
3:30	Certification Exam
4:45	Seminar Completion