

# 2025 Financial Management Conference

## Strategies for Housing Preservation

**Dan Bertsch, CPA**, Principal, Novogradac & Company, LLP

**Jessica Braden, MBA, CPM, HCCP**, Vice President of Asset Management, Community Housing Partners

**Lorraine Kindred**, Vice President – Public Affairs, National Community Renaissance

**Matthew D. Rule, Esq.** Senior Vice President – Housing Development and Asset Management, National Church Residences

Sept. 18, 2025

**STRENGTHMATTERS**<sup>®</sup>



# Continuing Professional Education (CPEs) Requirements for CPAs

- Please find the **SESSION HOST** to **SIGN IN** at the beginning and **SIGN OUT** at the end of every session. We use that attendance log to verify your participation for CPE credits.
- Please **submit all conference evaluations**. Evaluation links are emailed to registrants daily. The session host monitoring the sign-in process has paper evaluations if you prefer.
- For more information on CPE credits, contact Lindsay Wells at [consult.lwells@gmail.com](mailto:consult.lwells@gmail.com).

# Agenda

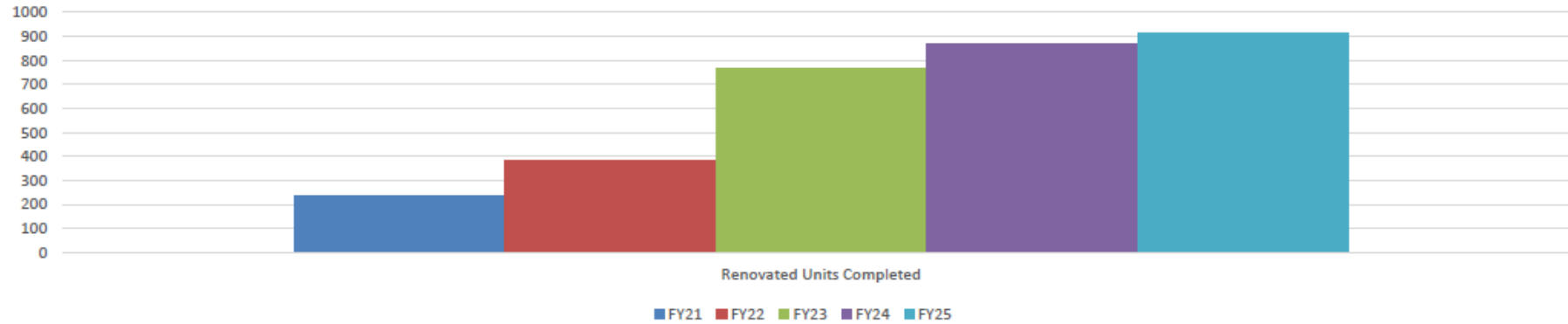
- Introductions
- Review **Learning Objectives**
- Panelist Q&A Discussion
- Wrap up

# Learning Objectives

Discuss strategies and tools used to preserve affordable housing post Year 15, as well as exploring efforts to monetize losses, and the related HOPE Act.

# LIHTC Renovations

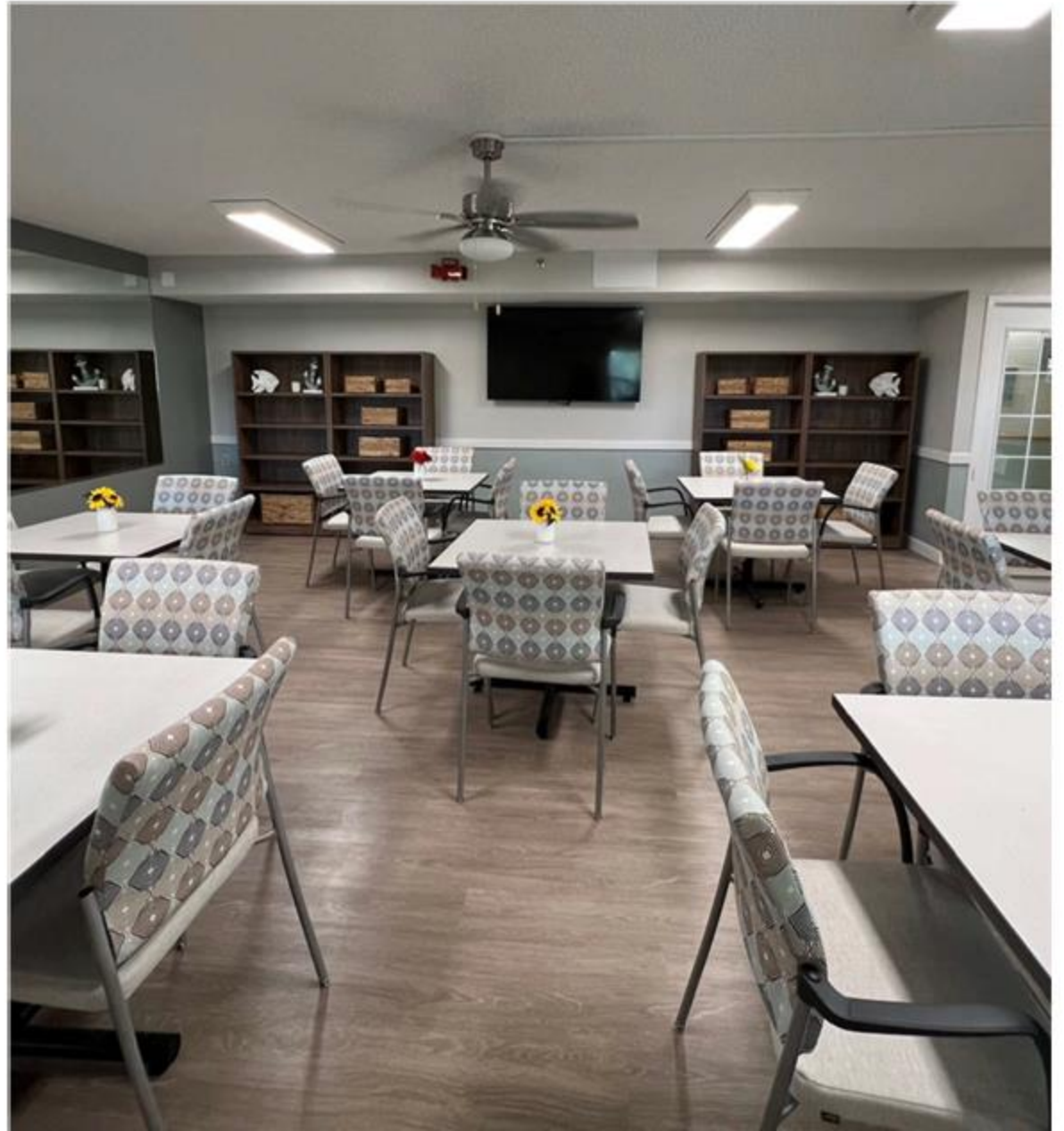
Renovated Units Completed by Fiscal Year



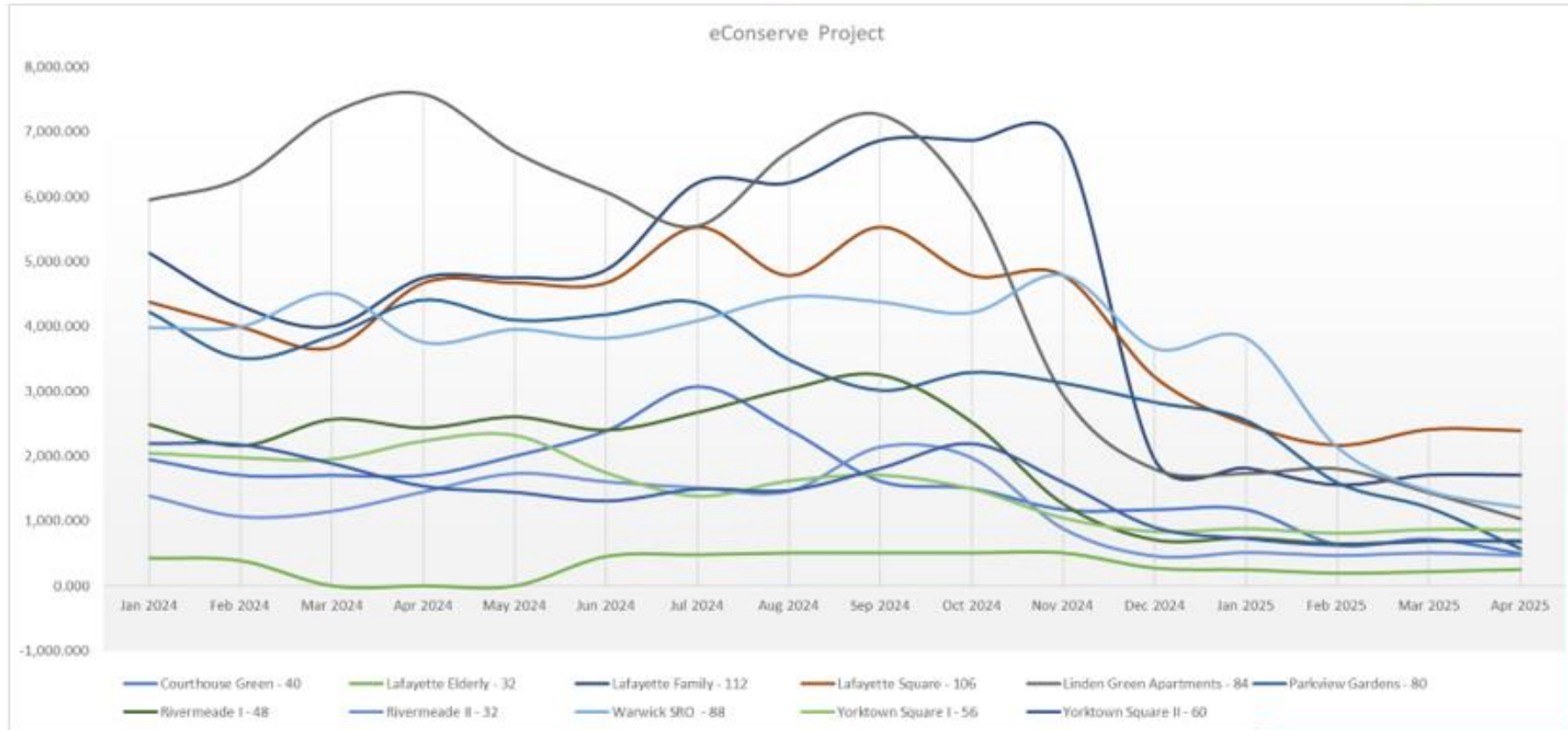
LIHTC Renovations: Total Contract Value (By Completion Date)







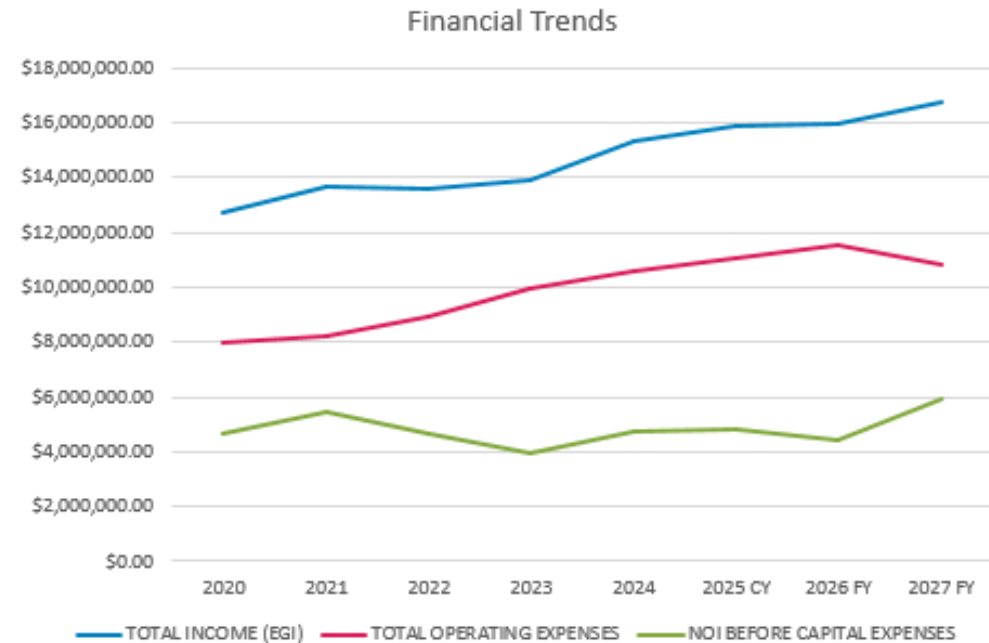
# Water Consumption Trend 2022 – 2025



## Portfolio Feasibility Extrapolated

eConserve Expense	TBD
Year 1 eConserve Savings	\$0.00
Payback Months	0
Project ROI	0%
<b>Submetering Expense (\$700/unit)</b>	
	<b>\$1,065,400.00 (1522 units)</b>
Year 2 Submetering Savings (80%)	\$1,016,077.30
Payback Months	12.58
Project ROI	95.37%
<b>Total Project Cost</b>	
	<b>\$1,065,400.00</b>
Total Net Expense Yr1	\$1,065,400.00
Total Payback Months	12.58
Total Annual Savings	\$1,016,077.30
<b>Total ROI</b>	<b>95.37%</b>
Resident Monthly Expense Increase	\$55.63

### Portfolio Sample 25 – LIHTC & Un-subsidized




# Poll: What is your role in affordable housing?



- Developer
- Syndicator
- Property Management
- Accountant
- Lawyer
- Consultant
- Lender
- Other

# Background on The HOPE Act

## Tax Incentives for Affordable Rental Housing Preservation

- Key component of a final bill on major tax legislation
  - Boost in LIHTC to build **new** affordable homes
  - Complemented by tax incentives to support **existing** rental housing
- 
- Prevent the loss of affordable rental homes at a lower cost than new builds
  - Would encourage private investors to **increase** housing and ensure safe, decent housing for low-income families

# HOPE Act Preservation Tax Provisions

- Owner must be a qualified nonprofit, public housing authority, state/local government, or tribal housing agency
- Must have 20-year use restriction under which rental homes remain affordable to low-income families
- Property must have been constructed at least 15 years ago
- Renovation costs must exceed 20% of the initial property cost or \$20,000/unit

# Tax Treatment for Qualified Investments

- Narrow exemption from passive loss restrictions
- Exemption from profit motive requirements
- Capital gains exclusion for a 10-year+ investment and transfer of partnership interest
- Accelerated depreciation for rental housing (15 years)
- Expensing for 15-year or less property
- Rehab grants for financing renovation excluded from taxable income, and do not reduce depreciable basis
- Energy incentives typically used to finance solar panels do not reduce depreciable basis

# What do you see as the biggest challenge in preserving affordable housing?



- Obtaining Financing
- Challenges in Operations
- Political Environment
- Other

# Evaluation Reminder

- Please submit all conference evaluations.
- Look for the electronic evaluation link in your email.
- Contact [consult.lwells@gmail.com](mailto:consult.lwells@gmail.com) if you do not receive the link.

# CONTACT INFORMATION

## Dan Bertsch

Dan.Bertsch@novoco.com

(216) 239-5545

## Jessica Braden

jessica.braden@chpc2.org

(540) 242-8334

## Lorraine Kindred

lkindred@nationalcore.org

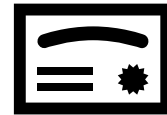
(909) 204-3484



## Matthew Rule

mrule@nationalchurchresidences.org

(614) 273.3539



## Lindsay Wells

(CPE credit contact)

[consult.lwells@gmail.com](mailto:consult.lwells@gmail.com)

