



FALL 2023

SAVE THE DATE: OCT 11TH 2023 CONFERENCE @TREASURE ISLAND CASINO.

RECEPTION OCT 10TH ON THE SPIRIT OF THE WATER CRUISING THE MISSISSIPPI RIVER WITH FOOD AND BEVERAGES.



PRESIDENT'S LETTER

Greetings MN CARH Members,

I would normally say Happy Spring, however with all the weather fluctuations, I am not sure what season it will be when you get this!

Thank you to all of you that attended our annual conference. According to participant comments, the speakers were “outstanding, vendors were “very informative,” food was the “best ever”, and networking with others “made my day”. We are already planning this year’s conference with a goal of making it bigger and better than last years. Special thanks to Marge Alden and her staff for all the hard work they did to make our conference a success. I would also like to thank you Board of Directors that give countless hours serving our organization.

With the great demand for affordable rental housing the need for MN CARH becomes more essential in rural communities. With lower median incomes and poverty rates increasing, the need for subsidized housing becomes greater. The aging portfolio of subsidized rural housing creates both a problem and an opportunity to provide quality subsidized housing. With many properties 35 years or older the need to modernize these units is essential. Over the next decade as much as three quarters of section 515 mortgages will mature ending many RA contacts, stranding thousands of family and elderly persons. We need to work together to maintain subsidized, affordable housing. To do this we need MN CARH, working with CARH and the Federal Government to seek solutions to this crisis. Now, more than ever, we need all of you to join your Board of Directors, working together, to make a difference in the lives of low-income family and elderly households.

-Rodney



2022 MN CARH CONFERENCE



CARH 2023 Midyear Meeting

Mastering the Challenges/Opportunities for the Future

Education Committee

Discussion on employee retention and incentive during times of high inflation. Reviewed educational courses for affordable housing industry. Discussed remote inspections and issue with sending files remotely

State Affiliated Association Meeting –

Discussion on how states are having training during and post Covid. Some states are still offering some virtual training. Reminder to provide your state conference dates to CARH so they can post on their website.

Each association present provided an update on their association: Florida, Texas, Minnesota, Ohio, Mississippi, Michigan, Carolinas, Virginia and Indiana spoke on behalf of their state associations. Updates were provided regarding training and attendance at their conferences and additional information regarding happenings within the state associations. Common speakers and training topics included: Steve Rosenblatt's STAR training, Mark English of E & A, fair housing, maintenance, Zeffert & Associates, mental health, insurance, RD budget training. Most associations were feeling the increase in costs to put on their conferences. Most states have seen a decrease in attendance at their conferences post-covid.

Many states are struggling with finding/keeping an Executive Director to run their associations. Some states are sharing their directors and some states are combining their associations.

Lenders Committee

Discussion of issues facing lenders today. Particular emphasis on rising interest rates and costs due to inflation and supply chain problems.

Lunch with Exhibitors – All exhibitors were allowed to introduce themselves and give a brief description of the service they provided to the affordable housing industry. Vendors attending included: Auto-Out Cooktop Fire Protection, Bellwether Enterprise, Bonneville Multifamily Capital, Caldwell & Gregory, Capital Real Estate Consultants, Choice Property Resources, Churchill Stateside Group, CREA, LLC, HD Supply, Innovative Cost Solutions, RealPage, Inc. ResMan, Staples, Streamroll, LLC, The Danneman Firm, USI Insurance Services, Walkway Restorations, Inc, Yardi Systems, Inc., Zeffert & Associates

Decoupling – 521 RA (rental assistance) terminates with the 515-loan payoff. Agencies are working to separate the two so that RA can continue at loan maturity. A permanent fix is needed to preserve affordable housing; however, this fix will take time. There is a need to keep people in affordable housing as this is considerably less costly than other options, i.e., nursing homes, hospitals, homelessness, etc.

General discussion on what is happening on Capitol Hill and how the 2022 election results have affected what is going on. Republicans control The House of Representatives and Democrats control The Senate. It's too soon to tell what will change and what will stay the same.

Management Committee

The White House has reached out to CARH and other housing organizations as there is concern about tenants' rights. They're looking for owners and managers to offer ways to better the industry standard. The response from the industry group was that they felt affordable housing providers have done much in the way of tenant rights and continue to do so. This push is likely being driven by tenant advocacy groups looking for eviction protection (similar to moratorium during COVID).

Resident services will be allowed in 2024 budget. This will likely be an item shared amongst many properties due to the cost.

Hiring of adequate staff continues to be an issue.

Most properties saw significant rent increases for 2023 and these rent increases will likely continue into 2024 and further. This is driven by rising costs for health and property insurance, software cost increases, service provider rates, and general inflation. However, rising rents are continuing to over burden residents in properties without full rental assistance.

Owners/managers are asking RD to provide additional rental assistance or look to tiered rents when RA is not available to assist residents.

There still is not a clear answer of what will happen with the emergency RA that was issued during COVID. These allocations were intended to be for one year only, not permanent. Enough funding was found to continue providing the RA for FY 2023, but FY 2024 is unknown. Could the Covid RA be called back in FY 2024??

CARH continues to offer annual scholarships for residents. All are encouraged to have their residents apply for these scholarships.

Developer and Owners Committee

RD realignment is still causing issues with lack of staff and training. Loan closings are taking too long and inconsistencies continue to be an issue.

Emergency Covid RA – RD budgets did not include cost of emergency RA. RD found funds for 2023 by shortening the time period of contracts, but 2024 will likely see a budget shortfall in RA funding.

Operational challenges include increasing costs and lack of staffing.

RD is still looking at ways to decrease paperwork for some transfers especially in situations where the borrower is deceased. However, some options to make this process simpler include an additional 20 years of restrictions, which really is a deal breaker for most.

RD will be using a third party to implement their pilot physical inspection program. The inspection form was created by the Mortgage Bankers Association. A sample of the inspection form was provided.

Decoupling for RA from RD mortgage payoff is still a work in progress. RD is hoping to use this as a preservation tool.

Discussion on decoupling and restructure of USDA. Update on current happenings at HUD and RD

Discussion on wide range of issues impacting developers and owners of affordable housing including issues with rising costs and interest rate, supply chain delays and labor shortages. All of these are having an adverse effect on the housing market as a whole. Many investors are not moving forward with their current projects as this time.

The Inflation Reduction Act of 2022 has provisions for new benefits for investing in solar, wind and other renewable energy technologies. Many states have money allocated for solar tax credits.

Awards Luncheon

Member of the Year – Rob Hall

State Association of the Year – Carolinas Council for Affordable Housing

Prior to COVID, agencies were looking at revamping inspection procedures. The past three years inspections have essentially been halted, but currently most inspections are again taking place in some form.

Tribal 1 has contracted with USDA for pilot physical inspections program. 1075 inspections will be completed between now and the end of August. The sample of the new inspection form was provided. The form was created by the Mortgage Bankers Association. Bisco will be doing all the scheduling of the inspections for the pilot program.

RD had indicated that this inspection will also be a tool for loan specialists to clear vague findings that are still recorded in RD's data base. (Example: parking lot). Rural Development is looking for feedback on this pilot inspection program. The independent inspectors completing these inspections will not be looking at old inspection reports.

RD will continue to complete tenant file inspections virtually.

For FY 2023, owners can include the expense for service coordinator on Line #19 on the budget. This requires an update of the management plan. RD budgets only allow for the coordinator salary, not services or activities. This position is not a direct service provided, but an individual who works to connect residents to services in their area. Some options for funding these positions include: operating funds, HUD grant, partnerships with community groups and fundraising.

Service coordinators can be on site, multi-site, or even remote.

Any HUD service coordinator can support other projects in the surrounding community.

Raising insurance rates are a large issue for rural housing providers across the country.

The number of insurance companies is decreasing due to many historic catastrophic events such as hurricanes, wildfires, tornadoes, and hail. Costly lawsuits also contribute to this issue.

Insurance coverage Limits are decreasing while deductibles are increasing. The cost of insurance is skyrocketing.

-By Liz Kienholz

HELPFUL HINTS

CARPET - Remove Oil/Tar stains with paint thinner

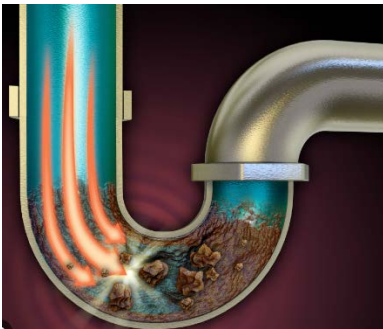
-Remove wax stains with an iron and absorbent paper like a paper bag



Drain-Clogged Drains:

-1 cup baking soda, 1 cup alt, ¼ cream of tarter followed by boiling water OR

-1/4 cup baking soda & ½ cup vinagar, when it stops fizzing add 1 qt boiling water



Cleaning Solutions – Use to clean floors, counters, windows etc.

-1/4 vinegar, 1/4 rubbing alcohol to 1/2 water. If surface is oily add a drop of dish detergent.



Conference Registration Attached MNCarh 800-944-3078 P.O Box #396 Taylors Falls, MN 55084

