



Maine Real Estate Managers Association



WWW.MREMA.ORG

Summer, 2010

MREMA Quarterly Training Budget Workshop

Thursday, June 17
Black Point Inn - Prouts Neck

If you haven't registered for the next quarterly meeting, there's still time. The registration deadline is June 12. Representatives from HUD, RD and MaineHousing will be on hand to answer questions submitted by MREMA members. Here are some of the questions that have been submitted to the panel:

? What is the deadline for submission of budgets with and without a rent increase? (All Agencies)

? For projects with budget-based rents, is there a limit on how far back a rent increase can be made retroactive from the date of HUD approval? Under what conditions might the rent be made retroactive? (HUD)

? Must MaineHousing approve all rent increases or does it depend on the type of project? What regulatory document controls this? (MaineHousing)

? On what budget line do you charge site phones, internet (site office), internet (tenant/community room), maintenance office phone/fax, maintenance cell phones or pagers, elevator phones, cable (community room)? (All Agencies)

? Could you provide us the operating costs of comparable projects with a description of the costs (line items) and the category of projects? (All Agencies)

? If there is an unbudgeted dramatic increase in expenses, should an owner request a mid-year increase? (RD/HUD)

? What types of rent concessions are allowable? Should they be budgeted and if so, on what line item? Can a portion of the marketing budget be used for this purpose? (All)

Don't miss this opportunity to get YOUR questions answered!



One Day Updates June 28-30, 2010

There is still time to register for one, or all of the One Day Updates. The registration deadline is June 15th. We already have 61 people signed up for the 4350.3 session, 44 for the RD session, and 59 for the LIHTC session. This is a great opportunity to get the latest updates on the regulations you deal with every day. E-mail Joyce Woodley (jwoodley@presmgmt.com) if you need a registration form.

INSIDE THIS ISSUE

MREMA Quarterly Training	1
One Day Updates	1
From the President's Corner	2
MREMA Board Members and Committee Chairs	2
MREMA Membership News	3
Nominations for the Susan E. Simpson Award	3
Upcoming Events	4
Two New HUD Initiatives	4-5
MaineHousing Update	5-6
New Laws: The Good, The Bad & The Ugly	7-8

If you have comments, ideas, or suggestions, please email WWard@midmaine.com.

From the President's Corner by Susan Michaud-Bosse



Over the past four years MREMA has donated a total of \$6,500 to the Good Shepherd Food Bank. Good Shepherd is the largest hunger relief organization in Maine, servicing more than 600 agencies from Kittery to Fort Kent. In Maine, more than 36,800 people receive emergency food assistance each week from a food pantry or other agency served by Good Shepherd Food Bank. Previously, this estimate was 18,000 people per week.

Here are some of the key findings from Good Shepherd:

- 41% of the household members served by the food bank are children under 18 years of age
- 11% of the household members are children age 0 - 5 years
- 15% of the household members are elderly
- 30% of the households include at least one employed adult
- 56% of clients served by the food bank report having to choose between paying for food and paying for utilities, or heating fuel
- 32% of households served by the food bank report having at least one household member in poor health
- 57% of client households served are receiving Supplemental Nutrition Assistance Program (SNAP) benefits; however it is likely that many more are eligible

It should give all of us great pride to be a part of helping Maine people in need.

MREMA Board Members and Committee Chairs 2008-2010 Term

Susan Michaud-Bosse - President, Convention Chair (smbosse@midmaine.com)

Gary Crowell - Vice-President (gcrowell@stanfordmanagement.com)

Sherrin Vail - Secretary (svail@avestahousing.org)

Diane MacDonald - Treasurer (macdonaldd@emeraldmanagement.biz)

Cathie Whitney - Membership Chair (cwhitney@ccrealtymanagement.com)

Sheila Malynowski - Education Chair (smalynowski@presmgmt.com)

Rosemary Moeykens - Legislative Updates (rmoeykens@avestahousing.org)

Wendy Ward - Newsletter/Web-Site Chair (wward@midmaine.com)

Sara LaBrecque (lpm375@verizon.net)

Sharon Pray (spray@shpmanagement.com)

Denise Paradis (dparadis@hallkeen.com)

Kelly Campbell (kcampbell@housinginvestmentfund.org)

MREMA Membership News by Cathie Whitney

MREMA's membership includes 116 member organizations; so far this year we've added eight new members. At this time, we have 81 Regular Members and 35 Associate Members. *We're pleased to welcome new Regular Members Mt. Blue/Mt. David/Stony Brook Housing; Independence Association; South Portland Housing Authority; Portland Housing Authority; Sterling Management Company; Foothills Management, Community Health and Counseling Services; and Serve-Pro of Portland-South Portland.*

If you know of anyone who would also benefit from joining MREMA, please refer them to our website www.mrema.org or send me a note at cwhitney@ccrealtymanagement.com MREMA members benefit from regular industry training opportunities. Quarterly meetings include updates from HUD, RD and MaineHousing as well as training workshops. Our annual conferences provide members with timely and necessary training on topics ranging from fair housing to property management practices to employer responsibilities. MREMA-sponsored annual training programs are conducted right here in Maine and available to members at a significant discount. And the networking opportunities with your peers as well as those who regulate our business are unparalleled!



Nominations for the Susan E. Simpson Award

We are accepting nominations for the Susan E. Simpson Award. This award is given to someone in our industry who has demonstrated and shown outstanding commitment and dedication in the field of property management. A candidate for this award must meet the following criteria:

1. Practices excellence in the field of property management or related occupation;
2. A visible force in the industry; educating, leading or guiding;
3. Selflessly contributes their time to a cause that benefits humanity above and beyond responsibilities and expectations of their career;
4. A respected individual who personally and professionally serves as a role model for other aspiring persons within our industry.

If you know of someone who meets the above criteria, please send your written nomination to:

Diane MacDonald
Emerald Management Corp
752 Main St.
Westbrook, ME 04092

The past recipients will review all of the nominations and decide who will receive this award. Past recipients are:

- 2007 Diane MacDonald, Emerald Management Corp.
- 2000 Joe Calise, US Department of Housing and Urban Development
- 1997 James Otis, President, Otis, Atwell & Timberlake
- 1996 The late Jacqueline (Jackie) Wagner, The Housing Foundation
- 1995 Rosemary Moeykens, Director of Management, Maine State Housing Authority
- 1994 Kathleen Roberts, President, Coastal Management Company



25th Annual MREMA Conference October 18, 19, & 20, 2010

The Keynote Speaker for this year's conference at the Sugarloaf Resort & Conference Center is Mark Alper, from NCHM. He will tell us "How to Work in Housing with a Sense of Humor and Positive Attitude". Mark will also be presenting workshops on "Better to Seek Forgiveness than Permission" and "Where to find guidance when there is none".

Upcoming Events

Toys for Tots and Teens Fundraiser December 2, 2010

Save the date for this year's entertaining and worthwhile event at the Holiday Inn Portland West.

December Quarterly Meeting December 3, 2010

Our guest speaker in December will be Bob Stillwell, the Radon Section leader of the Maine DHHS Radiation Control Program.

TWO NEW HUD INITIATIVES

Submitted by Diana Huot, Senior Project Manager,
Manchester Multifamily Housing Program Center

In furtherance of its goal to mitigate risk in its existing multifamily portfolio, HUD has developed several new initiatives, among them:

1. Reduce the number of troubled properties in the portfolio

HUD will be designating properties as "Troubled" or "Potentially Troubled" based on knowledge and understanding of project financial performance, physical condition, and other factors (e.g., location in high crime areas). HUD systems such as FASS and PASS will also be used in conjunction with first-hand knowledge to assess risk and project performance. Projects identified as Troubled or Potentially Troubled will be targeted for intensive servicing and will be projects that HUD believes have a reasonable prospect of resolving its troubled status during the fiscal year. HUD staff will develop Service Action Plans that include milestone dates for completing those servicing and monitoring actions necessary to resolve the project's troubled or potentially troubled status. YES! Owners/Agents will be involved! ☺

2. Increase and formalize monitoring of projects with Low and Declining REAC Scores (This initiative commenced with REAC inspections released after 4/30/10)

TWO NEW HUD INITIATIVES cont'd

For all projects where the REAC Score drops 10 (or more) points from the previous score AND results in a Score between 61 and 80, HUD Project Managers will:

- a. Compare current and previous REAC inspections to ascertain the cause of the point loss,
- b. Obtain input from owner/agent as to the cause for the decline,
- c. Visit the site, if warranted
- d. Develop a problem statement identifying the reasons the score declined,
- e. Obtain owner/agent input and prepare an Action Plan to mitigate the causes of the decline in score. The Action Plan will include milestone dates for owner/agent accomplishment and a definitive completion date.



MaineHousing Update

The announcements below have been taken directly from MaineHousing's weekly Governor's report.

New program will help develop affordable housing on Maine islands - MaineHousing announced a new island housing initiative that is making \$2 million in grants available to develop affordable rental housing on Maine's 14 year-round islands without bridges: Chebeague, Cliff, Frenchboro, Great Cranberry, Isle au Haut, Islesboro, Islesford, Long, Matinicus, Monhegan, North Haven, Peaks, Swans, and Vinalhaven. The grant funds are available on a first come, first served basis and may be used to create new rental housing or substantially rehabilitate existing properties. The maximum grant is \$400,000 per project. The program requires that the units remain rental for at least 15 years before being converted to homeownership property. Funding for the program is coming from tax-exempt bond proceeds from the Maine Energy, Housing and Economic Recovery Program. These bonds will be repaid with funds from the state's share of the Real Estate Transfer Tax.

Applications received for tax credit funding - MaineHousing received 11 applications for \$54 million in Low Income Housing Tax Credit funding, plus an additional \$13 million in subsidy, by the April 29 application deadline. The proposed developments would create over 300 units of affordable rental housing. MaineHousing has about \$18 million in tax credit funding to allocate for this round of affordable housing, plus \$9.5 million in other subsidy. Part of the subsidy funding comes from the Maine Energy, Housing, and Economic Recovery Program bonds, the same source being used for the new island housing program. MaineHousing is reviewing the applications and expect to give initial funding approval to selected projects in about two months and anticipate financing five or six of the proposals. There will be another round of funding in the fall.

Proposals requested to create housing for households who are homeless - MaineHousing issued a Request for Proposals for development of affordable supportive housing for households that are homeless. MaineHousing will be providing up to \$2 million in financing, using revenue

MaineHousing Update cont'd

bonds authorized under Part E of the Maine Energy, Housing and Economic Recovery Act. That Act requires that 10% of the funds be used for construction or substantial rehab of housing serving people with special needs, such as people who are homeless. The deadline for applications is July 29. Applicants must be non-profit organizations. The program may be used to develop permanent housing units, transitional housing (housing and support services for up to two years), and safe haven housing (safe residence of varying lengths of stay for people who are homeless). There is a limited amount of federal rental assistance through Housing Choice Vouchers for some of the permanent housing units.

Public forums scheduled for Maine's Consolidated Plan - In conjunction with the Maine Office of Community Development, MaineHousing has scheduled four public forums in June to help develop Maine's 2011 Consolidated Plan. The Consolidated Plan outlines the administration and distribution of the Community Development Block Grant (CDBG), HOME Investment Partnership Program (HOME), and Emergency Shelter Grant (ESG) funds that Maine receives each year from the U.S. Department of Housing and Urban Development (HUD). This year it is anticipated funding of about \$13.7 million for CDBG; \$6.5 million for HOME; and \$769,000 for ESG - more than \$20 million in total federal funding. The forums are scheduled for Westbrook, Augusta, Bangor, and Presque Isle. These forums allow the sponsors to gather information and ideas from interested parties about housing and community development needs, to review potential program changes, and to hear of any barriers to fair housing. The forums give the public an opportunity to tell the participating agencies what they think Maine's housing and economic development priorities should be, and how it can better serve their needs.

The forums are scheduled as follows:

Westbrook - June 14
Bangor - June 16
Augusta - June 17
Presque Isle - June 22

For more details regarding these forums, please visit MaineHousing's website at www.mainehousing.org and click the events icon.

Waiting lists closed - MaineHousing will close waiting lists for our Rental Assistance Coupon Plus (RAC+) program as of June 1 in all 16 counties, due to the overwhelming volume of applications received. RAC+ provides rental assistance to people who have been homeless for at least a week and who are willing to sign up for a self-sufficiency plan. The plan must include such things as education, training, employment, counseling, drug or alcohol rehabilitation, or other appropriate action to help the person become self-sufficient. RAC+ has helped about 1,000 people since its inception in 2002. MaineHousing had closed the program's waiting list in Cumberland and York counties last September.





Meetings between the various advocacy groups went on for over a year. Legislators and the Attorney General's Office were deeply involved. The net result of all of this activity was a new landlord/tenant law enacted during the final days of the 124th Maine Legislature. Some changes will be helpful for property managers; others will assist tenants; and the net result of other provisions are simply not clear.

Two new grounds for creating a presumption of retaliation in evictions have now been established. If a tenant has filed a good faith, fair housing/discrimination complaint, or if he has asserted his rights pursuant to the new bedbug law, within six months of an eviction being initiated, it will be presumed that the landlord's intention was to retaliate against the tenant for asserting his rights. 14 MRSA §6001(3) and §6021-A. The landlord can overcome the presumption by showing a non-retaliatory motive for the eviction. However, the balance of power in evictions again shifted in the wrong direction.

For the first time, tenants are now authorized, by statute, to raise as an affirmative defense to an eviction a claim that the landlord has failed to provide the tenant with a reasonable accommodation pursuant to State or Federal non-discrimination laws. 14 MRSA §6001(5). If the court concludes that the landlord had a duty to offer a reasonable accommodation and failed to make such an offer, the judge must deny the eviction.

Maine law now requires every Notice to Quit (in a tenancy at will only) to include language advising the tenant of his right to contest the termination of the tenancy in court. 14 MRSA §6002. If the tenant attends the hearing, the failure of the landlord to include the verbiage in the notice cannot be held against the landlord. If the tenant fails to attend the hearing, and the tenant later files a motion to set aside the default judgment, the tenant's motion will be granted and the court must permit the tenant to have a new hearing.

The abandoned property statute has been simplified. There is no longer the requirement to treat property with a fair market value of less than \$750.00 differently than property of greater value. The new law appears at 14 MRSA §6013 and should be carefully examined for details. The short description is that the new law requires the landlord to send written notice to the tenant by first class mail, with proof of mailing to the last known address of the tenant. The letter must identify the items that have been left behind, provide the tenant with 14 days to respond, and indicate that the landlord intends to dispose of the property after that period. If the tenant claims the property within 14 days, the landlord is required to release the property without any right to demand payment in exchange for release of the items, no matter what is owed to the landlord for rent, damages or otherwise.

There is no simple explanation of the new "Bedbug Infestation" law, which can be found at 14 MRSA §6021-A. We have posted an in-depth article on our website Blog at www.shankmanlegal.com. Upon receiving either written or oral notice from a tenant, the landlord must conduct an inspection within 5 days and contact a pest control agent within 10 days. There are disclosure requirements. Tenants are subject to mandates to report problems,

cooperate with their landlord, and facilitate resolution of any bedbug infestation. The landlord is required to offer to “make reasonable assistance, including financial assistance” available to tenants who are not financially able to implement bedbug inspections or control measures. Failure of a landlord to comply with any aspect of this law subjects him to a \$250.00 penalty, or actual damages, whichever is greater, plus reasonable attorney’s fees. The new law has established a special procedure whereby a landlord can get access to a tenant’s premises for purposes of addressing bedbugs on an expedited basis.

While Maine has had a “common area electric charge prohibition” for decades, the new law has now extended it to heat, electricity or any other utility service. If one tenant is responsible for the cost of common area services, he has the right to sue his landlord for actual damages, or \$250.00, whichever is greater, plus attorney’s fees and costs. A tenant may agree to accept sole responsibility for common area services if the parties agree in writing that the rent is to be reduced by a specific amount that approximates the actual cost. 14 MRSA §6024.

There is also a new law enabling tenants to withhold rent in order to pay for utility services that a landlord has failed to pay on a timely basis. 14 MRSA §6024-A.

Another statute authorizes (but does not require) a municipality to arrange for the maintenance, repairs and provision of heat or utilities on behalf of a tenant if any housing unit is without heat, facing imminent heat loss, or facing the loss of necessary utility services. 14 MRSA §6026-A. The municipality must try to reach the landlord, but if he fails to act on a timely basis, the municipality can act on its own, file a lien on the landlord’s property, and seek reimbursement of all expenses.

There have been changes to the law which controls the handling of security deposits (14 MRSA §6038). The lead paint law (14 MRSA §6030-B), the residential energy efficiency disclosure law (14 MRSA §6030-C), and the radon testing law (14 MRSA §6030-D) have also been amended. All of these new laws are addressed in the Shankman & Associates publication ***Maine Landlord Tenant Relations: Process and Procedures***. It can be ordered by calling Karen Cook at 786-0311 or e-mailing her at kcook@shankmanlegal.com.



Neil S. Shankman,
Shankman & Associates.
Call Today: 207.786.0311
for more information log onto
www.shankmanlegal.com

We work hard all day,
so you can sleep well at night!
Give us a call, we can help.
Landlord/Tenant Law, we wrote the book!



**Shankman
& Associates
LEGAL CENTER**