



Asset Management Notice

To: All Owners and Managers

Notice # 2022-04

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I. Ways to Mitigate the Impact of Rising Utility Cost in Section 8 Projects with HAPs

With the recent rise in utility cost many projects are asking what can be done to mitigate the impact.

For projects with a utility allowance, a new baseline utility analysis can be requested per the HUD Notice 2015-04. The Baseline Utility Allowance Analysis would take the most recent 12 months of utility data from the utility company (provided by to MSHA by the project) and average the cost to determine what the new Utility Allowance would be for each unit type. If a project recently received a baseline analysis (last couple months), then a new baseline would not produce any change; however, if a project hasn't received a baseline in 6 months or more the most recent data the project provides could result in a change to the UA.

For Section 8 projects under a MAHRA HAP Contract, at the time of the Annual Rent Increase projects may request a budget based rent increase (at the discretion of HUD). Budget based rent increases can only be requested if the current HAP Contract is under option 2, 4, or 5.

For more information on budget based rent increases please reference the Section 8 Renewal Guide or this flyer with information for the Section 8 Renewal Guide.

For more information, please contact your local HUD office or Contract Administrator with questions.

II. Impacts of Rising Utility Costs and Common Relief Options



Utility costs are on the rise and we are aware of the negative impact these unexpected costs can have on project operations. Some common ways property owners with MaineHousing-financed properties can seek relief and assistance in covering these unexpected costs include:

Use of the Operating Deficit Escrow (ODE) – In extreme situations, MaineHousing has allowed owners/managers access to the ODE account to assist in paying for these unexpected increased costs. This option may require syndicator sign off as well. When an owner/manager requests use of the ODE for this purpose, if it is then determined the property ends in a Surplus Cash position, the monies would have to be reimbursed to the ODE before any distribution of cash would be approved.

Reserve funding forbearance – Property Owners/Managers may request a forbearance on payments to the Replacement reserve account for a specified period of time to help cover some of these costs. This option will only be considered and approved by MH when the per unit funding level is greater than the required minimum thresholds of \$1,000 for elderly projects/ \$1,500 for family projects.

Loan from Replacement Reserves – Property Owners/Managers may request a loan against replacement reserves at 0% interest with flexible repayment terms (term not to exceed 6 years). The amount of the loan cannot exceed the balance in the reserve account itself and there should be adequate levels remaining to cover any short term capital needs.

Subsequent Loan – Property Owners may apply for a subsequent loan to perform Heat Conversion or purchase Heat Pumps. The terms of the loan are noted in the program guide on the MaineHousing website and the project must be able to underwrite with the new financing to current program underwriting standards.

If you are interested in pursuing any of these options, please reach out and work with your Asset Manager.

III. Upcoming Training Opportunities

NEAHMA Tri State Agency Forum April 13th

For the most up-to-date national and state regulatory information impacting the day-to-day front-line operations of affordable housing from the US Department of Housing and Urban Development, Maine State Housing, New Hampshire Housing, and Vermont Housing Finance Agency.

\$89 NEAHMA Members

\$109 Non Members

Register here: <https://cvent.me/GMNnyQ>

MREMA Workshops: April 21st Communication and Excellence and April 22nd The Art of Attitude

Are you looking to refresh your skills, thoughts, communication and success? These 2 workshops provide insight, inspiration and fresh perspectives to help you rediscover your joy and passion and help you enhance critical professional development skills.

Facilitated by Lee Ann Szelog, Simply Put, LLC

Attend one or both sessions, based on your individual needs. Each workshop is 2 hours in length from 9 - 11 am on the dates indicated. All workshops will be held via Zoom. Each session is limited to 25 attendees, so register early to secure your spot.

[Click Here to Register](#)

**Spectrum Compliance – The Continuum: 2022 National Tax Credit Compliance Conference
August 17th, 18th, and 19th**

A 3-day tax credit compliance conference that covers many informational topics to include: Resyndication/New Credits; The Biggest Issues of Non-Compliance with State, File Reviews and Physical Inspections; Fair Housing Updates, and much more.

Presented in person by Steve Rosenblatt, 40 year veteran in LIHTC compliance and revered industry expert.

[Click Here to Register](#)

IV. Property & Unit Inspections – Informational Flyer for Residents

MaineHousing is responsible for inspecting properties and units to assess the continued habitability conditions of properties and to ensure the continued safety and well-being of the assisted households.

We have developed an informational flyer to help prepare tenants for an inspection. This resource outlines what to expect during an inspection, the tenant's rights when and if their unit is randomly selected, and who to contact if they have questions.

This flyer can be found at MaineHousing's website and can be printed in color or black and white. Links to each version are provided below. Owners and agents are encouraged to print and include this flyer with their tenant notification.

[Printable Color Version](#)
[Printable Black and White Version](#)

Please note that MaineHousing provides notices as a service to our partners. Notices are not intended to replace ongoing training and do not encompass all compliance and regulatory changes that may occur on the wide arrange of housing programs in which we work. MaineHousing recommends partners establish an ongoing training program for their staff.

MaineHousing does not discriminate on the basis of race, color, religion, sex or gender, sexual orientation, gender identity or expression, national origin, ancestry, disability, age, marital status or receipt of public assistance in the admission or access to

or treatment in its programs and activities. In employment, MaineHousing does not discriminate on the basis of race, color, religion, sex or gender, sexual orientation, gender identity or expression, national origin, ancestry, age, disability or genetic information. MaineHousing will provide appropriate communication auxiliary aids and services upon sufficient notice. MaineHousing will also provide this document in alternative formats upon sufficient notice. MaineHousing has designated the following person responsible for coordinating compliance with applicable federal and state nondiscrimination requirements and addressing grievances: Lauren Bustard, Maine State Housing Authority, 26 Edison Drive, Augusta, Maine 04330, Telephone Number 1-800-452-4668 (voice in state only), (207) 626-4600 (voice) or Maine Relay 711.

