



CAPITOL CONFERENCE

SPONSORS

AZUMA ♦ FAIR COLLECTIONS & OUTSOURCING ♦ FOR RENT MEDIA SOLUTIONS
RENTBUREAU ♦ WILMAR ♦ YARDI

NATIONAL APARTMENT ASSOCIATION

SUMMARY

MARCH 2008

2008 NAA OFFICERS

Chairman
Michael Tompkins
Chairman-Elect
Ron Shelton
Vice Chairman
Marc Rosenwasser
Treasurer
Mike Gorman
Secretary
Jerry Wilkinson
Past Chairman
Dave Watkins

REGIONAL VICE PRESIDENTS

Region I
DC-DE-MD-PA-VA-WV
Andy Drier
Mary Pacini

Region II CT-MA-ME
NH-NJ-NY-RI-VT
Mike Beirne
Tom Beaton

Region III
IL-IN-MI-MN-OH-WI
Diana Pittro
Alex Jackiw
Cheryl Buol

Region IV
GA-KY-NC-SC-TN
Linda Page
Scott Wilkerson
David Hirsch
Mike Holmes

Region V
IA-KS-MO-NE-OK
Becky Weaver
Gary Wilson

Region VI
AR-NM-TX
Brad Williams
Marc Ross
Mike McDougal
Rick Graf

Region VII
AK-AZ -ID-NV-OR-WA
Jay Olson
Jodi Bart

Region VIII
CO-MT-ND-SD-UT-WY
Rex Gambrell
Jenifer Ewoniuk

Region IX
AL-FL-LA-MS
Gary Cherry
Kathy Ratchford
Susan Truesdale

Region X
CA-HI
Rick Snyder
Mike Goldfarb
Tom Scott

NAA CAPITOL CONFERENCE

March 9-12, 2008

Chairman Michael Tompkins presided over the Joint Board of Directors and Assembly of Delegates meeting in Washington D.C. The NAA Board approved the following action items from committees:

Budget & Finance Committee

- Accepted the 2007 Audit.
- Approved that \$867,000 of the 2007 Net Income be transferred as follows:

Emergency Fund (per budget) \$200,000
Emergency Fund (additional) \$400,000
Industry Mobilization Fund \$67,000
(Brings fund to \$520,000 which includes \$20,000 of expenses in 2008 already allocated, leaving \$500,000 in the fund).

NAAEI Contribution \$200,000
TOTAL TO BE ALLOCATED. \$867,000

Legislative Committee

Legislative Committee Chairman, David Hirsch, described a motion passed by the Legislative Committee to allocate funds to educate NAA members regarding the impact of the economy on the industry and to assist members in identifying the interconnectivity of these issues, by developing a White Paper that addressed the impact of the economy on the multifamily housing industry. The research should address the subprime housing market, retrofit issues, energy, and other related issues.

The request for funds was not approved by the Budget and Finance Committee

- Board Agreed in concept but referred the issue back to the Legislative Committee.

National Suppliers Council

- Approved the following companies into the NSC:

- Capture the Market - Irving, TX
(Streaming Video Productions)
- Kimball, Tirey & St. John LLP - San Diego, CA
(Legal Services)
- NRI Construction - Atlanta, GA
(Construction)
- Paramount Services, Inc. - Sterling, VA
(Interior Renovation Contractor)

Privatized Military Housing

- Approved making the Military Housing Task Force a committee. Privatized military housing providers have unique needs that are not currently being met. Since the deals are structured in 50-year timeframes, the needs of this housing segment are not going away. Appointments to the committee will be made by the Chairman of the committee and approved by the NAA Chairman of the Board.

ADVOCACY

The 2008 NAA Capitol Conference was the largest attended Legislative Conference ever with 473 attendees participating in 228 Hill visits.

The Better Government Fund Event raised a record \$31,200.

NAAPAC \$29,600 and still counting.

2008 CAPITOL CONFERENCE SUMMARY

ASSOCIATION EXECUTIVE COUNCIL

President - Jay Scott
Columbus Apartment Association

Association Executives Council met with more than 40 Affiliated Associations represented.

Committee and Regional Liaisons from the AEC were announced and the council was encouraged to use the liaisons to facilitate productive, ongoing communication throughout the NAA Network.

The 2008 NAA Strategic Plan was given to the AEC for their review.

The council was instructed that the AEC would continue to focus on the goals identified through the AEC Blueprint for the Future in 2007. Which were to: enhance the mentor program and improve communications through the increased participation and reporting of the AEC liaisons.

To enhance the mentor program, a detailed overview was provided to the AEC that outlined the responsibilities and expectations of both the mentor and mentee. There are two goals for the program:

- 1) to increase participation within the Council
- 2) to decrease the learning curve for a new AE by aligning them with a seasoned AE that can provide them with the specialized, diverse knowledge of the industry and continue to build a resilient network within their local association.

Connecting Program – in an effort to increase communication between AEC and NAA, the Membership Department would like to institute a Connecting Program. The program developed out of a desire to build a stronger connection and increased communication with the Affiliates. The information from the program can be utilized to develop or enhance programs that will assist the Affiliates in delivering the valuable products and services that comes with being a member of NAA.

BUDGET & FINANCE COMMITTEE

Chair - Mike Gorman
Edward Rose Companies

AUDIT:

Jay Sciuto and Jeff Stefan, auditors with Tate & Tryon of Washington D.C. presented the 2007 year end audit to the NAA Budget & Finance Committee.

The audit has a qualified opinion because of the decision of both the NAA and the NAAEI Boards to recognize the contributions to the Institute as income as they are received rather than as pledges are received. This gives a more conservative presentation of the financial statements which is appropriate for NAA.

The committee asked for one change of wording in the audit, and 2 changes in titles, which the auditors agreed to. The Budget & Finance Committee recommended that the Board approve the audit as corrected.

DISTRIBUTION:

The net NAA income for 2007 was \$749,000. The Budget & Finance Committee recommended and the Board approved restricting all of 2007's earnings and add additional funds from unrestricted reserves to make the following distribution:

Emergency Fund (per budget)	\$200,000
Emergency Fund (additional)	\$400,000
Industry Mobilization Fund	\$67,000
<i>(Brings fund to \$520,000 which includes \$20,000 of expenses in 2008 already allocated, leaving \$500,000 in the fund).</i>	
NAAEI Contribution	\$200,000
<i>(Earmarked for Technology & completion of all Re-writes)</i>	
TOTAL TO BE ALLOCATED.	\$867,000

2008 CAPITOL CONFERENCE SUMMARY

The Budget and Finance Committee reviewed a request for funding of a White Paper brought forward by the Legislative Committee. While the need for support for our Affiliates and Members in the area of current economic problems was considered a priority, the committee did not support this proposed method of accomplishing that end.

COMMUNICATIONS ADVISORY BOARD

Chair - Diana Pittro
RMK Management Company

The Communications Advisory Board met and recapped several new communications initiatives underway in 2008. NAA now regularly sends the Industry Insider e-newsletter each week to members who have provided e-mail addresses. This e-newsletter is sent every Tuesday morning. It is a recap of the previous week's industry news involving the apartment industry that appeared in the thousands of media outlets nationwide that are scanned each week. If you are not receiving this valuable member benefit, please contact NAA.

The NAA Desk Reference is now available on the NAA Web site for download. It includes FAQs about all things NAA-related, including staff contact information, calendar of events and summaries of valuable member benefits.

UNITS proudly introduced its new content design format in 2008. Each issue now contains specialized department sections that summarize trendy news involving Maintenance, Marketing, Management and Politics. We hope you are pleased with this enhanced coverage presented in this reader-friendly format.

The CAB also discussed potential articles for the coming months, including the credit crisis, strategies for dealing with residents who had foreclosed on their homes and repositioning communities.

The March issue of UNITS includes a technology supplement. The 48-page insert addresses news and products and services that are all-things related to technology. This supplement combined with the regular issue of UNITS represents the largest page count for a single issue in NAA history. She recognized the advertisers who helped make this happen.

The committee was also briefed on the positive progress UNITS has experienced with ad sales so far in 2008.

The top three winners of the Harvey Research Survey based on the September UNITS were announced during the Joint Board and Assembly Meeting. The survey represents free research for all advertisers. The results tell the advertisers if their ad is being recalled by readers. It allows our supplier partner's free market research. Top three advertisers were:
First Place Winner – Maytag Corporation
Second Place Winner – Rent.com
Third Place Winner – Apartments.com

2008 CONFERENCE COMMITTEE

Chair - Jerry Wilkinson
Wilkinson Real Estate Advisors
Co-Chair - Judy Bellack
Apartment Finder
Co-Chair - Jay Scott
Columbus Apartment Association

The 2008 Education Conference will be held on June 26-28, 2008 at the Gaylord Palms Resort & Convention Center in Orlando, Florida.

There are already 1,100 Full Conference Registrations for Orlando and the Conference Committee is working hard to market all of the excitement that attendees will experience at the largest national show in the multifamily housing industry.

2008 CAPITOL CONFERENCE SUMMARY

General Colin Powell is the Thursday Keynote speaker and for the Friday General Session, we have assembled an all-star panel of four CEO's from leading property management companies to share with attendees what keeps them up at night and what they see as the major industry issues of today:

Steven D. Bell, Chairman and CEO
Stephen D. Bell Company

Terry Danner, CEO
Consolidated American Services Group
Services

Keith Oden, President, COO, Trust Manager
Camden Property Trust

David P. Stockert, President and CEO
Post Properties

There are more than 50 education sessions broken up into nine different tracks – the best and most diverse education program ever for an NAA Education Conference.

And let's not forget the fun events. Judy Bellack and the NSC are working on putting together a fantastic NSC Sponsored Opening Party and we are working on a great Closing Gala, too.

NAA is partnering with Disney on discount park tickets and that information is available on the NAA Web site.

The NAAPAC Golf Tournament will be held on Tuesday, June 24 at Falcon's Fire Golf Club, located just two blocks from the Gaylord. Contact Irica Solomon about buying your foursome and purchasing your sponsorship at Irica@naahq.org

The education schedule, speakers and session descriptions are up on the NAA Web site. The registration brochure is being mailed this week!

Sponsorships

We currently have 20 metal sponsors.

Platinum Sponsors

Apartment Finder
Apartment Guide
AZUMA
AT&T
Coinmach
Comcast
CORT
For Rent Media Solutions
HD Supply
Intuit
Lowe's
Mac Gray
RealPage
Rent.com
Time Warner Cable
Verizon
Yardi

Gold Sponsor

Wilmar

Silver Sponsor

Resident Data

Bronze Sponsor

First Advantage SafeRent

Thank you to the Conference Committee, Sponsors, NSC, AE and Board members for all of their hard work and continued efforts in marketing the 2008 NAA Education Conference.

See you in Orlando!



2008 CAPITOL CONFERENCE SUMMARY

NAA EDUCATION INSTITUTE

President - Alex Jackiw
Buckingham Companies
Vice President - Mike McDougal
McDougal Companies
Secretary/Treasurer - Marc Rosenwasser
Meadow Wood Property Company

NAAEI Apartment Career Committee
Co-Chairmen
Tony Pusateri and Jeanne Lynch

NAAEI Curriculum Development Committee
Co-Chairmen
Rosemary Goss and Maitri Johnson

NAAEI Program Administration Committee
Co-Chairmen
Patrick McCloud and Judy Roettig

www.ApartmentCareerHQ.org has been launched to provide high school and college students with apartment career information.

NAAEI also has three brochures, Apartment Leasing, Maintenance and Management, that can be customized for a company or local association to use at Career Fairs. Contact juliebarden@naahq.org for more information.

NAAEI is piloting a program with four Washington DC area Job Corps Centers, and is also partnering with SkillsUSA to deliver Apartment Career information to 15,000 career and technical education classrooms and will exhibit and promote leasing and management careers at the DECA (student business marketing association) annual conference in Atlanta, Georgia April 27-28th.

NAAEI is on track with the rewrites of CAPS and CAMT. CAPS is scheduled to be delivered this Fall and CAMT by year end. The NALP rewrite will be launched after NAAEI completes its RFP process.

The NAAEI/IREM Fair Housing course will be pilot tested in Chicago on March 18. This course will be both classroom and electronically delivered. The classroom-delivered course will be available to NAA affiliates and IREM chapters in May. The electronically delivered course will be available in the Fall.

Due to many people registering for Advanced Instructor Training and cancelling at the last minute, effective immediately, NAAEI will charge a refundable \$250 deposit for Advanced Instructor Training registrations. This fee can be refunded if someone cancels more than thirty days in advance. After 30 days, the \$250 deposit is forfeited. This deposit will be returned upon the successful completion of the course.

The NAAEI Curriculum Development and Program Administration committees voted to decrease the direct-sale price of CAM from \$750 to \$550. The NAAEI Board will consider and vote on this motion over the next few weeks.

INDEPENDENT RENTAL OWNERS COMMITTEE

Chair - John Raper
Central Properties

There were several objectives that the IRO committee identified and voted on yesterday that will be the committee's primary focus for 2008.

The first item is to assist NAAEI in the redevelopment of the Rental Owners Course (ROC). A meeting was held with several members of the IROC and NAAEI to start the process of re-creating the current ROC. Thank you to those on the committee and others who participated in this very productive meeting. We should have an updated ROC by the end of the year.

2008 CAPITOL CONFERENCE SUMMARY

IROC will develop a DVD that will market to prospective IROs the benefits of joining the NAA Network. This tool will assist affiliates in increasing their IRO memberships on a local level.

We will assist the Communications Department in the creation of the 2008 IRO Resource Guide. Last year's publication received outstanding reviews from affiliates and members and we want to build upon that this year with an even better product.

The committee also addressed this year's PARAGON Award categories dedicated to IRO members and outlined the communication methods used to market the awards to the IRO membership. The IRO PARAGON awards have been marketed to both the membership and the affiliates and we are looking forward to an increase in the number of award entries.

LEGISLATIVE COMMITTEE

Chair - David Hirsch

ECI Group

Nation Issues Chair - John Pringle

E and S Ring Management Corporation

State & Local Issues Chair - Cindy Clare

Kettler Management

The Legislative Committee discussed two emerging issues:

- NJAA Sprinkler Retrofit Strategy: Presentation by Don Legow on how and the NJAA mobilized residents to combat the sprinkler retrofit issue in NJ.

- NFPA72 Code Discussion: Mark Ross discussed the NFPA72 code and the fire alarm retrofit provisions. Ron Nickson discussed the implication to the industry.

Federal Issues Covered:

Limited English Proficiency

Government Sponsored A (GSA) Reform

Stimulus Package/Housing Initiatives

LIHTC

Section 8 Funding

Clean Water Initiatives

Green Buildings

State & Local Issues Covered:

Immigration

Fire Sprinklers

State Budgets/Transportation

Green Buildings

Telecommunications

Future's Task Force presented two recommendations to the Legislative Committee. The Legislative Committee approved two recommendations presented by the Futures Task Force.

- To educate NAA members regarding the impact of the economy on our industry and to assist members in identifying the interconnectivity of these issues, the Legislative Committee recommends that the Board approve the following motion: Expend up to \$50,000 from the Industry Mobilization Fund to develop a "white paper" that addresses the impact of the economy on the multifamily housing industry. The research should address the subprime housing market, retrofit issues, energy, and other related issues.

- To continue addressing the Accessibility issue for the decision-makers in the multifamily industry, the Legislative Committee approved the following motion: Research the cost and feasibility of holding an Accessibility Conference with multiple tracks, held over several days that addresses this topic in a detailed manner for senior executives of multifamily properties.

NAAPAC

Chair - Mike McDougal

McDougal Companies

2007

NAAPAC raised \$219,734.00 in 2007

NAPAAC disbursed \$159,500 to candidates, Members of Congress and Political Party Committees in 2007

BGF raised \$105,630.00 in 2007

NAAPAC had \$230,319.34 at year's end.

2008 CAPITOL CONFERENCE SUMMARY

2008

NAAPAC has disbursed \$58,000 to Members of Congress and Political Party Committees.
NAAPAC has \$224,102.59 as of 2/29/08

2008 Goals for PAC Committee

PAC goal is \$250,000.
BGF Goal is \$150,000.

2008 Fundraising Efforts

PAC- \$33,338 to date with additional \$35,000 in pledges.
BGF \$50,000 to date with \$33,000 in pledges.
\$31,200 was raised at the Annual Reception Monday night at the Wax Museum.
Special thank you to AZUMA Leasing for the disposable cameras at the museum.

The Fair Share program is now called the Fund Our Future program.

Affiliates who have "Stepped Up" and reached their goal for Fund Our Future are the Apartment Associations of:

Greater Columbia
Greater Dallas
Greater Knoxville
Greater Memphis
Greater Philadelphia
Greater Wichita
Kansas City
North Alabama
Tarrant County
Panhandle
Bay Area
Birmingham
Capital City
Charleston
Chattanooga
Delaware
First Coast
Fort Collins
Greater Nashville
Houston
Indiana
Louisville
Lubbock
Mobile Bay
New Jersey
Piney Woods

Rhode Island

San Antonio

Springfield

Tri-City

Upper State

Brad Williams thanked the affiliates of Tennessee for being the first to meet their Future Goals.

NAAPAC Events

Diamonds PAC event was held at the reception before the Capitol Steps. The winners were:

Rubies - Mindy Price, Houston, Texas

Sapphires - Jana Ellis, Austin, TX

Diamonds - Dori Locke, Phoenix, AZ

Golf Challenge June 24, 2008: Being held at Falcon's Fire Golf Club in Orlando during the June Education Conference. Need volunteers to join the Golf Committee. Committee members help to get other sponsors for the tournament, players registered, items for the gift bags and prizes donated.

2008 Political Conventions. NAA has agreed to partner with the non-profit organization The Creative Coalition, to host VIP luncheons at both the Democrat and Republican Conventions. Our efforts within the partnership are targeted to raise visibility and brand awareness of NAA with Members of Congress, the Executive Branch, the media and other political influencers. The focus of the luncheons will be a national issue of concern as it relates to our industry- such as affordable housing. The luncheons will include the celebrity delegation from The Creative Coalition, membership of NAA*, Members of Congress key to our issues, and the media.

Democratic National Convention, Denver, CO Monday August 25th- Thursday August 28th. NAA Luncheon to be held on Tuesday, August 26th.

Republican National Convention, St. Paul, MN Monday September 1st-Thursday September 4th. NAA Luncheon to be held Tuesday, September 2nd.

2008 CAPITOL CONFERENCE SUMMARY

*NAA Membership is limited to 25 people per Convention. The criterion to attend is to raise or contribute \$5,000 total to the NAAPAC. All contributions must be received by July 1st.

LEASE ADVISORY COMMITTEE

Chair - Dave Watkins
Greystar

The National Lease Programs set sales records for the months of January and February 2008. NAA already has sold 285 site licenses in the first two months of the year. NAA also sold approximately 2.9 million clicks in the first two months and is on pace to sell 20,000,000 for the calendar year.

The National Lease is the most used residential lease in the country with over 10,000 properties on board. Every 4 seconds a new lease is printed.

LEADERSHIP LYCEUM

Chair - Susan Sherfield
Mercy Housing

At the Assembly of Delegates meeting in November, the Board approved scholarship funds for the Leadership Lyceum program. These funds are intended to assist members who would not otherwise be able to participate in the Lyceum program without financial assistance.

At its Capitol Conference meeting, the Lyceum Committee approved a Leadership Lyceum Scholarship Policy. This policy requires that scholarships be awarded to affiliates, not directly to scholarship recipients. It also establishes the application and award processes.

To ensure that the first scholarship recipients can start the program at the Education Conference in June, the committee set:

- April 15th as the deadline for submission of applications for scholarships;

- May 1st as the deadline to announce scholarship awards.

Eight Leadership Lyceum candidates graduated at the 2008 Capitol Conference.

The following graduates were recognized:

- Carol Bloom, Fair Collections & Outsourcing
- Michele Childers, Apartment Finder
- John Cullens, Apartment Careers
- Jana Ellis, Austin Apartment Association
- Gloria Froerer, Utah Apartment Association
- Virginia Love, Atlanta Apartment Assn.
- Steven Rowe, New York Region
- Dave Schwehm, Time Warner Cable

Owner/Manager members may enter the program through their local affiliate and NAA is currently accepting applications for the next session during the Education Conference to be held on Friday June 27, 2008.

For more information please contact Sandra Bowman at 703/518-6141 x253 or sandra@naahq.org.

MEMBERSHIP COMMITTEE

Chair - Jodi Bart
MEB Management Services
Member Relations Chair - Linda Page
Edwin B. Raskin Company
Member Services
Co-Chair - Gary Cherry
Cherry Investments
Co-Chair - Nena Gang
Bay Area Apartment Association

NAA has reached an all-time high for unit count. NAA's unit count stands at more than 6,316,192 and the member count stands at 50,583. Last year at this time, NAA represented 6.1 million units and 50,383 members.

The Membership Committee reviewed and approved the Membership Recruitment and Retention plan drafted by the Membership Department. We think it's an excellent plan that will assist our affiliates with their recruitment and retention efforts.

2008 CAPITOL CONFERENCE SUMMARY

The Member Relations sub committee reported on several new benefits and services that are now available to our members that include:

- A list serve for affiliate membership staff
- A new FAQ problem solver directory on the NAA Web site
- Affiliate connecting program
- New member logo and decal
- Industry Insider

The Member Services sub committee will be working with the Strategic Compliance Task Force to develop criteria for evaluating affinity programs and other products and services that we may consider offering our members.

The Membership Committee organized two task forces:

- Build A Membership Task Force – to work with staff to further enhance the Build a Membership Resource Area of the NAA Web site
- Membership Competition - to evaluate existing criteria and guidelines for a potential membership competition in 2009; and rework the verbiage to ensure the competition is a fair process for all affiliates to compete.

The Mississippi Apartment Association chartered with NAA last November with 25 members and 3,047 units. MAA now represents 60 members and 10,583 units. Jodi Bart thanked Nena Gang, Gary Cherry and Valerie Hairston for their tireless efforts to keep the state of Mississippi in the NAA Network.

The Georgia Apartment Association's annual conference will be held in Biloxi, MS, September 4-7. During their conference, GAA members will be working with an organization called Rebuild Mississippi to assist in rebuilding housing on the gulf coast. GAA conducts numerous outreach activities each year and I would like to commend them on their efforts to assist the state of Mississippi because the rebuilding from the Katrina aftermath must continue.

The Committee also discussed the cities for the focus in 2008 and beyond, which includes Madison, WI, Minneapolis, MN and New York City and obtaining major metro and submarket data to assist our existing affiliates with market penetration.

Staff is also working with national data providers to assist our existing affiliates with market penetration.

NATIONAL SUPPLIERS COUNCIL

Chair - Judy Bellack

Apartment

Judy Bellack thanked the 2008 Capitol Conference sponsors including:

AZUMA, Fair Collections & Outsourcing, For Rent Media Solutions, RentBureau, Wilmar, and Yardi.

The 2008 NSC members-at-large are: Terri Nicholson, Helene Tullo, Amy Holt, Theresa Lamar, and Dave Schwehm.

Dan DiPietro from BDMetrics gave a brief demonstration and description of SmartBooth. SmartBooth, powered by BD Metrics, is the technology that powers the search and recommendations engine and matches Exhibitors and Attendees. It's the engine that helps Exhibitors and Attendees better plan their show.

NOMINATING COMMITTEE

Chair - Dave Watkins

Greystar

Members of the 2008 Nominating Committee:

Chairman, Dave Watkins

Region 1 – Andy Drier

Region 2- Tom Beaton

Region 3- Diana Pittro

Region 4 – Linda Page

Region 5 – Becky Weaver

Region 6 – Marc Ross

Region 7 – Jay Olson

Region 8 – Rex Gambrell

Region 9 – Gary Cherry

Region 10 – Tom Scott

Members from each Region serve as Regional Vice Presidents.

2008 CAPITOL CONFERENCE SUMMARY

2008 Nominating Process Time Line

March 11 – Call for 2009 Nominations
May 12 – Nominations Due
June 25 - Nominees Announced
October 2 – Candidate Interviews
October 15 – Proposed Slate Announced to the Assembly of Delegates
November 15 - Election

PRIVATIZED MILITARY HOUSING TASK FORCE

Chair - Sam Merrick
Lincoln Military Housing

Privatized Military Housing continued to work on two issues that were carried over from 2007.

- The task force will be moving forward on development of a lease template for the Navy. The group agreed that the best course of action is to start with one service branch and follow one at a time with the others, instead of trying to roll all of them out at once.
- The second carry over item is a statement of privatized military housing supplies and services. Another draft was circulated and discussed. Prior to June, the task force will finalize the document in the hopes of having an opportunity to present it to the National Suppliers Council at the Education Conference.

The task force was pleased that as a result of its action, the 2008 NAA/NMHC legislative and regulatory priorities includes a section addressing privatized military housing.

The Task Force hosted 11 representatives from the four service branches to discuss issues such as: Davis-Bacon Wages, fair housing laws, occupancy management and marketing efforts.

The NAA Board Task Force passed a motion for the Task Force to become a NAA committee. Privatized military housing providers have unique needs that are not currently being met. Because the deals are structured in 50-year timeframes, the needs of this housing segment are not going away.

STUDENT HOUSING TASK FORCE

Co-Chair - Paul Dougan
University Furnishings
Co-Chair - Stephen Klee
The Medallion Group

The first Student Housing Conference was held in Dallas on February 19-20 with 513 full registration and 94 exhibits with 707 attendees. This surpassed budgeted figures of 250 registrations and 65 exhibits.

There were 5 sponsors for the conference including: Apartment Guide, Capture the Market, JPI Management Services, RealPage, and University Furnishings.

The 2009 Student Housing Conference will be held in Dallas again in February 2009.

The Task Force discussed:

- Student Housing version of the Income & Expense Survey
- Developing PARAGON Award categories for Student Housing communities at the 2009 conference
- Finalize the completion of a Student Housing lease

Co-Chairmen will:

- Finalize Task Force Members
- Host meeting to begin planning the 2009 Conference
- Develop a Trade Show Subcommittee
- Work to incorporate Student Housing sessions at 2009 June Conference

The Task Force will begin to work on the development of a public relations program to highlight the student housing industry

STRATEGIC COMPLIANCE TASK FORCE

Chair - Ron Shelton
Amalgamated Management Corporation

There are 2 working groups of the committee. **Product & Services Criteria Group.** This group was created as a result of NAA's meeting in Atlanta to create the process for

2008 CAPITOL CONFERENCE SUMMARY

development of national member services. Each region was asked to submit one member, the AEC submitted 2 members, the NSC submitted 2 members, and the Chairman of the Board appointed 2 members.

This group is composed of the following members:

Region 1 – Patrick McCloud

Region 2 – Bill Wollinger

Region 3 – Diana Pittro

Region 4 – Scott Wilkerson

Region 5 – Gary Wilson

Region 6 – George Allen

Region 7 – Jodi Bart

Region 8 – Mark Williams

Region 9 – Kathy Ratchford

Region 10 – Michael Goldfarb.

AEC appointees: Jay Scott and Kathy Vallie.

NSC appointees: Judy Bellack and Terry Slattery.

Chairman of the Board appointees:

Gary Cherry and Rick Snyder.

Strategic Plan Monitoring Group. This group consists of incoming leadership for NAA, NAAEI, AEC, NSC and the NAAPAC as well as those individuals from the development group who were members of the Strategic Planning Committee and attended the session last February.

This group is composed of the following Strategic Planning Committee members: Alex Jackiw, Diana Pittro, Terry Slattery, Rick Snyder, Bill Wollinger. Incoming leadership: Mike Gorman, Andrea Massey, Mike McDougal, Marc Rosenwasser, Paul Smith, and Jerry Wilkinson.

This group will review a tracking document for the plan bi-monthly by teleconference.

The committee reviewed established criteria for new product-service development from ASAE and from the Arizona Multihousing Association.

The committee agreed that a template for

NAA could be modeled after AMA's program with revisions. The committee discussed additions to create a final draft for further review.

Once the process has been developed it will be valuable for all affiliates in establishing guidelines for their own product development.

Conference calls will be conducted to review the draft prior to the conference in June.

STAFF UPDATES

NAA PRESIDENT

Doug Culkin

Welcome to Washington, D.C. and our Capitol Conference. This is an election year and we need you to join other NAA members on Capitol Hill as NAA advances the apartment industry's 2008 legislative priorities.

With record turnouts at the polls during primary season and many elections showing uncanny, tight results during this presidential election year, exercising the right to vote is critical. To help promote voting, the National Apartment Association (NAA) has created a Web site, www.ApartmentVotesCount.org, which informs citizens about elections and the election process. This site was created in conjunction with the U.S. Chamber of Commerce.

ApartmentVotesCount.org

www.ApartmentVotesCount.Org is your election resource containing information about the candidates, where they stand on the issues important to our industry, and a locator to help you find your polling place. Through www.apartmentvotescount.org you can register to vote, look up key votes in Congress and who sponsors legislation important to NAA, learn about candidates for state and federal races and even access absentee ballot requests for your city.

2008 CAPITOL CONFERENCE SUMMARY

NAA's Government Affairs Program and NAAPAC are core initiatives for the National Apartment Association.

Government Affairs staff provides the following member services:

- Monitors state and municipal activities in all 50 states -- any issues affecting the industry through a network of electronic legislative and news sources as well as contacts in many of the states;
- Monitors state legislatures where there are no NAA affiliates;
- Analyzes legislation/regulations (state and local);
- Writes talking points and/or testimony;
- Conducts research; Builds Coalitions; Monitors and organizes ballot initiatives;
- Active with national policymaking groups - those that set national policy or approve model laws affecting the industry;
- Staff will conduct strategic planning for your association's government relations program; consider this department an extension of your affiliate government affairs programs.

The Government Affairs staff also monitors the activities of more than 20 national policymaking and issue organizations. NAA's affiliations with groups, such as the National Conference of State Legislatures and the Council of State Governments, provide the apartment industry with access to most state decision-makers and enables NAA to be involved at the highest level of policymaking.

Campaign for Affordable Housing

The Campaign for Affordable Housing is a national, nonpolitical nonprofit organization dedicated to dispelling the negative stereotypes surrounding affordable housing. Supported by a wide range of industry leaders, The Campaign for Affordable Housing promotes the benefits of affordable housing and acts as a clearinghouse for local and regional organizations.

Council of State Governments (CSG)

As states take on more responsibilities, they are finding that it pays to share resources, strategies and ideas for doing all that needs to be done. One resource that states have counted on since 1933 is The Council of State Governments.

International City/County Management Association (ICMA)

Founded in 1914, ICMA (International City/County Management Association) is the premier local government leadership and management organization. Its mission is to create excellence in local governance by advocating and developing the professional management of local government worldwide.

International Code Council (ICC)

The International Code Council (ICC) was established in 1994 as a nonprofit organization dedicated to developing a single set of comprehensive and coordinated national model construction codes. The founders of the ICC are Building Officials and Code Administrators International, Inc. (BOCA), International Conference of Building Officials (ICBO), and Southern Building Code Congress International, Inc. (SBCCI).

Multifamily Information and Transactions Standards (MITS)

MITS was founded in 2002 to address the need for a single set of multifamily housing industry data standards. Through a collaborative, volunteer process, MITS creates universal, open data standards and extensible mark-up language (XML) architecture to enhance and support the development of systems solutions for the apartment industry.

National Association of Business Political Action Committees (NABPAC)

The National Association of Business Political Action Committees (NABPAC) was founded

2008 CAPITOL CONFERENCE SUMMARY

in 1977 and is dedicated to promoting, defending and professionalizing PACs and political action professionals. NABPAC is not a PAC, and does not contribute to candidates - it is a trade association for corporations and business associations. NABPACs goal is to protect the rights of millions of Americans who participate in democracy through voluntary contributions to a PAC.

National Conference of State Legislatures (NCSL)

The National Conference of State Legislatures was founded in 1975 with the conviction that legislative service is one of democracy's worthiest pursuits. NCSL is a bipartisan organization that serves the legislators and staffs of the nation's 50 states, its commonwealths and territories.

National Fire Protection Association (NFPA)

The mission of the international nonprofit NFPA is to reduce the worldwide burden of fire and other hazards on the quality of life by providing and advocating consensus codes and standards, research, training, and education. Established in 1896, NFPA serves as the world's leading advocate of fire prevention and is an authoritative source on public safety.

National Impact Fee Roundtable (NIFR)

The purpose of NIFR is to advance the theory and practice of impact fees and public infrastructure finance. We encourage the exchange of ideas, information, and expertise between and among NIFR members and the general public, and educate and guide new impact fee and public finance practitioners, the general public, and other stakeholders.

National League of Cities (NLC)

The National League of Cities is the oldest and largest national organization representing municipal governments throughout

the United States. Its mission is to strengthen and promote cities as centers of opportunity, leadership, and governance.

Public Affairs Council (PAC)

Launched in 1954 at the urging of President Dwight D. Eisenhower, the Public Affairs Council has a longstanding reputation for anticipating public affairs professionals' needs. It provides unique information, training and other resources to its members to support their effective participation in government, community and public relations activities at all levels.

Real Estate Information Sharing and Analysis Center (ISAC)

SHARING INFORMATION TO COUNTER TERRORISM AND PROTECT PEOPLE AND PROPERTY

Since the World Trade Center attacks in September 2001, high-profile office properties, apartment buildings, shopping malls and hotels all have been identified as potential terrorist targets at one time or another. In response, industry organizations have worked with government officials to prevent, detect and respond to terrorist threats and malicious incidents.

The Real Estate Information Sharing and Analysis Center, a not-for-profit organized by The Real Estate Roundtable, represents both a coordinated and an elevated response to these issues. The Real Estate ISAC is a public-private partnership between the U.S. real estate industry and federal homeland security officials.

Real Estate Roundtable (RER)

The Real Estate Roundtable is comprised of senior principals from America's top public and privately owned real estate entities that span every segment of the commercial real estate industry. These leaders of the nation's top public and privately-held real estate ownership, development, lending and management firms join with the leaders of 16 national real estate

2008 CAPITOL CONFERENCE SUMMARY

trade associations to jointly address key national policy issues relating to real estate and the overall economy.

State Government Affairs Council (SGAC)

The State Government Affairs Council (SGAC) is the premier national association for multi-state government affairs professionals, providing opportunities for networking and professional development. SGAC's key strategies are to: conduct educational activities that benefit members of the Council, legislative and public policy organizations and their members; strengthen interaction and understanding between and among SGAC members and state government officials; and champion professional and ethical standards in government relations.

Urban Land Institute (ULI)

The Urban Land Institute is a 501(c) (3) non-profit research and education organization supported by its members to provide leadership in the responsible use of land and in creating and sustaining thriving communities worldwide. Founded in 1936, the institute now has more than 40,000 members worldwide representing the entire spectrum of land use and real estate development disciplines, working in private enterprise and public service.

U.S. Chamber of Commerce

The U.S. Chamber of Commerce is the world's largest business federation representing more than 3 million businesses of all sizes, sectors, and regions. It includes hundreds of associations, thousands of local chambers, and more than 100 American Chambers of Commerce in 91 countries. Whether you own a business, represent one, lead a corporate office, or manage an association, the Chamber of Commerce of the United States of America® provides you with a voice of experience and influence in Washington, D.C., and around the globe. Our core mission is to fight for business and free enterprise before Congress, the White House, regulatory agencies, the courts, the court of public opinion, and governments around the world.

Washington Area State Relations Group (WASRG)

Founded over 26 years ago, WASRG in year 2008 serves both a vital and critical function for the state government affairs professional. The raison d'être of WASRG is to provide educational and networking opportunities for busy professionals who work in the state government affairs arena as lobbyists, association staff, government affairs executives, government officials and vendor/services representatives.

STANDING COALITIONS

National Real Estate Organizations (NREO)

The National Real Estate Organizations (NREO) is an industry-wide issues coalition of 15 national real estate related associations. Collectively, NREO represents more than two million professionals who own, build, manage, finance and appraise commercial and residential real property. As a member of NREO, the National Apartment Association participates in suggesting national policies and initiatives, sharing ideas and speaking with a common voice on behalf of the real estate industry.

Real Access Alliance (RAA)

The Real Access Alliance was formed to encourage free market competition among telecommunications companies in providing quality telecom services to tenants in commercial and residential buildings and to safeguard the constitutional private property rights of America's real estate owners. The Alliance represents the interests of approximately 1 million members among 11 trade associations who support unrestricted, free market opportunities to negotiate with telecommunications providers for safe, dependable services in buildings on behalf of their tenants.

2008 CAPITOL CONFERENCE SUMMARY

Real Estate Advocacy Group for States (REAGS)

REAGS is a coalition of real estate and professional trade associations that have an interest in government relations at the state level. REAGS is the resource for information for state and local policymakers about the real estate industry. It provides education, information and support on legislative matters. America's real estate industry generates more than 20 percent of the Gross Domestic Product, employs over 9 million people and produces nearly two-thirds of the taxes raised by local governments for essential public services.

The coalition includes:

Building Owners and Managers Association (BOMA)

International Council of Shopping Centers (ICSC)

Mortgage Bankers Association (MBA)

National Apartment Association (NAA)

National Association of Home Builders (NAHB)

National Association of Industrial and Office Properties (NAIOP)

National Association of REALTORS (NAR)

National Multi Housing Council (NMHC)

The Building Owners and Managers Association (BOMA) International was founded in 1907 and is an international federation of more than 90 local associations and affiliated organizations. BOMA's 19,000-plus members own or manage more than 9 billion square feet of commercial properties in North America and abroad. The mission of BOMA International is to enhance the human, intellectual and physical assets of the commercial real estate industry through advocacy, education, research, standards and information.

The International Council of Shopping Centers (ICSC) founded in 1957, is the global trade association of the shopping center industry. Its more than 55,000 members in the U.S., Canada, and more than 80 other countries represent owners, developers, retailers, lenders, academics and public officials.

Members represent almost all of the 46,990 shopping centers in the United States. In 2004 alone, shopping-center-inclined retail accounted for \$2.1 trillion in sales and produced \$115 billion in sales tax revenue.

The Mortgage Bankers Association (MBA)

is the national association representing the real estate finance industry, an industry that employs more than 500,000 people in virtually every community in the country. Headquartered in Washington, D.C., the association works to ensure the continued strength of the nation's residential and commercial real estate markets; to expand homeownership and extend access to affordable housing to all Americans. MBA promotes fair and ethical lending practices and fosters professional excellence among real estate finance employees through a wide range of educational programs and a variety of publications. Its membership of more than 3,000 companies includes all elements of real estate finance: mortgage companies, mortgage brokers, commercial banks, thrifts, Wall Street conduits, life insurance companies and others in the mortgage lending field.

The National Apartment Association (NAA)

, based in Arlington, Va., is America's leading advocate for quality rental housing. NAA is a federation representing nearly 200 state and local affiliated associations with more than 51,000 members responsible for more than 6.3 million apartment homes nationwide. Since its inception in 1939, NAA has become the largest broad-based organization dedicated solely to rental housing. NAA members include apartment owners, management executives, developers, builders, investors, property managers, leasing consultants, maintenance personnel, suppliers and related business professionals throughout the United States and Canada.

The National Association of Home Builders (NAHB)

is a Washington-based trade association representing more than 225,000 members involved in home building,

2008 CAPITOL CONFERENCE SUMMARY

remodeling, multifamily construction, property management, subcontracting, design, housing finance, building product manufacturing and other aspects of residential and light commercial construction. Known as the "voice of the housing industry," NAHB is affiliated with more than 800 state and local home builders associations around the country.

The National Association of Industrial and Office Properties (NAIOP) is the nation's leading trade association for developers, owners, investors and other professionals in industrial, office and mixed-use real estate, comprising 13,500+ members in an extensive network of 52 chapters throughout the United States and Canada. NAIOP chapters create opportunities for local and regional networking, business development and public affairs involvement. Nationally, NAIOP provides networking and business opportunities; a forum for continuing education; and promotes effective public policy, through its grassroots network, to create, protect and enhance property values.

The National Association of REALTORS® (NAR), is America's largest trade association, representing 1,700 state and local associations and more than 1.2 million members involved in all aspects of the residential and commercial real estate industries. NAR membership includes brokers, salespeople, property managers, appraisers, auctioneers, and counselors. Approximately 6.6 million Americans work in the real estate industry, which makes up 12 percent of the gross domestic product and contributes more than \$1 trillion to the U.S. economy annually. REALTORS® work hard every day to help families and individuals achieve the American dream of home ownership and to help businesses maximize their retail, office, and industrial properties.

The National Multi Housing Council (NMHC) is a Washington-based national association representing the interests of the larger and most prominent apartment firms in the U.S. NMHC's members are the principal officers of firms engaged in all aspects of the apartment industry, including ownership, development, management, and financing. NMHC advocates on behalf of rental housing, conducts apartment-related research, encourages the exchange of strategic business information, and promotes the desirability of apartment living. Nearly one-third of Americans rent their housing, and almost 15 percent live in an apartment.

STATE AND LOCAL UPDATE

Mark Ingrao

The NAA Government Affairs staff anticipates a busy year for state and local legislative initiatives in 2008. With the Presidential and Congressional elections coming this November, Congress will be less likely to debate controversial issues, leaving states and localities with plenty of opportunity to make their voices heard on issues that are not being resolved to their satisfaction. Though this is the second year of most states' two-year sessions, and is generally a slower and shorter session, it is anticipated that because of Congress' inaction on such issues as immigration and healthcare funding, that states will remain legislatively active. Early estimates are that the 44 states that will be in session will introduce nearly 97,500 pieces of legislation, in addition to the bills that carried over from 2007.

2008 Issues

Immigration – As Congress is not likely to address immigration in a meaningful way during this 2008 election year, expect to see more states and localities enact laws in an attempt to address the immigration issues they are facing. NAA first identified this issue in early 2006 when activists in San Bernardino,

2008 CAPITOL CONFERENCE SUMMARY

Calif., attempted to place a question before the voters on whether it should be illegal to rent to undocumented immigrants. Since then, other municipalities have gone on to adopt or consider similar ordinances and the issue has grown even further to include harsh penalties – including revocation of business licenses or heavy fines – for those that employ illegal immigrants. During 2007, state legislatures plunged headfirst into this arena, passing a patchwork of laws to address perceived problems related to immigrants and often creating conflicting situations for business owners operating in multiple states. For example, Arizona passed a law effective Jan. 1 that requires all employers in the state to use the federal E-Verify program, while Illinois passed a law to prohibit employers from enrolling in any employment eligibility verification system created by the federal government, including E-Verify, until the error rate is corrected and the turn-around time is improved. Additionally, California passed legislation to prohibit multifamily property owners/managers from asking residents about their immigration status. While the multi-housing community has cheered this legislation, local officials from around the country wishing to enact legislation to require multifamily property owners/managers to ask for residents' immigration status were disappointed by California's decision. This is likely to be one of the hottest state and local issues addressed in 2008.

As noted, 2008 has been an active year for the immigration issue, with debate raging in legislatures across the country. Arizona is currently working on two different bills, one to create a guest-worker program and another targeted toward day laborers and making it harder for them to solicit work. The guest-worker program would be a pilot program pulling workers only from Mexico and allowing them to travel between Mexico and Arizona. That legislation would need approval from the U.S. Congress, if passed by the state, so a resolution asking Congress to grant Ari-

zona the authority has also been introduced. Rhode Island has introduced legislation modeled after Oklahoma's law, including a provision stating that the definition of harboring includes renting or leasing a dwelling or business unit to an illegal alien, knowingly or in reckless disregard of the person's illegal presence. Utah's legislature has had lively and active debate on the issue, but has been much more open to the concerns of its business community and religious leaders. The Utah Apartment Association was successful in getting harboring language amended to raise the threshold for violating the law. The bill now reads, "It is unlawful for a person to: ... (b) knowingly, with the intent to violate federal immigration law, conceal, harbor or shelter from detection an alien in a place within this state, including a building or means of transportation for commercial advantage or private financial gain..." The Commonwealth of Virginia has a study commission created by Gov. Tim Kaine (D), examining what actions, if any, the state should take in controlling illegal immigration within its borders.

In county action, Prince William County, Va., has continued to move forward with its law increasing law enforcement directed at illegal immigrants. The county executive and county board of supervisors believe so strongly in moving forward, that it unanimously approved a transfer of \$800,000 in reserve funds to pay for the program through the budget year end of June 30. Moving that large sum of money leaves the county with approximately \$3,000 in its reserve account through the end of the budget year. The money will be spent to allow county policy officers to check the citizenship status of anyone suspected of breaking the law, without regard to the severity of the crime.

Fire Sprinklers – In response to the recently resurgent, and well funded, efforts of the United Association of Plumbers and Pipefitters Union and sprinkler system manufacturers to persuade state and local government agencies to mandate sprinkler system retrofits in apartment

2008 CAPITOL CONFERENCE SUMMARY

communities, NAA has been active in conducting nation wide research and developing a national strategy to educate government officials of the true economic costs of these projects. In 2007, NAA witnessed the Pipefitters' Union press for a statewide sprinkler retrofit regulation in New Jersey. The Union is also currently supporting sprinkler retrofit legislation that has been introduced in South Carolina and Virginia. As the Union has experienced a decline in jobs due to the economic slowdown caused by the housing market slump, NAA anticipates the Union will continue to push its retrofit agenda wherever and whenever it senses the opportunity to do so, as it knows government mandated sprinkler retrofitting will result in more jobs and clear economic gain for its members.

In South Carolina the latest version of the state's plan to get fire sprinklers in more homes and businesses offers an 80 percent property tax credit for voluntary installation and allows local governments to impose their own regulations. The bill now shifts the incentives from tax credits that would impact state coffers to credits for property taxes, which are paid to local governments. This bill has been passed out of subcommittee and now will be reviewed by the Senate Labor, Commerce and Industry Committee in early March. After consideration of the full committee, the bill would go to the Senate for a vote. Also in the mix is a House-approved plan that gives tax credits worth 80 percent of the cost, up to \$50,000, for homes and businesses to purchase and install fire sprinklers. Purchasing the systems also would be free of sales tax. House and Senate members likely will have to negotiate the final legislation. Earlier proposals had called for a statewide mandate on sprinklers in commercial buildings but due to lack of support, the Senate subcommittee decided it was better to allow local governments to impose stricter regulations if they choose.

In Virginia, SB 363 which called for mandatory sprinkler retrofitting was referred to the

Senate Committee on General Laws and Technology. The bill originally failed for lack of a motion, but at the last minute was resurrected and carried over to the 2009 session at the request of its sponsor. HB 333 has been tabled in

House General Laws at the sponsor's request. Delegate Jennifer McClellan (D- 71), who sponsored the bill, intends to reintroduce an amended version of the bill next year that would apply the retrofit requirements only to senior and assisted living buildings, similar to what was introduced in 2006.

Green Building – The issue of climate change has taken hold of the American community, leading to many municipalities trying to “out green” one another, especially when it comes to new construction. The U.S. Environmental Protection Agency has determined that carbon dioxide is a pollutant and states appear to be taking the authority to regulate this pollutant. Portland, Chicago, Seattle, San Francisco, Austin, Boulder and New York all have either started implementing legislation forcing developers to adhere to stricter environmental building guidelines, have proposed new guidelines or created “carbon taxes.” Portland is considering a “carbon tax” on new buildings that cannot meet a 45 percent increase in energy efficiency over the current code and that all buildings have an energy efficiency inspection. Boulder taxed electricity in 2006 and called it the first “carbon tax” in the nation. New York Mayor Michael Bloomberg has called for a national “carbon tax.” Chicago has mandated stricter environmental requirement in all city buildings. San Francisco Mayor Gavin Newsom has introduced legislation that would require all future renovations and new construction of residential and commercial buildings to meet more rigid environmental guidelines developed by the U.S. Green Building Council.

The U.S. Green Building Council and its rating system, Leadership in Energy and Environmental Design (LEED), have captured most of the media attention focused on green

2008 CAPITOL CONFERENCE SUMMARY

building, but the rating system is primarily for commercial buildings. NAA/NMHC has been participating in the development of a National Green Building Standard (NGBS) approved by the American National Standards Institute (ANSI). Unlike LEED, the ANSI NGBS includes provisions specifically addressing green building issues for apartments and will work with existing building codes. This program will be launched in early 2008.

Seattle proposed that all municipal buildings being renovated or newly constructed must meet the LEED Gold certification.

San Francisco Mayor Gavin Newsom announced that San Francisco will apply environmentally sustainable development principles to all of the city's new affordable housing developments. With this announcement, San Francisco becomes the first city in the country to adopt green construction standards for housing targeted to low-income residents. Newsom has also introduced legislation to require all government and private future renovations and new construction of residential and commercial buildings to meet more rigid environmental guidelines developed by the U.S. Green Building Council. If passed, the ordinance would be the most far-reaching in the U.S.

State Budgets/Taxes – In 2007 the housing market slump impacted general revenue streams in 24 states, prompting 18 state budget offices to announce that they will experience budgetary deficits in 2008. This triples the number of states that had similar concerns last year. When combining this with what have become annual budgetary shortfalls in such vital areas as transportation projects, education and Medicare, NAA is predicting a gloomy financial situation in most states. While lawmakers traditionally do not like to raise taxes – as it is politically unpopular – it is unlikely that this fiscal situation can be resolved without some form of tax increase or restructuring. As home values climbed

during the housing market boom, state and local governments leaned more on property taxes to compensate for other revenue shortcomings. However, as some areas now are experiencing cooling economies, in particular in the real estate market, high property tax bills combined with artificially high property tax assessments have caused voters to pressure legislative leaders to enact tax reform. As a result, in 2007, five states cut their property tax rates and 21 others provided some relief from higher bills, such as “homestead exemptions.” NAA has seen this trend in property tax relief for single-family homes continuing in 2008; however, this lost revenue will need to be replaced through other revenue streams. States and localities may choose to follow the examples of Ohio, Michigan and others who have increased or implemented new sales taxes, in particular on previously untaxed services such as rent. In perhaps the most extreme example of this type of “tax swapping,” a bill has been introduced in the Georgia legislature which would eliminate most property taxes and replace them with a state-wide 7 percent sales tax on virtually all services. States considering sales taxes on services are divided as to whether or not the business of renting housing is a service that should be taxed. Homestead exemptions and taxes on the practice of renting homes unfairly shift more of the tax burden to renters, treating them disparately compared to their home-owning counterparts.

In addition to the problems caused by the housing bust, states are also trying to find funding sources for infrastructure and transportation costs. Local governments could be looking for more taxing authority from the state governments to pay for things like rehabilitation of roads and increased numbers of bridge inspections. Additionally, states will continue looking at opportunities for more public-private partnerships to pay for infrastructure, a trend identified by NAA last year.

2008 CAPITOL CONFERENCE SUMMARY

The Financial Times reports that a “collapse in confidence in a \$330 billion corner of the debt market has left U.S. municipalities and student loan providers facing spiraling interest rate costs.” The Times goes on to report that the affected market is for “auction-rate securities,” and the problem is caused by “worries that bond insurers guaranteeing much of this debt could face credit rating downgrades.” This economic crisis is the latest result of the collapse of the subprime mortgage sector last fall and its aftershocks in the market. As previously reported by NAA, the collapse of the subprime mortgage sector and the resulting housing market slump has had a deep impact on the general revenue streams of many state and local governments. This concern has caused bond-rating agencies to start questioning whether the municipal and/or state bond insurers deserved the highest credit rating distinction of AAA. The result, as the Times points out, is that the “sudden slump” has increased interest rates “as high as 20 percent for entities from the Port Authority of New York and New Jersey to a hospital.” The result is that “municipal borrowers are scrambling to seek letters of credit from banks and other fresh sources of finance.”

NAA will continue to track this important trend as it is another complicating factor for state and local governments seeking revenue to pay for priority programs such as Medicaid and transportation infrastructure. As always, if state and local budget concerns worsen, these governments may turn to increasing current or implementing new taxes to make up for their monetary shortfalls.

Telecommunications – In October 2007, the Federal Communications Commission (FCC) retroactively banned contract clauses that grant most cable service providers an exclusive right to provide video services in an apartment community property. The FCC initiated this action in response to claims by several large telecommunications companies, which have begun to offer video services to

residents of apartment communities, that exclusive access agreements improperly interfere with market competition and consumer choice. Emboldened by this FCC action NAA believes these telecom companies will begin a new legislative push at the state and local government level to remove what they perceive as additional barriers to market competition. First on this agenda will be local cable franchising ordinances that often only allow one video service provider to operate within a jurisdiction in exchange for build-out and other concessions from the chosen provider. As a means around such local restrictions telecom companies have sponsored state level legislation, such as in Tennessee and Illinois, that would move cable franchising authority from local governments and replace it with statewide franchising licenses that would allow the service provider to operate anywhere in the state. If successful on the franchising front the next step could be a push for state mandatory access laws. Mandatory access laws, which are in effect in 18 states and Washington, D.C., require an apartment owner to grant a right of entry to a service provider that wants to offer its product to residents.

NAA and NMHC have jointly filed a lawsuit challenging the authority of the FCC in this matter.

Other issues that NAA will be watching for state and local activity include: domestic violence, smoke-free housing, accessibility, drought, source of income protections, transgender treatment and municipal inspections.

NAAEI EXECUTIVE VICE PRESIDENT **Maureen Lambe**

ApartmentCareerHQ.org

Officially Launches

NAAEI is pleased to announce the official launch of www.ApartmentCareerHQ.org, the career-oriented website for high school and

2008 CAPITOL CONFERENCE SUMMARY

college students. This site offers Apartment Career resources for those interested in pursuing careers in the apartment industry and features Apartment Management, Maintenance and Leasing career paths.

NAAEI Brochures

NAAEI has just completed three new career track brochures on Apartment Management, Leasing and Maintenance. The four-page colorful brochures give a brief overview of each career track, special career benefits unique to the apartment industry and testimonials from real apartment professionals. The back cover of each brochure features a detailed career track with sample salaries. Downloadable copies of the brochures may be found here: www.ApartmentCareerHQ.org. You may click on each career track to download the brochures. To request brochures, contact Julie Barden at 703/518-6141, ext. 691 or juliebarden@naahq.org.

U.S. Dept. of Labor Features Apartment Career Videos on the Web

NAAEI is pleased to announce that all four of its Apartment Career videos are now featured on the U.S. Department of Labor's website, Career Voyages, a site dedicated to providing career information to high school and college students. This is a milestone for NAAEI, as it is a very selective process to be listed on the DOL career site. In addition to showing the full-length original video, DOL has also posted the three shorter career track videos, Apartment Management, Leasing and Maintenance. Go to Career Voyages, www.careervoyages.gov/careervideos-main.cfm and scroll to the bottom of the page to view the videos.

Job Corps Update

On January 23, NAAEI met with the National Job Corps Association and representatives from four DC-based Job Corps Centers at NAA Headquarters. NAA member company representatives from Equity Residential, Southern Management, and Archstone also attended. Over the next six months, students

from four Job Corps Centers will be introduced to Apartment Leasing and Maintenance careers and those interested in pursuing an apartment career will participate in work-based learning at NAA member company communities. These work-based learning opportunities are stepping stones to full-time employment in the apartment industry.

On February 13, Equity Residential hosted over a dozen members of the Potomac Job Corps faculty and students at their Carlyle Mills community in Alexandria, Va. At the end of this orientation, faculty and students agreed that the apartment industry's career paths and the opportunity for career growth will be very attractive to qualified Job Corps students.

This orientation is the first step in insuring that Apartment Careers will be promoted by Job Corps faculty to new Job Corps students before students decide which career training opportunity they will pursue.

On February 25, NAAEI staff made a presentation to Job Corps Center operators at their national meeting in Washington, DC. Job Corps leaders viewed the Apartment Career video and learned about the Washington DC Pilot Program.

CAM Community Analysis Samples Now Online

NAAEI has posted an example of a new CAM Community Analysis online, segmented by section. Go to www.naahq.org/Designates/designates.htm to view the samples.

Advanced Instructor Training Seats Available

There are seats available for the April 16-18, 2008 Advanced Instructor Training to be held in Chicago. This training is designed to improve the adult learning facilitation skills of those who teach NAAEI designation courses. This three-day training normally costs up to \$5,000. Qualified instructors can participate free. If interested in attending,

2008 CAPITOL CONFERENCE SUMMARY

please contact Elizabeth Maddox at 703/518-6141, x122 or elizabeth@naahq.org.

2008 Advanced Instructor Training Schedule

NAAEI is pleased to announce the dates for 2008 Advanced Instructor Training Programs:

Chicago, Illinois

Dates: April 16-18, 2008

Host Affiliate/training center: Chicagoland Apartment Association

Lansing, Michigan

Dates: May 6-8, 2008

Host Affiliate/training center: Property Management Association of West Michigan

Houston, Texas

Dates: June 2-4, 2008

Host Affiliate/training center: Houston Apartment Association

New England

Dates: July 23 -25, 2008

Training center: Johnson & Wales Inn, Seekonk, Mass.

Atlanta, Georgia

Dates: August 6-8, 2008

Host Affiliate/training center: Atlanta Apartment Association

Charlotte, North Carolina

Dates: September 15-17, 2008

Host Affiliate/training center: Greater Charlotte Apartment Association

Phoenix, Arizona

Dates: October 27-29, 2008

Host Affiliate/training center: Arizona Multihousing Association

2008 NAA Education Conference & Exposition Education Schedule Announced

NAAEI staff has been busy working with Alex Jackiw and Lynn Klug developing the program for the 2008 NAA Education Conference.

Visit the NAA Meetings page at www.naahq.org/meetings/ for the complete schedule.

Renew Your Designation Online

Now, NAAEI designates may renew their designation by paying their dues online. Direct

designates to the Designate Forms page, www.naahq.org/Designates/designateform.htm, to pay 2008 renewal dues. Click on the link to pay and a pop-up window will appear to take payment information. This page will also serve as an information source for electronic forms, including the 2008 designation renewal requirements.

Online Student Enrollment Instruction Sheet

Are you getting questions about online enrollment from confused students? NAAEI still finds many candidates linking themselves to the wrong NAA Affiliate. NAAEI has developed a one-page sheet of instructions for you to print out and distribute to your students here. You can also refer to the Online Student Enrollment PowerPoint as a tutorial. Don't forget: students must be enrolled in a course to take an exam. Contact La'Kisha Harrison-Chambers at 703/518-6141, ext. 108 or lakisha@naahq.org for more details.

Management, Leasing and Maintenance Career Videos Now Online

The newest release from NAAEI, three career-specific videos available for Web streaming on your website. Go to the Affiliates Only (marketing collateral) portion of the website to see the videos and feature them on your website today! Contact Julie Barden with questions. You can also view the videos by going to: www.naahq.org/education/videos.htm.

Designation Ads Available

NAAEI has developed marketing tools for NAA affiliates to use with members. Ads for each designation have been developed and are available to affiliates on the Designation Headquarters page, www.naahq.org/education/DesignationHeadquarters.htm.

Affiliates can customize ads with their logo and address. The Apartment Association of Greater Orlando recently customized ads for their magazine, with plans to feature their sponsors on the ads as well. To customize these ads, contact Julie Barden.