



CAPITOL CONFERENCE

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NATIONAL APARTMENT ASSOCIATION

SUMMARY

MARCH 2011

NAA CAPITOL CONFERENCE

March 13-16, 2011

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

Budget & Finance Committee

- Accepted the 2010 Audit.

2010 Distribution of Funds

- Approve that \$911,543 of 2010 Net Income in addition to \$144,249 in undesignated unrestricted reserves be transferred as follows:

- Industry Mobilization Fund - \$305,792 (Increases the target fund amount from \$750,000 to \$1,000,000)
- Strategic Growth Fund - \$250,000

(Approved by the Board of Directors at the Sept 2010 board meeting)

- State/Local Fund - \$500,000 (New reserve fund recommended by Executive Committee to support affiliates. Consequently, a Task Force will be convened to consist of Budget and Finance and Legislative Committee members to determine specific criteria for the new policy and requirements for distribution of funds. No funds will be distributed until the Task Force recommendation is accepted by Budget and Finance Committee and approved by Board of Directors.)

- Undesignated Unrestricted Net Assets – decrease by \$144,249
- Total to be Allocated - \$1,055,792

- The above Motion was amended and approved to include distributing \$681,000 to the Emergency Fund to increase this reserve balance to \$4,681,000 which is the target fund level of 35% of total expenses for the previous fiscal year per the Reserve Fund Policy.

- Approved Additional Funding in 2011 for: Capital Budget

- \$11,800 – iBridge software for data transmission with NAA database and LMS/Lease
 - \$5,431 – Deferred income module for NAA database as part of Delcor recommendation
- Total Capital Budget - \$17,231

Operating Budget

- \$10,000 – Certified Apartment Supplier (CAS) project which is part of 2011 Strategic Plan (EI and NAA both thought the other had budgeted)
- \$16,500 – An unbudgeted expense of \$30,000 was approved for the Ethics Counsel in 2010 based upon the recommendation of the Government Affairs Task Force.

Only \$13,500 of the work was completed and expended in 2010. It was assumed all work would be completed in 2010 so was not budgeted in 2011.

- \$2,585 – Depreciation expense related to Capital Budget
- Total Operating Budget - \$29,085

- Approved and recognized that the PAC Board of Trustees would exceed the 2011 budget due to the need for additional funds for the PAC Business Exchange.

Membership Committee

- Revoked the charter application for the Southern Nevada Multihousing Association.

- Approved the charter application for the Nevada State Apartment Association representing 292 members representing 46,441 units.

- Expanded the River Region Apartment Association's territory to include the counties of Montgomery, Autauga, Elmore, Macon, Lee and Pike.

- Expanded the Central Virginia Apartment Association's territory to include Fredericksburg City, Culpeper County, Spotsylvania County, Stafford County, King George County and Caroline County.

National Suppliers Council

- Approved the following company in to the NSC:
●Nu-Recycling Technology, Inc. - Naperville, IL
(Waste Disposal & Control)

NAA Education Institute

- Approved new NAAEI Board Members

- NSC Chairman - Theresa Lamar - through 2011
- NAHMA President - Scott Reithel - through 2011
- Region 1 - Jessica Scully - through 2012
- Region 3 - Clio Addington Barker - through 2012
- Region 5 - Jeremy Lawson - through 2012
- Region 7 - Jodi Sheahan - through 2012
- Region 8 - Pat Hutchison - through 2011
- George Allen - through 2012
- Julie Blaikie - through 2011
- Adam Skolnick - through 2012
- Ron Shelton - through 2011
- Lynne Sullivan - through 2012

2011 NAA OFFICERS

Chairman

Mike Gorman

Chairman-Elect

Jerry Wilkinson

Vice Chairman

Alexandra Jackiw

Treasurer

Brad Williams

Secretary

Tom Beaton

Past Chairman

Marc Rosenwasser

REGIONAL

VICE PRESIDENTS

Region I

DC-DE-MD-PA-VA-WV

Cindy Clare

Jessica Scully

Kevin Wolfgang

Region II CT-MA-ME

NH-NJ-NY-RI-VT

Mike Beirne

Bill Wollinger

Region III

IL-IN-MI-MN-OH-WI

Diana Pittro

Dennis Funkhouser

Don Brunner

Region IV

GA-KY-NC-SC-TN

Linda Page

Scott Wilkerson

David Hirsch

Mike Holmes

Region V

IA-KS-MO-NE-OK

Gary Wilson

Christine Lee

Region VI

AR-NM-TX

Marc Ross

Jeff Lowry

Gary Blumberg

Robert Tinning

Region VII

AK-AZ -ID-NV-OR-WA

Mike Clow

Bret Holmes

Region VIII

CO-MT-ND-SD-UT-WY

Rex Gambrell

Gloria Froerer

Region IX

AL-FL-LA-MS

Kathy Ratchford

Susan Truesdale

Ellen Maxime

Region X

CA-HI

Rick Snyder

Malcolm Bennett

2011 CAPITOL CONFERENCE SUMMARY

2011 NAA Capitol Conference Talking Points on Key Issues to Members of Congress

Housing Finance Reform

- Given the growing demand for rental housing and our success record, some form of ongoing government credit support for the industry is warranted.
- We are asking Congress to retain a federal guarantee—at all times, not just in emergencies—for multifamily mortgages in the new housing finance system.
- We are prepared to pay for the guarantee to protect taxpayers from any losses and to make sure that this federally-backed system doesn't crowd out private debt capital.

Balanced Housing

- Lawmakers should establish policies that create balanced incentives for individuals to choose housing that best meets their financial and lifestyle needs.
- The millions of Americans who prefer to rent should be able to make that choice without fear of being disadvantaged.
- We also urge lawmakers to reject proposals for new homeownership subsidies since they are likely to simply re-inflate the single-family housing bubble and direct even more of our limited federal housing resources toward homeownership at the expense of critical rental housing programs.

Energy Efficiency

- We oppose arbitrary energy efficiency and building code targets or codes that aren't economically sound and technically feasible.
- As members of Congress consider job creation programs targeting energy consumption, they should include apartment-specific incentives for new and existing properties. These incentives could not only help save energy, but also create jobs and lower utility bills for residents. We also need apartment specific research, development and demonstration projects (similar to those single-family housing has enjoyed) to develop new building materials, systems and technologies that work in an apartment property.

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ASSOCIATION EXECUTIVE COUNCIL

President - Gary Scarboro
Apartment Association of Greater Orlando

The 2010 AEC President Gary Scarboro introduced appointed executive committee members including:

Professional Development – Josie Eatmon (Triangle Apartment Association);

Regions – Sandra Nipper (Apartment Association of Central Oklahoma); and

Education Conference – Jon Lowder (Triad Apartment Association).

AEC Region and Committee Liaisons were also announced.

NAA's IT Department issued roster report cards to some affiliates, indicating areas of improvement.

The Council also discussed a proposed affiliate conference that would include areas of interest to their staff. It was agreed that this could best be achieved by adding an affiliate track during the June Education Conference.

AEC goals for 2011 included increasing the number of affiliates who submit region reports and further engaging affiliates who currently don't participate in NAA functions.

BUDGET & FINANCE COMMITTEE

Chair - Brad Williams
Lincoln Property Company

The Budget and Finance Committee reviewed the audit, management letter and communications letter.

NAA net income for 2010 was approximately \$911K.

The distribution of funds is described on page 1 of this Summary in the approved action items of the NAA Board.

COMMUNICATIONS ADVISORY BOARD

Chair -Cindy Clare
Kettler Management

The Advisory Board discussed the following topics: current and potential uses for the electronic version of UNITS magazine and the NAA Community Site; advertising value for UNITS and the e-version of UNITS; potential articles for the near future, in coordination with the Editorial Calendar, such as divesting property and yield management.

The Advisory Board also discussed how to merge communications efforts of NAA with social media and computer apps.

2011 CONFERENCE COMMITTEE

Chair - Alexandra Jackiw
Buckingham Management LLC
Co-Chair - Theresa Lamar
Lamar Creative LLC
Co-Chair - Gary Scarboro
Apartment Association of Greater Orlando



NATIONAL APARTMENT ASSOCIATION
EDUCATION CONFERENCE & EXPOSITION
June 23-25, 2011 | Las Vegas, Nevada

The 2011 Education Conference will be held on June 23-25, 2011 at the Mandalay Bay Resort & Casino in Las Vegas.

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Alex Jackiw recognized the 21 metal sponsors for the Education Conference & Exposition:

Platinum Sponsors

Apartment Finder
Apartment Guide
Appliance Warehouse
AT&T
AZUMA Leasing
CallSource
Coinmach
Comcast
CORT
Criterion Brock
For Rent Media Solutions
HD Supply
Mac Gray
Rainmaker Group
RealPage
Rent.com
Time Warner Cable
Yardi

Gold Sponsor

Wilmar

Bronze Sponsors

CoreLogic SafeRent
MOEN

Ms. Jackiw reported that in just 102 very short days, 6,000 of our closest friends will assemble in Las Vegas for the greatest week of the year! She reported having an excellent education program that has been finalized, two fantastic keynote speakers, a Conference Kick-Off Celebration, an Opening Party on the Beach at Mandalay that will surely be the Party of the Year and a trade show floor that is rapidly filling up.

She thanked the five Executive Forum sponsors from 2010 who have all stepped up and committed to be the sponsors for the 2011 Executive Forum: Apartment Guide, AT&T Connected Communities, AZUMA Leasing, HD Supply and Time Warner Cable.

The Executive Forum program highlights include that the attendees will stay at the Four Seasons Hotel (inside Mandalay Bay); the program will feature Daniel Pink and Greg Willett and lunch with former Secretary of State Condoleezza Rice.

Diana Pittro is heading up the Host Committee this year and she has local Las Vegas help in Michael Fazio with the Nevada State Apartment Association and Chandra Vail with Apartment Finder.

With 14 weeks left to go, Ms. Jackiw reported being 55% of the goal of 2,055 full paid registrations. Her goal, however, was 2,500 full paid registrations. She thanked Mike Clow, Nena Gang and Linda Page for co-chairing registrations.

Educate|Energize|Empower

SEE YOU IN LAS VEGAS!

NAA EDUCATION INSTITUTE

President - Jeff Lowry
McDougal Companies
Vice President - Maitri Johnson
Riverstone Residential
Secretary/Treasurer - Alexandra Jackiw
Buckingham Management LLC

President Jeff Lowry reported the following:

NAAEI would like to thank the organizations and individuals who participated in national Apartment Careers Month last month. We are tracking the activities that were conducted and you'll be reading about them in a future issue of UNITS.

NAAEI will also be presenting a program on April 14th in Orlando at the DECA College Convention. Our audience is 200 Hospitality majors who will hear from a panel of apartment professionals who started their career in Hospitality.

2011 CAPITOL CONFERENCE SUMMARY

He reported that the NAA Board had approved the following new NAAEI Board Members:

Theresa Lamar, NSC President
Scott Reithel, NAHMA President
Julie Blaikie, Equity
Jessica Scully, Scully Company
Clio Addington Barker, The Associated Management Company
Jeremy Lawson, Fogelman
Jodi Sheahan, MEB Management Services
Pat Hutchison, Legacy Partners
George Allen, Texas Apartment Association
Lynne Sullivan, Indiana Apartment Association
Adam Skolnick, Maryland Multi Housing Association
Ron Shelton, Amalgamated Management

NAAEI APARTMENT CAREERS COMMITTEE

Chair - Susan Sherfield
Mercy Housing

Meeting Highlights:

The committee will evaluate the success of 2011 Apartment Career Month and develop 2012 Apartment Career Month strategies with measurable goals. John Cullens and Tami Fossom were selected to co-chair the 2012 Apartment Careers Month.

NALP, CAM and CAMT have been approved by the Department of Defense for funding under the Military Spouse Career Advancement Accounts program (MyCAA). Military spouses may take these courses through NAA affiliates or online and have them funded by the Department of Defense.

NAAEI will present information about Apartment Careers to 200 college Hospitality majors on April 14 in Orlando, FL. NAAEI is recruiting apartment professionals who started their career in hospitality to serve on this panel.

NAAEI discussed the opportunity to partner with Ed2Go to offer a NALP Online provisional certificate through Community College Continuing Education programs. A task force was established to explore this opportunity and determine whether it would conflict with affiliate programs.

NAAEI CURRICULUM DEVELOPMENT COMMITTEE

Chair - Maitri Johnson
Riverstone Residential Group

NAAEI PROGRAM ADMINISTRATION COMMITTEE

Chair - Gary Scarboro
Apartment Association of Greater Orlando

Joint Committee Meeting Highlights

Overall implementation of the LMS to:

- Deliver NAAEI and affiliate online courses and webinars;
- Allow affiliate staff, candidates and designates to track candidacy or designation status, invoice designates for renewal dues;
- Accept designation dues renewal payments and CEC reporting.

Development and adoption of more compelling and targeted marketing materials for NAAEI programs along with better use of social media to promote NAAEI programs.

Pilot testing of blended learning programs (online and classroom delivery) for CAM, NALP and CAMT so that NAAEI can develop recommendations on how to most effectively deliver designation programs spending fewer hours in the classroom.

For the creation of new Webinars, NAAEI will put out a call for Webinar presentations to solicit new topics and facilitators. The CFP will be sent to NSC members, industry speakers and individuals who have expressed interest in submitting content. The goal of this is to create a Webinar schedule for the year.

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NALP, CAM and CAMT have been approved by the Department of Defense for funding under the Military Spouse Career Advancement Accounts program (MyCAA). Military spouses may take these courses through NAA affiliates or online and have them funded by the Department of Defense.

A motion was approved to change the extension fee policy to: Effective July 1, 2011 candidates who are unable to complete the courses within the candidacy period may extend this period by 6 months for a fee of \$50 within 1 year of the end of the candidacy. If a candidate has exceeded their deadline by more than 1 year, they must pay an additional fee of \$50 for every year past their deadline, not to exceed a total of \$200.

INDEPENDENT RENTAL OWNERS COMMITTEE

Chair - Frank Barefield
Abbey Residential LLC

Frank Barefield updated the committee and those in attendance on the eight plan of work objectives voted and approved by the committee in February.

Currently six of the eight objectives have been completed.

The IROC will be hosting an owner's best practices conference call on April 20 from 2:30-3:45 PM EST.

NAAEI's Director of Instructional Design Shana Treger provided an updated on the progress of the Rental Owner Course (ROC) and its conversion from a certificate to a designation.

LEGISLATIVE COMMITTEE

Chair - Terry Danner
Riverstone Residential Group
Nation Issues Chair - Cindy Clare
Kettler Management
State & Local Issues Chair - Mike Beirne
The Kamson Corporation

This Capitol Conference exceeded registration in all categories and has been the largest to date with:

489 Capitol Conference registrants
124 First-time Capitol Conference participants and
275 Lobby Day registrants.

Terry Danner reported that during the Legislative Committee meeting yesterday, the following took place:

- Updates from the Joint Legislative Staff on federal issues and from NAA Staff on state and local issues.
 - Updates on the current status of the PAC and grassroots program.
 - Updates from NAA Government Affairs staff on recommendations made during the 2010 AOD meeting in regards to PAC, grassroots, communications and legislative priorities.
 - Discussion of the roles and objectives of the PAC Ambassadors.
- There was strong consensus among members of the Committee to reinvigorate this group and, among other goals, formalize who serves as a PAC Ambassador and for how long.
- NAAPAC Chairman David Hirsch committed to working with staff and members of the Committee to work on this and report back to the Legislative Committee.
 - A regional roundup of legislative activity and issues at the state and local level was also given.

Mr. Danner reported that during the recent January Board Meeting, the formation of a Board of Trustees for NAAPAC was approved.

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He noted that part of the intent of the Board of Directors was for the Board of Trustees to approve disbursements from the PAC. However, under previous board minutes, the authority for approving disbursements still resides with the Legislative Committee.

That authority needs to formally transferred to the NAAPAC Board of Trustees, in line with the intent of the Board of Directors.

A motion to transfer authority for approval of NAAPAC disbursements from the Legislative Committee to the NAAPAC Board of Trustees was approved by the NAA Board.

NAAPAC

Chair - David Hirsch
ECI Group, Inc.

David Hirsch reported that the NAAPAC raised \$228,000 in 2010 and disbursed \$274,500 to candidates and members of Congress. The year ended with \$124,000 cash-on-hand but \$91,500 is allocated to affiliates and the regions on how to disburse their money.

NAAPAC's 2011 Plan of Work consists of establishing the PAC Board of Trustees and the bylaws; raising \$300,000 with 100% participation from the Trustees and through various events around the country; raising \$150,000 for the Better Government Fund and identifying key contacts with members of Congress on a committee of jurisdiction.

As of March 1st, NAAPAC raised \$23,400 with cash on hand of \$145,500. After the Capitol Conference is over, we expect to have \$70,000 in contributions for March which includes nearly \$35,000 from the Indiana Business Exchange, \$20,000 from the wine tasting reception, and the rest from affiliates during the conference.

The PAC Trustees approved a new fair share formula of \$2 per member + \$0.02 a unit per year with a cap of \$10,000 and a

minimum goal of \$250. The 70% affiliate and 15% region portion will be on a two year rolling cycle, if the funds are not used at the end of the 2nd year, or less than \$1000 the funds will be swept into the general NAA account.

It was discussed that the PAC Ambassadors role will remain the same in regards to monitoring the goals of the affiliates and update them on the PAC status, promote NAAPAC and NAAPAC Events, and help affiliates raise funds as needed. The discussion of who serves as a PAC Ambassador was tabled.

The Trustees also approved to exceed the 2011 budget for business exchange funding and to continue with reimbursing 1/3 of the total money raised up to actual cost of expenses.

The Trustees approved the 2011 Disbursement Budget.

LEASE ADVISORY COMMITTEE

Chair - Dave Watkins
Michaelson Real Estate Group LLC

Dave Watkins reported that it was another recording breaking year with over 1,200 site license, 4,000 renewals and 26.9 million clicks sold in 2010.

He reported that Javier Gonzalez gave a presentation on the electronic signature. Mr. Gonzalez said that this was a feature that has been included into the National Lease Program at no additional cost to the client. Competitors that provide the electronic signature on average charge \$2.00 per transaction. Over 2,000 communities are currently using the electronic signature and many more each month.

Michael Semko announced that the Student Housing Lease has been finalized for Florida and that a Student Housing Lease will next be drafted for Michigan, Kansas, Alabama and Tennessee.

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LEADERSHIP LYCEUM

Chair - Kellie Jackson
Milestone Management

Kellie Jackson recognized the following Capitol Conference graduates of the Lyceum Program:
Anthony Barker, Detroit Metropolitan Apartment Association

Malcolm Bennett, International Realty & Investments

Todd Brisco, Apartment Association California, Southern Cities

Jeannette Cox, Apartment Association of Kansas City

Brooke Mahoney, Austin Apartment Association

Angi Pusateri, RentDebt Automated Collections
Pete Regules, CORT

Charles Stroud, NWP Services Corporation

Leslie Turner, RealPage, Inc.

The Leadership Lyceum committee was energized after a special focus group session. The Lyceum Plan of Work will incorporate the ideas presented during the brainstorming breakout sessions. The Capitol Conference curriculum was reviewed and a subcommittee formed for Education Conference curriculum planning.

Owner/Manager members may enter the program through their local affiliate. NAA is currently accepting applications for the next session during the Education Conference on June 24, 2011.

Supplier members should contact the NSC directly for an application.

For more information on the Leadership Lyceum Program please contact Lynn Miller at 703/797-0632 or lynn@naahq.org.

MEMBERSHIP COMMITTEE

Chair - Marc Ross

Bob Ross Realty

Member Relations Chair - Diana Pittro

RMK Management Corporation

Membership Report

NAA currently represents 55,107 members and 6,163,607 units. Last year NAA represented 51,582 members and 5,940,479 units. NAA has seen an increase of 6.83% increase in members and a 3.76% in units.

The San Diego County Apartment Association (SDCAA) recently reaffiliated with NAA. In its 91st year of service, SDCAA represents 2200 members and approximately 119,000 units in San Diego and Imperial County.

The Membership Committee revoked the charter application for the Southern Nevada Multihousing Apartment Association and granted a state charter to the Nevada State Apartment Association, which represents 292 members and 46,441 units.

Affiliate Territory Expansion

The Membership Committee granted territory expansion to include the Auburn area and the counties of Montgomery, Autauga, Elmore, Macon, Lee and Pike. The Alabama Apartment Association recently dissolved the Plains Apartment Association in Auburn due to lack of participation and leadership.

The Membership Committee granted territory expansion to the Central Virginia Apartment Association (CVAA) to include Fredericksburg City, Culpeper County, Spotsylvania County, Stafford County, King George County and Caroline County. The Fredericksburg Area Multihousing Association (FAMA) voted to dissolve their association and transfer control of their membership to CVAA.

Strategic Growth

SWOT analyses have been completed for South East Florida Apartment Association, Washington Multifamily Housing Association, Chicagoland Apartment Association, Nevada State Apartment Association, Apartment Association of Orange County and Apartment Association of Metro Denver. Strategic Growth Planning Retreats have been held for South East Florida Apartment

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Association, Chicagoland Apartment Association, Nevada State Apartment Association, Apartment Association of Orange County and the Apartment Association of Metro Denver.

The Strategic Growth Fund Application is available on the NAA website in the affiliate center for download. Qualifying affiliates can begin submitting funding requests. Those affiliates that do not qualify for funding can conduct a Strategic Growth planning session, which may be a great way to focus membership efforts. Affiliates interested in conducting a retreat can utilize the Strategic Growth Planning Process Outline template, which is also available in the affiliate center. A lot of great ideas that resulted from the retreats involved activities to increase member participation. The Committee discussed these ideas and will continue to add ideas to a repository that will be shared with the affiliates.

NATIONAL SUPPLIERS COUNCIL

Chair - Theresa Lamar
Lamar Creative LLC

The National Suppliers Council approved the 2011 Plan of Work. The NSC buddy system was launched, and a few members volunteered to be mentors.

There was a strong fundraising campaign for this year's NSC Sponsored Opening Party at the Mandalay Bay Beach. After such effort, Opening Party revenue is already over seventy percent of budget.

Kathleen Youngblood, NAA's Director of Political Affairs, addressed the Council regarding NAAPAC and the Better Government Fund.

NAA staff provided an update on sharing the attendee list for NAA conferences.

Committee liaisons provided updates from meetings/calls that took place in between the Assembly of Delegates meeting and the Capitol Conference.

The following company was approved by the NAA Board of Directors at this meeting:
Nu-Recycling Technology, Inc. - Naperville, IL
(*Waste Disposal & Control*)

PRIVATIZED MILITARY HOUSING COMMITTEE

Chair - Sam Merrick
Lincoln Military Housing

The Privatized Military Housing Committee had two meetings during the conference, a business meeting and the annual Privatized Military Housing Roundtable.

The Committee met and approved its 2011 plan of work.

The Committee discussed its Annual Privatized Military Housing Roundtable which was held March 15th.

The Committee also received an update from its Education Subcommittee Chairwoman regarding the progress of plans for its sessions at the 2011 Education Conference.

Lastly, the committee received a request for assistance from the NAAEI for promotion of its Department of Defense MyCAA Program. This request was assigned to the Education Subcommittee for execution.

STUDENT HOUSING COMMITTEE

Chair - Stacey Lecoche
Grand Campus Living
Vice Chair - Miles Orth
Campus Apartments Inc.

The NAA Student Housing Committee met immediately following the 2011 Student Housing Conference & Exposition in Las Vegas this past February. This replaced a meeting that would

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have been held during the Capitol Conference.

The 2011 NAA Student Housing Conference & Exposition was a huge success. In December NAA staff was forced to change venues from Caesars Palace to Wynn Las Vegas. This proved to be a very positive move. Registrations beat previous year with almost 750 attendees, a sold out trade show, with a waiting list, and exceeded all revenue goals.

The conference offered 2 full days of education programming, including 16 breakout education sessions, 3 general sessions, the tradeshow and a welcome reception the night before the conference opened. Back by popular demand, was the Student Panel, but this year the students had a networking area on the tradeshow floor to interact in more depth with attendees.

Next year's conference is tentatively scheduled to return to the Wynn Las Vegas February 29-March 2, 2012.

STRATEGIC PLAN COMMITTEE

Chair - Jerry Wilkinson
Wilkinson Real Estate Advisors

During the Capitol Conference 3 focus group sessions were held to develop member input for the 2012 Plan. As soon as the data is compiled it will be distributed to the Strategic Planning committee. The committee will then meet telephonically with staff and NAA's facilitator, Dan Martinage, to develop the 2012 Plan.

The goal will be to bring the plan to the Board for approval in June so that all aspects of the 2012 plan can be included in the 2012 Budget.

Highlights from the current plan include the launch of NAA's online knowledge center and community site, and a highly successful Student Housing conference, with registration and exhibit hall goals exceeded.

The Board received the First Quarter update as part of their Conference materials.

Each of the five objectives are updated with the status of each individual strategy assigned to the objective.

In February an inaugural Association Executive Orientation was held at NAA headquarters, bringing together AEs from various regions to learn about all aspects of the National Apartment Association to network and share best practices with one another.

In the effort to identify affiliates with large growth potential, SWOT analyses were completed for 6 affiliates and Strategic Growth Planning Retreats were held for 5 affiliates.

The Strategic Growth Fund was approved by the NAA Board, and applications are available on NAA website wherein affiliates can submit funding requests.

In the Government Affairs arena, 7 issue category pages for the state and local section of the Government Affairs website have been developed and are now live. Federal policy talking points on 4 key issues were completed to increase advocacy outreach.

NAAEI has implemented a co-branded Learning Management System for EI and affiliate use launching e-commerce capabilities across affiliate and EI sites.

In an effort to emphasize the mission-critical importance of education to NAA members, new CAM and NALP online ads and surveys were sent to supervisors of designates to help develop compelling advertising directed to those who authorize training.

A blended CAM course is being piloted this spring in Pittsburgh to evaluate the effectiveness of blended learning instruction.

\$10,000 approved as part of the Budget and

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Finance report will be applied to enhancing and marketing the importance of the CAS designation program to NSC members.

REPORTS FROM TASK FORCES

AFFORDABLE HOUSING

Chair - Robert Tinning
Churchill Residential Management

The Affordable Housing Task Force discussed several federal legislative issues, including Section 8 reform, affordable housing preservation legislation and affordable housing goals for the GSEs, Fannie Mae and Freddie Mac. Further, the Task Force heard an update on the SCHM designation from NAA partners, the National Affordable Housing Management Association (NAHMA). Finally, the Task Force deliberated over a potential plan of work for 2011.

INTERNATIONAL

Chair - Mike Gorman
Edward Rose Companies

The International Task Force was re-established due to the increasing knowledge that the world is joined together by a global economy that is impacted by what happens throughout the world. The multifamily housing industry is being examined as a significant investment opportunity in most of the developed nations around the globe.

NAA would like to play a role in bringing partners together from all countries where investment opportunities may exist to introduce them to potential partners from the United States.

The Task Force members reviewed two presentations about what was happening in the European market and what companies should do to insure that their venture in other countries is successful or at the very least will open doors for further discussions.

OTHER COMMITTEE REPORTS

GOVERNANCE

Chair - Marc Rosenwasser
Meadow Wood Property Company

All 27 Regional Vice Presidents were invited to participate in a meeting to determine the need for convening the Committee in 2011.

It was agreed that no other meetings were necessary in 2011 at this time.

However, discussion did take place with regard to the new distribution of materials for all committee meetings now established on the Community Site for each of the national meetings. Currently only members of that specific committee can view the materials posted for the meeting.

Regional Vice Presidents believed that all members who log in to the site should be able to view materials from all committees even if they are not members of that particular committee. Attendees could review all materials and make informed decisions about what committee meetings to attend.

Staff will revisit this procedure.

NOMINATING

Chair - Marc Rosenwasser
Meadow Wood Property Company

The Nominating Committee met and discussed the need to develop and recruit new leadership.

The Call for Nominations was distributed during the Joint Board and Assembly Meeting and will be posted for all Delegates, Board Members and Association Executives to review for officer positions in 2012.

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Committee members include Chair, Marc Rosenwasser, Ron Shelton, Tom Shelton, Dave Watkins, Jill Levins, Bill Wollinger, Diana Pittro, Linda Page, Gary Wilson, Gary Blumberg, Mike Clow, Rex Gambrell, Kathy Ratchford, and Malcolm Bennett.

All nominations for 2012 NAA Officers must be made in writing by June 1, 2011.

HALL OF FAME

Chair - Marc Rosenwasser
Meadow Wood Property Company

The Hall of Fame Committee did meet during this meeting and a Call for Recommendations was distributed to all members present during the Joint Board and Assembly meeting.

Marc Rosenwasser encouraged members to complete this form if you believe someone should be considered for this important honor.

Recommendations should be submitted to Karen Goggin by April 1, 2011 at karen@naahq.org

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STATE AND LOCAL POLICY UPDATE

March 1, 2011

2011 marks the first of most states' two-year legislative sessions. The first year is generally the busier of the biennial session and NAA Government Affairs staff anticipates that will continue in 2011. Throughout this year, state and local lawmakers will propose thousands of measures that will directly impact the financial bottom line and business operations of NAA members nationwide. While NAA actively monitors hundreds of these proposals, we focus here on four high-profile, industry-relevant legislative issues that lawmakers will address in 2011.

State and Local Budgets

Issue

Despite closing cumulative budget gaps of more than \$400 billion over the past three fiscal years, balancing budgets will be the top agenda item of state lawmakers nationwide. According to the Center on Budget and Policy Priorities, 45 states and the District of Columbia predict cumulative budget shortfalls of more than \$125 billion for the 2012 fiscal year, which for most begins July 1. Local governments nationwide are likewise grappling with cumulative budget shortfalls that analysts say could reach beyond \$80 billion by 2012.

Impact

Policy decisions regarding public spending and revenue generation directly impact the financial bottom line of apartment industry stakeholders. Continued pressure on state and local government finances will force lawmakers at both levels to explore all options for balancing budgets. Those options are likely to include fee increases for public services – including water and trash removal – and the expansion of existing taxes to currently untaxed goods and services.

Tax overhaul proposals and those aimed at raising “new revenue” should be carefully scrutinized to ensure that rental housing providers' ability to continue delivering high-quality, reasonably priced housing is not jeopardized.

Bed Bugs

Issue

In 2010, Maine became the first state in the nation to enact a law that clearly defines the rights and responsibilities of rental property owners and residents in addressing bed bug infestations. Also in 2010, New York enacted the Bed Bug Disclosure Act – a law requiring owners of New York City apartments to disclose to potential residents the property's bed bug infestation history for the previous year.

State legislators in Arizona, Alabama, New Jersey, Ohio and Pennsylvania also considered, but did not enact, bed bug legislation last year. In Illinois, a working group was created and tasked with making recommendations to the state legislature regarding preventing and eradicating bed bugs. A Chicagoland Apartment Association representative is a member of that group.

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Given the rise in national media attention surrounding bed bug infestations, NAA anticipates that state and local lawmakers will continue pushing to address the issue legislatively for the foreseeable future.

Currently, lawmakers in Arizona, Connecticut, New Hampshire, New York and Ohio are considering legislation aimed at addressing bed bug infestations in residential rental properties.

Impact

While impacting all sectors of real estate, bed bug infestations are particularly problematic for the apartment industry, as difficulty in pinpointing an infestation's origination often leaves apartment owners and managers responsible for costly eradication procedures. Apartment industry stakeholders report that costs to eradicate bed bugs can easily reach thousands of dollars per unit.

As with Maine's recently enacted law, state legislative proposals aimed at addressing bed bug infestations in apartment communities have sought to establish both apartment owners' and residents' legal rights and responsibilities. Enactment of such measures will determine when and to what extent apartment owners will be held financially liable for costs associated with eradication procedures.

Source of Income

Issue

In 2010, lawmakers in at least four states and Miami-Dade County, Fla., introduced legislation aimed at prohibiting apartment owners from refusing to enter into lease agreements with persons based solely upon their status as a Section 8 beneficiary.

While bills intent on codifying "source of income" protections for Section 8 beneficiaries were unsuccessful in advancing in the Hawaii, Rhode Island and Washington State legislatures, lawmakers in New York successfully passed a measure through both of the state's legislative chambers. Despite strong bipartisan support, New York's then-Gov. David Paterson (D) vetoed the measure in August, citing "the heavy burden it would place on small New York property owners at a time when they are struggling to pay their mortgages."

Source of income protections for Section 8 beneficiaries exist in 12 states and at least 20 municipalities nationwide. Swelled ranks of unemployed individuals and those seeking public assistance foreshadows further efforts by state and local lawmakers to incorporate "source of income" protections into housing discrimination statutes and ordinances in 2011 and beyond.

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Impact

Property owners lawfully required to accept Section 8 vouchers are subject to federally mandated administrative rules and inspection requirements, which would otherwise not be imposed upon them.

Immigration

Issue

While largely dormant in recent years, Arizona Gov. Jan Brewer's (R) signature of a controversial piece of immigration legislation last April once again propelled the issue to the forefront of national political dialogue. While a judge's ruling blocked certain provisions of SB 1070 from taking effect, the bill's passage gave subsequent momentum to a multitude of proposed laws at the state and local levels aimed at curbing illegal immigration.

Under the U.S. Constitution, Congress has sole authority to make laws concerning immigration. Despite courts' successive rejection of the constitutionality of state and local laws intent on regulating immigration, Congress's continued unwillingness to enact comprehensive immigration reform may compel state and local lawmakers to propose such measures.

Impact

Immigration ordinances of consequence to apartment industry stakeholders generally require lessees of residential rental property to purchase occupancy permits and declare on permit applications whether they are in the country legally. In some cases, these measures have made property owners responsible for collecting and submitting lessees' application materials to local officials. Such provisions effectively require rental property owners to assume the role of federal law enforcement officials. In nearly all cases, property owners found to have knowingly rented to illegal immigrants in violation of these ordinances are subject to fines.

For further information regarding these issues, and to determine ways in which NAA can assist you with state and local government affairs activities, including strategy development and model state legislation, please contact the NAA State and Local Government Affairs team.

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Government Affairs Launches 'One-Stop-Shop' on Website Exclusively for Key State and Local Issues

This resource provides NAA members with up-to-date, user-friendly information on major state and local issues industry-wide.

The content is a combination of contributions from NAA affiliates from across the nation and the work of NAA Government Affairs staff.

Each issue is divided into legislative resources, articles and reports, and maps and charts.

Currently, there are **nine issue categories** in this new section:

- **Bed Bugs** (Scot Haislip)
- **Fair Housing** (Scot Haislip)
- **Green/Sustainability** (Alison Berry)
- **Landlord/Tenant** (Scot Haislip)
- **Building Codes and Standards** (Alison Berry)
- **Rent Control** (Erik Taylor)
- **Water Billing** (Erik Taylor)
- **Inspections** (Alison Berry)
- **Licensing** (Alison Berry)

More issue categories, including property operations, will be added in the coming months.

For more information, please contact your State and Local Government Affairs Staff.

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