



# Asset Management Notice

To: All Owners and Managers

Notice # 2022.11

From: Bob Conroy, Director of Asset Management

Issued: 10/06/2022

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October 24<sup>th</sup> and 25<sup>th</sup>

## I. Audit Corner-Tax Credit Tips



### Corner

### TAX CREDIT TIPS

#### Budget Process

Now that the 2022 budget review cycle is behind us we would like to share a few things that we found that may assist in making the process going forward smoother for everyone:

1. If a property is eligible for the 'Hold Harmless' provision and the hold harmless rents will apply for the upcoming year, when submitting the budget the date of the LIHTC Maximum Allowable Rent Chart Effective Date should be the Hold Harmless year being applied to the rents.

Actual box from Tab 3:

LIHTC Maximum Allowable Rent Chart Effective Date:	
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2. Subsidy Amount – If the property has tenants with vouchers, any subsidy amounts need to be included even if it is a rough estimate based on the voucher amounts achieved in the prior year. This gives a more accurate reflection of the cash position of the property for the budget year.



Actual box from Tab 3:

Plus Subsidy ( <b>defined above</b> )	
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### **Full Time Student Household in LIHTC Properties**

In reviewing leases as part of property onboarding as well as part of the management review process, MaineHousing has noticed an increase in leases being implemented that state if a tenant becomes a full time student they will be subject to immediate eviction. LIHTC rules only allow for immediate eviction in cases of “good cause”. Becoming a full time student is not necessarily “good cause” per MaineHousing standards. Instead, MaineHousing suggests that Owner/Managers have a process in place to work with any tenants that become full time student households on a resolution to the violation prior to any eviction proceeding such as the tenant agreeing to reduce their credit hours to a part-time status.

The LIHTC program provides specific qualification restrictions with respect to occupancy of LIHTC program units by full time students. If the household occupies a tax credit apartment, the household acknowledges that qualification to remain is at all times dependent upon the household meeting all student status requirements. Should the household fail to meet all student requirements and refuse to work with Management toward an acceptable resolution, the household will be deemed an unqualified Student household and the Owner/Agent may choose to not renew the Tenant’s lease at the next lease renewal.

### **Spectrum Compliance Continuum 2022**

MaineHousing staff participated on the panel at the recent Spectrum Continuum training held in August 2022. Items discussed included: acquisition/rehab, top ten MOR findings and top ten Physical Plant findings. The presentations prepared and utilized for our involvement on the panel can be found on our website under Partners/ Asset Management/ Trainings and Webinars/MOR Toolbox. ([Asset Management \(mainehousing.org\)](#))

## **II. Maine Real Estate Managers Association Annual Conference October 24th and 25<sup>th</sup>**

On behalf of the Maine Real Estate Managers Association (MREMA) Board of Directors, the Conference Committee is extremely excited to announce the 2022 MREMA Annual Conference! The conference will be held October 24<sup>th</sup> and 25<sup>th</sup> at Sunday River in Newry, Maine.

Follow the [link](#) to view the brochure and download your registration form today.





# MREMA

*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.*

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