



VISIT US AT:
www.wa-carh.org

11100 N.E. 8th STREET, SUITE 410, BELLEVUE, WA 980044441 TEL: (425) 454-6836 FAX: (425) 454-7695 E-MAIL: housing@sprynet.com

**Development of a Washington State CARH Position Paper
Top Positions of our Industry
Published October 15, 2010**

Urge Congress to substantially increase funding for the long-term and sustainable preservation of the aging rural housing portfolio. Nationwide, the 15,977 apartment complexes totaling 452,610 units are at a critical juncture in their lifespan, and need substantial rehabilitation monies if they are to continue to provide housing for millions of low income rural Americans. Of that total, 323 complexes totaling 8,900 units are operated by CARH members in our state.

Urge the US Department of Agriculture to reallocate funding within the agency to meet the growing needs of the aging portfolio. The national office of the Council for Affordable & Rural Housing (CARH) estimates that the minimum allocation should be \$1 billion per year, for 5 years (or approximately \$10,000 per unit for the Section 515 portfolio).

Find a fair and equitable method to compensate management companies, including the providing of incentives, to ensure program assets are optimally managed during this rehabilitation and preservation process.

Reinvent the system of allocating Rental Assistance and significantly increase funding levels to minimize vacancies and better serve needy populations.

Allow rental incentives in markets experiencing vacancies, to stay competitive and maintain levels of revenues so that building services, maintenance and operations can be sustained.

Alter the provisions of Section 42 (Low Income Housing Tax Credit Program) so that new capital investment can flow into rural affordable housing properties.

Oppose adding taxes onto companies that manage affordable housing, such as the actions taken by the Washington State Legislature in 2010 which removed a previously existing exemption, and increased the rate of a Business & Occupation (B&O) Tax.

Should the burden of added taxes or expenses be placed on management companies in the affordable housing industry, recommend an equivalent increase management fees, to ensure the retention of competent staff and fair compensation.

Urge agencies to expedite transactions which preserve affordable housing to ensure that additional funding sources continue to provide capital to facilitate rehabilitation and transfer.

Strongly recommend that 515 properties be allowed to pay a return to owner, even if there is a deficit, as long as there are available funds in the unrestricted cash accounts, and that unrestricted cash be allowed to accumulate to the maximum amount of 10% of the O&M budget and one year's taxes and insurance.

Consider deferral or forgiveness of mortgage loans to lower new capital investment requirements during the upcoming rehabilitation and preservation era.