

Jones & Roth CPAs Partner with NW Affordable Housing Organizations

BY SOPHIA BENNETT

The moment when a family steps into their new home for the very first time, their eyes lighting up as they take in clean rooms and safe spaces to raise their kids, is what keeps every affordable housing developer going. The daily grind that comes before that beautiful new or rehabilitated building opens can feel less rewarding. Resources are scarce, which means funding applications have to be flawlessly written. Land dedicated to building affordable housing is also harder to come by, making site selection challenging. And the regulatory environment is constantly shifting, with funders and partners implementing new rules and monitoring requirements all the time.

That means nonprofits (or anyone who develops affordable housing) need partners they can trust—ones who will be there for them from the beginning of a project to the day it transitions ownership. Jones & Roth CPAs and Business Advisors aims to be one of those partners for affordable

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housing developers all over the northwest. They believe a comprehensive set of services that can help executive directors, housing directors and CFOs manage housing projects from beginning to end will help get them there.

Help at Every Step Along the Way

Jones & Roth’s five-person affordable housing team can begin working with clients when they’re putting together their tax credit applications to the state regulatory agency, and continue working with them all the way through year 15. When a nonprofit is in the process of applying for funding, Fritz Duncan, CPA, who leads the affordable housing group, says he often answers questions about what can be included in a project’s eligible basis and helps them put together the strongest application possible. He is also part of the team that completes the final cost certification at the end of construction that is due to state regulatory agencies.

In years one through 14 Jones & Roth can do audits, prepare tax returns, and help resolve issues before they become problems. One of the most beneficial things they



Fritz Duncan, CPA
Shareholder



Kari Young, CPA
Senior Manager

do is proactively monitor each limited partnership to ensure it does not run out of tax credit basis. If it does, the limited partner will not be able to utilize their tax credits and can lose millions of dollars. “If we see that the nonprofit is going to have a problem, we notify them so they have the opportunity to do something about it – instead of waiting until we’re doing the tax return, when they can’t do anything about it,” Duncan says. He can advise nonprofits on how to make sure the project is maintaining its tax credit basis, including writing off internal debt and cutting down on costs billed to the project.

Jones & Roth can also help nonprofits prepare for year 15, when the limited partnership that owns the housing is due to dissolve. “We plan from year one what’s

going to happen in year 15 so there are no surprises,” he says. Besides making sure documents and financial statements are in order, they can recommend things nonprofits can bring up in the negotiating process with owners – including ways to avoid exit taxes.

“In one particular case we saved someone \$40,000 by bringing up specific concerns,” Duncan says.

A Full Service Firm

Jones & Roth’s services go far beyond those typically available at a CPA firm. Duncan and his staff frequently train board members on things like reading financial statements, understanding audits and meeting their due diligence. Professionals in different parts of the company can help with human resources, IT support, creating and managing employee benefit plans, and other services.

For nonprofits that are small or new to affordable housing, Duncan doesn’t hesitate to leverage the contacts he’s built up over 20 years working in the industry. He’s been known to call tax credit investors, banks and managers at state regulatory agencies to help his clients get quick answers to questions or work through problems.

Nonprofits that are larger and oversee multiple housing projects have the headache of getting all their audits and tax return filings done every year. Jones & Roth can help these groups manage the process so

that everything gets done on time.

Organizations of any size can benefit from Duncan’s best practices, which include making sure the accounting staff is properly training in affordable housing compliance, asking questions during the year when they come up (“Don’t wait until audit time to resolve issues or problems,” he says), and adopting the state and limited partner’s chart of accounts. “It makes it easier to transfer information when it comes time to report your financial information.”

Experience Counts

Very few firms specialize in affordable housing. Even fewer have expertise working with the full range of housing programs and funding sources. Besides working with the federal Low Income Housing Tax Credit (LIHTC) program, Duncan has experience with bond financing and federal financing sources like HOME and Rural Development. Although the bulk of their work is with nonprofits, the firm has also worked with individuals, corporations and housing authorities on LIHTC projects. They are certified to work in Oregon, Washington, Idaho and Alaska.

Duncan was scarcely out of college—and the LIHTC program was scarcely out of Congress—when he worked on his first affordable housing project. He wanted to create a niche for himself within the affordable housing industry because he could see that it was going to grow. But the industry also grew on him. “I like

providing housing for people. It’s very worthwhile. I also like helping the nonprofits that provide the service. It’s a good fit with my personality.”

Sophia Bennett is a freelance business writer based in Eugene, Oregon. Her work has appeared in Oregon Business, 1859 Oregon’s Magazine and many other publications.

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