



To: All Owners and Managers

From: Bob Conroy, Director of Asset Management

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- I. Budget Form Clarifications**
- II. MREMA November Meeting**
- III. LIHTC Audit Corner**

I. Budget Form Clarifications

Several questions have been submitted to MaineHousing Asset Managers regarding the FYE 2019 Budget form. We thought it may be helpful to share our answers with each of you. Please forward to your financial team as needed.

Tab 2-Rent Schedule Section 8

1. If the project has a Section 8 HAP Contract for 100% of the units, but has since received LIHTC designation, please complete **ONLY** the 2-Rent Schedule tab on the FYE 2019 Budget form.

Tab 3-Rent Schedule 8, LIHTC, FH & RLP

2. When completing the 3-Rent Schedule 8, LIHTC, FH & RLP tab, the rents listed under the Current Contract Rent and Proposed Contract Rent should be what is being charged for the unit (chart rent for that type), including the tenant portion. The subsidy to be listed in cell C62 should be the anticipated HCV-HAP, BRAP, STEP (etc.) payments you received for all units. Tenant portion no longer needs to be listed.
 - a. For example: you are charging the 50% AMI rent for a 1 bedroom unit in Portland HMFA of \$845. The Housing Choice Voucher Payment Standard allows for \$1043. The difference of \$198 would be the amount included in the subsidy calculation listed in cell C62.

Tab 6-Transaction Schedules

3. The calculation for Replacement Reserves "Bal. End of Next Year" cell I16 is not completed until the final review by MaineHousing Asset Managers. The formula includes the "MaineHousing Use Adjusted/Total" for the account withdrawals. When completed by the owner/manager the calculation will only include the Estimated Balance End of This Year, Interest and Deposits. This is to allow Asset Managers to adjust the Fixed Asset Transaction totals as needed if items are not approved for the use RR.

Tab 7-Commercial Schedule

4. In order for data entered into tab 7-Commercial Schedule to appear on tab 8-Annual Budget, the box in the upper-left-hand corner, cell B10, “The property was developed to include commercial income into gross effective income” MUST be checked.

Please contact Alison Dyer at 626-4610 or email her at adyer@mainehousing.org with any additional questions.

II. MREMA November Meeting

Attached please find the MREMA flyer and registration form for their next meeting quarterly meeting and training on November 30th. After the business meeting there will be Regulatory Updates, a Genesis Fund Presentation on the RD 515 Assistance Program, a delicious Hot Italian Lunch, and then a Fair Housing Training with Debbie Pilch.

III. LIHTC Audit Corner

Attached please find from the Audit Corner Tax Credit Tips, helpful information on the Required Minimum Distribution (RMD), Effective dates of Income Certifications where the owner acquires, or rehabs an existing building, and Live In Aides clarification.

Attachments:

- **MREMA November Meeting**
- **LIHTC Audit Corner**

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.





TAX CREDIT TIPS

Required Minimum Distribution (RMD)

Required Minimum Distributions (RMD) is the minimum amount the IRS states you must withdraw from your retirement account each year. You generally have to start taking withdrawals from your IRA, SEP IRA, SIMPLE IRA, or retirement plan account when you reach age 70½.

MaineHousing requires that owner/managers follow the guidance provided in the 4350.3 regarding required minimum Distributions.

- Chapter 5-6 L - The full amount of periodic payments from annuities, insurance policies, retirement funds, pensions and disability or death benefits, are included in annual income. MaineHousing interprets RMD as periodic income.
- Chapter 5-6 P The withdrawal of cash or assets from an investment received as periodic payments should be counted as income. Lump sum receipts from pension and retirement funds are counted as assets. If benefits are received through periodic payments, do not count any remaining amounts in the account as an asset.

Effective Dates of Income Certifications Where the Owner Acquires or Rehabilitates Existing Building

Per the IRS Guide for Completing Form 8823 Low Income Housing Credit Agencies Report of Noncompliance or Building Disposition page 4-25 for households occupying a unit at the time of acquisition by the owner, the initial tenant income certification is completed within 120 days after the date of acquisition using the income limits in effect on the day of acquisition.

- The effective date of the Tenant Income Certification is the date of acquisition. The move-in date of an initially income qualifying household paying rent restricted rent (prior tax credit property) would be the original move in date.
- The effective date of a household that occupies a unit at the time of acquisition, but the tenant income certification is completed more than 120 after the date of acquisition, the household is treated as a new move in. Owners use the income limits in effect at the time of the tenant income certification and both the effective date and the move in date would be the date the last adult member of the household signed the certification.
- When a household moves into a unit after the building is acquired but before the beginning of the first year of the compliance period, the tenant income certification is completed using the income limits in effect at the time of certification and the effective date and move in date is the date the household moves into the unit.

Live in Aides

- Reminder, if you have any Live in Aides in your tax credit properties, they must complete an acknowledgement that their right to remain in the unit ceases if the person they are caring for permanently leaves the unit or passes away.

If you have any questions regarding this guidance please contact your Asset Manager.

MAINE REAL ESTATE MANAGEMENT ASSOCIATION

Quarterly Meeting & Training

Friday, November 30, 2018

Italian Heritage ~40 Westland Ave, Portland, ME

Business Meeting

9:00am - Registration & Continental Breakfast

9:30 - 10:15am - Business Meeting

1. Roll call/Proof of Notice/Quorum
2. Acceptance of Minutes of Last Meeting
3. Review of Actions Taken by Board of Directors
4. Report on Current Financial Status
Treasurer's Report
5. Committee Reports
6. Old Business
7. New Business
8. Adjournment

10:15 - 11:00am - Regulatory updates

11:00 - 12:00pm - Genesis Fund Presentation on the RD 515 Assistance Program

12:00-1:00pm - Delicious Hot Italian Lunch

1:00 - 4:00pm- Fair Housing Training with Debbie Piltch

Fair Housing Training

Presenter: Debbie Piltch

Debbie Piltch is an attorney with considerable expertise in discrimination law and housing law. She worked for more than five years at the Disability Law Center (DLC) in Boston, Massachusetts, representing low-income individuals in cases involving discrimination in housing, employment, and education. She also designed and conducted training for consumers, and public and private entities on disability discrimination law. While at the DLC, she served on the Department of Housing and Urban Development's (HUD) taskforce responsible for making recommendations to the Secretary of HUD regarding complicated occupancy issues in public and assisted housing. She wrote the section of the report on reasonable accommodation in relation to persons with drug and alcohol addictions.

Debbie has been a NEAHMA Trainer for over 12 years. Debbie continues to teach the following: Certified Professional of Occupancy (CPO), Half Day Fair Housing, LIHTC Determining Income, LIHTC File Audit, and One Day Tax Credit. She also teaches Reasonable Accommodations and Specialist in Housing Credit Management.

Questions regarding this training please contact Bridget York at bridget.york@presmgmt.com

5pm- 25TH Anniversary Toys for Tots & Teens

Registration for this event will be sent in the upcoming weeks.



Send registration and payment to:

*Please note new mailing address***

MREMA
P.O. Box 643
Dover- Foxcroft, ME 04426



FEE: \$125.00 Per Person (Members Only) – **Make Checks Payable to MREMA**
\$150.00 Per Person (Non-members) – **Make Checks Payable to MREMA**

Company:	
Address:	
City,ST,Zip:	
Phone:	
Email:	
Check Amt:	

Names of Attendees:

If you require any special considerations, please state your request along with your registration by November 26, 2018.