

# OUTLOOK ON ASSET MANAGEMENT

TIMELY UPDATES AND RESOURCES FROM THE RJTCF ASSET MANAGEMENT TEAM



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## 2021 Virtual Asset Management Recap

By Mindy Waggener, Asset Management Coordinator

This March, RJTCF welcomed over 230 of our Management, Developers and General Partners to our first time ever, virtual Asset Management Summit.

While we hope that our next event will be able to be in-person, the virtual experience received rave reviews and was a remarkable success.

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

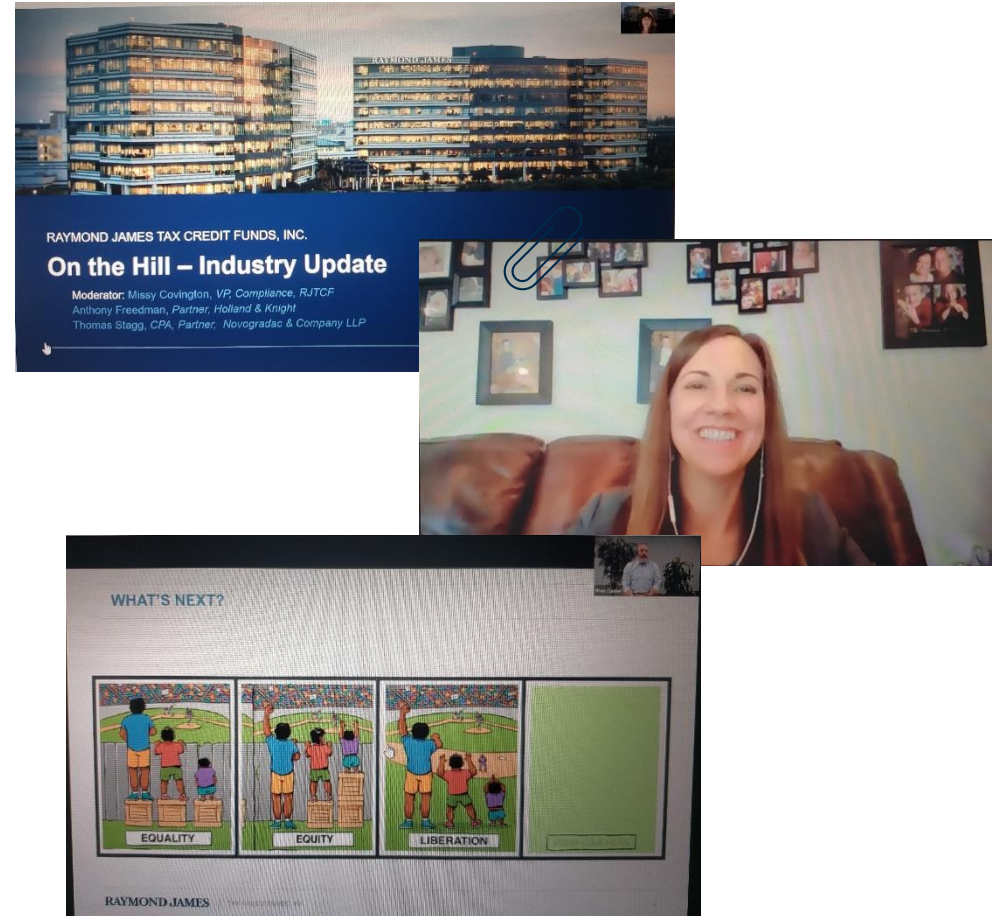
Presentations ranged from On the Hill with Thomas Stagg of Novogradac and Anthony Freedman of Holland & Knight, Outlook on Housing & Equity Research with Raymond James' own, Buck Horne and the Fair Housing presentation by Wes Daniels on Microaggressions.

RJTCF associates led panels including Covid-19 Lessons Learned, moderated by Elaisa Trendelman and Successful Avoidance, Mitigation, and Recovery from Delays with moderators Melissa Melvin & Ken Ragan, wrapping up the day with Ask the Experts.

RJTCF appreciated the attendance and direct participation in presenting many of the sessions from our partners. We thank you all very much and look forward to hosting you again in 2023.



The materials and recordings will be available until **June 30, 2021** on the website at:  
<https://rjtcfs Summit.com/meeting-materials>





## PROPERTY SPOTLIGHT:

### Breaking New Ground – Abbington Perimeter, Decatur, GA

By Pamela Williford, Asset Manager



Developed by Rea Ventures Group, LLC, this 72-unit mixed-income family LIHTC development, located in Dekalb County, Georgia targets households earning 50% and 60% AMI and has 11 market-rate units. The property consists of two residential walk-up buildings with common area amenities.

Management of the property is overseen by CAHEC Management, Inc. (formerly Boyd Management).

Total equity in the project is \$6.5MM and the property was placed in service in 2019.

The Georgia Department of Community Affairs believes we all share a common need for shelter. That's why we pride ourselves on laying the foundation for safe and affordable housing. The Housing Tax Credit program makes that goal manifest by offering tax incentives to properties that devote all or part of their units to low-to-moderate income residents. Countless residents, owners, and developers across the state are Breaking New Ground, reinventing themselves in their homes, and seizing the opportunity to begin the next chapter of their lives in safety and comfort in developments such as Abbington Perimeter.

Abbington Perimeter in Decatur is an affordable housing development that accommodates senior citizens and families. Tax credits were awarded in 2017. This DeKalb County residence features patios and balconies as well as a community room, fitness center, and laundry facilities.

Following is a powerful story of how Abbington Perimeter offers more than just a roof over resident heads; it's a place where they are safe and surrounded by people who care.

Here is Wylene Sumbry's story.



Abbington Perimeter provided exactly what Wylene Sumbry was seeking. After burying her mother, Sumbry found herself struggling to keep up with the responsibility of a house. While searching online, she discovered an apartment complex that just so happened to have an available unit for her and her two children.

Finding Abbington Perimeter after personal tragedy gave Sumbry a sense of security. She said the staff was incredibly compassionate, answering all of her questions and providing emotional support.

"Really bad incidents [have happened] to me in my life... and they were there for me, literally," Sumbry recalled. [They] went out of their way, on my first week of living here, to make sure I was comfortable. I was shocked. You don't get that [at] too many places, at all."

The family-like atmosphere is comforting. From senior citizens who sit outside and greet everyone daily, to adults with children, Sumbry said the mixture of people in the quiet community is peaceful. On occasion, her four grandchildren will come to visit their "Gigi."



"When I bring them here, they have a place, a little area to play," she said. "I don't have to worry about them running and bumping and disturbing neighbors."

The stigma around affordable housing is something Sumbry encourages people to dismiss, saying it's rare to find a place that is budget-friendly, suitable, and feels like home.

She added, "It's a roof over your head. You can afford to live decent, without having issues like you would at some other place. We have all types of people here, and this is a great place to live. Come see for yourself."

Sumbry is also appreciative of the safety, saying she hasn't had any problems with loitering or unsanitary conditions. "I do not have to worry," she said, adding that the security gates are another perk. Animals – the lack thereof – also provide an added sense of refuge.

"Anyone [can] tell you – I'm afraid of any animals," she explains. "So, I love it that I don't have to walk out of my door and run away from anything!"

Although another home might be in her future, Sumbry loves where she is now. She said, "Every place is not called home. But here – this is my home."

*Reprinted with permission of the Georgia Department of Community Affairs.*

## In Case You Missed It (ICYMI)

By Mary Hammond, Asset Manager

President Joe Biden's choice for HUD Secretary, Marcia Fudge, served as U.S. Representative from the State of Ohio from 2008 to 2021, when she resigned her seat to take this position. She is also a former mayor and prosecutor. Her appointment was strongly supported by leaders in the affordable housing industry.

As HUD Secretary, she leads a federal department with wide reach throughout the United States, including the Offices of Housing, Community Planning and Development, Federal Housing Administration, Public and Indian Housing, Fair Housing and Equal Opportunity, Policy Development and Research, Field Policy and Management, Government National Mortgage Association (Ginnie Mae), Lead Hazard Control and Healthy Homes, and Faith-Based and Neighborhood Partnerships.

Secretary Fudge made the following remarks upon her swearing in:

"A good home shapes nearly every part of our lives. It's where we start and end each day. It's where we raise our families and come together in times of joy. It's where we find shelter and comfort during times of hardship. The past year has reminded us just how important it is to have a safe and stable place to call home. But, right now-for millions of Americans-that sense of security and peace of mind is out of reach.

Our country has an immense responsibility-and profound opportunity-to address the housing crisis facing so many people. To provide relief for those struggling to pay their rent or mortgage as a result of the pandemic. To ensure every American experiencing homelessness has a roof over their head. To revitalize our communities-and help more Americans achieve their dream of homeownership. To break down the barriers of injustice that still limit the futures of far too many young people.

Every community faces unique challenges that require its own unique solutions.

We all want and deserve the same basic things: a safe place to live and an opportunity to succeed with dignity, with grace, and with hope.

I'm Marcia Fudge-and I'm honored to serve as the 18th Secretary of Housing and Urban Development. I am proud to join a group of public servants who work with compassion and determination to change the lives of those in need. And I can't wait to get started."

For more info feel free to check out: <https://www.hud.gov/coronavirus>



**HUD officially welcomed new HUD  
Secretary Marcia Fudge who was  
confirmed on March 10, 2021**

References:

[https://www.hud.gov/press/press\\_releases\\_media\\_advisories/HUD\\_No\\_21\\_038](https://www.hud.gov/press/press_releases_media_advisories/HUD_No_21_038)

# The American Rescue Plan Act of 2021 – Industry Impact

By Lucine McCann, Asset Management Analyst and Elaisa Trendelman, Director, Stabilized Asset Management

On March 11, 2021, exactly one year after the WHO declared COVID-19 a pandemic, the [American Rescue Plan Act of 2021](#) (The Act) was signed into law. The Act follows the two previous Federal relief acts signed into law in 2020 and aims to address the continued impact of COVID-19 via an additional \$1.9 trillion in economic relief directed to the American people. We wanted to offer an overview of this new relief package and highlight the areas of most significance to our industry.

## HOUSING ASSISTANCE FUNDING

The most recent data collected (March 3-15, 2021) by the Census Bureau reported that an approximate 14 million renter households still have little to no confidence they will be able to continue paying their monthly rent on time. While this number is an improvement from 18 million renter households in January 2021, it continues to show the overall exposure of renters facing risk of evictions upon the courts reopening and property owners facing the consequences of reduced income due to higher than usual delinquency.

The Act heavily targeted the housing industry by providing \$40 billion of rental and mortgage assistance. This includes \$21.55 billion for emergency rent and utilities payments assistance, \$5 billion for emergency housing vouchers, \$5 billion for homelessness assistance, \$750 million for tribal housing needs, \$100 million for housing counseling, and \$100 million for rural housing across the country. While direct aid was not specifically set aside for property owners, the direct rental assistance to renters will result in past due rent being paid to property owners. Additionally, several states are attempting to empower property owners by allowing them to apply for assistance on behalf of the tenants.

## ECONOMIC STIMULUS CHECKS AND TAX CREDITS

Individual direct deposit payments were an important part of the conversation throughout the negotiations leading to the finalized version of the bill. The Act authorized a third round of one-time, direct stimulus payment checks in the

amount of \$1,400 for Households making under \$75,000 (\$150,000 for a couple). Payments are reduced for individuals and couples earning up to \$80,000 and \$160,000, respectively. Additional payments of \$1,400 were made available for dependents of the households.

The American Rescue Plan Act also expands the Child Tax Credit up to \$3,600 for one year per child for individuals earning less than \$112,500 or couples earning \$150,000. Recipients are eligible for up to \$300 per month for young children and \$250 for children aged 5-17. Monthly cash payments are expected to become available in the second half of 2021. The long-term objective of the overhaul of the Child Tax Credit is to offer additional support to low income households whose income can fluctuate from month to month.

The Act also increased the maximum Earned Income Tax Credit (EITC) for low-paid workers without qualifying children to \$1,502. Eligibility was extended to additional people who are not full-time students; including young adults aged 19-24, and those over 65.

## INDIVIDUAL UNEMPLOYMENT AND NUTRITION ASSISTANCE BENEFITS

The Act offers an extension through September 6, 2021 of \$300 in unemployment benefits per week. Those who received unemployment benefits during 2020 will also note that the American Rescue Plan Act waives federal income taxes on the first \$10,200 received for households earning under \$150,000.

The Act renewed nutrition assistance benefits, including the previously passed 15% increase in SNAP and EBT benefits which was extended to the end of September 2021. An additional \$880 million was allocated to programs dedicated for women, infant, and children (WIC) and will be available through September 2024.

*(Continue on page 7)*

## NATIVE AMERICAN CORNER: Repeat Partnerships Build Success - Pascua Yaqui Homes

By Nikki Winkler, Asset Manager

News of a record-setting and intensely competitive 9% Low Income Housing Tax Credit (LIHTC) award in Arizona made the start of 2021 an exciting one! In an article published by the Red Lake Nation News on January 26, 2021, the Pascua Yaqui Tribe announced the \$1.8M award from the Arizona Department of Housing and its stand-out distinction as “the largest LIHTC award to a single tribal development”.

The Pascua Yaqui Tribe has partnered with Raymond James Tax Credit Funds (RJTCF) and Travois Design to create 50 brand new, affordable, single-family homes with RJTCF establishing \$15.9M in investor equity and Travois working closely with the Tribe’s Housing Team on consulting and architectural design.

The article references these 50 unique homes to be only the first phase in a plan for a multi-phase development in the future.

RJTCF’s own Ben Shockey was quoted in the article, giving credit to the director and his team at the Pascua Yaqui Tribe Housing Department for their effort in creating a vital need for the community. This is RJTCF’s second partnership with the Pascua Yaqui Tribe Housing Authority, the first allowing RJTCF to generate \$4.45M in investor equity.

For more on the Pascua Yaqui Tribe Housing Authority’s LIHTC award and development plans, the full article can be found [here](#).

## The American Rescue Plan Act of 2021 – Industry Impact

(continued)

### SMALL BUSINESSES RELIEF

The American Rescue Plan Act allocated \$15 billion in the form of Targeted Economic Injury Disaster Loan (EIDL) to provide economic relief to businesses that are currently experiencing a temporary loss of revenue due to COVID-19. The Paycheck Protection Program (PPP) forgivable loans were allocated \$7.25 billion.

The Act also provided more grants to small businesses in sectors hardest hit by the related economic slowdown, including \$28.6 billion for food and drink providers (e.g. restaurants and bars), and \$1.25 billion for shuttered venue operators, such as music venue operators, theater producers, and other performing arts organizations.

While the ongoing effects of COVID-19 continue to be felt, the American Rescue Plan Act of 2021 provides much needed relief to tenants and the industries in which they work. These measures will in turn provide relief to property owners. With additional funding allocated towards COVID-19 vaccine distribution, administration, testing, etc., we remain hopeful that a return to normal is in sight. As always, the RJTCF Asset Management team remains on high alert for new industry related developments and is available to assist and support you during this time.

## COMPLIANCE CORNER:

# Average Income Test – The IRS Public Hearing

By Missy Covington, VP, Compliance

In March of 2018 the Average Income Test (AIT) was passed as part of the Consolidated Appropriations Act. The primary intent of AIT was to expand the tenant base for the LIHTC program to households qualifying at as low as 20% AMI and as high as 80% AMI. This is an underserved group and one that LIHTC affordable housing has not been able to effectively reach. In October of 2020, the IRS published proposed AIT guidance and requested feedback on such by the end of last year. Just last week, on March 24, 2021 the IRS held a virtual public hearing to listen to testimony on the proposed AIT guidance. The sentiment in the hearing was much the same as that of the written feedback last year; the guidance as proposed does not work for our program and if finalized without change would essentially end the AIT.

The primary concerns with the proposed guidance are focused on the inability to float unit designations and the timing of the correction period. The guidance as proposed requires unit designations to be fixed by the end of the first credit year with little ability to change them during the 15 year compliance period. The proposed guidance also provides a correction period that must occur within 60 days of the close of the credit year. Non-compliance discovered outside of this window is not correctable.

Fifteen speakers presented testimony at the hearing representing many facets of the industry including several allocating agencies, investors, CPAs, attorneys and management. They all did an excellent job of explaining the challenges created by the proposed guidance. The inability to float unit designations is not consistent with VAWA, fair housing or other affordable programs often paired with LIHTC. The correction period falling within 60 days of the close of the credit year will not be effective for most instances of non-compliance as it is often not discovered for months or even years after the end of the credit year. Investors and owners expressed concern and a lack of interest in AIT projects due to the increased risk of the proposed guidance. AHIC used the phrase “investor moratorium” when referring to the current appetite for projects utilizing AIT. IRS agents were receptive to what was presented and asked questions to further understand the position of the speakers. It was clear that their intent was not to create a “cliff” test for owners when one unit falls out of compliance. While there was no indication when the IRS would provide additional feedback or final guidance, as an industry we are hopeful that the main concerns will be addressed in a way that effectively reduces risk to credits making AIT again a favorable option.

### ABOUT RAYMOND JAMES TAX CREDIT FUNDS

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 \$12 billion in equity for more than 2,300 properties in 48 states since the inception of the tax credit program in 1986. Our firm has closed over 150 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 118 projects acquired and added to our portfolio over the past year.



## Where Do I Send My Reporting?

[rjtcfcpliance@raymondjames.com](mailto:rjtcfcpliance@raymondjames.com)

- Quarterly reports (balance sheets and YTD P&L statements)
- Rent rolls
- GP certificates
- Monthly financials

[rjtcfinsurance@raymondjames.com](mailto:rjtcfinsurance@raymondjames.com)

- Insurance renewal certificates

[rjtaxcreditdocs@raymondjames.com](mailto:rjtaxcreditdocs@raymondjames.com)

- Tax returns
- Audits – year-end financial statements from CPAs

[rjtcfassetmanagementreporting@raymondjames.com](mailto:rjtcfassetmanagementreporting@raymondjames.com)

- Annual business report
- Budgets

[rjtcftenantfiles@raymondjames.com](mailto:rjtcftenantfiles@raymondjames.com)

- Initial tenant files & corrections
- Annual compliance audit (20% tenant file testing)



### 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 727.567.6979 or [mindy.waggener@raymondjames.com](mailto:mindy.waggener@raymondjames.com).

Any and all comments are welcome!

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To learn more about Raymond James Tax Credit Funds, visit our website at [rjtcf.com](http://rjtcf.com).

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