



**To: All Owners and Managers**  
**From: Bob Conroy, Director of Asset Management**

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**I. Greetings from the Asset Management Department and Revised Notice Format**

On behalf of the entire staff of MaineHousing's Asset Management Department, I would like to wish each of our housing partners a happy and prosperous new year!

The year 2011 promises to be a busy year with possible changes in programs, policies, procedures and compliance requirements. In an effort to ensure owners/managers are kept current as to industry changes that may affect their properties, the Asset Management Department will continue providing regular notices. These notices are distributed to owners, managers, site staff and Resident Service Coordinators of record. The contents of these notices may not pertain to everyone on the distribution list. We recommend reviewing all of the topics in each issue to be sure those items that pertain to your particular property are identified. Please be sure to share these notices with other staff persons at your properties for whom the contents of the notice may be pertinent.

The Asset Management Notices have been reformatted to reflect MaineHousing's publication standards. Many thanks to MaineHousing's Communications and Planning Unit for assisting in these changes. Address changes, additions to the distribution list and comments regarding these notices may be sent to [Notices@mainehousing.org](mailto:Notices@mainehousing.org).

This notice and all previous notices may be found on MaineHousing's website at [www.mainehousing.org](http://www.mainehousing.org). Select the "Housing Partners" tab at the bottom of the home page. Then select "Downloads" and "Asset Management Notices".

## II. IRS Announces 2011 Mileage Rates

On December 13, 2010, the Internal Revenue Service issued the 2011 standard mileage rates used to calculate the deductible costs of operation an automobile for business, charitable, and medical purposes. These newly established rates became **effective on January 1, 2011**.

- \$0.51 per mile for business miles driven
- \$0.19 per mile drive for medical or moving purposes
- \$0.14 per mile driven in service of charitable organizations

Owners/managers of project-based Section 8 properties should refer to HUD Handbook 4350.3, Chapter 5, Section 2, D. Medical Expense Deductions and Exhibit 5-3 for information regarding the use of transportation costs for treatment for the elderly and disabled.

## III. 2011 Operating Cost Adjustment Factor (OCAF) Submission Requirements

The Operating Cost Adjustment Factor (OCAF) for 2011 was published on November 8, 2010 in the Federal Register. The factors are effective for all renewals or rent adjustments **on or after February 11, 2011**. As noted in an earlier notice (*Asset Management Notice 2010-20 Issued November 30, 2010*) Maine's factor is 0.0%.

There has been some confusion regarding the submission requirements for properties that are in the HAP contract renewal cycle. Although the 0.0% OCAF calculations do not allow for increases in contract rents, owners/managers are still required to submit **ALL** of the required documents outlined in the attached renewal checklists. These submission requirements are a provision of the Annual Contributions Contract (ACC) between MaineHousing and the US Department of Housing and Urban Development. Also see Asset Management Notice 2010-12 Issued June 23, 2010 for additional contract renewal requirements. This notice and all previous notices may be found on MaineHousing's website at [www.mainehousing.org](http://www.mainehousing.org). Select the "Housing Partners" tab at the bottom of the home page. Then select "Downloads" and "Asset Management Notices".

### **REMINDER: Annual Utility Allowance Analysis**

For project-based Section 8 properties that have utility allowances, an annual review of the utility allowances is required pursuant to Section 1.7(a)(2) of the Housing Assistance Payment (HAP) Contract. The purpose of the annual review of the utility allowances is to ensure the accuracy of the allowances. An analysis showing a cumulative change of 10% (*5% if heat is included in the tenant paid utilities*) must be submitted for review and contract rents will be adjusted accordingly. It is not mandatory to submit a utility allowance analysis that does not require the need for an increase, but it is recommended. With the contract renewal package for any type of renewal, the owner/manager must indicate whether or not the annual analysis was conducted and when. For additional information regarding determination of utility allowance, see HUD Handbook 4350.1, Chapter 7. Owner/manages may contact Lori Johnson, Financial Officer, at 624-4730 or by email at [ljohnson@mainehousing.org](mailto:ljohnson@mainehousing.org) with questions regarding utility allowances.

Attached are the renewal checklists for initial and subsequent renewals, and multi-year rental adjustments. If you have any questions regarding renewal or rent adjustment submissions, please contact Jennifer Boardman, Financial Officer at [jboardman@mainehousing.org](mailto:jboardman@mainehousing.org) or by telephone at 207-624-5727.

#### IV. Notice Requiring Owners with project-Based Rental Assistance Contracts or Section 202 or 811 Project Rental Assistance Contracts to Obtain Dun and Bradstreet Numbering System (DUNS) Numbers and to Register in the Central Contractor Registration (CCR)

Notice H 2011-01-11 was issued on January 5, 2011, providing the regulatory reporting requirements and guidance for legal entities receiving federal assistance. Rental assistance payments made under Project-Based Section 8 or Section 202 or 811 Project Rental Assistance Contracts are covered under these requirements. Owners must obtain a DUNS number and have an active, valid registration in CCR **within 60 days** of the publication date of the January 5, 2011 Notice. An owner's failure to obtain a DUNS number and CCR registration within the timeframe allotted may result in the suspension of housing assistance payments or rental assistance payments.

The notice includes guidance for the following:

- Background on Public Law 109-282, The Federal Funding Accountability and Transparency Act of 2006
- Deadline for obtaining DUNS Numbers and Registration in CCR
- Process for Obtaining a DUNS Number and Registration in CCR
- Utilization of CCR and DUNS information

The Notice attached hereto and is is posted on:

HUDCLIPS at: <http://www.hud.gov/offices/adm/hudclips/notices/hsg/>

#### Attachments:

- Section 8 Renewal Policy Checklist – Initial
- Section 8 Renewal Policy Checklist – Subsequent
- Section 8 Renewal Policy Checklist - Multiyear

*Maine State Housing Authority ("MaineHousing") does not discriminate on the basis of race, color, religion, sex, sexual orientation, national origin, ancestry, age, physical or mental disability, or familial status in the admission or access to, or treatment or employment in, its programs, and activities. 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), 1-800-452-4603 (TTY in state only), or (207) 623-2985 (TTY).*





**Guidance for the Renewal of Project-Based Section 8 Contracts**  
**INITIAL RENEWALS**

Listed below each option is the required documentation that must be submitted to MaineHousing. All documentation **must be submitted 120 days prior to the contract expiration.**

**Option 1: Mark-Up-To Market**

- Contract Renewal Request Form (*Attachment 3A-2*)\*
- Rent Comparability Study (*if RCS is 5 years old a new RCS must be submitted*)
- Completed Rent Schedule (*form HUD 92458*)\*
- Eligibility worksheets (*see Section 8 Renewal Guide for more information*)

**Option 2: Contract Renewals for Other Projects with Current Rents At or Below Comparable Market Rents**

- Contract Renewal Request Form (*Attachment 3A-2*)\*
- OCAF Worksheet
- Rent Comparability Study (*if RCS is 5 years old a new RCS must be submitted*)
- Budget and narrative (*form HUD-92547A or form RD 1930-7 for Rural Development Projects*)
- Completed Rent Schedule (*form HUD-92458*)\*
- Certification of Purchasing Practices & Reasonableness of Expenses (*HUD Handbook 4350.1, Chapter 7, Appendix 3*)

**Option 3: Referral to OMHAR**

- Contract Renewal Request Form (*Attachment 3A-2*)\*
- See Renewal Guide for additional OMHAR requirements

**Option 4: Renewal of Projects Exempted from OMHAR**

- Contract Renewal Request Form (*Attachment 3A-2*)\*
- OCAF Worksheet (*Attachment 3B*)
- Budget and narrative (*form HUD-92547A or form RD 1930-7 for Rural Development Projects*)
- Rent Comparability Study (**for FHA Insured only** - *if RCS is 5 years old a new RCS must be submitted*)
- Completed Rent Schedule (*form HUD-92458*)\*
- Documentation of 60 Day Notice to Tenants for Rural Development Projects: USDA-Rural Development Projects require a 60 day notice to tenants of proposed gross rent and utility allowance changes with a 20 day tenant response period. Another tenant notice, no less than 30 days prior to the implementation of the new rents, is also required. For additional information, see your RD Project Manager.
- Certification of Purchasing Practices & Reasonableness of Expenses (*HUD Handbook 4350.1, Chapter 7, Appendix 3*)
- Documentation of one-year Notice to Tenants

**Option 5: Portfolio Reengineering Demonstration or Preservation Projects**

- HUD is no longer processing initial renewals under the Portfolio Reengineering Demonstration Program (*no submission to MSHA required*)

**Option 6: Opt-Outs**

- Contract Renewal Request Form (*Attachment 3A-2*)\*
- Documentation of one-year Notice to Tenants
- Owner certification of honoring tenants rights to remain at the property as long as it continues to be offered for rental housing.

**PLEASE NOTE:** Items with an asterisk (\*) **must** be signed by the owner of record or their legally appointed designee. Rent Schedules (*form HUD-92458*) must also reflect non-subsidized units at the property. Rent Schedules must also reflect any other charges to the tenants. These charges must be approved by HUD prior to their implementation and the appropriate notice to tenants must be given. (*See HUD Handbook 4350.3 regarding tenant notification of fees.*)



**Guidance for the Renewal of Project-Based Section 8 Contracts**  
**MULTIYEAR ADJUSTMENTS/RENEWALS**

Listed below each option is the required documentation that must be submitted to MaineHousing. All documentation **must be submitted 120 days prior to the contract expiration.**

**Option 1: Mark-Up-To Market**

- Letter from Owner requesting Multiyear Adjustment/Renewal
- OCAF Worksheet (*Attachment 3B*)
- Rent Comparability Study (*if RCS is 5 years old a new RCS must be conducted*)
- Completed Rent Schedule (*form HUD 92458*)\*

**Option 2: Contract Renewals for Other Projects with Current Rents At or Below Comparable Market Rents**

- Letter from Owner requesting Multiyear Adjustment/Renewal
  - OCAF Worksheet (*Attachment 3B*)
- OR**
- Budget and narrative (*form HUD-92547A or form RD 1930-7 for Rural Development Projects*)
  - Rent Comparability Study (*If RCS is 5 years old a new RCS must be conducted*)
  - Completed Rent Schedule (*form HUD-92458*)\*
  - Certification of Purchasing Practices & Reasonableness of Expenses (*HUD Handbook 4350.1, Chapter 7, Appendix 3*)

**Option 3: Referral to OMHAR**

- See Renewal Guide for additional OMHAR requirements

**Option 4: Renewal of Projects Exempted from OMHAR**

- Letter from Owner requesting Multiyear Adjustment/Renewal
  - OCAF Worksheet (*Attachment 3B*)
- OR**
- Budget and narrative (*form HUD-92547A or form RD 1930-7 for Rural Development Projects*)
  - Rent Comparability Study (**for FHA Insured only** - *if RCS is 5 years old a new RCS must be submitted*)
  - Completed Rent Schedule (*form HUD-92458*)\*
  - Documentation of 60 Day Notice to Tenants for Rural Development Projects: USDA-Rural Development Projects require a 60 day notice to tenants of proposed gross rent and utility allowance changes with a 20 day tenant response period. Another tenant notice, no less than 30 days prior to the implementation of the new rents, is also required. For additional information, see your RD Project Manager.
  - Certification of Purchasing Practices & Reasonableness of Expenses (*HUD Handbook 4350.1, Chapter 7, Appendix 3*)

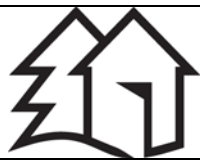
**Option 5: Portfolio Reengineering Demonstration or Preservation Projects**

- Letter from Owner requesting Multiyear Adjustment/Renewal
- OCAF Worksheet (*Attachment 3B*)
- Completed Rent Schedule (*form HUD-92458*)\*

**Option 6: Opt-Outs**

- Not applicable - Owner will only be eligible to Opt-Out at the final expiration of the contract.

**PLEASE NOTE:** Items with an asterisk (\*) **must** be signed by the owner of record or their legally appointed designee. Rent Schedules (*form HUD-92458*) must also reflect non-subsidized units at the property. Rent Schedules must also reflect any other charges to the tenants. These charges must be approved by HUD prior to their implementation and the appropriate notice to tenants must be given. (*See HUD Handbook 4350.3 regarding tenant notification of fees.*)



**Guidance for the Renewal of Project-Based Section 8 Contracts  
SUBSEQUENT RENEWALS**

Listed below each option is the required documentation that must be submitted to MaineHousing. All documentation **must be submitted 120 days prior to the contract expiration.**

**Option 1: Mark-Up-To Market**

- Contract Renewal Request Form (*Attachment 3A-2*)\*
- Rent Comparability Study (*If RCS is 5 years old a new RCS must be conducted*)
- Completed Rent Schedule (*form HUD 92458*)\*
- Eligibility worksheets (*see Section 8 Renewal Guide for more information*)
- Documentation of one-year Notice to Tenants

**Option 2: Contract Renewals for Other Projects with Current Rents At or Below Comparable Market Rents**

- Contract Renewal Request Form (*Attachment 3A-2*)\*
- OCAF Worksheet
- Rent Comparability Study (*If RCS is 5 years old a new RCS must be conducted*)
- Budget and narrative (*form HUD-92547A or form RD 1930-7 for Rural Development Projects*)
- Completed Rent Schedule (*form HUD-92458*)\*
- Certification of Purchasing Practices & Reasonableness of Expenses (*HUD Handbook 4350.1, Chapter 7, Appendix 3*)
- Documentation of one-year Notice to Tenants

**Option 3: Referral to OMHAR**

- Contract Renewal Request Form (*Attachment 3A-2*)\*
- See Renewal Guide for additional OMHAR requirements
- Documentation of one-year Notice to Tenants

**Option 4: Renewal of Projects Exempted from OMHAR**

- Contract Renewal Request Form (*Attachment 3A-2*)\*
- OCAF Worksheet (*Attachment 3B*)
- Budget and narrative (*form HUD-92547A or form RD 1930-7 for Rural Development Projects*)
- Rent Comparability Study (**for FHA Insured only** -*If RCS is 5 years old a new RCS must be conducted*)
- Completed Rent Schedule (*form HUD-92458*)\*
- Documentation of 60 Day Notice to Tenants for Rural Development Projects: USDA-Rural Development Projects require a 60 day notice to tenants of proposed gross rent and utility allowance changes with a 20 day tenant response period. Another tenant notice, no less than 30 days prior to the implementation of the new rents, is also required. For additional information, see your RD Project Manager.
- Certification of Purchasing Practices & Reasonableness of Expenses (*HUD Handbook 4350.1, Chapter 7, Appendix 3*)
- Documentation of one-year Notice to Tenants

**Option 5: Portfolio Reengineering Demonstration or Preservation Projects**

- At the end of the 5 year term the owner will be eligible to renew under Option 1 or 2. See above for requirements.
- Documentation of one-year Notice to Tenants

**Option 6: Opt-Outs**

- Contract Renewal Request Form (*Attachment 3A-2*)\*
- Documentation of one-year Notice to Tenants
- Owner certification of honoring tenants rights to remain at the property as long as it continues to be offered for rental housing.
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**PLEASE NOTE:** Items with an asterisk (\*) **must** be signed by the owner of record or their legally appointed designee. Rent Schedules (*form HUD-92458*) must also reflect non-subsidized units at the property. Rent Schedules must also reflect any other charges to the tenants. These charges must be approved by HUD prior to their implementation and the appropriate notice to tenants must be given. (*See HUD Handbook 4350.3 regarding tenant notification of fees.*)