

## **CHAPTER 3**

# **MANAGEMENT AND MARKETING PLAN**

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The foundation of any successful residential property is a sound Management and Marketing Plan (the Plan). This Plan becomes an Exhibit to the Management Agreement that the owner, agent, and the Agency execute at the initial loan closing, and is a binding contractual obligation during the term of the Management Agreement.

In preparing the Plan, it is important for the agent to consider the many problems that arise during an initial rent-up and throughout the continued operation of the property. The development of this Plan should be a cooperative effort between the agent and the owner, although the owner may delegate much of the work to the agent. The property's marketing program must ensure continued compliance with applicable federal, state, and local laws.

The following outline may be used to write the Plan. Owners and agents may expand upon those guidelines to specify the needs of the individual property. A copy must be maintained on site.

### **A. Property Description**

1. Name of owner.
2. Name and location of property.
3. Number of units by bedroom size.
4. Type of construction, i.e., new, rehab.
5. Building type, i.e., townhouse, mid-rise, walkup.
6. Occupancy types:
  - (a) General Occupancy, i.e., available for use by the general public.
  - (b) 62+ (Housing intended for and solely occupied by persons 62 years of age and older.)
  - (c) 55+ (Housing intended for and operated for occupancy in which 80 percent of the units must be occupied by at least one person 55 years of age and older.)
  - (d) Single Room Occupancy (SRO).
  - (e) Special Needs
7. Occupancy standard (the minimum/maximum number of persons per unit.)

### **B. Management Company Organization**

An organizational chart should show lines of authority and responsibilities including, but not limited to:

1. Name of the management agent.
2. Name of the contact person for the agent.

3. A description of company hiring policies that must be in conformance with applicable equal opportunity requirements of local, state, and federal laws and Section 3, U.S. Department of Housing and Urban Development Act of 1968, as amended, which can be obtained from a HUD office. Agency staff will monitor this for properties financed under the PennHOMES Program, Chapter 15.
4. A general policy statement regarding the delegation of authority to the agent by the owner for managerial responsibilities for the property.
5. Expenditures and limits.
6. Insurance requirements.

**C. On-Site Staffing**

The Plan should describe the on-site staff needs for the marketing, management, and maintenance of the property. This description should include, at a minimum:

1. Employee selection policies including:
  - (a) The criteria used in selecting employees.
  - (b) Training methods for on-site employees.
  - (c) Methods of monitoring performance and accountability of on-site personnel.
  - (d) Employee Grievance procedures.
2. Job descriptions for each employee, including full-time/part-time designation and/or number of hours for each position.

**D. Safety Measures**

1. Describe:
  - (a) The communication network involving the management agent, employees, residents, local police, and relevant local agencies.
  - (b) The method to be used for key control.
  - (c) The emergency procedures and the person(s) responsible in the event of an emergency.
  - (d) Other, i.e., surveillance of entryways and other common areas, community watch.

**E. Marketing Procedures**

1.
  - (a) Refer to Chapter 4, Affirmative Fair Housing Marketing Plan. Complete HUD form 935.2 and submit completed AFHMP with management plan.
  - (b) Describe procedures to maintain maximum occupancy beyond initial rent-up.

- (c) Explain how information and rental applications are to be made available to the public prior to the opening of the property.
- (d) Describe initial and continuing efforts of outreach to inform applicants with disabilities of the availability of accessible housing. Maintain evidence of outreach to ensure on-going efforts are made in marketing to the disability community.
- (e) During the initial lease up, the management agents (and property owners) must hold accessible units available for persons needing an accessible unit for the first 30 days after the Certificate of Occupancy is issued on a unit. See Exhibit 3 on the website for additional information.
- (f) Ensure that all policies meet all applicable federal, state, and local laws.

## **2. Resident Application**

- (a) Describe a consistent method of accepting and processing applications.
- (b) The use of a Rental Application and verification forms are a mandatory process that must be followed by all owners and agents for all applicants applying for a unit in the Agency Rental Housing Programs.
- (c) The sample rental application form and sample verification forms on website, Exhibit 2 contain mandatory information. The owner may add, but may not delete any data from these forms.

## **3. Resident Screening**

Resident screening policies must include a minimum of two of the following provisions for selection and rejection of applicants.

- (a) Demonstrated ability to pay rent.
- (b) History as a good resident/previous landlord reports.
- (c) Credit history.
- (d) Home visits.
- (e) Criminal background checks.

Properties with other housing assistance programs must follow the applicable program requirements; however, all properties must describe their method of evaluation with specific criteria for rejection.

The method of documentation necessary for staff to complete this task must also be a part of this Management Plan.

Agents and owners must be familiar with the Pennsylvania Landlord-Tenant Act of 1951, as amended.

## **4. Waiting List**

The Plan must include the following:

- (a) How applicants will be placed on the waiting list and processed for

admission or rejected.

- (b) That all applications must be date and time stamped and placed in chronological order on the waiting list.
- (c) That all eligible applicants must be offered housing based on their chronological place on the waiting list and in accordance with the Fair Housing Act, Section 504, and any other federal, state, and local laws.
- (d) The owner must describe any optional use of federal public housing selection preferences.

**5. Reasonable Accommodations/Modifications**

Develop written policies consistent with all applicable federal, state, and local laws to address the following:

- (a) Applicants requesting a reasonable accommodation.
- (b) Applicants and existing residents with a disability requesting a reasonable accommodation or modification to a unit.

**6. Selection of Residents**

The owners must have a written resident selection plan and the plan must be provided to each applicant at the time they apply for a unit. The initial selection of residents is one of the most important activities that the agent will perform. The future stability and success of the property are dependent on this factor. If applicants are not properly screened at this stage and the agent offers apartments to those who are not qualified residents, the agent will encounter many problems during occupancy that will absorb far more time than initially spent in the resident selection process. The agent must be consistent in applying the resident selection criteria.

Selection criteria must include, but is not limited to: (see check off list):

**NON SECTION 8  
TENANT SELECTION PLAN CHECKLIST**

Property Name:		Date:	
PHFA No./TC #		HMR	
<b>1)</b>	<b>Pre-Admission Process</b>	YES	NO
a.	Does the plan name and describe the property, e.g., name of property, location, number of units, occupancy designation, and program type(s)?		
b.	Does the plan include policies to comply with Section 504 of the Rehabilitation act of 1973, the Fair Housing Amendment Act of 1988, and Title VI of the Civil Rights Act of 1964? Does not discriminate against disability, race, color, religion, sex, familial status, national origin, or sexual orientation?		
c.	Does the plan include a procedure in place for taking applications?		
	<ul style="list-style-type: none"> <li>Does the plan contain an option to allow applicants to request a reasonable accommodation to obtain and/or complete the application?</li> </ul>		
d.	Does the plan state how the Tenant Selection Plan will be provided to the applicants?		
e.	Does the plan address an application fee, if applicable?		
	<ul style="list-style-type: none"> <li>If so, does the fee appear to be reasonable?</li> </ul>		
<b>2)</b>	<b>Eligibility</b>		
a.	Does the plan state specific screening criteria and the method of evaluation?		
	<ul style="list-style-type: none"> <li>Does the plan state that the procedure will be used uniformly to screen all applicants?</li> </ul>		
	<ul style="list-style-type: none"> <li>Does it state a minimum of two (2) screening criteria per Agency Regulation?</li> </ul>		
	<ul style="list-style-type: none"> <li>Examples: Credit, Criminal, landlord, Sex Offenders, etc.</li> </ul>		
b.	Does the plan state procedure for rejecting applicants?		
	<ul style="list-style-type: none"> <li>Does it include circumstances under which the owner may reject an applicant for occupancy?</li> </ul>		
	<ul style="list-style-type: none"> <li>Does it describe the appeal process?</li> </ul>		
c.	Does the plan indicate a maximum income limit as required, and if applicable a minimum income?		
d.	Does the plan properly describe the requirements for eligibility of Students?		
	<ul style="list-style-type: none"> <li>Does the plan include the student rule for HOME funded properties (matches Section 8 definition)?</li> </ul>		
	<ul style="list-style-type: none"> <li>Does the plan include the Low Income Housing Tax Credit student rule?</li> </ul>		
	<ul style="list-style-type: none"> <li>Does the plan state that legally married same sex couples qualify</li> </ul>		

		for the married student exemption under the LIHTC student rule?		
	e.	Does the plan state Section 8 voucher holders may not be refused based upon status as a voucher holder, but must be otherwise eligible?		
<b>3) Tenant Selection</b>				
	a.	Does the plan state how the waiting list is maintained?		
		<ul style="list-style-type: none"> <li>Does the plan state preference must be given to applicants who require the special design features of an accessible unit, i.e., wheel chair, hearing, vision impairment, etc.?</li> </ul>		
		<ul style="list-style-type: none"> <li>Accessible unit will be held for 30 days during lease up.</li> </ul>		
	b.	Does the plan state occupancy income set-asides?		
	c.	Does the plan state applicant(s) and tenant(s) will be required to provide income information to determine eligibility?		
		<ul style="list-style-type: none"> <li>How source documentation of income and assets will be obtained?</li> </ul>		
<b>4) Occupancy</b>				
	a.	Does the plan state occupancy standards, e.g., number of persons per bedroom size or per square feet?		
		<ul style="list-style-type: none"> <li>Are standards reasonable, e.g., enforceable by state or local law?</li> </ul>		
	b.	Does the plan contain a transfer policy?		
		<ul style="list-style-type: none"> <li>Does the plan address the selection between applicants on the waiting list and in place residents?</li> </ul>		
		<ul style="list-style-type: none"> <li>Description of how transfers will be addressed after move-in, i.e., reasonable accommodation, change in family composition, family size?</li> </ul>		
	c.	Does the plan state an applicant's or program participant's status as a victim of domestic violence, dating violence or stalking is not a basis for denial of admission, if the applicant otherwise qualifies for assistance or admission per the Violence Against Women Act (VAWA)?		
<b>5) Lease</b>				
	a.	Does the plan state all applicants approved for tenancy will be required to comply with lease terms?		
		<ul style="list-style-type: none"> <li>Include accessible unit policy</li> </ul>		
		<ul style="list-style-type: none"> <li>Include policy on pets, if applicable</li> </ul>		

**F. Corrective and Preventive Maintenance Procedures**

It is the agent's responsibility to develop a Corrective and Preventative Maintenance Plan

for the property. Submission of this Plan will be required at the Twelve-Month Warranty/Guarantee Inspection. An agent requiring guidelines in the preparation of this Plan should contact the Agency Technical Services office and request sample material.

## **1. Purchases**

The agent may purchase from property funds, as a property expense in the operating budget for the current period, all materials, tools, appliances, supplies, and services necessary to properly maintain, repair, and operate the property, as set forth in the executed Management Agreement.

The prior approval of the Agency will be required for any single expenditure exceeding a certain amount, as noted in the Management Agreement, for goods and services in connection with maintenance and repair of the property, except for recurring operating expenses within the limits of the budget for the current period.

Where expenditures are below the predetermined cost, it shall be the responsibility of the owner to ensure that all repairs and/or replacement parts shall be equal to or better than the original equipment and in compliance with all applicable local, state, and federal codes and regulations.

Regardless of cost, all changes or modifications to the site building structure or interior floor space and use must be submitted to the Agency for approval prior to commencing any work.

Noncompliance to the above stipulations will result in disapproval of the related expenditures.

## **2. Other Maintenance Functions**

The agent must be knowledgeable of the physical plant and its maintenance requirements.

All equipment, supplies, files, and leases are the property of the owner and shall always remain on-site, unless otherwise requested by the owner with the concurrence of the Agency.

## **G. Other Federal Requirements**

Federal HOME financing in NON PJ's requires that employment and applicant selection procedures must comply with Section 3 of the Housing and Urban Development Act of 1988 and Section 504 of the Rehabilitation Act of 1973.

Detailed information is available at the HUD website [www.hud.gov](http://www.hud.gov).