

# OUTLOOK ON ASSET MANAGEMENT

## INSIDE THIS ISSUE

2019 Asset Management Summit	1
Property Spotlight	2
Compliance Corner	3
Native American Corner	4
New Employee Spotlight	6
Reporting Due Dates	7

## ASSET MANAGEMENT TEAM

[Dave Carforo](#), Asset Manager

[Anthony Chin](#), Transition Asset Manager

[Karen Compton](#), Asset Manager

[Missy Covington](#), Director of Compliance

[Jackie DeSpirt](#), Asset Manager

[Lori Dobson](#), Asset Manager

[Richard Eng](#), Asset Manager

[Caroline Ennis](#), Compliance Specialist

[Sarah Ergle](#), Compliance Auditor

[Josh Gilles](#), Director, Asset Management

[Kent Gordon](#), Senior Asset Manager

[Mary Hammond](#), Asset Manager

[Steve Johnson](#), VP, Special AM Services

[J.C. Jones](#), Development Risk Manager

[Ric Langford](#), Director, Asset Management

[Alec Lewis](#), Asset Manager

[Brian Lynch](#), SVP, Director of Asset Management

[Vickie McCrillis](#), Compliance Specialist

[Melissa Melvin](#), Transitional Operations Manager

[Amanda Mistretta](#), Compliance Auditor

[Ken Ragan](#), Director, Transitional Asset Management

[Elaisa Trendelman](#), Asset Manager

[Cheryl Velez](#), Compliance Auditor

[Mindy Waggener](#), Asset Management Coordinator

[Pamela Williford](#), Asset Manager

[Nikki Winkler](#), Asset Manager



## 2019 Asset Management Summit Recap

*By Mindy Waggener, RJTCF Asset Management Coordinator*



This April, RJTCF welcomed over 70 of our management and developer partners to the Bayfront Hilton in St. Petersburg, FL.

In addition to networking opportunities, meeting new partners and welcoming long standing clients, stimulating networking receptions were held at both Hilton Bayfront and Raymond James' international headquarters.

We were grateful to bring in outside panelists and presenters who added their personal experiences to the agenda.

Presentations ranged from Outlook on Housing & Equity Research with Raymond James' own, Buck Horne and On the Hill with Thomas Stagg of Novogradac.

RJTCF associates led panels including Boosting Cash Flow with Elaisa Trendelman, Income Averaging with Missy Covington, Pain in the Assets with Josh Gilles, Property Management Excellence with Melissa Melvin, and Preparing for a Causality Loss Impact with Mary Hammond.



The half day on Friday included break-out sessions on Preservation, A commitment to Keeping Housing Affordable, Fair Housing, UFAS, and ADA Requirements for Multi-Family Properties for Multi-Family properties, The Mixology of Marketing and Compliance- Don't Jeopardize Your Credits.

RJTCF appreciated the attendance and direct participation in presenting many of the sessions from our partners. We whole-heartedly thank you all and look forward to hosting you again in 2021.

## PROPERTY SPOTLIGHT

### Little Rock Apartments, Charlotte, NC

By Alec Lewis, RJTCF Asset Manager



Located on the west side of the Queen City and directly east of Charlotte Douglas International Airport, resides Little Rock Apartments. Originally built in 1970, the project was rehabilitated in 2005 through the allocation of \$5.5MM in Federal Low Income Housing Tax Credits and \$9.4MM in municipal tax-exempt bonds from Mecklenburg County, NC. The apartment complex, which consists of 242 units in 16 three-story buildings over 21 sprawling acres of land, has been a pillar of hope for the local community and a catalyst for socioeconomic growth and development. Appealing to families of all sizes, Little Rock Apartments offers 1BR, 2BR, 3BR and 4BR units, all of which are subsidized with HUD project-based rental assistance. While the property has always offered competitive amenities such as a multi-functional community center, playground and central laundry facility, Horizon Acquisition Corp (HAC), a wholly owned subsidiary of the Charlotte Housing Authority (CHA), envisaged a far more dynamic concept for the property and its community.

CHA and HAC stepped in as General Partners in 2010 and leveraged their GP acquisition of Little Rock Apartments to secure a Hope VI grant for a multi-phase, mixed-income LIHTC project adjacent to Little Rock Apartments. Included in this development was the Howard Levine Child Development Center (HLCDC), a \$6MM facility providing early-education developmental programs for children ages 0-5. After a \$5MM scholarship donation from CHA, the HLCDC is now able to offer the residents of Little Rock Apartments a safe and affordable educational opportunity for their young children. Managed by the YMCA, the school is organized to offer research-based curriculum, low student-to-teacher classrooms, family involvement programs, staff diversity and high levels of student participation and interaction. The HLCDC also includes a community play room, a family resource center, observation areas, offices spaces, and a commercial kitchen. Just outside the center, families have access to bike trails, community gardens and play areas. The next phase of this project included the development of the Renaissance West STEAM Academy, a Pre-K through 8th grade school located next to the HLCDC. The school, which is jointly governed with Charlotte-Mecklenburg Schools, focuses on Science, Technology, Engineering, Arts and Math and is available to all students in the community.



With the tremendous opportunities and support that the Charlotte Housing Authority has provided for Little Rock Apartments and its surrounding community, another organization took notice. On February 15th 2019, CHA partnered with the United Way of Central Carolinas and the National Basketball Association (NBA) to bring the 'NBA Cares All-Star Day of Service. Committed to supporting those in need, this day included pro basketball players, coaches and partners volunteering on more than 35 service projects throughout the local Charlotte community. At Little Rock Apartments, NBA stars of past and present such as Bob Lanier, Buddy Hield and Klay Thompson spent the day refurbishing community rooms, distributing wellness packages, painting murals and constructing a brand new playground. Members of the community were given a once-in-a-lifetime opportunity to volunteer alongside the NBA All-Stars and contribute to their neighborhood's improvement. With the increasing amount of adversity that low-income neighborhoods face every day, it's collaborative projects like these that ignite a community's spirit and restore positivity and morale for all those involved. And for the children who were able to witness the support of their real-life heroes, days like these will be remembered forever.



RAYMOND JAMES®



## Compliance Corner

### Proposed Changes to the LIHTC Program

By AJ Johnson [A.J. Johnson Consulting Services, Inc.](#)

On June 4, 2019, S. 1703, “The Affordable Housing Credit Improvement Act of 2019,” was introduced in the Senate. It offers some major revisions to the Low-Income Housing Tax Credit (LIHTC) program. If enacted into law, it would represent the most significant changes to the program since the law was originally enacted in 1986. Major provisions of the proposed legislation are:

- A 50% increase in LIHTC allocations, phased in over five years;
- A permanent 4% rate for acquisition costs and projects financed with tax-exempt bonds;
- A 30% basis boost would be permitted for rural areas and for tax-exempt bond projects;
- Modification of public use rules to permit LIHTC and tax-exempt bond housing for specific groups, including veterans;
- Permit use of the Average Income (AI) Minimum Set-aside for tax-exempt bonds;
- Add specific LIHTC provisions for the implementation of VAWA;
- Require a “cost reasonableness” component in QAPs for development costs;
- Increase the number of Difficult Development Areas (DDAs) that are eligible for the 30% basis boost;
- Repeal the population cap for Qualified Census Tracts (QCTs), opening up more areas to the 30% basis boost;
- Allow the inclusion of relocation expenses in eligible basis;
- Eliminate the basis reduction for properties using renewable energy tax incentives;
- Encourage more LIHTC development in Native American communities by making all such communities DDAs;
- Give states discretion to increase basis by up to 50% for projects targeting extremely low-income renters;
- Provide more flexibility for existing tenant eligibility in acquisition/rehab deals;
- Simplification of the ten-year rule and related party rule by limiting acquisition basis of such properties but not prohibiting the total use of credits;
- Allow national nonmetropolitan income limits to be used on tax-exempt bond projects;
- Simplification of the LIHTC student rule by adopting the HUD Independent Student rule;
- Clarify the ability to claim credits after a casualty loss – even for properties that are not in a federal disaster area;
- Replace the Right of First Refusal with a purchase option;
- Require that rents for units with voucher residents be no higher than LIHTC rent for properties using the AI Minimum Set-Aside or the 50% basis boost;
- Require that the Department of Treasury issue regulations prohibiting local approval or contribution requirements;
- Require that HFAs – instead to Treasury – determine when a foreclosure was arranged in order to exit an extended use agreement; and
- Change the name of the program to the “Affordable Housing Tax Credit.”



In terms of timing, if these provisions are not enacted this year, 2021 will probably be the best bet for the changes. Major tax changes are rarely passed during a Presidential election year.

---

## Criminal Background Checks and Fair Housing

By AJ Johnson [A.J. Johnson Consulting Services, Inc.](#)

On April 4, 2016 HUD issued legal guidance from the Office of General Counsel (OGC) regarding the likely violation of the Fair Housing Act when housing providers employ blanket policies in refusing to rent or renew a lease based on has an unjustified discriminatory effect, even when the provider had no intent to discriminate.”

<https://ajjcs.net/paper/main/2019/06/15/criminal-background-checks-and-fair-housing/>

## Native American Corner

### You've been ticketed! Green ticket initiative from Leech Lake Housing Authority

By Pamela Williford, RJTCF Asset Manager

Leech Lake Band of Ojibwe Housing Authority, located in Cass Lake, Minnesota is a valued partner of Raymond James Tax Credit Funds. Since 2003, RJTCF and LLHA have partnered to bring more than 195 affordable housing units to this reservation and continues to grow.

As a Housing Authority, Leech Lake strives to stand out by incentivizing tenants to keep their homes and areas around them in beautiful condition. Winters are hard in Northern Minnesota, so with the spring thaw, comes ways to help residents spruce up their areas by way of the "Green Ticket Initiative." Esther Howard, Housing Services Coordinator came up with the idea in 2015 and it's taken off whereby all of the LLHA units, no matter which program – is part of the incentive. All spring and summer long, the Maintenance Department, Staff, Custodial Maintenance, Demo Crew & Inspectors work with residents to schedule pick-ups of large unwanted items – the Housing Authority even provides large garbage bags for the discarded debris.



During this time, if the teams notice residents taking the extra step to beautify their areas, i.e., mowed grass, potted plants & flowers, cleared trash and generally picked up areas, they receive a ticket – not the bad kind, but a GREEN ticket, which entitles them to be entered into a monthly drawing for items to continue to help beautify the landscape. Items include outdoor fireplaces, solar walkway lights, bird feeders, lawn chairs, rakes, outdoor utensils and grills, coolers and lawn mowers – just to name a few. Be sure to be like Leech Lake Housing Authority and advertise this incentive on your websites and Facebook pages, as well as announce the winners!



Incentivizing residents to make their homes attractive is a wonderful tool for all of our Partners to learn from – it imparts pride in possession and sparks a light in their neighbors to do the same!

## The Customer Experience Journey

### Sprout Marketing

By Barbara Savona, Sprout Marketing [www.watchyourbusinesssprout.com](http://www.watchyourbusinesssprout.com)



Focusing on the Customer Experience Journey should start early, when first impressions are most vulnerable.

Think of your first interaction as a blind date. You look across the table and see that your date starts ferociously picking their nose. No qualms. No shame. Do you think there's going to be a second date? H-no! That first impression, once it's made, is etched in your mind.

It's a little different once the relationship has been established.

If you've been married to somebody for years, and you start seeing that they kind of pick at their nose, you don't immediately divorce them right away, right? (But you definitely tell them that's disgusting and that they should stop immediately!) It's still gross, but your relationship has been built on many good experiences. So it's easier to overlook a flaw.

It's the same thing with our relationships with our prospects and residents.

The first date can be likened to the first time our prospects interacts with us. If we pick our noses, so to speak, by dropping the ball on how we treat them, chances are they aren't coming back. No second date for us.

But let's say we nail the first date. The tour is good. They love the community. We've made a good impression. Now they are ready to make this a little more serious. Maybe Facebook official. They decide to put an application in.

Things are really getting serious now. They are feeling comfortable and are ready for the commitment. They sign a lease.

Now what? We've got them so we can let them see the good, the bad and the ugly? Nope.

This shouldn't be a disappointing marriage where one party hid their crazy until it was too late to back out.

This is the time to reaffirm that they made the right decision.

The reality is a lot can go wrong over the course of this relationship.

That's why it's critical to have a real customer journey roadmap. Map out all of your interactions from prospect to renewal. How are those interactions going to play out? How are they going to meet your customer's needs?

*Continued on page 5*

**RAYMOND JAMES®**

## The Customer Experience Journey, continued

Now, for us, there's a lot of different things that we do on a daily, weekly, monthly basis. But, here are some of the ones that I want you to think about:

- ◆ Prospect Phase
- ◆ Signing the Lease
- ◆ Move-In Day
- ◆ Paying Rent
- ◆ Submitting a Maintenance Request
- ◆ Voicing a Concern
- ◆ Handling an Issue
- ◆ Resident Events
- ◆ Renewal Notice



For each of these interactions, create a standard process of interactions. These are things we do every day, so dissect them, talk about them with your teams. What are you doing right? What could be better? What keeps popping up that is causing frustrations to your residents and to your team? Why are people leaving?

Does this sound overwhelming?

Pick one a month to master as a team.

### THE STUBBED TOE PHENOMENON: WHY YOU HAVE TO MASTER THE BASICS

Let's say you're dead asleep in the middle of the night. Just picture yourself, it took you awhile to doze off, but now you've been asleep for hours. And, all of a sudden you feel that nagging, tingling, that you've got to go to the bathroom.

So, there in the dark you stumble, still half asleep to the bathroom, and on your way back, you hit your little pinky toe at the corner of your dresser.

You let out the loudest yelp, maybe some expletives that you're not very proud of, and immediately, all of your focus goes to that tiny little toe. And, you sit on your bed, you grab your little toe, you're rubbing it, because all you can think about is the pain in that little toe.

So, that's it, right? It's such a small thing, but right then and there, that stubbed toe is taking all of your focus.

Well, it's the same thing with our resident interactions. A customer can already be in a really bad mood by the time they get to your community. Say it's hard to find parking, or your address is wrong on your website, or your hours are wrong on your Google listing. These are elements that should be easy, that clients, residents, prospects expect to be easy. But then they find them to be difficult, it's like that Stubbed Toe Phenomenon. Nothing can divert their attention from that. It's frustrating, and it's all they can think about, right?

So, what we're saying is, we've got to make sure that those things that can cause the Stubbed Toe Phenomenon, are handled and handled well. Better yet, they should be anticipated even before they arise. That's why it's so important to take a very focused approach to every single touchpoint, dissect it and master it.

Once we master the basics, then we add ease, speed and accuracy.

We encourage that you take one of these areas like Move-In Day, dissect it, build a process, put it in place, and then test it for 30 days. Encourage your team through your meetings to put this process into place, to look for ways to improve the process. Then, for 30 days, let that be the focus of perfecting that process as a team so that it becomes second nature. Once you've mastered that, we can add ease, speed and accuracy. These things just come much easier once we've created a seamless process.

Action Item: Add some cowbell to your interactions, make sure they run as smoothly as Beyoncé's performance of Single Ladies, and look for ways to limit that Stubbed Toe feeling! Once you master that, it's time to close the sale...or shall we say, put a ring on it!

**About the Author: Barbara Savona is the CEO of Sprout Marketing with 18 years of housing experience. Sprout Marketing offers an exclusive marketing platform for multifamily professionals. Whether you are struggling with outreach marketing, social media, resident retention, events or overall community engagement, Sprout Marketing has you covered. Learn more at [watchyourbusinesssprout.com](http://watchyourbusinesssprout.com).**



**RAYMOND JAMES®**

---

## New Employee Spotlight

**Cheryl Velez, Compliance Auditor**, joined Raymond James Tax Credit Funds, Inc., in April 2019. Cheryl has worked in the Multi-Family and Senior Affordable Housing Industry for over 16 years, specializing in LIHTC compliance. Throughout her career, she has worked in many levels of property management as a Leasing Agent, Assistant Manager, Manager and Compliance Specialist. Cheryl worked for many years as a Compliance Auditor for Seltzer Management Group, one of three monitoring agents for the state of Florida. Cheryl holds the designation as a Housing Credit Certified Professional (HCCP) from the National Association of Home Builders.



**Nikki Winkler, Asset Manager**, joined Raymond James Tax Credit Funds, Inc. in June 2019. She comes to Raymond James with nearly 15 years of property management experience, specializing in affordable housing & risk management. She has worked in compliance for LIHTC, HUD, RD & HOME programs, inspected HUD-funded properties under REAC and skillfully managed A+ luxury apartment communities across the nation as a National Management Specialist but her most recent position was a Regional Vice President of Operations for Meritus Communities overseeing operations & major capital improvements for over 11,000 sites. Mrs. Winkler is mold remediation and lead abatement certified and holds a Tax Credit Specialist – advanced (TCS-a) and Certified Occupancy Specialist (COS) designation from the National Center for Housing Management as well as the Housing Credit Certified Professional (HCCP) designation from National Association of Home Builders.



---

## Who is Raymond James?

Raymond James Tax Credit Funds (RJTCF) is a wholly owned subsidiary of Raymond James Financial, Inc. (NYSE-RJF). Since 1972, subsidiaries of RJF have been among the leading syndicators of affordable housing. Raymond James Tax Credit Funds has raised over \$9.5 billion in equity for more than 2,000 properties in 47 states since the inception of the tax credit program in 1986. Our firm has closed over 140 funds with investors and each of our funds has been successful. Our corporate culture revolves around a philosophy known as “Service 1st,” which pervades everything we do, especially in how we cultivate and manage our relationships with partners and investors. We have a deeply experienced Asset Management Team whose portfolio continues to grow with more than 100 projects acquired and added to our portfolio over the past year.

### YOUR INPUT IS VALUED

If you have an idea for an article or would like your property to be spotlighted in an upcoming issue of  
*“Outlook on Asset Management”*  
please feel free to contact  
Mindy Waggener at (800) 438-8088  
[Mindy.Waggener@RaymondJames.com](mailto:Mindy.Waggener@RaymondJames.com)

**Any & All Comments Are Welcome!**

## RJTCF REPORTING DUE DATES

### Funds with December 31 Closing:\*\*

PERIOD	DOCUMENT TYPE	DUE DATE
Quarterly Q1 – 03/31	Financials; GP Certificates; Rent Roll	April 30
Quarterly Q2 – 06/30	Financials; GP Certificates; Rent Roll	July 30
Quarterly Q3 – 09/30	Financials; GP Certificates; Rent Roll	October 30
Quarterly Q4 – 12/31	GP Certificates; Rent Roll	January 31
Monthly	Financials (for pre-stabilized and Watchlist properties)	16 <sup>th</sup> of Following Month
Annual	Budgets	November 30
Annual	Business Reports	January 31
Annual	Tax Returns	February 15
Annual	Audits	March 1
Annual	Annual Compliance Audit (20% Tenant File Testing)	March 1
Annual	Insurance Certificates	Upon Renewal

\*\*If you need Reporting Due Dates for Funds with either a 09/30 or 10/31 year-end,  
please contact [Mindy.Waggener@RaymondJames.com](mailto:Mindy.Waggener@RaymondJames.com).

## WHERE DO I SEND MY REPORTING??

<a href="mailto:RJTCFCompliance@RaymondJames.com">RJTCFCompliance@RaymondJames.com</a>	Quarterly Reports (Balance Sheets and YTD P&L Statements) Rent Rolls, GP Certificates Insurance Renewal Certificates Monthly Financials
<a href="mailto:RJTaxCreditDocs@RaymondJames.com">RJTaxCreditDocs@RaymondJames.com</a>	Tax Returns Audits—Year-End Financial Statements from CPA's
<a href="mailto:RJTCFAssetManagementReporting@RaymondJames.com">RJTCFAssetManagementReporting@RaymondJames.com</a>	Annual Business Reports: <u>2019 Comming Soon!</u> Budgets
<a href="mailto:RJTCFTenantFiles@RaymondJames.com">RJTCFTenantFiles@RaymondJames.com</a>	Initial Tenant Files & Corrections Annual Compliance Audit (20% Tenant File Testing)

**RAYMOND JAMES®**  
**TAX CREDIT FUNDS, INC.**

880 Carillon Parkway  
St. Petersburg, FL 33716  
800-438-8088

