

MEMORANDUM

TO: All Owners and Managers of VHFA-Financed Properties
FROM: Sam Falzone, Director, Multifamily Programs
DATE: August 4, 2011
RE: 2012 Operating Budget Projections

It's late summer, the lake has receded and we are dodging late afternoon thunderstorms as we watch the political fireworks in Washington. Soon the kids will be returning to school and routines will return to normal (whatever that is). For us this means it's time to begin preparing annual budgets.

Please continue to use our website and download budget forms from www.vhfa.org. Click on "Rentals", then from the drop down menus "For Property Managers" – "Forms, Documents and Memos" and then "2012 Operating Budget Projection (Form 805)" and instructions. Please submit Budgets and Supplement One electronically by sending completed forms to MFBudgets@vhfa.org. If you need us to send hard copies, please contact your VHFA Management Officer and make a request to receive forms by US mail.

Increases in management fees of **2.0 %** above 2011 approved fees may be proposed with the owner's approval, subject to acceptable debt coverage ratios and if there are no unresolved 2010 audit findings or Management and Occupancy Reviews issues. Proposed Management fees may still not exceed \$85/per unit/per month and will be capped at this level unless the management contract is put out to competitive bid. All 2012 management fees are subject to VHFA's final approval and for most properties, must comply with the Operating Budget Instructions as outlined in section B. 1. a. 1-6.

You will notice that we have added HUD chart of account numbers to this year's budget Form 805. This is necessary to aid us in inputting the budget numbers in a manner consistent with HUD reporting and electronic submission.

Please complete, sign and date the budget forms and include your email address, returning them to VHFA by **November 1st** (September 1st if you are on an October 1st fiscal year). Early submissions are always welcome.

We hope to see many of you at the upcoming **VHMA training and 30th Anniversary Celebration Barbecue** at Shelburne Farms on August 23rd. We are also looking forward to the **4th Tri-State Housing Managers Conference** that will be held on October 17-19 at the Mount Washington Hotel in Bretton Woods, NH. Please consider joining your housing peers from the states of Maine, New Hampshire and Vermont for this joint conference held every three years.