



**U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT**

Multifamily West Region  
San Francisco Regional Office  
One Sansome Street, Suite 1200  
San Francisco, CA 94104-4430

[www.hud.gov](http://www.hud.gov)

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

**FROM:** Matt Naish, Regional Director, Multifamily West Region

**SUBJECT:** West Region 2021 Management Fee Ranges

The Multifamily West Region is issuing the updated management fee schedule for properties located in Alaska, Arizona, California, Colorado, Hawaii, Idaho, Montana, Nevada, North Dakota, Oregon, South Dakota, Utah, Washington, Wyoming, American Samoa, Guam, and the Commonwealth of the Northern Mariana Islands.

We have also included a uniform schedule of add-on fees for the Multifamily West Region. The add-on fees are identified below. The permissible basic and maximum fee ranges provided take into account many of the property characteristics that would otherwise be identified in add-on fee categories.

If the last approved base management fee exceeds those listed in this memo, that management fee may continue as-is, provided there is an approved Management Certification that has not expired. In these cases, fees will not be reduced or eliminated. However, at the time a new Management Certification is required, or at the Owner's request for a new Certification, fees will be approved at the rates identified in this memo.

The revised management fee ranges and add-on fees are effective 9/13/2021 and will remain as such until superseded by a future notice. For properties with open-ended Certifications, Owners and Agents may implement these changes by submitting a new Management Certification form (HUD-9839A or HUD-9839B) at any time. If you have any questions concerning this schedule, please contact your HUD Account Executive.

---

*Serving Alaska, Arizona, California, Colorado, Hawaii, Idaho, Montana, Nevada, North Dakota, Oregon, South Dakota, Utah, Washington, Wyoming*

**Residential Fee Yields — Per Unit Per Month (PUPM)**

<b>State</b>	<b>Maximum Fee</b>
Alaska	\$64.00
Arizona	\$43.00
California	\$56.00
Colorado	\$51.00
Hawaii	\$50.00
Idaho	\$46.00
Montana	\$45.00
Nevada	\$49.00
North Dakota	\$45.00
Oregon	\$46.00
South Dakota	\$45.00
Utah	\$45.00
Washington	\$54.00
Wyoming	\$42.00
American Samoa	\$45.00
Guam	\$45.00
Northern Mariana Islands	\$45.00

**ADD-ON FEES:**

The Management Agent Handbook (HUD Handbook 4381.5) permits add-on fees when projects have long-term characteristics or conditions that require additional management effort beyond the activities covered by the residential management fee.

Only after computation of the permitted percentages for residential, commercial and miscellaneous income have been determined and approved by HUD, may add-on fees be considered. Owners/agents requesting add-on fees for a project must submit a new Management Certification (form HUD-9839-A, or B) and list the requested fees under the Special Fees section of the HUD-9839.

For short-term or temporary project conditions, owners/agents should seek special management fees. The Multifamily West Regional Office will not approve add-on fees for temporary project conditions.

**WEST REGION PERMISSIBLE ADD-ON FEES:**

**Subsidy Mix - \$3.00 PUPM**

A combination of rental subsidy. Section 8/PRAC and another HUD or LIHTC subsidy.

### **Special Population - \$3.00 PUPM**

Special Population add-on fees apply to properties, which are specifically designed to house elderly or disabled residents.

### **Remote Location - \$3.00 PUPM**

No local management is available. The agent shall provide HUD with evidence that it will incur unusually high travel costs along with additional costs to conduct special outreach to attract residents.

### **Small or Scattered Site - \$2.00 PUPM**

Properties with fewer than 20 units or projects under one contract that are scattered sites.

### **Utility Allowance - \$1.00 PUPM**

Properties with Tenant Paid Utilities in which the Agent must conduct Utility Allowance Analysis as detailed in Notice H2015-04. The add-on fees may not exceed \$1,000/year total. For more specific guidance: <https://portal.hud.gov/hudportal/documents/huddoc?id=15->

### **Better Buildings Challenge (BBC) - up to \$4.00 PUPM**

The April 24, 2014, Memorandum from Benjamin Metcalf, Deputy Assistant Secretary for Multifamily Housing, allows the BBC participants who have committed to reduce their portfolio energy and water usage by 20 percent within 10 years to receive add-on fees for the following activities. Please refer to this Memorandum for details and implementation.

- Operations and Maintenance                      \$1 PUPM
- Tenant Engagement                                      \$1 PUPM
- Data Collection    \$1 PUPM
- Benchmarking    \$1 PUPM

BBC-eligible add-on fees may not exceed \$5,000/year and are only available for the shorter of 10 years or the end of the BBC period for the sponsor's portfolio. For more specific guidance: <https://www.hudexchange.info/programs/better-buildings-challenge/management-add-on-fee-incentive/>

### **Homeless Preference - \$2.00 PUPM**

For properties with an approved Homeless Preference (i.e., HUD has approved an amended Tenant Selection Plan containing this preference), and with at least one previously homeless individual/household admitted during a one-year period. Only available after the initial 9-month special fee term has expired (or was not requested) and may not exceed \$3,600 annually. This fee can be collected while a property's homeless preference is active and TRACs shows the project has at least one Previous Housing Code 5 move-in within a one-year period. For more specific guidance: <https://files.hudexchange.info/resources/documents/DR-H-Homeless-Preference-in-Multifamily-Housing.pdf>

Note that Better Buildings Challenge and Homeless Preference add-on fees are not limited by the Maximum Cap. Implementation of these special programs allows for an "incentive" so the cap shall not apply during the period of participation. These fees are designed to off-set the costs of special programs that are not a function of project rents or income. Rent increases cannot be requested in order to pay these add-on fees.

**MAXIMUM FEE(S):**

The maximum cap of the acceptable range ensures that the fee yield after approving add-on fees does not exceed amounts ordinarily paid for management services. Please note that the maximum fee does not permit approval of a new PUPM fee in excess of the Basic PUPM limit. The exception to this cap is only for those properties implementing special projects identified by HUD Headquarters, (BBC and Homeless Preference) as noted above.

<b>State</b>	<b>Maximum</b>
<b>Alaska</b>	\$83.00
<b>Arizona</b>	\$60.00
<b>California</b>	\$81.00
<b>Colorado</b>	\$68.00
<b>Hawaii</b>	\$70.00
<b>Idaho</b>	\$65.00
<b>Montana</b>	\$62.00
<b>Nevada</b>	\$68.00
<b>North Dakota</b>	\$62.00
<b>Oregon</b>	\$65.00
<b>South Dakota</b>	\$62.00
<b>Utah</b>	\$62.00
<b>Washington</b>	\$71.00
<b>Wyoming</b>	\$59.00
<b>American Samoa</b>	\$62.00
<b>Guam</b>	\$62.00
<b>Northern Mariana Islands</b>	\$62.00

**SPECIAL FEE(S):**

Owners/Agents may propose special fees to address project conditions that are temporary in nature. A special fee is permitted during a nine-month start-up period to enable to an Owner/Agent to create and implement the homeless preference process. The fee of \$2.50/PUPM can be taken for no longer than a continuous nine-month period and may not be extended. The maximum annual fee cannot exceed \$4,500 per property. More specific information can be found in HUD Handbook 4381.5, Chapter 3, Section 3.6.

Some other examples of proposed special fees might be where the fee is tied to the correction of specific problems or the accomplishment of specific tasks — for example, the

substantial rehabilitation of a property, obtaining or renewing a lease for commercial space at the project, or adverse neighborhood conditions characterized by high incidences of crime or vandalism, or a large concentration of deteriorated or substandard housing in the surrounding area. Documentation required to propose special fees that address adverse neighborhood conditions should include, but may not be limited to:

1. A list of the number of lease terminations and evictions for crimes over the past 12 months.
2. 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.
3. A copy of the current plan addressing the crime problems and an account of how successful it has been.
4. Evidence that the residents support the plan and are assisting in its implementation; and
5. Documentation that more time is required of the agent on site.

Updated documentation may be requested by the property's Account Executive to determine if this fee remains appropriate.

#### **COMPUTER AND BOOKKEEPING FEES:**

Computer and Bookkeeping Fees attributed to front-line project requirements are treated as a project expense. See HUD Handbook 4381.5, Chapter 3, for more information.