



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

In this issue:

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- II. Standardization of REAC Inspection Timelines**
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I. IRS Form 8703 – Annual Certification of a Residential Rental Project

The operator of a residential rental project for which an election was made under section 142(d) of the Internal Revenue Code must file Form 8703 annually during the qualified project period. This form must be filed by March 31 after the close of the calendar year for which the certification is made. The latest revision of this Form (Rev.9-2013) includes Part III which requests information about the Issuer and the tax-exempt financing that financed the project under section 142(d).

In order to assist in completing Part III of the form MaineHousing has posted information on its Tax-Exempt Private Activity Bond Issues on our website at the links listed below.

To gather the information on your project, first open the “MaineHousing MF Project List” at <http://www.mainehousing.org/partners/partner-type/property-owners-managers/tax-exempt-bond-project-information>. Locate your project from the list and note the bond series in column C. Please note that it is possible for your project to be listed under more than one bond series. If it is listed under more than one bond series the 8703 Form will need to include information on each bond series. If your project was previously on the “MaineHousing MF Project List” and is no longer listed, you should consult your accountant to determine whether you still need to file a Form 8703 for the project.

Once you know the bond series, open the “MaineHousing Master Bond List” at <http://www.mainehousing.org/partners/partner-type/property-owners-managers/tax-exempt-bond-project-information>. This list contains the information on each bond series that is needed to complete part III of Form 8703 and corresponds with boxes 14 – 20 on the form.

Please note the bond information for your project will not necessarily stay the same for the life of the project. This information will need to be reviewed on an annual basis. Please also note that MaineHousing does

not provide tax advice. If you have questions related to the filing of this form you may want to consult your tax professional or contact the IRS at <https://www.irs.gov/tax-exempt-bonds/tax-exempt-bonds-customer-services> or mail questions to:

Internal Revenue Service
TE/GE Division, Customer Service
P.O. Box 2508
Cincinnati, OH 45201

II. Standardization of REAC Inspection Timelines

On February 20, 2019, the U.S. Department of Housing and Urban Development (HUD) announced it is drastically reducing the advance notice it provides to public housing authorities (PHAs) and private owners of HUD-subsidized apartment developments. The new notice standard is 14 calendar days – a major reduction from the 120 days HUD used to give owners and developers.

As rationale for the change, HUD expressed concern that the 120-day lead time allowed certain public housing authorities and private property owners to undertake cosmetic “just-in-time” repairs to properties rather than continuous maintenance programs. HUD Secretary Ben Carson stated in the PIH Notice release that “it’s become painfully clear to us that too many landlords whom we contract with were using the weeks before their inspection to make quick fixes, essentially gaming the system.”

Secretary Carson further explained, “the action we take today is part of a broader review of our inspections so we can be true to the promise of providing housing that’s decent, safe and healthy for the millions of families we serve.” To that end, HUD also announced a nationwide listening tour to gather input from the public and HUD stakeholders that is focused on a forthcoming pilot program to test new approaches to inspecting HUD-assisted properties.

III. 2019 MREMA Annual Conference

The Maine Real Estate Managers Association (MREMA) Board of Directors and Conference Committee is extremely excited to announce the 2019 MREMA Annual Conference! The conference will be held May 6th-8th at Sunday River in Newry, Maine.

MREMA has put together an amazing conference this year filled with educational sessions, fun entertainment and great networking opportunities. Keynote Speaker Secretary Julian Castro will kick off the day Monday morning by drawing from his experience as Secretary of HUD during the Obama administration. On Tuesday during the plenary, Avish Parishar will regale you by transforming improvisational comedy into real life business skills. While the keynote and plenary speakers are sure to entertain and inspire you, the educational sessions will not disappoint. They are bringing in industry experts in HUD/LIHTC/RD compliance, energy efficiency, and tenant landlord law. In addition, you will engage in conversation with the Maine Human Rights Commission, Maine State Housing Authority and other leading experts in the state. Meet the new Director of Maine Housing, Dan Brennan, who will speak at lunch on Monday. See the attached schedule and description of sessions for more information.

Don’t forget about the opportunity to network with other housing professionals and MREMA member vendors during the networking breaks and dinners. For those of you arriving on Sunday there will be an evening social at “Camp,” the in-house restaurant at the Grand Summit Resort. Come in the night before and enjoy some laid-back networking, and be refreshed and ready for keynote speaker, Secretary Castro. Monday night MREMA will hold its traditional President’s Dinner and Award Ceremony, followed by a Wine/Beer/Scotch tasting with

acoustic music by Mitch Alden. Tuesday's festivities will include a field trip to the nearby South Ridge Resort for ziplining, lawn games, bonfires, and music by "Something Stupid." A little friendly competition between vendors and property managers is likely to ensue. The board and conferenced committee hope to see you there!

IV. Auditing Corner (attached)

V. Smoke and CO Detectors (attached)

Attachments:

- HUD Notice 2019- 04 Standardization of REAC Inspection Notification Timelines
- 2019 – 01 Auditing Corner
- 2019 MREMA Annual Conference Registration Packet
- Smoke and CO Detectors

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.



2019 MREMA CONFERENCE

PARTNERS IN PROGRESS

PEOPLE. PROCESS. PERFORMANCE.

SUNDAY RIVER, NEWRY

May 6-8, 2019

Grand Summit Hotel

97 Summit Road, Newry, ME

Check out the MREMA
website/facebook page for
announcements of entertainment and
additional sessions.



MREMA

2019 MREMA Annual Conference

May 6-8, 2019

Grand Summit Resort- Sunday River, Newry, ME

“Partners in Progress: People. Process. Performance.”

Dear Maine Housing Professionals:

On behalf of the Maine Real Estate Managers Association (MREMA) Board of Directors, the Conference Committee is extremely excited to announce the 2019 MREMA Annual Conference! The conference will be held May 6th-8th at Sunday River in Newry, Maine.

We have put together an amazing conference this year filled with educational sessions, fun entertainment and great networking opportunities. Keynote Speaker Secretary Julian Castro will kick off our day Monday morning by drawing from his experience as Secretary of HUD during the Obama administration. On Tuesday during our plenary, Avish Parishar will regale us by transforming improvisational comedy into real life business skills. While our keynote and plenary speakers are sure to entertain and inspire you, our educational sessions will not disappoint. We are bringing in industry experts in HUD/LIHTC/RD compliance, energy efficiency, and tenant landlord law. In addition, we will engage in conversation with the Maine Human Rights Commission, Maine State Housing Authority and other leading experts in the state. Meet our new Director of Maine Housing, Dan Brennan, who will speak at lunch on Monday. See the attached schedule and description of sessions for more information.

Don't forget about the opportunity to network with other housing professionals and MREMA member vendors during the networking breaks and dinners. We will kick off the conference for those of you arriving on Sunday with an evening social at “Camp,” the in-house restaurant at the Grand Summit Resort. Come in the night before and enjoy some laid-back networking, and be refreshed and ready for our keynote speaker, Secretary Castro. Monday night we will hold our traditional President's Dinner and Award Ceremony, followed by a Wine/Beer/Scotch tasting with acoustic music by Mitch Alden. Tuesday's festivities will include a field trip to the nearby South Ridge Resort for ziplining, lawn games, bonfires, and music by “Something Stupid.” A little friendly competition between vendors and property managers is likely to ensue.

We hope to see you in Newry!

Sincerely,
The Conference Committee

Barbara Soloway
Sherrin Vail
Alyssa Dean-Littlefield

Holly Merrill
Tami Peterson

MREMA 2019 Annual Conference Schedule

Sunday May 5th, Evening Social at "Camp": 6pm-9pm

Day 1- May 6th

Time		Track 1	Track 2	Track 3	Leadership
8:00-9:15		Registration/Breakfast			
9:15-9:30		Welcome and Opening Remarks			
9:30-10:30		Keynote Speaker: Secretary Julian Castro			
10:30-11:00		Networking Break			
11:00-12:30	A	RD Training with Amanda Lee Gross of U.S. Housing Consultants	The Mandt System with Gail Berlinger of Preservation Management (Limited Space Available)	Lessons in Energy Efficiency Improvements with Todd Rothstein of Avesta Housing	Practitioner Panel: Asset Management, Development and Property Management, Working Together
12:30-1:30		Lunch			
1:00-1:30		Maine State Housing Authority Updates with Dan Brennan			
1:30-3:00	B	RD Training with Amanda Lee Gross of U.S. Housing Consultants	The Mandt System with Gail Berlinger of Preservation Management (Limited Space Available)	Lessons in Energy Efficiency Improvements with Todd Rothstein of Avesta Housing	Practitioner Panel: Hiring, Training and Retaining Employees
3:00-3:15		Networking Break			
3:15-5:00	C	RD Training with Amanda Lee Gross of U.S. Housing Consultants	The Mandt System with Gail Berlinger of Preservation Management (Limited Space Available)	Marijuana in Housing with Frank Flynn of Flynn Law Group	Practitioner Panel: Issues and Solutions in Managing Rural Housing
5:00-6:30		Vendor Exposition: Cocktails and Networking			
6:30-8:00		President's Dinner and Award Presentation			
8:00		Wine/Beer/Scotch Tasting and Music by Mitch Alden			

Day 2- May 7th

Time		Track 1	Track 2	Track 3	
7:30-8:30		Registration/Breakfast			
8:30-10:15	A	Section 8 (HUD) Training with Amanda Lee Gross of U.S. Housing Consultants	The Mandt System with Gail Berlinger of Preservation Management (Limited Space Available)	REAC Updates with Scott Precourt of U.S. Housing Consultants	
10:15-10:30		Networking Break			
10:30-12:00	B	Section 8 (HUD) Training with Amanda Lee Gross of U.S. Housing Consultants	The Mandt System with Gail Berlinger of Preservation Management (Limited Space Available)	Tenants with Mental Disabilities with Frank Flynn of Flynn Law Group	
12:00-1:00		Lunch & MREMA Policy Updates			
1:00-2:30		Plenary Session: Avish Parishar, Ding Happens			
2:30-4:30	C	Section 8 (HUD) Training with Amanda Lee Gross of U.S. Housing Consultants	Practitioner Panel: RSC Best Practices, Roles and Responsibilities	Tenants with Mental Disabilities with Frank Flynn of Flynn Law Group	
4:30-7:00		South Ridge Dinner, Game Night and Vendor Competition on The Deck			
7:00-10:00		The Band: "Something Stupid" at South Ridge			

Day 3- May 8th

Time		Track 1	Track 2	Track 3	
8:00-9:00		Registration/Breakfast			
9:00-10:30	A	LIHTC with Erik Whitton of Qualified Compliance Consulting	Maine Human Rights Commission Panel Discussion	MREMA Annual Business Meeting	
10:30-10:45		Networking Break			
10:45-12:15	B	LIHTC with Erik Whitton of Qualified Compliance Consulting	Maine Human Rights Commission Panel Discussion	MSHA Training: MOR Preparation and Planning	
		Box Lunch/Departure			

Speaker List

Keynote Speaker Secretary Julian Castro: Castro is a Democratic politician who served as the 16th United States Secretary of Housing and Urban Development under President Barack Obama from 2014 to 2017 and was the youngest member of the Obama Cabinet. Accomplishments of the department under his leadership include HUD's work to stabilize the housing market, rebuild communities struck by natural disasters through a \$1 billion National Disaster resilience Competition, expansion of lead safety protections in federally assisted housing, and the Affirmatively Furthering Fair Housing rule to fulfill the full obligation of the Fair Housing Act.

Secretary Castro served as the mayor of San Antonio from 2009 until 2014. On January 12, 2019 he launched his campaign for President of the United States.

Maine State Housing Speaker Dan Brennan: In 2018 Dan Brennan took the helm of Maine State Housing Authority. Prior to being named Director, Brennan had been serving as Senior Director of Programs, overseeing departments responsible for creating single and multifamily housing, addressing homelessness, managing Section 8 Housing Choice Vouchers, and administering the federal Home Energy Assistance Program (HEAP) as well as the Department of Energy Weatherization Program. Brennan will give an update on MSHA initiatives going forward.

Plenary Speaker Avish Parashar: Avish Parishar is a funny motivational speaker whose programs are a unique blend of humor, content and interaction that makes the information relevant, engaging and memorable. As a motivational keynote speaker, Avish energizes, inspires, and entertains his audiences while giving them the tools to respond to three critical challenges: the world is changing faster than ever; workloads increase and resources decrease; and communicating with other people.

Sessions:

Rural Development and HUD Compliance with Amanda Lee Gross: Back by popular demand, Amanda Lee Gross of U.S. Housing Consultants will tackle the Rural Development program on day 1 and HUD on day 2. Topics to be addressed include project eligibility, waiting lists and tenant selection, determining household rent, lease requirements, gross rent charges, unit transfer, determining household income, civil rights and non-discrimination requirements. Ms. Gross has eighteen years of hard-won, real-world knowledge and experience in all aspects of the affordable housing industry. She has learned the affordable housing industry from the ground up, starting as a site manager, and eventually rising to the position of Compliance Director for a multi-state, 5,000+ unit management company. Ms. Gross has leveraged that experience and become a nationally recognized expert trainer in Fair Housing, LIHTC, RD, HUD, and HOME. Over the last eight years, she has conducted hundreds of trainings nationwide, and has provided consulting services to State Housing Finance Agencies, Public Housing Authorities, management companies, and developers.

The Mandt System: Relational Skills with Gail Berlinger: The Mandt System is a comprehensive, integrated approach to preventing, de-escalating, and if necessary, intervening when the behavior of an

individual poses a threat of harm to themselves and/or others. The focus of The Mandt System is on building healthy relationships between all the stakeholders in human service settings to facilitate the development of an organizational culture that provides the emotional, psychological, and physical safety needed in order to teach new behaviors to replace the behaviors that are labeled “challenging”. Due to the nature of this session there will be a **limit of 20** participants. Space will be on a first come basis. Gail D. Berlinger is the Vice President of Supportive Services at Preservation Management. Most recently before joining PMI, Gail served as the Director of Strategic Impact Initiatives at Boston Community Capital (BCC) in Boston, Massachusetts. In that role her dual focus was on financial sustainability and quality of life for low income families.

Lessons in Energy Efficiency with Todd Rothstein: With 6 years of experience working in multi-family construction at Avesta Housing, Todd Rothstein has actively participated in managing many different types of energy efficiency improvements in Avesta’s portfolio. Now Passive House certified, Todd strives to bring the highest level of energy efficiency to all of Avesta’s new properties. Todd Rothstein is the Director of Construction Services at Avesta Housing. He is responsible for managing the construction design standards and processes for new and major-rehabilitation projects. He plays a major role in most pre-construction design and construction planning of new projects and works with the real estate development staff as an owner’s representative during select construction projects. Todd also works with the Property Management division staff to improve energy efficiencies, purchasing and contract mechanisms, contractor warranty work, and the overall physical integrity of their properties.

Practitioner Panels: Day one and two will include several panel discussions to address hot topic issues in the property management field. The panels will be populated with leadership from local companies who are addressing and succeeding in each of the areas mentioned. Panels will include: Asset Management, Development and Property Management, Working Together; Hiring, Training and Retaining Employees; Issues and Solutions in Managing Rural Housing; RSC Best Practices, Roles and Responsibilities.

REAC Updates with Scott Precourt: In the ever-changing world of federal compliance, it is important to keep up with current regulations. Scott Precourt will hold a 90 minute session focusing on recent updates to the REAC process. Scott Precourt is a founding Partner of US Housing Consultants and InspectCheck Software. He has worked with owners and managers of affordable housing for more than twenty years, finding creative ways to work out non-compliance issues with HUD and Tax Credit issues ranging from physical inspection issues to compliance matters. Scott is well known within the industry for developing new and innovative solutions to prevent and correct non-compliance and is also known as a leading voice on compliance on HUD REAC Inspections, having presented at hundreds of conferences and training events since 2006.

Marijuana in Housing & Tenants with Mental Disabilities: These two interactive sessions with Frank Flynn of Flynn Law Group will cover the basics of tenant-landlord law around marijuana in housing and tenants with disabilities. Marijuana in housing has become a quickly evolving subject as multiple states, including Maine, have made Marijuana legal, while the federal government has not. Tenants with Disabilities have their own set of challenges in housing, particularly around the reasonable

accommodation process. Flynn Law Group is an award-winning team of seasoned property attorneys specializing in residential and commercial landlord-tenant law.

LIHTC Compliance with Erik Whitton of Qualified Compliance Consulting: Erik will provide a summary of key LIHTC compliance issues as well as an update on new guidance for the program. With over 17 years experience in the multifamily affordable housing industry, Erik has provided hands-on compliance consulting services to more than 4,000 developments nationwide. *Qualified Compliance* is a small firm offering a boutique approach to the Low Income Housing Tax Credit (LIHTC) industry.

Maine Human Rights Commission Panel: The Maine Human Rights Commission is the State agency charged with the responsibility of enforcing Maine's anti-discrimination laws. The Commission investigates complaints of unlawful discrimination in employment, housing, education, access to public accommodations, extension of credit, and offensive names. The Commission attempts to resolve complaints of discrimination to the mutual satisfaction of those who are involved. The panel will be composed of representatives from Maine Human Rights Commission, Disability Rights Maine, and Pine Tree Legal Assistance.

IMPORTANT
Registration Information and Instructions

- Registration Form:** Please complete one registration form for each person attending. Be sure to elect the sessions to attend. The attached agenda identifies each session number.
- Registration Deadline:** **April 12, 2019**
- Cancellation Policy:** Cancellations after the April 12th deadline will not receive a refund. Cancellations by April 1st will receive a 50% refund.
- Early Bird Discounts:** Registrations received by **March 22nd** will receive a discount on their conference registration.
- Other Registration:** Those wishing to complete the form and send payment may do so by completing the form below and mailing it to:

Maine Real Estate Managers Association
PO Box 643, Dover Foxcroft, ME 04426

- Payment:** Payment in full is required prior to the event. Checks may be made payable to **MREMA**.
- Room Reservations:** Please see the accommodations information provided with this registration form in order to reserve rooms.
- Special Needs:** Persons with special dietary requirements may include a brief description of their needs with the registration form. Those persons needing special accommodations related to room reservations should discuss the needs with hotel staff at the time of registration.



**All reservations need to be received to the hotel
no later than Friday April 12, 2019**

Reservations can be made for overnight stay by calling 1-800-207-2365. Please identify as being part of Maine Real Estate Managers Association 2019 Conference Group to obtain the special discounted rate.

Rate: Standard \$118/night, 1 Bedroom Suite \$139/night, 2 Bedroom Suite \$239/night, 3 Bedroom Suite \$349/night

Specific room types are based on availability and cannot be guaranteed at the time of booking.
All rates are subject to the hotel tax of 9% and resort charge of 7%.



MREMA

2019 MREMA Conference
REGISTRATION (Please type or print clearly. Complete a
SEPARATE form for each attendee.)

Name: _____ Title: _____

Organization: _____

Address: _____

Phone: _____ Fax: _____ Email: _____

Conference Rates (Please check off appropriate Rate)

MREMA Member Rates

Early Bird Rates (Received by March 22nd)

Full 3 Days \$599 ___

Monday & Tuesday \$499 ___

Monday Only \$375 ___

Early Bird Rates (Received After March 22nd)

Full 3 Days \$649 ___

Monday & Tuesday \$549 ___

Monday Only \$400 ___

**Non-Members, please add an additional \$100 to the above.

Please identify sessions to attend (see attached agenda):

Monday, May 6th:

Time Slot A: 1 ___ 2* ___ 3 ___ 4 ___

Time Slot B: 1 ___ 2* ___ 3 ___ 4 ___

Time Slot C: 1 ___ 2* ___ 3 ___ 4 ___

Will you be attending dinner on Monday, May 6th?

YES / NO

Tuesday, May 7th:

Time Slot A: 1 ___ 2* ___ 3 ___

Time Slot B: 1 ___ 2* ___ 3 ___

Time Slot C: 1 ___ 2 ___ 3 ___

Will you be attending dinner on Tuesday, May 7th?

YES / NO

Wednesday, May 8th:

Time Slot A: 1 ___ 2 ___ 3 ___

Time Slot B: 1 ___ 2 ___ 3 ___

I am requesting a bagged lunch on Wednesday, May 8th for an extra \$15? YES / NO.

Starred time slot is Mandt Training. You must sign up for all 5 timeslots with a star if you choose this training. Training is first come first serve and limited to 20 attendees, you will be notified if you were not one of the first 20 to sign up

Vegetarian Meals Requested? YES / NO

Gluten-Free Meals Requested? YES / NO

Other Dietary Meal Restrictions _____

Want to SAVE money on your registration?

If you are not already a member or associate member of MREMA, please join today by going to

www.mrema.org.

(The above rates include all sales tax, meals and gratuity.) Total: \$ _____



TAX CREDIT TIPS

I. Post 15 Year Instructions

LIHTC properties that have reached and completed their 15 years of initial compliance are now considered in their extended use period. Those properties now should complete a Post year 15 LIHTC Owner Certification. MaineHousing has issued compliance and monitor guidance to assist management companies in this transition. These forms can be found on our website at [Post 15 Year Certification](#) and [Post 15 Year Instructions](#).

II. Updated Tenant Income Certification Forms

The following changes have been made to our Tenant Income Self Certification form:

1. Added boxes for 811 and Housing Trust Fund in program type
2. Added boxes for voucher type Project Based Voucher or Tenant Based Voucher in rent Part I
3. Added post 15 year student question in student status Part II

The following changes have been made to our Tenant Income Certification form:

1. Added boxes for 811 and Housing Trust Fund in program type
2. Added boxes for Initial Certification – unit and Initial Certification - tenant Part I
3. Added income line for HOME 80% Part V
4. Added voucher type Project Based Voucher or Tenant Based Voucher Part VI
5. Added post 15 year student question in student status Part VII

These forms can be found on our website at <http://www.mainehousing.org/partners/partner-type/property-owners-managers/property-management-forms>.

III. Changes to property management staff and access to the WTC Electronic Reporting Software

As it is the beginning of a new year, please review your staff's access permission and make sure that the appropriate people are assigned to WTC for your tax credit reporting requirements. A form has been created to either add or remove people from access to your properties in the system. Once completed, this form should be emailed to LIHTC@mainehousing.org mailbox for processing. The form is attached to this notice and can be found on our website at <http://www.mainehousing.org/partners/partner-type/asset-management>. Listed under Manual, Guide and Resources – LIHTC titled Web Tenant Compliance – User Authorization Form. As a reminder, not only should you be submitting your WTC reporting for those properties in their first 15 years of compliance, you should continue to submit your properties that are in their extended use period through the term of the Extended Use Agreement.

IV. Utility Allowance Changes

MaineHousing's published utility allowance charts changed effective January 1, 2019. LIHTC requires that all utility allowance changes be implemented within 90 days of the effective date. We strongly encourage all properties to periodically check with the local housing authority for published changes to the utility allowance charts so the 90 day deadline can be met.

V. Changes in the LIHTC review and inspection process

On February 26, 2019 the Internal Revenue Service issued new regulations contained in 26 CFR Part 1 of the Federal Register dated Tuesday, February 26, 2019:

In summary:

1. The final regulations shorten the reasonable notice requirement to a 15-day notice that a project will experience an upcoming physical inspection or review of low income certifications (MOR).
2. The final regulation clarifies that an Agency may notify the owner of the low-income units slated for inspection/review only on the day of inspection/review.
3. The review is now based on the number of low income units in the total property.

If you have any questions regarding these new requirements, please contact your Asset Manager.



U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT
WASHINGTON, DC 20410-5000

OFFICE OF PUBLIC AND INDIAN HOUSING
OFFICE OF HOUSING

SPECIAL ATTENTION OF:
Public Housing Agencies (PHAs)
Public Housing Hub Office Directors;
Public Housing Program Center Directors;
Regional and Field Office Directors;
Moving to Work Agencies
Multifamily Owners, Regional Centers

**NOTICE PIH-2019-02 (HA)
H-2019-04**

Issued: February 22, 2019

Expires: This notice remains in effect until amended, superseded or rescinded

Cross References:

Subject: Standardization of REAC Inspection Notification Timelines

1. Purpose: To announce a standardized notification period for HUD-assisted properties subject to Real Estate Assessment Center (REAC) Uniform Physical Condition Standards (UPCS) inspections.

2. Applicability: This notice applies to inspections performed by government personnel or contractors on behalf of HUD and under REAC management. This notice applies to properties subject to REAC UPCS inspections in the following programs: Public Housing; Office of Housing programs covered under 24 CFR §200.853(a); non-insured properties under Section 236 of the National Housing Act with an active Housing Assistance Payment, Rental Assistance Payment, Rent Supplement Program or Interest Reduction Payment contract; and properties under §542(b) of the Housing and Community Development Act of 1992, as amended, with a Section 8 contract; as well as HUD-held projects.

3. Authority: 42 U.S.C. §3535(r); 24 CFR part 200, subpart P; 24 CFR part 5, subpart G; 24 CFR part 902.

4. Background: The Secretary encourages Property Owners and Agents (POA) to adopt year-round maintenance practices instead of undertaking extraordinary “just in time” repairs to meet minimal compliance thresholds at the time of inspection. Just in time repairs compromise the health and safety of residents. This practice also detracts from the good work done by many of HUD’s public and private sector participants to improve housing conditions for millions of families. A key element in effectively undertaking year-round maintenance practices is a REAC

inspection that is completed with minimal lead time from notification to execution. It is preferable for there to be only a brief interval between the inspection notice and the actual inspection. A brief time window is likely to result in an inspection that more accurately reflects the housing conditions and operations the POA maintains year-round.

5. Effective Date: This notice will be effective 30 days after publication except in instances where inspections were previously procured under a Period of Performance (PoP) that extends beyond the effective date of this policy. In those cases, inspection notifications will be issued in accordance with previous guidance and those established PoPs.

6. Policy: Beginning 30 days after publication of this notice, HUD employees and contract inspectors acting on behalf of HUD shall provide to POAs 14 calendar days of notification prior to a REAC inspection. Any inspections that would fall on a federal holiday will be scheduled for the next business day. To reduce any opportunity for the disclosure of inspection schedules, government personnel, contractors, independent inspectors, and anyone else who may have access to schedules and other information¹ will not prematurely release that information to POAs.

The following provisions will apply to any POA subject to this notice who refuses to undergo an inspection:

- If a POA declines to accept an inspection at the time of initial notification, a presumptive score of “0” (zero) will be recorded but held in abeyance pending the outcome of a second attempt to schedule the inspection.
- If a POA cancels or refuses entry for an inspection scheduled during the initial notification, a presumptive score of “0” (zero) will be recorded but held in abeyance pending the outcome of a second attempt to schedule the inspection.
- If the second attempt results in a successfully completed inspection within seven calendar days of the initial scheduled date, the resulting inspection score shall be recorded.
- If the second attempt does not result in a successfully completed inspection within seven calendar days of the initial scheduled date due to the fault of the POA, the resulting score shall be recorded as “0” (zero) and the POA may be subject to any and all penalties and remedies established through statute, regulation, sub-regulatory policy, grant agreement, or contract.

The following clarifications and limitations apply:

- This policy does not cancel or supersede guidance for inspections procured prior to the effective date of this notice. In these cases, inspectors will follow previous guidance and PoPs issued at the time of procurement.

¹ This includes information (e.g., travel itineraries provided to POAs; inadvertent references to schedules in email or phone calls) that alone or when combined can reveal inspection schedules.

- This policy does not cancel or supersede any guidance related to inspections required as part of an existing Compliance, Disposition, and Enforcement or Corrective Action Plan.
- Inspection notification timelines must adhere to all state and local laws regarding resident notification, including where such laws mandate a greater than 14 calendar day timeframe.
- HUD reserves the right to conduct inspections with no or limited notice to safeguard resident health and safety and HUD's interests in a property.
- Requests to extend or reschedule an inspection outside of the notification window, such as for any circumstances which may significantly impact the execution of an inspection or inspection results (e.g., major renovations, significant rehabilitation, fire, etc.), must be submitted by the POA and approved by HUD prior to the proposed date of inspection.
- HUD further reserves the right to modify the inspection notification process at any time in accordance with any statutory, regulatory, or contractual limitations.

7. Comments or Questions: Comments or questions about this notification should be directed to UPCSInfo@hud.gov.

/s/
Dominique Blom
General Deputy Assistant Secretary
Public and Indian Housing

/s/
Brian D. Montgomery
Assistant Secretary for Housing -
Federal Housing Commissioner

Smoke and Carbon Monoxide Detectors

Smoke Detectors

State Statute requires smoke detectors be installed in multi-family dwelling units in accordance with manufacturer's requirements. Most manufacturers indicate a 10-year life expectancy on the devices, with the life term starting on the date of manufacture, which is noted on the label installed on each detector. Once a detector has reached the end of its' operational life expectancy it simply will not detect smoke or smoke particulate any longer and must be replaced. In addition to testing the detectors on a routine basis to ensure they continue to properly function, we highly recommend property owners take an inventory of the installed detectors and the date of manufacture and implement a replacement plan to ensure compliance with State Statute and the on-going safety of the tenants.

In addition to life expectancy issues, another issue recently identified is type of smoke detector installed based on location within the dwelling. Per the Maine Statute, smoke detectors installed within 20 feet of a kitchen or bathroom containing a tub or shower must be photoelectric instead of ionization. An exclusion to this applies to detectors installed in bedrooms within 20 feet of a kitchen or bathroom, these may be either ionization or photoelectric type detectors.

Starting in 2019, during the inspections process, we will begin gathering information regarding the age and type of detectors installed and calling out incidents of installed fire alarms beyond the manufacture's useful life, or improper types if found in hallways, rooms other than bedrooms within 20 feet of the kitchen or bathroom with a tub/shower.

Carbon Monoxide Detectors

Carbon monoxide detectors must be installed in multi-family dwellings outside of each sleeping area. The detectors must be powered by the building's electrical system with a battery back-up, be a sealed detector with a 10-year battery life, or be part of the fire/CO detection system.

As with the smoke detectors, for stand-alone CO detectors - their components have an operational life expectancy; with most of the detecting components losing their effectiveness after 5 to 7 years. The life span of each model is usually noted in the product manual; however, the end of life date verbiage is not always prominent. In 2009, Underwriter Laboratories required that CO alarms provide an End of Life signal but this feature does not guarantee 100% reliability on determining the product's effectiveness. As with the fire alarms, we highly recommend owners implement a routine replacement plan of the CO detectors per industry standard which is noted as every 5 to 7 years.

Smoke/CO Combination Detectors have a 10 year life expectancy and would follow the same protocol noted under Smoke Detectors when it comes to replacement.

Below are the direct links to the applicable State Statutes:

Smoke Detectors: <http://www.mainelegislature.org/legis/statutes/25/title25sec2464.html>

CO Detection: <http://www.mainelegislature.org/legis/statutes/25/title25sec2468.html>

State Fire Marshall document explaining the Statutes' intent:

http://www.maine.gov/dps/fmo/documents/detector_requirement_summaries_6_15_18.pdf

