

David A. Paterson  
Governor



Deborah VanAmerongen  
Commissioner

**New York State Division of Housing and Community Renewal**  
25 Beaver Street  
New York, NY 10004

**HOUSING MANAGEMENT BUREAU MEMORANDUM # 2008-B-09**

**To:** All Housing Companies  
Owners, Managing Agents and Site Managers

**From:** Robert Damico, Downstate Director  
Housing Management Bureau

**Date:** June 23, 2008

**Subject:** **Revised Managing Agent Compensation Policy**

---

The Division has completed an analysis of the current policy with regard to the compensation of the managing agent and the biennial performance evaluations of the agent. The analysis included a comparison of the managing agent compensation formulas implemented by other housing agencies. Furthermore, the Division is currently revising its regulations, which includes recommended changes to the managing agent compensation policy. The following represents the revised policy effective July 1, 2008.

- **Administrative Expense Fee** - The current managing agent fee is comprised of a base rate and administrative expense fee. The Division has decided to discontinue the administrative expense fee and allow administrative expenses associated with the office operations of the development to be charged directly to the housing company.
- **Base Rate** - The Division has established a maximum allowable base rate fee for each housing company to provide the agent with sufficient compensation for the actual cost of doing business. This amount was determined uniquely for each housing company based on a number of factors which have been found to affect the cost of providing managing agent services. The Commissioner has prescribed the maximum annual percentage increment for the year ending June 30, 2009 to be 3.8%. To allow for uniformity, as of July 1, 2008, the housing company will be given the discretion to raise the agent's base rate fee to the maximum allowable. As always, a lesser fee as negotiated by the owner is permitted.

- **Marketing Fee** - A marketing fee is allowed to compensate for the cost of marketing, selling and renting activities. The current maximum is \$50 per apartment rented to a new tenant.
- **Site Manager Reimbursement** - Division regulations allow the agent to be reimbursed by the housing company for up to 50% of a full time site manager's salary and fringe benefits. This amount shall be pro-rated for a part time site manager. The Division had instituted a cap of 15%-19% (depending on the size of the development) of the annual base rate for the site manager reimbursement. This cap is discontinued. The agent may request reimbursement of 50% of the actual cost of the site manager's gross salary and fringe benefits.
- **Agent Performance Evaluation** - The biennial agent performance evaluation will be discontinued. Instead, an Annual Housing Assessment of the development will be completed evaluating critical areas of housing operations. The assessment will be used to identify those housing companies in need of additional supervision and to indicate recommended actions for improvement.

It will be necessary for each Owner and Managing Agent to execute an amendment to the Owner/Agent Agreement reflecting the revised managing agent compensation policy. **The amendment form and the adjusted maximum base rate for each housing company will be sent under separate cover.** Should you have any questions, please call Ellen Irizarry at (212) 480-7256.



Robert Damico