



U.S. Department of Housing and Urban Development

San Francisco Regional Office - Region IX

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AUG 25 2010

MEMORANDUM FOR: Multifamily Owners and Agents
Sacramento Field Office Jurisdiction Only

FROM: Tom Azumbrado, Director, San Francisco Multifamily Hub, 9AHML

SUBJECT: Management Fee Schedule for Owners & Agents in the Sacramento Area
Effective: **October 1, 2010**

A handwritten signature in black ink, appearing to be "Tom Azumbrado".

The Sacramento Multifamily Office has completed an analysis of the currently allowed Management Fees, in compliance with the requirements of the Management Agent Handbook, 4381.5, REV-2. The updated fee schedule for the elderly and family projects, effective October 1, 2010, is attached.

Add-on fees for properties with special conditions, which require extra time and effort from the management agent, must be *justified and documented as applicable*. In addition, the add-on fees may not be applied for conditions that HUD determines to be short-term problems or services.

If you have any questions concerning this schedule, please contact your HUD Project Manager.

Attachment

**MANAGEMENT FEE SCHEDULE FOR SACRAMENTO OFFICE
EFFECTIVE: OCTOBER 1, 2010**

MANAGEMENT FEE(S):

Basic Rate- Per Unit Per Month (PUPM) \$ 43.00

ADDITIONAL PUPM FEE(S):

Section 8 Project-Based Properties, Section 236,
221 (d)(3) BMIR, 202/811, and 231 \$ 5.00

30 or Fewer Units in a Property \$ 4.00
Average 2.5 + Bedrooms \$ 3.00

Non-Profit Ownership (Non-Cooperative Properties) \$ 3.00
Cooperative Properties \$ 5.00

Two (2) to (4) Scattered Sites \$ 2.00
Five (5) or More Scattered Sites \$ 3.00

Section 202 Disabled 811's with \$ 3.00
Predominately Special Clientele
(Physically or Developmentally or Mentally Disabled)

Adverse Neighborhood/High Crime Area \$ 5.00
(Requires consulting with Field Office Project Manager to
determine if the property qualifies)

Neighborhood Networks-With HUD Approved \$ 1.00
Neighborhood Networks Business Plan

THE MAXIMUM PER UNIT PER MONTH FEE IS \$62.00

NOTES

1. Justification for all add-ons must be provided.
2. 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.
3. **This Management Fee Schedule applies only to properties under the jurisdiction of the Sacramento Field Office.**

BOOKKEEPING FEES

Allowable Bookkeeping Fees:

The Allowable bookkeeping fee for centralized services chargeable to each project is set at \$7.50 per unit. If the cost exceeds the allowable threshold, we will require a narrative justification with supporting documentation.

Bookkeeping Expenses Treated as a Project Expense:

The cost of bookkeeping services performed as a 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, i.e., General Journals, General Ledgers and other records and reports relating to centralized bookkeeping services, to include bank reconciliation.