

NE NAHRO NEWSLETTER

Spring

April 2008

NE NAHRO NEWSLETTER

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Nebraska NAHRO Housing Authorities that would like to have N-Focus access should contact Delores Feekenschmidt at delores.feekenschmidt@dhs.ne.gov. She will send you the form for the confidentiality statement that must be on file for N-FOCUS access. If you have questions, call her 402-471-1856

President's Report

I would like to start this report with a big thank you to everyone who attended the Legislative Conference in Washington D.C. this March. Our state delegation included eleven (11) NAHRO members, two (2) board members and one concerned citizen (husband of one of our members). Our fourteen member delegation was the largest that I recall in the last five years as we walked the hill and trumpeted our message. I'm sure the Legislative Report in the newsletter will give a more detailed account of our visit but I was very proud of the Nebraska delegation for our strong showing and our unified message in support of housing programs.

The news out of Washington, though generally bleak, seemed at least a little more upbeat and hopeful this year. Though our nation remains at war, our economy seems to be struggling and budget

woes continue at our Nations capital, NAHRO has been very successful at educating Congress over the past several years about why housing must be supported and this effort



has resulted in regular and substantial increases over the Bush Administrations requested housing budget. Though our funding remains inadequate, there appears to be growing support for our cause in Washington D.C.. NAHRO's Housing America campaign and the mortgage crisis have made housing a national conversation once again. Thus, despite the gloomy mood of our nation, we remain hopeful that our message is being heard.

Statewide, our Professional Development

Committee has done a great job of putting together useful and important trainings that I encourage all of you to consider attending. For example, our Spring workshop is April 17, 2008 in Kearney and has an agenda full of interesting and timely topics. We are also scheduled to award our second annual Nebraska NAHRO scholarship to Terri Brown from Falls City. Terri has indicated she will be attending our lunch buffet and we will have the opportunity to honor her at that time. Other important trainings include the Uniform Physical Condition Standards (UPCS) May 6 & 7 in Grand Island and Section 8 Eligibility – Public Housing & Section 8 Rent Calculation Training June 25-27 in Lincoln. Please try to attend.

New Executive Directors, and those of us that may need a refresher course, can look to the fall conference in Omaha for help as NE

President's Report

Cont.

NAHRO will be sponsoring a New Executive Director training instructed by Joni from the Omaha HUD staff. Again the Professional Development committee is to be thanked for putting this together.

NAHRO. This will be held July 16 & 17 in Lexington and we are hoping for a big turnout. Rick is putting together excellent training opportunities so look for sign up information when it is sent out.

trainings and conferences.

Respectfully Submitted,

Rick Ruzicka
NE NAHRO President



The Nebraska NAHRO Maintenance Chair, Rick Lehl, is rolling out the first ever stand alone maintenance conference sponsored by NE

As always, please feel free to contact me if you have any suggestions on how NE NAHRO can better serve you. I look forward to seeing everyone at our upcoming

Dear NE NAHRO Member:

I am honored to chair the Committee for the annual Orville Stanton Award For Distinguished Service. This award will be presented at the Nebraska NAHRO Fall Conference to be held in Omaha.

As you may or may not know, the Orville Stanton Award for Distinguished Service is the most prestigious award given by the NE Chapter of NAHRO because it honors an individual who has worked tirelessly for the Chapter and for the promotion of decent, safe and sanitary housing in our state. It is the time of year to begin accepting nominations for that award. If you would like to nominate an individual, please submit a letter naming the person and stating why you think this person should be considered for the award. It would also help if you could tell us a little bit about the person you are nominating.

Don't wait - take the time right now and think about who you would like to see receive this award. There are lots of leaders around our state – from very small to large housing agencies. The only requirement is that the recipient be a member of our NE NAHRO Chapter Family. Now that you have the person in mind, send your nomination in writing as soon as possible to:

Joy Hill
Fairbury Housing Authority
105 West 5th Street
Fairbury, Nebraska 68352

Nomination deadline is July 31, 2008. This year's committee is made up of recent recipients of the award, Joy Hill, Wendalyn Hovendick, Cindy Naber, and Nancy Bentley. Make the committee's job tough by having to select from lots of qualified people!!!

Hope to be hearing from you soon.

Sincerely,

Joy A. Hill

PROFESSIONAL DEVELOPMENT

WHAT A BUSY YEAR FOR TRAINING – I hope everyone is taking advantage of the trainings that have been scheduled for Nebraska. It is so important to spend our dollars wisely with the Federal cuts taking place each year. Professional Development followed the dictates of the surveys returned to our State Service Officer last fall and we are offering a number of trainings requested by the membership. Twenty four attended the “Combating Housing Fraud” workshop held at Hilton Garden Inn in Omaha in January. Reginald Johnson, Program Integrity Manager for Omaha Housing Authority put together a comprehensive training on what you can do to reduce fraud at your housing agency. Special Agent Jason Albers of the Social Security Administration covered document review and fraud prosecution; Melissa McFadden and Amy Durso from the HUD Office of the Inspector General spoke on fraud reporting and prosecution; and Special Agent David Sullivan of ICE – formerly the Immigration and Naturalization Service (INS) spoke on alien document review, reporting and prosecution.

HOUSING QUALITY STANDARDS scheduled for February 12 & 13, 2008, was cancelled due to lack of interest.

April 9 & 10, 2008 – **COMMISSIONER FUNDAMENTALS – A REGIONAL COMMISSIONERS TRAINING** took place at the McCook Housing Agency with 14 in attendance. E.D. Rebecca Dutcher hosted the regional training and NE NAHRO Nationally Commissioned Trainers Evelyn Labode, Commissioner of the Douglas County Housing Agency and Pat Hosick, Executive Director of the

Cozad Housing Agency conducted the training. Another Commissioner’s Training is scheduled for NE NAHRO Fall Conference in Omaha at the Embassy Suites. Professional Development will continue to work with directors to host regional trainings. We are currently soliciting interest from the northeast area of the state for a Columbus site training.

April 17, 2008 –Spring Workshop at the Holiday Inn in Kearney. 100 participants are registered to date. HUD staff will present a variety of topics on the Operating Subsidy/Market Conditions Appeal, Over income families, SEVRA, Quality Assurance, Management Plan goals, Earned Income Disallowance, and a Round Table. The afternoon will consist of a session on Credit Management regarding collections of accounts and how to avoid bad debt, debt collection laws, and the statute of limitations. As an added attraction, a few of our own talented directors have a “lighter side” spinoff on “office management”.

Recently you were emailed the registration and agenda for a National NAHRO training - **UPCS (Uniform Physical Conditions Standards training** which will be held at the Howard Johnson in Grand Island, Nebraska on **May 6 & 7, 2008.** This is a two day comprehensive training on the Public Housing standards for physical inspections of units, common areas, grounds, and mechanical systems with a test at the close of the second day. Kenneth Love will conduct the training.

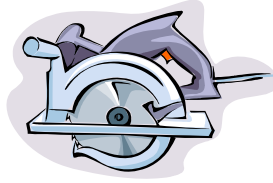
June 25, 26 & 27, 2008 – **SECTION 8 ELIGIBILITY (25th) /**

followed by **S8 and PUBLIC HOUSING RENT CALCULATION (26th & 27th)** with a **Proficiency Test** will be conducted by Lisa Coleman, a National NAHRO trainer, at the Holiday Inn, Downtown Lincoln. Lisa last trained for Nebraska in 2006 in Norfolk and many commented on the content and her style of teaching and we look forward to having her back in Nebraska again. Registrations were emailed to membership last week.

The Professional Development Committee encourages all agencies (directors and staff) to attend and support your state Chapter of NAHRO trainings. They require less time away from the office, less travel money and considerably less registration fees than nationally advertised trainings – yet you receive all of the benefits listed above WITH the expertise of a national trainer.

We hope to see you somewhere in Nebraska – this spring or summer.





2008

NEBRASKA NAHRO MAINTENANCE CONFERENCE

July 16th & 17th

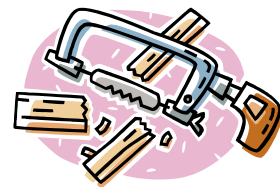
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USDA Rural Development



In 2007, 95% of the properties funded with a USDA Rural Development Section 538 GRRHP loan guarantee had tax credits.



Low Income Housing Tax Credits (LIHTC)

Most of us have heard of Low Income Housing Tax Credits (LIHTC), but what exactly are they? Hopefully, the following explanation will answer your questions and provide you with a basic understanding of just what they are and how they can be used.

In 2007, 95% of the properties funded with a USDA Rural Development Section 538 Guaranteed Rural Rental Housing Program (GRRHP) loan guarantee had tax credits. Because Section 538 guarantees are used frequently with LIHTC, it is important to understand how tax credits are calculated.

Because each state's Housing Finance Authority (in Nebraska, it is the Nebraska Investment Finance Authority – NIFA) administers the LIHTC program differently, it is important to review the Qualified Allocation Plan (QAPs) for Nebraska to see how applicants receive tax credits. Tax credits come in two forms, 9% tax credits and 4% tax credits. In essence, the 9% tax credits provide a much larger benefit than the 4% tax credits.

To be eligible for 9% tax credits, there cannot be any *federal subsidy* in the transaction. By definition, any federal assistance that brings the loan below the Average Federal Rate (AFR) is a federal subsidy. That is the reason the Section 538 program gives Interest Credit that does not bring the loan below the AFR, so these properties qualify for 9% tax credits. Generally, 9% credits are worth approximately 70% of the value of the deal, and 4% credits are worth approximately 30% of the value of the deal. These values are then divided evenly over a 10 year credit period. While the credits are taken over a 10 year period, the compliance period is 15 years. This means the property must stay affordable for 15 years despite the fact that the tax credits are already fully utilized during the first 10 years.

The tax credit amount is determined by the amount of eligible basis within that property. The larger the basis, the larger the amount of tax credits.

Given a project's cost structure, the larger the amount included in the tax basis the more credits are available. Eligible basis is the total amount of costs that can be used

to calculate the tax credits. Eligible basis includes (1) the cost of new construction, (2) the cost of rehabilitation, or (3) the acquisition cost of an existing building. The cost of land is *not* included when determining adjusted basis.

The tax credit amount is the product of the proportion of low income rental units to the total number of units and the eligible basis. Within a property only those units that are designated and used as low income rental units are used to generate tax credits; therefore, any market rate units or commercial space is not included in the calculation of tax credits.

Once the tax credit amount is determined, the developer sells those credits to investors who purchase them for cash. This cash is used to do the majority of the renovations in the property. The value of these tax credits has fluctuated over time from as high as 100% to as low as 75% or 80%.

For a more in-depth understanding of the way tax credits are calculated please refer to Title 26 § **42 of the IRS code.**

2008 Nebraska NAHRO Conference

"Housing... the Cornerstone to Strong Communities"

When: September 16-18, 2008

Where: Downtown Omaha Embassy Suites

Featured tracks for this year's conference include:

- **New Board of Commissioner Training**
- **New Executive Director Sessions**
- **Hands On Maintenance Sessions**

FEATURING

Omaha Housing Authority Property Tour (September 16)
(pre-registration is required)

Mystery Dinner Banquet (September 17)

WHO Did It?

The Freemont Dinner Train cast will delight the conference banquet with a mystery to be solved. Follow the clues and see if you can figure out **WHO Did It**.

A Night out at the Henry Doorly Zoo (September 18)

Lied Jungle Reception

(Pre-registration is required)

Unleash your inner child and experience a relaxing evening in the Jungle.

Downtown Omaha offers many attractions, including the *Old Market*, Omaha's premier arts and entertainment district featuring fine dining, shopping, and the arts.

Mark your calendar for September 16-18. Look for your registration in the mail! For more information contact, Rachelle Tucker, 402-44-6900 ext. 260

Housing and Legislative News

The NAHRO Legislative Conference was held the beginning of April in Washington D.C. A thirteen member delegation from Nebraska housing agencies spent April fools day meeting with our congressional representatives! We met with Senator Hagel, Representative Terry, Representative Smith, and the staff of Senator Nelson and Representative Fortenberry. We advocated for full funding of public housing, voucher and Hope VI programs; and sought action on the SEVRA bill introduced in the Senate as S.B. 2684; sought support for small agency asset management deregulation in the form of H.R. 3521; and expansion of the Moving To Work program in the form of S.B. 788. If you'd like a copy of our written agenda for the meetings, email me at chris@L-housing.com.

There is some talk that HR 3521, and asset management bill, will get reintroduced with some additional deregulation, like eliminating community service. National NAHRO staff is tracking that carefully.

A new PHAS is coming. HUD has stated that beginning June 2008 they will go into a transition year and not score anyone for one year. You will retain your previous PHAS score. They plan to eliminate the resident survey, revamp the financial (FASS) to deal with project/AMP level accounting and scoring, and to replace the MASS with annual on-site management reviews. Physical inspections will continue. How they will fund yearly onsite reviews at every PHA, and why they would want to, is a mystery. They have published a proposed management review form for comment. It is similar to the form used by the multi-family side of HUD. I am concerned they may end up contracting this function out to Contract Administrators similar to what multifamily HUD has done with their projects.

There are some serious concerns and questions about the way HUD has calculated Voucher administrative fees and ended up with an 86% proration. National NAHRO is working on this issue, and should be providing more information soon.

In the Nebraska Legislature two bills were introduced on behalf of Nebraska NAHRO.

LB 1026 would exempt from real estate taxes federal Public Housing that is owned by an affiliate of a housing agency, but not directly by the housing agency. This has come up in Omaha where OHA has redeveloped or replaced some of its public housing stock and used tax credits under a partnership with a private investor. It is still federal public housing with all the income limitations, but has lost its real estate tax exemption. The hearing before the revenue committee was on 2/13/08, and had some strong opposition. The bill was killed in committee.

LB 1128 would allow us to accept rent during eviction actions. This would allow us to accept partial payments during terminations for rent, for example, but still proceed with eviction if the whole amount is not paid. This might actually help some agencies prevent some evictions by allowing clients to pay a little at a time over the course of a month or so, while still going through the 14 day notice period required in public housing, and court filings. This bill was advanced by the Judiciary committee, but has not been acted on by the full body at this point.

Happy Spring!

Chris Lamberty
Housing and Legislative Chair

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The Nebraska Chapter of the National Association of Housing and Redevelopment Officials (NAHRO) works towards the attainment of provisions for adequate housing for all people and toward the attainment of sound communities through the processes of development, preservation, conservation, and rehabilitation.

We're on the web!
nenahro.org

Calendar of Events



April 26th—29th
NCRC conference in
Cincinnati, OH

May 6 & 7
UPCS Training — Grand
Island, NE

June 25, 26, & 27 Section 8 HCV Eligibility,
Public Housing & Section 8 Rent Calculation,
Lincoln, NE

July 16 & 17 — Maintenance Conference, Lexington, NE

July 24th—27th Summer NAHRO Conference, Nashville, TN

September 16-18 — NE NAHRO Fall Conference, Omaha, NE