



# ARKANSAS APARTMENT ASSOCIATION

## Vendor Spotlight

### DESERT ROSE, INC.

Desert Rose, Inc., has serviced central Arkansas for seventeen years. The company has evolved into the highest certified IICRC restoration and cleaning firm in the state. ([www.iicrc.org](http://www.iicrc.org))

Technological advances in equipment and techniques continue to influence our industry. Not too many years ago, water damage restoration included complete tear out and remodeling. Even today, many restorers remove carpet and pad from flooded structures. Unfortunately, many apartment communities continue to 'dry' this way, losing excessive amounts of pad and carpet, costing thousands of dollars every year.

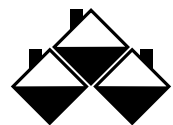
We seldom replace pad, carpet, drywall, and/or cabinets with clean water intrusion. We have never lost a hardwood floor. Our method is less invasive to tenants and less expensive for property managers because there is little re-construction and replacement costs.

The newest technology in 'drying' is TES, or thermal energy systems. TES speeds the evaporation process by directing contained heat to the wet materials, instead of evaporating water from the air. Drying is now measured in hours instead of days.

Desert Rose is a General Contractor with a staff exceeding 100 years experience. Few assignments are beyond our capabilities.

Desert Rose cleans carpet, Oriental design and fine Persian rugs, upholstery, leather, and tile. We provide air quality testing, odor and stain removal, mold remediation, MRSA Staph disinfecting, and more.

Mike Flowers is your AAA contact. Mike is Vice-President of the firm, an estimator, and involved in every aspect of the business. Mike graduated with dual majors and BBA from Memphis State University. Prior employment was Miller Brewing Company, and Becco, Ltd., Bremen, Germany. You can reach Mike by calling 501.690.3825, or by email, [mike@desertroseinc.com](mailto:mike@desertroseinc.com).



### Arkansas Apartment Association

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# APARTMENT ASSOCIATION ARKANSAS



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## Regional Vice President from NAA to Address Our Membership



"Thank you to Richard Cheek for presenting the Market Survey at our May Luncheon sponsored by Cottage Care"

AAA is excited to welcome Rick Graf, CPM®, NAA Regional Vice President to Arkansas as our speaker for the July Luncheon. We hope you will join us at Cajun's Wharf on Wednesday, July 16th at 11:30am as Rick gives us a view from the national perspective as well as an update on the NAA Educational Conference & Tradeshow.

Rick Graf directs the operations and growth of Pinnacle's Central region, which

includes Arkansas, Kansas, Louisiana, Oklahoma, Texas, Indiana, Illinois, Iowa, Ohio, Kentucky, Michigan, Nebraska, Mississippi, Minnesota, Missouri, and Wisconsin. He is responsible for the management of all commercial, multi-family and brokerage business in these states.

In January 1998, Rick was named Central regional president when Pinnacle combined its South Central and Midwest

regions into a single larger Central region. Rick previously served as president of the South Central region. When Rick joined Pinnacle in August 1996, he brought valuable experience managing real estate assets for major institutional clients with assets in multi-state locations and since then the Region has experienced tremendous growth. Rick began his real estate career in the Midwest more than 30 years ago and has more than 20 years experience in the major Texas real estate markets. Rick has been in the Real Estate management business since 1974.

Rick is a Certified Property Manager (CPM®) and holds a real estate degree from Richland College in Dallas, Texas. Rick is a Past President of the Apartment Association of Greater Dallas.

Rick also serves on the Executive Committee of the Texas Apartment Association as its President Elect. Rick is also a Regional Vice President for Region 6 of the National Apartment Association, (NAA). He also serves on the legislative committee for NAA. Rick is active in the Institute of Real Estate Management and the National Multi Housing Council.

## AAA Paperwork

We now have pick up points available in centralized locations for Little Rock and North Little Rock, where you will be able to pick up AAA Leases, Applications, etc. Please contact Jamie at 501.664.8300 or [information@arapartments.com](mailto:information@arapartments.com) for more information or to order paperwork. Delivery of paperwork is available for an additional fee.





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## Meet the Board

### Victoria Weatherly, Manager's Council Chair

Victoria Weatherly has been in the Multifamily Industry since 1998 and has been apart of Mid-America's family for the past 8 years. Victoria started out as Assistant Manager at Westside Creek and was promoted to Property Manager of Napa Valley in 2004. She manages 240 units, [www.napavalleyapts.com](http://www.napavalleyapts.com), and has recently been named Property Manager of the Year for 2007 in the Central Region at the Annual Leadership Conference. She's lead her team to victory in winning awards for Curb Appeal of Excellence for 2007 and Maintenance Team of the Year for 2005. She feels very blessed to have such a wonderful Team at Napa Valley! Victoria is currently working toward achieving her Certified Apartment Manager Certification (CAM) and sends a special thanks to all the sponsors who made it possible! Victoria is very excited to serve as your chairman of the Arkansas Apartment Association Manager's Council for 2008!!!!

### Jennifer Gullede, Membership Council Chair

Jennifer Gullede has over 10 years experience in the Multi Family Industry. She earned a Bachelor of Arts Degree from the University of Arkansas in 1995. Jennifer began her career in Property Management as a Leasing Professional with Equity Residential Properties. She has also worked for Pinnacle Realty Management, Harbour Group Management, Greystar Management, and Bailey Properties as a Property Manager and Sr. Property Manager. She joined Vintage Realty Company in October of 2006 as the Property Manager for The Grove at Pleasant Valley.

Jennifer has received Customer Service Awards and Highest Closing Ratio Awards during her career. She obtained her ARM designation in 2006, her Arkansas Real Estate License in 2007 and just completed the course requirements for the CAM Designation in 2008.

## Trying to Contact the AAA Office... Please Leave A Message

In an effort to save the organization money, we closed our physical office about two years ago. The phone, 501.664.8300, has been hard-wired to the answering service since that date. The messages are faxed directly to Jamie the same day. If you need to get a hold of Jamie, please leave a message, she will return your call. You can also email Jamie at [information@arapartments.com](mailto:information@arapartments.com) for information or leave a phone number if you need her to call. We normally do not call back RSVPs, if you RSVP and need to be called, please let the answering service know.

## Up Coming Events

**July**  
7/16 - General Membership Luncheon  
Cajun's Wharf 11:30 am  
Update on NAA  
Speaker: Rick Graf, CPM  
NAA Region VI Vice President  
Sponsored by: Apartment Finder

**August**  
8/22 - General Membership Luncheon  
Meeting is on a Friday  
Speaker: Seth Mohorn  
Dale Carnegie  
Crowne Plaza 11:30 am  
Sponsorship is Needed

**September**  
9/12 - Golf Tournament  
Stonelinks Golf Course  
Sponsorships are Needed  
Proceeds to Benefit CARTI  
Call 664-8300 for more information

9/25 - Property Tour Breakfast  
The Palisades at Chenal  
Sponsorships are needed.

## Thank You for ALL You Do!

The Arkansas Apartment Association would like to thank LaWanda Gray with Resource Residential Properties for all of her hard work and dedication to our organization. LaWanda has been our secretary this year. She is moving to Dallas this summer.

We will miss you. Best of luck.

## GoGetters Club

Are you a GoGetter? Keep referring new members because at the end of the year the person with the most referrals will receive \$500.00. Also, we want everyone to be an inactive member involved, so let's keep the momentum up and remember at the end of the quarter whoever refers the most inactive members to a luncheon will receive a great prize!

Keep up the good work! If you have any questions please email Jennifer Gullede at [leasing@liveatthegrove.com](mailto:leasing@liveatthegrove.com).

## Maintenance Corner

Sign up for a FREE Subscription to the HVAC Insider. Forms are available online at [www.hvacinsider.com](http://www.hvacinsider.com) or by emailing Jamie at [information@arapartments.com](mailto:information@arapartments.com).



## Figure It Out: Income and The Tax Credit Program

When calculating resident income, these 16 steps will help lead to greater accuracy and maximized returns.

By BRIAN CARNAHAN, CHRISTINE BENNETT AND ARATHERA BURGESS

The Low Income Housing Tax Credit program serves households at or below either 50 percent or 60 percent of the area median income, depending on the minimum set aside selected as by the owner. The ability of an owner to claim tax credits and of a resident to move into an apartment is dependent on properly calculating the resident's income. There are no "tricks" to getting the income calculation right. Rather, following are steps a manager can take to ensure the income certified by the resident is as accurate as possible, helping to maximize the amount of credits an owner can claim.

- 1. Use the correct forms.** It also may be advisable to use any forms recommended by the state housing agency.
- 2. It never hurts to document, document, document.** Clearly explain how the income was calculated. When in doubt, use a clarification record to explain any issues with the calculation. If something is unusual, it is helpful to explain how a decision was made regarding what was or was not included in the calculation.
- 3. Provide sufficient time for residents and applicants to prepare.** Make sure the residents know what they have to provide. For example, does the resident or applicant need to come prepared with employer addresses, bank account information or other income and asset information? It is helpful to develop a partnership with residents by explaining why the income certification is necessary. Involve residents, but do not rely solely on them. For example, the resident should not be asked to hand-carry forms to any third-party source, such as an employer or bank.
- 4. Gather information as early as possible.** Send reminders early and use the full 120 days. This will allow time to resolve any problems and clarify information.
- 5. Two sets of eyes should review all calculations.** People can make mistakes or become distracted. Having someone else review calculations can prevent errors.
- 6. Do not change any verifications or documents, and do not write on verifications.** Any verification that has been altered or appears to be altered is "tainted" even if the alteration was made with good intentions. If a verification is incomplete or must be corrected, there are a couple of options: ask for a new verification or use a clarification record to document the additional information.
- 7. Be familiar with the U.S. Department of Housing and Urban Development's Occupancy Manual 4350.3 REV 1 Change 2 and the IRS Audit Guide.** The tax credit program relies on the income calculation rules established in Handbook 4350.3. The 4350.3 provides details regarding what types of verifications are valid, alternative verifications and the definition of various assets and sources of income. 4350.3 REV 1 Change 2 Chapter 5 and Appendix 3 should be readily available for reference. They are available on the Internet and can be referenced or downloaded. The IRS Audit Guide, released in January 2007, describes income calculation non-compliance. Understanding what the IRS expects in addition to what is outlined in the 4350.3 is one way to ensure tax credits are not at risk.
- 8. Establish relationships with local bank staff and the human resources staff of large, local employers.** Knowing with whom to speak can make all the difference. Keep helpful staff members' contact information updated for easy reference when needed.
- 9. Know what the state agency expects.** The state agency may have policies and procedures that must be followed. Check the agency's Web site for guidance, attend agency trainings and be sure to have a copy of the compliance manual for reference.
- 10. Know investors' expectations.** The investor, like the state agency, may have requirements a community must follow. Usually, these requirements are more restrictive than the state agency's requirements.
- 11. Know whose income to count.** It is important to know the age of all household members and how they relate to the head of household. This will indicate how income should be counted for each household member.
- 12. Recognize the difference between income, assets and income from assets.** If unsure, refer to the 4350.3 REV 1 Change 2, Chapter 5, Exhibit 5-1, which identifies includable and excludable income sources, and Exhibit 5-2, which identifies Assets. If a source of income or an asset is not listed on the list of excluded sources of income and assets, the income or asset must be counted.
- 13. Ask questions.** If something does not look correct, question it and follow up.
- 14. Review the prior year's certification.** Ask about discrepancies from year to year. Have the circumstances changed? Has the resident found a new job? Is the resident banking at the same financial institution?
- 15. Know the household composition.** Are the same members present in the household? Have there been additions to the household? Has someone left? Did a child turn 18 during the last certification year? The answers to these questions may change how the household's income is calculated.
- 16. The income calculation is essential to the tax credit program.** Attention to detail, a clear process and an understanding of what is required will help ensure qualified households are living in affordable apartment communities. Brian Carnahan is Director of the Ohio Housing Finance Agency's Office (OHFA) of Program Compliance, where he oversees the compliance monitoring of tax credit, HOME, and Section 8 communities. He can be reached at [bcarnahan@ohiohome.org](mailto:bcarnahan@ohiohome.org). Christine Bennett is the Compliance Trainer in the OHFA Office of Program Compliance. She can be reached at [cbennett@ohiohome.org](mailto:cbennett@ohiohome.org). Arthera "TJ" Burgess is the Manager of Training and Technical Assistance in the OHFA Office of Program Compliance. She can be reached at [tjburgess@ohiohome.org](mailto:tjburgess@ohiohome.org).

