

NAHP Update

Changing the Perception of Affordable Housing

BY JENNIFER JONES

IN THIS ISSUE

- 3 Covering Meth Contamination Claims
- 4 Field Update
Building a social community with movie night
- 6 NAHP Profile
Yessica Gonzales: Temporary job leads to permanent vocation

Anyone who has worked in the property management industry knows the look. The slight eye roll at the mention of affordable housing. The description conjures up negative images for some people. Never mind that a majority of the residents living in affordable housing are elderly, people with disabilities or the working poor.

The Communities of Quality (COQ) National Recognition Program is just one of the ways NAHMA and its members are changing the perception of affordable housing. By using a series of third-party inspections and reporting, communities certify that they meet stringent standards in physical maintenance, financial management, programs and services, employee credentials and other criteria. Even then, only the best of the best qualify to call themselves a COQ property.

"It's like the Good Housing Seal," Jim McGrath, SHCM, NAHP-e, chair of PRD Management Inc., said. PRD has achieved corporate partner status, meaning at least 50 per-



cent of its property portfolio has been accepted into the COQ National Recognition Program. In fact, the company has reached COQ recognition status for 100 percent of its portfolio.

The program, originally developed through a Fannie Mae grant, sets national standards that take an objective look at what makes an excellent multifamily affordable housing community using such independent, verifiable measuring sticks as Real Estate Assessment Center (REAC) scores, Department of Housing and Urban Development

2014 COQ winner, Pear Tree Place, Yakima, Wash.

(HUD) reports, other third-party inspections, employee development and resident enrichment services.

"The program is absolutely worth it. It puts your money where your mouth is," Nancy Reno, FHC, NAHP-e, vice president of marketing and training for Housing Management Resources Inc., said. "We're not just saying we're meeting the industry's high benchmarks. [With the COQ Recognition Program] we can show we are doing them and here are the results." HMR had



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the most new properties qualify for COQ recognition in 2014.

Earning COQ recognition has many benefits, not just to the management company responsible for the property, but for the staff and residents as well. The program also helps dispel the myths sur-

rounding affordable housing can't match up to market-rate housing," McGrath said.

Reno said the program helps residents feel more secure and even proud to be living in a community that has earned the COQ designation. Some properties hold resident celebrations, put up

NAHP-e, CPO, vice president of compliance for WinnResidential, said. She said the secret to getting managers on board with applying for the recognition program is making it a corporate initiative. WinnResidential, which had the most COQ properties in 2014, has a dedicated staff person to



rounding affordable housing for elected officials and the general public.

McGrath said the program ends up being a good marketing tool for companies, allowing them to show clients how much a management company cares about maintaining high standards, and by extension, how they will maintain their clients' property. Additionally, it illustrates the hard work put in by the on-site personnel and volunteer boards while projecting professionalism.

"From our standpoint, there is no reason affordable

banners and affix the COQ logo to correspondences and other communications tools as a way to bolster that sense of pride year round. The COQ certification helps attract top-notch staff. Moreover, the recognition also creates some bragging rights. When one community sees a property earn the recognition, it inspires the others to reach for the same goal, Reno said.

In fact, WinnResidential actually makes it a competition within the company among its senior staff.

"People get so excited," Karen Newsome, SHCM,

LEFT: 2013 COQ winner, The Warwick, Newport News, Va. RIGHT: 2014 COQ winner, Blackstone Terrace, Woonsocket, R.I.

help managers through the application process. HMR and PRD Management also make the program a priority for staff.

"Look at the application and break it down into its individual pieces," Reno said. "A lot of properties would be surprised to find that they are already doing those things. They're doing more than they realize."

Another benefit of the recognition program, and one

of the impetuses for its creation, was to establish credibility, especially when lobbying elected officials on the importance of funding affordable housing programs. By assigning verifiable quantitative value to what makes up a quality community, NAHMA can provide affordable housing data by state, county, congressional district and ZIP code through its NAHMA Maps feature on its website. Additionally, NAHMA maintains a database of COQ properties on its site.

“The [Maps] website shows all of the affordable housing and puts the designation of COQ next to the property,” Newsome said. “So when you go to the Hill, you can show your congressman.”

McGrath said the program helps show elected officials that management companies are “doing the right thing. Doing what Congress had intended.”

Property managers or owners of affordable multifamily rental housing in the U.S. can apply for COQ National Recognition at any time during the year. Applicants’ properties receive scores for physical inspections, employee credentials, financial management, programs and services, endorsements and photographs and reports. Applicants must score a minimum of 225 points to receive COQ certification or 200 points for properties with 49 units or less. Properties that score more than 325 points are automatically eligible to compete in NAHMA’s annual Communities of Quality

Awards competition.

“There is a quote in the Bible, don’t hide your light in a basket,” McGrath said. “COQ is an opportunity to say look at me. Look at what I’ve accomplished. It’s a chance to lift the basket off.”

Additionally, McGrath thinks the COQ certification may provide an edge in the ever-changing landscape of HUD regulations. “At some point down the road when Section 8 contracts and renewals get harder and maybe there is a new bar you have to reach, the COQ designation you’ve earned will put you at the front of those that get a renewal.”

Properties who receive the COQ certification must renew the designation every two years to ensure they continue to uphold the benchmarks that earned them the accomplishment in the first place.

“Once you [apply the first time], you just have to update it,” Newsome said. “You can finish the application and see the light at the end of the tunnel. You feel accomplished.” **NU**

Jennifer Jones is manager of communications and public relations for NAHMA.

For more information on the Communities of Quality National Recognition program, visit <http://www.nahma.org/awards-contests/communities-of-quality/>. The page includes such useful information as a process overview, frequently asked questions, application and how to apply video, among other important information.

Covering Meth Contamination Claims

BY J. MEGAN DAVIDSON, ARM, CRIS

Cleaning up the seen—and unseen—hazards associated with a methamphetamine lab can be costly. For example, a meth lab in Bellingham, Wash.—with no visible signs of damage—necessitated a cleanup of eight out of 60 units, at a cost of \$450,000. In Seattle, the cost would have been half, but the requirements of the county were more stringent than in the Seattle metropolitan area.

In another situation, a meth user in an apartment building was smoking in his unit; the smoke filtered into the ventilation system and affected multiple units, at an ultimate cost of \$275,000 to clean up.

With the cost for cleaning up a single unit ranging from a few hundred dollars to \$15,000 or \$20,000 or beyond, expenses can escalate swiftly and well beyond normal operating costs.

>> The challenges with operating multifamily housing can be steep. Unfortunately, it does not stop at working with residents and apartment maintenance. Those challenges may be caused by hazards that are unseen, but are definitely not without great peril to all concerned.

Meth labs have sprung up nationwide, and the cost burden is on the owner of the property to clean up any contamination. Typical insurance exclusions include:

- Exclusions for criminal activity. This can often be overcome, unless the property owner had knowledge of the criminal activity, but the following exclusions are more challenging to dispute.
- Pollution exclusion—with meth and its components considered “pollutants.”
- The toxic chemicals used to produce meth are airborne; they do not cause “property damage,” which is the key to a policyholder’s property policy responding.

Insurance companies can provide coverage for many property owners for the cleanup. Every area/region has different standards for what level of contamination requires remediation. County requirements are often more stringent than state requirements. According to statistics, 33 meth labs were discovered and cleaned up last year in one county alone in Indiana. The goal is to be financially prepared for the possibility of a potential cleanup—if you perceive the remediation of meth labs as a potential threat to your bottom line.

How do you address the exposure? Pollution Liability. Coverage can be written to address both your first-party risks—damage to the property, including cleanup—as well as third-party exposures—bodily injury or property damage to a third party. In addition, coverage can be extended to include mold and mildew-related claims. **NU**

J. Megan Davidson, ARM, CRIS, is vice president, Wells Fargo Insurance Services USA, Inc.

Editor’s Note: Wells Fargo Insurance’s Multifamily Affordable Housing Insurance Program is endorsed by NAHMA.

Building a Social Community with Movie Night

Among the many responsibilities faced by property managers and their teams, one of the most basic and yet important tasks is fostering a sense of pride and community among residents. Building positive community sentiment can be challenging in any type of communal housing facility. However, in affordable housing, managers are also often working with limited funding and unique resident needs. As a result, both residents and managers are finding creative ways to use the resources at hand to create a higher quality of living.

Many communities have at least one common area such as a lounge or a community room. Common areas represent an added-value amenity by providing an on-site space for residents to socialize. Whether used for holiday potlucks or as a quiet place to do homework, the versatility of a shared resident space speaks to its importance. In some communities, a common area may also be furnished with a TV and a DVD player for resident use. With affordability in mind, movies are an increasingly simple and cost effective community activity.

As easy as popping in a DVD, movie exhibitions in apartment communities have

grown as the cost of technology, ranging from DVD players and projectors to inflatable outdoor screens, has fallen. With content available via DVD, download, or stream, a plethora of programming options is just a click away. Resident feedback is also positive, as families and

WITH SO MANY SIMPLE WAYS to incorporate movies into your community's offerings, it's important to be aware of copyright law before residents or staff push "play."

seniors who may otherwise be unable to make it to the local theater can interact with their neighbors during an on-site family movie night or weekend matinee. Add a little popcorn, and you've built a cinema in your housing community.

Even without a dedicated movie program, many residents take advantage of added amenities, such as a common area DVD player. In senior communities, residents have organized their own movie clubs, and scheduled silver screen classics as an easy way to socialize with neighbors. A teen movie night can be an excellent way to entertain youth on weekend evenings.

Your community may be one of the many that already plays movies, either through dedicated programs or incidental resident exhibitions in common

areas. With so many simple ways to incorporate movies into your community's offerings, it's important to be aware of copyright law before residents or staff push "play."

As you may be aware, copyrighted movies and other audiovisual programs that are

quickly add up. In addition, the license requirement applies even if the exhibition is limited to residents and no admission fee is charged.

A public performance license should be obtained by communities that currently show movies, communities

available for rental or purchase in any legal format, such as DVDs or other digital formats, are intended for personal, private use only. "Personal, private use" refers to a resident watching a movie in his or her individual unit. However, when that same movie is shown in a common area accessible by more than the users' personal circle of family and friends, a public performance has occurred and a public performance license is required in compliance with the U.S. Copyright Act.

Ignorance of copyright law does not protect the community's management or owner from a fine. Fines for noncompliance start at \$750 for each inadvertent infringement and go as high as \$150,000 for each egregious violation. For even the casual infringer, fines can

that would like to show movies, and communities that provide audiovisual equipment in common areas for resident use.

An annual public performance license allows an apartment community to show an unlimited number of movies and other programs in common areas with the assurance of copyright compliance. The purchase of a single annual license provides public performance rights for a variety of motion picture copyright holders. Once licensed, residents and staff may obtain their own content from any legal source whether purchased via DVD or iTunes download, borrowed from a library or Redbox, or streamed via services like Hulu, Amazon, or Netflix.

It is possible that your management company or owner-

ship entity already holds a public performance license. However, some companies completely overlook copyright compliance concerns until they receive a legal notice informing them that copyright infringement is occurring. As the property manager, you are an expert on the needs of your community. Managers should communicate with headquarters about compliance concerns, as a single infringement at one property can have infringement implications for the entire company. In addition, economies of scale savings are possible when licensing is secured for multiple communities. Further discounts may be available through membership in certain associations.

As a property manager with a multitude of responsibilities, policing resident use of common areas for movie showings is simply unfeasible. An annual public performance license, in addition to being a simple solution, removes the burden of excessive legal fees and fines should an infringement occur. More importantly, movies can be leveraged as simple and affordable entertainment benefiting the community as a whole.

Movies are an easy way to foster a sense of community within affordable housing. Just make sure your community is in compliance and holds the appropriate motion picture license.

More information on copyright compliance and public performance licensing can be obtained by contacting the Motion Picture Licensing Corporation, an independent copyright licensing vendor. **NU**

Eileen Korte is the licensing manager for the United States office of the Motion Picture Licensing Corporation.

Welcome New Certificants!

NAHP Executive

- » Connie Cooke
F & W Management
Virginia Beach, Va.
- » Anita Darnall
Wesley Housing Corp.
Dyersburg, Tenn.
- » Elisabeth Herold
NEBC
Ocean Park, Maine
- » Michelle Storino
Community Realty
Management
Pleasantville, N.J.
- » Carmen Villalobos
WinnResidential
Dorchester, Mass.
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Housing Management
Resources Inc.
Quincy, Mass.
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Crossgates Inc.
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- » Nelson Soares
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Peabody Properties Inc.
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- » Jorge Pagan
First Realty Management
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- » Idelberto "Al" Cunha
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For more information, go to www.nahma.org and click on Education/Credentials.



Temporary Job Leads to Permanent Vocation

NAME: Yessica Gonzales, NAHP, SHCM, CPO

MANAGEMENT COMPANY: Wedge Management Inc.

POSITION: Operations Coordinator—Property Management

YEAR OF CERTIFICATION: 1997

Yessica Gonzales accepted a temporary position at Wedge Management Inc. She was filling in for someone and thought she would only be there a few months. That was in 1994.

Twenty years later, Gonzales is still at Wedge Management and she cannot see herself working anywhere else.

“It was my sister that got me

sucked in,” she said laughing. “I was supposed to be a temp for someone. I thought I’d be there about 60 days but they offered me a job.”

She found a way to turn a temporary job into a permanent career and she would not have it any other way. “Once I was in [the industry], I really thought, this is where I’m supposed to be. I like helping people,” she said.

As a result, she held virtually every affordable housing management related position available at Wedge including assistant manager, on-site manager and regional manager. Today, she is the operation coordinator for property management and the staff Yardi specialist at the corporate

office in San Antonio, Texas.

Gonzales said it was the interaction with residents and the challenges of the ever-changing Department of Housing and Urban Development (HUD) regulations that kept her interested in the property management industry.

“I liked seeing people in Section 8 being able to get a house and seeing their kids have a safe place to grow up. I liked being part of a team with the staff,” she said. “I liked that there was structure and rules I could enforce.”

In her current position, it is more about maintaining spreadsheets than building community. “I’m at the corporate office, so it’s not like it used to be on-site and I miss that,” Gonzales

said. “I deal with budgets and property owners. It’s a totally different role.”

Even so, Gonzales enjoys working her way through the company and taking on new challenges. It feeds into her desire to be a lifelong learner. To that end, besides earning her National Affordable Housing Professional certification (NAHP), she holds the Specialist in Housing Credit Management (SHCM) and Certified Professional of Occupancy (CPO) through NAHMA. Additionally, she has earned Accredited Residential Manager (ARM) and Housing Credit Certified Professional (HCCP) credentials through other organizations as well as her real estate broker’s license. **NU**

PROTECTING THE INTERESTS OF AFFORDABLE HOUSING PROPERTY MANAGERS AND OWNERS

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