MINNESOTA HOUSING

MOR HOT TOPICS

October 2024 General Management Review Discussion Points:

- **The majority of Minnesota Housing staff are teleworking. Please inform tenants that request contact info that phone and email are best contact and that in person meetings are available by appointment only.**

- **The High-Rise Sprinkler System Grant Program is now taking applications.**
  This is a one-time funding opportunity offered through the Minnesota Housing Finance Agency that is specifically for sprinkler systems in high-rise buildings that are primarily affordable housing. The program is open to building owners that are non-profits, local units of government, federally recognized Indian Tribes, and for-profit businesses. There are height, affordability, match fund and other eligibility requirements listed in our application materials. Here is the link to the webpage for more information:
  https://mnhousing.gov/rental-housing/housing-development-and-capital-programs/deferred-loans-and-grant-programs/high-rise-sprinkler-system-program.html
  The applications are open now and due Monday, November 4, 2024, noon.

- **NSPIRE common findings**
  We want to share a few common findings we are seeing on NSPIRE inspections to help you prepare for your upcoming inspection.
  -All bedrooms require an operable smoke detector.
  -GFCI outlets must test properly.
  -Outlets cannot have reverse polarity.
  -Emergency pull cords must be operable and free hanging.

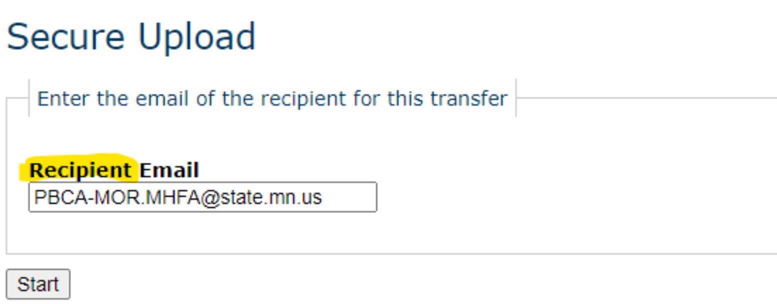
- **Crime Free/Drug Free Addendum**
  After review and discussion, the local HUD office has determined that the Crime Free Drug Free Lease Addendums are not to be used in Project Based Section 8 tenant files that are monitored by Minnesota Housing as they are not approved by HUD, which is required of lease addendums. They feel the pertinent information from the addendum is covered in the lease and some of the language may conflict with the lease or HUD's rules and regulations. Per this guidance, use of such addendums will be an observation on your MOR through 12/31/2024 and a finding beginning 1/1/2025.

- **Housing Optimization Through Modernization Act (HOTMA)**
  Final Rule Effective Date & HOTMA Implementation All provisions for Multifamily Housing programs will become effective on January 1, 2024 with implementation by 1/1/2025. HUD issued **Notice H 2024–04** extending the deadline for PHA/MFH to have Tenant Selection Plans updated to include HOTMA provisions to May 31, 2024. HMOs are required to cite HOTMA findings as observations at this time. Please have a clear implementation plan

available for the HMO to review on the day of the MOR to show them you understand the changes that are coming and when they are effective. There are a lot of changes to eligibility, rent calculations and guidelines therefore training staff is highly recommended. Here is a link to HUD's HOTMA website
https://www.hud.gov/program_offices/housing/mfh/hotma

- **Energy and Water Benchmarking Service opportunity through HUD**
  HUD's Office of Multifamily Housing Program's new energy and water benchmarking service is available at no cost to owners of properties participating in eligible Multifamily project-based rental assistance programs. This new service is designed to help owners understand their energy and water usage and identify where they can make upgrades for the greatest cost savings. Contact us at MFBenchmarking@HUD.gov to participate or to get answers to your benchmarking questions.

- **Sending private data**
  Minnesota Housing utilizes the secure upload tool (Leapfile) to send any documents that may contain private data. Private data is not only things like social security numbers and dates of birth, it is also tenant addresses and other personally identifiable information. If you are sending anything to Minnesota Housing that contains private data, please send it via the secure upload tool. Each team of the PBCA division has a separate email address to send the files to:
  HMO: PBCA-MOR.MHFA@state.mn.us
  HAP: mhfa.hap@state.mn.us
  TRACS: mhfa.tracs@state.mn.us
  Please note, you do not need to set up an account. Click https://mnhousing.leapfile.net/ then enter the RECIPIENT email (one of the above) to send or receive files.



- **Management and Occupancy Review (MOR) Final Rule: Risk-Based Monitoring Schedule**
  HUD released the final rule for the Risk-Based Monitoring Schedule for Management and Occupancy Reviews (MORs) in late June. The baseline year has now been set and the new RBM schedule will be followed (next MOR is set based on HUD Risk Rating and MOR score). We will continue to contact you in advance of your MOR for scheduling. Changes in Risk Rating, ownership or management may also affect your next MOR so we will not send information to you until we contact you for scheduling. Please aim to have files complete

and organized at all times as changes in Risk Rating or O/A entity could trigger an MOR with less notice than you are accustomed to from us.

Another change that impacts MORs is that all recertifications dating back to the previous MOR will be reviewed now instead of only the most current full certification. Please make sure COMPLETE tenants files are made available for review during the MOR.

- **Legalization of Marijuana use**
  Governor Walz recently signed a bill making marijuana possession and usage legal for persons age 21 or older, in the state of MN as of August 1, 2023. Although many states have adopted this policy, The U.S. Department of Housing and Urban Development (HUD) has **NOT**. It will be important to inform tenants that the although the state allows this, the **federal ruling supersedes and the use or possession of marijuana of any kind, is not allowed in any federally funded property.** If you would like more information on HUD's ruling, please refer to USEOFMARIJINMFASSISTPROPTY.PDF (hud.gov).

- **Medical Insurance Debit Card Benefit**
  We are seeing more and more insurance companies offering a benefit to qualified individuals that provides them a debit card that is loaded with a set amount of money each month. This use-it-or-lose-it benefit can be used for a variety of expenses, depending on the company. After confirming with HUD, **this is to be counted as income**. The method of calculation is to take an average of the amount the individual has used, then annualize and count as other income. (Do not count the full amount without proof they are using it).

Training Opportunities:

Ross Business Development (RBD)
https://www.rbdnow.com/online-training

National Center for Housing Management (NCHM)
https://www.nchm.org/online-training/

Quadel
https://quadel.com/training-and-certification/online-training-calendar/

Minnesota Multi Housing Association (MHA)
https://www.mmha.com/Certifications
https://www.mmha.com/Online

To view past issues of MOR Hot Topics, visit https://www.mnhousing.gov/rental-housing/property-managers/section-8---811-contracts.html.