

April 2021 General Management Review Discussion Points:

- For COVID-19 related information, please refer to the [HUD Multifamily Housing Q and A](#) document and the [Minnesota Housing Guidance](#) document.
- **MSA Special Diet:**
On November 30, 2020, [HUD released a Memorandum](#) regarding the treatment of benefits received through the Minnesota Supplementary Assistance Program (MSA) that are provided for “medically prescribed diets if the cost of such dietary needs cannot be met through some other maintenance benefit”. **This exclusion applies to allotments specific for the cost of medical expenses, which is often referred to as a special diet allowance.** Owners should pay close attention in identifying the purpose of the MSA payments.

Because Minnesota makes MSA special diet allowance available specifically for the cost of state determined medical expenses, HUD has determined that the MSA special diet allowance meets the income exclusion found in HUD Handbook 4350.3 Exhibit 5-1, Income Exclusions (4):

- Amounts received by the family that are specifically for, or in reimbursement of, the cost of medical expenses for any family member.

HUD instructs owners to exclude this MSA special diet benefit from income calculations. Corrections to certifications performed on or after July 24, 2019, the date the original MSA guidance was issued, should be made for all existing residents impacted by the Memorandum. Owners may make corrections during the tenant’s next certification or at the tenant’s request, whichever comes first, however the income calculations must include a lookback to July 24, 2019. Any underpaid subsidy will be credited to the tenant.

- **HUD Guidance on Annual Unit Inspections:**
On January 4, 2021, HUD published an update to the HUD Multifamily Housing COVID-19 Q and A. In this update, HUD included the following information regarding annual unit inspections:
 - HUD will not waive the requirement for an owner to perform annual unit inspections at this time. Per HUD Handbook 4350.3, REV-1, paragraph 6-29.A.3, owners perform unit inspections on at least an annual basis to determine whether the appliances and equipment in the unit are functioning properly and to assess whether a component needs to be repaired or replaced. If local or state health department COVID-19 guidance prevents owners from entering a unit, the owner should consult with the tenant to confirm if there are any issues with appliances, equipment, or other components in the unit and document the tenant’s reporting. Owners may also consider utilizing electronic means to perform remote or virtual unit inspections and

as a means of submitting work orders to minimize in-person interactions during the pandemic, when possible.

- **Physical Inspections – REAC Follow-up, Common Areas, Units, and Vacant Units**

Due to state restrictions regarding COVID-19, Minnesota Housing PBCA staff is unable to physically verify that deficiencies noted from HUD REAC inspections have been corrected. At this time, Minnesota Housing PBCA staff will be performing exterior only inspections until these restrictions are lifted. The tenant unit deficiencies will be confirmed by PBCA staff attempting to contact the resident directly via phone call/email to verify deficiencies have been corrected (this is done at the time of MOR). For common areas of the building, Minnesota Housing PBCA staff is requesting that owners/agents submit documentation showing the deficiencies have been corrected and a physical follow-up will be performed at the next scheduled MOR. For vacant units, we are requesting documentation that the unit is ready for occupancy or an estimated timeline of when the unit will be ready.

NOTE: This guidance relates to PBCA physical inspections only.

- **New Way to Submit Management and Occupancy Reports for Owners and Management Agents of PBCA Properties:**

As we continue to make our processes more efficient, streamlined, and less reliant on paper, we are pleased to share the new way to submit Management and Occupancy Reports (MORS). Effective immediately, PBCA property owners and management staff will use Minnesota Housing's Multifamily Secure Upload Tool to submit Management and Occupancy Reviews (MORs) and other required documents in response to the MOR. The [Multifamily Secure Upload Tool](#) is a simple interface that allows users to send and track submitted items securely and confidentially. [Read this eNews to learn more.](#)

- **REAC Inspections to Resume:**

The Department of Housing and Urban Development (HUD) announced Real Estate Assessment Center (REAC) intends to resume inspections on or about Monday, October 5, 2020, with the required 14-day notification period to begin on or about Monday, September 21, 2020. Please see the [press release](#) and [HUD's REAC webpage](#) for regional details.

- **Tenant Selection Plan Checklist and Help Text**

To increase transparency of TSP review and help make sure TSP guidelines are being followed, Minnesota Housing has developed a review checklist for TSPs that will be submitted as part of due diligence. This checklist will serve as a guide for projects to verify the TSP includes the necessary components based on state and federal guidelines. It will also serve as a guide for projects whose funding sources require TSPs and for which Minnesota Housing is responsible for monitoring. Help text accompanies the TSP checklist to provide additional context for the requirements and expectations outlined in Agency guidelines, as well as other federal funding streams that Minnesota Housing monitors.

Beginning with projects selected from the 2020 Consolidated RFP, external partners will upload the completed TSP checklist along with the draft TSP to the Multifamily Customer Portal in the pre-construction due diligence item “Tenant Selection Plan and Screening Criteria.” Minnesota Housing staff reviewing draft TSPs will then use the completed checklist to inform their review of the TSP.

The [TSP checklist](#), [help text](#), and a [recorded training](#) outline this new due diligence component and include details related to implementation. Minnesota Housing staff will be available to help external partners transition to this new process, but all materials, including the TSP Guidelines and up-to-date information about this tool, are available on our [Tenant Selection Plan webpage](#).

Questions? Please reach out to [Sara Gomoll](#) or [Annie Johnson](#) with any questions you might have about the use of this checklist tool. We will also be hosting office hours to provide a brief overview of the tool/help text and to answer your questions. We expect attendees to review the training materials prior to attending. This will allow you to ask specific questions related to functionality and content.

Office hours are tentatively being scheduled for March and April when projects are closer to submitting due diligence items. Once scheduled, office hours will be posted on our website and sent via an eNews and will include instructions on how to register.



Cash apps require due diligence to determine how they work and are used. Generally, if the app is associated with a bank account you would not include it as an asset since any monies are transferred directly to the bank account. Some cash app’s have the option of holding cash and it does NOT have to be associated with a bank account. In those cases, the cash app would be treated as an asset and verification of the current balance would be needed.



Properties with the program type of Loan Management Set-Aside (LMSA) and Property Disposition Set-Aside (PDSA) must have a lease renewal term of the lesser of one year, or the remaining term of the HAP contract. This one-year renewal term should be reflected when completing Paragraph 2, Field H of the HUD Model Lease 90105a for properties under these program types. Please contact your assigned Housing Management Officer if you have any questions regarding your property’s program type or how to fill out the HUD Model Lease.

Online Training Opportunities:

Free Pest Control Webinar

May 6, 2021 1:00-2:00 p.m. CT

This presentation will provide an overview of pest infestation management.

cornell.zoom.us/webinar/register/WN_jPJInb4S0iLyA92EsY-0Q

Ross Business Development (RBD)

Various trainings available.

<https://www.rbdnow.com/online-training>

National Center for Housing Management (NCHM)

Various trainings available.

<https://www.nchm.org/online-training/>

Quadel

Various trainings available.

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

Minnesota Multi Housing Association (MHA)

Various training and certification programs available.

<https://www.mmha.com/Certifications>

<https://www.mmha.com/Online>

To view past issues of *MOR Hot Topics*, visit www.mnhousing.gov/multifamily/section8.