

Property Management

Long Term Thinking & Short Term Action



Copyright © 2004, The Enterprise Foundation, Inc. All rights reserved.

This guide was developed with support from The Enterprise Foundation and Merritt Community Capital Corporation with funding from the U.S. Department of Housing and Urban Development.

Various parts of this document provide descriptions of legal procedures or discuss the application of civil laws. However, neither the author nor publisher is engaged in rendering legal services. No part of this guide should be regarded as legal advice. If you need legal advice, seek the services of a competent attorney.

The work that provided the basis for this publication was supported by funding under an award with the U.S. Department of Housing and Urban Development. The substance and findings of the work are dedicated to the public. The author and publisher are solely responsible for the accuracy of the statements and interpretations contained in this publication. Such interpretations do not necessarily reflect the views of HUD.

Table of Contents

Introduction	ix
Chapter 1: When Does Property Management Begin?	3
<i>Design Standards</i>	4
Chapter 2: Financial Planning	27
<i>Pro Forma</i>	27
<i>Budgeting</i>	32
<i>Reserves</i>	44
Chapter 3: Regulatory Agreements.....	55
Chapter 4: Management Operations	69
<i>Self Management or Third party Management?</i>	69
<i>The Management Plan</i>	75
<i>Staffing and Organizational Design</i>	78
<i>Policies and Procedures Manual</i>	105
<i>Office Procedures</i>	111
<i>Discussion Topics:</i>	120
Chapter 5: Housing Residents.....	121
<i>Fulfilling the Mission: Housing the Resident</i>	125
<i>Waiting List Management</i>	154
<i>Leases and Lease Addenda</i>	158
Chapter 6: Risk Management	177
<i>Exercises</i>	189
Chapter 7: Maintenance Operations	191
<i>Exercises</i>	220
Chapter 8: Monitoring Performance	221
Chapter 9: Resident Services Programs	237
Chapter 10: Resources	253

This page intentionally left blank.

INDEX OF EXHIBITS, EXERCISES AND DISCUSSION TOPICS

<i>Exercise #1: Taking on Property Management</i>	1
Chapter 1: When Does Property Management Begin?	3
<i>Discussion Topics (Chapter 1)</i>	6
Exhibit 1-1: Mercy Services Corporation Development/Management Meeting	7
Exhibit 1-2: Mid-Peninsula Housing Coalition Guidelines for a Building Program	15
Exhibit 1-3: Preparing a Transition Planning Meeting Development to Management	19
Exhibit 1-4: Resident Property Review Questionnaire	22
Chapter 2: Financial Planning	27
Exhibit 2-1: Laurel Gardens Apartments Operating Pro Forma	29
Exhibit 2-2: HUD 2003 Operating Cost Standards	30
Exhibit 2-3: HUD Chart of Accounts	33
Exhibit 2-4: HUD Chart of Accounts Footnotes	35
Exhibit 2-5: Budget Preparation Time Line For Fiscal Year End 12/31	39
Exhibit 2-6: Budget Preparation Instructions	40
Exhibit 2-7: Annual Site Plan	41
Exhibit 2-8: Steps in Completing a Replacement Reserve Analysis	45
Exhibit 2-9: Reserve Replacement Items	47
Exhibit 2-10: FNMA Useful Life Tables	48
<i>Exercise #2: Canasta Park Reserve for Replacement Analysis</i>	54
Chapter 3: Regulatory Agreements	55
Exhibit 3-1: HOME Program Requirements	57
Exhibit 3-2: Summary of Loan, Grant, Subsidy, or Equity Terms and Requirements	60
Exhibit 3-3: Prevailing Conditions & Regulatory Requirements	62
Exhibit 3-4: Sample Compliance Calendar	63
Exhibit 3-5: Multiple Property Compliance Calendar	64
Exhibit 3-6: Sample Contents Property Compliance Book/Filing System	65
Exhibit 3-7: Tax Credit Compliance Map	66
<i>Discussion Topics</i>	67
Chapter 4: Management Operations	69
Exhibit 4-1: Stress Factors in Self Management	71
Exhibit 4-2: Request for Property Management Proposal	72
Exhibit 4-3: Management Plan Checklist	76

INDEX OF EXHIBITS, EXERCISES AND DISCUSSION TOPICS

Exhibit 4-4: Organizational Style	80
Exhibit 4-5: Organization Chart – Centralized	81
Exhibit 4-6: Organization Chart – De-Centralized	82
Exhibit 4-7: Job Descriptions	83
Exhibit 4-8: Agenda – Staff Training	104
Exhibit 4-9: Policies and Procedures Manual Table of Contents	106
Exhibit 4-10: Model Asset and Property Management Files	112
Exhibit 4-11: Model Site Filing System	114
Exhibit 4-12: Binders and Notebooks to be Maintained On-Site	115
Exhibit 4-13: The On-Site Office	116
Exhibit 4-14: Sample Tax Credit Resident File Set-Up	118
Exhibit 4-15: State and Federal Employee Notice Posting Requirements	119
<i>Discussion Topics</i>	<i>120</i>
Chapter 5: Housing Residents	121
Exhibit 5-1: Rent-Up Schedule	126
Exhibit 5-2: Resident Selection Criteria Checklist	127
Exhibit 5-3: Anyplace Apartments Resident Selection Criteria and Marketing Plan	128
Exhibit 5-4: Marketing Sample Studio Apartments at Anytown Apartments	136
Exhibit 5-5: Tenant Income Certification	137
Exhibit 5-6: What is Fair Housing	142
Exhibit 5-7: Summary of Federal Fair housing Laws Fair Housing Act	144
Exhibit 5-8: Federal Laws Prohibiting Discrimination in Housing Disabled	147
Exhibit 5-9: Reasonable Accommodations	148
Exhibit 5-10: Verification of Need for Reasonable Accommodation	152
Exhibit 5-11: Unit Turnover	155
Exhibit 5-12: Waiting List	156
Exhibit 5-13: Waiting List Advice From HUD	157
Exhibit 5-14: Sample House Rules	159
Exhibit 5-15: Pet Agreement	166
Exhibit 5-16: Model Parking Agreement	172
Exhibit 5-17: Accessible Units Sample Policy Language	173

INDEX OF EXHIBITS, EXERCISES AND DISCUSSION TOPICS

Exhibit 5-18: Addendum for Live-In Attendant House Rules	174
<i>Exercise #4: Rent Up Exercise</i>	<i>175</i>
Chapter 6: Risk Management	177
Exhibit 6-1: Risk Management Questions & Issues	180
Exhibit 6-2: Emergency Manual Information	181
Exhibit 6-3: Loss/Accident Report	182
Exhibit 6-4: Environmental Considerations: Toxics	183
Exhibit 6-5: Introduction to Molds	187
<i>Exercise #5: Risk Management Exercise</i>	<i>189</i>
Chapter 7: Maintenance Operations	191
Exercise 7-1: Planning and Reviewing A Maintenance Program	194
Exercise 7-2: Maintenance Policies and Procedures	198
Exhibit 7-3: Maintenance Work Order	208
Exhibit 7-4: Work Order Log	209
Exhibit 7-5: The Gardens Preventative Maintenance and Cleaning Schedule	210
Exhibit 7-6: Preventative Maintenance Schedule	213
Exhibit 7-7: Unit Inspection	214
Exhibit 7-8: Property Inspection Form	215
Exhibit 7-9: Property Inventory	217
Exhibit 7-10: Apartment Turnover and Inspection Procedure	218
Exhibit 7-11: Unit Made Ready Report	219
<i>Exercise #6: Maintenance Operations Exercise</i>	<i>220</i>
Chapter 8: Monitoring Performance	221
Exhibit 8-1: Property Performance Comparison	223
Exhibit 8-2: Tips and Strategies for Controlling Costs	224
Exhibit 8-3: Effecting Income	232
Exhibit 8-4: Monthly Checklist for Property Information	234
Exhibit 8-5: Asset Management Review of Monthly Financial Report	235
<i>Discussion Topics (Chapter 8)</i>	<i>236</i>

INDEX OF EXHIBITS, EXERCISES AND DISCUSSION TOPICS

Chapter 9: Resident Services Programs	237
Exhibit 9-1: Structures for Adding Support Services to Housing Services	239
Exhibit 9-2: RCHC Resident Services Program Overview	242
Exhibit 9-3: RCHC Resident Services Economic Development Programs	243
Exhibit 9-4: RCHC Resident Services Youth Development Programs	245
Exhibit 9-5: Resident Leadership Training Topics	246
Exhibit 9-6: Ideas for Activities and Fundraising for Resident Associations	249
Exhibit 9-7: Resident Satisfaction Questionnaire	251
Chapter 10: Resources	253
Exhibit 10-1: Training And Educational Resources	254

Introduction

This Property Management Training Manual was created under a contract from the U.S. Department of Housing and Development. We have attempted to gather some of the better examples of property management procedures in the nonprofit world of affordable housing. We owe a debt of gratitude to the affordable housing industry in the San Francisco Bay Area, especially the California Housing Partnership Corporation, The John Stewart Company, Mid-Peninsula Housing Management Corporation and American Baptist Homes of the West. We would also like to acknowledge and thank the following people and organizations for allowing us to use their procedures and materials in this training manual:

- ▶ American Association of Homes and Services for the Aging
- ▶ American Baptist Homes of the West
- ▶ Lucy Buchbinder
- ▶ California Housing Partnership Corporation
- ▶ Caritas Housing Management Inc.
- ▶ Consortium for Housing and Asset Management
- ▶ East Bay Asian Local Development Corporation
- ▶ Eden Housing Management Inc.
- ▶ Local Initiatives Support Corporation
- ▶ Massachusetts Housing Finance Agency
- ▶ Mercy Services Corporation
- ▶ Mid-Peninsula Housing Management Corporation
- ▶ Napa Valley Community Housing
- ▶ National Center for Nonprofit Boards
- ▶ Nova Consulting
- ▶ Oakland Community Housing Management, Inc.
- ▶ Rural California Housing Corporation
- ▶ Rural Community Assistance Corporation
- ▶ The John Stewart Company
- ▶ Bob Stone, Housing Management Systems
- ▶ U. S. Department of Housing and Urban Development
- ▶ Margaret Weitkamp

This page intentionally left blank.

EXERCISE #1 TAKING ON PROPERTY MANAGEMENT

You are a Property Manager for a small non-profit housing development organization. Your Board of Directors asks you to take a look at a 28 year-old, 50-unit multifamily property they want to purchase. The Board members are excited because the property is in excellent condition; it got a "Superior" rating on its last HUD inspection.

When you arrive at the property your first impression is that it's a bit shabby. Paint is peeling on the sunny side of the buildings. Landscaping is very rundown. Tree roots have pushed up walkways, creating tripping hazards. The roof appears to be in serious need of major repair.

While you're waiting in the office for the Site Manager to meet you, a resident comes in and talks to the part-time assistant. You overhear the resident say, "I can't come up with the rent this week, I'll bring it in the end of next week." The Assistant responds, "Yeah, that's what you said last week." After the resident leaves, the Assistant begins to complain to you how things would work differently "...if the manager took care of her business..." Before she can complete her sentence, the Site Manager comes into the office.

As you walk through the property with the Site Manager, she explains that they have a waiting list. They last took applications three years ago. There are currently five vacancies.

When you visit a unit that's ready for move-in, it strikes you as rundown, like the outside of the buildings. It has a shag carpet that is spotted and has some bleach stains on it. Paint on the windowsill is peeling and there are water spots in the corner of the ceiling.





You ask to see a recent monthly financial report. There is about \$8,000 in the operating checking account and \$25,000 in the Reserve for Replacement account. The bank holds property tax and insurance escrow accounts.

You go back to your office to prepare your presentation to the Board of Directors. Is this a property that you want to manage? Why? Why not? What changes would you want to make in operations?

This page intentionally left blank.

Chapter 1: When Does Property Management Begin?

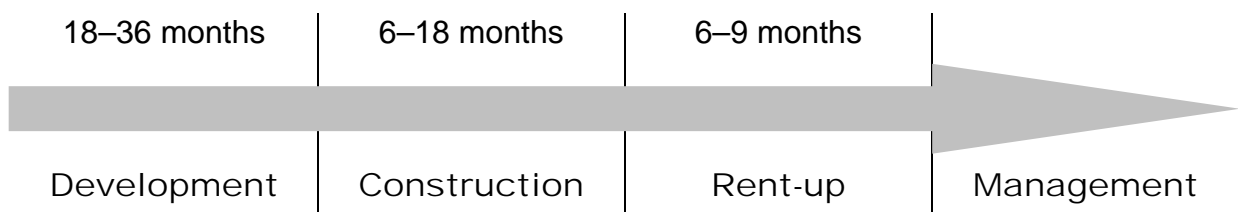
In This Chapter:

-  The role of property management in the design and planning of affordable housing.
-  Examples of ways in which property management professionals can participate in design decisions.
-  Recommendations for managing a smooth transition from development to marketing and managing affordable housing.
-  Tools for soliciting input from residents about design issues.

There are several stages in the life of an affordable housing property:

- ▶ Pre-construction development
- ▶ Construction
- ▶ Rent-up
- ▶ On-going management

TIME LINE



When does property management really begin?

Experienced property managers and developers can usually cite many examples of affordable housing projects that could have identified and avoided problems if skilled property management input was available at the early stages of development.

Nonprofit housing development can benefit from including property management in the design and planning of a new property or acquisition from the moment a project is conceived. If property management services are part of the organization, property management staff should be part of the team making decisions about what gets built. If an organization uses outside contractors to manage the portfolio, development staff should involve experienced property managers in reviewing building design and specifications before construction begins.

The following Section offers examples of areas in which property management can offer insight at an early stage of development and introduces development concerns to property managers. A model Checklist is included of information and materials that should be exchanged between development and property management staff prior to marketing.

About HOME :

The HOME Program, created under Title II (the Home Investment Partnership Act) of the National Affordable Housing Act of 1990, represents a historic affirmation of the Federal Government's commitment to providing decent, safe, and affordable housing for all Americans and to alleviating the problems of excessive rent burdens, homelessness, and deteriorating housing stock nationwide.

Design Standards

Architects may understand how to draw a project on paper so that a construction crew can build a building, but architects don't often experience managing one of the buildings they've designed. Design items that may have artistic appeal may be nightmares to maintain or operate.

This Section includes two examples of design standards developed through collaboration between property managers and development staff. The first example of standards, developed by the California division of Mercy Services Corporation, came out of a workshop in which property managers and project developers analyzed what worked best and worst at their properties, which designs were liked and which were not liked. Mercy Services

Corporation also asks residents what they like and don't like about the community in which they live. The questionnaire used to gather resident opinions about their new homes is included at the end of this Section.

The second example of specific design criteria comes from a written design plan developed at Mid-Peninsula Housing Corporation, another regional nonprofit housing developer. Once a design plan is established, it should be followed to the greatest extent possible and projects should be questioned when basic design requirements cannot be met.

If your organization does both housing development and property management, staff should work together and consult during the design phase of development.

About HOME :

The successful operation of HOME assisted rental housing begins with the development process: concept, research, design, underwriting, financing and construction. However it is when the project is completed where the real work of successful affordable housing begins. Ongoing maintenance and a steady tenant population help insure the long term availability of this asset as affordable housing.

DISCUSSION TOPICS

1. What is the mission of your organization?
2. What goals, other than compliance with rent and income limits, does your organization have for your properties? How are these goals communicated to property management staff? Do you have a procedure for evaluating how well properties are meeting your goals?
3. How does the development staff in your organization communicate important property information to property management staff? Is there a formal method of exchanging information?
4. Consider existing properties that you own or manage. What issues or problems can you identify that stem from decisions made during the development process? Could you or should you have been able to identify them at that time? Why were they not identified and addressed at that time?

EXHIBIT 1-1
MERCY SERVICES CORPORATION
DEVELOPMENT/MANAGEMENT MEETING

RECOMMENDATIONS:

A. Building Exterior:

A. Parking:

- i. Whenever possible provide at least one parking space per unit, especially in family housing.
- ii. An appropriate number of visitor, staff, and handicap accessible spaces should also be given consideration.
- iii. Garage clearance should be high enough to permit a hightop van or small truck access for passenger pick-up & return and moving.
- iv. Garage floors/concrete, parking areas should be sealed.
- v. Garages should be equipped with CO₂ Detectors/Fans.

B. Building Entrances:

- i. Double Doors are recommended for ease of access. Entrances should have cover/awnings for weather protection. Should be well lighted.

C. Patios/Balconies: There are two schools of thought:

- i. Depending upon their size, decks/balconies are often inappropriately used for storage, (i.e., bikes, housekeeping equipment, clotheslines, etc.), and should therefore be eliminated. Larger common outdoor space with picnic/recreational areas are preferable and can be better maintained by management.
- ii. Most residents use their balconies/decks appropriately for plants, flowers, outdoor furniture, and if permitted — barbecues. They provide more private outdoor space. Inappropriate use of patios/balconies for storage can be regulated through House Rules, etc.

D. Types of Windows:

- i. Ease of operation is primary. Casement windows with an accessible crank handle are best for disabled persons.
- ii. For Reduced Energy Consumption:
 - a. Thermal paned or double-glazed windows.
 - b. Good weather stripping.
 - c. Tinted glass on windows with Southern exposure in areas with temperature extremes. Outside vents that can be closed or regulated.

E. Siding/Stucco — Colors of Paint:

- i. Durability is primary factor. Paint should be for exterior use only and should stand up to varying weather conditions.
- ii. Less exterior colors for ease in making repairs or painting over graffiti
- iii. Stucco, the texture of which can be easily matched.
- iv. Use of Anti-Graffiti paint on areas that are easily accessible for vandals.

F. Roofing Materials:

- i. Durability, low maintenance, and ease of access are principle concerns.
- ii. Tile roofs are not recommended as tiles break and require excessive maintenance. A preference was mentioned for tar & gravel for repairs.
- iii. Roofs should not be too steeply pitched.
- iv. Flashing, gutters, and downspouts should be accessible and easily cleaned.

G. Landscaping:

- i. Durability is again a key factor, especially in family housing. Lawns, ground cover, plants, shrubs, & trees should be sturdy and suited to the local environment.
- ii. Lawns should be minimal. Attractive ground cover that does not require much maintenance is preferred.
- iii. Foundation plants should be appropriate for their location. They should not grow too large nor have a root structure that could damage the building foundation, sidewalks, drains or sewer systems.
- iv. Wood Chips are not recommended especially for family housing. Chemical treatment of wood chips in play areas is also a concern.
- v. Good irrigation systems that can be effectively and easily programmed can greatly reduce the overall cost of landscape maintenance.
- vi. Space for the development of a community garden is appreciated.
- vii. Hedges and shrubbery are preferred natural barriers to fencing and walls.
- viii. Trees that do not shed nuts, berries, fruit, bark, etc. are preferred. They should also have a sturdy root structure so as not to fall.

H. Playgrounds:

- i. Should be "age appropriate."
- ii. The use of chemically treated wood chips should be prohibited. Sand also creates problems as it is often used by cats as a litter box and gets tracked everywhere.
- iii. Basketball courts were highly recommended as low cost and enjoyed by a majority of people. Play structures need to be evaluated by management along with the developers while a property is under construction to determine the best type of equipment for population of a property and the neighborhood in which it is located.

I. Outdoor Common Areas:

- i. Picnic areas with permanent tables, benches, & barbecues are appreciated
- ii. Outdoor furniture should be durable. Wood furniture requires maintenance in the form of weather preparedness — sealing.
- iii. Walls and Fences: Should be attractive — high enough for security without creating a prison-like environment. Again, natural fencing/barriers in the form of hedges and shrubs are preferred.

B. Building Interior:

J. Common Areas:

- i. Lobby/Reception Area:
 - a. Reception Desk should be centrally located and large enough for desk clerk and necessary office equipment; counter should be low enough to provide clear visibility to front entrance; doors should be able to be operated from reception desk for security purposes.
 - b. Flooring should be ceramic or vinyl tile rather than carpet for ease of maintenance and durability.
 - c. Wall Sconces are more attractive than overhead lighting; although florescent lighting is preferred for energy efficiency
 - d. Lobby & Mail Room areas need not be large. More should be devoted to Community Rooms and Offices.
 - e. Furniture should be sturdy, as durable as possible, and not too heavy to be moved. It should also have firm supportive seating covered in attractive printed vinyl rather than cloth for easy cleaning.
 - f. Paint/Wallpaper should be washable/durable.
- ii. Office Space:
 - a. Should be centrally located adjacent to the lobby.
 - b. Should be separate to provide privacy for interviews, social service etc.
 - c. Should be large enough for necessary office equipment, (i.e., desks, files, copier, computer, fax, storage cabinets, closets, etc.)
 - d. Should *not* have windows easily accessed from the street for security.
 - e. Should be carpeted for noise reduction.

- iii. Community Room:
 - a. Should be large enough for the majority of the residents to gather in one place for programs, events or emergencies.
 - b. Florescent overhead fixtures or wall sconces are preferred.
 - c. Flooring should be durable vinyl tile.
 - d. Storage closets and cabinets should be ample for folding chairs, recreational supplies, seasonal decorations, etc. They should be able to be locked.
 - e. Windows and exhaust fans should provide adequate ventilation
 - f. Community Kitchens should be simple and accessible.
 - g. Furniture (i.e., tables and chairs) should be versatile: lightweight and durable to provide flexibility in room arrangement. Chairs should be stackable with arms for added support for seniors/disabled persons when standing or sitting.
- iv. Public Restrooms:
 - a. Should be adjacent to lobby, office space, community room, & laundry
 - b. Should be equipped with motion sensitive lighting.
 - c. Janitor's closet should also be in close proximity.
 - d. Clean-outs for drains should be easily accessible.
- v. Halls:
 - a. Wall sconces are preferred to ceiling fixtures.
 - b. Paint should be washable; light colors.
 - c. Carpeting should be multi-colored, darker in shade, tight loop pile.
 - d. Some natural light should be provided whenever possible.
 - e. Color coordination in halls should vary from floor to floor.

- vi. Maintenance Workshop/Janitor Closet/Storage:
 - a. It is vitally important that a workroom with ample lighting, electrical outlets, and space for shelving for power tools, hand tools and supplies be provided for maintenance staff.
 - b. Janitor's closets should have easy access to hot & cold faucets for filling and draining cleaning equipment; should be large enough to store buckets, mops, and cleaning utensils.
 - c. A store room adjacent to the maintenance shop or janitor's closet should allow for storage of vacuums, buffers, extractors, wet-vacuums, cleaners, etc. as well as janitorial supplies — paper products, bags, cleaning products, etc.

vii. Laundry Rooms:

- a. Large top-loading washers are preferred to front loaders except when one is required for handicap accessibility.
- b. There should be at least as many dryers as washers.
- c. Wash basins & folding tables are appreciated.
- d. There seemed to be a 50/50 trade-off regarding purchasing or leasing equipment; more income when purchased, but also maintenance and coin collection responsibilities; less income when leased, but little to no maintenance responsibilities.

C. Apartments:

K. Entrances/Doors:

- i. Recessed doors with grocery/mail shelf add individuality and convenience.
- ii. Locks and handles/knobs, (i.e., hardware) should be of high quality. They get a lot of wear especially in family housing and frequently need to be replaced.
- iii. Door bells/knockers and visitor identification windows (i.e., "peep holes") should be low enough for shorter persons to use. Doorbells that are integrated into these units are often not very loud and frequently malfunction.

- L. Foyers/Halls/Stairs: should have vinyl tile/linoleum; wall sconce lighting in locations accessible for residents to replace; guest/utility/linen closet(s); and paint should be durable and washable.

M. Living Areas/Bedrooms:

- i. Carpet: multi-colored, medium shade, loop pile; no light colored cut-pile carpeting.
- ii. Paint: washable, eggshell finish; heavily textured walls & ceiling difficult to patch/match.
- iii. Closets: sliding doors with double tracks or hinged swinging door for walk-in closets; metal racks & shelf organizers work well as long as they are well mounted and have regular clothes poles for hangers.

N. Dining Areas:

- i. Vinyl tile or linoleum floors are recommended and preferred by residents over carpeting especially in family housing.
- ii. Wall sconces are preferred to overhead hanging or ceiling fixtures.

O. Kitchens/Baths:

- i. Some administrators expressed a preference for vinyl tile rather than linoleum floors for ease in making repairs. Most kitchens and baths are relatively small, however, and when damage has occurred they generally need to be replaced in their entirety. Patterns of vinyl tile are often discontinued when they need to be replaced or they have discolored and the entire floor may require replacement. Inexpensive lightweight linoleum, however, is often damaged when appliances are moved.
- ii. Wood cabinets should be well finished and sealed to prevent water damage and cracking especially on lower cabinets beneath sinks; hinges should be sturdy especially on lower cabinets that get more use; handles/knobs should be added to doors and drawers for handicap accessibility.
- iii. Paint should be extremely durable and washable.
- iv. Exhaust fans should have outside ventilation whenever possible rather than simply recirculate air.
- v. Bathrooms with windows or skylights are preferable to inside bathrooms.
- vi. All faucets and fixtures should be of as high quality as possible so as to allow for heavy use, repairs, and available replacement parts.
- vii. Overhead florescent lighting was recommended; All light fixtures should be placed in locations accessible to residents for replacement.
- viii. Tubs with one-piece fiberglass surrounds are preferable to ceramic tile.
- ix. Horizontal Mini-Blinds are preferable to drapes or vertical blinds especially in family housing; drapes may continue to work in senior housing.
- x. Appliances: a preference was mentioned for side by side refrigerators for handicap accessible units, all should be frost-free; washers/dryers & dishwashers in family units have been particularly popular.

D. Building Security:

- P. Entry System: should be easily programmable by maintenance staff; several entry doors should not open simultaneously on the system — results in security risk; Entry systems that rely upon a resident's phone line can be problematic if a resident does not have, nor does not intend to acquire a phone. The property is responsible for giving residents equal access to admitting visitors, guests, etc. In such a situation the cost of providing a phone line for the entry system would have to be absorbed by the property.
- Q. Buildings should be wired for additional video cameras/monitoring devices.
- R. Locks/hardware should be sturdy and easily serviced.
- S. Stairwells with exterior exits only are a security problem especially if the elevator is not operating. Residents do not have access to the floors of the building and often resort to propping doors open to enter and leave the building.
- T. Exit doors should be wired for security alarms for monitoring purposes.
- U. Emergency Generators should operate a sufficient amount of lighting, office & service equipment, and elevator (or at least return it to the ground floor and open doors).
- V. Motion Detectors on lights in laundry rooms, restrooms, and appropriate common areas are energy efficient and provide security.
- W. Universal Life-Line Service is recommended over the automatic installation of Emergency Pull Cords in senior housing.
- E. Other Considerations;**
 - X. Thermostats — no timers
 - Y. Roof Exhaust Fans — good insulation/isolation from units and quiet operation.
 - Z. Different administrators have had different experiences with various elevator companies. It would be good to know the area representatives for a particular company and find out their track record for the vicinity in which a property is being developed.
 - AA. Handicap Accessible Units: No high cabinets; sliding shelves; side by side refrigerators; roll-in showers; lower sinks and counters; locate on first floor.

EXHIBIT 1-2

MID-PENINSULA HOUSING COALITION GUIDELINES FOR A BUILDING PROGRAM

Landscaping

Functional Guidelines:

Plantings:

- ▶ Landscaping is very important to the look and comfort of the development.
- ▶ Provide a rich variety of plants, trees, corner flatwork, and grass and bark areas.
- ▶ Use a combination of perennials and annuals, citrus and evergreens.
- ▶ Preserve existing trees where possible, especially natives.
- ▶ Use trees to shade, deaden sound within courtyards or from sources outside development, screen grounds from prevailing winds, break up parking areas.
- ▶ Typically, landscape designers and cities require more trees than is practical.
- ▶ Anticipate mature size; avoid crowding trees.
- ▶ Plant new trees a minimum of 5 feet away from buildings.
- ▶ Plant annual color spots as selected by Owner/Management.
- ▶ Group together those plants with similar water requirements.
- ▶ For resident and guest safety, avoid placing planting in ways that creates hiding places, obscure entries or paths.

Irrigation:

- ▶ Watering system must support new growth without over-watering.
- ▶ Do not locate heads where the public can easily damage.
- ▶ Drip irrigation is preferred (to reduce spraying and ponding, installation cost, unsafe protrusions.)
- ▶ Avoid watering pavement and buildings.
- ▶ Provide water source at barbecue, if appropriate.
- ▶ Provide water source at trash enclosure.
- ▶ Provide hose bibs at each private patio.
- ▶ Stake irrigation heads to prevent continual breakages.
- ▶ Separate irrigation from domestic water.
- ▶ Avoid installing heads near pedestrian traffic.

NOTE: Landscape architects typically include excessive numbers of heads in their irrigation schemes; after plantings have matured somewhat and following review with Management, as many as or third of the heads may be removed.

Community Gardens:

- ▶ Works best with non-working and agrarian-working populations.
- ▶ Segregate planting areas as appropriate for the resident population.
- ▶ Include hose bibs.
- ▶ Consider short fences to segregate semi-private areas and enclose.
- ▶ Install raised beds (at not lower than 10 inches), depending on population

Recreation Areas:

- ▶ Consider various options based on development size and population type.

Benches:

- ▶ Secured to concrete.
- ▶ Typically backless.
- ▶ Located at tot lots and recreation areas.
- ▶ Grouped to encourage community activity; located at children's playgrounds, barbecues, community center, laundry, away from unit windows.

Miscellaneous Landscape Items:

- ▶ Sturdy, fixed trash receptacles.

Bike Racks:

- ▶ Ideally located near community room, office, and/or mailboxes.
- ▶ Locate within visibility of users' units.
- ▶ Place under cover where possible.
- ▶ Provide bike storage lockers only if required by local jurisdiction.
- ▶ Provide simple "u" bolts or racks for bike parking at community room, at patios, or at entry stairs; use prefabricated concrete blocks with tracks and eyebolts.

Retaining Walls:

- ▶ Use sparingly avoiding exposed rough concrete elevations; prefer contoured land.

Community Patio:

- ▶ Charcoal barbecue is optional; non-gas, fixed barbecue units.
- ▶ Light area.
- ▶ Provide places to sit and eat.
- ▶ Provide some covered area.

Maintenance Room

Functional Guidelines:

- ▶ The Maintenance Room is the in-house workshop for general maintenance, and must have:
 - Steel storage shelves for tools, building materials, equipment, etc.,
 - Lockable closet for valuables,
 - Flammables storage cabinet (for paint) 44"H x 43"W x 18",
 - Work bench,
 - Heavy duty utility sink,
 - Storage for earthquake and other emergency supplies.
- ▶ A wide entrance such as double doors is preferred. A roll-up door (garage door) plus a standard door is an option when the roll-up is accessible by pick-up truck.
- ▶ Provide small desk area (preferably a clean area) with desk created by suspending a door or countertop over two file cabinets.
- ▶ Provide good natural and artificial lighting;
- ▶ Provide windows with screens.
- ▶ Provide good sound insulation, particularly if adjoining a housing unit.
- ▶ Provide good ventilation.
- ▶ Provide central heat (and air conditioning, depending on climate.)
- ▶ Maintenance Room should be accessible (with lockable door) to reception area and bathroom.
- ▶ Locate development punchdown phone box in maintenance room.

Specifications:

- ▶ Floor: Broom finish concrete; slope to drain.
- ▶ Finish: Sheetrock and tape; painting optional.
- ▶ Lighting: 4-foot fluorescent ceiling fixtures.
- ▶ Electrical outlets: three over workbench (220 amps); additional outlets at regular intervals. Two 220V outlets.
- ▶ Doors: Heavy-duty metal clad with heavy-duty hardware.
- ▶ Telephone lines.
- ▶ Security alarm system connects to Manager's office, and Manager's unit. A box may be in Maintenance room. Security system is not monitored.
- ▶ Pin-up board and dry erase.

Laundry

Functional Guidelines:

- ▶ The central laundry facility is intended for the use of all residents.
- ▶ Ideally, it is located within direct view of manager's office, and with tot lot nearby, visible from inside.
- ▶ Typically, the laundry is separate from community areas; if adjacent, it has separate entry.
- ▶ Provide operable window with screen.
- ▶ Provide floor drain.
- ▶ Central heating is optional.
- ▶ Fully accessible.
- ▶ It is equipped with:
 - Coin operated machines at a rate of one washer/gas dryer per 10 family units; 15 per senior unit. One front-loading washer/dryer ADA accessible. Allow for short venting runs for dryer. Provide 4" clearance behind washers.
 - Gas hot water heater.
 - Storage space for janitorial materials and equipment.
 - Wall-hung folding table with heavy-duty support.
 - Hanging racks
 - Slop sink.
- ▶ Machines and financing for central laundry facilities are provided by an apartment laundry service; the service should be consulted during design development and later during construction.
- ▶ Some developments have individual unit laundries rather than centralized laundry.

Specifications:

- ▶ Floors: Good quality sheet vinyl and vinyl cove base.
- ▶ Walls: Medium-knockdown texture, semi-gloss latex enamel paint.
- ▶ Counter: High-pressure laminate supported with 2X4 knee braces (painted.)
- ▶ Door: Keyed for every resident's key plus a dead bolt for manager's key; automatic closer; D-series heavy-duty Schlage lever hardware.
- ▶ Lighting: Ceiling fluorescents with higher than average lumens.
- ▶ Ventilation: Heavy-duty direct output fan. Window with screen. Signage: "Residents' Use Only" and hours.
- ▶ Appliances rented from and provided by laundry service.

EXHIBIT 1-3

**Preparing for a Transition Planning Meeting
Development to Management**

A Transition meeting should occur at least six months prior to obtaining the Certificate of Occupancy and include the development project manager, the construction manager (owner's rep,) property manager or management agent, and the sponsor staff performing asset management functions. It may also be helpful to include the architect and/or support service coordinator, depending on the nature of the project.

Topics:

1. Neighborhood and Community Relationships
2. Resident Selection and Eligibility
3. Physical (Building) Information
4. Financial and Regulatory Information

1. Neighborhood and Community Relationships

Information

- Identify community supporters and vocal opponents (homeowner's associations, neighborhood groups, city staff and immediate neighbors)
- Social and economic issues raised by community
- Community-based organizations in area
- Area businesses
- Police contact
- Neighborhood Watch
- Gangs
- Incidence of graffiti

2. Resident Selection and Eligibility

Information

- Owner's mission
- Target population
- Plan to qualify tenants
- Other gatekeepers to resident selection (e.g. housing authorities, social services)
- Tax Credit deadlines
- Rent levels
- Utility allowances
- Unit composition

Documents

- Demographic information
- Consolidated Plan
- Minutes for neighborhood meetings
- Neighborhood surveys
- Copies of press articles
- Minutes for City Council, Planning Commission, others
- City government contacts
- Police reports
- Plans for volunteer security
- By-laws and mission statement
- Marketing Plan
- Management Plan
- Resident Selection Criteria
- Income /rent limits
- Loan documents and regulatory agreements
- Tax credit application
- Approved rental agreement
- Rent up cash flow estimate
- Relocation plan
- Market studies

3. Physical (Building)

Information

- Square footage
- Zoning
- Historical
- Amenities
- Alert to unresolved contract issues
- Schedule walk through with contractor to familiarize with building systems
- Construction completion date
- Types of materials, prices, quantities, estimated useful life
- Disclosures from seller
- Toxic information
- Fire/emergency plan
- Service plan

Documents

- As-built drawings, floor plans
- Materials binder
- Contact list for contractor, architect
- List of subcontractors
- Emergency phone numbers (fire alarm, security, sprinklers)
- Key schedule
- Warranties and manuals
- Schedule of warranty periods
- Service warranties and contracts (security, fire suppression, landscape, laundry, elevator)
- Insurance policy
- Tax bills
- Purchase and sale agreement
- Permits
- Notice of completion
- Punch list
- Utility contacts, water, sewer, gas, electric, waste management

4. Financial and Regulatory Information

Information

- Reserve account funding and assumptions for use (replacement, operating, other)
- Debt service
- Vacancy rate assumptions
- Contractual obligations
- Personality quirks of lender(s)
- Promises made
- Reporting and compliance requirements
- Terms
- Repayment penalties
- Refinancing options
- Residual receipts
- Disbursement schedule
- Tax opinion
- Responsibilities of partners (GP/LP)
- Pay-in schedule and requirements (certified rent rolls and other initial operating certifications)
- Buy back terms
- Legal issues re: partnership
- Tax Credit compliance

Documents

- Cost certification/Form 8609 (tax credits)
- Most current pro forma
- Loan documents
- Regulatory agreements
- Research on comparative projects in area
- Correspondence between partners relevant to relationship
- Operating cost estimates
- Inflation assumptions
- Applications
- Limited Partnership agreement (amended and restated)
- Partnership Management Agreement
- Key contacts (attorneys, CPAs, investor reps)

EXHIBIT 1-4
RESIDENT PROPERTY REVIEW QUESTIONNAIRE

The staff at Mercy Housing wants to know how you feel about your home. Please take a few minutes to respond to the following questions. We shall be using the information to improve the quality of our communities.

About Your Apartment

Please read the statements listed below. Use the following number scale to indicate how much you agree or disagree with these statements. Circle the corresponding number.

1 = Strongly Agree 2 = Agree 3 = Neither Agree nor Disagree 4 = Disagree 5 = Strongly Disagree

1. Carpet and Flooring

- ▶ The carpet and flooring in my apartment is long lasting and of high quality. 1 2 3 4 5
- ▶ The carpet and flooring in my apartment is easy to clean. 1 2 3 4 5

Please explain, adding any other comments you may have about your carpet and flooring:

2. Storage/Closets

- ▶ The storage in my apartment meets my needs. 1 2 3 4 5

Please explain, adding any other comments you may have about your storage requirements:

3. Noise

- ▶ The noise level near my apartment is acceptable to me. 1 2 3 4 5

Please explain, adding any other comments you may have about noise:

1= Strongly Agree 2 = Agree 3 = Neither Agree nor Disagree 4 = Disagree 5 = Strongly Disagree

4. Bathroom

- ▶ The bathroom in my unit meets my needs 1 2 3 4 5

Please explain, adding any other comments you may have about your bathroom:

5. Kitchen and Appliances

- ▶ My kitchen meets my needs. 1 2 3 4 5
- ▶ My appliances meet my needs 1 2 3 4 5

Please explain, adding any other comments you may have about your kitchen and appliances:

6. Room Size

Now, please think for a moment about the rooms in your apartment. Which areas of the apartment, if any, do you wish were bigger? Please rank from 1 to 6 which room you would most want to enlarge, (#1 being your first choice, etc.)

- ▶ Bedroom ▶ Kitchen
- ▶ Living Room ▶ Bathroom
- ▶ Storage/Closets

Some things you like, dislike or would like to change about your apartment may not have been listed above. Please think for a moment, then list some other things you would like us to know about your apartment. Please be specific.

About the Building

Listed below are statements about different parts of the building. Please evaluate them using the same scale.

1= Strongly Agree 2 = Agree 3 = Neither Agree nor Disagree 4 = Disagree 5 = Strongly Disagree

1. Laundry Room

- ▶ The location of the laundry room works well for me. 1 2 3 4 5
- ▶ The machines in the laundry room meet my needs. 1 2 3 4 5

Please explain, adding any other comments you may have about the laundry room:

2. Outdoor Space

- ▶ I/we use the outdoor space often. 1 2 3 4 5
- ▶ The outdoor space meets my/our needs. 1 2 3 4 5

Please explain, adding any other comments you may have about the outdoor space:

3. Parking

- ▶ The parking for the complex meets my needs. 1 2 3 4 5

Please explain, adding any other comments you may have about parking for the complex:

4. Lobby and Mail Area

- ▶ The lobby and mail area works well for my household. 1 2 3 4 5

Please explain, adding any other comments you may have about the lobby and mail area:

1= Strongly Agree 2 = Agree 3 = Neither Agree nor Disagree 4 = Disagree 5 = Strongly Disagree

5. Trash

- ▶ Trash disposal in my building is easy. 1 2 3 4 5

Please explain, adding any other comments you may have about trash disposal:

6. Security

- ▶ I feel secure in my building and in my apartment. 1 2 3 4 5

Please explain, adding any other comments you may have about the building:

7. Common Areas/Community Room

- ▶ The Community Room(s) are adequate for the needs of my household. 1 2 3 4 5

Please explain, adding any other comments you may have about the common areas:

Some things you like, dislike or would like to change about your apartment may not have been listed above. Please think for a moment, then list some other things you would like us to know about your apartment. Please be specific.

About the Neighborhood

Now, using the same scale, please evaluate the following statements about your neighborhood.

1 = Strongly Agree 2 = Agree 3 = Neither Agree nor Disagree 4 = Disagree 5 = Strongly Disagree

1. Shopping

- ▶ It is easy for me to shop for food and other necessary items in the neighborhood. 1 2 3 4 5

Please explain, adding any other comments you may have about shopping:

2. Services and Activities

- ▶ My family participates in neighborhood activities. 1 2 3 4 5
- ▶ My family gets social service needs met in the neighborhood. 1 2 3 4 5

Please explain, adding any other comments you may have about neighborhood services and activities:

3. Safety

- ▶ I feel safe in the neighborhood. 1 2 3 4 5

Please explain, adding any other comments you may have about neighborhood safety:

4. Transportation




- ▶ The public transportation in my neighborhood works well for me. 1 2 3 4 5

Please explain, adding any other comments you may have about transportation:

Some things you like, dislike, or would like to see changed about your neighborhood may not have been listed above. Please think for a moment, then list some other things you would like us to know about the neighborhood. Please be specific.

Chapter 2: Financial Planning

In This Chapter:

-  What is an operating pro forma?
-  An overview of the budget planning process, including a timeline for budget preparation, sample chart of accounts and budget preparation instructions.
-  An overview of operating and replacement reserve accounts, including suggestions for conducting a replacement reserve analysis and a “useful life” table.

any financial decisions are made during the development process that will affect the long-term well-being of a property. In this Section, we discuss concerns relating to Pro formas, operating budgets and Operating and Replacement Reserves.

Pro Forma

The pro forma is the financial plan produced early in the development of an affordable housing community that analyzes the expenses and financing for the construction, acquisition and on-going operation of a property. Every pro forma should include an Operations Section that estimates rental income, operating expenses, debt payments and reserve funding for a 10 to 20 year period. The operating pro forma does this by estimating future income and expense trends. Operating pro forma assumptions can create cash flow problems by being overly optimistic about these future trends.

Operating costs are estimated by developers by looking at similar properties in similar locations and reviewing available cost standards. In this Section, you'll find the 2000 HUD Standards for Section 202 and Section 811 Operating budgets as one example of an available cost standard. There is also an example of the Texas Department of Housing and Community Affairs Database on Average Operating Expenses for Low Income Housing Tax Credit Properties.

About HOME :

When HOME funds are used to develop affordable rental housing there are a number of considerations related to financial planning. HOME assisted units must remain affordable to low-income tenants which can challenge property managers who must maintain necessary cash flow while providing decent, safe and sanitary housing for qualified tenants.

The HOME Program affects the financial viability of a project by restricting rents to High and Low HOME Rents. Understanding the impact of HOME restricted rents on project income is key to financial planning and effective property management.

Property management staff should provide input on how income and expenses of a property will vary according to the property's location, design and the population served. They can remind developers to consider the expenses of marketing and start up costs for office and maintenance operations, items that are often overlooked or underestimated in development and initial operating budgets. Property Management can provide valuable information on variable costs such as staffing, utilities and maintenance. Property management can assess the ability of the targeted market population to pay the rents, both at initial occupancy and projected for the future life of the property. Property management can review the adequacy of the reserve funding.

EXHIBIT 2-1
LAUREL GARDENS APARTMENTS OPERATING PRO FORMA

LAUREL GARDENS APARTMENTS		Proforma											
15-YEAR CASH FLOW		Version: INVESTOR REQUEST FOR PROPOSALS											
ASSUMPTIONS:													
Rent Increase:		2.50%											
Expenses Increase:		3.50%											
Reserve Increase:		3.50%											
		1993	1994	1995	1997	1998	1999	2000	2001	2002	2003	2004	2005
GROSS POTENTIAL INCOME - RESIDENTIAL		457,992	469,442	481,178	493,207	505,537	518,176	531,130	544,409	558,019	571,969	586,268	
HUD Interest Reduction Payment		53,004	53,004	53,004	53,004	53,004	53,004	53,004	53,004	53,004	53,004	53,004	53,004
Misc. Income		6,100	6,253	6,409	6,569	6,733	6,902	7,074	7,251	7,432	7,618	7,809	
Vacancy Loss - Residential	5.0%	(23,205)	(23,785)	(24,379)	(24,989)	(25,614)	(26,254)	(26,910)	(27,583)	(28,273)	(28,979)	(29,704)	
Vacancy Loss - Commercial	0.0%	0	0	0	0	0	0	0	0	0	0	0	0
GROSS EFFECTIVE INCOME		493,891	504,914	516,211	527,792	539,661	551,828	564,298	577,081	590,182	603,612	617,377	
TOTAL EXPENSES		262,002	271,172	280,663	290,486	300,653	311,176	322,067	333,340	345,007	357,082	369,580	
LAND LEASE		30,000	30,000	30,000	30,000	30,000	30,000	30,000	30,000	30,000	30,000	30,000	30,000
OPERATING RESERVE		0	0	0	0	0	0	0	0	0	0	0	0
NET OPERATING INCOME		201,889	203,742	205,548	207,305	209,008	210,651	212,231	213,741	215,176	216,530	217,797	
TOTAL SERIES A DEBT SERVICE		135,088	134,906	134,713	134,510	134,294	134,066	133,824	133,569	133,299	133,013	132,711	
SURPLUS CASH		66,801	68,836	70,835	72,796	74,714	76,586	78,406	80,172	81,877	83,517	85,087	
Debt Service Coverage Ratio		1.49	1.51	1.53	1.54	1.56	1.57	1.59	1.60	1.61	1.63	1.64	
DISTRIBUTION OF CASH FLOW													
Supplemental Operating Reserve remaining CF		31,801	32,611	33,342	33,991	34,551	35,017	35,382	35,642	35,789	35,816	35,716	
Deferred Developer Fee remaining CF		31,801	32,611	33,342	17,453	0	0	0	0	0	0	0	0
Interest on Deferred Developer remaining CF		0	0	0	16,537	5,407	0	0	0	0	0	0	0
GP Partnership Management Fee - Current		0	0	0	0	29,144	35,017	35,382	35,642	35,789	35,816	35,716	
GP Partnership Management Fee - Deferred		0	0	0	0	15,000	15,000	15,000	15,000	15,000	15,000	15,000	
General Partner	50.00%	0	0	0	0	0	0	0	0	0	0	0	0
Limited Partners	50.00%	0	0	0	0	0	0	0	0	0	0	0	0
OPERATING RESERVE BALANCE													
Previous Balance		85,000	85,000	88,400	91,936	95,613	99,438	103,415	107,552	111,854	116,328	120,982	125,821
Deposit to Reserve		0	0	0	0	0	0	0	0	0	0	0	0
Interest on Reserve	4.0%	0	3,400	3,536	3,677	3,825	3,978	4,137	4,302	4,474	4,653	4,839	5,033
Withdrawal from Reserve		0	0	0	0	0	0	0	0	0	0	0	0
Ending Balance		85,000	88,400	91,936	95,613	99,438	103,415	107,552	111,854	116,328	120,982	125,821	130,854
REPLACEMENT RESERVE BALANCE													
Previous Balance		85,000	120,000	161,025	204,959	251,962	302,204	357,446	417,688	483,930	556,172	634,414	718,656
Deposit to Reserve		35,000	36,225	37,493	38,805	40,163	41,569	43,024	44,530	46,088	47,701	49,371	51,099
Interest on Reserve	4.0%	0	4,800	6,441	8,198	10,078	12,088	14,168	16,320	18,555	20,878	23,291	25,795
Withdrawal from Reserve	-75.0%	0	0	0	0	0	(226,653)	0	0	0	0	(257,511)	0
Ending Balance		120,000	161,025	204,959	251,962	302,204	357,446	417,688	483,930	556,172	634,414	718,656	809,950

Exhibit 2-2

U.S. Department of Housing and Urban Development

Special Attention of

All Multifamily Hub Directors
All Multifamily Hub Program Center Directors
All Project Managers
All Field Office Directors

Notice H 03-26

Issued: December 1, 2003
Expires: December 31, 2004

Cross References
Handbook 4571.2 (811)
Handbook 4571.3 REV-1 (202)

SUBJECT:

Fiscal Year 2003 Annual Operating Cost Standards – Section 202 Supportive Housing for the Elderly and Section 811 Supportive Housing for Persons with Disabilities Programs

Attached are the Operating Cost Standards (OCS), which HUD Office staff should use for calculating the annual per person/per unit Amount of a Project Rental Assistance Contract (PRAC) when making Fiscal Year 2003 subsidy fund reservations for Capital Advance applications under the subject programs.

These Standards have been updated using the National Consumer Price Index (CPI) of housing changes for 2002. Each HUD Office should adjust these Standards downward to accommodate any lower cost area with its jurisdiction when locally developed cost data so indicate.

Historically, some areas significantly exceed the National CPI average. To assure that those areas are not precluded from program participation, each HUD Office noted below is authorized to adjust its annual OCS by up to the additional percentage shown: Chicago – 8.2 percent; New York – 19.7 percent; Philadelphia – 5.5 percent; Los Angeles – 9.2 percent; San Francisco – 39.6 percent; and Seattle – 18.7 percent.

To determine the total amount of an annual PRAC, multiply the OCS by the number of residential spaces in a group home or by the number of revenue-producing units in either an independent living facility or an elderly project. For the six cities listed above, the result thus obtained would be multiplied by part or all of the additional percentage, as needed.

In accordance with the waiver authority provided in the Fiscal Year 2003 HUD Appropriations Act (Pub.L.107-73), the Secretary is waiving the following statutory and regulatory provisions in the FY 2003 Program SuperNOFA for the Section 202 (68 FR 21921) and Section 811 (68 FR 21937) Programs (as published in the Federal Register on April 25, 2003):

The term of the PRAC is reduced from 20 years to a minimum term of 5 years. The Department anticipates that, at the end of the contract terms, renewals will be approved subject to the availability of funds. In addition to this provision, the Department will reserve PRAC funds based on 75 percent rather than 100 percent of the current OCS for approved units in order to take into account the average tenant contribution toward rent.

Should you have questions, please contact Flossie Romero at (202) 708-3000, Extension 2610.

John C. Weicher, Assistant Secretary for
Housing – Federal Housing Commissioner

Attachments

Distribution: W-3-1,

**FISCAL YEAR 2003 Operating Cost Standards
Sections 202 and 811**

	BOSTON HUB			MINNEAPOLIS HUB
Boston	\$ 5,740		Milwaukee	4,184
Hartford	5,408		Minneapolis	4,463
Manchester	4,365			FT. WORTH HUB
Bangor	4,492		Ft. Worth	3,852
Burlington	4,379		Albuquerque	3,767
Providence	5,348		Lubbock	3,714
	NEW YORK HUB		Houston	3,826
New York City	6,498		Little Rock	3,299
	BUFFALO HUB		New Orleans	3,438
Buffalo	4,574		Shreveport	3,548
Albany	4,684		San Antonio	3,534
	PHILADELPHIA HUB			KANSAS CITY HUB
Charleston	4,297		Des Moines	3,743
Newark	5,625		Kansas City	4,184
Camden	5,100		Topeka	3,686
Pittsburgh	4,162		Omaha	3,767
Philadelphia	5,127		Oklahoma City	3,548
Wilmington	4,741		Tulsa	3,657
	BALTIMORE HUB		St. Louis	4,409
Baltimore	4,463			DENVER HUB
Richmond	3,991		Denver	4,076
Washington	4,545		Casper	3,462
	GREENSBORO HUB		Fargo	3,462
Columbia	3,549		Helena	3,767
Greensboro	3,852		Salt Lake City	3,574
	ATLANTA HUB		Sioux Falls	3,438
Atlanta	3,630			SAN FRANCISCO HUB
San Juan	3,549		Honolulu (Guam)	5,348
Louisville	3,852		Reno	4,322
Knoxville	3,548		Phoenix	3,767
Nashville	3,410		Sacramento	4,796
Memphis	3,630		San Francisco	5,348
	JACKSONVILLE HUB			LOS ANGELES HUB
Jacksonville	3,518		Los Angeles	4,992
Miami	3,765		San Diego	4,627
Tampa	3,326		Santa Ana	4,992
Birmingham	3,549			
Jackson	3,657			
	CHICAGO HUB			SEATTLE HUB
Chicago	4,322		Anchorage	7,631
Indianapolis	4,101		Portland	3,991
	COLUMBUS HUB		Boise	3,881
Cincinnati	4,129		Seattle	4,242
Cleveland	4,601		Spokane	4,156
Columbus	4,076			
	DETROIT HUB			
Detroit	4,598			
Grand Rapids	3,826			

Budgeting

Preparation of initial operating budgets should be done carefully, as should preparation of all annual budgets. Realistic income and expense expectations should be used to prepare the operating budget.

The HUD Chart of Accounts, in the following Section, is the standard budget for most HUD funded projects. Many states and local governments also use the HUD Chart of Accounts, while banks and other funders may use a more simplified budget with fewer line items. Even if you're not required to use a HUD Chart of Accounts, reviewing all the line items in a complete Chart of Accounts can help ensure that no major expenses are being left out of budget planning. Preparing careful footnotes clearly describing the assumptions used in estimating income and expenses enables others to review your budgets and provide meaningful oversight.

The budgeting process, whether during the development phase or during on-going operations, should start early enough to collect all necessary information. A sample timeline for budget preparation is included in this Section.

The annual budgeting process should include:

- ▶ interviewing site staff to obtain their input
- ▶ review of the past 12 months operating expenses
- ▶ verification of annual contract amounts
- ▶ completion of annual site plan (sample in this section)
- ▶ completion of staffing plan
- ▶ finally, drafting the budget.

Operating expense review should carefully analyze the following areas:

- ▶ energy and trash disposal cost;
- ▶ inventory and purchasing controls;
- ▶ comparison of material and equipment lifespans;
- ▶ cost efficiency of contracted services and equipment leases;
- ▶ maintenance operations, taking into account anticipated move-outs, estimated turnover time, staff time for the management of major improvements or replacements, work order completion, and staff training.

EXHIBIT 2-3
HUD CHART OF ACCOUNTS

	Previous Year Audit	Year to Date (No. of Months:)	Proposed Budget
5000 INCOME			
5100 Rent			
5200 Vacancy Loss			
5300 Elderly & Congregate Services Income			
5400 Interest Income			
5910 Laundry Income			
5920 Tenant Charges (Late Fees/ Damages)			
5990 Other Misc. Income			
Total Income			
6000 PROJECT EXPENSES			
ADMINISTRATIVE EXPENSE			
6210 Advertising			
6310 Office Salaries			
6311 Office Supplies			
6312 Office Rent			
6320 Management Fee			
6330 Manager's Salary			
6331 Administrative Rent Free Unit			
6340 Legal Expense			
6350 Audit Expense			
6351 Bookkeeping/Accounting			
6370 Bad Debts			
6390 Miscellaneous Admin. Expense			
Total Administrative Expense			
UTILITIES EXPENSE			
6420 Fuel Oil/Coal			
6450 Electricity			
6451 Water			
6452 Gas			
6453 Sewer			
Total Utilities Expense			

	Previous Year Audit	Year to Date (No. of Months:)	Proposed Budget
OPERATING & MAINTENANCE EXPENSE			
6510 Payroll			
6515 Supplies			
6520 Contracts			
6521 Oper. & Maint. Rent Free Unit			
6525 Garbage & Trash Removal			
6530 Security Payroll/Contract			
6531 Security Rent Free Unit			
6546 Heating/Cooling Repairs			
6548 Snow Removal			
6570 Vehicle & Maint. Equip. Operation & Repairs			
6590 Misc. Oper. & Maintenance			
Total Operating & Maintenance Expenses			
TAXES AND INSURANCE			
6710 Real Estate Taxes			
6711 Payroll Taxes			
6720 Property & Liability Insurance			
6721 Fidelity Bond Insurance			
6722 Worker's Compensation			
6723 Employee Benefits			
6790 Miscellaneous Taxes, Licenses, Permits & Insurance			
Total Taxes and Insurance			
6800 FINANCIAL EXPENSES			
6900 SERVICE EXPENSES			
TOTAL OPERATING EXPENSE			
NET INCOME			
DEBT AND RESERVE SERVICE			
▶ Mortgage Principle			
▶ Replacement Rsv. Funding			
▶ Operating Rsv. Funding			
Total Debt and Reserve			
INCREASE (DECREASE) IN CASH			

EXHIBIT 2-4
HUD CHART OF ACCOUNTS
FOOTNOTES

5000 Revenue Accounts

5100 Rent Revenue - Gross Potential:

- 5120 *Rent Income -- Apartments or Member Carrying Charges (COOPS).* Gross rent potential less tenant assistance payments for all residential units (including nonrevenue producing units).
- 5121 *Tenant Assistance Payments.* Tenant assistance payments received or earned by the project.
- 5140 *Rent Income — Stores and Commercial.* Gross rental income expectancy from stores, offices, rented basement space or other commercial facilities.
- 5170 *Garage and Parking Spaces.* Gross potential rental income from all garage and parking spaces.
- 5190 *Rent Income — Miscellaneous.* Gross rental income expectancy not otherwise described above.

5200 Vacancies - Accounts 5220 through 5290. Rental income lost through vacancy of an apartment unit, revenue-producing space or equipment.

5300 Elderly and Congregate Services Income. Revenues received other than rents for services provided to tenants (e.g., meals, grants for services). Service-related expenses are charged to accounts in the 6900 series.

5400 Financial Revenue. Interest income received or accrued from invested project cash and Funded Reserves.

5900 Other Revenue:

- 5910 *Laundry and Vending Revenue.* Project revenues received from laundry and vending machines owned or leased by the project.
- 5920 *Tenant Charges.* Charges assessed to tenants for rent checks returned for insufficient funds, for late payment of rents, damages, fees paid by tenants for cleaning of an apartment unit (other than regular housekeeping services) and forfeited Security Deposits (credited only when the tenant security deposit is deposited to the project operating account).
- 5990 *Other Revenue.* Project revenues not otherwise described in the above revenue accounts. If necessary, agents should subdivide the account into specific revenue accounts numbered 5991 through 5999.

6000 Project Expense Accounts.

6200 and 6300 Administrative Expenses

- 6210 *Advertising and Marketing.* Cost of advertising the rental property.
- 6250 *Other Renting Expense.* Miscellaneous expenses related to the rentup of vacant units. Charges to this account may include reasonable payments to third parties for referring new tenants to the project, the cost of credit and eviction background checks or any allowance given tenants in lieu of rent (e.g., providing a new tenant a week's free rent in exchange for cleaning and painting the unit).
- 6310 *Office Salaries.* Salaries paid to office employees (other than the manager) responsible for the front-line operation of the project regardless of whether the employee works on site or in the agent's office. Front-line responsibilities include for example, taking applications, verifying income and processing maintenance requests. The account does not include salaries paid to occupancy, maintenance and regional supervisors who carry out the agent's responsibility for overseeing or supervising project operations and personnel. These salaries are paid from the management fee. This account also does not include the project's share of payroll taxes (Account 6711) or other employee benefits (Account 6723) paid by the project.
- 6311 *Office Supplies.* Office expense items such as supplies, postage, stationery, copying and cost of telephone and answering service.
- 6312 *Office or Model Apartment Rent.* Rental value of an apartment, otherwise considered potentially rent-producing, but used as the project office or as a model apartment.
- 6320 *Management Fee.* Cost of management agent services contracted for by the project. This account does not include charges for bookkeeping or accounting services paid directly by the project to either the management agent or another third party.
- 6330 *Manager or Superintendent Salaries.* Salaries paid to a resident manager or superintendent.
- 6331 *Administrative Rent Free Unit.* Contract rent of any rent free unit provided an administrative employee which would otherwise be considered revenue producing.
- 6340 *Legal Expense.* Legal fees incurred on behalf of the project (as distinguished from the mortgagor entity), e.g., for eviction procedures.
- 6350 *Audit Expense.* Auditing expenses incurred by the project that are directly related to HUD requirements for audited financial statements and reports. This account includes the auditor's charge for preparing the mortgagor entity's Federal, State and local tax returns. This account does not include the cost of routine maintenance or review of the project's books and records.
- 6351 *Bookkeeping Fees/Accounting Services.* Cost of bookkeeping fees or automated accounting services not included in the management fee but paid to either the agent or a third party.
- 6370 *Bad Debts.* Records by journal entry the amount of tenant accounts receivable the agent estimates uncollectible at the end of the accounting period.

6390 *Miscellaneous Administrative Expenses.* Administrative expenses not otherwise classified in the 6300 series. If necessary, agents should subdivide the account into specific accounts numbered 6391 through 6399.

6400 Utilities Expense: Costs of utility charges billed the project.

6500 Operating and Maintenance Expenses:

- 6510 *Payroll.* Salaries of janitors, groundskeepers and other maintenance employees employed by the project.
- 6515 *Supplies.* Cost of janitor, grounds, repair and decorating supplies.
- 6520 *Contracts.* Cost of janitorial, cleaning, exterminating, grounds, repair, elevator maintenance or decorating contracts the owner or agent executes with third parties on behalf of the project.
- 6521 *Operating and Maintenance Rent Free Unit.* Contract rent of any rent free unit provided a maintenance employee which would otherwise be considered revenue producing.
- 6525 *Garbage and Trash Removal.* Cost of removing garbage and rubbish from the project. The account does not include salaries paid to janitors who collect the trash.
- 6530 *Security Payroll/Contract.* Project's payroll costs attributable to the protection of the project or the costs of a protection contract that the owner or agent executes on behalf of the project.
- 6531 *Security Rent Free Unit.* Contract rent of any rent free unit provided security personnel which would otherwise be considered revenue producing.
- 6546 *Heating/Cooling Repairs and Maintenance.* Cost of repairing and maintaining heating or air conditioning equipment owned by the project. Agents should capitalize repairs of significant amounts that extend the useful life of the equipment.
- 6548 *Snow Removal.* Cost of removing snow from project sidewalks and parking areas.
- 6570 *Vehicle and Maintenance Equipment Operation and Repairs.* Cost of operating and repairing project motor vehicles and maintenance equipment.
- 6590 *Miscellaneous Operating and Maintenance Expenses.* Cost of maintenance and repairs not otherwise classified in the 6400 and 6500 account series. If necessary, agents should subdivide the account into specific accounts numbered 6591 through 6599.

6700 Taxes and Insurance:

- 6710 *Real Estate Taxes.* Payments made for real estate taxes of the project.
- 6711 *Payroll Taxes (Project's Share).* Project's share of FICA and State and Federal Unemployment taxes.
- 6720 *Property and Liability Insurance (Hazard).* Cost of project property and liability insurance.
- 6721 *Fidelity Bond Insurance.* Cost of bonding project employees who handle cash.
- 6722 *Worker's Compensation.* Cost of worker's compensation insurance for project employees.
- 6723 *Health Insurance and Other Employee Benefits.* Cost of any health insurance and other employee benefits paid and charged to the project.

6790 *Miscellaneous Taxes, Licenses, Permits and Insurance.* Taxes, licenses, fees or insurance expenses not otherwise classified in the 6700 series.

6800 Financial Expenses:

6810 *Interest on Bonds Payable.* Interest paid or accrued on bonds issued to construct or permanently finance the project.

6820 *Interest on Mortgage Payable.* Interest paid or accrued on a mortgage issued to construct or permanently finance the project.

6830 *Interest on Notes Payable.* Interest and discounts paid on long term notes.

6840 *Interest on Notes Payable.* Interest and discounts paid on short term notes.

6850 *Mortgage Insurance Premium/Service Charges.* Payments to the mortgagee for insurance on the mortgage.

6890 *Miscellaneous Financial Expense.* Financial expenses not otherwise classified in the 6800 series. If necessary, agents should subdivide the account into specific financial expense accounts numbered 6891 through 6899.

6900 Nursing Homes/Assisted Living/Board & Care/Other Elderly Care Expenses.

The 6900 series of accounts record expenses directly related to special services provided the tenant (e.g., food, recreation supplies, salaries of resident services staff.)

EXHIBIT 2-5
BUDGET PREPARATION TIME LINE
FOR FISCAL YEAR END 12/31

8/20	Accounting prints general ledger
	Estimate the current year's 12 months expenses based on 6 to 8 month's actual costs. Review expense for the final month's of the prior year to account for any late year, one-time costs.
8/21	Distribute to sites
8/23–9/14	Sites collect data and prepare draft of budget with footnotes
9/15–9/25	Supervisors review and approve salary or staff changes
9/25	To Director for approval
9/30–10/20	Input into agency format & finalize budget notes
10/21	To Board of Directors for approval
10/31	Submit to regulatory agency

- 1) Budgets submitted to partners & lenders no later than 60 days prior to end of fiscal year (FYE)
- 2) Rent increase notices to residents one month prior to effective date of increase

Note: (1) & (2) may vary dependent upon agency requirements.

EXHIBIT 2-6
BUDGET PREPARATION INSTRUCTIONS

In preparing your budget, begin with annualizing your current year's expenses. Then, please take care to do the following:

- 1) Review general ledger thoroughly. Look for expense errors and notify accounting of error corrections.
- 2) Call all utility companies (gas, electric, water, garbage) to confirm any potential increases. Note on budget worksheet that you have called and why or why not you are budgeting any increases or decreases.
- 3) Complete Annual Site Plan.
- 4) Look at current redecorating schedule. Attach next year's redecorating schedule to site plan.
- 5) Attach any copies of estimates received for planned major expenses to explain dollar amounts.
- 6) Review your tickler file for budget notes you have dropped in throughout the year.
- 7) Speak to your maintenance supervisor about what he/she would like to replace, repair, or install in the coming year. On major items, one rough estimate is sufficient to plan a budget.
- 8) Be sure to explain all expenses on worksheet. After collecting all data, submit to your Supervisor, attaching all of the following:
 1. Budget Worksheet
 2. Footnotes
 3. General Ledger
 4. Annual Site Plan
 5. Redecorating schedule for all units (highlight units included in site plan)
 6. Long range spending plan
 7. Any written estimates

EXHIBIT 2-7
ANNUAL SITE PLAN

Site: _____ Date: _____

Manager: _____

Signature

Maintenance: _____

Signature

PHYSICAL — EXTERIOR			
DESCRIPTION EXTERIOR ITEMS	COMMENCEMENT OF WORK	ESTIMATED COST	ACCOUNT CODE
PAINTING:			
PAVING:			
FENCING:			
CONCRETE WORK:			
LANDSCAPE:			
ROOFING:			
CLEANING: (i.e., Powerwash):			
ELECTRICAL:			
OTHER:			

PHYSICAL — INTERIOR			
DESCRIPTION <i>(attach next year's redecorating schedule)</i>	# OF UNITS OR TYPE OF WORK	DATE OF WORK OR PURCHASE	ESTIMATED COST
PAINTING:			
CARPET:			
VINYL:			
DRAPES:			
PLUMBING (describe):			
OTHER:			
OFFICE			
REDECORATING:			
EQUIPMENT (describe):			
SHOP			
EQUIPMENT (describe major purchases):			

ENERGY SAVINGS			
DESCRIBE			
ENERGY AUDIT <i>(when):</i>			
RATE AUDIT:			
FIXTURE AUDIT:			
	WHAT	COST	ESTIMATED PG&E REBATE
FIXTURE REPLACEMENT:			
	INSTALLATION DATE	COST/TYPE	ESTIMATED REBATE
TOILETS <i>(Water Saver):</i>			
OTHER:			
RESIDENT RELATIONS <i>(planned or in-progress)</i>			
DESCRIBE			
TENANT ASSOCIATION PLANS:			
NEWSLETTERS:			
SOCIAL EVENTS:			
EDUCATIONAL PROGRAMS:			

Reserves

Reserve funding requirements are often set by the banks, government agencies and others providing funding or financing for affordable housing. The formulas used for setting the funding requirements for reserves vary among funders. Some financiers require both an operating and a replacement reserve. Property Managers should be aware of assumptions made by developers on how and when reserves will be used. Operating Reserves may be funded to provide a safety net for unanticipated operating expenses or income shortfalls. The operating reserves may also be intended to be used to cover a future financial event such as re-financing, buying out partnerships or filling the gap caused by loss of subsidies. If the Operating Reserves are spent to cover unanticipated expenses, they may not be available to use as originally intended.

Long range property replacement or improvement planning helps establish an adequate monthly reserve deposit. Property administrators should review the property's Capital Improvement/Replacement Plan annually to update work completed and adjust the timing and costs for future scheduled work. This plan normally spans 10 years and will include replacement costs for major replacement items (see this Section.) In the preparation or update of this plan consideration should be given to:

1. Life Cycle costing. Compare the initial cost of equipment and materials with the cost of other makes and styles that may last longer or require less expensive upkeep.
2. Staffing evaluation. Assess the skills of the site maintenance staff to decide which work can be done in-house and what will need to be contracted out.
3. Energy efficient equipment and materials. The cost of replacement can often be recouped in 2 to 5 years with the resulting energy savings. Rebate programs may be available locally.
4. Remodeling needs. What will it take to avoid obsolescence and remain competitive in the local rental market?

Reserve needs will vary according to the size of units, quality of rehabilitation work done and materials used and the type of residents served. Older properties, especially, will have variation in reserve needs.

EXHIBIT 2-8

STEPS IN COMPLETING A REPLACEMENT RESERVE ANALYSIS

BASIC REPLACEMENT RESERVE ANALYSIS (FOR NEW BUILDINGS)

1. Using physical inspections, the Replacement Reserve analysis forms and equipment life expectancy charts, prepare a complete list of all the items that will need to be replaced on the property.
2. Using the equipment life expectancy charts or information from vendors, determine the life expectancy of each item. It is useful to divide the analysis charts into items in individual units and items for common areas. The life expectancy of the carpet in an apartment will be very different from the carpet in the lobby.

In determining life expectancy, each owner and manager will have his or her own standards for what is acceptable in appearance. The quality of the materials used will affect life expectancy. The manager should be aware if government regulatory agencies monitoring the property have their own set of standards that must be followed.

You can assume a longer life expectancy for replacement items of which the property has a number, for instance unit carpets. While you may want to replace all of them within a certain time period, chances are that many will still be serviceable when that time is reached. If a manager were to wait another year or two to replace some carpets, it would generally not affect the health and well-being of residents. In comparison, when it comes to estimating the life expectancy of an item like a hot water boiler, it is better to be conservative. When the boiler finally dies, you don't have the option of waiting to replace it.

3. Find the cost of replacing each item. These costs can be obtained from contractors and vendors. Building contractors often have access to annually updated pricing reference books like *Whitestone Building Maintenance and Repair Cost*. You may want to include an inflation factor in calculating the cost. Assuming that inflation will increase costs by 2% to 3% should ensure that sufficient money is saved to take care of needs. In the simple Replacement Reserve Analysis, an inflation factor is not included, assuming that inflation will be offset by interest earned on the Reserves.
4. Once you have this information gathered, you can calculate how much you will have to save each month to pay for the replacement when it is needed.

Using the Replacement Reserve Analysis charts, let's calculate the cost of replacing carpet using different assumptions on life expectancy.

No.	Item	1. Life Expectancy When New	2. Quantity	3. Unit Price	4. Total Replacement Cost (#2 x #3)	5. Per Year Set Aside (#4 ÷ #1)
	Carpet	5 yrs	50	\$1000	\$50,000	
	Carpet	6 yrs	50	\$1000	\$50,000	
	Carpet	7 yrs	50	\$1000	\$50,000	
	Carpet	8 yrs	50	\$1000	\$50,000	
	Carpet	9 yrs	50	\$1000	\$50,000	

You can see how delaying the replacement reduces the annual amount required to fund the reserve. However, being overly optimistic on Life Expectancy can contribute to a growing list of deferred maintenance.

- Track planned expenditures for at least the next five years, estimating the annual draw on replacement reserves. Ideally, this analysis should be extended for a period covering 20 years since many of the more expensive items will need replacement between years 10 and 20 and savings for those replacements should begin today.

EXHIBIT 2-9
RESERVE REPLACEMENT ITEMS

The following items are generally considered by agencies to qualify for replacement reserve reimbursements:

Appliances

Ranges
Refrigerators
Dishwashers
Laundry Washers and Dryers
Garbage Disposals
Exhaust Fans

Interior Decorating

Carpet
Floor Tile
Drapes, Shades, Blinds
Cabinets
Electrical Fixtures
Furniture

Exterior

Doors
Windows
Roofing, Shingle, Tile, etc.
Gutters & Downspouts
Storm Windows & Doors
Sprinkler System
Concrete Walks and Curbs
Painting

Plumbing

Toilets & Valves
Bathtubs & Sinks
Kitchen Sinks
Fixtures
Plumbing System

Air Conditioning Equipment

Motors & Fans
Individual Units
Compressors
Chillers

Heating System

Stokers
Oil Burners
Gas Furnaces
Valves & Pumps
Baseboard Heaters
Boilers

Hot Water System

Individual Storage Tank
Central Heating System

EXHIBIT 2-10

FNMA USEFUL LIFE TABLES			
	Family Development	Elderly Development	Action
SITE SYSTEMS			"Action" equals replace unless otherwise noted
NOTE: 50+ = "long-lived" systems: EUL based on location and use-specific conditions			
Basketball Courts	15	25	
Built Improvements (playground/site furniture)	20	20	
Catch Basin	40	40	
Cold Water Lines	40	40	
Compactors	15	15	
DHW/Supply/Return	30	30	
Dumpsters	10	10	Fence only
Dumpster Enclosures	10	10	
Earthwork	50+	50+	
Electrical Distribution Center	40	40	
Emergency Generator	15	15	
Fencing			
Chain link	40	40	
Wrought iron	50*	50+	
Stockade/Basketweave	12	12	
Post and rail	25	25	
Gas Lines	40	40	
Heating Supply/Return	40	40	
Incinerators	50+	50+	
Irrigation System	30	30	
Lift Station	50	50	
Mail Facilities	10	10	
Landscaping	50+	50+	
Parking			
Asphalt	25	25	Resurface
Gravel	15	15	Resurface
Pedestrian Paving	15	15	Resurface
Bituminous	15	15	
Concrete	30	30	
Retaining Walls			
Concrete	20	20	Fill cracks/Repaint
Masonry	15	15	Fill cracks/Repaint
Wood	15	15	Replace
Stone	15	15	Fill cracks/Repaint
Roadways			
Asphalt (Sealing)	5	5	Seal
Asphalt	25	25	Resurface
Gravel	15	15	Resurface (grade and gravel)
Sanitary Treatment	40	40	
Site Electric Main	40	40	
Site Gas Main	40	40	
Site Lighting	25	25	
Site Power Distribution	40	40	
Site Sanitary Lines	50+	50+	
Site Sewer Main	50+	50+	
Site Water Main	40	40	
Storm Drain Lines	50+	50+	
Swimming Pool — deck	15	15	Resurface deck
mechanical equipment (filter/pump/etc).	10	10	
Tennis Courts	15	15	Resurface
Transformer	30	30	
Water Tower	50+	50+	

EXPECTED USEFUL LIFE TABLE			
	Family Development	Elderly Development	Action
MECHANICAL/ELECTRICAL			
NOTE: 50+ = "long-lived" systems: EUL based on location and use-specific conditions			
Central Unit Exhaust, roof mounted	15	15	
Chilled Water Distribution	50+	50+	
Chilling Plant	15	25	
Compactor	15	15	
Cooling Tower	25	25	
Electrical Switchgear	50+	50+	
Electrical wiring	50+	50+	
Elevator, Controller/Dispatcher	15	20	
Elevator, Cab	15	20	Rebuild interior
Elevator, Machinery	30	30	
Elevator, Shaftway Doors	20	30	Replace gibs and rollers
Elevator, Shaftways			
Hoist rails, cables, travelling equipment	25	25	
Hydraulic piston and levelling equipment	25	25	Re-sleeve piston
Emergency Call Alarm System, Station	15	15	
Emergency Generator	35	35	
Emergency Lights	10	10	Battery operated
Evaporative Cooler	15	15	
Fire pumps	20	20	Pump motor
Fire Suppression	50+	50+	Piping
Gas Distribution	50+	50+	Piping
Heat Sensors	15	15	
Heat Risers and Distribution	50+	50+	
Heating Water Controller	15	15	
Hot and Cold Water Distribution	50	50	
HVAC			
Cooling Only	15	15	
Heat Only	15	15	
Heating and Cooling	15	15	
Master TV System	15	15	
Outdoor Temperature Sensor	10	10	
Sanitary Waste and Vent System	50+	50+	
Sewage Ejectors	50	50	
Buzzer/Intercom, central panel	15	15	
Smoke & fire detection system, central panel	15	15	
Sump pump			
Residential	7	7	Replace
Commercial	15	15	Replace motor
Water softening and filtration	15	15	
Water tower	50+	50+	
Boiler Room Equipment			
Blowdown and Water Treatment	25	25	
Boiler Room Pipe Insulation	With boiler	With boiler	
Boiler Room Piping	With boiler	With boiler	
Boiler Room Valves	15	15	Repack valves
Boiler Temperature Controls	With boiler	With boiler	
Boilers			
Oil-fired sectional	22	22	
Gas or dual-fuel-fired sectional	25	25	
Oil- gas- or dual-fuel-fired package, low MBH	30	30	

EXPECTED USEFUL LIFE TABLE			
	Family Development	Elderly Development	Action
MECHANICAL/ELECTRICAL (continued)			
Oil- gas- or dual—fuel-fired package, high MBH	40	40	
Gas-fired atmospheric	25	25	
Electric	20	20	
Bottled Gas Storage	20	20	
Building Heating Water Temperature Controls			
Residential	12	12	
Commercial	15	15	
Combustion Air			
Duct with fixed louvers	50+	50+	Replace
Motorized louver and duct	25	25	Replace motor
Make-up air	25	25	Replace fan/preheater
Compressors	15	15	
Condensate and Feedwater			
Feedwater only (Hydronic)	10	10	
Condensate and feedwater (Steam)	With boiler	With boiler	
DHW Circulating Pumps	By size	By size	
DHW Generation			
Tank Only. dedicated fuel			
Exchanger in Storage Tank	10	10	
Exchanger in boiler	15	15	
External Tankless	15	15	
Instantaneous	15	15	
DHW Storage Tanks	10	10	
Small (up to 150 gallons)			
Large (over 150 gallons)	12	12	Replace
Domestic Cold Water Pumps	7	7	Point tank lining
Fire Suppression	15	15	
Flue Exhaust	50+	50+	
Free Standing Chimney	With boiler	With boiler	
Fuel Oil Storage	50+	50+	
Fuel Transfer System	25	25	
Heat Exchanger	25	25	
Heating Water Circulating Pumps	35	35	
Line Dryers	By size	By size	
Motorized Valves	15	15	
Outdoor Temp Sensor	12	12	
Pneumatic Lines & Controls	10	10	
Purchased Steam Supply Station	30	30	
Solar Hot Water	50+	50+	
	20	20	Replace collector panels

EXPECTED USEFUL LIFE TABLE

EXPECTED USEFUL LIFE TABLE			
	Family	Elderly	
	Development	Development	Action
BUILDING ARCHITECTURE			
NOTE: 50+ = "long-lived" systems: EUL based on location and use-specific conditions			
Appurtenant Structures			
Porches	50	50	Paint at 5 years
Wood Decks	20	20	Paint at 5 years
Storage Sheds	30	30	Paint at 5 years
Greenhouses	50	50	
Carports	40	40	
Garages	50+	50+	
Basement Stairs	50+	50+	
Building Mounted Exterior Lighting	6	10	
Building Mounted HID Lighting	6	20	
Bulkheads	30	30	
Canopies			
Wood/Metal	40	40	Replace
Concrete	20	20	Re-roof
Ceilings, exterior or open	5	5	Paint
Chimney	25	25	Point
Common Area Doors (fire/hall/closet/etc)	50+	50+	
Common Area Floors			
Ceramic/Quarry tile/Terazzo	50+	50+	Replace
Wood (strip or parquet)	30	30	Replace portion/sand and finish
Resilient flooring (tile or sheet)	15	15	Replace
Carpet	7	7	Replace
Concrete	50+	50+	Replace
Common Area Railings	50+	50+	
Common Area Ceilings			
Concrete/Drywall/Plaster	50+	50+	Replace (Paint 5-8 years)
Acoustic Tile	20	20	Replace
Comas Area Countertop & Sink	20	20	
Common Area Dishwasher	15	15	
Common Area Disposal	5	5	
Common Area Walls	50+	50+	Replace (paint 5-8 years)
Exterior Common Doors			
Aluminum and Glass	30	30	Door only
Solid Core (wood or metal)	25	25	Door only
Automatic	15	30	Door and mechanism
Exterior Stairs			
Wood	30	30	Replace
Filled Metal Pan	20	20	Replace
Concrete	50+	50+	Replace
Exterior Unit Doors	25	25	
Exterior Walls			
Aluminum siding	15	15	Prep and Paint
Brick or Block	40	40	Repaint
Brownstone/Stone Veneer	20	20	Waterproof and caulk
Glass Block	15	15	Recaulk
Granite Block	40	40	Repaint
Metal/Glass curtain wall	10	10	Recaulk
Precast concrete panel	15	15	Recaulk
Vinyl siding	30	30	Replace
Wood shingle, Clapboard, Plywood, Stucco	5	5	Prep and paint/stain
Fire Escapes	40	40	Resecure
Foundations	50+	50+	

EXPECTED USEFUL LIFE TABLE			
	Family Development	Elderly Development	Action
BUILDING ARCHITECTURE			
(continued)			
Hatches/Skylights			
Access hatch	30	30	
Smoke hatch or skylight	50+	50+	
Insulation/Wall	50+	50+	
Interior Lighting	25	25	
Interior Railings	50+	50+	
Kitchen Cabinets	20	20	
Local HVAC			
Electric fan coil	20	20	
Electric Heat/Electric AC	15	15	
Gas furnace with split DX AC	20	20	
Heat pump w. Supplementary electric	15	15	
Heat pump, water source	20	20	
Hydronic fan coil	30	30	
Hydronic heat/electric AC	20	20	
Mail Facilities	10	30	
Parapet Wall	50+	50+	
Penthouse	25	25	New door and painting
Public Bathroom Accessories	7	7	
Public Bathroom Fixtures	15	15	
Radiation			
Hydronic (baseboard or freestanding)	50	50	
Electric baseboard	25	25	
Electric panel	20	20	
Railings Roof	10	10	Paint
Refrigerator, common area	15	15	
Residential Glass Doors			
Sliding	15	15	
Atrium/French	30	30	
Roof Covering			
Aluminum Shingles	40	40	
Asphalt Shingles	20	20	New gutters
Built-up (BUR)	20	20	
Membrane	20	20	
Metal (preformed)	40	40	
Slate, Tile, Clay, or Concrete Shingles	50+	50+	
Wood Shingles	20	20	
Roof Drainage Exterior (gutter and fascia)	25	25	Paint
Roof Drainage Interior (Drain covers)	50+	50+	Replace
Roof Structure	50+	50+	
Slab	50+	50+	
Service Doors	25	25	
Soffits			
Wood/Stucco/Concrete	5	5	
Aluminum or Vinyl	25	25	
Stair Structure	50+	50+	
Storm/Screen Doors	7	15	
Storm/Screen. Windows	20	20	
Waterproofing Foundation	50+	50+	
Window Security	40	40	
Windows (Frames and glazing)	30	30	
Wood floor Frame	50+	50+	

EXPECTED USEFUL LIFE TABLE			
	Family Development	Elderly Development	Action
DWELLING UNITS			
Note: 50+ = "long-lived" systems; EUL based on location and use-specific conditions			
Bath Accessories	10	15	
Bath Fixtures (Sink, toilet, tub)	20	20	
Closet Doors	10	20	
Countertop and Sink	10	20	
Dishwasher	10	15	
Disposal	5	8	
Electric Fixtures	20	20	
Hallway Door	30	50	Door only
Heat Detectors	20	20	
Interior Door	30	50	Door only
Interior Stairs	50+	50+	
Kitchen Cabinets	20	25	
Living Area Ceilings			
Concrete/Drywall/Plaster	50+	50+	Replace (Paint at 5-8 years)
Acoustic Tile	20	20	
Living Area Floors			
Ceramic/Quarry Tile/Terrazo	50+	50+	Replace
Wood (strip or Parquet)	30	30	Replace portion/sand and finish
Resilient Flooring (tile or sheet)	15	20	Replace
Carpet	7	10	Replace
Concrete	50+	50+	Replace
Living Area Walls	50+	50+	Replace (Paint at 5-8 years)
Local HVAC			
Electric fan coil	20	20	
Electric Heat/Electric AC	15	15	
Evaporative Condensor ("swamp cooler")	20	20	
Gas furnace with split DX AC	20	20	
Heat pump with supplementary electric	15	15	
Heat pump, water source	20	20	
Hydronic fan coil	30	30	
Hydronic heat/electric AC	20	20	
Range	15	20	
Ranghood	15	15	
Refrigerator	15	15	
Smoke/Fire Detectors	10	10	
Unit Air Conditioning (Window)	15	15	
Unit Electric Panel	50+	50+	
Unit Level Boiler	25	25	
Unit Buzzer/Intercom	20	30	
Unit Level DHW	10	10	
Unit Level Hot Air Furnace	25	25	
Unit Radiation			
Hydronic or Steam (baseboard or freestanding)	50	50	
Electric baseboard	25	25	
Unit Vent/Exhaust	15	15	
Unit Wiring	99	99	
Vanities	20	20	
Window Covering	3 - 20	3 - 25	

EXERCISE #2

CANASTA PARK
RESERVE FOR REPLACEMENT ANALYSIS

No.	Item	1. Life Expectancy When New	2. Quantity	3. Unit Price	4. Total Replacement Cost (#2 x #3)	5. Per Year Set Aside (#4 ÷ #1)
1	Boiler	25 yrs	1	\$60,000	\$60,000	\$2,400
2	Carpet	5 yrs	100	\$1,200	\$120,000	\$24,000
3	Gutters/downspouts	15 yrs	1	\$5,000	\$5,000	\$333
4	Wall heaters	10 yrs	100	\$250	\$25,000	\$2,500
4	Intercom	10 yrs	1	\$4,000	\$4,000	\$400
6	Office copier	5 yrs	1	\$2,000	\$2,000	\$400
7	Exterior painting	6 yrs	1	\$30,000	\$30,000	\$5,000
8	Parking lot paving	6 yrs	1	\$8,000	\$8,000	\$1,333
9	Range	15 yrs	100	\$400	\$40,000	\$2,666
10	Refrigerator	8 yrs	100	\$500	\$50,000	\$6,250
11	Roof	10 yrs	1	\$20,000	\$20,000	\$2,000
12	Window mini-blinds	5 yrs	100 sets	\$150	\$15,000	\$3,000

1. Based on this bare bones Replacement Reserve Analysis, estimate the amount of money that would need to be saved each year in order to completely pay for these replacement items?
2. If this property is putting aside \$3,000 a month into the Replacement Reserve Account, will they have enough money set aside to fully pay for the replacement of these items?
3. What steps could this organization take to improve their planning for Replacement expenses?
4. What items might be scheduled for phased replacement?

Chapter 3: Regulatory Agreements

In This Chapter:



Summary of HOME Program Requirements.



Tools and samples for managing multiple regulatory requirements including: loans, grants and tax credits.



Clear guidance on setting up systems for managing multiple regulatory requirements including a property compliance book/filing system and property compliance calendar.

As money to build or acquire affordable housing grows harder to find, developers have become very creative in putting together financing packages which may include bank loans, tax credit syndication, HOME loans, “soft second” mortgages, grants and other sources of money to complete the project. Each of these sources of funds usually has a regulatory agreement or loan document that explains what the borrower/recipient owes the funder/lender in return for the money. It is important to know what requirements the funder has concerning the setting of rents, income restrictions, reserve funding, insurance, reporting and prior approval. Properties can have layered financing requiring varying rent structures and reporting requirements.

This Section includes an Exhibit covering basic HOME Program compliance requirements. For further information on compliance requirements under the HOME Program, HUD’s Office of Community Planning and Development provides a number of publications helpful to managers of HOME funded properties. Two of the most useful publications for the property manager are, “Asset Management: Strategies for the Successful Operation of Affordable Rental Housing” and “Technical Guide for Determining Income and Allowances for the HOME Program.” Both are available through HUD’s Community Connections Information Center. See the Resources Section for ordering information.

To understand your obligations to the providers of funds, it is useful to prepare a summary of the requirements of each funder and a calendar of annual compliance requirements. In this Section, you will find a model for preparing Loan Summaries from the LISC publication, “A Guide to the Roles and Responsibilities of Asset Management,” available from the LISC Organizational Development Initiative Office, 733 3rd Avenue, 8th Floor, New York, NY 10017, (212) 455-9325. (Order form in Resources Section.)

The following Section also includes examples of Compliance Calendars for tracking compliance requirements for Individual and Multiple Properties. In addition to the annual compliance needs, someone within the housing organization will need to track major financial events effecting the property, such as loan refinancing or payoffs, loss or changes in subsidies, or the dissolution of tax credit partnerships. Long-range tracking is sometimes forgotten. If an organization depends on third party property management agents, this type of financial planning is not usually included in a boilerplate management contract.

It is important to gather together all the documents that govern a property and prepare a summary of pertinent information in the documents with a key to where information is located. This can best be done when regulatory documents are first reviewed. This is sometimes overlooked when a property moves from the development phase to occupancy stages. Final documents should be culled from prior versions and copies included in asset or property management files. These files should be maintained during the life of a property. A listing of the types of documents that would be included is shown in the Sample Contents of a Property Compliance Book.

If your property has a complicated mix of multiple funding sources, you will find it useful to maintain a compliance map. A compliance map will help you identify how many units are designated as necessary for each funding sources and track those designations as people move in and out of the property or have substantial changes in income. A sample compliance Map is included in this Section.

EXHIBIT 3-1

HOME PROGRAM REQUIREMENTS

Income Eligibility	<p>Program Rule 90% of the initial resident households throughout the Participating Jurisdiction (PJ) must have household incomes below 60% AMI.</p> <p>Project Rule All households in HOME-financed units must have gross incomes at or below 80% AMI <u>and</u> At properties with 5 or more HOME assisted units, at least 20% of households must have gross incomes at or below 50% AMI</p> <p>PJ's may set income limits more stringent than HOME program requirements.</p>
Annual Income Calculation	<p>PJs set the definition of annual income and may choose from three definitions: HUD Section 8, Census Long Form or IRS adjusted gross income. Review of source documents are required for initial income certifications.</p> <p>Gross incomes are used to determine eligibility for the HOME program. See "Technical Guide for Determining Income and Allowances for the HOME Program" or www.Hud.gov/offices/cpd for calculation guidance.</p>
Annual Income Recertification	<p>Household incomes must be re-determined annually. The PJ determines the level of diligence required in completing a recertification. PJs may require: review of source documents, a Resident Statement and Certification or a written statement from a government agency providing benefits. If either of the latter two methods are allowed, income certification with source documents is required at least every 6 years.</p>
Over Income Households	<p>Over Income Households If a household's annual income at recertification exceeds 80% AMI, they are considered over income. Maximum rents for HOME-assisted units under the Low Income Housing Tax Credit program are governed by the Tax Credit Program.</p>

Over Income Households (continued)	<p>Fixed Units An over income household's rent may be increased to the lesser of the amount payable under state or local law or 30% of the household's adjusted income.</p> <p>Floating Units An over income household must pay 30% of their adjusted income for rent and utilities but the rent may not exceed market rent for comparable, unassisted units in the neighborhood. The unit is no longer considered HOME-assisted and the next available unit must be rented to a HOME-assisted household.</p>
Changes from Low to High income or High to Low income	<p>Low to High If a Low HOME rent household's income increases but does not exceed 80% AMI, the unit becomes a High HOME rent unit. The next available unit must be designated a Low HOME rent unit.</p> <p>High to Low If a High HOME rent household's income decreases to 50% AMI, the unit may be counted as a Low HOME rent unit.</p> <p>Neither process should increase the number of HOME-assisted units.</p>
Rent Requirements	<p>High HOME Rents Are the lesser of HUD Section 8 Fair Market Rents (FMRs) for the local market <u>or</u> 30% of 65% AMI.</p> <p>Low HOME Rents No greater than 30% of 50% AMI <u>or</u> 30% of the household's adjusted monthly income <u>or</u> if project-based subsidies are in effect, the rent allowable under the subsidy program.</p> <p>PJ's may set rent limits lower than HOME program requirements.</p>
Utility Allowances	<p>Maximum rents must include a deduction for a utility allowance as determined by the PJ, the local public housing authority <u>or</u> proposed by the owner and approved by the PJ.</p>
Fixed and Floating Units	<p>The Program Administrator or Property Owner must select "fixed" or "floating" units at the time of project commitment.</p> <p>Fixed Units The specific units that are HOME-assisted are designated and never change.</p>

	<p>Floating Units The units that are designated as HOME-assisted may change over time, as long as the total number of HOME-assisted units remains constant.</p>
Miscellaneous Provisions	<p>Owners of HOME-assisted rental units may not refuse to lease to any household solely based on their receipt of Voucher subsidy assistance.</p> <p>Affirmative marketing is required for all properties of 5 or more units.</p> <p>Income and rent limits are adjusted annually. New limits can be obtained at www.Hud.gov/offices/cpd or from your local PJ.</p> <p>There are many useful HOME forms and checklists available to assist HOME grantees and subrecipients to meet the regulatory requirements of the program. These forms are available at http://www.hud.gov/offices/cpd/affordablehousing/library/forms/index.cfm#ren</p> <p>There are also sample HOME Monitoring Tools available at: http://www.hud.gov/offices/cpd/affordablehousing/training/checkup/performance/monitoringtools.cfm</p>

Adapted from material in “Asset Management: Strategies for the Successful Operation of Affordable Rental Housing,” a publication of the U.S. Department of Housing and Urban Development, Community Planning and Development, Office of Affordable Housing Programs. Prepared by ICF Consulting and The Compass Group.

EXHIBIT 3-2
SUMMARY OF LOAN, GRANT, SUBSIDY, OR EQUITY
TERMS AND REQUIREMENTS

Project: _____

Type: Loan Grant Subsidy Equity

TERMS

Source	
Original Amount	\$
Initial Funding Date	
Term (if applicable)	
Maturity or End Date (if applicable).	
Interest Rate (if applicable)	
Variable Rate?	<input type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> Not Applicable
<i>If yes:</i>	
index	
margin	
change date	
Life cap	
Monthly Payment (if applicable).	
Due date	
Grace period	
Late fee amount	
Deferred Payment Loan:	<input type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> Not Applicable
<i>If yes: terms:</i>	
Balloon Date & Amount (if applicable)	
Extension Option	<input type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> Not Applicable
<i>If yes: what?:</i>	

Other Comments:

 CONDITIONS & REGULATORY REQUIREMENTS

Source	
Maximum Entry Income Eligibility	
Maximum Recertification Income Levels <i>(if applicable)</i>	
Maximum Rent Levels	
Maximum Rent Increases	
Minimum Lease Term	
Operating Reserves	
Replacement Reserves	
Special Socio-Econ Conditions for Applicants	
Insurance Coverage	
Reports	
Quarterly Occupancy	
Quarterly Financial	
Annual Occupancy	
Annual Financial	
Annual Audit	
Annual Certification	
Eviction Conditions	
Management Agent Approval	
Site Review / Inspections	
Security Deposit Limit	

Other Comments:

EXHIBIT 3-3
PREVAILING LOAN, GRANT, SUBSIDY OR EQUITY
CONDITIONS & REGULATORY REQUIREMENTS

Project: _____

Type of Requirement	Controlling Program or Source	Requirement
Maximum Entry Income Eligibility Limits (% of median)		
Maximum Recertification Income Levels (if applicable)		
Maximum Rent Levels		
Maximum Rent Increases		
Minimum Lease Term		
Operating Reserves		
Replacement Reserves		
Special Socio-Economic Conditions for Residents		
Insurance Coverage		
Eviction Conditions		
Management Agent Approval		
Security Deposit Limits		

Other Comments:

EXHIBIT 3-4
SAMPLE COMPLIANCE CALENDAR

	TO	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
Monthly Rent Rolls (First Year)	BA	X	X	X	X	X	X	X	X	X	X	X	X
Monthly Rent Rolls (Second Year on)	BA	X			X			X			X		
By-Law Certification	LP	X											
Interest on Demand Promissory Note	LHC	?											
Proof of Property Tax Payments (From CH)	LHC	X				X							
Audited Partnership Financial Statements	LP			X									
Audited Partnership Financial Statements	BA					X							
Cash Distribution	all			?									
Tax Credit Claim (From Accountant)	LP			X									
Annual Monitoring Report	MO			X									
Welfare Property Tax Exemption				X									
Proof of Welfare Tax Exemption (first year only?)	BA			X									
Partnership Tax Return, K-1's	LP				X								
IRS Form 8609	LP				X								
Ground Lease Payment	CH				?								
Quarterly Operating Statements	LP				X			X			X		
Quarterly Occupancy Report	LP				X			X			X		
Quarterly Unaudited Partnership Financial Statements	LP				X			X			X		
Insurance Renewal					X								
Annual Report to the Board of LHC	LHC					X							
Interest on City of SF Promissory Note	MO					?							
General Partner's Audited Financial Statements	LP						X						
Operating Budget	LHC										X		
Operating Budget	LP											X	

CH = Sponsor LP = Limited Partner LHC = General Partner MO = Mayor's Office of Housing)

EXHIBIT 3-5
 MULTIPLE PROPERTY COMPLIANCE CALENDAR
Model Calendar for Tracking Multiple Properties

Property	Budget	Audit	State 1/4ly	TCAC	HUD	CEF	Tax Credit Investor	Bank	Project Boards	Other
A	Jan-Dec	Jan		X				B of W	Qtrly	
B	Jan-Dec	Jan		X					N/A	
C	Jan-Dec	Jan	X	X			X		N/A	
D	Jan-Dec	Jan	X	X				B of W	N/A	WFB Realty Corp mtg., Qtrly report to City & WFB Realty; Annual report to WFB
E	July-June	July			X			B of W	Qtrly	
F	July-June	July			X			Sumitomo	Qtrly	
G	July-June	July			X			Centennial	Qtrly	
H	July-June	July						B of W	Annual	HCD-County
I	July-June	July			X			B of W	Qtrly	
J	Jan-Dec	Jan	X	X			X	B of W	N/A	
K	Jan-Dec	Jan	X	X			X	B of W	N/A	Qtrly Report SAMCO mtg.
L	Jan-Dec	Jan		X	X			B of W	N/A	1st Nationwide Mtg.
M	Jan-Dec	Jan			X			WFB	Qtrly	236, excess income
N	Jan-Dec	Jan		X				WFB	N/A	HCD mtg.
O	Jan-Dec	Jan	X					B of W	Monthly	HCD
P	Jan-Dec	Jan			X			B of W	N/A	HFA mtg.

EXHIBIT 3-6
SAMPLE CONTENTS
PROPERTY COMPLIANCE BOOK/FILING SYSTEM

- Section 1:** Project Summary
- Section 2:** Property Compliance Calendar (regulatory and management tasks, indicating month to be done)
- Section 3:** Regulatory Agreements (important points highlighted)
- Section 4:** Loan Documents (important points highlighted)
- Section 5:** Partnership Agreement
- Section 6:** Original Pro Forma and Revisions
- Section 7:** Annual Operating Budgets: prior and current year
- Section 8:** Rent increase requests: prior two years
- Section 9:** Schedule of Maximum Rents - Current Year
- Section 10:** Schedule of Liabilities
- Section 11:** Audits: prior two years including list of who gets copies
- Section 12:** Replacement and Operating Reserve Draw Requests
- Section 13:** Completed Regulatory Reports: prior two years
- Section 14:** Blank Reporting Forms
- Section 15:** IRS Form 8609; First year and current Tax Credit Reports
- Section 16:** Written regulatory monitoring reviews (fiscal, physical and management) and management response
- Section 17:** Resident Selection Criteria (updated as median incomes and rents change)






DISCUSSION TOPICS

1. How many funding sources and lenders does your organization have?
2. Who is responsible in your organization for reading and understanding regulatory agreements and loan documents? Is this same person responsible for communicating with funders and lenders? If the task is centrally delegated, what information is shared with site level staff?
3. How does the development staff in your organization communicate important property information to property management staff? Is there a formal method of exchanging information?

This page intentionally left blank

Chapter 4: Management Operations

In This Chapter:

-  Tips for evaluating readiness for self-management.
-  RFP for third party property management.
-  Checklists and tools for building a Management Plan, including job descriptions for key property management staffing.
-  Guidelines for creating an effective Policies and Procedures manual.
-  Suggestions for creating consistent on-site operating procedures.

Self Management or Third party Management?

Can your organization manage the properties you own? Every organization will be different. Property management is not a task to be taken lightly. Adding property management to your organization's mission can seriously impact the rest of the organization's mission. One experienced nonprofit Executive Director called property management his "500 pound gorilla." The Board of Directors should have serious discussions before opting in to self management. Human resources needs are different. As the property portfolio grows, staff may be more heavily weighted towards property management needs. Some property management operations, especially those with desk clerk coverage, have high staff turnover. The type of personnel hired may be very different. If the organization has been comprised of professionals with advanced degrees, nonprofit corporate culture will be impacted by the addition of entry level resident managers, maintenance and janitorial crews. The organization will be required to understand and comply with landlord tenant law and any state or local licensing requirements. The organization may find itself in a mission conflict as the organization as "advocate" tries to merge with the organization as "landlord."

This doesn't mean that nonprofit organizations should not undertake self management of their housing portfolio. But the organization should walk into the task with eyes open to how it must prepare to do a good job and that job's impact on the organization.

About HOME :

When hiring a third party property management firm it is critical to make sure that the property manager has experience in managing HOME assisted units and is familiar with the owner responsibilities to comply with HOME. The HOME Program compliance requirements are published in the Code of Federal Regulations at 24 CFR Part 92. The HOME Final Rule publication provides the full text of the regulation.

One tool that can help your organization to make that decision is analyzing the “Stress Factors in property management.” This tool is adapted from the out-of-print CHAM publication, “Options of Property Management” (reprints may be available by contacting the CHAM website, www.cham.org.) To use this tool to make an assessment of your organization’s ability to self manage, consider the following variables: type of population served, physical and financial condition of individual properties, condition of the surrounding community and how well current property management is performing.

If your organization decides that they’re not ready for self management, another sample document in this section is “A Request for Proposal for Management,” which outlines some of the questions to ask companies who are interested in managing your properties.

EXHIBIT 4 – 1

STRESS FACTORS IN SELF-MANAGEMENT

Building name	# of units	Type	Physical Condition	Financial Condition	Community Condition	Current property mgmt.	Comments

Type: (1) Senior
 (2) Family
 (3) SRO; Special Needs; Scattered Site

Physical Condition: (1) Excellent, less than \$500 per unit rehab
 (2) Good, \$501 - \$2,500 per unit rehab
 (3) Fair, \$2,501 - \$5,000 per unit rehab
 (4) Poor, \$5,000 or more per unit rehab

Financial Condition: (1) Adequate income for operating & reserves, good future income
 (2) Currently adequate, probable troubled future income
 (3) Inadequate, workout plan in process
 (4) Inadequate, no workout plan

Community Condition: (1) Vibrant project and community (market rents stabilized or rising, services available, community involved)
 (2) Vibrant property, troubled community (Market rents dropping, services spotty, community disinterested or in conflict)
 (3) Troubled property, vibrant community
 (4) Troubled property, troubled community

Property management:

Note: Current good management has a higher rating because it can negatively impact the prospects for successful change in management

(1) Inadequate management, much resident dissension and complaints
 (2) Adequate management, some resident complaints
 (3) Good management, liked by residents

EXHIBIT 4-2

REQUEST FOR PROPERTY MANAGEMENT PROPOSAL

The general responsibilities of the new property management firm include the following areas. If your firm believes that it should be increase or decreased, please indicate so in your proposal.

1. Provision of management services to ensure the first-class operation of the property.
2. Manage relations with tenants consistent with the operation of first class property.
3. Maintain compliance with all rules, regulations, deadlines and reporting requirements of funders and lenders.
4. Preparation and implementation of annual operating and capital budgets, on a cash and accrual basis in accordance with generally recognized accounting principles.
5. Preparation of timely monthly, quarterly, and annual reports and budget forecasts on the property's operations and finances for presentation to the Owner and its lender on the property.
6. Management of all vendors, including negotiation and administration of all contracts between outside parties and the Owner for the repair, maintenance, cleaning, and major capital improvements of the Property.
7. Completion of other activities as further described in the property management agreement that ensure that the property management firm fulfills its fiduciary responsibilities to the property and the Owner's assets.
8. Coordinate with external accountants to prepare the annual tax returns and complete the annual audit, including preparation of documents for the accountants.

Please respond with a concise answer to the following information requests:

1. Organization
 - a. Please describe your firm's ownership structure, including a list of all officers as well as all owners with more than five percent of stock or other ownership interest in your firm. Please provide resumes of your firm's officers.
 - b. Please describe your firm's history as a property manager and provide a list of other properties of similar type managed.
 - c. Please describe your firm's financial condition for the past three years and include relevant audited financial statements.
 - d. Please describe your firm's internal organization, especially with regard to your management of this property, including the proposed chain of command, type of internal support services available to the on-site staff and method of quality assurance and financial controls.

2. Management

- a. Please describe your firm's management philosophy and include its mission statement or similar document that summarizes your firm's "corporate culture."
- b. Please describe the specific responsibilities of the on-site property management staff at the property and indicate which staff members would be provided to the property as part of the management fee and which would be reimbursed by the property as an operating cost.
- c. Please describe your firm's proposed management fee structure for the property and detail all services covered by this fee, including construction management and accounting fees.
- d. Please describe your firm's policies and practices regarding personnel hiring and retention, employee benefits, staff rotation or replacement, and in-service training, or professional education.
- e. Please provide the resumes of all staff, which your firm proposes to employ at the property or provide off-site services for the property. Please indicate the proposed compensation structure, including salary and benefits of each. Indicate if each employee will be full or part-time and if the latter, at which other property or properties the employee(s) will be working.
- f. Please describe your firm's standard operating procedures for property operations that have been implemented at a building comparable to the property.
- g. Please describe your firm's philosophy and practice of coordinating assisting and facilitating the activities of service or recreation coordinators on site.
- h. Please describe your firm's experience in overseeing energy conservation audits and work, and large capital repair and replacement programs.

3. Accounting and Financial Reporting

- a. Please describe your firm's property management accounting system, both in terms of hardware and software. Please provide a list of standard reports that can be produced by this system and indicate the system's capacity to provide customized reports. Please indicate when monthly reports are provided and when annual budgets for the next fiscal year are prepared.
- b. Please describe your firm's accounting group organization, staffing and location proposed for complying with the Owner's accounting requirements.
- c. Please describe your firm's policies and procedures for property management accounting for the property, including accounts receivable, billing procedures, delinquencies, accounts payable, invoice approvals and processing, account classification, management and audit controls, goods and services purchasing, bidding, service contract administration, purchase orders, discounts and facility management.
- d. Please describe your firm's procedures for producing rent rolls.
- e. Please describe your firm's experience and expertise with cash management procedures that maximize the owner's use of funds.

4. Disclosure

- a. Please describe any past or present business or personal relationship which your firm, or any of its officers, has currently or has had in the last three years, with the following:
 - i. the Owner;
 - ii. the following companies or any current employee, officer or partner of: (name any company or entity with whom your organization had a significant relationship in conjunction with this property, such as the former borrower.)

5. References

- a. Please provide at least three references from organizations for whom your firm has managed property of the type contemplated by this RFP. Please include the names and telephone numbers of the Asset Managers or other direct contacts with whom your firm had contact with at each reference.

The Management Plan

The Management Plan is a document that should be prepared for each individual property. The Plan states how a property will be managed. Most housing management organizations can work from a "boilerplate" master management plan, changing pieces of it to fit the needs of various properties.

In the following Section, you will find a checklist of topics a management plan might contain. Some organizations keep their management plans general while other organizations create mini-"procedures manuals" as their management plan.

In addition to using the checklist as a guideline for building a management plan, the checklist can also be used to build an agreement with a third party management agent or as a guide to assess performance of property management operations, whether they are "in-house" or contracted out to a third party. It's not necessary to evaluate all the items on the Management Plan checklist. Choose five or six items that are most important to you as the owner or supervisor or for a particular property.

EXHIBIT 4-3
MANAGEMENT PLAN CHECKLIST

Have	Need	N / A	Unknown	Item
_____	_____	_____	_____	1. Relationship of Owner to Manager
_____	_____	_____	_____	a. Liaison responsibilities
_____	_____	_____	_____	b. Decision making responsibilities
_____	_____	_____	_____	c. Tasks remaining Owner's responsibility
_____	_____	_____	_____	2. Marketing and Outreach Plan
_____	_____	_____	_____	a. Fair Marketing Plan
_____	_____	_____	_____	b. Special outreach
_____	_____	_____	_____	c. Nondiscriminatory Policy
_____	_____	_____	_____	3. Resident Selection Plan and Procedures
_____	_____	_____	_____	a. Application Forms
_____	_____	_____	_____	b. Priorities (if any)
_____	_____	_____	_____	c. Screening procedures
_____	_____	_____	_____	d. Original rent-up procedures
_____	_____	_____	_____	e. On-going application taking policy
_____	_____	_____	_____	f. Waiting list maintenance
_____	_____	_____	_____	4. Lease and other move-in paperwork to be used
_____	_____	_____	_____	5. Rent collection procedures
_____	_____	_____	_____	a. Late payment procedures
_____	_____	_____	_____	b. Repayment agreements
_____	_____	_____	_____	c. Eviction for non-payment
_____	_____	_____	_____	6. Maintenance Plans
_____	_____	_____	_____	a. Emergency
_____	_____	_____	_____	b. Vacancies
_____	_____	_____	_____	c. Preventive
_____	_____	_____	_____	d. Inspection generated
_____	_____	_____	_____	e. Response to calls
_____	_____	_____	_____	f. Routine schedules
_____	_____	_____	_____	7. Inspection Procedures
_____	_____	_____	_____	8. Vacancy Reoccupancy Procedures
_____	_____	_____	_____	9. Rule Enforcement
_____	_____	_____	_____	a. Progressive discipline
_____	_____	_____	_____	b. Eviction for nonpayment policy
_____	_____	_____	_____	c. Grievance procedures

Have	Need	N / A	Unknown	Item
_____	_____	_____	_____	10. Personnel
_____	_____	_____	_____	a. Organization chart (on site and off)
_____	_____	_____	_____	b. Hiring plan
_____	_____	_____	_____	c. Training
_____	_____	_____	_____	d. Progressive discipline
_____	_____	_____	_____	e. Job descriptions
_____	_____	_____	_____	f. General benefits and work plan
_____	_____	_____	_____	11. Resident Services Plan
_____	_____	_____	_____	a. Referral program
_____	_____	_____	_____	b. Contracting services
_____	_____	_____	_____	12. Resident participation in management operations
_____	_____	_____	_____	a. Number of Residents who sit on board
_____	_____	_____	_____	13. Budgeting and finance plan
_____	_____	_____	_____	a. Budgeting procedures
_____	_____	_____	_____	b. Spending controls
_____	_____	_____	_____	c. Bookkeeping practices
_____	_____	_____	_____	d. Auditing procedures
_____	_____	_____	_____	14. Purchasing and inventory procedures
_____	_____	_____	_____	15. Management information system
_____	_____	_____	_____	a. Filing system and procedures
_____	_____	_____	_____	b. Internal reports
_____	_____	_____	_____	c. Reports to the owner
_____	_____	_____	_____	d. Reports to outside parties
_____	_____	_____	_____	16. Contracting procedures
_____	_____	_____	_____	a. Limits
_____	_____	_____	_____	b. Procedures
_____	_____	_____	_____	c. Documents
_____	_____	_____	_____	d. Equal Opportunity Plan
_____	_____	_____	_____	17. Performance Standards
_____	_____	_____	_____	a. Vacancy rates (percentage)
_____	_____	_____	_____	b. Rent collection ratio
_____	_____	_____	_____	c. Turnover time frames
_____	_____	_____	_____	d. Expenses/income
_____	_____	_____	_____	e. Reserve accounts
_____	_____	_____	_____	f. Inspections
_____	_____	_____	_____	g. Maintenance

Staffing and Organizational Design

Staffing needs are one of the areas covered in a Management Plan. Property Management staffing can be organized in a decentralized or centralized system. In decentralized organizations each property is a functioning entity, in and of itself, with the Site Administrator or Manager in charge of administration, leasing, maintenance and resident programs. Centralized organizations are more likely to manage from a main office. Staff may be assigned to sites on a rotating basis, as needed. Leasing and income certifications may happen centrally, working from one master housing interest and waiting list. Maintenance teams may be assigned to jobs according to their skills, not just their location. Some organizations choose a style that combines centralized and decentralized organization.

There are positives and negatives associated with both styles of organization that need to be weighed before choosing the method that suits both your organization and the realities of your portfolio. Distances between properties and size of individual properties may require an organization to choose one style over another. The balance between centralized and decentralized operations may change with the growth of the organization and an increase in the portfolio. It is always a challenge for property management to evaluate itself as it grows and the needs of the organization change. The managerial adjustments needed to cope with growth are usually incremental rather than wholesale but, in reality, are usually not dealt with until wholesale change is required. Organization charts of both models are shown in the following section.

Whichever model of organization works, a clear set of job descriptions for employees is important. In the following Section you will find sample job descriptions for Property Supervisors, Asset Managers, Resident Service Coordinators, Resident Managers and Maintenance Supervisors.

If an organization invests in hiring an employee, that investment should be maintained by providing staff with the training necessary to do the best job possible. Staff training should cover how the organization works, the procedures employees should follow, and specialized training for job skills appropriate for the types of housing the organization provides. Low cost training on all aspects of property management is often available to nonprofits through the many intermediary groups serving the nonprofit community. The Resource Section of this Manual includes referrals to many training providers, both for profit and nonprofit.

Organizations should ensure that training received by staff members is disseminated to other staff. Regular staff meetings can provide opportunities to share new training and information as well as time to discuss, develop and modify organizational policies.

About HOME :

Property Management staff should receive regular training about the HOME Program requirements. Operating procedures should provide clear guidance on organizing and maintaining files so that information is readily available to the agencies that monitor the property for compliance. Some common HOME compliance issues are: 1) failure to use the most recently published income and rent limits from HUD, inaccurate utility allowance analysis and failure to stay in compliance with both the High and Low HOME Rent Limits; 2) failure to maintain adequate documentation of residents' income; 3) excluding income items that HOME requires to be included in the calculation of resident household income; and 4) failure to maintain property in compliance with applicable property standards.

EXHIBIT 4-4

ORGANIZATIONAL STYLE

# Units	0-100	101-200	201-350	350-500	500+	
# Sites	1-2	3-4	5-6	7-8	9+	
Size of Individual Sites	< 20	20 -50	50- 100	100 - 150	150 +	
Clustered Sites	0-1 Mi	1-2 Mi	2-3 Mi	3-4 Mi	5+	Scattered Sites
Clustered Sites Rural	0 - 10	10 - 25	25 - 50	50 - 100	100+	Scattered Sites Rural
Inexperienced Staff	0-1 Yr	1-2 Yr	2-4 Yr	4-6 Yr	6+	Experienced Staff



EXHIBIT 4-5
ORGANIZATION CHART
CENTRALIZED

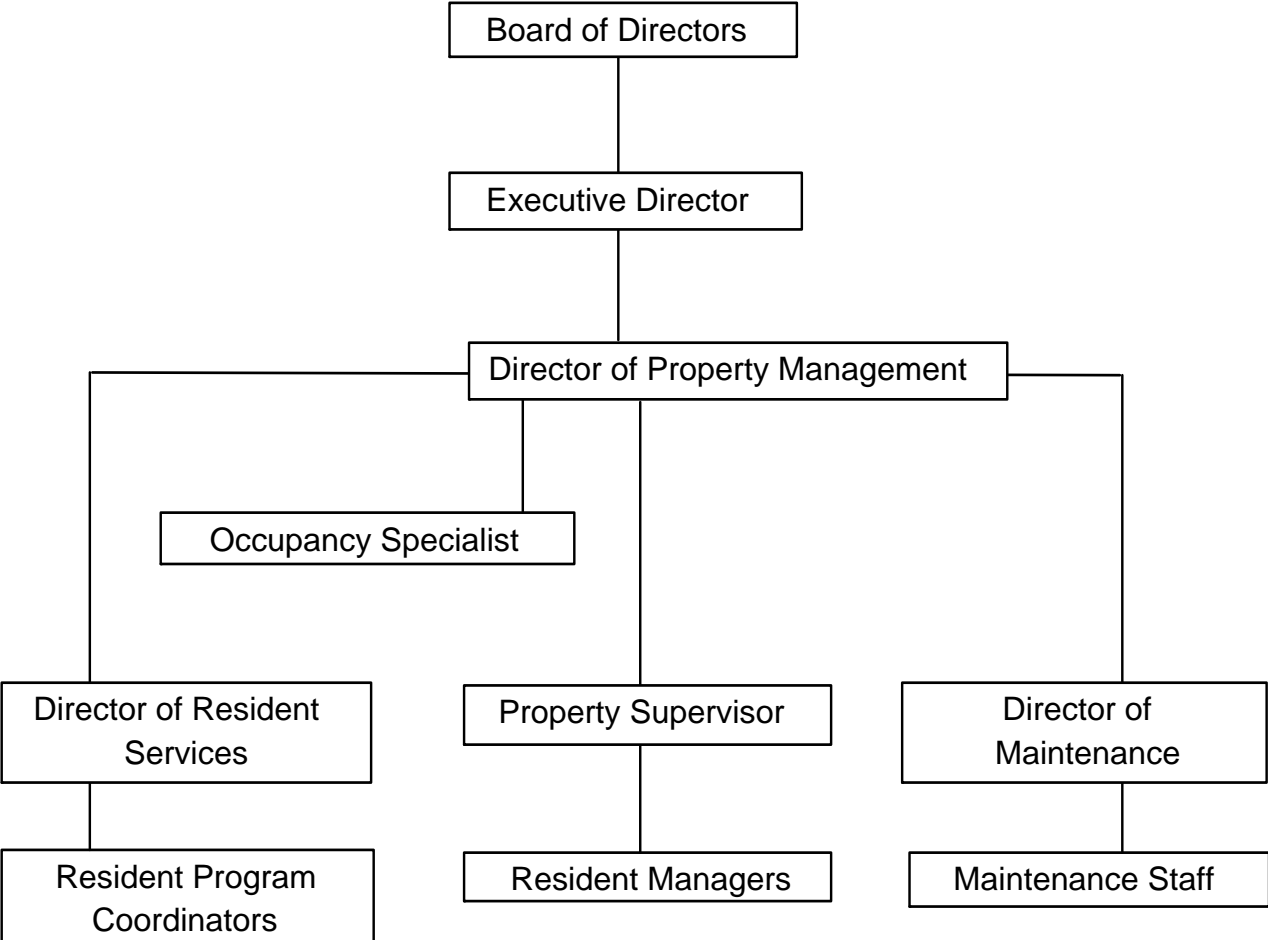


EXHIBIT 4-6
ORGANIZATION CHART
DE-CENTRALIZED

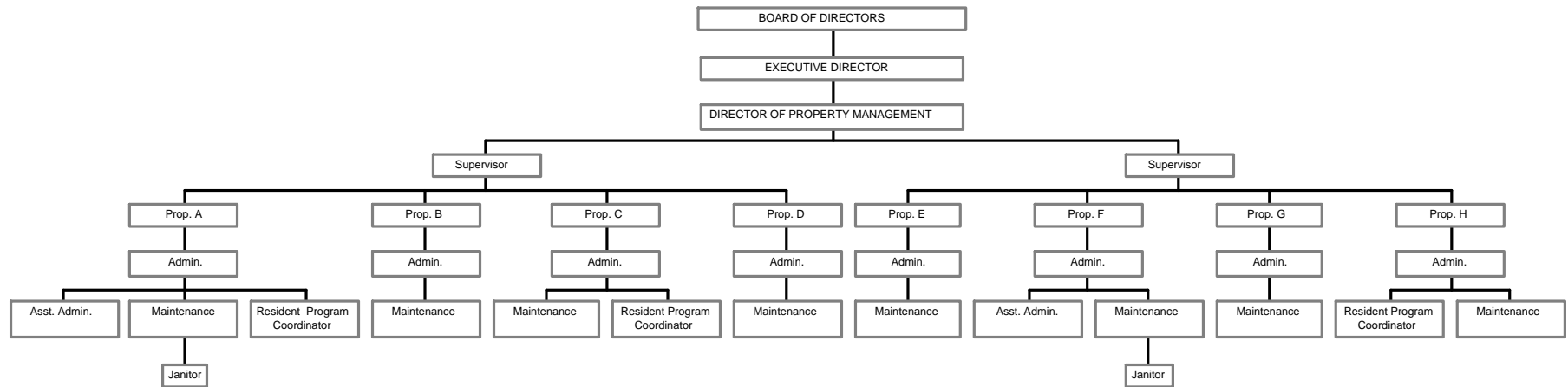


EXHIBIT 4-7
JOB DESCRIPTIONS

DISTRICT MANAGER I/ SUPERVISOR

Summary/Purpose

Reports to the Director of Housing Management and is responsible for managing the Operations of a group of properties. Will ensure properties meet occupancy and financial goals, are managed to budget and are leased professionally. Responsible for day to day and weekly operating issues and decisions, except where procedures require differently. Will create and maintain a professional site management team.

Supervision

Supervises all property managers within the designated portfolio. Responsible for all employment related issues for their sites. Also responsible for insuring proper training and orientation of site staff.

Working relationships (internal/external)

Internal: Reports to Director of Housing Management - Supervises all levels of site staff. Works closely with Development, Construction, HR Management and Accounting

External: Maintains ongoing communications with residents, agencies and lender representatives.

Essential Job Functions

- ▶ **Direction** — Directs and guides the site managers for all properties within their portfolio. Adequately delegates responsibilities that create property manager accountability, monitors and insures that standards are met. Insures that properties are operated in a manner consistent with CDC procedures. Spends at least 60% of time in the field in one-on-one contact with property managers and their staff.
- ▶ **Planning** — Assists each property manager in the preparation and review of annual site plans which include staff development, maintenance, security, appearance improvement, cost controls, budgets, energy efficiency and safety. Supports and regularly monitors these managers in the implementation of their plans.

- ▶ **Financial Controls/Occupancy Goals** — Assists the site manager in the development of the annual budget for each property to insure fiscal soundness. Responsible for meeting budget goals for each property in the portfolio, and monitors monthly financial statements. Monitors monthly financial statements and works with site managers to anticipate and correct problems; establishes written corrective action plans where needed.
- ▶ Provides formal monthly reporting of status and projections for all properties to the director. This position is responsible for meeting occupancy targets and established annual and quarterly written plans and programs to meet these targets. Establishes formal systems to measure tenant satisfaction, insure competitive pricing and frequent assessment of competition.
- ▶ **Monitoring Performance** — Monitors the management of the properties in the portfolio to insure that problems are anticipated and dealt with in a timely manner. Is responsible for establishing and maintaining a formal measurement and reporting system so that performance standards are met. Performs regular Appearance Reviews and Office Procedures Reviews. Insures that all properties are above the neighborhood standard in appearance. Maintains adequate records of performance of each property to insure historical information. Also responsible for maintaining property in the absence of the property manager.
- ▶ **Compliance** — Insures that the portfolio and all properties meet compliance requirements of all applicable agencies. Maintains adequate records including a compliance plan. Responsible for training property managers in agency and other legal requirements. Conducts on-site audits to insure compliance with rent rolls, receivables, billings for subsidized, market rate and other areas. Keeps adequate back-up records in the property office. Processes replacement reserve draws as required.
- ▶ **Staff Development** — Provides for a positive work environment for employees in the portfolio. Insures the selection of qualified staff using consistent selection criteria and that all are adequately trained to do their jobs. Provides on-the job and formal management training and coaching where needed to improve skills. Develops a portfolio training plan consistent with the corporation's needs. Insure that office procedures are efficient, automated where possible, and managers utilize computer resources. Provides career development guidance, makes promotional decisions consistent with the CDC's career paths and ensures that adequate replacements are available to cover vacations, leaves and job vacancies. Supports and complies with affirmative action goals. Completes performance evaluations of property managers. Counsels site staff as it relates to personnel issues. Assists in hiring and terminations.

- ▶ **Communication** — Establishes and maintains a formal communication program for the district. This includes individual property communication plans that ensure effective communication to and from tenants, staff, community agencies, other CDC functions and clients. Where clients are involved in the property, assumes responsibility for, and is actively involved in, a proactive client satisfaction program.
- ▶ **Agency and Client Relationships** — Responsible for developing good relationships with all related agencies, clients and community groups. Insures regular communication with these groups. Oversees that Board agendas and Board reporting requirements are met.
- ▶ **Records** — Insures that adequate records are maintained and up to date on all district properties. Insures that adequate records are kept of communications with agencies and clients. Audits site files, reports and resident certifications for completeness and accuracy
- ▶ **Leasing and Advertising** — Insures professional and competitive leasing programs are in place and that leasing staff are fully trained in the most current leasing and property management techniques. Establishes tracking systems that determine the source of applicants and the effectiveness of advertising and other promotional efforts. Develops written corrective leasing plans when occupancy is projected to fall below targets.
- ▶ **Physical Plant Management**— Completes written quarterly reports and assists in the development of long range capital improvement plans. Works with site staff and construction manager to secure bids and develop repair contracts.
- ▶ **Rent-Up New Properties** — Assumes overall responsibility for supervision of rent-up, staffing, resident move-in plan and set-up for new properties as assigned.
- ▶ Perform other assignments, special projects and works with other agencies as directed

Qualifications (includes travel/physical requirements)

- ▶ Ability to work with diverse populations, communicate vision, mission and goals through operation of portfolio and exercise independent judgment.
- ▶ Requires strategic view of property management - great attention to detail excellent negotiating, organization and planning skills.
- ▶ 2 year degree in related field or equivalent management and accounting skills.

ASSET MANAGER

F. New Developments

1. Prepare operating budget projections
2. Prepare management documents required for loan closings
3. Negotiate contract with property management agent
4. Prepare and administer marketing/start up budget
5. Participate in design development
6. Work with community group co-sponsors on management issues
7. Assist Executive Director in analyzing and negotiating terms of project syndication
8. Market commercial spaces and negotiate leases and/or negotiate brokerage agreement to market spaces
9. Coordinate transition from construction completion to property management operations
10. Assess need for additional capital improvements not included in construction contract, and oversee completion of these improvements
11. Oversee 501(c)3 application and property tax exemption application process

G. Existing Developments

1. Property Management Monitoring
 - a. Monitor project finances for conformity to budget
 - b. Monitor tenant receivables and eviction proceedings
 - c. Monitor condition of property, including landscaping, exterior and interior maintenance
 - d. Ensure compliance with tenant income and rent restrictions imposed by regulatory agreements and partnership agreement
 - e. Oversee planning and implementation of capital improvement projects
 - f. Maintain central files on loan documents, vendor contracts and property insurance
 - g. Negotiate financial restructuring and/or amend regulatory agreements necessary to stabilize operations
 - h. Oversee acquisition of properties at backend of tax credits
2. Financial Management
 - a. Administer partnership funds, including collection of capital contributions, banking and disbursement of funds
 - b. Develop and update records of outstanding indebtedness of CDC and partnerships
 - c. Prepare cash flow projections for partnership funds
 - d. Oversee preparation of tax returns and quarterly or annual financial statements

H. New and Existing Developments

1. Coordinate monthly meetings with Board Management Committee to review management agent reports and discuss policy issues.
2. Work with fundraiser/program developer to plan and implement programs to supplement ongoing property management
3. Network with community resources, and initiate collaborative efforts that will supplement ongoing property management

SERVICE COORDINATOR, FAMILY HOUSING

Summary of the Position

Under the direct supervision of the Director of Services, the Service Coordinator is responsible for assessing resident needs, making resource information available to residents and providing linkages to needed services for low-income families living in properties managed by the Company.

The Service Coordinator will be assigned to work part-time in each of two family housing complexes. There will be a central phone number for residents from other properties to contact the service coordinator for information and referral. Additionally, the Service Coordinator will be available to provide consultation to Managers. The Service Coordinator needs to be flexible and creative in working to make services accessible to residents in the most effective manner possible.

The Service Coordinator will also be a part of planning, implementing and evaluating new programs initiated by the Services Department.

Duties

Service Provision to Individual Residents

- ▶ Interview and assess residents to evaluate needs; assist residents in identifying the services and benefits to meet the needs expressed. Offer options rather than prescribe services which address identified needs
- ▶ Develop individual service plans for residents, if necessary—identifying goals and service needs.
- ▶ Coordinate and monitor delivery of supportive services (formal and informal) to meet resident needs.
- ▶ Work with Manager, staff, families and community agencies to identify and address resident problems before they reach crisis proportions.

Service Provision to Resident Groups

- ▶ Survey the resident population to identify priority of needs and solicit resident input on service preferences. Assist residents, Manager and staff in understanding those needs.
- ▶ Provide education, training seminars and information on resources, services and benefit programs.
- ▶ Work with residents to resolve conflicts between neighbors, on-site and offsite.
- ▶ Provide support to development of and ongoing work of Resident Associations as requested.

- ▶ Work with residents and Manager to implement new on-site services and activities, which are specific to the preferences of the residents.
- ▶ Assist Manager with recreational, cultural and social activities as needed.
- ▶ Facilitate other services that help build a sense of community among residents.

Outreach and Advocacy

- ▶ Establish familiarity with community services and maintain updated information on health, educational, vocational and social services; make information available to residents.
- ▶ Create a network of contact persons in community organizations and government (county/state/federal) benefit program to facilitate resident linkages.
- ▶ Participate in community groups working to improve services for residents and in seeking new resources to address unmet needs.
- ▶ Assist Manager, staff and community in understanding and responding to needs of the residents; assist management staff to develop strategies for working with problem residents.
- ▶ Inform supervisor of needs of residential community and gaps in service. Make suggestions for creation of on-site service provision to meet identified needs.

Record Keeping

- ▶ Maintain accurate and up-to-date records on services provided to residents.
- ▶ Obtain appropriate releases to interact with others on behalf of the resident.
- ▶ Complete all required statistical records and reports in a timely manner.
- ▶ Design and implement evaluation tools to assess quality of service and resident satisfaction with programming.

Other Duties

- ▶ Attend all staff meetings, trainings, and other appropriate meetings and conferences as required
- ▶ Perform other appropriate duties as assigned.

Qualifications

Experience

- ▶ Knowledge of services available in the County.
- ▶ Two to three years experience providing services to families, either as a employee or volunteer.
- ▶ Demonstrated ability to establish trusting, confidential relationships.
- ▶ Proven ability to work with diverse groups in cooperative problem solving, and consensus building.
- ▶ Crisis and mental health experience helpful.
- ▶ Grant writing experience helpful.

Education

- ▶ Degree in social work, sociology, psychology or related field; or, any equivalent combination of experience and training concerning the pro of services to low- income families.
- ▶ Training or experience in working with children and families, eligibility and procedures of federal and state entitlement programs and legal liability issues relating to service coordination.
- ▶ MSW preferred.

Other Skills and Requirements

- ▶ Ability to recruit volunteers or other unpaid staff and supervise their activities.
- ▶ Computer experience with database and word processing skills.
- ▶ Ability to speak a second language helpful.
- ▶ Must have car; will be reimbursed for mileage.
- ▶ Some evening and weekend work may be required

RESIDENT SERVICES MANAGER/ COMMUNITY ORGANIZER

Objectives: The Mission of the Community Development Corporation (CDC) is to improve the living conditions of low-income people within the service area of the organization. In addition to housing and community development, CDC's focus has been expanded to include building stronger communities through resident organizing, family self-sufficiency programs and youth development activities. Working under the supervision of the Program Manager, the Resident Services Manager oversees the development and implementation of programs and services at three or more CDC rental housing properties. The Resident Services Manager identifies needs, organizes residents and implements programs that will benefit the residents of CDC's rental properties. The Resident Services Manager will work collaboratively with residents, staff, service providers, VISTA members and volunteers.

Responsibilities: Specific job goals, objectives and tasks are established for each employee. The following are general responsibilities for the Resident Services Manager.

1. Community Organizing

- Nurture and develop resident organizations and provide them with ongoing support.
- Promote resident leadership development at each property.
- Encourage resident participation in planning, program implementation and community building
- Work in partnership with the property management staff to facilitate resident input on the operations of CDC's rental properties to create better living environments.

2. Program Planning and Implementation

- Work with residents to conduct an asset and needs assessment of each property.
- Work with residents and volunteers to develop a resident services plan at each property. Identify and build working relationships with local organization to meet the service needs of residents.
- Coordinate programs for residents at each property with resident involvement at all levels of planning and implementation.

3. Administration and Management

- Supervise VISTA Members, interns and volunteers working at each property.
- Assist with fundraising and the preparation of grant proposals. Participate in training and staff activities to build the fund development capacity of the resident services program.
- Comply with grant requirements, including documentation of activities and accomplishments
- Participate in staff development activities, participate in departmental research and development, provide input on rental housing issues, and work collaboratively with staff.

Knowledge Abilities and Skills: The following is a list of qualifications for this position:

- Experience in affordable housing, social services and/or community organizing required.
- Experience in program development in a social service, non-profit or educational organization.
- Bachelor's degree in a related field or the equivalent educational experience.
- Experience supervising staff and/or volunteers preferred.
- Experience in proposal writing, fundraising and grant management preferred.
- Strong written and verbal communications skills.
- Ability to use personal computers, especially word processing and spreadsheet software.
- An understanding of the housing and community development needs of low-income people.

I. Resident Manager I

Position Title

II. Property Management Division

Program or Administrative Area

III. General Description of the Position's Function and Purpose

The Resident Manager is directly responsible for operating the complex in accordance with HUD, Tax Credit, and Company administrative guidelines to ensure effective fiscal, physical and social soundness. The Resident Manager should take initiative to seek solutions to problems unique to the complex and supervise employees in a manner requiring minimum supervision from the Property Supervisor.

IV. Specific Duties and Responsibilities

1. Renting Activities

- (a) respond to inquiries
- (b) show vacancies
- (c) maintain a waiting list, market units, and screen applicants for vacancies according to appropriate guidelines
- (d) verify all income, assets, household characteristics, and circumstances that affect eligibility
- (e) comply with HUD regulations regarding income certifications and other documentation
- (f) prepare and process leases, security deposit agreements, unit inspections, and HUD forms for incoming residents
- (g) ascertain basic resident information that would help solve routine problems or determine a course of action in case of emergency
- (h) conduct pre-occupancy orientation for new residents
- (i) complete move-in and move-out procedures
- (j) process evictions with assistance from Property Management

2. Rent Collections

- (a) collect security deposits and rents when due
- (b) issue receipts for money collected
- (c) collect late rents and late rent charges
- (d) negotiate schedules for overdue rent with prior approval of Property Supervisor
- (e) serve eviction notices when necessary

3. *Administration*

- (a) maintain regular office hours and assume primary responsibility for tenant-management relations
- (b) enforce lease agreements and house rules
- (c) live on site and provide emergency on-call coverage
- (d) supervise on-site staff; perform annual performance reviews and make salary recommendations to Property Supervisor; take disciplinary actions when necessary
- (e) perform annual income recertifications and issue rent increase notices
- (f) assist residents to develop an awareness of available community services for counseling, education, recreation and health services
- (g) assist Property Supervisor in developing specifications and obtaining bids from vendors/contractors to ensure quality work at reasonable costs
- (h) monitor and supervise contracted services and vendors
- (i) assist Property Supervisor in determining and administering capital improvements and replacement program assist Property Supervisor in preparing and monitoring annual operating budgets
- (j) assist Property Supervisor in preparing and monitoring annual operating budgets.

4. *Property Maintenance and Security*

- (a) ensure that the property is maintained and repaired according to standards which, in Company's business judgment, are to the long-term benefit of the property
- (b) purchase supplies, equipment and services as are necessary for operations, maintenance and repairs
- (c) process and prioritize maintenance request orders, including basic maintenance tasks to be completed by on-site staff and maintenance problems beyond their capabilities
- (d) arrange for inspections and repairs of all vacant units
- (e) maintain preventive maintenance schedules for the equipment and the building
- (f) maintain information about basic structural data, including the location of fire equipment, water main, sprinkler shutoff valve, gas main, fuse box or circuit breaker, and heat controls
- (g) perform a daily inspection of the property, both on the interior and the exterior, to inspect for damage and any problems in maintenance, security, or safety
- (h) perform annual inspections of each unit for needed repairs
- (i) perform building inspections to ensure that the common areas are properly utilized, orderly, and secure
- (j) maintain a sanitary and pest-free living environment

5. *Record-Keeping/Reporting*

- (a) maintain a record of financial transactions with tenants on tenant ledger cards
- (b) maintain adequate accounting records including records for rents and miscellaneous income, records for expenses, and records for replacement and operating reserves
- (c) maintain a concise daily Building Log to serve as a written record of all important or unusual events that occur in the building, including emergencies, tenant problems, maintenance problems, and inspections
- (d) provide Property Supervisor with weekly formalized summaries of the building operations each Monday, which should consist of the following : a completed Weekly Report Form which includes a summary of the week's move-ins, move-outs, rents past due, and actions taken; copies of the week's events from the Building Log; and the weekly maintenance schedule
- (e) provide Property Supervisor with a monthly building report which should include aged delinquency, vacancy, and other pertinent information
- (f) prepare all non-financial government agency reports with assistance from Property Supervisor
- (g) maintain an inventory of equipment, tools and supplies

6. *Other*

- (a) provide immediate emergency services for the welfare and safety of the tenants
- (b) meet with tenants for organizational, functional, informational, and relational purposes
- (c) escort authorized inspection personnel and visitors through the building when necessary
- (d) perform other appropriate duties as assigned

V. Resident Manager Compensations/Accommodations

The Company, via the Property Supervisor, shall hire, supervise and discharge the Resident Manager.

The Resident Manager shall be an employee of the Company and shall be compensated for services rendered with a salary and a free rental unit designated by the Property Supervisor.

The Resident Manager shall be covered under the Company's worker's compensation plan and other benefits negotiated between the Property Supervisor and the employee. The Resident Manager shall be notified of all the benefits under the adopted plan.

The Resident Manager is required to live on-site in living accommodations provided by the Company. Residency terminates when the individual leaves the job. This arrangement is established when each manager is hired and is exempt from the requirements of the landlord/tenant law. It is considered a tenancy for a specified period only i.e., employment; regular tenant rights are waived by prior agreement.

Residency in the Resident Manager's quarters should end on the same day as employment with the Company is terminated. Reasonable effort will be made to give the manager sufficient time to move, but as the efficient operation of the property is predicated upon the presence of a Resident Manager, the transitional period necessarily must be very short. This is a condition of employment as a Resident Manager.

It is expected that the Resident Manager will negotiate reasonable terms with the Property Supervisor and move expeditiously, even if his/her termination is involuntary. In a rare circumstance when an ex-manager refuses to leave and efforts to negotiate vacancy of the manager's quarters fail, the Company will be forced to consider the person a trespasser and call the police for assistance.

VI. Knowledge/Skills Required by the Job

1. Basic knowledge of bookkeeping
2. Computer literate in WordPerfect and Lotus
3. Skill in problem solving with staff and residents
4. Knowledge of HUD guidelines
5. Good written and verbal communication skills
6. Ability to interact with a wide variety of people - personnel, residents, local agencies, contractors, and owner Ability to take initiative and think independently

VII. Responsibility and Control

1. *Supervisory Control* — The Property Supervisor provides guidance in resolving or handling new or unusual problems. The Resident Manager implements the policies and procedures of the project and keeps the Property Supervisor advised of problems or areas of concern. The Property Supervisor provides supervision and support.
2. *Guidelines* — HUD provides guidelines for subsidy program administration. The Company provides guidelines for internal policies and procedures. The Owner Board of Directors provides a management plan outlining project-specific policies, procedures, and objectives.

VIII. Difficulty

1. *Complexity*— As indicated in section VI, a wide variety of skills is required to be a good Resident Manager. The position requires continuing education to keep abreast of changes in government regulations and HUD guidelines.
2. *Scope and effect*— As the most visible management representative to those being provided with services (housing), the Resident Manager's job proficiency has a strong impact on the atmosphere and success of the project. Job performance can influence the Owner Board of Directors' perception of the Company's management capability.

IX. Personal Relationships

1. *Personal contacts*— These are with residents, owners, community services, attorneys, auditors, HUD/Mortgagees, and outside contractors.
2. *Work environment*— The majority of the time is spent in the project office with substantial movement about the project for inspections etc. Some off-site travel is required for purchase of supplies.

X. Supervision

*Title of person to whom this position reports — **Property Supervisor***

XI. Qualifications — Minimum Required

1. *Education* — high school diploma or equivalent
2. *Experience* — 2+ years experience in SRO, elderly, or related property management
3. *Other* — sound judgment; ability to work with a wide variety of personalities and deal with them in an effective manner
4. *Knowledge/Skills* — see section VI

XII. Desirable Additional Qualifications

1. Experience in recertification, Section 8, and HUD regulations
2. Resident Manager experience
3. Community services background related to specific tenant population being served, i.e., handicapped, elderly or homeless, sales experience
4. Bilingual in Spanish

I acknowledge the receipt of the above job description.

Resident Manager

I. Maintenance Supervisor*Position Title***II. Property Management Division***Program or Administrative Area***III. General Description of the Position's Function and Purpose**

Under direction, the Maintenance Supervisor performs skilled and semi-skilled tasks in the maintenance of rental units, common area facilities, and grounds, and other work as required to protect the marketability of the project. The Maintenance Supervisor should take the initiative to implement and/or maintain a preventive maintenance program to keep emergencies to a minimum and the project in good repair.

IV. Specific Duties and Responsibilities*1. Maintenance Duties*

- (a) perform repairs according to requests received from residents in a timely and satisfactory manner
- (b) perform all preventative maintenance requirements as outlined in the Preventative Maintenance Plan
- (c) monitor and maintain plumbing, heating, and electrical system
- (d) maintain security and lock systems throughout the building
- (e) maintain landscaping
- (f) maintain storage and work areas in a neat, safe, and secure condition
- (g) conduct and perform monthly safety inspections and meetings, and keep proper records of same
- (h) report hazardous or emergency conditions to the Property Administrator.
- (i) report extensive repair and maintenance needs to the Property Administrator.
- (j) perform janitorial, painting, and repairs to vacant units in a timely and satisfactory manner, enabling Property Administrator to rent units in a minimum of time
- (k) assist Property Administrator in performing move-in and move-out inspections
- (l) assist Property Administrator in performing progress inspections of on-site work performed by outside contractors
- (m) assist Property Administrator with annual inspection of units
- (n) inspect grounds, common areas, and structures for preventative and safety measures
- (o) order and pick up maintenance and janitorial supplies and materials as directed by the property Administrator
- (p) share emergency/on-call duties for immediate repairs and for the safety of the tenants and the property

2. *Record Keeping*
 - (a) keep permanent records of maintenance requests as outlined in the Company's Operations Manual
 - (b) update Preventative Maintenance Chart and maintain preventative maintenance logs
 - (c) maintain apartment condition status chart records of each unit on items such as appliances, carpets, painting, drapes, and floor tile
 - (d) maintain an updated list of appliance serial numbers by unit number and common area location
 - (e) perform inventories quarterly and when there is a staff change on tools, equipment, supplies, and keys; inventories are to include name of manufacturer, model number, and serial number
 3. *Master Weekly Cleaning Schedule*
 - (a) sweep, vacuum and damp-mop entrance floor
 - (b) sweep and vacuum around garbage areas following each pick-up
 - (c) replace damaged or used items of common usage
 - (d) sweep, vacuum, wash, and disinfect common kitchen, bathrooms, and laundry area
 - (e) sweep, vacuum, wash, and arrange in an orderly fashion the community room, conference room, social room, management office, and maintenance office
 - (f) vacuum hallways
 - (g) sweep courtyards
 - (h) clean, wash, and maintain in an orderly fashion the exterior furniture in courtyard
 4. *Monthly Cleaning Schedule*
 - (a) wash windows in common areas
 - (b) dust and wipe down hallways
 - (c) scrub and wash entrance and refuse areas
 - (d) clean and up-date the cleaning/supply closet
 5. *Other*
 - (a) assist in moving furniture
 - (b) establish and follow a work priority system, as outlined in the Company Operations Manual
 - (c) perform additional duties as deemed necessary by the Property Administrator
- V. Knowledge/Skills Required by the Job**
1. Basic knowledge in all building repair trades, purchasing procedures and practices, work safety requirements, and repair procedures.
 2. Ability to keep accurate and detailed records.
 3. Basic knowledge in electrical, plumbing, minor construction and preventive maintenance work.
 4. Basic knowledge of janitorial procedures.

5. Ability to set priorities.
6. Ability to perform the following:
 - (a) minor repairs to building appliances and fixtures
 - (b) repair and change locks
 - (c) replace floor tile
 - (d) clear clogged drains
 - (e) repair or replace plumbing fixtures
 - (f) patch holes in walls
 - (g) clean unit interiors
 - (h) perform miscellaneous carpentry repairs
 - (i) perform minor masonry duties
 - (j) interior and exterior painting
7. Computer literate in WordPerfect and Lotus.

VI. Responsibility

1. *Supervisory Control*— The Maintenance Supervisor reports directly to the Property Administrator. With minimum supervision, the Maintenance Supervisor should take the initiative to detect problems before they become emergencies. The Maintenance Supervisor should make recommendations to the Property Administrator as to appropriate repair/replacement of physical structure and fixtures. The Property Administrator will provide guidance, consulting with the Property Supervisor, if appropriate, as to the best course of action.
2. *Guidelines* — HUD guidelines and inspections; Company Operations Manual; recommendations by Owner/Management Agent.

VII. Difficulty

1. *Complexity*— A wide variety of building skills such as light plumbing and light carpentry are required to adequately maintain project. Interpersonal skills are sometimes required to interact with residents who can sometimes be difficult to deal with.
2. *Scope and Effect* — The marketability of the project is directly related to how well the project is maintained. The skills furnished by the Maintenance Supervisor have a significant financial impact in reducing or eliminating the need for outside contractors. The grooming of the project is critical to its acceptance by surrounding neighborhoods.

VIII. Personal Relationships

1. *Personal contacts* — These are with residents, Property Administrator, Property manager, vendors, outside services, and contractors as necessary.
2. *Purpose* -- Contracts are for the purpose of performing repair or replacements, contracting for supplies and services, and relaying information.

IX. Environment

1. *Physical requirements* — Ability to lift moderately heavy objects, climb ladders, perform duties requiring extensive maneuverability and normal strength.
2. *Work Environment* — Work is performed in interior and exterior structure and common areas.

X. Supervision

Title of person to whom this position reports — **Property Administrator**

XI. Qualifications -- Minimum Required

1. *Education* — Reading and computational literacy at the ninth grade level or above.
2. *Experience* — Demonstrated ability to perform building maintenance or experience in a related building trade field consisting of repairs, carpentry, minor electrical, minor plumbing, painting, refurbishing, cleaning, heating, and maintenance administration.
3. *Other* — Ability to interact with residents and handle complaints with reasonable discretion. Flexibility.
4. *Knowledge/Skills* — see section V

XII. Desirable Additional Qualifications

work experience in senior housing and/or home care facility.

I acknowledge the receipt of the above job description.

Maintenance Supervisor

DESK CLERK

Summary/Purpose:

Maintain safety and security of building. Assist residents and applicants as needed.

Supervision:

Reports to Assistant Manager.

Working Relationships (internal/external)

Internal: Works with Assistant Manager and Site Managers to secure proper assistance for residents and applicants.

External: Front line contact with residents.

Essential Job Functions

- ▶ Properly screen all visitors/guests who enter and leave building.
- ▶ Update visitor/guest log, daily log and other front desk forms.
- ▶ Handle and screen incoming phone calls.
- ▶ Route phone messages.
- ▶ Enforce house rules.
- ▶ Respond to resident complaints.
- ▶ Assist in resolution of resident disputes.
- ▶ In the event of building emergencies, notify appropriate emergency or management personnel.
- ▶ Maintain orderliness of front entrance, lobby and adjoining rooms/areas.
- ▶ Post and distribute tenant notices.
- ▶ Write out maintenance work orders.
- ▶ Collect rent and furnish resident receipt.
- ▶ Assist in new resident application process.
- ▶ Assist management as needed, perform other duties as required for successful operation of building.

Qualifications (includes travel/physical requirements)

- ▶ Ability to work with people of diverse social, economic and ethnic backgrounds.
- ▶ Sensitivity to issues facing homeless, disabled and elderly populations.
- ▶ Excellent interpersonal skills
- ▶ Ability to write clearly
- ▶ Basic math skills
- ▶ Pleasant and professional manner
- ▶ Ability to work independently and exercise own judgment in problem-solving
- ▶ Good written and verbal communication skills
- ▶ Willingness to do varied tasks

EXHIBIT 4-8
AGENDA
STAFF TRAINING

8:45 AM – 12:00 NOON

Welcome

- ▶ History
- ▶ Mission

Accounting

- ▶ Chart of New Accounts/Vendors
- ▶ Payables Processing
- ▶ Check Requests
- ▶ Petty Cash
- ▶ Security Deposit Refunds
- ▶ Deposits
- ▶ Cash/Rent Reconciliation
- ▶ Bad Debt Write-Off
- ▶ Financial Statement
- ▶ Variance Report
- ▶ Reconcile Prepaid-Security Deposit
- ▶ Contacts in Accounting

Move-In Packet

Budgeting

- ▶ Operating Budget
- ▶ Preparation
- ▶ Forms
- ▶ Annual Site Plan
- ▶ Staff Plan
- ▶ Long-Range Plan
- ▶ Rent Increase Processing
- ▶ Spending Limits

Replacement Reserves

- ▶ What Is It?
- ▶ Minimum Requirements
- ▶ What Is Eligible?
- ▶ Recordkeeping (Invoices/Finding Balance)
- ▶ Limits — Bid Amounts

1:00 PM – 4:00 PM

Maintenance

- ▶ Work Order
- ▶ MSDS Sheets
- ▶ Turnovers
- ▶ Annual Inspection
- ▶ Unit File
- ▶ Loss/Accident Report

On-Site Office

- ▶ Site Files
- ▶ Binder
- ▶ Hours
- ▶ Required Posting Notices
- ▶ Site Equipment/Inventories

Collections

- ▶ Procedures
 - Late Fees/Returned Checks
 - Damages Vacated & Current Residents
 - Evictions
 - Outstanding Balance Collections
 - Vacated Account Collections

Fair Housing

- ▶ Fair Housing Logo
- ▶ Fair Housing
- ▶ 504 Compliance
- ▶ Customer Service

Policies and Procedures Manual

While a Management Plan explains how you intend to manage a property, the Policy and Procedures Manual or Operations Manual provides specific information that employees should follow to complete their work. Procedures Manuals go into more depth on the steps that are taken and forms that are to be used to complete a management task. The Policy and Procedures Manual should discuss who does what and when; how work is reviewed and by whom.

While some Policies and Procedures Manuals contain copies of the forms that everyone in the organization is to use to complete certain tasks, other organizations develop a separate Forms Manual because of the variation in their portfolio's needs.

A good Policies and Procedures Manual should be used and updated annually. It is a living document that needs to be revised and upgraded as the complexity of property management operations increases. Administrative staff should maintain a Policies and Procedures file to store questions or recommendations on necessary changes that should be incorporated during the next revision of the Manual. Included in the following section is a sample Table of Contents for a Policies and Procedures Manual.

EXHIBIT 4-9
POLICIES AND PROCEDURES MANUAL
TABLE OF CONTENTS

Introduction

- ▶ History and Structure of the Corporation
- ▶ Mission Statement
- ▶ Role of Site Managers
- ▶ About the Manual
- ▶ Organization Chart

Chapter One

Marketing and Non-Discriminatory Marketing Practices

- ▶ Chart: Summary of Fair Housing Laws

Chapter Two

Special Accommodations

- ▶ Special Unit Requirements
- ▶ Making Units Accessible if 5% Goal Established by the 504 Regulations Have/Have Not Been Met
- ▶ Response to Request for Special Unit
- ▶ Verifying Need before Responding to Request
- ▶ Making Full and Best Use of Accessible Unit Features for Existing Residents
- ▶ Providing Residents with Similar Disabilities with Same Accommodations

Chapter Three

Leasing, Move In and Occupancy

- ▶ Occupancy Policy Statement
- ▶ Fair Housing and Equal Opportunity Requirements
- ▶ Privacy Policy
- ▶ Qualifying for Admission
- ▶ Application Intake and Processing
 - Interviews and Verification Process
- ▶ Preferences for Resident Selection
 - General Policy
 - Preference for Accessible or Adaptable Units
- ▶ Waiting List Management
 - Opening and Closing Waiting Lists
 - Change in Preference Status While on Waiting List
 - Managing the Waiting List
 - Removals of Applications from the Waiting List
- ▶ Verification Requirements
 - Types of Verifications Required
 - Period for Verification
 - Forms of Verification
 - Attempted Fraud
 - Sources of Information
 - Verifications and Rent Computations
 - Preferred Forms of Verification
 - Verifying Annual Income

- ▶ Determination of Applicant Qualification
 - The Applicant Screening Policy
 - How Applicant's History Will Be Checked
 - The Application Form and Screening
 - Obtaining Applicant Release
 - Explaining the Screening Process
 - Processing the Screening Verification Forms
 - The Home Visit
 - Preliminary Recommendation of Admission or Rejection
 - Applicants with Disabilities or Handicaps
 - Additional Screening Considerations
- ▶ Rejection of Ineligible or Unqualified Applicants
- ▶ Acceptance and Move-In of Eligible Applicants
 - Determination of Rent and Security Deposit
 - Offering a Unit
 - Prior to Move-In
 - Move-In of New Residents
 - Signing the Lease or Rental Agreement
 - Move-In inspection
 - Security Deposit
 - Rent Payments
 - Vehicle Registration
 - Parking Enforcement
 - Key Receipt
 - Pet Policy
- ▶ Orientation of New Residents
 - Recertification of Income
 - Right of Management to Access and Entry
 - Keeping Appliances in Good Working Order
 - Saving Energy and Utility Costs
 - Use of Recreation Room/Community Building
 - On-Site Staff and Employee Housing
 - Initial Rent-Up
 - Rent-Up Flow Chart
 - Failure to Move-In on Time

Chapter Four

Collecting and Recording Rents

- ▶ Rent Collection Policy
- ▶ Rent Collection Procedure
 - Late Charges
- ▶ Damage Deductions
- ▶ Recording Collections
 - Rental Ledgers
 - Bank Deposits
 - Returned Checks
- ▶ Documentation Required by Financing Agencies Regarding Rent
 - Collections

Chapter Five

Move-Out

- ▶ Introduction
- ▶ Move-Outs and Move-Ins
- ▶ Terminations — Resident Initiated
- ▶ Apartment Turnover and Inspection Procedure
 - Termination by Abandonment
 - Vacancy
 - Unpaid Rent
 - Proper Notice
 - Abandonment - Personal Property Procedures
 - Death of Resident in Unit
 - When Next-of-Kin Is Designated on Emergency Form
 - When Next-of-Kin Is Not Designated

Chapter Six

Eviction

- ▶ In General
 - Unlawful Detainer
 - Documentation
 - Personal Property Procedures
- ▶ State Law Requirements
 - 30-Day Notice
 - 3-Day Notices
 - 3-Day Notice to Pay or Quit
 - 3-Day Notice to Perform Covenant or Quit
 - 3-Day Notice to Quit
 - Serving Notice
- ▶ Procedures Required by Financing Entities
 - HUD
 - Housing Authority
 - Rental Housing Construction Program (RHCP)
 - Termination of Tenancy for Good Cause
 - Notice of Termination under RHCP
 - Tax Credit Complexes
 - Conventional Complexes
 - California Housing Finance Agency (CHFA) Complexes
 - Termination of Tenancy Other than by Eviction
 - Eviction
 - Serving a 3-day or 30-day CHFA Notice
- ▶ Instructions for Filling Out Notice Forms

Chapter Seven

Site Personnel Job Descriptions

- ▶ Hiring and Promotion Practices
- ▶ Job Descriptions — to be distributed

Chapter Eight

The On-Site Office

- ▶ Lease Management
 - Recertification of Income
 - Lease Amendments
 - Rent Increases
 - Rent Adjustments
 - Transfer Policy
 - Transfer Lists
 - Transfer without a Transfer Fee
 - Transfer with a Transfer Fee
 - Resident Grievances
 - Delivery of Community Resources to Residents
- ▶ Maintaining On-Site Files
 - Applicant Files
 - Resident Files
 - Vacating Resident Files
 - Terminated Resident Files
 - Unit Maintenance Files
 - General Office Files
 - Accounting Files
- ▶ Management Reporting Requirements
- ▶ Posting Requirements
 - Industrial Relations Posters
 - Discrimination in Employment Poster
 - Other Required Postings
- ▶ After Hours Procedures
 - For Medical Emergencies
 - For Maintenance Emergencies
- ▶ Emergency Procedures
 - Fire
 - Earthquake
 - Gas Leak
 - Power Failure
 - Water Leak
 - Medical Emergency
 - Death of Resident in Unit
 - Violent and Illegal Acts
 - Unexplained Inactivity
 - Elevator Trouble

Chapter Nine

Budgets and Operating Statements

- ▶ Operating Budgets
- ▶ Budget Period
- ▶ Receipts and Disbursements
- ▶ Budget Log Procedure
- ▶ Budget Revisions
- ▶ Phone Log

Chapter Ten

Maintenance

- ▶ In General
- ▶ Maintenance Supervision
- ▶ Maintenance Tools
- ▶ Corrective Maintenance
- ▶ Unit Turn Around
- ▶ Preventive Maintenance
- ▶ Inspections
- ▶ Management Entry and Access to Units
- ▶ Emergency Maintenance
- ▶ Gardening and Landscaping
- ▶ Contracts
- ▶ In General
- ▶ Invitation to Bid
- ▶ Evaluating Bids
- ▶ Conflicts of Interest
- ▶ The Contract
- ▶ Monitoring the Contract
- ▶ Maintenance Stock Control
- ▶ Maintenance and Resident Communications

Chapter Eleven

Safety and Security

- ▶ Safety
- ▶ Security
- ▶ Policy Involving Drug Dealing Residents
- ▶ Key Control
 - Master Keys
 - Common Area Keys
 - Lock Outs

Chapter Twelve

Purchasing and Disbursements

- ▶ In General
- ▶ Purchasing
- ▶ Buyers Access
- ▶ Purchasing Outside of Buyers Access
- ▶ Purchase Order Procedure
- ▶ Purchasing Criteria
- ▶ Gifts, Rebates, or Kickbacks
- ▶ Reimbursements
- ▶ Petty Cash Fund
- ▶ Complex Check Processing
- ▶ Site Manager
- ▶ Payroll Check Processing
- ▶ Approval for Payment
- ▶ Central Office Check Processing
- ▶ Approval for Payment
- ▶ Regular Check Run
- ▶ Check Signing

Chapter Thirteen

Forms Appendix

- ▶ Use of Approved Forms
- ▶ List of Forms

Office Procedures

While each organization will develop its own unique operating procedures, it is good practice to make sure that procedures don't vary much from property to property within an organization. Each organization should develop basic materials that will be used at all sites, from forms to filing systems.

Property supervisors should be able to go from site to site and find the same systems at each site. How files are organized and maintained should be consistent. Consistency is especially important within filing systems for resident information and maintenance. Property Supervisors do not want to have to figure out idiosyncratic systems developed by individual site managers. Neither do the agencies that may be monitoring your organization's performance. If for no other reason, consistency from site to site, makes monitoring agencies feel that there is some intelligent force at work behind the scenes.

In this section you will find models for management files that should be maintained by a supervisor, in a central office and/or on the site.

EXHIBIT 4-10
MODEL ASSET AND PROPERTY MANAGEMENT FILES

Purging Policy: Information is kept in working files for three years, then reviewed, edited and moved to storage files. First year tax credit information is kept in working files

Annual Inspection	Owner or property management-conducted physical inspection
Audits	Past three years List of who receives copies and cover letter
Board of Directors	Minutes of meetings List of Officers and Directors, addresses and phone numbers Correspondence, group and individual
Budgets	Annual, three years, include notes and paperwork Pro Forma
Correspondence or Chronological, Miscellaneous	
Documents	Regulatory Agreement Loan Document Partnership Agreement Articles of Incorporation Management Agreement Deed of Trust
Financial	Monthly Financial Reports (or in three-hole binder)
Insurance	Bids Current Certificate of Insurance (Originals kept in central location.) Claims correspondence List of Additional named insured's
Leases	Lease and House Rules
Legal	Eviction notices Status reports
Maintenance	List of contractors used Bids and approvals

Marketing	Affirmative Fair Housing Marketing Plan Marketing materials: ads, flyers, applications Original applicant list with information on disposition Sample letters: interview scheduled, acceptance, rejection, certification materials
Rent Increase	Copy of requests and approvals
Rent Rolls	Two types: 1) Household make-up, income and rent information based on annual income certifications; 2) Rent collections and delinquencies based on monthly rent receipts
Reserves	Copies of withdrawal requests and approvals Investment information
Residents	Resident Selection Criteria Tenant Association Resident Handbook Housing Application Waiting list Correspondence, individual and group, e.g., rent increases, notices of meetings
Tax Credits	Income and rent limits
Taxes	Welfare Property Tax Exemption Applications Copies of Property Tax bills K-1's Correspondence re: other tax issues, e.g., business license
Utilities	Utility Allowance information Notifications of price increases Energy Audits Conservation efforts Correspondence

Separate File for each partner involved: government agencies, limited partners, banks

Annual, quarterly and monthly Reports
Reviews and Inspections
Blank reporting forms
Correspondence
Regulatory Agreement (instead of grouped in Documents file.)

EXHIBIT 4-11
MODEL SITE FILING SYSTEM

- 1. Agency**
 - a. Reviews/Occupancy/Reports
 - b. Inspection Reports
 - c. General Correspondence
 - d. Rent Schedule/Increases
 - e. Subsidy Contracts
 - f. Physical Improvement Plan (Site)
 - g. Reserve for Replacement
 - h. Income Limits
- 2. Financial**
 - a. Budgets
 - b. Excess Income Reports/Financial
 - c. Check Registers
 - d. Tenant Delinquency Report
 - e. Bank Deposits
 - f. Rent Reconciliation Report
 - g. Vouchers
 - h. Financial Statements
- 3. Correspondence**
 - a. General
 - b. Owner/Board
 - c. Tenant Association/Tenant Complaints
 - d. Central
- 4. Legal**
 - a. Legal Action
 - b. Complaints/Correspondence
- 5. Insurance**
 - a. Claims
 - b. Incident Reports
- 6. Contractors/Vendors**
 - a. Correspondence
 - b. Service Contracts
 - c. Bids
 - d. Completed Contracts
- 7. Management Development**
 - a. Marketing Plan
 - b. Fair Housing/504/ADA
- 8. Taxes/Licenses/Permits**
 - a. Local, State, Federal
- 9. Project Reports**
 - a. Site Safety Report
 - b. Managers
 - i. Monthly
 - ii. Other
- 10. Site Information**
 - a. Site Plans
 - b. Preventative Maintenance
 - c. Emergency Site Information
 - i. Plans
 - ii. Maps
 - iii. Emergency Contacts
 - d. Energy Conservation
 - e. Inventories
 - f. Advertising
 - g. Newsletter
 - h. Site Photos
 - i. OSHA requirements
 - j. Security
- 11. Forms: Master Files**
- 12. Personnel Files**

(In locked cabinet if maintained on site)

EXHIBIT 4-12
BINDERS AND NOTEBOOKS
TO BE MAINTAINED ON SITE

1. Financial Notebook

- Budget
- Chart of Accounts
- Monthly Financial Reports
- Income Statements
- Check Disbursement Reports
- Vendor List
- Budget Variance Report
- Balance Sheet

2. Memo Binder

- Procedure
- Occupancy
- Other

3. Manager's (Personnel)

4. Maintenance Procedures

5. Policy and Procedure Manual

6. Forms Manual (if separate from Policies and Procedures Manual)

7. Program Manual (HUD, Tax Credit, etc.)

EXHIBIT 4-13
THE ON-SITE OFFICE

Helpful Reminders

- ▶ All Company and Site files are confidential.
- ▶ Files should remain on the site at all times.
- ▶ All site files must be stored for a minimum of three years. Please consult District Manager before destroying or disposing of any site files.

Site Files

Vendor Files

A vendor file should be maintained for each vendor that does business with the property. The file should be a legal or letter size manila file with file prongs on the top of each side. The vendor files should be kept in alphabetical order and contain all invoices, statements and new vendor forms related to the vendor. All invoices should be in chronological order on the right side of the file. The New Vendor Form, contracts or any other pertinent information should be stored on the left side of the file.

Resident Files

Resident files should be maintained as specified in the Company Policy and Procedure Manual. For all sites, four or six part files should be used.

Work Order Files

The site is required to maintain a Work Order file for each apartment. The file should be a letter or legal size manila file folder with file prongs at the top of both sides of the file. The right side of the file should contain (in chronological order) a copy of every work order that has been completed for the apartment, regardless of the occupant. The left side of the file should contain an up to date *Unit Rehab Log* .

Move-Out Files

When a resident moves out of a unit, their file should be transferred out of a six part file and into a legal size manila file. The original application, first year's income certification and verifications, the last six years of income certifications and verifications, the lease, rent charges, the move out inspection and security deposit communications and any documents concerning legal actions taking against the resident should be maintained in the move-out file. The file should be put together with file prongs at the top. All move-out files should have a label describing the moved out tenant and the address he/she occupied at the site. Move-out files should be maintained in alphabetical order.

Property Files

The numbered Site Filing System outline can be found in the Company Policy Manual. A label should be made for each file with the description next to the letter or number for that file. It is recommended to use a legal size manila file folder with a green file hanger for each file. All contracts, bids, newsletters, budgets, income limits, etc., should be maintained in this system. Feel free to create a new file under any category if needed to file information that is not on this list. Be sure to document what new files you create on the outline so that your new items will be easy to look up.

Applicant Files

Each application that is received for a property must be filed in an Active Applicant file. Applicants are date stamped and filed in alphabetical order although they may be added to the waiting list in order received. When an application has been denied, the file should be moved out of the Active Applicant file and put into the Inactive Applicant File. Update the waiting list whenever you move an application to the inactive file. The inactive files should also be maintained in alphabetical order. It is recommended to keep the Active and the Inactive files in two separate file drawers. This will help minimize confusion and help keep the two separate.

Employee Files

Most of the time, the Employee files are maintained at Central Office, in the Human Resource Department. If for any reason Employee files are being maintained on the site level, it is important that they are stored in a file drawer that is kept locked at all times.

EXHIBIT 4-14
SAMPLE TAX CREDIT RESIDENT FILE SET-UP
USING 4-DIVISION FILES

If housing include a social service component, or residency requires proof of a specific disability, this information should be maintained in a separate file, preferably under the control of the social service coordinator.

SIDE ONE

(bottom to top)

- ▶ Application
- ▶ Credit Report
- ▶ Correspondence re Application (e.g., lottery # letter, initial interview letter,)
- ▶ Copy of Social Security and I.D.
- ▶ Landlord Verifications
- ▶ Initial Income Certification
- ▶ Initial Income/Asset Verifications
- ▶ Initial Income & Eligibility Worksheet
- ▶ Attachments to the Lease Agreement
- ▶ Security Deposit Agreement
- ▶ Copy of Security Deposit Checks
- ▶ Renters Insurance
- ▶ Lease
- ▶ Lease Addendums (e.g., Rent increase Letters)

Verifications should be attached to the worksheet in the order that they appear on the worksheet with numbers used in the calculations highlighted; do not keep copies of blank verifications or unnecessary second party material once the completed verifications have been returned.

SIDE TWO

- ▶ Annual Recertifications
 - ▶ Interview Letter
 - ▶ Copies of Bank Statements, etc. (not used in income calculations)
 - ▶ Interview Checklist/Questionnaire
- Separate each re-certification and supporting material with colored paper indicating the year covered*
- ▶ Income Certification
 - ▶ Income/Asset Verifications
 - ▶ Income & Eligibility Worksheet

SIDE THREE

- ▶ Annual Inspections
- ▶ Work Orders

SIDE FOUR

- ▶ Correspondence, Chronological
- ▶ Legal Notices

EXHIBIT 4-15
STATE AND FEDERAL
EMPLOYEE NOTICE POSTING REQUIREMENTS

The following items are legally required to be posted where employees have access to the information.

State Requirements

- ▶ State requirements vary from state to state but may include
- ▶ State Workers' Compensation
- ▶ State Payday Notice
- ▶ State Unemployment Insurance Notice
- ▶ State Equal Opportunity is the Law
- ▶ State Child Labor Poster

Federal Requirements

- ▶ EEOC Equal Employment Opportunity is the Law
- ▶ Federal Minimum Wage Poster
- ▶ INS Notice - Department of Justice
- ▶ Employee Polygraph Notice
- ▶ Federal Job Safety and Health Protection
(when there is no state OSHA organization)
- ▶ Family and Medical Leave Act Poster
(only required by employers with 50 or more employees)
- ▶ IRS W-4 Notice
- ▶ IRS Earned Income Notice
- ▶ Equal Opportunity Housing Poster

Posters can be obtained from individual government offices but space considerations for posting make the purchase of combined posters a good idea. Office supply stores sell posters that contain all required information. Additional information may be obtained from state Chambers of Commerce






Discussion Topics:

1. What are some of the advantages and disadvantages of a centralized or decentralized property management operation? Consider overall management, leasing and maintenance.

2. Reviewing Exhibit 4-1, the Management Plan Checklist, identify two or three areas where your property management operations need the most development or improvement. HINT: What is your biggest recurring property management headache or the area where there is the most disagreement among properties or staff as to what the procedure should be.

Chapter 5: Housing Residents

In This Chapter:

-  Resident' "Bill of Rights".
-  Tools and tips for marketing and leasing affordable rental housing including a rent up schedule, resident selection criteria and marketing plan.
-  Discussion of Fair Housing, providing housing persons with disabilities and complying with Section 504 and the Americans with Disabilities Act.
-  Tips on effective wait list management.
-  Information about Leases and Lease Addenda and sample house rules.

The basic responsibilities of property managers, in addition to providing safe, decent housing includes treating residents with respect. That respect is shown in performing property management operations in a way that clearly describes to applicants and residents what is happening, treats them fairly and responds to their concerns.

Marketing and leasing affordable housing is a multiple step process that should be well thought out ahead of time. Mapping out the steps can help answer applicant, owner and funder questions on how and when things will happen. The following Section contains a sample Rent Up Schedule, to help chart the time needed to complete rent up during initial occupancy.

About HOME :

Projects containing 5 or more HOME – assisted units are required to comply with affirmative marketing procedures that are designed to provide information and to otherwise attract eligible persons in the housing market area to the HOME assisted housing without regard to race, color, national origin, sex, religion, familial status or disability.

One of the many challenges for property managers during an initial rent up of a newly constructed property is making sure qualified tenants will be ready to move in when the property is ready for occupancy, reducing vacancy loss. However, the applicants cannot be recruited, income qualified and ready to move so early that their income certifications become stale by the time units are available or the applicants lose interest or find alternative housing.

One of the ways to gain clarity on your housing plan is to establish selection criteria for residency at each property. Establish procedures and rules before you begin operations. Making them up as you go along can leave an organization scattered and open to claims of discrimination. Establishing the rules early creates consistency among staff in making decisions on who is eligible to move in. The following Section includes a checklist for information that should be contained in a Resident Selection Criteria, a sample written Resident Selection Criteria and a sample marketing flyer. The marketing flyer should provide potential applicants with instructions on how to apply, information about the property, applicant requirements and where to call for information.

Many federally funded programs require preparation of an Affirmative Fair Housing Marketing Plan (AFHMP.) The AFHMP describes the efforts that property management will make to attempt to increase resident diversity and ensure that all segments of the population who are likely to qualify will know about how to apply for this housing opportunity

An important part of selecting and working with residents is to provide all staff with a working understanding of Fair Housing laws. This Section includes material explaining the different Fair Housing laws property managers need to know to prevent discrimination in housing. Some sections of the law, especially in the areas of access for the disabled and reasonable accommodation, are complex and open to differing interpretations. A property management organization must understand the laws, obtain periodic “refresher” training and have on-going discussions among property management staff on how the rules work in real life. Fair Housing training should be provided to all administrative and maintenance staff, not just those involved in the leasing process.

Compliance with regulations governing who is housed and the process of qualifying residents requires focused training that is beyond the scope of this Manual. There are many training resources that should be tapped by every nonprofit involved in managing their own properties. The Resource Section of this Manual lists some of the organizations that provide Income Certification and Fair Housing training. These include local associations of nonprofit housing organizations, affiliates of the National Association of Housing Management Agents (NAHMA), the National Apartment Association and the National Center for Housing Management, among others. NAHMA also publishes and regularly updates a useful site level manual on Fair Housing issues

Also included in this Section is an eligibility worksheet recommended by the National Council of State Housing Finance Agencies for the Tax Credit program. Specific forms for the HUD HOME program and on line training material on the income certification process can be found at www.hud.gov/cpd/offices. Choose HOME topics and look for an area currently called “HOME Front On Line Training.” The income certification process for all tenants in all affordable housing programs should start with a basic checklist of questions to help you identify all sources of income and assets for applicants to affordable housing. It’s important to know what level of accuracy your funders require for income certification. Some programs may only require that residents self-certify that their income does not exceed a certain threshold. Other programs, like HUD subsidized housing and Low Income Housing Tax Credits are very clear that they expect a higher level of verification from third party sources to show that applicants and residents qualify for the housing.

The HUD Occupancy Handbook 4350.3, while designed for HUD housing programs offers guidance on income certification for other housing programs. At the time of printing of this Manual, HUD was in the process of a complete rewrite the Occupancy handbook.

About HOME :

The HOME Program sets limits on rents for units assisted with HOME funds, called High and Low HOME Rents. Properties can contain both HOME-assisted and market-rate units and units assisted by other public programs. Property managers must pay close attention to rents, to make sure that rents are always set at the correct level. The HOME-assisted units in a rental housing project must be occupied only by households that are eligible as low-income families and limits on rents are described in 24 CFR § 92.252.

Aside from basic income qualifications, some programs have restrictions on housing students; other programs may require that owners make sure that the families they house are in the United States legally or that the head of household is disabled. One of the basic requirements of good property management in affordable housing is that you meet the requirements of the funding agencies. A decision to challenge regulations rests with the Owner, not with property managers although property managers have the responsibility to educate their Owners to the nuances of laws.

Fulfilling the Mission: Housing the Resident

THE RESIDENT'S RIGHT TO CLEAR INFORMATION AND FAIR TREATMENT

Clarity

Residents have the right to expect clear communication with owners and management. Owners and managers should make information available on:

- ▶ what housing is being offered
- ▶ how one qualifies for the housing
- ▶ reasons applicants may be rejected
- ▶ owner and manager expectations of residents

Fairness

Residents have the right to expect to be treated fairly. Owners and managers have the obligation to:

- ▶ follow Fair Housing laws
- ▶ treat all residents in similar fashion concerning their application and residency at a property.

Responsiveness

Residents have the right to receive a response from management on questions concerning their application for housing and residence in a community. Owners and managers should:

- ▶ communicate regularly with residents
- ▶ establish a method for handling complaints
- ▶ respond in a timely manner to requests and complaints

EXHIBIT 5-1
RENT-UP SCHEDULE

- _____ Review and establish marketing plan/establish tenant selection criteria.
- _____ Call newspapers regarding advertisements.
- _____ Outreach to community through advertisements in papers, and letters/flyers to community groups, churches, employers.
- _____ Accept requests for applications. Mail-out applications.
- _____ Complete mail out of application packets. Send letter with application describing Resident Selection Guidelines and date and time of lottery.
- _____ Deadline to receive applications.
- _____ Lottery date.
- _____ Complete mail out of lottery letters to applicants.
- _____ Complete mail out of letter of non-qualification (over-income, pets, incomplete applications, no credit check fee).
- _____ Grievance complete.
- _____ Begin credit/eviction checks and screen for negative information.
- _____ Complete sending letters of denial for negative information on credit/eviction to those that apply.
- _____ Send letters of interviews.
- _____ Begin interviewing.
- _____ Complete final screening, background checks, home visits and resident selection based on verified information.
- _____ Notify applicants of status. Notify qualified applicants of Open House
- _____ LEASE SIGNING
- _____ OPEN HOUSE
- _____ MOVE IN

EXHIBIT 5-2
RESIDENT SELECTION CRITERIA CHECKLIST

1. What is being offered

- A. Location and condition (new, rehab) of property, sponsor's name
- B. Number and size of units, special features, parking
- C. Rents
- D. Maximum and minimum incomes
- E. Minimum and maximum occupancy standards per unit; any specific direction on how occupancy standards are set (e.g., children of the same sex over the age of 13 may have separate bedrooms.)

2. Marketing process

- A. Where, when and how you will advertise: what newspapers, where will flyers be distributed, which agencies will be contacted.
- B. How, when and where will applications be distributed and accepted: how do you get an application, when and where do you have to return it.

3. Fair Housing

- A. Statement of compliance with Federal, state and local housing and civil rights laws
- B. Statement of compliance with Section 504 accommodation requirements, if required

4. Selection process

- A. Random selection or first come/first served
- B. List any special preferences, including special-design handicapped units
- C. How and in what order you will review applications and when you will notify applicants of interviews, acceptance, rejection, etc.
- D. What items will be verified in interview (e.g., income, landlord references, credit report, eviction background check); home visit
- E. Fees charged to applicants for credit and eviction background checks
- F. Basis for rejection (e.g., under or over income, poor landlord reference, all household members not present, family size, disruptive behavior any time prior to move-in, providing false information, other good cause)
- G. Statement concerning "reasonable accommodation"
- H. Appeal process if rejected

5. Waiting List

- A. Waiting list open or closed
- B. How often updated
- C. Responsibility of applicant to update contact information
- D. Policy on move-ins from the waiting list versus rent reductions and/or transfers of existing residents

EXHIBIT 5-3
ANYPLACE APARTMENTS
RESIDENT SELECTION CRITERIA AND MARKETING PLAN

A. Description

Anyplace Apartments is a 27 unit affordable apartment complex located at 100 Anyplace Lane, Anywhere, America. Anyplace Apartments is financed through the Low Income Housing Tax Credit Program and federal HOME funds through the City of Anywhere. All units are subject to the rent restrictions and program regulations set forth by the Department of Housing and Community Affairs (DHCA) and HOME program.

The following table shows the number of units of each size to be rented to households whose income does not exceed the specified percentages of area median income (AMI) as required by Regulatory Agreement:

	50% of AMI	60% of AMI	Total Units
2 bedrooms	8	5	13
3 bedrooms	8	6	14
Total Units	16	11	27

B. Income

1. In order to be eligible for a unit at the Anyplace Apartments, the household income must not exceed 50% or 60% of the Area Median Income (AMI,) depending on the income restriction for the unit for which they are applying.

2. 2000 Income limits are:

Size of Household	50% AMI	60% AMI
2 persons	\$23,800	\$28,560
3 persons	\$26,800	\$32,160
4 persons	\$29,750	\$35,700
5 persons	\$32,150	\$38,580
6 persons	\$34,500	\$41,400
7 persons	\$36,900	\$44,280

These income guidelines are subject to change annually.

3. The applicant household must be able to afford the financial responsibility of meeting each month's carrying charges. To protect Anyplace Apartments from rent loss or delinquency, persons spending more than 40% of their household's combined monthly income for rent will not be accepted.
4. Unborn children are counted as members of the household for purposes of computing household size for income certification purposes. Live in care attendants and foster children are not counted as members of the household for purposes of computing household size for income certification purposes but may be counted in allocating unit size.

C. Occupancy

Units will be occupied according to the following standards:

Unit Size	Minimum	Maximum
2 bedroom	2	5
3 bedroom	3	7

Unborn children and live in care attendants may be counted for purposes of assigning unit size.

D. Policy on Nondiscrimination and Accessibility

With respect to the treatment of applicants, the Sponsor and Managing Agent will not discriminate against any individual or family because of race, color, national origin, religion, gender, disability, disability, familial status or presence of children in a household. Reasonable accommodations will be offered to all disabled persons who request accommodations due to disability at any time during the application, resident selection and rent up process.

E. Marketing and Outreach

1. All advertising shall display the Equal Housing Opportunity logo or the phrase “Equal Housing Opportunity.”
2. Special marketing outreach consideration will be given to the following underserved populations:
 - a. African-Americans
 - b. American Indians
 - c. Hispanic
 - d. Asians and Pacific Islanders
 - e. Handicapped and Disabled
3. Community media advertisement of the projects will be through the following local newspapers:
 - a. Richmond Times
 - b. El Diario
 - c. Chinese Times
4. To further inform the groups least likely to apply for the available housing, the following local organizations will be contacted with housing information:

Name of Organization	Population Served
a. Independent Living Resource Center	Handicapped, Disabled
b. Northern Senior Center	Seniors
c. Spanish-Speaking Foundation	Latino
d. Intertribal Friendship House	Native American

5. Other neighborhood-based, nonprofit housing agencies that maintain waiting lists or make referrals for below market rate housing will be contacted.

a. The Housing Clinic	995 Market Street	771-2427
b. Chinese Community Housing Corp.	1525 Grant Avenue	984-1450
c. Central Planning Coalition	160 Eddy Street	474-2124
d. Housing Authority	44 Main Street	554-1200
e. Catholic Charities	814 Mission Street	442-5200
f. Lutheran Social Services	995 market Street	474-8400
g. Homeless Families Project	995 Market Street	974-6541
h. Independent Housing Service	25 Taylor Street	441-6781

6. Anyplace Apartments shall keep records of its activities in implementing the affirmative marketing plan, including records of advertisements and other community outreach efforts.

F. Application Procedure

1. Anyplace Apartments will advertise the opening of the waiting list following the community outreach procedures listed above. When the waiting list is re-opened, Anyplace Apartments will always accept applications for a minimum of one week. The dates during which applications will be accepted will be advertised.
2. Applications will be distributed from the Anyplace Apartments Office. As each Application is received, it will be logged and filed according to date and time. Each completed Pre-Application received will be reviewed and evaluated. Applicants will be informed by mail of their eligibility status.
3. Applications will be a brief questionnaire that will give the Managing Agent a reasonable basis for identifying eligible applicants. The application will request the following information: names of all household members; current address and phone number; total income and assets; whether a handicap accessible unit or reasonable accommodation is needed; and how they heard of the apartments.
4. All applications received during the period advertised will be interviewed on a first-come, first-served basis (or alternate: pooled and applications will be selected at random/by lottery and assigned a place on the interview and waiting list.)

5. Applications that do not show sufficient income to pay rent will be notified of their rejection by mail. They will be given an opportunity to appeal, showing proof of adequate income, or may request to remain on the waiting list in anticipation of future adequate income. Applicants requesting to remain on the waiting list will be placed at the bottom of the list. If they do not have adequate income or are unwilling to accept a unit when their name again comes to the top of the list, they will be removed from the waiting list.
6. Applicants whose applications indicate sufficient income to pay rent will be contacted by mail or telephone for a scheduled interview, at which time they will be asked to complete an updated application. They will be asked to bring valid photo ID and Social Security Card for all household members over the age of six, along with information on where to verify income sources and assets and previous rental history.
7. All applicants who do not receive initial offers of housing will be placed on a Waiting List. The Waiting List will be categorized according to household size and interest in units renting at 50% and 60% of AMI.
8. When the Property Manager estimates that an appropriate unit may be available within the next several months, the top three eligible applicant households for that size unit will be invited to an interview and asked to submit updated information to determine eligibility. In order to maintain the lowest possible vacancy rate, the Property Manager will attempt at all times to have a pool of applicants whose eligibility is finalized and who are prepared to accept an offer of an apartment.
9. The waiting list will be updated annually. Applicants are responsible for providing up-to-date contact information.
10. The waiting list will be re-opened when there are fewer names remaining on the list than 10 times the number of move-outs for the past six months. New applications will be accepted using the above marketing and application procedure

G. Interview and Final Selection Criteria

At the time of the interview, all members of the family must be in attendance. Documents or identification to determine family members may be requested. During the interview, the Property Manager will clarify any information provided by the applicant household and answer questions regarding admission procedures. At the interview the following items will be completed:

1. A credit report indicating financial responsibilities and a comprehensive unlawful detainer check will be obtained for each adult applicant (A fee of \$10 will be charged for each report.) Unless satisfactorily explained, there must be no judgments, no accounts rated over 90 days delinquent and a bankruptcy must be discharged for at least one year to make the credit report acceptable. An eviction within the past three years will be grounds for rejection. An applicant will not be rejected for having no credit history. Management will consider appeals based on family circumstances that no longer apply.
2. All income will be verified in writing from the income source on appropriate income verification forms.
3. All assets, including bank accounts, will be verified in writing from the financial institution.
4. Both the current and previous landlords will be contacted by mail for information concerning the history of complying with lease requirements, payment records, destruction of property or interference with the rights of others, physical hazards, unhealthy or unsanitary conditions, or illegal activities.
5. Applicants will be asked to verify their student status to ensure compliance with tax credit requirements.
6. Applicant must show demonstrated ability to meet all monthly financial obligations and pay the asking rent. An applicant will not be rejected for lack of a previous rent paying history.
7. Applicants who do not meet minimum income requirements will be rejected. An applicant may request to remain on the waiting list to be reconsidered at a future time. All applicants requesting to remain on the waiting list will be placed at the bottom of the waiting list. If the applicant is not qualified or unavailable for move in at the time their name comes to the top of the waiting list, they will be dropped from the list.
8. All applicant files will be reviewed by a second party for compliance with tax credit regulations before a unit is offered or a lease is signed.

H. Rejection and Appeal Process

1. Applicants may be rejected for any of the following:

- a. Failure to present all members of the applicant's household at the full family interview (or some other time acceptable to the Managing Agent);
 - b. Blatant disrespect, disruptive or antisocial behavior toward the Managing Agent, the Development or other residents exhibited by an applicant or family member any time prior to move-in (or a demonstrable history of such behavior);
 - c. A negative landlord recommendation, encompassing failure to comply with the lease, poor payment history, poor housekeeping habits, crimes of violence to persons, destruction or theft of property, sales of narcotics, eviction for cause or other criminal acts which would adversely affect the health, safety, or welfare of other tenants.
 - d. A criminal arrest record for crimes of violence to persons, child molestation, destruction or theft of property, sales of narcotics or other criminal acts which would adversely affect the health, safety, or welfare of other tenants.
 - e. A negative credit report, including unlawful detainer action.
 - f. An applicant shows an overextension of monthly obligations.
 - g. Falsification of any information on the application.
 - h. An applicant whose eligibility income exceeds the minimum or maximum allowed by program regulations and Anyplace policy.
 - i. An applicant whose family composition does not meet the established occupancy standards.
 - j. An applicant is a full-time student who does not meet any of the exceptions permitted under Section 42 of the I.R.S. Code.
 - k. An applicant who fails to update the application for the waiting list when requested.
 - l. If an applicant declines an apartment when notified, the applicant will be removed from the waiting list.
 - m. Other good cause.
2. Written notice will be sent advising applicants of their final eligibility status. All applicants will be advised that they may appeal the decision on their application and be given a deadline in which to do so. The notice will include their right to request reasonable accommodation for a disability. Residents rejected for poor credit will be notified per the requirements of the Fair Credit Reporting Act.

3. If an applicant is rejected by Anyplace Apartments, the applicant has 10 days to appeal or to request, in writing, a meeting with the Director of Property Management to discuss the rejection. If the applicant is not satisfied with the decision of the Director of Property Management, they may request an appeal to the Executive Director. Such an appeal must be made in writing

I. General Guidelines

1. An applicant must complete and sign an application in order to be considered for admission for housing.
2. Pre-application and application do not indicate the offer of a unit or acceptance for housing. Formal determination of eligibility will be made when an appropriate unit is available and all information is verified.
3. As a condition of admission to any assisted unit, applicant shall execute any releases and consents authorizing any depository or private sources of income, or any federal, state, or local agency, to furnish or release to Management such information as Management and the applicable program regulations determine to be necessary.
4. Transfer Policy — Transfer of units is not allowed at Anyplace Apartments for any reason other than change in household size or to accommodate a disability, which must be verified. Transfers based on rent differences will not be allowed.
5. Anyplace Apartments will accept Section 8 Certificates and Vouchers.
6. No pets will be allowed except those agreed to in writing by the Management Agent as set forth in the Sponsor's admission policy. An animal required for physical or emotional assistance is not considered a pet, but may be subject to reasonable conduct including no excessive noise and owner responsibility for cleanliness.

EXHIBIT 5-4
MARKETING SAMPLE
STUDIO APARTMENTS AT
ANYTOWN APARTMENTS

The Community Neighborhood Development Corporation (CNDC) announces the availability of 61 one-bedroom apartments at 250 Main Street. Located across the street from the Main Public Library, these buildings will feature laundry facilities, heating included in the rent, a community room and limited off-street parking.

Approximate Range of Rents

# Units	Unit Size	Household Size	Initial Monthly Rent
29 available July 2000	1-bedrooms only	1-3 persons	\$365–\$465
34 available August 2000			

Minimum and Maximum Income Limits by Household Size

In order to be eligible for a unit at Anytown Apartments, your annual household income must be above the minimum and below the maximum incomes stated below:

Income Limits

Household size	Minimum for units @ \$365	Maximum for units @ \$365	Minimum for units @ \$465	Maximum for units @ \$465
1 person	\$6,738	\$14,600	\$8,585	\$25,020
2 persons	\$6,738	\$14,600	\$8,585	\$25,020
3 persons	\$6,738	\$14,600	\$8,585	\$25,020

These income guidelines are subject to change annually.

Applications will be available at 240 Main Street from 9:00 a.m. and 4:00 p.m. Monday, March 8th through Friday March 12th, 2004. No applications will be accepted after 4:00 p.m., Friday, March 12th. Mailed applications must be postmarked no later than Friday, March 12th. All applications will be placed in a random drawing for position on the waiting list.

For more information: (222) 776-5151

**EXHIBIT 5-5
TENANT INCOME CERTIFICATION**

TENANT INCOME CERTIFICATION

Initial Certification Recertification Other _____

Effective Date: _____
Move-in Date: _____
(MM/DD/YYYY)

PART I — DEVELOPMENT DATA

Property Name: _____ County: _____ BIN #: _____
Address: _____ Unit Number: _____ # Bedrooms: _____

PART II — HOUSEHOLD COMPOSITION

HH Mbr #	Last Name	First Name & Middle Initial	Relationship to Head of Household	Date of Birth (MM/DD/YYYY)	F/T Student (Y or N)	Social Security or Alien Reg. No.
1			HEAD			
2						
3						
4						
5						
6						
7						

PART III — GROSS ANNUAL INCOME (use annual amounts)

HH Mbr #	(A) Employment or Wages	(B) Soc. Security/Pensions	(C) Public Assistance	(D) Other Income
TOTALS	\$	\$	\$	\$

Add totals from (A) through (D), above TOTAL INCOME (E): \$

PART IV — INCOME FROM ASSETS

Hshld Mbr #	(F) Type of Asset	(G) C/I	(H) Cash Value of Asset	(I) Annual Income from Asset
TOTALS			\$	\$

Enter Column (H) Total if over \$5000 \$ _____ X Passbook Rate 2.00% = (J) Imputed Income \$

Enter the greater of the total of column I, or J: imputed income TOTAL INCOME FROM ASSETS (K) \$

(L) Total Annual Household Income from all Sources [Add (E) + (K)] \$

HOUSEHOLD CERTIFICATION & SIGNATURES

The information on this form will be used to determine maximum income eligibility. I/we have provided for each person(s) set forth in Part II acceptable verification of current anticipated annual income. I/we agree to notify the landlord immediately upon any member of the household moving out of the unit or any new member moving in. I/we agree to notify the landlord immediately upon any member becoming a full time student.

Under penalties of perjury, I/we certify that the information presented in this Certification is true and accurate to the best of my/our knowledge and belief. The undersigned further understands that providing false representations herein constitutes an act of fraud. False, misleading or incomplete information may result in the termination of the lease agreement.

_____ <i>Signature</i>	_____ <i>(Date)</i>	_____ <i>Signature</i>	_____ <i>(Date)</i>
_____ <i>Signature</i>	_____ <i>(Date)</i>	_____ <i>Signature</i>	_____ <i>(Date)</i>

PART V — DETERMINATION OF INCOME ELIGIBILITY

			RECERTIFICATION ONLY
TOTAL ANNUAL HOUSEHOLD INCOME FROM ALL SOURCES: From item (L) on page 1	\$ 	Household Meets Income Restriction at: <input type="checkbox"/> 60% <input type="checkbox"/> 50% <input type="checkbox"/> 40% <input type="checkbox"/> 30% <input type="checkbox"/> _____%	Current Income Limit x 140%: \$ _____ Household Income exceeds 140% at recertification: <input type="checkbox"/> Yes <input type="checkbox"/> No
Current Income Limit per Family Size:	\$ _____	Household Income at Move-in:	\$ _____
		Household Size at Move-in:	\$ _____

PART VI — RENT

Tenant Paid Rent	\$ _____	Rent Assistance	\$ _____
Utility Allowance	\$ _____	Other non-optional charges	\$ _____
GROSS RENT FOR UNIT: (Tenant paid rent plus Utility Allowance & other non-optional charges)	\$ 	Unit Meets Rent Restriction at:	
Maximum Rent Limit for this unit:	\$ _____	<input type="checkbox"/> 60% <input type="checkbox"/> 50% <input type="checkbox"/> 40% <input type="checkbox"/> 30% <input type="checkbox"/> _____%	

PART VII — STUDENT STATUS

ARE ALL OCCUPANTS FULL TIME STUDENTS? <input type="checkbox"/> Yes <input type="checkbox"/> No	If yes, Enter student explanation* <i>(also attach documentation)</i>	*Student Explanation: 1. TANF assistance 2. Job Training Program 3. Single parent/dependent child 4. Married/joint return
Enter 1-4		

PART VIII — PROGRAM TYPE

Mark the program(s) listed below (a. through e.) for which this household's unit will be counted toward the property's occupancy requirements. Under each program marked, indicate the household's income status as established by this certification/recertification.

a. Tax Credit <input type="checkbox"/>	b. HOME <input type="checkbox"/>	c. Tax Exempt <input type="checkbox"/>	d. AHDP <input type="checkbox"/>	e. _____ <input type="checkbox"/> <i>(Name of Program)</i>
<i>See Part V above.</i>	<i>Income Status</i>	<i>Income Status</i>	<i>Income Status</i>	<i>Income Status</i>
	<input type="checkbox"/> ≤ 50% AMGI	<input type="checkbox"/> 50% AMGI	<input type="checkbox"/> 50% AMGI	<input type="checkbox"/> _____
	<input type="checkbox"/> ≤ 60% AMGI	<input type="checkbox"/> 60% AMGI	<input type="checkbox"/> 80% AMGI	<input type="checkbox"/> _____
	<input type="checkbox"/> ≤ 80% AMGI	<input type="checkbox"/> 80% AMGI	<input type="checkbox"/> OI**	<input type="checkbox"/> <input type="checkbox"/> OI**
	<input type="checkbox"/> OI**	<input type="checkbox"/> OI**		

** Upon recertification, household was determined over-income (OI) according to eligibility requirements of the program(s) marked above.

SIGNATURE OF OWNER/REPRESENTATIVE

Based on the representations herein and upon the proofs and documentation required to be submitted, the individual(s) named in Part II of this Tenant Income Certification is/are eligible under the provisions of Section 42 of the Internal Revenue Code, as amended, and the Land Use Restriction Agreement (if applicable), to live in a unit in this Project.

Signature of Owner/Representative

(Date)

TENANT INCOME CERTIFICATION QUESTIONNAIRE

NAME: <hr style="border: 0; border-top: 1px solid black; margin: 5px 0;"/> <p style="margin: 0;"> <input type="checkbox"/> Initial Certification <input type="checkbox"/> Re-certification <input type="checkbox"/> Other </p>	TELEPHONE NUMBER: () BIN # _____ Unit # _____
---	---

INCOME INFORMATION

	YES	NO		MONTHLY GROSS INCOME
			I/we am self employed. (List nature of self employment) _____	(use <u>net</u> income from business) \$ _____
			I/we have a job and receive wages, salary, overtime pay, commissions, fees, tips, bonuses, and/or other compensation: List the businesses and/or companies that pay you: <div style="text-align: center;"><u>Name of Employer</u></div> 1) _____ 2) _____ 3) _____	\$ _____ \$ _____ \$ _____
			I/we receive cash contributions of gifts including rent or utility payments, on an ongoing basis from persons not living with me.	\$ _____
			I/we receive unemployment benefits.	\$ _____
			I/we receive Veteran's Administration, GI Bill, or National Guard/Military benefits/income.	\$ _____
			I/we receive periodic social security payments.	\$ _____
			The household receives <u>unearned</u> income from family members age 17 or under (example: Social Security, Trust Fund disbursements, etc.).	\$ _____
			I/we receive Supplemental Security Income (SSI).	\$ _____
			I/we receive disability or death benefits other than Social Security.	\$ _____
			I/we receive Public Assistance Income (examples: TANF, AFDC)	\$ _____
			I/we am entitled to receive child support payments. I/we am currently receiving child support payments. If yes, from how many persons do you receive support? _____ I/we am/are currently making efforts to collect child support owed to me. List efforts being made to collect child support: _____ _____	\$ _____ \$ _____
			I/we receive alimony/spousal support payments	\$ _____
			I/we receive periodic payments from trusts, annuities, inheritance, retirement funds or pensions, insurance policies, or lottery winnings. If yes, list sources: 1) _____ 2) _____	\$ _____ \$ _____
			I/we receive income from real or personal property.	(use <u>net</u> earned income) \$ _____

ASSET INFORMATION

YES	NO	INTEREST RATE	CASH VALUE
	I/we have a checking account(s). If yes, list bank(s) 1) _____ 2) _____	_____% _____%	\$ _____ \$ _____
	I/we have a savings account(s) If yes, list bank(s) 1) _____ 2) _____	_____% _____%	\$ _____ \$ _____
	I/we have a revocable trust(s) If yes, list bank(s) 1) _____	_____%	\$ _____
	I/we own real estate. If yes, provide description: _____		\$ _____
	I/we own stocks, bonds, or Treasury Bills If yes, list sources/bank names 1) _____ 2) _____ 3) _____	_____% _____% _____%	\$ _____ \$ _____ \$ _____
	I/we have Certificates of Deposit (CD) or Money Market Account(s). If yes, list sources/bank names 1) _____ 2) _____ 3) _____	_____% _____% _____%	\$ _____ \$ _____ \$ _____
	I/we have an IRA/Lump Sum Pension/Keogh Account/401K. If yes, list bank(s) 1) _____ 2) _____	_____% _____%	\$ _____ \$ _____
	I/we have a whole life insurance policy. If yes, how many policies _____		\$ _____
	I/we have cash on hand.		\$ _____
	I/we have disposed of assets (i.e. gave away money/assets) for less than the fair market value in the past 2 years. If yes, list items and date disposed: 1) _____ 2) _____		\$ _____ \$ _____
	I/we have income from assets or sources other than those listed above. If yes, list type below: 1) _____ 2) _____	_____% _____%	\$ _____ \$ _____

STUDENT STATUS

YES NO

	Does the household consist of persons who are all <u>full-time</u> students (Examples: College/University, trade school, etc.)?
	Does your household anticipate becoming a full-time student household in the next 12 months?
	If you answered yes to either of the previous two questions are you: <ul style="list-style-type: none">• Receiving assistance under Title IV of the Social Security Act (AFDC/TANF)• Enrolled in a job training program receiving assistance through the Job Training Participation Act (JTPA) or other similar program• Married and filing a joint tax return• Single parent with a dependant child or children and neither you nor your child(ren) are dependent of another individual

UNDER PENALTIES OF PERJURY, I CERTIFY THAT THE INFORMATION PRESENTED ON THIS FORM IS TRUE AND ACCURATE TO THE BEST OF MY/OUR KNOWLEDGE. THE UNDERSIGNED FURTHER UNDERSTANDS THAT PROVIDING FALSE REPRESENTATIONS HEREIN CONSTITUES AN ACT OF FRAUD. FALSE, MISLEADING OR INCOMPLETE INFORMATION WILL RESULT IN THE DENIAL OF APPLICATION OR TERMINATION OF THE LEASE AGREEMENT.

PRINTED NAME OF APPLICANT/TENANT

SIGNATURE OF APPLICANT/TENANT

DATE

WITNESSED BY (SIGNATURE OF OWNER/REPRESENTATIVE)

DATE

EXHIBIT 5-6
WHAT IS FAIR HOUSING?

Fair housing refers to the collection of federal laws and regulations prohibiting discrimination in any activity relating to the sale or rental of dwellings or other real estate related transactions, or in the provision of housing-related services.

Title VIII of the Civil Rights Act of 1968 provided protection from discriminatory housing practices based upon race, color, religion, sex and national origin. The Fair Housing Amendments Act of 1988 expanded the scope of protection to prohibit discrimination against persons with disabilities and against families with children. The FHAA also significantly enhanced the investigative and enforcement mechanisms to protect covered classes of individuals from such practices.

Prohibited conduct under the Acts includes not only a refusal to rent or sell housing to a protected individual, but more subtle forms of discrimination in advertising, applicant screening, resident selection, occupancy requirements and eviction.

Examples of prohibited rental housing practices include:

- ▶ Refusing to rent after a bona fide offer has been made, or to negotiate the rental of a dwelling, based on membership in a protected class;
- ▶ Establishing requirements for admission which operate to exclude protected groups;
- ▶ Using different lease or contract provisions to discriminate against a person with disabilities, a family with children or another protected class;
- ▶ Employing any form of quota system to limit occupancy by protected individuals;
- ▶ Limiting the use of facilities or services by a protected individual, or providing a lower quality of service to such a person;
- ▶ Discouraging applications or inappropriately influencing the choice of a dwelling through steering, threats or intimidation;
- ▶ Providing false or misleading information about a housing opportunity;
- ▶ Failing to effectively communicate, through advertising or on-site marketing activities, the availability of housing to protected classes;

- ▶ With respect to persons with disabilities, refusing to make reasonable changes in rule, policies, services, or practices to permit full use and enjoyment of the housing by such persons;
- ▶ Refusing to allow reasonable modification to dwellings to permit accessibility by persons with disabilities;
- ▶ In the case of new construction, constructing buildings and units which are inaccessible to persons with disabilities;
- ▶ Employing different standards of eviction for a member of a protected class;

Housing providers are aware that intentional discrimination against protected classes is prohibited. Also, however, an action taken in good faith may result in a finding of discrimination if it has an unintended discriminatory effect.

Adapted from material in "The NAHMA Fair Housing Guidebook," available from National Affordable Housing Management Association, 526 King Street, Suite 511, Alexandria, VA 22314, 703-683-8630

EXHIBIT 5-7
SUMMARY OF FEDERAL FAIR HOUSING LAWS

The Fair Housing Act

Title VIII of the Civil Rights Act of 1968 prohibits discrimination in:

1. The sale, rental, and advertising of dwellings;
2. Provision of brokerage services; and
3. Residential real estate transactions.

Exemptions

1. Religious organizations and private clubs that provide noncommercial housing for their members.
2. Elderly housing will be exempt from familial status.
3. With the exception of discriminatory advertising, certain sales or rentals of a dwelling by an owner of a single family house are exempt.
4. Units in an owner occupied building with no more than four families living separately.

Protected Class

A protected class is a group that is protected, *by law*, from discrimination.

Protected Classes under the Fair Housing Act include:

- ▶ Race
- ▶ Color
- ▶ National Origin
- ▶ Gender
- ▶ Religion

The **Fair Housing Amendments Act** added the following protected classes:

- ▶ Disability
- ▶ Familial Status

REHABILITATION ACT OF 1973

Section 504 of the Rehabilitation Act of 1973, as amended, was enacted to protect people with disabilities from discrimination in programs or activities that receive federal funds. Programs covered under the act include low-income federally funded housing programs.

What Is Program Access?

- ▶ Must provide *program access* — the program, when viewed in its entirety, must be readily accessible and usable to people with disabilities.
- ▶ Architectural access not required if alternative access achievable
- ▶ *Transition plan* required if structural change needed

What Is Communications Access?

- ▶ Must ensure *effective communication* (disabilities re: hearing, vision, speech)
- ▶ *Auxiliary aids and services* required unless: (1) fundamental alteration of services or; (2) undue financial or administrative burden
- ▶ *Transition plan* required if structural change needed

What Is Architectural Access?

New Construction

- ▶ Minimum 5% of units accessible for people with mobility impairments
- ▶ 2% more structural accessibility for people with hearing/vision impairments
- ▶ Accessible units distributed throughout

Alterations

- ▶ Substantial alterations must comply with new construction rules

AMERICANS WITH DISABILITIES ACT

The Americans with Disabilities Act is a comprehensive civil rights law for people with disabilities.

Title I: Deals with employment practices by units of State and local government.

Title II: Deals with programs, services and activities of State and local government.

Title III: Deals with public accommodations and commercial facilities.

HUD's Office of Fair Housing and Equal Opportunity handle Fair Housing complaints and can provide assistance in understanding and interpreting Fair Housing regulations. The HUD publication "Are You a Victim of Housing Discrimination" is available to property managers for distribution to residents.

EXHIBIT 5-8

FEDERAL LAWS PROHIBITING DISCRIMINATION IN HOUSING FOR PERSONS WITH DISABILITIES

Law	Types of Practices Which Are Prohibited or Required	Housing Covered	Protected Classes	Definition of a Person with a Disability (Handicap)	Are People with Psychiatric Disabilities Covered?	Is Illegal Drug Use Covered?	
						Current Use	History of Use
Fair Housing Amendments Act 42 U.S.C. §3601 et.seq. (federal)	<ol style="list-style-type: none"> 1. Can't discriminate. 2. Re: Disability: — Provide <i>Reasonable Accommodation</i> in rules, policies, and procedures. 3. Re: Disability — Allow tenant to make <i>reasonable</i> physical modifications. 	All housing except owner-occupied 4-, 3-, or 2-family housing.	<ul style="list-style-type: none"> ▶ Race ▶ Color ▶ National origin ▶ Gender ▶ Religion ▶ Disability ▶ Familial status 	A person who: <ol style="list-style-type: none"> 1. Has a physical or mental impairment which substantially limits a major life activity, such as walking, thinking, speaking, hearing, learning, breathing, etc., or 2. A record or history of an impairment that limits a major life activity, even if the person no longer has the disability or if the disability no longer limits a major life activity; or 3. Is regarded as having an impairment that limits a major life activity. 	YES <ol style="list-style-type: none"> 1. If the psychiatric disability substantially limits a major life activity, or 2. If a housing provider thinks the person's psychiatric disability or perceived psychiatric disability limits a major life activity, or 3. If the person has a history of psychiatric disability that limits a major life activity and the housing provider discriminates against the person because of the history. 	NO If the illegal use of controlled substances occurred recently enough to justify a reasonable belief that a person's drug use is current or that continuing use is a real and ongoing problem.	YES <ol style="list-style-type: none"> 1. If recovered from addiction (i.e., successfully completed rehab program and not using), or 2. If participating in treatment program or self-help group and not currently using.
Rehabilitation Act 504 29 U.S.C. §794 (federal)	<ol style="list-style-type: none"> 1. Can't discriminate, exclude, or deny benefits solely because of disability. 2. Must provide reasonable modifications in all rules, policies, and procedures. 3. Program must be readily accessible to and usable by individuals with disabilities. 	Any housing that receives federal funds, including public housing authorities and assisted-housing providers.	Disability	Same as Above	YES <i>Same as Above</i>	NO	YES <i>Same as Above</i>
Title II of the Americans with Disabilities Act (ADA) (federal)	<i>Same as Section 504</i>	Housing provided by state and local governments and their entities, including public housing authorities	Disability	Same as Above	YES <i>Same as Above</i>	NO	

Adapted from "A Handbook on the Legal Obligations and Rights of Public and Assisted-Housing Providers Under Federal and State Fair Housing Law," produced by the Massachusetts Housing Finance Agency under the Department of Housing and Urban Development, Fair Housing Initiatives Program Grant #FH200-G93-00007 and #FH200-96-00001.

EXHIBIT 5-9
REASONABLE ACCOMMODATIONS

Central to all of the disability discrimination statutes is that throughout the occupancy cycle (in admissions, residency and lease termination) housing providers have an obligation to make reasonable adjustments to their rules, policies, practices and procedures for people with disabilities if that is necessary to enable them to have an equal opportunity to use and enjoy the facilities or programs. The federal Fair Housing Amendments Act calls this “reasonable accommodation.”

If a person needs a reasonable accommodation, you may require her to provide documentation (not medical records) that she has a disability and documentation of the need for reasonable accommodation. You cannot ask the person any questions about the nature or severity of her disability except as it relates to the specifics of an accommodation. For example, if you are trying to accommodate someone with chemical sensitivity, it would be appropriate for you to ask the person what chemicals and products affect her disability.

Understanding and implementing reasonable accommodation is essential to complying with federal and most state disability discrimination laws. It is important to know what your legal obligation to provide reasonable accommodation requires you to do.

The parameters of what is a “reasonable accommodation” or “reasonable modification” are unclear because neither the federal statutes nor their applicable regulations specifically define these terms. However, the two basic elements are (a) an accommodation makes it possible for a person with a disability to have full access to the housing program and (b) it is something that is “reasonable” for a housing provider to do. The following examples illustrate what is intended:

- a. Allowing a tenant with a psychiatric disability who has documented psychological dependence on a pet to keep the animal in his or her apartment in spite of a no-pet rule, as long as the animal’s behavior doesn’t violate the lease;
- b. Permitting rent payments to be mailed in rather than delivered in person if someone’s mental disability prevents her from leaving her apartment;
- c. An assisted housing provider with financing from HUD taking into account “mitigating circumstances” for an applicant with a bad tenancy record, which is caused by her disability. This means the provider should consider a person’s disability-related reasons for a bad tenancy record, and what has changed in the person’s life that would indicate that the problem would not recur;

- d. Allowing a tenant whose newly manifested mental disability causes her to damage her apartment to seek mental health assistance to alleviate the destructive conduct, and giving the assistance a reasonable time to work, rather than completing eviction proceedings;
- e. Conducting the application process from an office that is physically accessible and located on an accessible transportation route unless it would be an undue financial and administrative burden to do so;

Fundamental Alteration of the Housing Program

Not all modifications of rules, policies and procedures would be considered “reasonable” even if the housing provider could afford it. Under federal law a modification would not be considered reasonable if it would result in a fundamental alteration in the nature of the housing program. A determination of whether an accommodation would result in a fundamental alteration of a program is not a cost-based analysis. Rather, it requires a determination of the primary purpose of the program and the practical components necessary to achieve this purpose.

Examples of fundamental alterations of housing programs (changes that would not be required) are:

- a. A request that a housing provider provide supportive services to enable the tenant to live independently if the provider does not normally provide supportive services;
- b. Allowing a tenant with a psychiatric disability who has documented psychological dependence on a pet to keep the animal in her apartment in spite of a no-pet rule if she is incapable of caring for the pet and no arrangements for the care of the pet can be made;
- c. Admitting a person with alcoholism who has a bad tenancy history (engaging in violent behavior, not paying rent) which the applicant attributes to her having an alcohol abuse problem if there has not been a change in her use of alcohol

Physical Modifications of Premises

Assisted housing providers who receive federal money or are covered by Title II of the ADA may be required to pay for certain physical modifications. These federal laws adopt the concept of “program accessibility,” which means that *when viewed in its entirety*, the program should be “readily accessible to and usable by individuals with handicaps.” Among the possible methods for complying with this requirement are reassignment of services to accessible buildings, assignment of aids to assist users of the program, provision of housing or related services at alternative sites, alteration of existing facilities and construction of new facilities, or any other method that results in making the housing program or activities readily accessible to and usable by individuals with handicaps.

Examples of physical modifications that would usually be required include the following:

- a. Installing an automatic water faucet shut-off for people who can’t remember to turn off the water;
- b. Installing pictorial or color coded signs or pathways for people whose cognitive problems make regular signage impossible to use;
- c. Carpeting or installing acoustic tiles to reduce noise made by a person whose disability causes her to make a lot of noise; or
- d. Disconnecting a stove and installing a microwave for a person unable to operate a stove safely.

Not all physical modifications are “reasonable.” A housing provider does not have to provide a physical modification if it would cause an undue hardship. This is a cost-based test. Because a housing provider’s financial situation is not static, a determination must be done each time a request for physical modification is made. Factors to be considered in determining whether an accommodation would impose an undue hardship include the nature of the accommodation, the cost of the accommodation, the size of the owner’s overall housing business, including the number of units, the type of units, budget and assets, and the ability of the provider to recoup costs.

In the event that a physical modification is not reasonable solely because of the cost to the housing program, if the tenant paid a sufficient portion of the cost, or the total cost, so that the modification would no longer cause an undue burden, a provider must allow the modification to occur as long as it is done in a workmanlike manner and the unit will be restored to the original condition upon turnover if the modification interferes with marketability.

To facilitate providing reasonable accommodation to individuals with disabilities into your daily operating routines, you need a standardized reasonable accommodation procedure by which applicants or residents with disabilities may request an accommodation. The written procedure should include the following:

- a. the points in the occupancy cycle where information on the availability of reasonable accommodation will be provided;
- b. how an applicant or tenant may request an accommodation;
- c. the decision-making process (including a determination of undue burdens or fundamental alterations);
- d. the confidentiality of any medical information obtained;
- e. the time period(s) for a decision, and if applicable, implementation of the accommodation;
- f. the manner in which you will respond to the applicant/tenant's request for reasonable accommodation; and
- g. an applicant/tenant's right to a review of an unfavorable decision concerning an accommodation or the choice of accommodation.

Any reasonable accommodation procedure must be accessible to individuals with all types of disabilities. Written materials should be in plain language and communication with the applicant or resident must be provided in an accessible format.

Excerpt from "A Handbook on the Legal Obligations and Rights of Public and Assisted-Housing Providers Under Federal and State Fair Housing Law," produced by the Massachusetts Housing Finance Agency under the Department of Housing and Urban Development, Fair Housing Initiatives Program Grant # FH200-G93-00007 and #FH200-G96-00001.

EXHIBIT 5-10
VERIFICATION OF NEED FOR REASONABLE ACCOMMODATION

Date _____

To Health Care Provider's Name

Health Care Provider's Address

From Site Manager

Site Address

RE: Household Member's Name

Household Member's Address

The household member named above has applied for, or is receiving rental assistance at our site. The household member has requested an accommodation or modification, as described below, because he or she has a disability. Before we can consider the request, we are required by federal law to verify that the household member is "disabled" and needs the accommodation requested in order to have an equal opportunity to use and enjoy the site.

We would appreciate your cooperation in answering the questions on this form and returning it to the site manager listed above. Enclosed is a self-addressed, stamped envelope for this purpose. The household member has consented to this release of information, as shown on the next page.

Household Member's Request

Instructions to site staff: Describe what the household member has requested to accommodate his or her disability (e.g., "remove carpeting in unit and hallway" or "transfer to unit with bathtub").

Information Requested

1. Is the household member disabled as defined on the next page?
 Yes No

2. In your professional opinion, does the household member require what he or she has requested in order to have the same opportunity that a nondisabled individual has to use and enjoy the site?
 Yes No

3. Is there any other accommodation or modification that could meet the household member's needs in place of what the household member has requested and that might be easier and less burdensome to accomplish?
 Yes No *Please describe* _____

Definition of “Disabled”

Under federal law, an individual is disabled if he/she has a physical or mental impairment that substantially limits one or more major life activities; has a record of such an impairment; or is regarded as having such an impairment. The term physical or mental impairment includes, but is not limited to, such diseases and conditions as orthopedic, visual, speech, and hearing impairments, cerebral palsy, autism, epilepsy, muscular dystrophy, multiple sclerosis, cancer, heart disease, diabetes, Human Immunodeficiency Virus infection, mental retardation, emotional illness, drug addiction and alcoholism. This definition doesn't include any individual who is a drug addict and is currently using illegal drugs or an alcoholic who poses a direct threat to property or safety because of alcohol use [24CFR Part 8.3, and HUD Handbook 4350.3, (Exhibit 2-2)].

Name and Title of Person Supplying Information _____

Firm/Organization _____

Signature _____ Date _____

Household Member Release

TO THE HOUSEHOLD MEMBER:

YOU DO NOT HAVE TO SIGN THIS FORM IF THE NAME OR ADDRESS OF EITHER THE SITE MANAGER OR THE HEALTH CARE PROVIDER IS LEFT BLANK.

RELEASE: I hereby authorize the release of the requested information. Information obtained under this consent is limited to information that is not older than 12 months. There are circumstances, which would require the owner to verify information that is up to 5 years old, which would be authorized by me on a separate consent attached to a copy of this consent.

Signature _____ Date _____

Penalties for Misusing this Consent

Title 18, Section 1001 of the U.S. Code states that a person is guilty of a felony for knowingly and willingly making false and fraudulent statements to any department of the United States Government. HUD, the PHA, and any owner (or any employee of HUD, the PHA, or the owner) may be subject to penalties for unauthorized disclosures or improper uses of information collected based on the consent form. Use of the information collected based on this verification form is restricted to the purposes cited above. Any person who knowingly or willfully requests, obtains, or discloses any information under false pretenses concerning an applicant or participant may be subject to a misdemeanor and fined not more than \$5,000. Any applicant or participant affected by negligent disclosure of information may bring civil action for damages and seek other relief, as may be appropriate against the officer or employee of HUD, the PHA, or the owner responsible for the unauthorized disclosure or improper use. Violations of these provisions are cited as violation of 42 U.S.C. 408 f, g and h.

Waiting List Management

Poor management of waiting lists is often a contributing cause to poor cash flow. If there is no waiting list, if names on the waiting list are not culled to remove those who are obviously not qualified (e.g., over income or inappropriate household size), if the list is not updated regularly to remove households no longer interested or available, staff will spend too much time trying to locate the next qualified household to fill vacant units.

In developing the waiting list, one of the first decisions to be made is whether applications will be accepted “first come, first served” or by random selection or “lottery.” A better representation of the population to be served may be obtained by accepting all applications over a stated period of time and selecting at random or by “lottery” each applicant’s place on the waiting list. The “lottery” method of assigning waiting list order is more fair to disabled persons, working persons and parents who may be unable to wait in line for long periods to secure a prime spot to submit an early application. If a lottery method is used, the organization should clearly state that “winning the lottery” does not guarantee housing.

Equally important is the decision on whether to maintain a master waiting list that includes all the properties in your portfolio or to develop individual waiting lists for each property. Looking at an organization’s geographic diversity, the diversity of the housing units in the portfolio and the different populations the organization houses will help in making this decision.

If an organization has developed housing that everyone wants to live in: housing with good rents, good locations, nice facilities and/or subsidies, property management must recognize that households desperate for housing will go to many lengths to get it. A good waiting list should include a means for controlling access to it. Incidents are known where friends and relatives are housed in lieu of applicants who have been on the waiting list. Some households may attempt to bribe managers to place their name high on the waiting list. Using a computerized waiting list that requires a password to add names or annually comparing a waiting list kept on site with a list of recent move-ins or a waiting list filed at a main office will help maintain fairness. A model waiting list is included in this Section.

EXHIBIT 5-11
UNIT TURNOVER

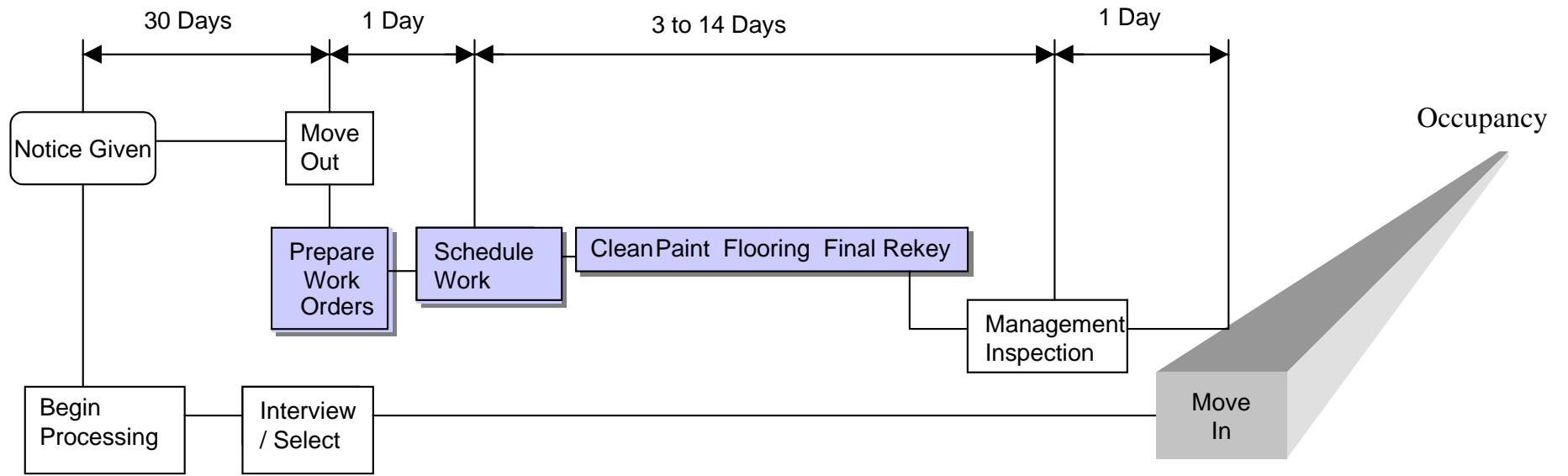


EXHIBIT 5-13
WAITING LIST ADVICE FROM HUD

HUD officials took the opportunity to develop criteria that must be included in a good waiting list. The list can be computerized provided a back-up is always maintained in the event computer problems cause the list to be erased. According to the criteria, there should be one master waiting list. The waiting list can be broken down by program (i.e., 236 vs. Section 8) by bedroom size, and in-house transfer. It must also be kept in chronological order. Furthermore, a good list should contain the following information:

1. Applicant name, address, and telephone number.
2. Date and time of application.
3. Applicant response and call back. Management should inform the applicant who will take the responsibility for updating changes, i.e., Applicant calling back every six months or management sending out a letter every six months or yearly.
4. Ethnicity breakdown.
5. Action (move-in, move-out, no longer interested, etc).
6. Move-in date and unit number.
7. Comments section.
8. Special needs or need for handicapped unit.

The criteria further suggests that the facility manager place the burden on applicants for current written updated information. The waiting list should be updated at least yearly and all rejected applications should be kept for three years. It is suggested that applications be accepted or rejected in writing so that applicants have the opportunity to dispute the rejection with management within 14 days. Waiting lists should be closed if there is more than a one year wait.

Leases and Lease Addenda

Leases and Rental Agreements are legal documents whereby property managers and residents define their relationship to each other and make certain promises concerning the rental of property. Leases should be written in plain English and can be translated when a large segment of the population has limited English skills. If translated, the foreign language version of the lease should contain a disclaimer stating that the English version holds precedence in case of mistakes in translations. Know your local laws. In some communities, providing a lease in another language obligates you to prepare all other legal documents and notices in that language.

Leases should contain the information necessary to meet the restrictions of funding agencies. Leases should be reviewed by attorneys. Model leases are available for many HUD-funded programs.

Special restrictions or procedures required by funders should be reflected in the Lease or in the House Rules. House Rules are the practical day-to-day guidelines for being a good neighbor and member of the Community. It is useful to consult residents when House Rules are to be revised.

The following Section contains models for some Lease Addendums that clarify the rules of community living. Specialty lease addendums can be established for house rules, parking agreements, pets, unit transfer requirements, or the responsibilities of live-in care attendants for the disabled.

About HOME :

The HOME Program requires a lease term of at least one year unless by mutual agreement of the tenant and owner. The HOME Program permits lease termination only for “serious or repeated violation” of the lease and requires at least 30 days advance written notice to the resident prior to termination of tenancy.

EXHIBIT 5-14
SAMPLE HOUSE RULES

1. **OFFICE HOURS.-** The office is open Monday through Friday from 9:00 a.m. to 3:00 p.m. The office is closed on Saturdays, Sundays and holidays. The office phone number is 257-2079. During the hours when the office is closed, a 24-hour answering service shall take all calls and relay the message to the persons on duty.

Please honor Resident privacy. Do not enter the office while another Resident is present.

EMERGENCY TELEPHONE NUMBERS:

A. Resident Manager - **257-2079**

B. Fire, Ambulance and Police - 911

2. **RENT:** All rent is due and payable on the first day of each month. Rent not received by the fifth (5th) day of each month will be subject to a \$10.00 late charge. All returned checks are subject to a \$10.00 fee. Checks returned for whatever reason will also be considered late. Your security deposit will not be used as rent. For everyone's safety, rent will not be accepted in cash form. Cash given to anyone will be Resident's responsibility to recover.
3. **KEYS:** A set of keys is issued to each Resident listed on the lease agreement. A separate key opens your apartment door (yours only) and your mailbox. Extra keys will be provided upon written request and a deposit of \$10 per key. Charges for lost keys will be made at the rate of \$2 per key. There shall be no alterations or replacement of locks without prior notification to the Manager, who must retain a mastered pass key to all premises to be used in case of emergencies and for maintenance. Should a recurring lockout problem exist, Resident may be charged \$10.00 per lockout.
4. **NOISE:** Residents shall not make nor permit any disturbing noises in the buildings, parking areas, or common areas by themselves, their families, employees, agents, visitors, or licensees, nor shall Residents permit anything to be done by such persons which will interfere with the rights, comfort or convenience of others. Please do not play, or permit to be played, any musical instrument or operate any stereo, radio, or television on the premises in such a manner as to be disturbing or annoying to other occupants in the building during all hours, and, in particular, between the hours of 10:00 p.m. and 8:00 a.m.
5. **CARE OF YOUR UNIT:**

- A. If you line shelves and drawers, it must be done with non-contact paper.
- B. Garbage disposals are to be used only when running cold water at "full blast". Continue to run the water for a few seconds after the disposal is shut off.
 - i. Make sure that none of the following are put into the disposal: Stones, bones, fruit pits, metal or fibrous material such as paper, cloth, tape, celery or cornsilks.
 - ii. If a disposal unit is damaged and has to be replaced because of negligent use, the Resident will be charged for the replacement.
- C. Do not put sanitary napkins, disposable diapers, paper towels or any other object into the toilet. If there is a blockage caused by any such object being thrown or dropped into the toilet and a plumber needs to be called, the Resident will be charged for the call.
- D. Please read your appliance operation manuals carefully before use. Foreign objects removed from the plumbing and/or appliances is not considered normal maintenance, and service and/or damage charges will be assessed.
- F. Windows and window coverings:
 - i. Exterior window cleaning is the responsibility of project management.
 - ii. Interior window cleaning is the responsibility of the Resident. If assistance is needed in removing or replacing windows or screens, please contact the office.
 - iii. Please close all windows and doors when necessary to avoid possible damage from storm, rain, or other elements. You shall be responsible for all damage resulting from failure to do so.
 - iv. All broken windows are the Resident's responsibility unless another party is responsible, clearly identified and pays for the damage. Broken windows must be replaced within two days notification by management. If not replaced, Management will replace the window and charge the Resident.
 - v. Window coverings are provided and are intended to lend an overall uniform appearance. These shall not be replaced without prior written approval of the Manager.

6. **PARKING:** Park only in a designated space. It is the Resident's responsibility to inform their guests to park on the street or in visitor designated areas to avoid towing. Car repairs of any kind are prohibited. All vehicles in an unacceptable condition, improperly parked, abandoned, non-operational or not registered will be towed with prior notice. Trailers, boats, campers, recreational vehicles, etc., may not be parked without written permission from Management. All motorcycles, motorbikes, etc., must be parked in the parking lot – they are not to be parked outside or inside the apartment. One automobile space per unit will be assigned to Residents owning an automobile. A copy of current registration and proof of insurance is required to be on file with Management at all times. Residents will be given written notice and time to remove any problem vehicle.

7. **LAUNDRY ROOM:**
 - A. The laundry rooms are to be used between the hours of 8:00 a.m. and 10:00 p.m. or other posted hours.
 - B. The laundry rooms are cleaned by management twice a week. It is the responsibility of all Residents to clean up after themselves during the interim. Spilled soap, tissues, etc. are to be cleaned from the machines, dryers and the floors. Also, the screens on the dryer exhaust are to be left clean.
 - C. Laundry facilities are provided for the use of the Residents only and for the washing and drying of personal and household articles.

8. **TRASH DISPOSAL:** Trash is to be disposed of inside the dumpsters, not outside the dumpsters or in the dumpster enclosures. All trash is to be neatly and securely contained in appropriate sized trash bags. Cardboard boxes are to be flattened and placed in the dumpsters. Please do not leave items outside the dumpsters or in the dumpster areas.

9. **MAINTENANCE:** Contact Management for repairs or maintenance during their posted office hours at the telephone number listed above, Monday through Friday. Emergency calls will be handled promptly. Residents will be charged for repairs caused by their damage or negligence by invoice from Management. The Resident will be given 30 days to pay for the damages or to begin a payment plan agreed to by Management. Resident is responsible to cooperate with Management in pest control.

10. **ALTERATIONS AND LOCKS:** Please check with Management for acceptable methods of hanging pictures or posters so as to avoid excessive damage to the walls. Painting, staining, wall papering or changing or repairing locks will not be done without the prior written permission of Management.

11. **CEILINGS:** Residents are not to hang plants, lamps, mobiles, etc. or to brush, clean or otherwise disturb the ceilings for whatever reason.
12. **PAINT:** Residents should notify management of peeling or deteriorating paint in their unit or in common areas. (*For Pre-1978 housing not certified as “lead free.”*)
13. **SIGNS:** No signs, advertisements, etc., shall be affixed to any part of the premises, which can be viewed by the general public.
14. **SMOKE ALARMS AND LIGHT BULBS:** Each rental unit is completely furnished with operable smoke alarms and light bulbs for all fixtures. It is the Resident's responsibility to replace light bulbs thereafter, and to inform Management if smoke detector becomes inoperable.
15. **STORAGE:** Bicycles, toys and other personal effects are not to be left in the common areas of the premises except in designated areas. No gasoline, paint or other flammable materials will be stored on the premises. No mops, brooms or similar items should be left within sight on patios.
16. **COMMON AREAS:** Garage sales are not permitted on property without permission of management. No playing in parking lot and no open containers of any alcoholic beverages are allowed in common areas. Residents are responsible for keeping entryways, railings and surrounding areas free of clutter. Dust rags, mops, and rugs shall not be shaken out of windows. Caution, care and cleanliness in the use of common areas and facilities is the responsibility of each Resident and guest. Management reserves the right to post additional rules regarding common area facilities.
17. **PETS:** Except for those Residents who have specially trained service animals to assist them with disabilities, no pets are allowed on the premises.

18. VISITING GUESTS:

- A. Management encourages the visiting of friends and relatives. We ask only that you consider your neighbors and see that your guests are reasonably quiet.
- B. Visiting guests may stay no longer than fourteen (14) days per year without prior written permission. If it is an emergency situation, come to the office for possible arrangements.
- C. Visiting pets will absolutely not be allowed: Any Resident who allows a guest pet in his/her apartment will be required to pay for a commercial extermination of the unit and shall be subject to the consequences of violating the Residential Lease.
- D. Residents will be held legally and financially responsible for the actions and damage of their guests or visitors, and are expected to make them aware of these Rules and Regulations.

19. DRUG-FREE COMMUNITY: It is agreed that by signing your signature below you acknowledge, agree and understand that:

- A. The use of your premises for illegal sale of drugs and other controlled substances as defined by the Penal Code and the Health and Safety Codes is considered an incurable violation of terms of the rental agreement and this section of the House Rules and will result in an action for unlawful detainer for your immediate eviction from the premises.
- B. The possession, use, sale or distribution of drugs by the undersigned or any of the undersigned's guests, visitors, friends or relatives in or about the premises of the apartment complex will not be tolerated and will result in eviction.
- C. It is further agreed that in the event a conviction is made upon your premises for the use, sale, distribution or delivery of drugs shall also constitute grounds for an immediate eviction from your unit.

20. INSPECTIONS: Management reserves the right to enter Resident's dwelling to check for deferred maintenance, change heating/air conditioning filters, etc. These inspections will be done with forty-eight (48) hour notice and during business hours. In cases of emergency, management may enter the unit without prior notice.

21. **DAMAGES:** Resident will pay for all repairs, including clearing of drain stoppages, which Resident or their guests have caused. Appliances, plumbing fixtures, heating and electrical systems must be used only for purposes and in the manner for which they were designed. Countertops will burn if hot objects are set directly on them. Do not drive nails in woodwork or walls or apply adhesives such as tape, or put in screws or hooks. Place excess grease of any kind in a closed container and dispose of in dumpsters. Residents will be required to pay for all damage caused by their negligence or thoughtlessness to apartment, furnishings, appliances, and laundry equipment.
22. **TOT LOT:** Children age 8 and under are allowed to use the tot lot play area. All children using the play area must be supervised at all times. Play area may be used from 9:00 a.m. till dark.
23. **OPEN PLAY AREA:** For older children, the open play area (basketball) designated by management can be used during posted hours.
24. **SECURITY DEPOSIT POLICY:** In order to avoid any misunderstanding, this is our policy with regard to the disbursement of Resident's security deposit:
 - A. All keys belonging to the complex must be turned into the office. There will be a \$20.00 charge for missing keys.
 - B. Resident to remove all items not belonging to their units (trash, furniture, food, etc.) and make a reasonable attempt at cleaning the unit. The bathroom and kitchen are to be thoroughly cleaned.
 - C. The cost of painting the unit will be charged if the walls or woodwork are damaged beyond ordinary wear and tear (excessive nail holes, non-washable marks, nicks, etc.).
 - D. Carpets will be cleaned if needed and may be charged to Resident, depending on the length of residency. The cost to the Resident will be calculated on a prorated basis based on length of residency if the carpet is damaged.
 - E. Any repair to or replacement of blinds due to damage beyond normal wear and tear at any time during occupancy or upon move out will be the full responsibility of the Resident.

F. All monies owing (rent and unpaid maintenance invoices) will be deducted from security deposit and resident will be provided with an accounting of all deductions. All notices to vacate must be in writing. They must be delivered to and acknowledged by Management at least thirty (30) days prior to termination of tenancy. Resident is responsible for rent for the full 30 days of his/her notice to vacate.

24. **HOUSE RULE MODIFICATIONS:** Management reserves the right, upon thirty (30) days written notice to Resident, to make such further reasonable rules and policies as in its judgment may, from time to time to be needed for the safety, care, cleanliness, protection and preservation of good order therein. Resident Council will participate in rule change development.

We the undersigned have read, understand, agree to and have received a copy of this document.

By: _____ Date: _____
Resident

By: _____ Date: _____
Resident

By: _____ Date: _____
Resident

EXHIBIT 5-15
PET AGREEMENT

This Pet Agreement is incorporated in full into the existing lease agreement between the managing agent (hereafter referred to as the "Owner") and _____ (hereafter referred to as the "Resident"). The purpose of this Agreement is to authorize Resident to maintain a pet in Resident's dwelling unit subject to certain conditions and restrictions. Pets are a serious responsibility and risk. If not properly controlled and cared for, pets can disturb the rights of others and cause costly damages for which Resident may be held liable.

1. Dwelling Unit Description

A. Address: _____

2. Lease Description and Listing of Occupants:

A. Date of Lease: _____

B. Unit: _____

C. Names of all persons occupying dwelling: _____

3. Conditional Authorization for Pet

A. Resident is hereby authorized to keep one 4-legged pet (or 2 caged birds or fish)—which is described below—on the premises of Resident's dwelling unit until the above described lease expires. Authorization may be terminated sooner if Resident's right to occupancy is lawfully terminated or if the provisions of this Agreement are violated in any way by Residents or Residents' guests.

4. Pet Deposit: \$100.00

A. The pet owner agrees to pay a \$100.00 pet deposit in the following manner:

B. \$50.00 at the time the pet is brought onto the premises;

C. \$10.00 monthly thereafter until the total of \$100.00 is paid.

D. The pet deposit is refundable prior to surrender of the premises by the Resident if the pet is no longer on the premises.

5. Multiple Residents

- A. Each resident who signed the lease shall sign this Pet Agreement. Residents and residents' guests or occupants shall abide by all pet rules. Each resident of the unit shall be jointly and severally liable for damages and all other obligations set forth herein, even if such resident does not own the pet.

6. Description of Pet

- A. Only the following described pet is authorized to be kept in resident's dwelling unit. No substitutions are allowed. No other pet shall be permitted on the premises by residents or residents' guest or occupants. This prohibition includes mammals, reptiles, rodents and insects. No pet weighing over 15 lbs. is allowed.

i. Type: _____ Breed: _____ Color: _____

ii. Weight: _____ Age: _____ Name of Pet: _____

iii. City License No.: _____ Issued by: _____

iv. Is pet housebroken? _____

v. Documentation of neutering: _____

vi. Date of last rabies shot: _____

7. Special Provision

- A. The following special provisions shall have control over any conflicting provisions of this printed form.

8. Move-Out

- A. Prior to vacating the dwelling unit, Resident shall be responsible for cleaning, de-fleaing, and deodorizing the unit in order to protect future occupants from possible health hazards, regardless of how long Resident's pet occupied the unit.

9. Pet Rules

Residents are responsible for the actions of the pet at all times. Residents agree to abide by the following rules:

- A. Pets will be inoculated in accordance with state and local law.
- B. Residents will register pets before bringing them onto the premises. Residents will update the registration annually.
- C. The Landlord may refuse to register any pet that is not a common household pet or if the keeping of the pet would violate any pet rule.
- D. Pet owner will be in violation of this Agreement by failing to provide complete registration information or by failing to update the registration annually.
- E. The Landlord may refuse to register the pet if the pet owner will be unable to comply with any of the provisions in this Agreement
- F. The Landlord will inform the pet owner if registration is refused.
- G. Residents agree that the pet will not disturb the rights, comforts or conveniences of neighbors or other residents. This applies whether the pet is inside or outside of resident's dwelling.
- H. Dogs and cats must be housebroken. All other pets must be caged at all times. No pet offspring are allowed. Dogs and cats must be neutered or spayed.
- I. Pets shall not be tied to any fixed object outside a dwelling unit, including--without limitation--patio area, walkways, stairs, stairwells, parking lots, grassy areas or any other part of Owner's property. Pets shall not be allowed to run free outside a dwelling unit.
- J. Residents shall not permit pets in laundry rooms, offices, lobby areas, club rooms, other recreational facilities and other dwelling units.
- K. Resident's pet must be fed and watered inside the dwelling unit, and pet food or water may not be left outside the dwelling unit at any time.
- L. Pets shall be kept on a leash and under supervision when allowed outside a dwelling unit, provided, however, that all pets shall be handheld within corridors and other interior common areas.

M. Unless Owner has designated a particular area in a dwelling unit or on the grounds for the discharge of pet urine and feces, no pet shall be allowed to discharge anywhere on Owner's property, including--without limitation--dwelling units, walkways, stairs, stairwells, parking lots, grassy areas, or other places, and all pets must be taken off Owner's property for such purpose. Cat discharge is permitted inside a dwelling unit, but it shall be done in commercial-type litter boxes with "kitty litter" type mix. If pet discharge occurs anywhere on Owner's property, tenants shall be responsible for the immediate removal of waste and repair of damage. Residents will be charged a \$10 fee every time their pet is found to have discharged on the property. In addition to the foregoing provisions hereof, tenants shall comply with all applicable local ordinances regarding pet discharge.

10. Emergency Care

- A. In case of emergency, Resident's pet will be taken care of by: _____
- B. If such a person is also a tenant of the same property, the provisions of this Agreement shall continue in effect and shall be deemed to apply to the keeping of Resident's pet by paid attendant.

11. Pet Care and Abuse

- A. If Resident is or becomes incapable of caring for Resident's pet, or if such pet is neglectfully cared for or abused, Owner may terminate Resident's authorization to keep such pet.

12. Additional Rules

- A. Owner shall from time to time have the right to make reasonable changes and additions to the pet rules set forth in this Agreement, so long as the same are in writing and distributed to all tenants who are permitted to have pets.

13. VIOLATION OF AGREEMENT

- A. Complaints of Pet Rule violations must be made in writing and signed by the person complaining. Management and Residents alike may file such complaints. After three verified Pet Rule violations supported by objective facts in a calendar year, a Resident who does not correct the violations may be required to give up the pet or face eviction proceedings.

14. Complaints About Pet

- A. Resident agrees to immediately take appropriate action in the event that Owner receives complaints from neighbors or other occupants concerning pet.

15. Prior Understanding

- A. Resident acknowledges that no other oral or written Agreement or understanding exists regarding this Pet Addendum, except for written changes pursuant to paragraph XI.

**THIS IS A BINDING AND LEGAL DOCUMENT.
READ CAREFULLY BEFORE SIGNING.**

Resident (All persons named as tenant in the lease must sign.)

ANNUAL PET REGISTRATION FORM

Resident's Name _____ Apt. # _____

Pet's Name _____ Age _____

Description _____

Veterinarian's Name _____

Phone # _____

The following person has agreed to be responsible for my pet in the event that I am unable to properly care for it due to temporary illness or incapacitation.

Name _____

Address _____

Phone # _____

Evidence of license and inoculations: _____

Evidence of Spaying/Neutering: _____

I have read the Pet Agreement, including Section VIII, Pet Rules, and agree to comply with them.

Signature: _____ Date: _____

EXHIBIT 5-16
MODEL PARKING AGREEMENT

Space # _____

I have presented management with the following:

- A copy of my valid driver's license
- Proof of liability insurance
- Current car registration issued by D.M.V.

**ALL OF THE ABOVE WILL AGAIN BE VERIFIED
AT MY ANNUAL RECERTIFICATION**

My car is the only vehicle allowed to park in my assigned space.

I am not permitted to park my car in any other space. No other persons are allowed to park in my assigned space.

I will only be assigned space for one vehicle.

If my vehicle leaks oil or any other substance, I will immediately purchase an oil pan to catch the oil and will, as soon as possible, get it repaired.

I understand that I may not use my parking space to perform mechanical work or wash my car.

If my car is absent from its assigned space for more than 30 consecutive days and I have not presented management with a reasonable explanation and the expected date of return, management has the right to reassign my space.

I understand that my space is assigned to me while I am actively driving or operating my car. My space will be returned to management within 90 days of discontinued use of operation of my vehicle.

Unauthorized vehicles will be towed at owner's expense.

I understand that management is not responsible for any damage or theft of my property while using the assigned parking space.

I understand that I must agree and abide by the above agreement in order to continue to park in the garage.

Signature _____ Apt. # _____ Date _____

EXHIBIT 5-17
ACCESSIBLE UNITS: SAMPLE POLICY LANGUAGE

In the event that an accessible unit becomes available, preference will be given to a current tenant in the building who requires, and has requested, a unit with the design features of the unit available.

In the event no tenant is available for transfer, the "next" applicant on the waiting list that would require, and has requested, a unit with the design features offered in an accessible unit would be contacted.

In the case of an available accessible unit when no qualified applicant has applied, the development will market to individuals with disabilities (using the development's fair marketing plan) before filling an accessible unit with someone who doesn't need its features. If after marketing, there is no applicant who needs the accessible feature, then the unit will be offered to the next qualified applicant on the waiting list. This applicant will be required to complete a lease addendum form, whereby they agree to transfer to a comparable non-accessible unit within the development should a tenant or applicant need an accessible unit.

If, after occupying the accessible unit, the tenant's physical condition changes and the tenant would now benefit from continued occupancy in the accessible unit, this addendum form would be waived and no longer be required.

Failure to accept or move to the offered unit shall be deemed material noncompliance with the Occupancy Agreement and be cause for termination of the Agreement.

SAMPLE LEASE ADDENDUM

(should be submitted for review by all agencies requiring approval of leases)

Resident acknowledges that the unit now occupied by Resident was specifically designed and adapted for occupancy for persons with physical disabilities needing accessible units. Resident further acknowledges that Resident does not need an accessible unit and that Management retains the right to allocate accessible units to those who have the greatest needs for such units. Resident agrees that should another existing resident, or applicant, need an accessible unit that resident, will upon thirty (30) days written notice from Management, move to a different dwelling unit of comparable size and rent. Failure to accept or move to the offered unit shall be deemed material non-compliance with this Occupancy Agreement and be cause for termination of the Agreement.

NOTE: These clauses may not comply with some State requirements for handicap accessible units under certain funding programs.

Adapted from "A Handbook on the Legal Obligations and Rights of Public and Assisted-Housing Providers Under Federal and State Fair Housing Law," produced by the Massachusetts Housing Finance Agency under the Department of Housing and Urban Development, Fair Housing Initiatives Program Grant #FH200-G93-00007 and #FH200-G96-00001.

EXHIBIT 5-18
ADDENDUM FOR LIVE-IN ATTENDANT
HOUSE RULES

1. I agree to abide by conditions of the lease and house rules signed by the resident by whom I am employed. In particular I will not disturb the quiet enjoyment and use of the property as exercised by my employer and other residents.
2. I will keep the apartment clean and orderly and the public areas that I use. I will follow instructions regarding the use of appliances and disposal of trash.
3. I will comply with the dress code in public areas.
4. I understand the limitations upon guests and the reasons for these rules and will abide by them. All guests will be required to sign in and out at the front desk.
5. I will not commit any actions, or by my inaction, affect the safety of other residents and their guests.
6. I will not loan keys to anyone without written permission of the Administrator. I understand to do so threatens the security of other residents and could result in the termination of the Resident's lease for whom I am a Live-in Attendant, and for which these House Rules also apply.
7. I understand a Live-in Attendant qualifies for occupancy as long as the Resident needs support services and does not qualify for continued occupancy as a remaining family member.

I have received a copy of the Residents Handbook and the Live-in Attendant Policy and understand the procedures and rules listed also apply to the Live-in Attendant.

I further understand that my failure to comply with the conditions of these rules could be cause for eviction proceedings on behalf of Administration against the Resident for who I am a Live-in Attendant.

Resident assumes all responsibility and liability for the said Live-in Attendant, under the conditions of the Lease, House Rules and provisions.

Live-in Attendant

Resident

Administrator

EXERCISES

1. Using Exhibit 5-1 as a model, prepare a Rent Up Time line Schedule for a 50 unit property funded by HOME and tax credits. Assume in your community that you need an average of 10 applications for every qualified household that moves in. If this exercise seems too easy, throw in your local public housing authority as the gatekeeper for moderate rehabilitation subsidies. What questions need to be asked and what steps need to be added when an outside gatekeeper enters the resident selection picture?
2. List five questions you cannot ask an applicant for affordable housing.
3. Name some creative ways or unusual places to advertise to locate qualified, interested applicants.
4. You live in a community where the applicant pool traditionally represents only one or two ethnic groups. What are some methods you would use to increase the diversity of that applicant pool? Discuss what you can and cannot do.

This page intentionally left blank.

Chapter 6: Risk Management

In This Chapter:



An overview of the types of risks inherent in property management.



Risk management assessment tool.



Environmental considerations: asbestos, lead, radon and toxic mold

One of the basic functions of Property management is to see that the property is maintained in a safe manner. Risk management covers many areas. In the following section, we have included the Risk Management checklist from the LISC publication, “A Guide to the Roles and Responsibilities of Asset Management” developed by Bob Stone. (Order form in Resources Section.)

Insurance is often the first thing most property managers think of when considering risk management. Monitoring insurance policies to make sure they are current, they provide the best coverage for the price and they meet the requirements of funders is the first step in developing a comprehensive risk management plan. This is a task that falls under the job description of an Asset Manager. In the absence of an Asset Manager on payroll, someone within the organization has to accept this responsibility. It should never be relegated solely to outside third party management.

The second step in risk management is surveying individual properties and policies and procedures to make sure that you are providing the safest housing possible. Such a survey would include reviewing resident files for evidence of regular inspections and participating in property inspections. Inspections are often left to the maintenance team. Ideally, inspections should be completed by both maintenance and administration staff. Quarterly or bi-annual property inspections should be done by supervisory staff. Staff should be supervised to ensure that unit inspections are properly conducted.

Safe housing goes beyond safe maintenance of the property. It requires management to analyze the design of the site for maximum security and preventing access by the uninvited. Many local police departments offer the service of a security walk through to identify design and landscape features that decrease public safety. On line resources for obtaining information and tips on organizing around public safety issues include www.SAFE HORIZON.org, www.ncpc.org and www.neighborhoodsafety.org.

No matter what steps you take to increase resident security, make sure that you are not advertising or claiming that you are providing something you are not. The most common example of unwittingly increasing an organization's liability is a property that advertises security. Court awards to residents who have successfully sued owners and managers for security violations, whether car thefts, assaults on persons or break-ins, should convince any property manager to steer clear of any written or verbal statement or advertisement concerning security. If video cameras are installed, call them video cameras, not security cameras. If there is a watchman or patrol on the grounds, call it a watchman, not security.

It is the responsibility of property managers and administrators to adequately screen staff to make sure they are people who can be trusted. Basic employee screening should include a credit and criminal background check. If employees will be using their cars to pick up purchases for the property a drivers license check should be instituted to guarantee they have minimum insurance and that they are legally allowed to drive. Insurance companies can be aggressive in denying insurance claims when they feel that management has not performed minimum background checks to see if employees are qualified to complete tasks they are assigned, such as driving from site to site or to pick up supplies. After being hired, staff should be educated to potential liability risks in areas such as occupational safety and fair housing laws.

Another aspect of Risk Management is being prepared for emergencies. Emergency planning is a wonderful way to promote community because, unfortunately, it is often one of the few times when residents have a common purpose. Emergency planning is also a wonderful way to get children, especially the young adults in the community, involved in responding to community needs. Each community needs to decide what emergencies are likely and how they will respond. Anniversaries of prior community emergencies (e.g, floods, earthquakes, snowstorms) that residents are likely to remember can be used to prepare for future emergencies. This Section includes the Table of Contents for a site level Emergency Manual.

Procedures for reporting incidents should be explained to every employee. Often, the supervisory staff are unaware that something has occurred on site that might increase risk to the organization. Site level staff should annually review what items should be reported to upper management. A sample incident report is included in this Section. A Policies and procedures manual would include both a copy of the incident report used by your organization and instructions on what incidents should be reported.

The final area needing consideration in order to analyze the risk to your organization is reviewing how you are complying with all laws regarding toxic substances. The major areas of litigation are lead paint poisoning and asbestos contamination. Additionally, certain areas of the country must also deal with radon. The Environmental Protection Agency has very strict regulations concerning the level of information and training required on lead paint and asbestos. In this Section you will find a chart indicating the levels of notification and action you must provide as a property manager.

About HOME :

Housing assisted with HOME funds is subject to the Lead-Based Paint Poisoning Prevention Act (42 U.S.C. 4821-4846), the Residential Lead-Based Paint Hazard Reduction Act of 1992 (42 U.S.C. 4851-4856), and implementing regulations at part 35, subparts A, B, J, K, M and R of this title.

Staff who work on a property with asbestos contamination must be trained in the risks involved and remedial actions to take. Those staff who will actually work in areas that may disturb asbestos must receive a higher level of training on asbestos removal and containment. All residents must be informed if there are lead paint hazards at the property. This Section includes a list of applicable laws that govern training and education requirements concerning toxic.

Information and public interest concerning mold issues is at the level of awareness of lead paint fifteen or twenty years ago. While the government has not yet set any standards on unacceptable mold infestations, we are likely to see legislation in the future. Mold issues have come to forefront for property managers because of the insurance industry's specific exclusion of mold hazards in insurance policies. The best source of information on mold issues is the U.S. Environmental Protection Agency. Information can be obtained at their web pages for Indoor Air Quality at www.epa.gov/iaq

EXHIBIT 6-1
RISK MANAGEMENT QUESTIONS & ISSUES

Questions/Issues	Yes/No or Comments
Are there hazardous or defective conditions within units, which could cause injury to residents, especially to children?	
Are there hazardous or defective conditions in common areas,, which could cause injury to residents or damage the property?	
Have any hazardous or defective conditions been reported, but not been responded to by management?	
Are there conditions on the property which compromise security for residents or management staff?	
Are there any foreseeable criminal acts that could be committed on or about the property for which acts of reasonable and prudent precautions could be taken by management to prevent?	
Are staff properly trained in safety techniques to avoid work-related injuries to themselves or others? Have they been given proper equipment to avoid injury?	
Is hazard insurance coverage adequate to cover the value of property?	
Is liability insurance coverage adequate to protect against major loss?	
Are all staff trained in appropriate fair housing and affirmative marketing procedures?	
Have staff been trained in laws relating to accommodating the needs of the disabled, including the Americans With Disabilities Act?	
Are all staff trained regarding appropriate behavior with respect to sexual harassment?	
Is there a good means to clearly document and quickly communicate any incidents involving injury, theft or damage that might result in lawsuits or insurance claims?	
Have management and maintenance employees been screened and hired on the basis of their being able to exercise good judgment to prevent problems or respond to emergencies, when they occur?	
Have residents been given sufficient information and been encouraged to take more responsibility for their own safety and for the safety of the apartment community?	
Have health hazards with respect to lead-based paint and asbestos been appropriately addressed (if applicable)?	
Are safety inspections being regularly performed by management and maintenance staff?	

Used by permission. From THE OCCASIONAL PAPER SERIES, Vol. No. 3, "Roles and Responsibilities of an Asset Manager," by Bob Stone produced by Local Initiatives Support Corporation, © 1997

EXHIBIT 6-2
EMERGENCY MANUAL INFORMATION

- ▶ Address and phone number of properties
- ▶ Maps to sites
- ▶ Unit plan map with location addresses
- ▶ Emergency priority phone numbers for staff
- ▶ **Site Specific Information:**
 - emergency panel locations, operating instructions
 - shutoff maps (gas, water, electricity, etc.), and emergency equipment locations
 - emergency services/vendor phone numbers, fire, elevator, etc.
 - codes for auto gates or specialty locks, key box location
 - sprinkler shutoffs locations
 - updated tenant rosters, with special needs residents highlighted

Use three ring binder with index tabs for quick access

EXHIBIT 6-3
LOSS/ACCIDENT REPORT

Project: _____ Date Occurred: _____

Fire: ____ Property: ____ Theft: ____ Auto Accident: ____ Personal: ____

When did this happen? Date: _____ Time: _____ a.m. ____ p.m. ____

Where did this happen? (Locate accurately) _____

Who was involved: If injured, please indicate and describe below.

Employee(s) _____

Tenant(s) _____ Tel No. _____

Address(es) _____

Guest(s)/public _____

Drivers (each vehicle) _____

Witnesses _____

Addresses _____

Attach a second page for additional witnesses.

What happened? (Describe in detail) _____

Police/Fire notified? ____ Officer Name: _____ Badge/Report # ____

Other _____ Date _____ Name _____ Phone _____

Was any medical treatment received? _____

Estimated cost of damage _____

Prepared by: _____ Date: _____

Supervisor's Signature: _____ Date: _____

Owner Notification by: _____ Date _____

Notification to insurance by: _____ Date _____

EXHIBIT 6-4
ENVIRONMENTAL CONSIDERATIONS: TOXICS

Liability in this area is relatively new to property management. The burden of legal responsibility to correct or manage falls on the owner and/or management agent. Twenty years ago little was known about toxic damage to the ground, soil, and water supply, or danger to humans, by chemicals associated with property management. Hazards now recognized include mold; forgotten underground storage tanks; chlorofluorocarbons (CFCs), used in refrigerators and air conditioners; asbestos, used in building materials; radon, a naturally occurring gas; lead, used in paint; and polychlorinated biphenyl (PCBs), used in electric transformers.

ENVIRONMENTAL POISONS TO HUMANS

	ASBESTOS	LEAD	RADON
Where is it?	Pre-1981 buildings	Pre-1978 buildings, in paint, pipes or solder	In soil and rock, building materials that contain uranium; or water from wells in uranium rich soils.
What it does	Airborne particles are associated with certain cancers	Serious neural damage in young children can result if lead-based paint eaten or dust inhaled.	Radon gas is associated with lung cancer.
Landlord's responsibility	Assume asbestos is present. Have a competent person assess presence and exposure risk. Train employees, plan work procedures and post warning signs. Hire professionals to complete work that might release particles into the air.	Notification, lead hazard evaluation, lead hazard reduction and ongoing maintenance.	Have premises tested. Seek professional advice if results exceed allowable limits.

Asbestos

Asbestos refers to a group of minerals that can separate into fine, strong fibers. In the past several decades asbestos fibers had a variety of household applications and were used in materials such as ceiling finishes and floor tile. Buildings constructed before 1981 often employed asbestos containing materials in the following areas:

- ▶ Insulation around heating pipes and furnaces.
- ▶ Asbestos containing plaster that was sprayed or troweled onto the walls or ceilings.
- ▶ Asbestos insulation blown into the walls or attic.
- ▶ Floor tiles, adhesive or mastic.
- ▶ Roofing felt and tiles.
- ▶ Asbestos shingles and siding.

If the asbestos at your property is “friable,” and needs to be removed hire a licensed professionally trained in the removal and/ or repair to complete the task. In July of 1995, the Occupational Safety and Health Agency (OSHA) and the Environmental Protection Agency (EPA) adopted new regulations for asbestos management. These regulations redefine the level of asbestos that is hazardous to humans. In addition, this regulation requires employers to send their employees to training classes to learn about asbestos and the proper maintenance and handling procedures.

Rental property owners and managers who employ individuals that work in and around buildings constructed prior to 1981 are assumed to be at risk. Various levels of education are mandated. A two-hour course is required by EPA and OSHA for resident managers, maintenance and custodial employees who may work around asbestos, but will not come into contact or disturb the asbestos. A 16-hour course is required for employees who will conduct maintenance or repair work that brings them into direct contact with asbestos.

Lead

Prior to 1950, paint, varnishes, and other finishes contained up to 50 percent lead. After 1950, the lead content of paint was decreased and the use of lead-based paint declined. Lead-based paint continued to be available until the mid-1970's. You can often recognize lead-based paint, as it tends to crack in a fairly uniform square pattern. The danger of lead-based paint is when it flakes or peels away from the original surface. Children often eat the paint chips or chew on the coated surface. The consequences can be brain damage. Airborne lead-laden dust is the greatest cause of lead poisoning. A federal law called the Lead-Based Paint Hazard Reduction Act (Title X) puts new responsibility on landlords. For owners of buildings constructed before 1978, with four or more units, the law mandates disclosure of lead hazards by property owners and their agents in the sale and lease of housing as follows:

- ▶ Disclosure of hazards and distribution of the EPA pamphlet titled, "Protect your Family from Lead in Your Home," to buyers and renters.
- ▶ Leasing agreements must contain certain notification and disclosure language.

Housing tested by a certified tester and found free of lead contamination is exempted.

On September 15, 1999 new Federal lead-based paint regulations (24 CFR Part 35) were published. These regulations apply to programs administered by HUD's office of Community Planning and Development (CDP). A listing of some of the programs affected by this new regulation are HOME; CDBG; HOPWA; ESG; SHP; and Shelter Plus Care. Under the new regulations requirements may differ depending on the nature and cost of the activity.

The changes affect the following activities:

- Acquisition, leasing, support services and operations
- Tenant based rental assistance
- Rehabilitation

More information can be obtained at www.osha-slc.gov/dts/osta/oshasoft/, www.hud.gov/lea/leahome.html or calling the lead hotline at (800) 424-LEAD. Copies of HUD documents can be obtained from www.huduser.org.

Radon

Radon is a naturally occurring radioactive gas. It can enter a house built on soil and rock containing uranium deposits, or enter through water from private wells drilled in uranium rich soils. It can also enter buildings when uranium rich rocks or soils are used in the manufacture of building materials such as bricks or concrete. Radon becomes a threat when it:

- ▶ Is trapped in tightly sealed buildings with poor ventilation systems or outside air exchange.

No law requires testing, but if you live in an area where the presence of radon is widely known, you may be presumed by the law to know about a health risk. It then becomes your responsibility to warn residents and correct the problem.

In conclusion, a building owner is ultimately liable for damages if a resident is harmed by a known danger or hazard. Become knowledgeable of your building and its possible hazards and reduce those risks through testing, training, notification and if necessary abatement. Be sure to document all work or actions when dealing with potential risks.

Toxic Mold

A new term has entered property management lingo, sick building syndrome. Residents claiming damages from a wide range of illness are suing managers and owners for exorbitant amounts of money. One of the culprits often blamed is toxic mold.

Currently there are no federal standards regarding mold in indoor air, but a good preventative maintenance program should be in place to arrest the growth and spread of indoor molds. Mold growth needs humidity or dampness. Suggestions for controlling mold are to maintain the indoor humidity below 50%, using air conditioners and humidifiers, maintain adequate ventilation, and adding mold inhibitors to paints. Controlling it at the surface level is easy by wiping the contaminated area with a solution of one cup of bleach to a gallon of water. Once mold has infested a building component replacement of the damaged area is often the only alternative.

EXHIBIT 6-5

INTRODUCTION TO MOLDS

Molds produce tiny spores to reproduce. Mold spores waft through the indoor and outdoor air continually. When mold spores land on a damp spot indoors, they may begin growing and digesting whatever they are growing on in order to survive. There are molds that can grow on wood, paper, carpet, and foods. When excessive moisture or water accumulates indoors, mold growth will often occur, particularly if the moisture problem remains undiscovered or un-addressed. There is no practical way to eliminate all mold and mold spores in the indoor environment; the way to control indoor mold growth is to control moisture.

Basic Mold Cleanup

The key to mold control is moisture control. It is important to dry water damaged areas and items within 24- - 48 hours to prevent mold growth. If mold is a problem in your home, clean up the mold and get rid of the excess water or moisture. Fix leaky plumbing or other sources of water. Wash mold off hard surfaces with detergent and water, and dry completely. Absorbent materials (such as ceiling tiles & carpet) that become moldy may have to be replaced.

Ten Things You Should Know About Mold

1. Potential health effects and symptoms associated with mold exposures include allergic reactions, asthma, and other respiratory complaints.
2. There is no practical way to eliminate all mold and mold spores in the indoor environment; the way to control indoor mold growth is to control moisture.
3. If mold is a problem in your home or school, you must clean up the mold and eliminate sources of moisture.
4. Fix the source of the water problem or leak to prevent mold growth.
5. Reduce indoor humidity (to 30-60%) to decrease mold growth by: venting bathrooms, dryers, and other moisture-generating sources to the outside; using air conditioners and de-humidifiers; increasing ventilation; and using exhaust fans whenever cooking, dishwashing, and cleaning.
6. Clean and dry any damp or wet building materials and furnishings within 24- - 48 hours to prevent mold growth.
7. Clean mold off hard surfaces with water and detergent, and dry completely. Absorbent materials such as ceiling tiles, that are moldy, may need to be replaced.
8. Prevent condensation: Reduce the potential for condensation on cold surfaces (i.e., windows, piping, exterior walls, roof, or floors) by adding insulation.
9. In areas where there is a perpetual moisture problem, do not install carpeting (i.e., by drinking fountains, by classroom sinks, or on concrete floors with leaks or frequent condensation).
10. Molds can be found almost anywhere; they can grow on virtually any substance, providing moisture is present. There are molds that can grow on wood, paper, carpet, and foods.

Lease Addenda Samples on Mold Control

It is our goal to maintain the highest quality living environment for our residents. Management has inspected the unit prior to lease and knows of no damp or wet building materials, and knows of no mold or mildew contamination.

Resident is hereby notified that mold and mildew can grow if the premises are not properly maintained or ventilated. If moisture is allowed to accumulate in the unit, it can cause mildew and mold to grow. It is important the residents keep the interior of the unit clean and they promptly notify the Owner/Agent of any leaks, moisture problems, and /or mold and mildew growth.

Resident agrees to maintain the premises in a manner that prevents the occurrence of an infestation of mold or mildew in the premises. Resident agrees to uphold this responsibility in part by complying with the following list of responsibilities:

1. Resident agrees to keep the unit free of dirt and debris that can harbor mold and mildew.
2. Resident agrees to immediately report to Management any water intrusion, such as plumbing leaks, drips or sweating pipes.
3. Resident agrees to notify Management of overflows from bathroom or kitchen, especially in cases where the overflow may have permeated walls or cabinets.
4. Resident agrees to report to Management any significant mold or mildew-like growth on surfaces inside the premises that cannot be removed by simply applying a common household cleaner and wiping the area.
5. Resident agrees to use bathroom fans while showering or bathing and to report to the Owner/Agent any non-working fans.
6. Resident agrees to use exhaust fans whenever cooking, dishwashing or cleaning.
- 7.. Resident agrees to use all reasonable care to close all windows and other openings in the premises to prevent outdoor water from penetrating into the interior unit.
8. Resident agrees to clean and dry any visible moisture on windows, walls and other surfaces, including personal property, as soon as is reasonably possible. (Note: Mold and mildew can grow on damp surfaces within 24 to 48 hours.
9. Resident agrees to indemnify and hold harmless the Owner/Management Agent from any actions, claims, losses, damages and expense, including but not limited to, attorneys fees that the Owner/Agent may sustain or incur as a result of the negligence of the Residents or any guest or other person living in, occupying or using the premises.

Resident Signature and Date

Exercises

1. Review the Risk Management Questions and Issues in Exhibit 6-1. Were there some common risk areas to which many at your table answered “Yes?” Discuss how your organizations can improve their performance in those areas to the point where you could answer “No.”

This page intentionally left blank.

Chapter 7: Maintenance Operations

In This Chapter:



The importance of a comprehensive maintenance program.



Tips for establishing an effective maintenance program including sample maintenance policies and procedures, maintenance work order form, work order log, preventative maintenance and cleaning schedule, unit inspection form, property inspection form and apartment turnover and inspection procedure.

A good maintenance program is the backbone of a well-run property. A maintenance program is a continuous process that includes long and short term planning, expense monitoring, timely repair scheduling, inventory control, and service to residents. It is the single most controllable aspect affecting the owner's margin of profit or cash flow. Maintenance operations generally cost 20 to 26% of the property's total gross income.

Maintenance needs on a property will vary by property design, unit size, age, number of units, and resident base. The economy of the local community and tenant make-up can greatly influence maintenance expense in the areas of vacancy turnover, common area and grounds maintenance. Large sized family units will incur greater wear and tear, whereas smaller properties are often not as cost effective to staff for maintenance operations. High rise apartments with common hallways require considerably more routine maintenance and janitorial care than apartments with individual outside entrances. Often, the available cash from rental income and reserves drives a maintenance program, rather than the physical needs. Inner city properties serving special needs clientele constitute one of the greatest challenges to maintain at an acceptable level. Maintenance staff can be centralized, working a group of properties or decentralized, working only on one or two properties.

The primary objectives of a comprehensive maintenance program are to:

1. Provide a written maintenance plan that will yield safe, sanitary and attractive living units and common areas. The most critical areas of a maintenance plan are work order response, including emergency and after hours maintenance, safety and security of the common areas, and timely vacancy turnover. Provisions for the maintenance of common areas, unit inspections and preventative maintenance for plant systems and building components are often assigned secondary importance.

2. Develop a record keeping system to document the status of property maintenance, repairs, replacements and inventory. A properly documented replacement log is required when establishing a basis for long range replacement analysis. Work order files and logs provide a written record of unit and grounds maintenance that may be used for follow-up, future planning, legal review and staff efficiency evaluations.
3. Evaluate the quality, replacement needs, energy efficiency and repair technology of site materials. Administrative and site staff will be able to use this information to analyze life cycle costs for short and long range capital improvements.
4. Provide mechanisms through which a resident can report maintenance problems and receive a prompt, courteous response.
5. Develop an on-going maintenance and safety training program to serve both new and existing site staff.
6. Outline the positions responsible and basic skills required for completion of various work assignments.
7. Develop guidelines to assist with maintenance financial planning and reserve replacements. Site staff input is important in the preparation for both short (annual budgets) and long-term (capital improvement) plans. The timing, positions responsible, and skills necessary should be defined.
8. Establish forms for property management operations.

About HOME :

When HOME funds are used to develop affordable rental housing there will be a written agreement between the participating jurisdiction and the developer describing the use of HOME funds and other requirements including property standards. HOME assisted housing must maintain the housing in compliance with all applicable State and local housing quality standards and code requirements for the duration of the affordability period.

It is important for each property's management/ maintenance team to work closely together to provide accurate assessments for both the long (reserve planning) and short- term (annual budgeting) physical needs replacements for the property.

EXHIBIT 7-1
PLANNING AND REVIEWING A MAINTENANCE PROGRAM

1. Inventory the Property
 - A. What should be inventoried?
 - i. Grounds
 - ii. Structural envelope
 - iii. Public interiors
 - iv. Systems
 - v. Apartments
 - B. Questions to ask
 - i. What is it made of?
 - a. Materials
 - b. Brand names
 - ii. What is its current condition?
 - a. Safe
 - b. Functioning
 - c. Efficient
 - d. Attractive
 - iii. What action is needed now?
 - a. Nothing
 - b. Clean
 - c. Maintain
 - d. Repair
 - e. Replace
 - iv. What action is needed in the future?
 - a. Regularly
 - b. On specific dates
 - v. When will it need to be replaced?
2. Determine an organization plan
 - A. Centralized or decentralized
 - B. Independent or run by management
 - C. Self-management or contracted out
3. Determine maintenance priorities and define categories
 - A. Emergency
 - B. Vacancy turnaround
 - C. Preventive maintenance
 - D. Routine (or planned) maintenance
 - E. Resident request

4. Design a work order format
5. Develop a management information system (including computer hardware and software, if appropriate)
 - A. Reports
 - B. Responsibility
 - C. Flow of information
6. Plan an inspection program
 - A. What will be inspected?
 - B. Who will inspect?
 - C. When will they inspect?
 - D. How will the results be recorded?
 - E. What will be done with the reports?
7. Plan an emergency response procedure
 - A. List the emergencies
 - B. Plan prevention, Emergency Response Manual
 - C. Plan response during the emergency
 - i. Who acts?
 - ii. What do they do?
 - iii. Where are necessary materials?
 - iv. Where are back-up resources?
 - v. Who needs to be notified?
 - D. Plan recovery procedures
8. Plan a vacancy reoccupancy procedure
 - A. Who acts to discover the vacancy?
 - B. What do they do upon discovery?
 - C. How does maintenance get started?
 - D. How is tenant selection notified?
 - E. When are apartments shown?
 - F. What are the performance standards?
 - G. Who is responsible for the overall process?
 - H. How is performance monitored?
9. Plan a preventive maintenance procedure
 - A. Identify those items that require preventive maintenance
 - B. Store manufacturer's repair and maintenance handbooks in easily accessible location
 - C. Schedule the required tasks
 - D. Assign responsibility
 - E. Design a prompting system
 - F. Design a monitoring system

10. Identify and plan for the completion of routine maintenance tasks
 - A. Identify the tasks
 - B. Schedule
 - C. Assign responsibility
 - D. Design a prompting system
 - E. Design a monitoring system
11. Plan how tasks identified during inspections will be placed on work orders, prioritized, grouped, scheduled and completed
 - A. Develop procedure for moving information from inspection report to work order
 - B. Set performance standards for work order turnaround time
 - C. Determine who prioritizes, groups and schedules
 - D. Determine monitoring procedures
12. Plan a procedure for responding to resident requests
 - A. What are residents told about calling for maintenance?
 - B. Where do they call?
 - C. To whom do they talk?
 - D. How is the request turned into a work order?
 - E. What are residents told?
 - F. How is the system monitored?
13. Set performance standards
 - A. In all cases where not already set, determine performance standards
 - B. Establish sanctions and rewards
 - C. Establish system for reviewing and modifying standards
14. Plan a monitoring system
 - A. Coordinate all other monitoring reports and simplify
 - B. Determine overall responsibility for monitoring system
 - C. Determine who will read reports and what they will do with them
15. Plan the linkages between maintenance and other systems
 - A. Other systems
 - i. Purchasing
 - a. Contracting procedures
 - b. Bids
 - ii. Inventory
 - iii. Budgeting
 - iv. Capital improvements
 - a. Replacement Reserve Analysis
 - b. Redecorating Schedule
 - v. Management
 - vi. Tenant selection
 - vii. Energy Efficiency *Copyright, 1996 by Local Initiatives Support Corporation*

- B. Information flow
- C. Staff communications
- D. Joint decision making

16. Training

- A. Orientation
- B. Technical skills
- C. Management skills
- D. New equipment
- E. Policies and procedures
 - i. Illness and Injury Prevention
 - ii. Material Safety Data Sheets (MSDS)
 - iii. Safety Postings
 - iv. Toxic material handling

EXHIBIT 7-2
MAINTENANCE POLICIES AND PROCEDURES

The Maintenance Plan

1. A Maintenance Plan will be developed and implemented by the Property Management Staff to provide a system for:
 - ▶ responding to emergency maintenance needs such as fire, flood, gas leaks, non-functional elevators, sewer blockages, roof leaks, no heat during the winter season, inoperative refrigerators or stoves;
 - ▶ rehabilitating vacancies within 7 working days;
 - ▶ handling maintenance work as scheduled on the Preventive Maintenance Schedule;
 - ▶ handling maintenance work generated by inspections; and
 - ▶ requests from residents

Maintenance, Janitorial and Grounds Schedules

1. **WHO** will develop a schedule for janitorial and grounds maintenance at each property. The schedule will include cleaning timetable and procedures for interior and exterior common areas (vacuuming, hosing down, etc.) and designation of responsibility for completing the task (staff, designated resident.)
2. When possible, major repairs, including capital improvements will be budgeted items. At properties that employ maintenance staff, it is anticipated that the staff will resolve most routine repairs. At properties that do not employ maintenance staff, **WHOM** will arrange for the resolution of most routine repairs.
3. Garbage removal will be provided by the local collection services. The trash areas will be swept weekly and scrubbed with disinfectant when necessary.
4. Pest control/extermination services will be contracted as needed to provide a high level of sanitation and cleanliness. If maintenance staff does not travel with pest control personnel to let them into units, pest control staff will be requested to report monthly to **WHOM** on units with substandard housekeeping or pest problems.
5. Grounds maintenance will be the responsibility of **janitorial staff/ landscape professional or firm**. All tree maintenance will be done on a contract basis with a landscape professional or firm.
6. It is **AGENCY's** goal that routine maintenance requests will be completed within 24 hours.

7. Emergency repairs or replacements, regardless of the time of day they occur, will be handled promptly. Emergency need will be defined as those situations posing immediate threat to the health and safety of residents and/or the integrity of the grounds, buildings and equipment, including:
 - ▶ the interruption of services, (hot or cold running water, electricity, gas, adequate heat and plumbing);
 - ▶ glass breakage which deprives resident of security or heat; or
 - ▶ repairs which if not performed would expose resident to injury.

In case of an emergency after business hours, residents **will be given emergency telephone numbers to reach staff and an emergency telephone number will be given on the AGENCY answering machine.**

Maintenance Work Orders

1. Work orders will be written for all maintenance items including vacant units and preventive maintenance work.
2. Residents may file work order requests by calling the **AGENCY** office or, at properties with site staff, at the site office. Maintenance staff, both contracted and employees, should not accept maintenance requests directly from residents but should inform residents that all requests must be made through the office.
3. **WHO** will fill out a Work Order and arrange for maintenance personnel to schedule and complete the work. The Work Order will be listed on a Work Order Log. A copy of the work order will be given to residents upon completion of the work. Residents may grant permission for maintenance work to be completed while they are absent from the unit or they may request an appointment for work to be done while they are home. It is the option of **WHOM** to restrict work in units unless the resident is present.
4. If the resident has given permission for maintenance personnel to enter a unit in their absence, a notice will be posted on the door to notify the resident that someone is currently in the unit. In addition, a copy of the work order will be left in the unit with information on whether the work has been completed.
5. If maintenance personnel will enter the unit for work not requested by a resident, a notice will be delivered to the resident household and posted at least **24** hours in advance, except in cases of emergency.

6. If the work can not be completed within the time established at the time the work was requested, **WHO** will inform the resident of the reasons for delay and provide an estimate of when the work will be completed. **WHO** will be responsible for weekly follow-up with both maintenance staff and the resident until the work is completed.
7. If repairs were necessary because of damage or negligence caused by the resident, **WHO** will decide whether the resident will be charged for the full cost of the repair. If the resident will be charged, **WHO** will inform the resident as soon as possible. Residents will be billed promptly for damages they cause, and will be required to reimburse the property within 30 days or other reasonable time agreed upon by **WHOM** and resident.
8. After maintenance work is completed, **WHOM** will inspect the work if an outside contractor was involved. The Work Order will then be completed by providing information on the cost of the repair. If contractor costs are involved or charges are to be billed to the resident, a copy of the work order and billing invoice will be forwarded to accounting.
9. Completed work orders will be filed by **property/unit**.

Unit Turnover

1. All unit turnover work after vacancy will be written on work orders. Maintenance staff will ensure that units are properly painted, cleaned and repaired before a new resident moves in. **WHO** will check each unit as the work is completed by the Maintenance staff.
2. If a resident has damaged his/her vacated unit beyond normal wear and tear, they will be charged for the actual costs of replacement or repair, including labor. These charges will be documented and deducted from the security deposit and documentation will be included in communication concerning the refund of the security deposit.

3. If resident damages require repainting the unit prior to its regularly scheduled redecoration, the resident will be charged a pro-rated paint charge based on the following schedule:

1 year or less 100% of cost

1 to 2 years 80% of cost

2 to 3 years 60% of cost

3 to 4 years 40% of cost

4 to 5 years 20% of cost

No charge if over 5 years since last painted

Preventive Maintenance Schedule

1. Each property will have a Preventive Maintenance Schedule that will be completed by **WHOM**.

The types of items to be considered in developing the Preventive Maintenance Schedule include:

- ▶ items under warranty requiring regular maintenance to maintain the warranty
- ▶ fire alarm systems
- ▶ air conditioner filter replacement
- ▶ water heater flushing
- ▶ wall heater inspection
- ▶ equipment oiling and lubrication
- ▶ roof inspection
- ▶ gutter and downspout cleaning
- ▶ sewer clean out
- ▶ touch up painting
- ▶ refrigerator coil cleaning
- ▶ areas needing regular caulking
- ▶ carpet/drape cleaning
- ▶ landscape pruning or cleanup

Property management staff should regularly question repair persons on how to best maintain equipment and facilities and add tasks to the preventive maintenance schedule as needed.

2. It is the goal of **AGENCY** that each preventive maintenance task be completed within one month of its scheduled date.
3. **WHO** will be responsible for filling out a Work Order for the necessary work and arranging for maintenance personnel or outside contractors to complete that work.
4. The Preventive Maintenance Schedule will be reviewed once a year to ensure that work has been completed and that the timing and scope of the work included on the preventive maintenance schedule is appropriate. The Property Inventory List will be reviewed at the same time as the Preventive Maintenance Schedule to insure that proper servicing and maintenance will be scheduled for new items.

Property Inspections

1. An informal property inspection will be completed by **WHOM** on a quarterly basis. A formal grounds and property inspection will be completed by **WHOM** annually. After the inspections, Work Orders will be written for required repairs and the work scheduled for completion.
2. At the time of the inspection, **WHO** may choose to survey residents on repair needs for their units and the property as a whole.
3. The Property Inventory list will be reviewed annually at the time of the annual inspection.

Unit Inspections

1. All units will be inspected at least annually, either on the anniversary of the resident's original move-in or en masse for all units at the property. Resident will be given at least 24 hours written notice of a unit inspection.
2. The unit inspection form used for annual inspections will be the same as the inspection form used for move-ins and move-outs. Upon inspection, the annual form will be compared with the original move-in inspection, work orders will be written for necessary repairs and the work scheduled by **WHOM** for completion. Any repair work that is required because of resident damage or negligence will be charged to the resident.
3. The annual unit inspection will include a review of any maintenance or safety problems plus general housekeeping conditions and any changes in the Lease, House Rules or other residency documents.

Apartment Cleaning and Repair Charges

- 1.1. The cost of repairs to be charged to residents will be calculated as:
 - ▶ the actual cost of labor, including pro-rated benefit costs if labor is provided by staff on **AGENCY** payroll;
 - ▶ plus the cost of materials, supported by purchase or service invoice.
2. When residents are charged for repairs, they will be provided a copy of the Work Order and, at their request, copies of any invoices involving the repair.

Inventory

1. An inventory list for each property will be made by **WHOM**.
The list will include:
 - ▶ common area property (e.g., patio furniture, recreation materials;)
 - ▶ tools and equipment;
 - ▶ unit appliances;
 - ▶ carpeting and window coverings
 - ▶ painting
2. The inventory list will contain the following information:
 - ▶ brand name and model number of item (if applicable)
 - ▶ serial number (if applicable)
 - ▶ description (size, color)
 - ▶ location
 - ▶ year purchased or repainted (if known)
3. The Inventory will be completed at the time **AGENCY** takes over property management responsibilities for a new property and will be reviewed annually at the time of the annual property inspection.
4. The Inventory will be reviewed at the time the Preventive Maintenance and Replacement Reserve Schedules are reviewed to insure that all new purchases are included on the Inventory and that necessary maintenance is scheduled.

Sanitation and Pest Control

1. It is the policy of **AGENCY** to maintain the health and safety of residents by providing timely pest control services. **AGENCY** does this by contracting with companies that can provide these services and by an on-going education plan to keep residents informed of housekeeping and daily living activities that can create problems with pests **or with septic systems** at their communities and reminding them that the costs of repairs and maintenance are passed on to residents directly through higher rents or indirectly through foregoing other improvements at the properties.
2. The following properties receive pest control services on a regular basis:
3. The following properties receive regular service on septic systems:

Replacement and Operating Reserves

1. In order to establish an adequate funding for individual property reserves a replacement reserve analysis will be performed for each new acquisition and will be updated at least every three years. The replacement reserve analysis will take into account the items at the property that will eventually need replacement, the life expectancy of those items and the estimated cost of replacement to establish an optimal monthly funding for the reserve. A five-year calendar of the Reserve for Replacement Planned Use of Funds will be established and updated annually at the time of budget preparation.
2. All purchases from the replacement reserve will be included in the yearly budget as replacement reserve expenses. Any purchases which have not been approved during the yearly budgeting process must be approved by **WHOM**. Reserves required by outside agencies must abide by the approval and withdrawal procedures established by those agencies.

Replacement Schedule

1. The Reserve for Replacement Planned Use of Funds Schedule and Annual Property and Unit Inspections will be reviewed annually by **WHOM** during the budget process to ensure that needed replacements for each property are included in the annual budget. The Reserve for Replacement Planned Use of Funds Schedule will be updated annually as necessary to reflect replacements actually made during the previous year.
2. An Inventory list will be maintained indicating how long each appliance has been in the unit and when a unit was last redecorated.

Independent Contractors

1. **AGENCY** Property Management staff will be required to solicit three bids for any expenditure which exceeds Two thousand five hundred dollars (\$2,500) for any one instance for labor, materials or otherwise in connection with the maintenance and repair of the properties, except in cases of emergency.
2. Work being placed out to bid requires written job specifications to ensure that bidders fully understand what is requested and bids are solicited on similar materials and scope of work. Contractors will be required to provide certificates of insurance for adequate liability coverage and workers compensation insurance.

Safety Program

1. All employees will act to assist residents and law enforcement professionals in the protection of the properties and residents. Residents will be strongly encouraged to have their own "Neighborhood Watch" system.
2. Maintenance and Property Management staff will monitor each property for health and safety issues. Any such issues will be dealt with immediately.
3. Property management staff will provide residents with a list of emergency numbers for hospitals, ambulance, fire and police departments as well as the phone number for the on site office or **AGENCY** office and information on how to contact **AGENCY** staff for after hours emergencies.
4. All residents and staff will be familiarized with evacuation procedures, use of smoke alarms and fire extinguishers. A residents' meeting will be held with Fire Department and Police Department personnel where practical.

5. Residents will be provided with information at the time of their move-in. As much as possible, safety precautions and advisories will be included in House Rules. Residents will be provided with regular updates during unit inspections and by annual mailings to properties with special concerns.
6. All staff will receive on-going training concerning safety on the job. All staff that will handle cleaning materials will be trained in personnel safety and will be given access to Material Safety Data Sheets describing precautions for materials used in janitorial functions. Staff involved in the moving of heavy objects will be directed to training on safe lifting procedures.

EXHIBIT 7-5
THE GARDENS
PREVENTATIVE MAINTENANCE AND CLEANING SCHEDULES

ITEM	WEEKLY	MONTHLY	QUARTERLY	ANNUALLY
Automatic Garage Door Openers – 6 Make: Stanley Model#: 08 APT-8-311 Load Rating: 100 ft. pounds/sec. Serial #'s: 436620, 436622, 436621, 436619, 436608, 436623 Motor: 1/3 H.P. Volts: 115 Phase: 1 Add Load: 35VA <i>Central Motor</i> Motor: Leeson Model #: A 4P11d1E Serial #: 101-0021 H.P.: 1/3 Volts: 115 Add Load: 35VA	Check belt	Grease rollers	Oil Motor	
Fences, Benches, Stairs, Bridges		Check monthly		Seal/Stain annually
Fire Alarm System Make: Edwards 5660 <i>Reset Switch</i> Make: Sylvania D 332SN Model #: 1 30 Amps, 240 V.A.C.		SEMI-MONTHLY Check to assure proper operation of alarm system.		
Fire Escape Folding Ladders			Check to assure proper operation. Grease/Oil.	
Fire Extinguishers 1. Big Bear Type: ABC Recharge Date: May 4th 27 Maria Court Novato, CA 94947 (415) 897-6711 2. Arrow Fire Protection Type: ABC Recharge Date: February 11th 3330 Seldon Court, Suite 1 Fremont, CA 94539 (415) 398-1181		Check recharge/discharge gauge		

ITEM	WEEKLY	MONTHLY	QUARTERLY	ANNUALLY
Fire Sprinkler System #1		Pressure gauge should be kept between 55-65#'s.		
Fire Sprinkler system #2		Pressure gauge should be kept between 40-60 #'s.		
Unit Furnace Filters				Replace annually
Hampshire/Mariposa Gates and Doors			Locks: Oil quarterly Hinges: Oil quarterly Gate/Door Closers: Repair/Replace as needed Check all iron gates and doors for looseness	
Hot Water Heater — Laundry/Office Make: Hoyt Model #: M-1D-80-180-W-3 Capacity: 76 U.S. Gallons Input: 180,000 BTU/Hr. Recovery: 162 Gallons/Hr. Test Pressure: 300 PSI	Check around water heater to make sure there are no leaks		Drain water heater tank. Clean burner.	
Unit Hot Water Heater —1 Make: Hoyt Model#: 11D725-100-W-3 Capacity: 100 U.S. Gallons Input: 250,000 BTU/Hr. Recovery Capacity: 225 Gallons/Hr. Serial #: L86CN01349875	Check around water heater to make sure there are no leaks.		Drain water heater tank. Clean burner.	
Hot Water Pumps Make: Bell & Gossett Model #: 102213, Serial #: SSRV8NF 1-878 Max. Temp.: 225°F			Oil hot water pump	
Metal Railing/Fences		Inspect for looseness		EVERY 3 YEARS Paint
Plants			Trim plants/trees as needed. Water plants /trees as needed. Fertilize as recommended.	

ITEM	WEEKLY	MONTHLY	QUARTERLY	ANNUALLY
Courtyard and Decks	<i>Sweep daily. Wash down as needed. Replace light bulbs as needed.</i>			
Garages	<i>Clean daily. De-grease as needed. Wash down as needed.</i>	<i>Wash down/disinfect</i>		
Gas and Electric Meter Rooms			<i>Clean once monthly</i>	
Laundry Room	<i>Clean machines, esp. Dryer filters. Mop floors. Clean walls. Empty garbage can.</i>		<i>Wash windows. Clean behind machines.</i>	<i>Wax and buff.</i>
Office 1. Carpet 2. Desk 3. Garbage can 4. Bathroom; 5. Windows 6. Light Bulbs	<i>Vacuum carpet, clean desk / bathroom, and empty garbage cans daily.</i>		<i>Wash windows down monthly.</i>	<i>Shampoo carpet quarterly – more often if necessary. Replace light bulbs as needed.</i>
Hampshire Street, Mariposa Street and Potrero Avenue Sidewalks	<i>Sweep daily. Wash down as needed.</i>			
Hampshire Street, Mariposa Street and Potrero Avenue Sidewalks	<i>Sweep/clean daily</i>			
Hampshire Street, Mariposa Street and Potrero Avenue Sidewalks	<i>Clean graffiti</i>			
Water Heater Rooms			<i>Clean once monthly.</i>	
Playground		<i>Inspect for looseness</i>		<i>Steal/Stain</i>
Sidewalks		<i>Inspect for chips, cracks, etc.</i>		
Unit Smoke Detectors		<i>Check to assure proper operation of smoke detectors</i>		

EXHIBIT 7-7
UNIT INSPECTION

Property Name: _____

Resident's Name _____ Unit #: _____

	Living Room	Dining Room	Hall	Br #1	Br #2	Br #3	
Blinds, drapes, shades							
Ceiling							
Closets							
Doors							
Floors, carpets							
Light fixtures							
Paint							
Windows & Screens							
Switches & Receptacles							
Walls							
Smoke Detectors							
Heater/Air Conditioner							

Kitchen		Bathroom	#1	#2	Comments
Cabinets & Countertops		Cabinets			
Ceiling		Ceiling			
Doors		Doors			
Floor		Floor			
Hardware		Hardware			
Light Fixtures		Light Fixtures			
Paint		Paint			
Stove		Stove			
Exhaust fan		Fan			
Refrigerator		Toilet			
Sink		Lavatory			
Garbage Disposal		Mirrors			
Switches & receptacles		Switches & receptacles			
Windows & Screens		Windows & Screens			
Walls		Walls			
Other					

Additional Comments:

Inspected by: _____ Date: _____

Resident Signature: _____ Date _____

EXHIBIT 7-8
PROPERTY INSPECTION FORM

Items Inspected	Maintenance Needed	Urgency H/M/L	Comments
<i>Exterior Items Inspected</i>			
1.. Exterior walls and foundations			
2.. Roofs, flashing, vents			
3. Gutters, downspouts, splashblocks			
4. Drives, parking lots, paving, curbs			
5. Walks, steps, guardrails			
6. Fences, walls, gates			
7. Porches, balconies, fire escapes			
8. Doors, windows, screens			
9. Garage and carports			
10. Lawns and plantings			
11. Sprinkler and drainage system			
12. Exterior lighting			
13. Exterior painting			
14. Underground gas, water, sewage			
15. Security systems			
<i>Energy Efficiency Items Inspected</i>			
16. Insulation			
17. Caulking and weatherstripping			
18. Storm doors and windows			
19. Water saver devices			
20.			

Items Inspected	Maintenance Needed	Urgency H/M/L	Comments
<i>Interior Items Inspected</i>			
21. Floors, carpets, tiles			
22. Cabinets, doors, closets, hardware			
23. Painting			
24. Curtains and shades			
25. Refrigerators and ranges			
26. Garbage disposal and exhaust fans			
27. Compactors and incinerators			
28. Electrical fixtures and systems			
29. Plumbing fixtures and systems			
30. Heating and air conditioning			
31. Hot water system, boiler room			
32.			
<i>Miscellaneous Items Inspected</i>			
33. Benches, play area and equipment			
34. Laundry rooms			
35. Storage, utility buildings			
36. Elevators			
37. Project signs and office			
38. Swimming pools			
39. Exterminating			
40. Fire extinguishers			

EXHIBIT 7-10

APARTMENT TURNOVER AND INSPECTION PROCEDURE

1. After a resident has given a Thirty (30 Day Notice of Intention to Vacate, an appointment is to be set with the resident as to the convenient time (during working hours) to perform the Move-Out Inspection Report form.
2. Inspection check-outs are usually held on the last day of occupancy or the morning immediately following.
3. All items must be removed from the apartment unit before the apartment inspection check-out can be made.
4. It is important that the resident be present to sign the inspection. Every effort in the coordination of the above-listed items is to be made.
5. The Apartment Cleaning Charge Guide will be referred to by the property manager/maintenance department in order that proper charges may be made on the Move-out Inspection Report form.
6. All items needing repair or replacement are to be put on a maintenance work order form. A separate work order form will be prepared for each area of refurbishing.
7. The completed inspection form indicating any and all labor and material charges beyond normal wear and tear is then given to the on-site Bookkeeper for the preparation of the Final Closing Statement.
8. Final Closing Statement or Itemized Disposition of Security Deposit is to be completed and processed no later than seven (7) working days following the office date of vacate. A copy of the form must be mailed to resident whose Security Deposit was not fully refunded. *A letter requesting payment in full within thirty (30) days or the optional repayment plan must be included as well.*
9. The maintenance department will double check the unit before turning the unit over to the property manager as ready for occupancy. Following check-out, the site office is to be furnished with 3 sets of keys (entry and mailbox).
10. The property manager will double check the unit before it is shown to a prospective or new resident. During this process, the Apartment Move-In Move-Out Inspection Report will be prepared.
11. On the day the new resident is to sign the lease, pay the rent and receive the keys, the final Apartment Move-In Move-Out Inspection Report will be made by the resident and the property manager. (According to the form, both will sign as to the condition of the unit.)

EXHIBIT 7-11
UNIT MAKE-READY REPORT

Instructions: To develop work orders for apartment cleaning and repairs, this form should be used as a supplement to the "Unit Inspection Form" after a move-out.

Property _____

Unit _____ Type _____

Date Vacated _____ Date To Be Occupied _____

Initial Inspection by _____ Date _____

Final Inspection by _____ Date _____

Checklist Before Move-In

Instructions/Comments

Check all plumbing, (Toilets, faucets, all plumbing in unit). Make sure no leaks

Check all appliances. (Run dishwasher once on each cycle check operation of refrigerator, disposal, and range)

Check hardware in unit. (All doorknobs, closet hooks, closet rods door pulls, night locks, door stops magnetic catches, etc.)

Check windows and screens. (No breaks in either. All sliding glass windows and screens working correctly.) Clean out tracks on all sliding glass windows and doors. Ensure all screws are installed where needed.

Check venetian blinds for proper operation

Check all walls for holes, seams cuts, nail pops

Check paint. (All walls, ceilings, woodwork, trim which need to be cleaned or painted. No spots, streaks, or scratches.)

Check flooring. (All floors cleaned and waxed, parquet block floors or wood strip and asphalt tile included. Carpet vacuumed.)

Bathrooms(s) cleaned. (Tubs, toilets, tile, walls, tile floor, vanities mirrors, medicine cabinets, and sinks clean.)

All towel bars, toilet paper holders soap dishes installed and cleaned






Check tile in bathroom(s) for cracks or flaws

Exercises

1. How many have done 100% of their preventive maintenance on time for the last three years? If it's so important to economical operation of a maintenance program, why do we let it take a back seat?
2. As a property owner or manager, do you have any goals for your property or the surrounding community that can be addressed by your maintenance program? If so, what are they and how are those goals communicated to property management and maintenance staff?
3. You operate an 85 unit Single Room Occupancy Hotel. There are 1.5 maintenance positions. There is a backlog of units that can't be turned around and the average vacancy is now 21 days. Monthly rents are \$300. The property has been averaging 4 vacant units a month. What is your rent loss due to vacancy at this property? How could you address reducing the vacancy loss?
4. Do you know where or how you spend the bulk of your maintenance money? When you consider your maintenance staff, do you know what they spend the bulk of their time doing?

Chapter 8: Monitoring Performance

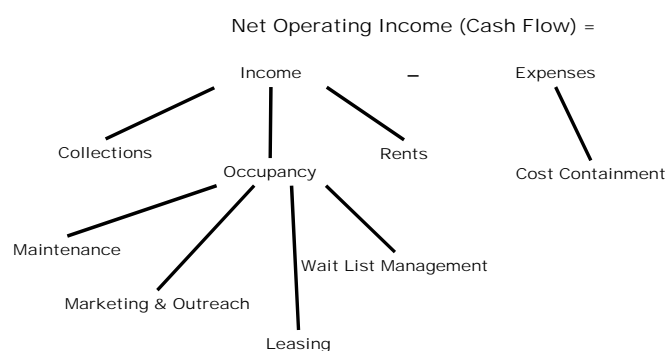
In This Chapter:

-  Discussion on evaluating property performance.
-  What is Net Operating Income (NOI)? And why is it important?
-  Overview of common property performance indicators, including “industry standards”.
-  Tips for controlling costs and effecting income.
-  Methods for managing information critical to property performance.

Every property manager needs to have access to information on how their properties are performing. On a monthly basis, property managers need to know how income is covering expenses. They also need to develop a historical perspective, to be able to compare how a property is performing over time. Property Managers may also want to compare different properties to each other or to other property standards.

One of the required pieces of information is how much cash is generated after expenses are deducted from income. The answer to this equation is called Net Operating Income or NOI. A number of organizations devoted to improving the asset management performance of nonprofits offer training programs to familiarize property managers with the concept of NOI and how it can be used to analyze the performance of your property. Some of these education programs are listed in the Resources Section, e.g., Local Initiatives Support Corporation (LISC), Neighborhood Reinvestment Corporation (NRC).

In order to increase the NOI, one must increase income or decrease expenses. The following figure is from a training, “Nuts and Bolts of Asset Management” developed by the Local Initiatives Support Corporation and offered at Neighborhood Reinvestment Corporation Training Institutes. Using this analysis tool can help an organization evaluate how they can improve their NOI so more funds are available for social service program, residents initiatives or, just enough money to pay their utility bills.



Net Operating Income is important because it covers debt payments, reserve funding, and most distributions an owner may be expecting.

This Section provides a chart of Property Performance Standards developed for nonprofit housing and articles on analyzing and troubleshooting Income and Expense problems. This Section also contains a list of items that might be included in monthly reports on a property.

About HOME :

During the period of affordability, the participating jurisdiction must perform on-site inspections of HOME-assisted rental housing to determine compliance with the property standards of **92.251** and to verify the information submitted by the owners in accordance with the requirements of **92-252** no less than: every three years for projects containing 1 to 4 units; every two years for projects containing 5 to 25 units; and every year for projects containing 26 or more units.

The site inspection will include an inspection of the building exteriors, grounds, recreational facilities, office, maintenance shop and public restrooms, all units listed as vacant and a sample of occupied units.

In addition to determining that property standards are being maintained the participating jurisdiction will review tenant files to determine whether each family is income eligible in accordance with **92.203** and that the project meets the affordability and income targeting requirements of **92.252** for the required period.

The file review will include a review of any significant activity since any prior review including: move ins, unit transfers and recertification. During file review the participating jurisdiction will check that:

- Management is using correct High and Low HOME rent limits;
- Management is using correct estimates for resident-paid utilities;
- Each item of income is supported by acceptable verification;
- Each item of income was reflected accurately in the eligibility calculation;
- Each deduction or allowance is supported by acceptable verification.

EXHIBIT 8-1
PROPERTY PERFORMANCE COMPARISON

	Industry Standard	Historic Performance	Current Standard and Goal
1. Occupancy Rate	95%		
2. Rent Collection	95%		
3. Turnaround time	3 - 15 business days		
4. Work Order systems:			
Emergency	24 hours		
Vacancy refurbishment	3 - 15 days		
Preventive	Within 2 weeks of schedule		
Planned	5 - 10 business days		
Resident requests	3 - 7 business days		
5. Energy conservation	Monitor consumption as well as costs		
6. Management Plan	Updated annually		
7. Capital Needs & Replacement Reserves	Sufficient reserves to cover a major problem		
8. Unit inspection & Preventive Maintenance	Annual unit inspections & preventive maintenance plan		
9. Disposition & Refinancing	Disposition plan in place		
10. Operating reserves	10 - 25% of annual operating budget		
11. Tenant satisfaction	Annual tenant satisfaction surveys		
12. Curb Appeal	Quarterly assessment of attractiveness		
13. Security	Tenants should feel safe in development		
14. Expenses to income	Sufficient income to cover expenses		
15. Accounts Payable	Bills paid within 60 days		
16. Reporting to Investors, Lenders and Regulators	Within 10 days of reporting deadlines		

EXHIBIT 8-2

TIPS AND STRATEGIES FOR CONTROLLING COSTS IN AFFORDABLE HOUSING

Whether a property is meeting expenses by the skin of its teeth or looking for ways to increase reserves, pay for improvements or add staff, controlling costs is one of the more important tasks of the property manager. Savings opportunities can be found in almost any line item in your budget. But owners and managers need to evaluate if the savings are worth the work to obtain them.

The first rule of this cost benefit analysis is, “Time is money.” The cost of staff time must be factored into cost saving decisions. Is there spare time to cross town to pick up supplies more cheaply? Is there time to do the necessary research that may lead to cost savings?

If you’re trying to find a local provider for some of the services mentioned, you may be able to save yourself a few phone calls by starting with your local property management organizations. Membership and participation in the regional arm of the National Affordable Housing Management Association, a local Nonprofit Housing Association, the local chapter of the Institute of Real Estate Management or local Apartment Owners Association can help keep you up-to-date on regulations and training opportunities and association staff and members can often help track down resources.

The second rule is to avoid being “penny wise and pound foolish.” Cost considerations should include not only price but value. Life time warranties of brand name equipment, qualified service personnel who show up on time and tools built for the heavy duty use they get in multi-family housing can be worth the extra purchase expense. Saving pennies is not worth the frustration of paper that jams the copier, equipment that breaks when you need it most, and handypersons who don’t have the training or experience to do the work you need done.

This publication is divided into common operating budget categories: administrative and office costs, utilities, maintenance, taxes and insurance, and employee salaries and benefits. Each of these categories can offer cost savings opportunities to the astute property manager.

Listed on the following pages are some of the cost control strategies considered by experienced property managers.

ADMINISTRATION

- ▶ If you’re located in an urban area, discount office supply companies offer the convenience of being able to shop at the store and the low prices associated with catalog sales operations. Savings can still be found in catalog buying of certain items that are used in quantity.
- ▶ Finding the right forms can save time and money, improve management and impress program monitors from regulatory agencies. Rent receipting procedures should provide an accurate and easy method to record collections. Property management computer software or one-write pegboard receipting systems can reduce staff time needed to receipt and record rents. Purchasing these systems can be more expensive than using receipt books and whatever recording system has been developed by your agency. And staff may balk at learning a new system. But these systems can save time by eliminating repetitive procedures.
- ▶ One-write, three-part work orders can help you keep track of how your maintenance staff is being used. The three-part work-order allows you to provide a copy to the resident, while keeping records in the resident’s file so you have a history of work done in a unit and in an administrative file so you can analyze total maintenance costs. Business forms can be obtained through business stationery supply stores or national catalog vendors.

- ▶ Weigh the advantages and disadvantages of leasing versus buying items such as telephones and pagers. Lower, on-going monthly lease costs versus high, upfront purchase costs may be the only possibility for properties with no cash for set-up costs. Leases which include repair and replacement remove the guesswork of estimating upkeep costs. All leases should be read carefully for the details on terminating the lease and purchase options.
- ▶ A telephone answering system can be designed in different ways. Each property needs to analyze how it uses its answering service. Smaller properties can do fine with an answering machine that provides an after hours emergency number, but someone has to make sure the machine is turned on. Voice mail systems can be purchased as part of your telephone equipment or as a service provided by your local telephone company. Voice mail allows you to access messages from anywhere by telephone and some systems can be linked to pagers. There are continuing monthly costs for these services. Larger operations may want the security of a good answering service that can direct calls and contact personnel in emergencies.
- ▶ Do you need a dedicated line for the fax machine? By sharing a line with the office telephone, you can save the cost of that extra telephone service.
- ▶ The deregulation of telephone services has meant a proliferation of telephone options. In order to find the best service for your needs, analyze your calling patterns (e.g., times and areas) and find the company that offers the best prices for how you use the phone.
- ▶ Banking costs, fees and interest rates vary widely. Accounts should be analyzed regularly to make sure you are getting the best return on your insured investments and receiving services at the lowest cost. Accounts holding large sums such as Replacement Reserves should be at least partially invested in longer term, higher interest instruments such as Certificates of Deposit and Treasury bills.
- ▶ If you write few checks from your Security Deposit account, you may be able to save costs and earn interest by placing all deposits in a Market Rate Account instead of a checking account. Most Market Rate Accounts allow you to write several checks a month without being charged.
- ▶ Bids and comparison shopping are as important in accounting, insurance and legal services as in janitorial supplies. Bids should be updated every two or three years.
- ▶ If your property has many evictions, bids should be obtained from attorneys and eviction services. Research should include questions on how fees are charged for uncompleted evictions. Service is as important as price. It's no deal to save \$100 on attorney's fees but lose \$400 in rent because your attorney is slow or is giving you a discount price because your cases are placed on the back burner.
- ▶ Credit recovery services may recover bad debts from working residents who move out. Some Credit Reporting Agencies offer this service and, for a share of collections, will bear the costs of investigation and court orders for recovery.
- ▶ Always do eviction background checks of applicants. You may also want to do credit background checks. Most Credit Reporting Agencies will provide both. A responsible landlord cannot afford to leave out this important step in choosing tenants. Many affordable housing programs allow this cost to be charged to applicants.

UTILITIES AND TRASH REMOVAL

- ▶ Contact local utility companies (electric, gas, water and sewer) and request:
 - an analysis of rates to make sure you are on the rate schedule that will lead to the lowest utility cost for the way you use utilities at your site;
 - a “utility use audit” to analyze where and how you are using utilities;
 - information on special programs that may be available to the property, e.g., low-cost energy efficient appliances, adaptive devices, weather stripping, education for residents.
- ▶ Each utility provider offers different services. Sometimes utility providers will offer different services in different communities. In one community, a utility company will provide an exhaustive analysis of energy usage while in a nearby community serviced by the same company, little information may be available due to staff shortages or allocation. Special programs may be designed to meet the needs of specific communities. Unfortunately there is often no central person within a utility company who is aware of all the services the company may offer. This is where association memberships can keep you informed.
- ▶ Some utility consultants will analyze the rate schedules for a property’s gas, electricity, water and sewer. They will often do the paperwork for recovery of overpaid prior charges. No fee should be charged if savings are not identified. If rate savings are identified, the charge can be 50% of savings over a period of 1 to 3 years. Consultants can be located in the telephone book or through housing associations. With any of these companies, contracts should indicate that payments are based on actual bills and usage, not theoretical savings based on prior usage. If a rate analysis has never been done for a property, save yourself the consultant fee by making your request directly to the utility provider. Because of specialized knowledge and the goal of locating the lowest available rates, a consultant may still be able to identify additional rate savings and can save staff time in attempting to recapture prior overcharges.
- ▶ Certain electrical providers have contracted with companies to pay for the installation of energy saving devices. Contact your local utility provider to find out if they have arrangements with outside contractors to help low and moderate income housing providers reduce building energy usage by installation of energy saving devices, ranging from light fixtures to insulation of hot water boilers.
- ▶ Trash removal costs are affected by pick-up arrangements, e.g., the number of pick-ups per week and the size and location of receptacles. For larger properties, dumpster charges are usually much less expensive than individual cans if access can be controlled so you’re not collecting the excess trash of the entire neighborhood. In some communities, the waste removal contractor will help you analyze alternatives.
- ▶ Recycling can help control trash removal costs by keeping items out of the waste stream. In communities where the trash removal contractor does not provide recycling services at the site, organizations such as Scouts or fraternal organizations may provide and empty community recycling bins on a regular basis as part of their fundraising efforts.
- ▶ *Consumer Guide to Home Energy Savings* by Alex Wilson and John Morrill is available for \$7.95 from the American Council for an Energy Efficient Economy, 2140 Shattuck Avenue, Suite 202, Berkeley, CA 94704, Phone (510) 549-9914. This publication explains how different appliances use energy, provides advice on how you can reduce energy usage even without buying new appliances and lists tables of some of the most efficient appliances.

MAINTENANCE

Purchasing

- ▶ Purchasing maintenance items through national catalog sales can reduce costs, especially when buying in bulk. Housing Associations and trade shows can help you locate local business with catalog sales departments. The decision to purchase through national catalogs has to be weighed against the desire to patronize and support local businesses.
- ▶ Another form of catalog sales is offered by buyers clubs, property management's equivalent to discount and bulk buying chains. Because of the high volume generated by purchasers buyers clubs obtain substantial discounts from national providers of office supplies, janitorial supplies and equipment, carpet, paint and appliances. There is often a per unit annual membership fee. When used wisely, savings can more than cover the cost of the annual membership fee.
- ▶ Major chains and manufacturers have contract sales departments which can offer lower prices on appliances than you will find on the sales floor. While normally used for bulk purchases, single appliances can be purchased under contract sales.
- ▶ Maintenance and janitorial work in multi-family properties requires professional tools and equipment. Equipment adequate for a single family home is not appropriate for multi-family housing maintenance. Purchasing cheap tools or equipment, especially items like vacuum cleaners and carpet cleaning equipment is not cheaper in the long run when you have to quickly replace them because they were not constructed to withstand heavy use.

Inventory

- ▶ Maintain an adequate inventory of maintenance items needed regularly, e.g., plumbing and electrical parts, garbage disposals. Staff saves time and money by having necessities on hand. Resident frustration is reduced when they don't have to wait for minor repairs because items aren't in stock. Be aware of any special order items (e.g., garbage disposals specially designed for the handicapped, unique lighting fixtures) that may require special ordering and take weeks to obtain.
- ▶ Inventory control is important so you know how supplies are being used and how often to order to prevent panic shopping. Inventory of appliances, including serial numbers, should be kept up-to-date.
- ▶ If lock cylinders on doors can be easily replaced by maintenance staff, keeping extra cylinders available allows staff to make quick lock changes, rather than being charged for service calls for re-keying a lock. The old cylinder can then be brought to the key maker to be changed. Larger properties may want to invest in key making equipment and training.
- ▶ If the property has the space and the money, keep an extra appliance on hand, perhaps in the maintenance shop, so you don't have to panic shop when a unit appliance breaks down and you have to maintain habitability standards

Bids and Contracts.

- ▶ Get into the habit of regularly obtaining bids on costly items, e.g., carpets, unit painting. Bids should be updated every two or three years. In new properties, bids on replacement items should be obtained within the first six to nine months so you're not waiting for bids when you're in a hurry to rehab an apartment for immediate occupancy.
- ▶ When negotiating any contract, make sure you know what costs are included in the contract. Low bids may have additional charges for work that is included in the contract of a higher bidder.

- ▶ If there are additional charges for extra services, decide who authorizes those extra costs. If site staff is authorizing the costs, supervisory staff may not know when and why costs are over budget.
- ▶ When using contractors, periodically re-evaluate your choice. If work is shoddy, if all costs were not included in the original bid or the contractor doesn't show up on time, keeping staff and residents waiting, service is the price you may be paying for low cost. As with tools and equipment, **cheapest is not always cheapest**.
- ▶ Maintenance contracts can save money. Some systems should be serviced by qualified technicians not by the handyperson maintenance staff. In some communities, building codes require servicing by licensed technicians. Maintenance contracts should be considered for building components such as the boiler, sewer line clean out, the elevator, fire alarms and the HVAC system.
- ▶ Make sure you are using the right contractor for the right job. While you may want a highly trained, highly paid professional for state-of-the-art systems, you don't need them to unstop a toilet. Use different contractors for jobs of different complexity. However, **cheapest is not cheapest** if you pay a generalist \$50/hour for 4 hours of work while they figure out your system when a \$75/hour technician trained on the system can fix the same problem in one hour.
- ▶ Elevators need regular maintenance. Most elevator maintenance companies prefer full maintenance agreements but will, if pressed, provide a bid for an oil and grease contract. The oil and grease contract gives you only that. The technician comes in regularly (usually once a month), makes sure the fluids are adequate and makes recommendations on preventive maintenance and repairs that can be expected in the foreseeable future. All repairs and emergency calls are charged separately. Full service contracts cover most work done during standard work hours in the contract price and only charge the difference between regular and overtime wages on emergency calls after regular work hours. A full service contract is like insurance. You may not need it, but if you do, you may save money. Most new elevators, however, do not require serious work during the first two years of operation.
- ▶ Provide staff with a current list of contractors and repair services to call and the procedure to use before calling the contractor. Staff should know when they must get prior approval, from whom and what to do if that person cannot be contacted.
- ▶ If janitorial or landscaping services are contracted out, managers may want to contact local employment programs for the developmentally disabled. Some job training programs offer janitorial, housekeeping and landscaping services. Management can provide good service to residents while doing a service to their communities.

Training

- ▶ Before you count on your maintenance staff to make repairs, make sure they know what they're doing. Like the driver who won't ask for directions, some handypersons believe they can figure out anything when, maybe, they can't.
- ▶ Train non-maintenance staff on small repairs such as simple unclogging of toilets or learning how to re-set modern elevators when the computer malfunctions. (The repair may be as simple as turning the power off and on.)
- ▶ Special maintenance training can help contain costs. For instance, training in the making of keys and the purchase of a key machine can cut costs and save maintenance staff the time of having to go to the hardware store every time a key needs to be made.

Preventive Maintenance

- ▶ Preventive maintenance should never take a back seat to other maintenance work. Maintenance such as annual vacuuming of refrigerator coils and flushing of hot water heaters and air conditioners can extend the life of appliances. Annual unit inspections provide an opportunity to assess how households are maintaining their apartment and residents can be educated during the inspection.
- ▶ Resident education can help control maintenance costs. Residents should understand how to use appliances, garbage disposals, and new technology. If residents don't understand how to use new technology (e.g., energy saving thermostats, water saving systems), the cost of installing that technology has been wasted.
- ▶ If a resident uses an electric wheelchair, installing kickplates or protective plastic on walls in tight corners and areas where the wheelchair footrests are likely to hit the wall, can help prevent expensive drywall repairs and can help the resident maintain apartment appearance by reducing scuff marks on walls.

Replacement Items

- ▶ Use the estimated useful life of a Replacement Reserve item to decide whether to repair or replace it. You don't want to spend \$200 repairing a \$500 item if it's due to be replaced in the next year anyway.
- ▶ Window covering selection depends on the type of housing. Vertical blinds are easier to clean than horizontal blinds and individual strips can be purchased and easily replaced when broken. Pay attention to the direction in which windows open. Horizontal blinds are a mistake on windows that slide open sideways. You may want to consider lined draperies if blocking out noise, light and heat is necessary. Consider too, the population you are serving. Blinds quickly become bent and broken, affecting the appearance of the property, if residents poke their hands through the blinds to open the window instead of first opening the blinds.

LAUNDRY FACILITIES

- ▶ Laundry facilities can generate additional income for a property while providing convenience to residents. Owners must decide between owning equipment themselves or leasing through a laundry operation. Owning your own equipment requires high upfront purchase costs but generates more cash. Management, however is then responsible for machine repair and collection of laundry money. Repair costs depend on the use the machines get and the care residents take in using the machines. Staff time is required to collect, count and deposit coins. With lease arrangements, the laundry provider is responsible for this and payment is made by check to the property.
- ▶ Some laundry leasing companies offer a “decorating fee”, an upfront sum that can be in the thousands of dollars depending on anticipated income. The decorating fee is sometimes negotiable based on the percentage of collections to
- ▶ be received by the property; the smaller the percentage, the larger the “decorating fee” that will be offered.
- ▶ Contract terms should be read carefully. Some laundry companies use long term contracts with automatic renewal periods that require non-renewal notification one year prior to contract termination.
- ▶ The number of machines provided affects income. Laundry companies may require a minimum collection per machine before profits are paid. The more machines provided, the less return per machine. The level of service owners want to provide to residents needs to be balanced against the amount of income they would like to generate from laundry use.
- ▶ The profit generated from laundry equipment should, at least, offset the cost of the energy and water to run the machines.

TAXES AND INSURANCE

- ▶ Work with your insurance company or broker to make sure you are obtaining the best terms for insurance by obtaining bids, pooling properties in master policies and insuring at the appropriate level.
- ▶ Some Workers Compensation insurers will offer discounts to companies with documented safety training programs.
- ▶ Make sure your property tax assessment is correct and that you are benefiting fully from any Property Tax Exemption that may be due you because you are providing housing to low income households or special populations.

STAFFING

- ▶ Costs can be contained by sharing staff among properties. Questions of distance, how much service you would like to provide residents and the needs of the property need to be taken into account.
- ▶ Hire staff with the right skills. If there is a large population of mono-lingual residents, staff should be able to communicate with them. Maintenance staff with good plumbing skills can save calls to plumbers. Staff with the wrong attitude towards residents can cost the property and the owner by making relations with residents more difficult and potentially lead to costly lawsuits.
- ▶ Set up scheduling to make the best use of staff. If you are marketing to working households, staff should be available on Saturdays or in the evening. If your property has desk clerks make sure you have sufficient on-call or part-time staff to cover sick days, vacations and holidays to avoid excessive overtime costs.
- ▶ Sometimes volunteers, especially residents, can help extend the abilities of staff. Residents who are seeking job skills, or the opportunity to learn and use a computer can help with office tasks. While volunteers will not cost the property money, they will cost staff time if the experience is to be positive on both sides. They require training and on-going guidance.
- ▶ Volunteer residents should never be given tasks that give them access to confidential resident information.
- ▶ Students, including residents, can help out through summer employment programs or school year internships. Opportunities may be available through college work/study programs or through service projects arranged with teachers.
- ▶ The State Employment Development Department offers special programs to those seeking employment or training opportunities. Local Welfare Departments may be looking for placements for GAIN program participants. Many communities have offices for the Private Industry Council, which helps people find training and employment opportunities.

MISCELLANEOUS

- ▶ Cultivate local fraternal organizations (e.g., Lions, Rotary) and other community groups for special projects. Some organizations donate funds for holiday parties or Christmas trees. Other groups welcome opportunities for the hands-on involvement of their members such as special Saturday painting projects.

EXHIBIT 8-3
EFFECTING INCOME

While looking at ways to meet the additional financial needs our projects encounter because of “beyond housing” approach, it is important that we thoroughly understand the financial statement. We can have a major impact in driving the revenues of a property as well as controlling the expenses. This article will address some of the ways we can focus on the revenue side of this equation. The most recent edition of “The CHAM Newsletter” addressed strategies for controlling operating costs.

First, we start with the Gross Potential Rental Income (GPRI). It is obvious that one direct way to increase property revenues is by raising the rents. However, this is often contradictory to our basic ownership objective of providing affordable housing and needs to be weighed between the current real estate market and our target market group. In analyzing the rent structure, we need to thoroughly understand the overall market. Are rents showing a positive trend in our region and neighborhood? Or, are they remaining flat or even decreasing as leases are reviewed?

Second, we need to know what is included in the rents of our competitors. Are utilities or other giveaways included in the rent? If so, is this artificially inflating the GPRI of their properties?

Third, we need to keep close watch on income adjustments that show up as bad debt, non-revenue producing units, concessions, skips, and evictions. A thorough analysis of these numbers gives us the economic occupancy that is a more accurate picture of the property’s performance. We do not want to go around bragging that our property is 96% occupied when 10% of the residents have concessions and another 10% are delinquent, some of whom may be evicted. In this instance, our economic occupancy performance is actually a paltry 76%. And, the people who are occupying housing and not paying rent have a double negative impact by affecting the expense side of this financial equation too. We do, therefore, need to have a good handle on the Effective Gross Income (EGI) of our property and the reason the items above either positively or negatively impact it.

What Can We Do?

A major contributor to lost revenue is “downtime.” this appears in most financial statements under vacancy, but is really the days where the unit is not generating any income between the move-out and move-in of residents. Let’s say that we average 15 days turnover time on an individual unit and we lease and move-in 5 apartments per month, we have lost \$168 per unit turned over, \$840 per month, or \$10,080 per year just because our systems were not efficient enough to implement a timely transition. This is potential income that will never be realized. But by creating a better sense of urgency for apartment lease up and by developing better maintenance systems for apartment preparation, we can reduce this down time, approaching the industry standard, and subsequently increase the value of our property. This “downtime” and subsequent loss of income may also be attributed to several other factors. Is the waiting list up to date? Do we have a higher than average resident turnover? And, does the property have a nice curb appeal? Certainly, these three issues are in our control and lack of performance in these areas could significantly affect the bottom line.

Property and timely evictions also have ad direct impact on the income side of the financial equation. If we send proper delinquency notices at the earliest point in time, then we can move forward with timely evictions if our tenants do not pay. However, if we wait, for example, until the second month of delinquent rent payment, then we have lost 30 days of rent unnecessarily (that’s \$420 per apartment) because we delayed the start of the eviction process. In addition, if word gets out that we are lax in enforcing rent collection, the rent payment patterns of our other tenants may decline.

And, if we have a subsidized property, lack of proper and timely recertifications could have a negative impact on our EGI. Improper processing of recertifications may result in delay of the receipt of subsidy rent as well as potential loss of such income. Since the rent subsidy check for many properties is a substantial portion of the EGI, any delay in the receipt of these funds could have a drastic negative impact on the stability of the entire project.

The key to successful financial management is to create a system of reporting which will spot these indicators quickly and to subsequently have the know-how to address any areas of concern. We must be able to explain bad debt, eviction losses, general occupancy, rental trends, and actual (vs. Budgeted) performance. Good managers will be able to answer these questions whenever financial concerns are raised. So our monthly operating statement should provide us with the information necessary to make good, timely business decisions. And finally, we can increase our Effective Gross Income and Not contradict our affordable housing mission by implementing efficient management policies and procedures and not increasing the monthly rent.

EXHIBIT 8-4
MONTHLY CHECKLIST FOR PROPERTY INFORMATION

- _____ Income for the month
- _____ Expenses for the month
- _____ Comparison of Income and Expenses to the budget this month
- _____ Comparison of Income and Expenses to the budget year-to-date
- _____ Written Variance Report explaining over budget “controllable expenses”
(5% over annual budget or other determining factor)
- _____ Status of all bank accounts, including Reserves
- _____ Vacancy rate
- _____ Status of Vacancies
- _____ Rent delinquencies
- _____ Major incidents e.g., insurance claims, fires
- _____ Status of big maintenance or replacement items
- _____ Resident activities
- _____ Items of interest for a Corporate newsletter
- _____ Other items

Exhibit 8-5

ASSET MANAGEMENT REVIEW OF MONTHLY FINANCIAL REPORT

1. Report contains all Items (Summary, Schedule of Cash & Reserves, Check Register, Accounts Payable Report, Balance Sheet, Income Statement, General Ledger, Bank Statements, rent roll and collections report.)
2. Cash and Security Deposits on Summary matches Schedule of Cash, Bank Statements, and Balance Sheet.
3. The balance in the security deposit account is higher than the liability.
4. Replacement and Operating Reserves in Report match Bank Statements and Balance Sheet.
5. Reserves meet regulatory requirements.
6. All accounts except operating checking are earning interest.
7. No bank has more than \$100,000 in total deposits per owner entity.
8. Mortgage paid.
9. Capitalized expenses done correctly
10. Budget variance explanations (both over and under budget) clear and reasonable.
11. No accounts payable over 30 days.
12. Current debt coverage ratio greater than 1.0? Greater than regulatory requirement?
13. No changes in fixed assets excluding this year's replacements.
14. Gross potential rent and vacancies match rent roll
15. Vacancy Loss YTD under budget. If, not, why?
16. Collection loss YTD less than budget. If not why? Is there action on all delinquencies?




DISCUSSION TOPICS

1. Review the diagram on $\text{Income} - \text{Expenses} = \text{Cash Flow}$ in the narrative on Monitoring Performance. Discuss how the individual components of the diagram negatively impact cash flow and what actions your organization can take to decrease or eliminate that negative impact. In your discussion, make sure to consider unforeseen results from actions, e.g. you could eliminate all maintenance to reduce expenses but you may lose all your tenants.

2. Review a monthly financial report or Budget comparison variance report. Pick those items on the report that would be of concern to you. Why do they cause concern? What are some possible explanations for variances that you see?

Chapter 9: Resident Services Programs

In This Chapter:

-  Discussion of balancing resident services goals with property management goals.
-  Models of resident service delivery
-  Sample Resident Satisfaction Survey

The desire to provide services other than traditional rental services to residents is often one of the biggest differences between nonprofit and “for profit” affordable housing organizations.

The services provided will vary according to the mission of the nonprofit organization and the population the organization serves. It is important for nonprofit organizations to periodically re-assess their programs to make sure the services being provided are appropriate to the population served. Resident populations change as residents get older and children grow up.

Services can carry a social service focus (e.g., supportive housing), be geared to job preparation and training, or be based on community organizing models that encourage residents to organize themselves around issues of concern. This Section delineates three models for organizational structures to manage resident service programs: centralized, decentralized and contracted. Promotional and informational materials are included from a successful community-based housing developer whose resident service programs follow a distinctly community organization model with an emphasis on training residents to organize themselves. We have also included a listing, compiled by Regional HUD employees, of activities that resident councils throughout the country have used in order to fulfill the needs of their members and raise funds to support the resident association.

Resident services and property management can sometimes be in conflict. The necessity of collecting rent in order to pay bills is weighed against the pain of evicting a needy family. Preventing property damage can be combined with providing support for a single mom with unruly teens. Property managers with a human services background or interest can help bridge this conflict by combining the essential property management talents of an ability to work with people and an eye for detail and nuance.

Sometimes the conflict between resident services and property management has more to do with personal territory than with conflict of purpose. Both property managers and resident service providers/organizers need to be sensitive to the needs and goals of the other.

Communication needs to be continuous and safe for both parties. The Corporation for Supportive Housing has published “Not a Solo Act: Creating Successful Partnerships to Develop & Operate Supportive Housing” a publication that discusses the interface between management and services as well as other development and management issues.

About HOME :

HOME was designed explicitly to expand the supply of decent and affordable housing for low- and very low-income Americans. Many sponsors of HOME assisted housing have concluded that affordable rental housing must go “beyond bricks and mortar” to provide non-housing services. Sponsors can design a mix of services that is appropriate for the residents the property intends to house, the mix of services available in the local community and the sponsors’ objectives for the property.

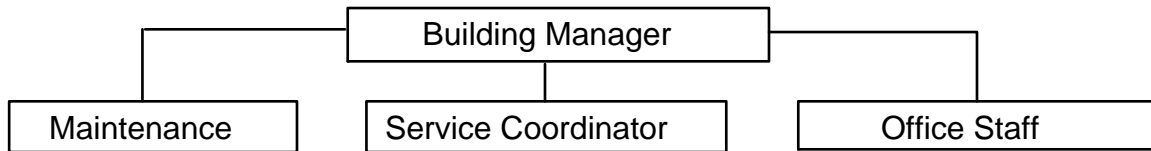
Whatever focus is decided upon for resident programs, it’s important to involve residents in decision making. At minimum, input from residents should be solicited on the type of programs they want. Those programs should periodically be evaluated. Keep and use statistics on program participation and regular surveys of residents’ opinions to see if you are spending your service dollar effectively. If you have designed what you think is the most fantastic resident program but no one participates, that program needs to be re-evaluated and probably re-designed.

Property Management staff should develop and maintain relationships with local HUD offices, state and local housing and social service that can provide assistance in building the communities your organization envisages.

EXHIBIT 9-1

STRUCTURES FOR ADDING SUPPORT SERVICES TO HOUSING SERVICES

Model 1—Manager as Supervisor of Service Coordinator



Advantages

- ▶ Easier to develop team—all players on site, one "team leader"
- ▶ Service coordinator may have more input into management decisions
- ▶ Same philosophical base; same agency mission
- ▶ One ultimate decision maker on site
- ▶ Works well for small agency
- ▶ Lower cost than other models

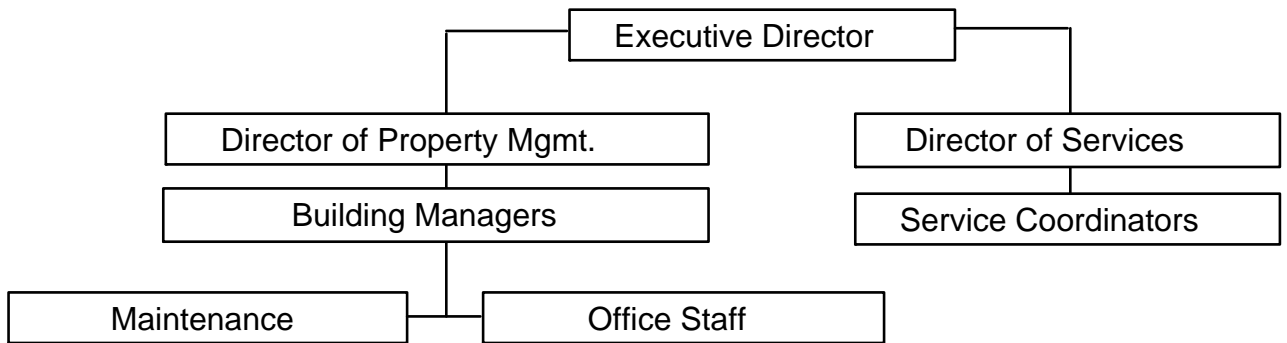
Disadvantages

- ▶ Residents relationship with and trust in Service Coordinator affected by manager's relationship with resident
- ▶ Lack of unbiased advocacy—harder to advocate to your boss
- ▶ Regarding landlord-tenant issues
- ▶ Role conflicts
- ▶ Lack of clinical support/supervision for service coordinator (can pay for outside consultation as an alternative)
- ▶ Isolation of service coordinator—no one on staff with same perspective
- ▶ Lack of coverage due to staff illness, vacations

Value Conflicts/Ethical Issues

- ▶ Manager has right to evict and could use information from service coordinator to do so
- ▶ Need to properly supervise service coordinator may violate confidentiality
- ▶ Confidentiality needs to be defined for residents

*Model 2— Separate Social Services Department
and Property Management Department Within Same Agency*



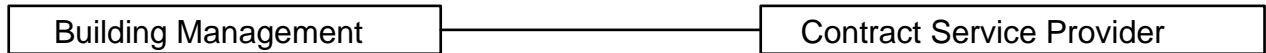
Advantages

- ▶ Roles clearly defined
- ▶ Sets up a system of checks and balances between both perspectives (services/landlord)
- ▶ Same philosophical base; same agency mission
- ▶ Clinical supervision can be provided; client confidentiality not jeopardized
- ▶ Able to be a more effective advocate than model 1 with landlord/tenant issues
- ▶ Concerns about confidentiality lessened
- ▶ Team support with other service coordinators
- ▶ Less isolation, not only one with social service perspective on staff
- ▶ Influence agency from different levels
- ▶ Possibility of coverage due to staff illness, vacations

Disadvantages

- ▶ Harder to build team on site
- ▶ Larger size agency needed to support this model
- ▶ Flow of information - information may not flow as easily between departments
- ▶ May create additional costs to agency
- ▶ Potential for internal organizational conflict
- ▶ Increase in time needed to coordinate

Model 3—Contract/Collaboration Model



Advantages

- ▶ Keeps roles simplified and clear
- ▶ Neither agency needs to develop expertise in a new area
- ▶ Collaboration with other agencies has appeal to funders
- ▶ Confidentiality more easily maintained
- ▶ Advocacy role not biased on landlord/tenant concerns
- ▶ Possibility of coverage due to staff illness, vacations

Disadvantages

- ▶ May be harder to develop team on site
- ▶ Conflicts still occur
- ▶ Lines of communication may be more difficult to negotiate
- ▶ Relationship with other staff hampered
- ▶ Resolving problems—two agencies, two points of view potential of philosophical differences

What to Avoid / How To Prevent Problems — In All Models

- ▶ **Formalize the relationship** — memorandum of Understanding a useful tool
- ▶ Discuss how "team" will be built between services and manager
- ▶ Outline clear expectations
- ▶ Make sure social service provider understands housing rules, procedures
- ▶ Set up clear lines of communication
- ▶ Make sure you know the players and they know you—mutual respect
- ▶ Make sure housing provider understands process and values that are inherent in social service role
 - Confidentiality (*clarify* the expectation)
 - Client autonomy (services mandatory or voluntary?)
 - Importance of building community
- ▶ Plan for appropriate supervision of service coordinator

From Lori Gans, Director of Service Programs, Eden Housing Mgmt. Inc.

EXHIBIT 9-2
RCHC RESIDENT SERVICES
PROGRAM OVERVIEW

RCHC provides services-enriched affordable housing to improve the lives of low-income people. *Building Homes, Building Communities* is the vision statement adopted by the Board of Directors to guide our future. *Building Homes, Building Communities* recognizes that we do more than build houses. We build places where families live together and fulfill their potential, becoming active, contributing members of their neighborhoods. RCHC strengthens communities by providing people with stable, safe and affordable housing as well as a variety of on-site opportunities to achieve family self-sufficiency.

Resident Services Activities

RCHC provides resident services in 3 program areas: youth development, economic development and community organizing. Our staff organizes resident associations that help build stronger communities. They also develop linkages to community programs and coordinate on-site activities that benefit residents.

New Challenges

Welfare reform has created new challenges for many of our residents. RCHC is helping residents respond to these challenges by developing programs that promote employment and small business development. Our staff members help residents achieve economic independence by facilitating the formation of small businesses, providing employment services on-site and hiring residents for vacancies at RCHC.

Goals

RCHC is striving to create communities that provide residents with the opportunity to improve their quality of life. In addition, we are working to help families respond to welfare reform. These efforts move families toward self-sufficiency and make our rental developments better places to live.

RESIDENT PROGRAMS	
After School Tutoring	Citizenship Classes
Recreational Activities	Youth Clubs
Life Skills Training	Child Care
English Language Classes	Nutrition Programs
Neighborhood Watch Program	Cultural Events
Summer Lunch Program	Resident Associations

From Rural California Housing Corporation

EXHIBIT 9-3
RCHC RESIDENT SERVICES
ECONOMIC DEVELOPMENT PROGRAMS

In response to the challenge that welfare reform presents to TANF recipients at RCHC properties, Resident Services now includes a substantial economic development component. RCHC staff and AmeriCorps VISTA members have been working to create economic opportunities for residents through job placement, assistance with job readiness skills and small business development. We are also working to create job opportunities for welfare recipients and other low income individuals.

Job training and placement

RCHC provides job trainings, pre-employment training and job search assistance on-site. These services are offered to RCHC residents and low-income individuals living in surrounding neighborhoods.

AHEAD

AHEAD, the affordable housing, employment and development program, was recently implemented at RCHC. This program will create 30 new jobs in housing maintenance and child care at RCHC rental properties. Participants will receive training and support services that will help them achieve economic independence.

Small Business Development

RCHC is assisting residents who are interested in starting their own businesses as a means of gaining self-sufficiency. Small business development can particularly benefit residents who face barriers to gaining conventional employment such language or transportation issues. Currently, RCHC is working on a number of small business projects including Juyee, Inc. Park Village Farm Project and Home-based Child Care Program. RCHC, in collaboration with other local organizations, provides the participants of these small business projects with business training and technical assistance.

Juyee, Inc.

Juyee, Inc., a textile design business, consists of a small group of Hmong women who live in an RCHC affordable housing site. They work with a textiles advisor from UC Davis to create designs that integrate their traditional needlework with western products. These products, which include pillows, eyeglass cases, framed art, and vests, are marketed to the art buying public. The proceeds support future projects and supplement the incomes of the women involved.

Park Village Farm Project

Participants in the Park Village Farm Project are Cambodian refugees who live in the Park Village affordable housing complex in Stockton. The farm is being developed on thirty acres of donated land located twenty miles from Park Village Apartments. The farm project will provide both an economic opportunity for the residents and a supply of affordable produce to the large, low-income Southeast Asian population of Stockton.

Home-Based Child Care Program

RCHC is working with residents who wish to become licensed to provide child care in their homes. We are collaborating with other agencies to establish a multi-lingual, comprehensive training program that gives child care providers at RCHC properties the tools they need to provide quality child care that is affordable to their own community members.

From Rural California Housing Corporation

EXHIBIT 9-4
RCHC RESIDENT SERVICES
YOUTH DEVELOPMENT PROGRAMS

Providing youth activities at affordable rental properties makes sense because it promotes family involvement with the physical and emotional growth and development of children. Lack of reliable transportation and/or lack of knowledge about educational and recreational opportunities often prevent parents in low-income families from accessing such resources for their children.

At RCHC, our goal is to bring those kinds of resources home. We provide a diverse offering of youth and family activities at the community centers located on site at our housing properties.

Our vision is to transform these community centers into full-fledged learning centers to support literacy and achievement. We strive to offer structured arts and recreational activities to supplement education. These learning-oriented community centers are becoming hubs where families gather and unite around children's activities and interests, supporting each other in the quest to break out of poverty and to make a stronger life for themselves and for the next generation.

We recruit volunteers...

- ▶ Local high school and college students
- ▶ Retired persons
- ▶ Prospective Peace Corps recruits
- ▶ Adult residents

...and partner with community agencies...

- ▶ Americorps VISTA
- ▶ Sacramento YMCA
- ▶ National Visiting Teacher's Association
- ▶ Sacramento Library Literacy Service
- ▶ First Book
- ▶ Lutheran Social Services
- ▶ Diogenes Youth Services
- ▶ Teens Stopping AIDS
- ▶ Sacramento State University and UC Davis
- ▶ Local school districts
- ▶ Local parks and recreation agencies
- ▶ Sacramento Urban League

...to provide youth with opportunities.

- ▶ Homework help
- ▶ Reading, math and other academic skills development
- ▶ Arts and crafts activities
- ▶ Mentoring
- ▶ Life skills development
- ▶ Recreational programs
- ▶ Violence and STD prevention education
- ▶ Free summer lunches and scholarships to map
- ▶ Summer employment
- ▶ Leadership development through participation in youth councils

EXHIBIT 9-5
RESIDENT LEADERSHIP TRAINING '98
RURAL CALIFORNIA HOUSING CORPORATION

Making Diversity Work in Your Community

Many of our neighborhoods have people from different cultures, speaking languages that we do not comprehend. Yet, we are able to appreciate the differences, enjoy each other's music, food and traditions when we reach out and try to understand those cultures. An essential ingredient in helping to create a sense of cooperation and appreciation can be accomplished when earnest attempts are made, even in small ways, to bridge the language barrier. Share with us some novel approaches to bridging the language/cultural gap.

Training Agenda

8:30–9:00am	Registration
9:00–9:15am	Registration & Continental Breakfast
9:15–10:00am	Welcome & General Session: Making Diversity Work in Your Community
10:00–10:15am	Break
10:15–Noon	Session I <ul style="list-style-type: none">▶ Workshop 1▶ Workshop 2▶ Workshop 3
Noon–1:30pm	Lunch & Guest Speaker
1:30–3:30pm	Session II <ul style="list-style-type: none">▶ Workshop 4▶ Workshop 5▶ Workshop 6
3:30–4:00pm	Evaluations & Wrap-up

Join Us for Our Third Annual One Day Resident Training

“*Very enlightening*” “*...perfect timing,*” and “*I enjoyed the entire day*” are just a few of the overwhelmingly positive responses we received from attendees of our first annual resident training.

We invite you to attend this year’s event on Saturday, October 17. This is your chance to learn valuable skills for building a stronger and more unified community. You will also hear from residents of communities like yours who can share what community-building efforts have and haven’t worked for them.

We have tried to make your attendance as manageable as possible. That is why we bring this training to you free of charge with child care and transportation reimbursable.

If you have any other special needs, please talk to your site administrator or community organizer. We want as much participation as possible and will do what we can to accommodate you.

Take advantage of this once a year opportunity. We hope to see you in October.

Training Location

The training takes place at the beautiful Sierra Health Foundation building located on the Sacramento River. A delicious catered lunch will be served during the noon hour with a continental breakfast in the morning and snacks during breaks. Travel and child care can be reimbursed by completing forms found in your registration packet on the day of the event. If transportation is a major concern, a van will transport the first 8-10 residents who call the RCHC office for assistance.

Workshop 1

Conflict Resolution

Everyone has conflicts. Conflicts at home, in your community, and even at resident association meetings! This workshop will teach you some basic techniques for solving conflicts. Participants will learn about “active listening” and “win-win negotiations.”

Workshop 2

How to Run an Effective Meeting

Meetings are the arena for all of your group’s formal business. This workshop will cover the basics on how to run an efficient meeting, from planning an agenda to keeping your committees on task. It will also discuss decision-making strategies and offer suggestions on ways to help your group work together more effectively so you can spend more time taking action and less time in your meetings!

Workshop 3

Leadership Development-How & Why to Form a Resident Association

Why do we need leaders? Are we born leaders or does leadership need to be developed? How can we use our leaders to form a resident association? This workshop will teach you how to develop leaders and how to form a resident association.

Workshop 4

How to Use the Media to Tell Your Story

The media does not always portray affordable housing and low-income people in the best light; in fact it can be downright harsh at times. This workshop will focus on ways in which you and your residents association can gain access to the media (newspapers, television, radio) in order to present your side of the story. Learn how to write press releases, how to frame your issues, and how to get media coverage for your activities and events.

Workshop 5

Building a Group's Membership

Building a group's membership can be a time consuming process--often we find this process intimidating. What are the steps that need to be taken and what are the tricks to building a group's membership? This workshop will take you through the steps and give you valuable information on how to build a group's membership.

Workshop 6

How to Raise Money

Raising money is one of the most important factors in building a community. How do you get money and from whom to you get it? What are the guidelines you need to follow to be granted necessary funds? This workshop will give you valuable information on how to successfully raise money for your community.

EXHIBIT 9-6
 IDEAS FOR ACTIVITIES AND FUNDRAISING
 FOR RESIDENT ASSOCIATIONS

Here is a list of ideas for resident councils at all levels. But remember - the sky's the limit. It's up to you to be creative and plan the activities and the role of your council according to your community's needs and wants. Many of these activities can be fundraising activities and many can be paid for out of your council fund.

- ▶ Voter registration
- ▶ Free talks from professionals on such topics as:
 - Job searching
 - Job interviews
 - Money & budgets
 - Resume writing
 - Child care
 - Prenatal care
 - Nutrition
 - Exercise
 - Mental Health
 - Drug and alcohol dependency
 - Housekeeping
 - Basic home repair
 - International issues
 - Domestic issues
 - Fire prevention
 - Religion
 - Literacy
 - Education and higher education
 - College grants and financial aid
 - Lease and eviction process
 - Grievance procedure
- ▶ Form support groups
- ▶ Set up an Alcoholics or Narcotics Anonymous group
- ▶ Arts and Crafts
- ▶ Exercise classes
- ▶ Midnight basketball league
- ▶ Little league sports teams: softball, basketball, football
- ▶ Plant trees, shrubs or flowers around the development
- ▶ Dances (get local disc jockey to donate time)
- ▶ GED program
- ▶ Literacy program
- ▶ After school programs for children
- ▶ Tutoring programs for children (get local high school or college students to volunteer as tutors)
- ▶ Crime watch/neighborhood block watch/resident patrols
- ▶ Big Brothers/Big Sisters - to provide role models and additional positive relationships for children and young adults
- ▶ "Alumni Association" - get professionals who have moved from public housing and other professionals from outside community to come into community and be mentors for children; match kids up with an adult according to the child's interests (i.e., lawyers, doctors, accountants, teachers, nurses, fire fighters, police officers, managers, ministers, business owners)
- ▶ Negotiate with local officials to get them to pay for things such as: additional security, towing abandoned cars, trimming trees, extra lighting, replacing streetlights, paving roads, upkeep of sidewalks
- ▶ Cooperative business (i.e., small grocery store, laundromat)
- ▶ Welcoming committee for new residents
- ▶ Recycling program (you can get money for recycling and use it- for council programs and activities)
- ▶ Community day - organized games, picnic, prizes, food booths, arts and crafts, music

- ▶ Classes in (or speeches on) African-American/Chicano history and culture and women's history
- ▶ Field trips: zoo, museum, art gallery, movies, symphony, festivals
- ▶ Athletic weekend (get local college athletes - males and females - to speak to and work with the children)
- ▶ Talent contest
- ▶ Fashion show
- ▶ Bake sale
- ▶ Holiday parties (Christmas, Halloween, St. Patrick's Day, Fourth of July, Passover, Hanukkah, Cinco de Mayo, pumpkin carving, Easter egg hunt)
- ▶ Senior citizen card clubs
- ▶ Bingo (- Please note that although your non profit group can use money in bingo, in many locations you must apply for a license.)
- ▶ Potluck dinners
- ▶ "Senior" (citizen) prom
- ▶ Christmas tree trimming
- ▶ Hat party
- ▶ Floor (or building) dinners
- ▶ "Buddy system" - elderly people who live alone pair up and help each other OR a younger person helps an older person
- ▶ Strawberry Festival
- ▶ Ice cream and cake festival
- ▶ Birthday parties
- ▶ Beauty makeovers
- ▶ Quilting/sewing classes
- ▶ Poetry reading
- ▶ Kite flying workshop and contest
- ▶ On-site children's immunization clinic (tetanus, measles, mumps, rubella)
- ▶ City Parks and Recreation playground events - on-site events for kids
- ▶ "Project Learn" - in conjunction with local school district, offer on-site tutoring, testing and GED classes for adults
- ▶ Cooperate with outside social service agency to put together ongoing workshops (i.e., 7 week program on successful parenting skills for young parents)
- ▶ Recycling contests, i.e., households can compete with one another and whomever saves the most recyclable materials wins a prize such as a tree or flowers to plant in their yard, a plaque, money, etc.
- ▶ Have "theme" weeks or months - for example:
 - ▶ "Environment Week" or "Earth Week" - clean the area, bring in speakers on environmental issues and teach how individual citizens can help the environment
 - ▶ Community history month - focus on individuals in the community and their accomplishments; changes in the community over the years; put up photographs charting the physical changes the community has undergone since it was built, etc.
 - ▶ Care for yards and common areas
 - ▶ Act as referral group for a variety of things: jobs, education, drug/alcohol abuse, domestic violence, child care, consumer services, etc.
 - ▶ Soup and sandwich luncheons
 - ▶ Summer meal program for kids
 - ▶ Book review club
 - ▶ Weight loss group
 - ▶ Fishing trips
 - ▶ Meet the candidates: local elected officials speak
 - ▶ Outside agencies sponsor clubs for boys and girls
 - ▶ Work with Management to-give a standard orientation to all new families (lease agreement, maintenance, police and security, available social services and programs, etc.)
 - ▶ Halloween "Haunted House"
 - ▶ "Love Outreach" program - arranges counseling, maternity clothes, baby clothing and furniture for new parents
 - ▶ "Cooperative" (co-op) - people from the community donate items (portable TV, garden tools, kids furniture, grills, games, etc.) and residents pay a nominal fee to rent the items for a certain period of time
- ▶ Food bank
- ▶ Clothing exchange
- ▶ Rummage sale

EXHIBIT 9-7
RESIDENT SATISFACTION QUESTIONNAIRE

Question	Yes	No	Comments
1. Are you satisfied with the housing provided at this development?			
2. Are you happy with the neighborhood?			
3. Are project rules strictly enforced?			
4. Do you feel that management cooperates with the residents?			
5. Are your maintenance requests promptly attended to?			
6. Is there an elected organization or board representing the residents at this development?			
7. Is the organization fully representative of the resident body?			
8. Does the organization or board meet regularly?			
9. Do you know the procedure for making any grievances known to management?			
10. Are you afraid for your security in any part of this development?			
11. Is there an orientation procedure for tenants?			
12. Does management meet with the tenants regularly?			
13. Is communication with residents clear and sufficient?			
Please describe any needed services that are not now provided			

Source: American Association of Homes and Services for the Aging, Washington, DC.

This Page Intentionally Left Blank

Chapter 10: Resources

In This Chapter:



A list of resource organizations, publications and training opportunities related to nonprofit housing management.

Training in Property management is an on-going activity. The need for refresher courses and opportunities to learn and discuss new information never ends. Rules and regulations change. New property and asset management concepts are introduced and nonprofit training organizations promote new initiatives to improve the performance of nonprofit housing providers. Employees need continuing education to maintain and increase their skills and reawaken interest and enthusiasm in their work.

Organizations should develop methods for ensuring that training is shared with others in the organization who can use it. To the maximum extent possible, informal in-house trainings or de-briefings should be part of each staff person's responsibility upon receiving new training.

In the following pages, we have tried to list some of the resources available to nonprofits for further training and information. The internet is a new wonderful resource for all types of information on property management and the nonprofit world.

EXHIBIT 10-1
TRAINING AND EDUCATIONAL RESOURCES
FOR NONPROFIT HOUSING OWNERS AND MANAGERS

American Association of Homes and Services for the Aging (AAHSA)

**901 E Street, NW, Suite 500
Washington, DC 20004-2011**

<http://www.aahsa.org>

A Membership organization of organizations serving the elderly including HUD 202 projects and residential care facilities.

Consortium for Housing and Asset Management (CHAM)

www.cham.org

CHAM is a collaboration of The Enterprise Foundation, the Local Initiatives Support Corporation and the Neighborhood Reinvestment Corporation. CHAM's mission is to enable the nonprofit housing industry to responsibly own and professionally manage affordable housing. To support industry managers, CHAM has developed a certification called the Nonprofit Housing Management Specialist (NHMS.) The course educates nonprofit managers with property management experience about affordable housing asset management issues.

Corporation for Supportive Housing

**342 Madison Avenue, suite 505
New York, NY 10173
212-986-2966**

www.csh.org

This nonprofit organization provides support, training and publications of interest to organizations providing housing to people in need of support services. Publications cover topics of facility design and services/management coordination.

Elizabeth Moreland Consulting, Inc.

**339 East University Avenue
Orange City, Florida 32763
www.taxcredit.com**

Tax credit management and compliance training. Good web site for tax credit information.

Enterprise Foundation

**10227 Wincopin Circle
Columbia, Maryland 21044-3400
410-964-1230**

www.enterprisefoundation.org

The Enterprise Foundation is a national nonprofit dedicated to improving distressed communities. Provides training and support to nonprofit housing and community development organizations. Their Website offers access to Enterprise's newsletters and the Enterprise Resource Center's Best Practices Database.

Housing Assistance Council (HAC)
1025 Vermont Avenue, NW, Suite 606
Washington DC 20005
202-842-8600

www.ruralhome.org

HAC is a national non-profit that provides technical assistance and training to non-profit housing and community development organizations in rural communities. HAC publishes a biweekly newsletter, a quarterly magazine and over 100 reports, manuals and information sheets providing information on many rural housing issues.

Institute of Real Estate Management (IREM)
430 N. Michigan Avenue
Chicago, IL 60611-4090
1-800-837-0706
www.irem.org

Training programs focused on market rate housing and commercial and office space are held in 85 different cities. Their affordable housing programs are offered through the Neighborhood Reinvestment Corporation Training Institutes. (See Neighborhood Reinvestment) They offer one- and two-day intensives on marketing, management of government-insured multifamily housing and human resources, risk management, financing and valuation strategies and other topics. In addition to classes, IREM offers a wide range of publications, the Journal of Property Management, conferences and has chapters throughout the country.

Local Initiatives Support Corporation (LISC)
Organizational Development Initiative
Maria Gutierrez, Program Director
733 Third Avenue
New York, New York 10017
(212) 455-9800
www.liscnet.org

LISC's mission is to help community development corporations transform distressed neighborhoods into healthy communities. The Organizational Development Initiative/Asset Management Division develops and sponsors asset and property management trainings through local LISC offices and Neighborhood Reinvestment Corporation Training Institutes that are held several times a years in different cities. The Division also produces a wide array of property and asset management-related publications and software applications. Local offices are located in over forty cities.

National Apartment Association (NAA)

www.NAAHQ.org

NAA is a market rate rental housing industry association providing classes in the essentials of rental housing management leading to certification for Apartment Managers and Supervisors, and Maintenance and Leasing personnel. Membership is usually through local apartment associations located throughout the country although direct membership in the national organization is available for those outside of areas covered by Apartment Associations. Non-members can usually attend local trainings at a non-member rate. Some state and local Apartment Associations are not affiliated with the national organization. Look for them in your local telephone book.

National Assisted Housing Management Association (NAHMA)

**526 King Street, Suite 511
Alexandria, Virginia 22314
703-683-8630**

www.NAHMA.org

A membership organization of property owners, managers and related professionals who provide management and products or services to the affordable housing industry, low- and moderate-income families, seniors and persons with disabilities. Regional chapters are located throughout the United States.

While the national office is involved with lobbying efforts in support of affordable housing owners, local chapters' focus on educational and professional training to provide better service to both residents and owners. Most chapters have voting and non-voting members. Membership fees range widely from chapter to chapter. This charge is a HUD-approved expense.

Chapters offer partial and multiple day trainings on topics such as occupancy, fair housing, issues roundtables and legislative reviews. AHMA membership is not required to attend classes. NAHMA has also sponsored excellent publications on the management of Tax Credit properties and a manual on Fair Housing that is useful on the site level.

National Center for Housing Management (NCHM)

**1638 R Street, NW
Washington, DC 20009
800-368-5625**

www.nchm.org

NCHM provides professional development opportunities to all housing managers, especially those in the assisted housing field. Courses are designed to certify practitioners in the following areas: Registered Housing Manager, Certified Occupancy Specialist, Certified Occupancy Specialist - Rural Rental Housing, Certified Manager of Housing, Certified Manager of Maintenance, Certified Financial Manager, Senior Housing Specialist, Fair Housing training and several specialties geared to Public Housing. NCHM also offers a journal, the Housing Management Quarterly, and textbooks which support their training and certification programs.

**National Center for Nonprofit Boards
800-883-6262**

www.ncnb.org

This membership organization offers an excellent catalog of books and other publications on the management of nonprofit organizations, including training materials for Boards of Directors and nonprofit Executive Directors and Financial Officers.

**National Fair Housing Advocate
www.fairhousing.com**

This internet Website contains information, news briefs on litigation and a search engine regarding fair housing issues.

**National Housing and Rehabilitation Association
www.housingonline.com**

Interesting Website with general information and links on all affordable housing programs

**National Low Income Housing Coalition/Low Income Housing Information Service (NLIHC/LIHIS)
www.nlihc.org**

The NLIHC/LIHIS is a nonprofit educational organization that provides information on national low-income housing policy, housing issues, access to publications, and a calendar of events. In addition to this information, this site also provides related links.

**Neighborhood Reinvestment Corporation (NRC)
1325 G Street
Washington, DC 20005
800-438-5547
www.nw.org -then click Training Institute button**

NRC works with residents, government and business leaders to develop strong partnerships that revitalize America's urban and rural communities and make housing affordable. These partnership organizations, comprising the NeighborWorks network, are active in over 850 communities. As a complement to the network, NRC sponsors Neighborhood Reinvestment Training Institutes several times per year in different regions of the country. While the curriculum of each Institute varies, they usually offer a two-day course in Affordable Housing Development, and one and two-day courses in Property, Maintenance and Asset Management for Nonprofits (IREM FIN 201, MTF 205 and MNT 201.) Other one and two day classes address leadership and management, community building, community planning and economic development, construction and home ownership. Courses cost \$150 per day. Discounts are offered for more than one attendee from an organization and a limited number of scholarships are available.

Points of Light Foundation

202-223-9186

www.pointsoflight.org

This nonprofit organization offers a catalog of written materials on nonprofit organizations with an emphasis on the use of volunteers including volunteer Boards of Directors.

Rental Housing On Line

<http://cses.com/rental>

In order to gain access to model documents, etc, you have to join for \$25 a year but there are plenty of interesting question and answer topic areas on property management available to the general public on this Internet Website,

Spectrum Seminars

545 Shore Road

Cape Elizabeth, Maine 04107

207-767-8000

www.spectrumseminars.com

Training on management of Low Income Housing Tax Credit, Rural Development and Section 8 housing.

USDA Rural Development

www.rurdev.usda.gov

This website provides information on all programs of the Department of Agriculture including housing programs.

United States Department of Housing and Urban Development

www.hud.gov

This Website provides information on community plans, funding options, buying and renting homes, and general information about HUD's operations, including access to publications, Fair Market Rents and annual Area Median Incomes.

HUD Handbook 4350.3 "Occupancy Requirements of Subsidized Multifamily Housing Programs," can be ordered with a fax request to (202) 708-2313, HUD Printing Branch, Room B-100. All Handbooks and notices can be accessed and downloaded at

www.hudclips.org

www.huduser.org/datasets/il.html is the web site address for retrieving HUD income limits.

**United States Department of Housing and Urban Development
Community Planning and Development**

www.hud.gov/offices/cpd

Community Planning and Development (CPD) is responsible for the HOME, HOPWA, CDBG and other community development and housing programs. The website provides information about program requirements, including rent and income limits. A program to help calculate household income is provided under the HOME topics selection.

Publications explaining CPD programs and regulations are available through the **Community Connections Information Center (800) 998-9999** and online at **www.comcon.org**