



U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT
 Multifamily Northeast Region
 New York Regional Center
 Jacob K. Javits Federal Building
 26 Federal Plaza, Suite 3214
 New York, NY 10278-0004

MEMORANDUM FOR: Owners and Management Agents of HUD-Insured and HUD-Assisted Properties

FROM: Dean J. Santa, Director, Asset Management Division
 Director, Multifamily Asset Management – Federal Region 2

SUBJECT: 2024 Residential Management Fees and Add-On Fees for the Northeast Region

In accordance with HUD Handbook 4381.5, REV-2, The Management Agent Handbook, an analysis has been completed for the purpose of updating the management fee range for the Northeast Region. The types of properties utilized to determine the fee range were those required by Handbook 4381.5, REV-2; Chapter 3, paragraph 3.19. All properties considered are well managed and are in good physical condition. They are managed by independent agents with no identity of interest with the owners. This analysis yielded changes to the acceptable per unit per month (PUPM) fee range and is effective April 1, 2024.

NORTHEAST REGION 2			
RESIDENTIAL FEE RANGE: PER UNIT PER MONTH (PUPM)			
	Top of the Acceptable Range PUPM \$	Lower End of the Acceptable Range PUPM \$	Average Fee Yield PUPM \$
Delaware	\$ 68	\$ 40	\$ 57
New Jersey	\$ 75	\$ 43	\$ 64
New York-Buffalo	\$ 63	\$ 34	\$ 53
New York - NYC	\$ 82	\$ 47	\$ 68

Add-on fees established for properties having special conditions that require additional time and effort of the management agent are listed below.

ALLOWABLE ADD-ON FEES:

1. Scattered Sites: \$1.20 PUPM.

Scattered sites are defined as two or more noncontiguous parcels of land.

The Multifamily Northeast Region consists of the New York Regional Center and the Baltimore and Boston Satellite Offices. Together, they serve Connecticut, Delaware, the District of Columbia, Maine, Maryland, Massachusetts, New Hampshire, New Jersey, New York, Pennsylvania, Rhode Island, Vermont, Virginia, and West Virginia.

2. Non-Profits or Co-ops: \$1.25 PUPM.

Owners of non-profit projects may have less experience in property management and co-ops have additional legal and organizational responsibilities; management of these projects may require extra knowledge and effort on the part of the agent.

3. Adverse Neighborhood Conditions: \$1.10 PUPM.

These conditions are characterized by high incidences of crime or vandalism, or a large concentration of deteriorated or substandard housing in the surrounding area. Documentation required should include, but may not be limited to:

- a) A list of the number of lease terminations and evictions for crimes over the past 12 months.
- b) Evidence from the local government or police that the owner/agent has sought assistance in deterring crime at the property; or a copy of police records evidencing the degree of crime at the property and surrounding area.
- c) A copy of the current plan addressing the crime problems and an account of how successful it has been.
- d) Evidence that the residents support the plan and are assisting in its implementation; and
- e) Documentation that more time is required of the agent on site.
- f) Other adverse conditions.

4. Better Building Challenge (BBC) Eligible Management Add-On Fees:

These fees are for eligible expenses incurred by property Owners/Agents in support of achieving BBC goals for reducing energy and water consumption at participating properties. Each of the above four BBC-eligible Management Add-On fees may not exceed \$1.00 PUPM, per the following schedule:

BBC-Eligible Management Add-On Fee 1: Operations and Maintenance	\$1.00 PUPM
BBC-Eligible Management Add-On Fee 2: Tenant Engagement	\$1.00 PUPM
BBC-Eligible Management Add-On Fee 3: Data Collection	\$1.00 PUPM
BBC-Eligible Management Add-On Fee 4: Benchmarking	\$1.00 PUPM

Furthermore, cumulative BBC-eligible Management Add-On Fees **may not** exceed \$5,000/year per property.

HOMELESS PREFERENCE ADD-ON FEE:

The special startup fee rate is \$2.50 per unit per month (PUPM) for up to 9 months, up to \$4,500 per property. A special add-on fee of \$2 PUPM (not to exceed \$3,600 per property per year) may be collected as long as one previously homeless individual or household is admitted to a particular property during a one-year period. Special and add-on fees cannot be retroactive, nor collected at the same time.

These fees will be approved on a case-by-case basis and will be authorized by two-year increments only. Please note that these fees will be approved only in cases where the current management is satisfactory.

SPECIAL FEES:

All special fees requested will be reviewed by the Northeast Region in accordance with Handbook 4381.5, REV-2; Chapter 3, Paragraph 3.23; however, special fees may not exceed \$2 PUPM (not to exceed \$3,600 per property per year).

If you believe that your property warrants allowable add-on fees or Special Fees, you must submit sufficient justification and documentation to the Northeast Region for review. These fees may not include services that are covered by the residential, commercial, or miscellaneous management fees. An updated management Agent Certification form that reflects the requested fees on page 4, section 4- special fees must be submitted.

If you have any further questions regarding this information, please contact Gregory Becker, Senior Account Executive, at Gregory.A.Becker@hud.gov or Gregory Collins, Sr., Resolution Specialist, at Gregory.S.Collins@hud.gov.