



# Asset Management Notice

To: All Owners and Managers

Notice # 2020-05

From: Bob Conroy, Director of Asset Management

Issued: March 30, 2020

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## I. **MaineHousing Asset Management Program Action Steps**

MaineHousing is making the following temporary modifications to its Program requirements to assist Owners and Managers of Multifamily and Supportive Housing properties to best manage the daily operating challenges created by COVID-19. **These modifications apply only to MaineHousing-financed properties.**

### **Therefore, effectively immediately and until further notice:**

1. Owners are eligible to take their 'FY 19 **Distributable Surplus Cash** as stated on Sch.5 of the 'FY 19 Audited Financial Statements (AFS) immediately and ahead of the completed MaineHousing review of the AFS for the purpose of funding project needs.

MaineHousing will proceed with the review process and issue AFS letters in the coming weeks. This analysis may result in adjustments to the surplus cash calculation.

Projects not financed by MaineHousing, Section 8 Projects with HUD Residual Receipts Accounts or projects subject to surplus cash approved by HUD or Rural Development are not subject to this early release provision.

2. Temporary Forbearance of **Replacement Reserve Funding**, if necessary.
3. Loans/Releases from **Project Reserves** to cover Operating shortfalls, subject to adequate reserve balances and Partnership approval, if applicable.



4. Temporary halt to **Report Submissions** except Annual LIHTC Reporting.
5. Temporary halt on **Inspections** (excluding emergencies or required move-in inspections).
6. Temporary halt on **Management audits** in the field.  
Desk reviews may continue where feasible.
7. The LIHTC Qualified Allocation Plan (QAP) includes a category granting 1 (one) scoring point when a prior year deficit is funded by the Developer in a project within its initial 15 year compliance period. This category will be waived for the upcoming QAP scoring round.

Please contact your Asset Manager concerning any proposed Escrow use.

## II. Application Processing Guidelines during the Pandemic

For owners/managers that are working on applications, move-ins or re-certifications for tenants that are impacted by the pandemic, MaineHousing has adopted the recently approved HUD guidelines (HUD Q&A for Office of Multifamily Stakeholders Coronavirus (COVID-19) dated March 24, 2020) for all MaineHousing funded projects which allows:

Electronic signatures can be obtained in the interim with the caveat that original “wet” signatures be obtained at a later date when it is safe to do so. This applies to the following documents:

1. Application
2. Tenant Income Certification Form (TIC)
3. Release of Information Form
4. Lease and all Lease Addendums (including lease amendments)
5. Affidavits of unemployment
6. Zero Income Forms

Tenants can provide the background documentation for income/assets electronically and collect the original documents at a later date these including but not limited to:

1. SS/SSI Awards
2. Bank Statements
3. Public Assistance Documents

The files need to be properly documented with either a clarification note or memo that states why the “wet” signatures and/or original documents were obtained at a later date.



### III. Multi-Family COVID-19 Cases

We are asking our Partners to notify their MaineHousing Asset Manager whenever there is a known (confirmed or presumptive) case of the illness at their property. For each property, please include the property name, number of confirmed or presumptive cases and total number of units affected. This information is being collected and forwarded to HUD.

### IV. Essential Business and Operations

The State of Maine Governor Mills Executive Order on Covid-19 provides a list of Essential Business and Operations. We have attached a copy of that list. Additional information may be found at <https://www.maine.gov/governor/mills/sites/maine.gov.governor.mills/files/inline-files/An%20Order%20Regarding%20Essential%20Businesses%20and%20Operations%20.pdf>

### V. MaineHousing Website Resources

The MaineHousing website has added a special COVID-19 resource page that provides updates on its activities in response to the COVID-19 pandemic but also has a Resources section that we continue to update with relevant material to housing providers and residents in Maine.

Information now listed includes:

- Pandemic Guide for Real Estate Managers
- COVID-19 Preparedness for Apartment Firms
- Preventing the Spread of COVID-19 in Retirement Communities and Independent Living Facilities
- Questions and Answers for Office of Multi-Family Housing Stakeholders Coronavirus (COVID-19)
- Housing and Urban Development toolkits for Continuum of Care Agencies in Preventing & Managing the spread of infectious disease Within Shelters; Within Encampments; and for People Experiencing Homelessness.

Please visit <https://mainehousing.org/covid19> to review these resources.

Be sure to check back regularly as we will be updating the page as more resources become available.

### VI. NCHSA Report on Recent Legislation

NCHSA has provided on their website, information concerning recent legislation and how it will benefit our housing providers. Please follow the attached link for further information:

<https://www.ncsha.org/wp-content/uploads/NCSHA-Memorandum-on-Coronavirus-Relief-Legislation-3.26.2020.pdf>

## Attachments:

- The Scoop
- State of Maine Executive Order Essential Business and Operations

*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, sexual orientation, national origin, ancestry, physical or mental disability, age, familial 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, sexual orientation, national origin, ancestry, age, physical or mental 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: Louise Patenaude, Maine State Housing Authority, 353 Water Street, Augusta, Maine 04330-4633, Telephone Number 1-800-452-4668 (voice in state only), (207) 626-4600 (voice) or Maine Relay 711.*



March 27, 2020

## **Asset Management Multifamily Scoop**

### **Tenant Selection Plan (TSP) Checklist**

*HUD Handbook 4350.3 Rev-1, Chapter 4 Figure 4-2 and HUD Issued Guidance*

Most plans reviewed as part of a recent HUD audit were found not to be all inclusive of HUD required topics and provisions. HUD and MaineHousing do not approve tenant selection plans (except when owners wish to adopt local or residency preferences). However, if HUD or MaineHousing staff become aware that a plan fails to comply with applicable requirements, the owner must modify the plan accordingly. As part of the Management and Occupancy Review (MOR) process going forward we will be collecting a copy of each project's current TSP and completing the attached checklist.

### **Application and Waitlist Checklist**

*HUD Handbook 4350.3 Rev-1, Chapter 4 Section 14 and Section 4-16 D.3. And Figure 4-5*

We learned housing application content and waitlist provisions are often not inclusive of all required topics and provisions. As part of the Management and Occupancy Review (MOR) process going forward, we will be collecting for review, sample applications, including pre-applications if applicable, and all application attachments. In addition, during the on-site MOR, we will review the project's waitlist to determine if the list includes all required topics and provisions. Attached is a sample checklist that will be used. Please note that the completion of the waitlist checklist is in addition to our review of the waitlist to determine if management is following HUD's minimum guidelines to support applicant additions, selections, withdrawals and rejections.

## **Section 3**

### *Section 3 of the Housing and Community Development Act of 1968*

Section 3 is a HUD statute that requires recipients of HUD funding, to the greatest extent feasible, –to employ low and very low income persons and businesses in the communities HUD serves. It is a requirement of each property to make an attempt to adhere to this regulation. Question 27a of the HUD 9834 asks the following question: Has management made an effort to employ tenants in accordance with Section 3 of the Housing and Community Development Act of 1968? Often this is left blank or answered no. Many owner/agents when questioned by their Asset Manager, have indicated they haven't hired any tenants and therefore answered the question no. Upon further questioning many indicate they are advertising in a manner to attract and employ low and very low income persons and therefore should have answered Question 27a yes. As part of our Management and Occupancy Reviews, MaineHousing is tasked with ensuring HUD funded properties are adhering to Section 3 requirements and will issue findings if it is determined properties are not attempting to employ low and very low income persons and businesses.

## **IRS Issues Standard Mileage Rate for 2020**

*IRS Notice 2019-215 December 31, 2019*

17 cents per mile driven for medical purposes, down 3 cents from the rate for 2019.

## **Emergency Call Systems**

*HUD Handbook 4910.1 Section 100-2.20 and HUD Memo October 31, 2014*

The requirement for emergency call systems for elderly properties with 20 or more units requires the following: each bathroom and one bed location in each living unit shall be furnished with one of the following emergency call systems: an emergency call system which registers a call (annunciator and alarm) at one or more central supervised locations, an intercommunicating telephone system connected to a switchboard which is monitored 24 hrs a day, or an emergency call system which sounds an alarm (not the fire alarm) in the immediate corridor and automatically actuates a visual signal in the corridor at the living unit entrance.

We've heard from owner/agents as these systems age, obtaining parts and keeping them fully operational has proven to be more and more difficult. These systems must be maintained and continue to be fully operational. If a property chooses to go to another system, the pull cords should be completely removed from each applicable unit. HUD has issued guidance indicating wired and wireless or electronic systems and onsite or offsite monitoring systems would meet the criteria originally established. Owner's may choose to move to mobile personal emergency devices that are worn. The owner must provide ongoing assurance that the devices are operational and available for use by tenants and other household members at no cost to the tenant, including providing batteries and maintenance for the equipment. The owner is also required to have an Operation & Maintenance Plan for mobile emergency response devices.



# Essential Business Operations Definitions

## ESSENTIAL BUSINESSES AND OPERATIONS:

- Food Processing and Agriculture
- Fishing and Aquaculture
- Industrial Manufacturing
- Construction and Maintenance of Essential Infrastructure
- Trash Collection and Transfer Stations
- Grocery and Household Goods (Including Convenience Stores)
- Forest Products
- Essential Home Repair
- Hardware and Auto Repair
- Pharmacy and Other Medical, Psychiatric, and Long-Term Care Facilities
- Group Homes and Residential Treatment Facilities
- Biomedical
- Life Science
- Behavioral Health, Health Care, Dental Care, And Long-Term Services and Supports Providers and Organizations
- Child Care Providers
- Post Offices and Shipping Outlets
- Banks and Credit Unions
- Gas Stations and Laundromats
- Veterinary Clinics, Animal Welfare and Animal Feed and Supply Stores
- Truck Delivery and Distribution of Goods
- Public Transportation
- Legal, Business, Professional, Environmental Permitting and Insurance Services
- Hotel and Commercial Lodging
- All Utilities Such as Electricity, Water, Wastewater and Telecommunications

## NON-ESSENTIAL BUSINESS AND OPERATIONS:

- Shopping Malls
- Fitness and Exercise Gyms
- Spas
- Barber Shops
- Hair Salons
- Tattoo and Piercing Parlors
- Parlors
- Massage Facilities
- Nail Technicians
- Cosmetologists and Estheticians
- Electrolysis Services
- Laser Hair Removal Services, and Similar Personal Care and Treatment Facilities and Services



Please attach the application.

**Project Name:** \_\_\_\_\_ **Project Number:** \_\_\_\_\_

**Project Type: Elderly/Disabled:** \_\_\_\_\_ **Fam:** \_\_\_\_\_ **Disabled Only:** \_\_\_\_\_ **Eld. Only (62+):** \_\_\_\_\_

**Last Revision Date of Application:** \_\_\_\_\_

**Reviewed By:** \_\_\_\_\_ **Date** \_\_\_\_\_

MaineHousing Asset Manager

**Application Required Topics/Provisions  
 (Chapter 4 Section 14)**

	<b>Citation</b>	<b>Y</b>	<b>N</b>	<b>Comments</b>
Application must include a signature line certifying the accuracy and completeness of information.	Ch. 4 Section 4-14 A.2			
The application must include the <a href="#">HUD-92006</a> as an attachment.	Ch. 4 Section 4-14 A.3			
The applicant provides self-certification of their race and ethnicity for data collection by using form <a href="#">HUD-27061-H</a> . Completing this form is optional and there is no penalty for not completing it. If the applicant chooses not to self-certify race or ethnicity, a notation that the applicant chose not to provide the race and ethnicity certification *may* be placed in their file.	Ch. 4 Section 4-14 A.4			
The application requests whether the applicant or any member of the applicant's household, is subject to State lifetime sex offender registration in any state.	Ch. 4 Section 4-14 B.2a			
The application requests a listing of states where the applicant and members of the applicant's household have resided.	Ch. 4 Section 4-14 B.2b			
The application requests disclosure of SSNs for the applicant and for all members of the applicant's household, except those household members who do not contend eligible immigration status.	Ch. 4 Section 4-14 B.2c			
The application requests information from applicants who were age 62 or older as of January 31, 2010, and who do not have a SSN, if they were receiving HUD rental assistance at another location on January 31, 2010. This information is needed in order for the owner to verify whether the applicant qualifies for the exemption from disclosing and providing verification of a SSN.	Ch. 4 Section 4-14 B.2d			

**Application Recommended Topics/Provisions  
(Chapter 4 Section 14)**

	<b>Citation</b>	<b>Y</b>	<b>N</b>	<b>Comments</b>
Household characteristics of each household member. Name, age and disability status (only where necessary to establish eligibility) of each household member.	Ch. 4 Section 4-14 B.1a			
Contact information for the household-address phone number	Ch. 4 Section 4-14 B.1b			
Identification of the approved preferences if applicable.	Ch. 4 Section 4-14 B.1c			
Sources and estimates of household's anticipated annual income and assets.	Ch. 4 Section 4-14 B.1d			
Citizenship declaration and verification consent forms. (This is not required for 221(d)(3) BMIR (without Section 8 or any other assistance), 202 (without Section 8), 202 PAC, 202 PRAC, and 811 PRAC properties that have no other subsidy);	Ch. 4 Section 4-14 B.1e			
Marketing information to understand how the applicant heard about the property.	Ch. 4 Section 4-14 B.1f			

**NOTE:** Pursuant to Chapter 2, Sec. 2-9 of HUD Handbook 4350.3, REV-1, Chg. 4 and the *“Final Guidance to Federal Financial Assistance Recipients Regarding Title VI Prohibition Against National Origin Discrimination Affecting Limited English Proficient Persons”* which was published in the Federal Register on January 22, 2007, housing owners must take reasonable steps to ensure meaningful access to the information and services they provide for persons with limited English proficiency. This may include interpreter services and/or written materials translated into other languages.

**See Figure 4-5 for a sample waitlist**

**Waitlist Required Topics/Provisions (4-16 D.3.)**

	<b>Y</b>	<b>N</b>	<b>Comments</b>
Does the waitlist include the date & time the application was received?			
Does the waitlist include the name of the head of household?			
Does the waitlist provide the income level of the household?			
Does the waitlist identify the need for an accessible unit? NOTE: (An owner must not skip over a family that has reached the top of the list and has indicated a need for certain unit accommodations because of a disability. If separate waiting lists are used for persons with disabilities, they must also be placed on the general waiting list and given the option of the next available unit if they come to the top of the list.)			
Does the waitlist identify the preference status of applicants?			
Does the waitlist identify the unit size applied for?			



**TENANT SELECTION PLAN (TSP) CHECKLIST  
and CERTIFICATION**  
Project-Based Section 8 Properties  
(Based on HUD Handbook 4350.3, Rev. 1, Chg. 4)  
(HUD 9834 E 14.g.)

Please complete one for each property in the portfolio and attach the appropriate Tenant Selection Criteria. Identify other properties in the management portfolio that use the same TSP.

<b>Project Name:</b> _____	<b>Project Number:</b> _____
<b>Project Type:</b> Eld/Disabled: _____ Fam: _____ Disabled Only: _____ Eld. Only (62+): _____	
<b>Last Revision Date of the TSP:</b> _____ <b>Reviewed By:</b> _____	
MaineHousing Asset Manager	Date
<b>List all properties that use the same TSP:</b> _____	

Required Topics/Provisions Figure 4-2 & HUD guidance	Citation	Y	N	Comments
<b>Project-specific requirements</b> <i>(If property is designated for special, targeted population, the owner must define population to be served.)</i>	Ch. 3, Sec. 2			
<b>Citizenship Requirements</b> <i>(Owner must describe how citizenship/immigration requirements are implemented, including policies regarding verification of citizenship and under what circumstances the owner will permit a temporary deferral of termination of assistance.) SAVE verification for non-citizens</i>	Ch. 3, Sec. 1 SAVES 3-12H			
<b>Social Security Number (SSN) Requirements</b> <i>(Owner must identify the requirements for disclosing and providing verification of the complete and accurate SSN assigned to them except for those individuals who do not contend eligible immigration status or tenants who were 62 or older as of January 31, 2010 and whose initial determination of eligibility was begun before January 31, 2010. Failure to disclose and provide documentation and verification of SSNs will result in and applicant not being admitted.</i>	Ch. 3, Sec. 1			
<b>Income Limits</b> <i>(Owner must identify the income limit schedule used – i.e. LI -80% AMI, VLI - 50% AMI, or ELI – 30% AM. See HAP contract to determine income limits requirements. ELI families are now defined as very low-income families whose incomes do not exceed the higher of the federal poverty level or 30 percent of AMI. )</i>	Ch. 3, Sec. 1			
<b>Procedures for Accepting Applications and Pre-applications</b>	Ch. 4, Sec. 3			
<b>Procedures for Applying Preferences</b> <i>(Owner should describe the acceptable sources of preference verification and must define how preferences affect order in which applicants are accepted.) NOTE: state, local or residency preferences must be HUD approved.</i>	Ch. 4, Sec. 1 & 4			
<b>Income-targeting</b> <i>(Owners must including income targeting – i.e. 40% of new move-ins at 30% AMI and a description of how the income targeting affects the order in which applicants are selected from the waiting list.)</i>	Ch. 4, Sec 1 & 4 and Notice H 00- 18, Sec. 5			

<b>Required drug-related or criminal activity criteria including State lifetime sex offender registration check in all states where applicant household members have resided or using a database that checks against all state registries (e.g. the Dru Sjodin National Sex Offender Database)</b> <i>(Owner must describe property standards used to screen information on drug-related or criminal activity – including sex offender registration.)</i>	Ch. 4, Sec. 1 & 4 and Notice H 2002-22			
<b>Required marijuana screening criteria</b>	<a href="#">HUD Memorandum Dec 29, 2014</a>			
<b>Procedures for using the EIV Existing Tenant Search</b> <i>(O/As must establish procedures in their Tenant Selection Plan for using the EIV Existing Tenant Search to determine if the applicant or any member of the applicant's household are being assisted under a HUD rental assistance program at another location.)</i>	Ch. 4, Sec. 1 & 4, Ch. 9 Sec. 3.			
<b>Other allowable screening criteria</b> <i>(Owner must describe property standards used to screen information such as rental history, credit history, home visitations, and references.)</i>	Ch. 4, Sec. 1 & 4			
<b>Procedures for Rejecting Ineligible applicants</b> <i>(Owner must describe circumstances for rejection and how extenuating circumstances may be considered, including right of applicant to appeal.)</i>	Ch. 4, Sec. 1			
<b>Occupancy Standards</b> <i>(Owner must describe the determination of appropriate unit size and procedures to place families on the list for more than one unit size.)</i>	Ch. 3, Sec. 2			
<b>Unit transfer policies - including selection of in-place residents vs. applicants from the waiting list</b> <i>(Owner's description must include provisions for circumstances which include transfer because of family size, changes in household composition, change in subsidy, certifiable medical reasons or accessibility features.)</i>	Ch. 7, Sec. 3			
<b>Policies to comply with Sec. 504 of the Rehabilitation Act of 1973 and the Fair Housing Act and other relevant civil rights laws and statutes</b> <i>(Owner must include language regarding non-discrimination based on race, color, religion, sex, national origin, disability, familial status and, in Maine, sexual orientation – MRS.A Title 5, Sec. 4852)</i>	Ch. 2, Sec. 3			
<b>Policy for opening and closing the waiting list</b> <i>(Owner must describe the methods used to announce opening and closing the waiting list.)</i>	Ch. 4, Sec. 3			
<b>Eligibility of students to receive Section 8 rental assistance</b>	Ch. 3, Sec. 1 & 3			

**Policies for applying [Violence Against Women Act Reauthorization Act of 2013 \(VAWA\)](#) Notice H2017-05**

	<b>Citation</b>	<b>Y</b>	<b>N</b>	<b>Comments</b>
<b>Denied applicants are informed of their VAWA Protections Provided HUD Form 5380</b>	Ch. 4, Sec. 1			
<b>Policy establishing an Emergency Transfer Plan HUD Form 5383</b>	Ch. 4, Sec. 1			

**Recommended Topics/Provisions (Figure 4-2)**

	<b>Citation</b>	<b>Y</b>	<b>N</b>	<b>Comments</b>
<b>Applicant Notification and opportunity to supplement information</b>	Ch. 4, Sec. 1 & 4			
<b>Procedures for identifying applicant needs for the features of accessible units or reasonable accommodations</b>	Ch. 2, Sec. 3			
<b>Updating the waiting list</b>	Ch. 4, Sec. 3			

<b>Policy for notifying applicants and potential applicants of changes in the tenant selection plan</b>	Ch. 4, Sec. 1			
<b>Procedures for assigning units with originally constructed design features for persons with physical disabilities</b>	Ch. 2, Sec. 3			
<b>Charges for facilities and services</b>	Ch. 6, Sec. 3			
<b>Security Deposit Requirements</b>	Ch. 6, Sec. 2			
<b>Unit Inspections</b>	Ch. 6, Sec. 4			
<b>Annual recertification requirements</b>	Ch. 7, Sec. 1			
<b>Interim recertification reporting policies</b>	Ch. 7, Sec. 2			
<b>Implementation of house rules</b>	Ch. 6, Sec. 1			
<b>NOTE:</b> Pursuant to Chapter 2, Sec. 2-9 of HUD Handbook 4350.3, REV-1, Chg. 4 and the <i>“Final Guidance to Federal Financial Assistance Recipients Regarding Title VI Prohibition Against National Origin Discrimination Affecting Limited English Proficient Persons”</i> which was published in the Federal Register on January 22, 2007, housing owners must take reasonable steps to ensure meaningful access to the information and services they provide for persons with limited English proficiency. This may include interpreter services and/or written materials translated into other languages.				