



U.S. Department of Housing and Urban Development
San Francisco Regional Office - Region IX
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JUN 20 2011

MEMORANDUM FOR: Multifamily Owners and Agents, San Francisco Field
Office Jurisdiction Only

FROM: Tom Azumbrado, Director, San Francisco Multifamily Hub

A handwritten signature in black ink, appearing to read "Tom Azumbrado", written over the "FROM:" line.

SUBJECT: Management Fee Schedule – **Effective July 1, 2011**

The San Francisco Multifamily Hub is issuing the attached Management Fee Schedule for elderly and family projects.

The base rate per unit per month has been increased to \$52.00. Add-on fees for smaller projects and projects having special clientele that require extra time and effort on the part of the management agent have been increased. A new add-on fee for group homes is now included and all add-on fees must be justified and documented. In addition, the add-on fees may not be applied for conditions that are addressing short-term problems or services.

The maximum cap for management fees is increased to \$78.00 per unit per month. The allowable bookkeeping fees for services performed as part of a centralized bookkeeping system are now set at \$9.50 per unit. The cost of these bookkeeping fees is treated as a project expense and should not be included on the Management Certification as a special fee.

Please note that this Management Fee Schedule does not apply to properties under the jurisdiction of the Sacramento Field Office.

If you have any questions regarding the Management Fee schedule, please contact your HUD Project Manager.

Attachments

BOOKKEEPING FEES

Allowable Bookkeeping Fees:

The allowable bookkeeping fee for centralized services chargeable to each project is set at \$9.50 per unit. If the costs exceed the allowable threshold, we will require a narrative justification with supporting documents.

Bookkeeping Expenses Treated as a Project Expense

The cost of bookkeeping services performed as part of a centralized bookkeeping system is treated as a project expense and should not be listed in the Management Certification as a special fee. When a management firm utilizes a centralized accounting system and/or a computerized accounting system, a portion of these costs may be billed to the project as an operating expense. Such expenses are paid out of project funds based on actual costs attributable to the project. The costs, however, should not exceed the actual cost the project would incur if a bookkeeper were on site.

Allowable Expenses for Centralized Bookkeeping:

Here is a breakdown of possible costs attributable to bookkeeping fees.

1. Maintaining payroll records;
2. Maintaining rent roll to include rent receipts;
3. Maintaining Monthly Accounting Reports to include tenant delinquency reports, excess income reports, etc.;
4. Reviewing vendor's invoices for payment processing;
5. Ordering goods and services, issuing purchase orders to include reviewing vendor prices to obtain best available rates;
6. Tracking, reviewing, and adjusting balances of Monthly Subsidy Billings;
7. Allocating project costs for hardware, software and technical support for activities relating to centralized bookkeeping services;
8. Maintaining accounting books and records, e.g., General Journals, General Ledgers, and other records and reports relating to centralized bookkeeping services, including bank reconciliation.

**COMPUTATION OF MANAGEMENT FEES
MANAGEMENT FEE SCHEDULE EFFECTIVE DATE: 07-01-11**

Project Name			
Project Number		Section 8 Number	
Section of the Act (236, 221d3, 231, 202, 202/811, etc.)			

BASIC RATE PER UNIT PER MONTH	\$52.00
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SUBSIDIZED PROPERTIES

Properties with subsidized mortgages such as 236, 221(d)(d) BMIR, or project-based subsidies, such as Section 8, Rent Supplement or Rental Assistance Program (RAP), Project Assistance Contract (PAC) or Section 202/811 Project Rental Assistance Contract (PRAC), and Section Direct Loans.

Subsidized Properties	\$5.00
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NUMBER OF UNITS

25 or fewer units	\$6.00
Group Homes	\$4.00

PROJECT SIZE

Large size units with an average of 2.5 bedrooms	\$3.00
To obtain the average number of bedrooms, add the total bedroom types divided by the number of bedroom types. For example: X property has 6 bedroom types as follow: 0 BR, 1 BR, 2 BR, 3 BR, 4 BR, 5 BR. Add 0+1+2+3+4+5 = 15. Then divide 15 ÷ 6 = 2.5 BR (Average bedroom size)	

OWNERSHIP

Because owners of non-profit projects may be less experienced in property management or because cooperative projects have additional legal and organization responsibilities, management of these projects may require extra knowledge and effort on the part of the agent.

Non-profit properties (non-cooperative)	\$3.00
Cooperative properties	\$5.00

LOCATION

REMOTE LOCATION – No local management is available and agent will incur unusually high travel costs. Special outreach is required to attract residents.	\$2.00
SCATTERED SITE – Additional compensation for the extra travel expenses incurred in overseeing several sites.	\$2.00

LOCATION, Continued		
ADVERSE NEIGHBORHOOD CONDITIONS – High incidence of crime or vandalism or large concentration of deteriorated substandard housing. These characteristics tend to increase maintenance and repair problems, resident turnover, vacancies and rent collection losses.	\$5.00	

SPECIAL CLIENTELE		
In addition to the add-on fee indicated above under Subsidized Properties, the Special Clientele add-on applies to properties which are specifically designed to house residents with disabilities, e.g. Section 202 Disabled Properties, Section 202/8 Disabled Properties and Section 811 PRAC Properties.	\$6.00	

NEIGHBORHOOD NETWORKS		
To qualify for add-on amount, the property should have a HUD-approved Neighborhood Network Business Plan.	\$1.00	

MAXIMUM CAP PER UNIT PER MONTH	\$78.00	
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Requested Management Fee		
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Computed Management Fee (HUD Staff Only)		
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NOTES	
01.	Justification for all add-ons must be provided
02.	Any fees requested above the maximum cap per unit per month indicated above should be further justified and submitted to our office for review and approval.
03.	This Management Fee Schedule applies only to properties under the jurisdiction of the San Francisco Field Office.