

AFFORDABLE HOUSING NEWS

AFFORDABLE HOUSING ASSOCIATION
OF INDIANA

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Message from the President

October-December 2017

Dear AHAIN Members:

The Affordable Housing Association of Indiana (AHAIN) is committed to providing our members with a variety of opportunities to meet new people, develop professional skills and make respectable contributions to the affordable housing profession. We want you to have access to the following benefits in 2018:



- Professional education, certification and continuing education credit opportunities
- Affordable Housing News - Timely newsletter delivered right to your door and inbox
- Affiliation with AHAIN resources, saving you time and money
- Special exhibitor and sponsor pricing for 2018 AHAIN events
- Access to our online and downloadable Membership Directory with each member's contact information
- Access the members-only section of the AHAIN website; with the ability to print forms, read current news articles and access special event pricing

The AHAIN Board of Directors and staff would like to thank you for your continued membership in the association. Your financial support will ensure continuation of our goals for the upcoming year. We look forward to working for you in 2018.

Thank you for your continued support!

Sincerely,

Stephanie Dellinger
President, AHAIN



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 Vice President... Mitch Walters, Justus Property Management
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Charyl Luth, Executive Director



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The Affordable Housing Association of Indiana is a nonprofit association that was founded in 1983. For 34 years, AHAIN has served as Indiana's leading advocate for the financing, development and management of affordable housing. There is no other association that solely represents the needs of the affordable housing industry and its participants, which include owners, developers, managers, non-profits, housing authorities, syndicators, accountants, architects, attorneys, bankers and vendors to the industry. For more information about the benefits AHAIN provides to its members, including networking, continued education, resources and meetings, please visit inaha.org.

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Distinguished Hoosier, Mrs. Mary Weir, lives happily at Village Apartments of Fortville I

Charyl Luth, AHAIN Executive Director



In April 1981, Village Apartments of Fortville I opened in Fortville, Indiana. This community has 24 units and is a HUD Section 8/Rural Development 515 elderly housing complex. This new property filled quickly and apartment number 9 became Mrs. Mary Weir's new home.

Mary Weir was born on February 2, 1909, in Brookville, Indiana. She is one of nine children and her family had a farm and a horse and buggy delivery service. Mary married Lawrence Weir, they raised four children and were married for 35 years. She worked as a cook in the cafeteria at the Fortville School for 23 years. When she retired, she could no longer afford to maintain her family home and she found Village Apartments of Fortville I. Mary is now 108 years old and she still resides in apartment number 9. She is very thankful to have an affordable home.

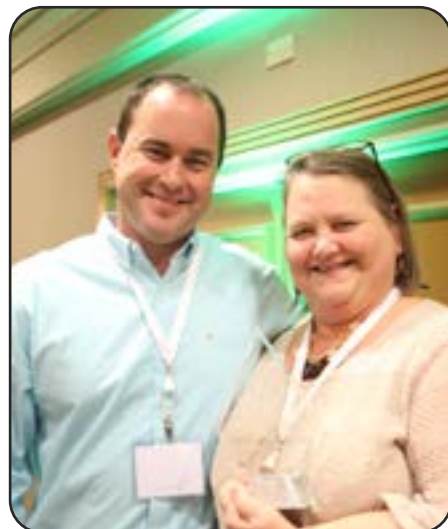
Mary Weir's Granddaughter recently shared the following comments with Village Apartments staff and Management:

"...Her experience at Village Apartments, 36 years, has been instrumental to her happiness and longevity. The assistance and setting have been both welcoming and essential. Over the years, she has been able to live independently, for the most part, and still have an enjoyable life. The setting and assistance have not only enabled her to "make ends meet," but she's had an abundance of friends over the years. Not only other residents, but the management staff as well. She's participated in many parties and gatherings and dinners and many games of bingo. And over the years, it's been a comfort to her family to know that neighbors and staff have always been looking out for her and kept a watchful eye on apartment #9. She's indeed a benefactor of successful programs and benefits. And in return she's been able to share years of happiness and joy with family and friends."

Each year the town of Fortville honors Mary's birthday with a big sign in the middle of town. This year she was presented with the Distinguished Hoosier Award, one of the highest state awards a citizen can receive. This award was bestowed by Indiana Governor Eric Holcomb for being the state's oldest active voter since she cast her ballot in the 2016 presidential election.

Today, Mary still enjoys crossword puzzles and word jumbles. She also enjoys playing "Are You Smarter Than a 5th Grader?" on her iPad. Mary says that the technology that amazes her the most is GPS technology that is able to know where you are and tell you where to go.

During the 2017 AHAIN Affordable Housing Conference, Sylvia Rhinehart from USDA RD presented Mary Weir's story and a video interview. Special thanks to Sylvia for her presentation and to Lori Martin, Regional Manager, Village Management Company for sharing this amazing story with us.



AHAIN Vice President, Mitch Walters presents Tina Squires with the AHAIN Past President's Award during the 2017 AHAIN Affordable Housing Conference and Annual Meeting.



RD Representatives Valerie Robinson (left) and (right) Kim Hyde present Rhonda Sparks with the 2017 Indiana RD Site Manager of the Year Award during the AHAIN Conference.



Jimmy Wayne shares his heart warming story "The Power of One" at the 2017 AHAIN Conference.



Left: We were excited to have CARH's Executive Director, Colleen Fisher, join us in downtown Indianapolis. She shared the National Update and talked about tax reform during the 2017 AHAIN Affordable Housing Conference and Annual Meeting.



Right: Denise Stein, the CEO and founder of Art of Leadership Advisors, led a thought provoking and inspiring keynote talk, "What's Your Vision?"

Affirmative Fair Housing Marketing Plans (AFHMP)

Amy Koch, USDA Rural Development, Area Technician, Knox, Indiana Office



What is Fair Housing?

It is a law that protects people by giving them the right to choose housing free of unlawful discrimination. According to the free online dictionary, “The Fair Housing Act of 1968 (FHA) (42U.S.C.A. §§ 3601-3631) is also known as Title VIII of the Civil Rights Act of 1968. Congress passed the act in an effort to impose a comprehensive solution to the problem of unlawful discrimination in housing based on race, color, sex, national origin, or religion. The Fair Housing Act has become a central feature of modern civil rights enforcement, enabling persons in the protected classes to rent or own residential property in areas that were previously segregated.”

What is an AFHMP?

The AFHMP is a plan designed to help renters of all majority and minority groups regardless of race, color, national origin, religion, sex, familial status, or disability. It allows individuals with similar income levels in the housing market area have housing choices available to them. The plan describes all marketing efforts, such as; advertising (newspaper, radio), outreach (community contact letters), and other marketing activities (flyers and brochures).

What is the Purpose of the AFHMP?

The AFHMP helps owner/managers effectively market the availability of housing opportunities to individuals of both majority and minority groups that are “least likely to apply” for housing.

Least Likely to Apply

“Least likely to apply” means that there is an identifiable presence of a specific demographic group in the housing market area, but members of that group are not likely to apply for the housing without targeted outreach, including marketing materials in other languages for limited English proficient (LEP) individuals, and alternative formats for persons with disabilities. Reasons for not applying may include, but are not limited to, insufficient information about housing opportunities, language barriers, or transportation impediments.

April 6, 2017 - Guidance on AFHMP Review and Approval Letter

Borrowers must review their AFHMP every five years; or when the local Community Development jurisdiction’s Consolidated Plan is updated; or when there are significant changes in the demographics of the project or the local housing market. If the borrower’s analysis finds that the plan is satisfactory, the agency will not require any additional documentation.

If the borrower’s analysis determines the current AFHMP requires modifications or updates, the borrower must submit the updated AFHMP for agency approval. RD will review borrower records and analysis during regularly scheduled compliance reviews.



In summary, borrowers must submit updated AFHMPs to RD for review and approval only under the following circumstances:

- At least five (5) years have elapsed since the last review; OR
- The local jurisdiction’s Consolidated Plan has been updated; OR
- Significant demographic changes have occurred in the housing market area.

And

- The borrower has conducted an analysis which determines that the population least likely to apply for housing is not identified in the current AFHMP or the advertising, publicity or outreach are no longer appropriate and require modification or expansion.

The AFHMP is now due every 5 years!

Prior to the 5 year expiration date, you will need to perform an analysis to see if a new document will be required. The owner/management must complete an analysis to determine if there are any changes to the population of the least likely to apply for the subject housing, to determine if the information is different than what is stated in the current plan or the advertising, publicity, or outreach are no longer appropriate and require expansion or modification.

Listed below are the minimum items that need to be done for the analysis.

1. Did you look at the market area demographics and compare that to the participant percentage and waiting list? (Census Data report is used)
2. What demographic groups exist in the defined market area and census tract data – are there minorities?
3. What about outreach, did you review the current vacancies to determine the effectiveness of your marketing efforts?
4. Are those least likely to apply found on the waiting list or participating in the housing programs?
5. Is an adequate marketing plan being implemented based on your analysis? If not, an update may be needed.

This analysis must be submitted to Rural Development Area Office for concurrence that there have not been any changes. RD will either send an email or letter of the continuation of the existing plan, which should be posted with the AFHMP showing the update for the next 5 years. **Which means that based on your analysis, no new plan will be required!** You may submit an updated AFHMP to the RD Area Office, we would not object to a complete new plan submission. •

Interim Final Rule on December 12, 2017 - Streamlining

Effective March 12, 2018

Amanda Lee Gross, Director of Compliance Training, E&A Team, Inc.



HUD published an Interim Final Rule on December 12, 2017, amending regulatory language that applies to Public Housing, Housing Choice Voucher Program and Project-Based Rental Assistance Programs. HUD issued the rule to implement the FAST Act and modify previously issued streamlining regulations to bring these regulations into alignment. Additionally, this rule expands previous streamlining regulations relating to asset verification and utility reimbursements to also cover multi-family housing programs. The implementation of this rule has been delayed until March 12, 2018.

Specifically, this Interim Final Rule amended regulations as it relates to the following:

- Asset Verification
- Utility Allowance Reimbursements
- Triennial Income Verification



Asset Verification

This Interim Final Rule reduces the burden of verifying household assets when determining a household's income upon recertification.

The rule reduces this burden by permitting owner/agents to **verify a household's assets every three years** as opposed to every single year. In the intermediate years (years 2 and 3 after a full third-party income certification has been conducted), the owner may choose to "verify" assets by accepting a self-certification from a household declaring that the household has net assets equal to or less than \$5,000.

Third-party verification must be obtained every 3 years.

Example: Asset Self-Certification

Initial Certification

The Barnaby household moved in on 6/1/18. At the time of move-in, the household has only one asset, a checking account with a value of \$200. As this is the initial certification, the checking account must be verified.

1st Recertification

When completing their recertification due 6/1/19, the Barnaby household declares that their only asset is a checking account with a value of \$350.00. Since the Barnaby household declared that the net value of assets is less than \$5,000, third-party verification of the checking account is not required.

2nd Recertification

When completing their recertification due 6/1/20, the Barnaby household declares that their only asset is a checking account with a value of \$450.00. Since the Barnaby household declared that the net value of assets is less than \$5,000, third-party verification of the checking account is not required.

3rd Recertification

When completing their recertification due 6/1/21, the Barnaby household declares that their only asset is a checking account with a value of \$550.00. Even though the Barnaby household declared that the net value of assets is less than \$5,000, third-party verification of the checking account is required.

Utility Reimbursements

This Interim Final Rule also reduces the burden of issuing small utility reimbursements to tenants who receive project-based rental assistance. The rule reduces this burden by permitting owner/agents to make such utility reimbursements on a quarterly basis, **if the reimbursement is \$15 or less per month (\$45 per quarter).**

A utility reimbursement is required to be paid to tenants who pay their own utilities when the utility allowance for the project exceeds the household's total tenant payment.

If an owner chooses to use this option, a written policy will need to be implemented to address those households for whom receiving the reimbursement on a quarterly basis would create a financial hardship.

Example: Utility Reimbursement

A utility allowance for a unit is \$100 a month. For a tenant with a Total Tenant Payment of \$90.00, the utility reimbursement would be \$10.00 per month. Since the monthly utility reimbursement is \$15 or less, the owner can distribute the utility reimbursement quarterly as opposed to monthly.

Streamlined Income Verification of Fixed Income Sources

This Interim Final Rule also reduces the burden of verifying fixed income sources when determining a household's income upon recertification.

The rule reduces this burden by permitting owner/agents to **verify a household's fixed income every three years** as opposed to every single year. In certain circumstances detailed below, an owner/agent is not required to verify non-fixed income sources in years 2 and 3 after a full third-party income certification has been conducted.

Full third-party recertification must still be completed every 3 years.

Fixed Income Defined

Periodic payments at reasonably predictable levels from one or more of the following sources:

- ✓ Social Security, Supplemental Security Income, Supplemental Disability Insurance.
- ✓ Federal, state, local, or private pension plans.
- ✓ Annuities or other retirement benefit programs
- ✓ Insurance policies
- ✓ Disability or death benefits
- ✓ Other similar types of periodic receipts.
- ✓ Any other source of income subject to adjustment by a verifiable COLA or current rate of interest.

Fixed Income Triennial Verification

If the streamlined income verification method is used, for recertifications completed in intermediate years (years 2 and 3 after a full third-party income certification has been conducted) a household's income from the fixed source can be determined by applying a verified cost of living adjustment (COLA) or a rate of interest to the fixed source. **The determination of whether verification of the household's non-fixed income sources is required, will depend on if the household meets the 90% threshold test.**

90% Threshold Test

≥ 90% of Gross Income

At least 90% of Gross Income from a Fixed Income Source

For household's whose fixed income represents **90% or more** of the **household's total gross income**, the owner is **not required to adjust non-fixed income sources**. However, the owner may still choose to verify and update the non-fixed income sources.

Example: Does Meet 90% Threshold

Thomas and Jerry reside in a unit and receive project-based rental assistance. They moved in on 9/1/2017, at which time a full certification was conducted.

- Thomas received \$11,000 a year from Social Security Benefits.
- Jerry received \$10,000 in Social Security Benefits.
- Jerry also works part-time seasonally and earned \$2,000 a year.
- The gross annual household income totaled \$23,000.

To meet the 90% threshold test, 90% of the total gross household income, or \$20,700 would need to be from a fixed income source(s). $\$23,000 \times 90\% = \$20,700$.

Since the fixed income received by this household totals \$21,000, this household meets the 90% threshold test.

This means that when the household's first recertification, due 6/1/2018, is being completed, the fixed income source can be determined by applying the verified COLA to both Thomas and Jerry's benefit income, and the non-fixed income source (Jerry's wages of \$2,000) is not required to be verified.

< 90% of Gross Income

Less than 90% of Gross Income from a Fixed Income Source

For household's whose fixed income represents **less than 90%** of the **total gross household income**, the owner **must verify non-fixed income sources**.

Example: Does Not Meet 90% Threshold

Josh and Mary reside in a unit and receive project-based rental assistance. They moved in on 6/1/2017, at which time a full certification was conducted.

- Josh received \$15,000 a year from Social Security Benefits.
- Mary works part-time and earned \$5,000 a year.
- The gross annual household income totaled \$20,000.

To meet the 90% threshold test, 90% of the total gross household income, or \$18,000, would need to be from a fixed income source(s).

$\$20,000 \times 90\% = 18,000$.

Since the fixed income received by this household is only \$15,000, this household does not meet the 90% threshold test. This means that when the household's first recertification, due 6/1/2018, is being completed, the fixed income source can be determined by applying the verified COLA to Josh's benefit income, however, Mary's wages must be third-party verified. •

\$2,400 RAISED AT THE 2017 SILENT AUCTION!

In August, we awarded Kimberley Rowe with a \$1,500 scholarship towards her education at Vincennes University. She plan is to pursue Marine Biology and Zoology. ... It was because of your generosity at last year's silent auction we were able to offer this assistance to a resident of AHAIN member-property Ravine Heights II, managed by Imperial Management.

NEW THIS YEAR! The AHAIN Scholarship Committee is working on a scholarship enrichment program to support students of grade-school ages. This scholarship targets supporting children who wish to attend programs like athletic, band, summer, 4H, leadership and church camps. Properties who are members of AHAIN will be able to submit applications for assistance and payouts will be made directly to the enrichment organization. Bid on your favorite items and help set a student at one of your properties up for a most successful future!



Thank you for your auction donation!



AHAIN Member Spotlight: CRG in the Community

Ashlyn Thompson, Director of Marketing, CRG Residential

CRG Residential held a 6 day competition recently to see which team could donate the most socks and hygiene packs for a local charity organization that serves the homeless of Indianapolis.

The CRG employees, along with the generous donations from 16 vendors, were able to collect in total:

- 2,648 pairs of socks
- 413 hygiene packs



Pictured: Chip Morelock, Service Manager at CRG Residential.

How does your company give back to the communities where you serve? Are you interested in being featured in the next *Affordable Housing News*? Email info@inaha.org your story and images and share your ideas and success with us all. Who knows, you may just inspire another member to start a similar program!

AHAIN Awards and Recognition Program

In 2017, the Affordable Housing Association of Indiana introduced the AHAIN Awards and Recognition Program to celebrate the commitment and service of AHAIN members and their staff. We acknowledged the best in housing and community development during the 2017 AHAIN Affordable Housing Conference and Annual Meeting in Indianapolis.

AND THE WINNERS ARE...

Management Company/Developer Level —

Award for Rehabilitation/Preservation Construction: Presented for the modernization, rehabilitations, preservation, or alternative use of existing buildings, developments, or areas, regardless of their original architectural intent.

2017 Rehabilitation and Preservation Construction Award
RealAmerica - Hendricks Pointe Apartments

Award for New Construction: Awarded to Management Company/Developer with properties where construction was completed in the past twelve months.

2017 New Construction Award - RealAmerica - North Harrison Senior Apartments

Outstanding Management Award: Honoring affordable housing and community development leaders for their invaluable contributions and years of commitment to the development and provision of affordable housing.

2017 Outstanding Management and Leadership Award - Biggs Property Management

Property Level —

Honoring a property who demonstrates outstanding leadership in improving the quality of life by providing safe, decent and affordable housing.

2017 RD Property Award - Justus Property Management - Jonesboro Apartments

2017 HUD Property Award - Justus Property Management - Gillbeke Apartments

2017 LIHTC Property Award - Biggs Property Management - Renaissance Pointe Community Homes

Associate Level —

Designed to recognize manufacturers, suppliers, advocates and non-profits involved in providing exemplary services for the benefit of a resident, local housing authority, community development agency or other entity involved in providing affordable housing.

2017 Outstanding Service to the Affordable Housing Industry Award

Mitch Copman, President of Streamroll

2017 Supportive Services to Residents of Affordable Housing Award

Billy Moreno of the The Courtyard managed by Biggs Property Management

We would like to thank you for your commitment and service to the affordable housing industry!



Anna Rankin, Regional Manager at RealAmerica, accepts the 2017 Rehabilitation and Preservation Construction Award and the New Construction Award from Tina Squires, AHAIN Board Member and Past President.



Cindy Snider accepts the 2017 Outstanding Management and Leadership Award on behalf of Biggs Property Management. Her award is presented by Mary Jo Brock, AHAIN Board Member.



The 2017 LIHTC Property Award winner Karen Coffey, Renaissance Pointe Community Homes, was presented by Tina Squires, AHAIN Board Member.



2017 HUD Property Award winner Denise Reszkowski of Gillbeke Apartments receives her award from Mary Jo Brock, AHAIN Board Member.



2017 RD Property Award winner Elsie Kinzie of Jonesboro Apartments receives her award from AHAIN Board Member Tina Squires.



AHAIN Representatives Natalie Wells (left) and Charyl Luth (right) presenting Mitch Copman of Streamroll with the Outstanding Service to the Affordable Housing Industry Award.



Pictured Left: 2017 Supportive Services to Residents of Affordable Housing Award goes to Billy Moreno the Overnight Wellness Liaison at The Courtyard in Fort Wayne, This property is managed by Biggs Property Management. Mary Jo Brock, AHAIN Board Member presented his award.

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IF YOU DON'T HAVE TIME TO DO IT RIGHT, WHEN WILL YOU HAVE TIME TO DO IT OVER? –John Wooden

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The Need That Supports All Others

Once area's families secure affordable housing, they can strive for many of life's better things

Cynthia L. Snider, Director of Properties, Biggs Property Management



I'm not a workaholic. Rather, my passion for the Affordable Housing industry fuels my desire to push myself. I have seen, first-hand, the meaningful impacts made in the lives of countless families simply by providing a safe, decent and affordable place to call home. It also explains why it frustrates me to no end to hear people talk about their misconceptions of Affordable Housing. Having dedicated over 25 years to the Affordable Housing industry, I have developed a unique perspective and understanding of the positive outcomes realized by individuals and families in need of a boost. Society's resistance to Affordable Housing usually comes from a simple lack of understanding of what it is and its tremendous impact.

While it may seem obvious, shelter is a basic human need. Psychologist Abraham Maslow, in his hierarchy of needs, lists physiological needs as the base of the pyramid. The essential driving force of human life is to remain living through the consumption of food and water and seeking warmth in the cold. Right above this is the need for safety and security. Further up the pyramid are things like love and self-esteem. Simply put, one cannot pursue the higher levels of life, the enrichment of their own lives and their contribution to society if they cannot secure the needs at the bottom of the pyramid. Housing is a basic human right. However, it is far more complex than providing shelter from the elements, it is critical to human life and development.

Affordable Housing criteria suggests individuals and families should pay no more than 30 percent of their income on housing costs. The 30% max threshold is often difficult to reach for the most vulnerable households such as the elderly, disabled and general laborers. What surprises most is that those who struggle to pay for housing also includes many military personnel, teachers, firefighters and police officers, for whom market-rate housing options are oftentimes out of reach.

Affordable Housing differs significantly from the term subsidized housing. This subset of Affordable Housing has rental assistance which is where all or a portion of the monthly housing cost is paid for directly by the government, based on the household's income. Rental assistance helps low-income families have access to neighborhoods that would otherwise be unaffordable. These neighborhoods are typically associated with higher quality schools, available transportation, enhanced job options, parks and stores with fresh produce.

Today, one in four Americans spend more than 50% of their income on housing. Affordable housing is in high demand, outpacing supply at record levels. Without solid affordable housing options, families often must select unstable and unsafe environments in order to keep spending within their financial limits. These choices begin to threaten the need for safety.

In the absence of affordable housing, families are forced to make compromises and sacrifices when allocating limited funds to cover the costs of rent payments, healthy food choices, medical care, daycare and education. These unfortunate trade-offs often lead to detrimental decisions which can have harmful and lasting effects, sometimes even life threatening. What is a family to do when there simply is not enough to cover their basic needs?

This is where affordable housing creates a profoundly positive effect in our communities. Our neighbors fill their necessary prescriptions, put healthy food on the table and find adequate child-care when parents work or

attend school. Those requiring mental health services maintain regular visits. Children with residential stability have better academic achievement, and they are more likely to be healthy both physically and mentally into adulthood.

I have witnessed how Affordable Housing transforms individuals and families by providing the necessary shelter to keep them safe and secure. My passion, though, comes from the joy of seeing people move from the lower levels of Maslow's hierarchy to the higher levels of love, belonging and self-esteem. I love to see achievement and new opportunities emerge for families and individuals. Thus, having a multi-generational impact. A place to call home may be something you take for granted, but for people needing affordable housing, is the difference between worry and security, between struggle and success.

Perhaps now, you can understand why I may be labeled a workaholic. ●



Pictured above: Biggs Property Management corporate staff. BPM's office is located in Decatur, Indiana. Visit their website at rentbiggs.com to learn more.

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Promoting Affordable Housing Through Advocacy

Jeffery Whiting is President and CEO of CREA, LLC



In this guest column, in which I have been graciously given space for more than a year, I typically discuss what is going on in Washington DC and its impact on affordable housing. Today, in addition to the impact the actions

of Congress will have on affordable housing, I add a little personal commentary. I trust you will find this entertaining. Perhaps not. If you do not like the column, please do not blame AHAIN - be upset with me. If you do like it, please let AHAIN know. Otherwise, this could be my last column. Feel free to contact me directly with any comments.

This week the U.S. House and Senate began negotiating a final version of the “Tax Cuts and Jobs Act of 2017,” with profound implications for how Indiana and America creates and preserves homes affordable to low-income families, veterans, seniors and people with special needs.

I’m grateful to all members of Congress who fought to retain throughout tax reform the Low-Income Housing Tax Credit and private activity bonds, including multifamily Housing Bonds, which are responsible for roughly half of all Housing Credit production in Indiana and in rural, suburban and urban neighborhoods nationwide.

The retention of the Housing Credit in the House and Senate versions of the Tax Cuts and Jobs Act and the retention of multifamily Housing Bonds in the Senate bill is testament to the power of AHAIN’s membership and the advocacy efforts we’ve undertaken together with our friends in all 50 states.

But, we’re not done yet. We must continue to work with Congress and the Administration to ensure that any final tax bill preserves LIHTC and multifamily Housing Bonds.

As is, the House version would decimate affordable housing. The elimination of PABs combined with the reduction in the corporate tax rate to 20% would reduce Housing Credit production by nearly 66 percent, costing America roughly one million homes and local construction jobs over the next decade, including nearly 18,000 homes in Indiana alone.

The Senate version is significantly better for affordable housing because it retains the Housing Credit and PABs. But, it also imposes a Base Erosion Anti Abuse Tax (BEAT) which effectively eliminates 10% to 25% of LIHTC investors, as the bill will not allow LIHTC to be used against BEAT. Only R&D credits can be used against BEAT. In fact, it’s worse than just a disallowance. It would require foreign owned banks, or domestic banks with foreign affiliates that hit certain non-U.S. earnings, to add back the LIHTC investment to the taxpayer’s adjusted gross income. This means that the LIHTC investment for any given year could be valued at \$0 due to the tax. With this in mind, why would any prudent CFO or Tax Director make an investment in LIHTC?

Now, before we all go running off to Montana or Idaho - go off the grid and live off the land - let’s see what we can do about this with our intrepid members of the 115th Congress. While making predictions is tough, especially about the future, as the sage Yogi Berra once said, I expect that the final tax bill is just round one of what will be a series of bills either later this year or next, dealing with taxes and spending.

In speaking with members and staff of Congress, they all recognize there will be a technical corrections bill or bills. As one Republican member told me, we will be dealing with the bill for the next 12 to 24 months. In addition to a technical corrections bill, there will most likely be a budget bill, also known as an Omnibus Spending Bill, a Supplemental Spending Bill, and (you’re going to love this) a Tax Extenders Bill. That’s right. Congress is about to pass what has been called a “once in a generation” tax reform bill, and we’re already talking about tax extenders.

I can’t make this stuff up. The Tax Cuts and Jobs Act of 2017 is just the beginning. There is hope. But hope is not a strategy. Together, AHAIN and our partners nationwide need to continue to educate Congress on the impacts of the provisions in the bill. If we do that, then we will be able to keep affordable housing production to at least its current level – and live to advocate another day for increased resources that make possible affordable homes for low-income families, veterans, seniors and people with special needs in Indiana and across the country.

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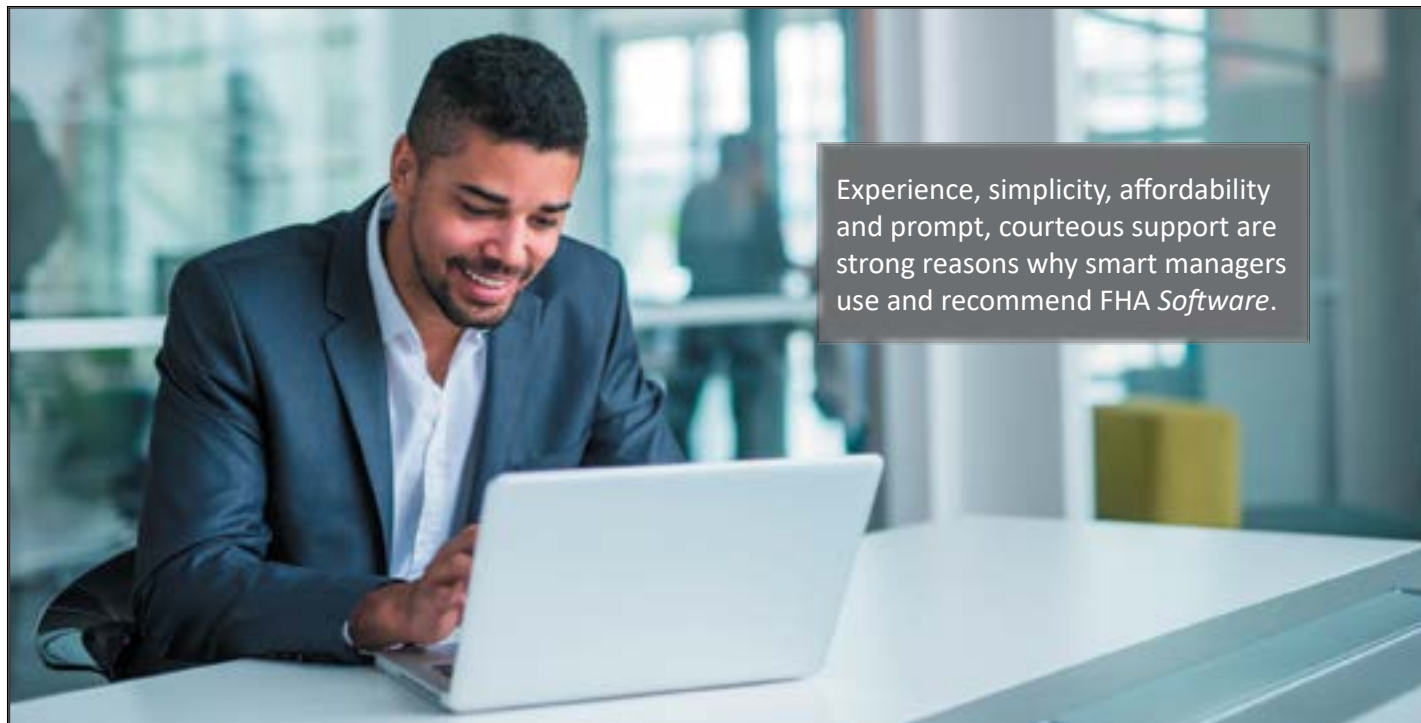
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