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Message from the President

My how time flies! I cannot believe that fall is here already. It seems like just yesterday we were all enjoying ourselves in Myrtle Beach at the 2012 Annual Meeting—and now planning is underway for the 2013 Annual Meeting, which will be held again at the Marriott Grand Dunes Resort in beautiful Myrtle Beach, South Carolina. Be sure to mark your 2013 calendars for April 28-30. We look forward to seeing you all there!

Thanks to all of our CCAH members and participants for your help in making our 2012 Annual Meeting a great success. The meeting was very well attended with over 235 participants. The panelists and speakers were outstanding, and everyone seemed to enjoy the antics and musical talents of our special guest, Glen Ward, as well as the “spirited” presentation by Key Yessad, Real Estate Web Trainer. The PTE Training Session, RD 3560 Training, under the expert tutelage of Joseph Henry from Zeffert Associates, was well-received and provided much-needed and up-to-date information for those in attendance.

The food drive was a huge success. We received a letter of gratitude from the Lowcountry Food Bank for our donations. The letter reads in part, “You have made a positive difference in many lives. Your donation of 141 pounds of food will provide 109 meals for the many people in the ten coastal counties of South Carolina who are in need.” You are a wonderful group of caring, giving people, and the Board appreciates the many ways you share of your time, talents, and resources.

We are certainly looking forward to another fantastic year and another exciting Annual Meeting in 2013. The Planning Committee is busy working on the agenda and lining up speakers, and they would welcome your input on any topics you may be interested in hearing more about. The world of affordable housing is constantly changing, and we all need to stay abreast of the hot topics, so please contact Mike Holoman, Planning Committee Chairman, if you have any suggestions for interesting topics and/or speakers. His e-mail is mholoman@partnershippm.com.

I also want to give a great big thank you to our sponsors and exhibitors. We could not provide the quality of our meetings each year without your support and sponsorship. We appreciate your continued support, and we strongly encourage our members to remember you all when they are in need of the services you provide.

A Washington Report

Nooley R. Reinhardt

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Immaculate Sequestration – Tax Extenders and Reform – Continuing Appropriations – and More

Unusual in Washington, but no one—not the White House, not House Republicans, not Senate Democrats, not House Democrats, not Senate Republicans—is taking credit for the \$1.2 trillion in across-the-board spending cuts (sequestration) that will be triggered January 2, 2013, unless Congress and the administration act before then.

The Congressionally-mandated Sequestration Transparency Act, released September 14 by the **Office of Management and Budget** (OMB), says that for fiscal year 2013 \$109 billion in cuts, split evenly between defense and non-defense programs, including \$11 billion from Medicare [providers], would be required.

Generally speaking, this measure amounts to a 9.4 percent cut in non-exempt defense discretionary spending and 8.2 percent in non-exempt nondefense discretionary spending, like housing programs.

The sequestration affects only appropriated funds and not the so-called tax expenditures like the LIHTC.

Offering a variety of examples of the depth of the cuts in a summary of the 400-page OMB report, Bloomberg says, “Rental assistance for the poor would fall by \$2.3 billion.” With few exceptions, like military salaries, the administration does not have discretion to adjust or average the spending cuts in 2013. Across-the-board really does mean program-by-program.

Few in Congress ever thought the cuts would be triggered, and in its report the OMB called the across-the-board cuts a “blunt and indiscriminate instrument.”

OMB also said, “The administration does not support the across-the-board cuts detailed in this report.” The official added, “We believe they should never be implemented. Bipartisan majorities voted for the threat of sequestration to force Congress to act. It was intended to drive both to compromise.”

Meanwhile, on Capitol Hill . . .

Before departing Washington to campaign, the **House of Representatives** and the **Senate** both passed a Continuing Resolution that funds the federal government at current levels until March 27. By doing so, both houses avoided a potential pre-election showdown over shutting down the government before October 1, the start of the new fiscal year.

(Interestingly, the OMB has instructed federal departments and agencies to allocate funds, that is, to spend money, at pre-sequestration levels. But then a battle over spending priorities and appropriations for individual programs will erupt once again before March 27.)

Neither the House nor the Senate took action on the tax extenders bill, which includes the modified flat 9 percent provision for the LIHTC program.

The tax-writing House **Ways and Means Committee** is working on having its version of the extenders bill ready for the post-election lame duck session of Congress.

Facing threats of credit downgrades and economic catastrophe, a Congress already notable, in the negative, for both the quantity and quality of the legislation it has passed faces a lame duck agenda dealing with sequestration, the expiring Bush tax cuts, AMT relief, the estate tax, and extenders legislation. Add to those “fiscal cliff” components the dire condition of the Post Office, a Farm Bill (including drought relief), and other legislation that was once labeled “must do.”

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**A Washington Report
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Even as the administration and Congress seemingly await voters on November 6 to provide “clarity” about where the country is politically, even the most optimistic see little likelihood for anything more than additional stop-gap measures to move the larger debate into 2013 and beyond.

There does not seem to be much political incentive on either side for a productive lame duck session even if the status quo is preserved. If control of the White House and/or Senate flips, action almost certainly will be delayed until January.

Upcoming PTE Training

The CCAH Education Committee is excited to announce additional PTE training for 2012. Our trainer will be Mr. A. J. Johnson, who will focus on “Management of Layered Section 515/ LIHTC Properties, with Emphasis on Acquisition/Rehab Issues.”

The full-day course outlines the basic requirements of the RD 515 Program along with an overview of regulations, including rent rules, resident eligibility, income restrictions, and recertification requirements. The course also includes a detailed discussion of occupancy requirements and rents, tenant eligibility, and handling over-income residents. In addition, the training will include a complete discussion relating to acquisition/rehabilitation issues when combining the Section 515 Program and the LIHTC Program. Certificates will be provided at the conclusion of the training. You will NOT want to miss this!

Training locations will be held at the Hawthorne Inn & Conference Center in Winston-Salem, NC, on December 5, 2012, and at the SiMT Center in Florence, SC, on December 6, 2012. Mark your calendars and get those registrations in early before the classes fill up. (Specific information regarding registration will be forthcoming.)

We will soon start working on training topics for the 2013 CCAH Annual Conference and will be glad to take recommendations for consideration. Look forward to seeing you in December!

CCAHA Education Committee
Fran Whittenton, Jill Odom, and Michael Blackburn

**President's Message
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Please let me take this opportunity to again express my gratitude to the Board of Directors for placing their confidence in me to serve as President of the Carolinas Council. I am honored and humbled, and I have big shoes to fill. Past Presidents have done extraordinarily good jobs leading the Council, and I have learned from the best! I pledge to do my personal best to lead the Council as we move ahead with our mission of advocating for and providing quality affordable housing for all Carolinians.

We have an awesome opportunity and privilege to help many families and seniors in our states who are suffering from the downturn in the economy. We should all be proactive on legislative issues that affect our industry by contacting our Congressional representatives and Senators and anyone else who will listen to our stories about affordable housing and the people we serve.

If you are not a member of CCAH, please consider joining, and if you know of someone who is not a member of CCAH, please share this newsletter. There are many great opportunities for education and edification that you are missing out on by not being involved in this great organization. For more information about CCAH and becoming a member, please go to our website: www.carolinascouncilforaffordablehousing.com.

Linda Wall, President

2013 Electronic Leases

Renew your electronic leases

BEFORE

January 1, 2013

Be ready for the New Year!

**Available only to CCAH Members
For information contact the CCAH Office
ccahboard@aol.com • 919-774-7713**

CCAHA now accepts Credit Cards!

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Lease Products, Membership, Registrations
With
Visa • Mastercard • Discover**

**Complete the Credit Card Authorization Form found on our website
(www.carolinasouncilforaffordablehousing.com) and fax to
919-774-7713**

DO NOT EMAIL CREDIT CARD INFORMATION!

Welcome to Our Newest Member

United Management Services of Columbia, LLC

Owners: Kathy and Bill DeWitt

1345 Garner Lane; Suite 103

Columbia, SC 29210

Carolinas Council for Affordable Housing

Annual Electronic Lease Information

For CCAH Members Only!

The purchase of electronic leases is available only to CCAH Members. The electronic leases are purchased annually. The purchase entitles members to access both North Carolina and South Carolinas leases and addendums in English. You can print as many leases as you need as frequently as necessary for the calendar year in which they are purchased. Each lease will be date stamped and will have the management company name imprinted within the lease. The leases are only useable for the year in which they are purchased. Each calendar year CCAH members will have the option of purchasing that year's lease.

Please Note:

CCAHA will still have available for sale the same lease products we have always carried. The price remains the same, and we will ship them to you as we have in the past. Electronic leases are simply an additional option that we are providing only to Members of CCAH.

Each lease will have a single-page questionnaire that is completed on site. Completion of the questionnaire will populate the lease for you. The electronic leases and addendums are in PDF format.

For tax credit requirements as well as security purposes, the signature page of the leases should have original signatures. Therefore the signature page of the lease should be printed out, properly executed by all parties, and then scanned back into your computer.

If you have questions not answered here, please contact the CCAH Office. We will be glad to help you.

CCAHA Office

388 Cross Point Road

New Hill, NC 27562

Phone: 919-774-7713

Email: ccahboard@aol.com

Annual Electronic Lease Purchase Form

CCAH Members Only

The annual purchase price for leases is calculated by the number of Affordable Housing Units each management company manages in the states of North and South Carolina. Please see the chart below.

CCAH is required by the NC Department of Revenue to collect sales tax on the sale of electronic leases. The sales tax is collected based on the tax rate for the state of North Carolina and the county in which the management company is located. Since the county rate is not the same in all 100 NC counties, please check the listing below for the applicable sales tax for your county and add that amount to your purchase. CCAH is NOT required to collect South Carolina sales tax. If your management company is located in South Carolina, do not include sales tax.

NC sales Tax 7% in Alexander, Cabarrus, Catawba, Cumberland, Duplin, Halifax, Haywood, Hertford, Lee, Martin, New Hanover, Onslow, Pitt, Randolph, Robeson, Rowan, Simpson, Surry and Wilkes Counties.

NC Sales tax 8.25% in Mecklenburg County.

All counties not listed above pay 6.75% sales tax.

CCAH Members Annual Electronic Lease Fees

<u>Total Units</u>	<u>Annual Fee</u>	<u>Sales Tax</u>	<u>Total Enclosed</u>
1-100 Units	\$150.00		
101-500 Units \$	375.00		
Over 500 Units	\$850.00		

Please complete the information below to purchase annual electronic leases.

Company Name: _____

Contact Name(s): _____

Address: _____

City, State, Zip: _____

Telephone: _____ **Fax:** _____

Email: _____

RD Funding Outstanding Prepayment Incentives; Not Intending to Issue New Construction NOFA

Update from CARH

CARH has recently learned that Rural Development (RD) made the welcome decision to fund outstanding commitments for prepayment incentives. At this time it appears all incentives are being funded; however, RD has not said so specifically. We understand that this decision is based on the recent Supreme Court decision in *Salazar v. Ramah Navajo Chapter*, which CARH brought to RD's attention in early July. Owners with outstanding prepayment incentives commitments from RD have already begun working with RD offices to fund those commitments.

USDA's legislative affairs office has already told Congressional offices that RD does not intend to release a NOFA for new construction projects under the Section 515 program for Fiscal Year (FY) 2012. The e-mail sent by USDA's Office of Congressional Relations (OGC) to members of Congress stated:

I wanted to confirm that RHS [Rural Housing Service] will forego the release of the NOFA for Sec. 515 new construction projects. This decision not to fund new construction was due to the need to conform with the law as interpreted by the Supreme Court (*Salazar v. Ramah [Navajo Chapter]*), which stated that if agencies had outstanding contracts and sufficient appropriations, they must fund any of those contracts. OGC determined that the decision was relevant to the contracts, known as Rental Assistance Incentive contracts, entered into by the Rural Housing Service to avert prepayment of Section 515 rental housing through offers of prepayment incentives to the project owners.

We understand our stakeholders' disappointment in RD's decision not to fund 515 new construction. RD had intended to issue a NOFA; the notice was in clearance at the time of the *Salazar* decision. The delay led to insufficient time for Federal Register notice of a NOFA, application process and ultimate obligation prior to the end of the fiscal year. The Supreme Court's decision has forced RD to change its priorities and use 515 appropriations to fund prepayment incentives (equity loans and RA). However, the limited funding left in the 515 program will be used to rehabilitate existing 515 housing, or facilitate the sale of RD inventory properties to owners adept at finding additional resources to revitalize the properties. There is an urgent need for RD to revitalize its existing portfolio of aging rental housing. Since the cost to rehabilitate our existing housing is less than the cost of new construction, the limited funding left in the 515 program will go further and in the time required, prior to fiscal year end.

CARH supports RD's decision to fully fund overdue RA and Section 515 preservation obligations. However, it appears from this statement that RD has additional funding for Section 515 but is choosing not to fund new construction activities. The decision not to release the Section 515 new construction NOFA appears to contradict at least one federal statute, as Congress specifically provided for minimum new construction RA in the FY2012 appropriations legislation. CARH, in a letter, has informed RD of our appreciation for funding preservation activities, but also indicated that based on the FY 2012 appropriations bill, RD also needs to fund new construction activities. RD offices have also said they are not funding new preservation activities, and CARH is noting its objection to any such decisions. CARH has also been in contact with key members from the House and Senate Appropriations Committee regarding the agency actions, in light of the new construction issues and new preservation issues.

We will continue to keep CARH members informed on this subject. If you have any questions, please contact CARH at carh@carh.org or (703) 837-9001.

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In today's competitive rental market, you need ways to set your community a step above your competition.



Duke Energy will help by providing you with energy-efficient compact fluorescent bulbs (CFLs). They are perfect for permanent light fixtures in foyers, bedrooms, and family areas. Changing the bulbs is easy and can be done on your regular maintenance schedule.

Duke Energy will provide each qualifying property with up to 12 *FREE compact fluorescent bulbs (13w CFLs) per each unit. This program is applicable within the Duke Energy service territories of Kentucky, Indiana, Ohio, South Carolina, and North Carolina.

How Will Your Property Benefit?

- Savings to your bottom line - CFLs last six times longer than traditional bulbs. That's less time and money your maintenance staff spends changing light bulbs!
- Increase Tenant Satisfaction - On average, each CFL will save your tenants approximately \$40 in energy costs over the lifetime of each bulb.**
- Marketing Power - Nine out of 10 Americans would prefer to live in an eco-friendly space.***

* Bulbs are free. You pay only the shipping costs.

** Based on \$40 savings per bulb over the expected lifetime of bulb. Source: www.energystar.gov.

*** According to 2010 Rent.com national survey.

To get your CFLs, contact Duke Energy:

By Phone: 1-888-297-1671

By Email: HBSDukeEnergyPropertyManagerProgram@Honeywell.com

duke-energy.com/property-mgr