

Industry Spotlight: Monica Sussman

By Jennifer Dockery, Staff Writer, Novogradac & Company LLP

Monica Hilton Sussman's experience as deputy general counsel at the U.S. Department of Housing and Urban Development (HUD) gives her an advantage when working with affordable housing developers. A partner at Nixon Peabody LLP, Sussman is intimately familiar with the laws governing the government institution and the way it operates. She knows how to make those laws work for a developer interested in acquiring a Section 8 property or in utilizing HUD programs to offset the cost of developing a new affordable apartment complex.

"Knowing the people, knowing the programs, knowing how HUD operates really prepared me for what I'm doing today," Sussman said.

Sussman heads Nixon Peabody's compensation committee and co-leads the affordable housing practice group. Drawing on her experience at HUD's Office of Multifamily Housing, New York's Department of Housing and Community Renewal and several national law firms, Sussman helps owners and developers navigate the intricacies of HUD and affordable housing law. She shares her expertise with a larger audience by speaking at numerous affordable housing conferences throughout the year. In the past, Sussman has served as president of the National Housing Conference and co-chaired the American Bar Association's Forum on Affordable Housing and Community Development Law.

After 30 years in the affordable housing industry, Sussman knows too well the challenges that face developers and policymakers in uncertain economic times.

"[There's] no doubt in anybody's mind that there is a need to develop and preserve affordable housing. Even though we're going through this huge financial crisis, there's huge need," Sussman said "We've got to be able to figure out

how to get from here to there. We're hopeful that under Secretary [Shaun] Donovan there will be changes."

Sussman says HUD could alleviate some of the financial burden in the affordable housing industry by working with private sector developers and offering incentives to preserve existing properties.

"You need some sort of tool for older inventory. They're aging and they really need to have improvements made to them. We need to have the resources provided to really accomplish the preservation of existing housing," she said.

HUD is in danger of losing many of the properties placed in service decades ago, Sussman said. HUD could provide vouchers to owners of expiring Section 236 and Section 202 properties to help owners keep the rents affordable. The agency could also provide funds to developers willing to do energy retrofits or make other repairs to older properties. Owners could preserve many of their older affordable units if HUD relaxed newer requirements for existing developments, such as proximity to public transportation and the availability of certain amenities.

"Most of [House Financial Services Committee Chairman] Barney Frank's bill [H.R. 1] could be taken care of as policy issues by HUD," Sussman said of the affordable housing legislation introduced by the Massachusetts congressman in December. She would like to see HUD increase the limit on distributions and let developers tie properties to new equity. She would also like to see HUD allow owners to

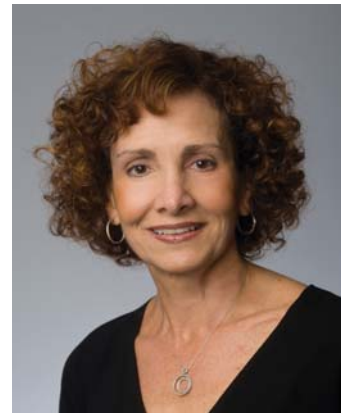


Photo Courtesy: Nixon Peabody LLP
Monica Sussman is a partner at Nixon Peabody and was formerly Deputy General Counsel at HUD.

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charge rents that keep renovated properties financially viable.

Additionally, Sussman believes that everyone will benefit from a rational approach to affordable housing. Specifically, she would like to see interpretations of HUD policies and affordable housing laws that are less restrictive.

"If the law doesn't say you can't, you should be able to do it. Be creative and do what makes sense," Sussman said. During her time at HUD and in her present position at Nixon Peabody, Sussman encourages developers to seek unique financing solutions to fund their affordable hous-

ing properties. Often, she includes litigation attorneys in early meetings with clients to inform them of potential legal issues.

Right now, HUD can help struggling low-income housing tax credit properties that receive its assistance by meeting deadlines, she says. This will remove one obstacle for properties under development in tough economic times. Additionally, HUD should support legislation that aids affordable housing development and preservation.

"They need to be out there in front again and I think they have the ability to do so," Sussman said. ❖

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