

MANAGEMENT PLAN

The foundation of any successful residential property is a sound Management 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. New management agents should use this chapter as a guide in the preparation of a Plan for taking over the management responsibilities of a new property.

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.)

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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. Company hiring policies 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.
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) Grievance procedures.
2. Job descriptions for each employee, including full-time/part-time designation and/or number of hours for each position.

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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

- (a) Describe procedures to maintain maximum occupancy beyond initial rent-up.
 - (b) Explain how information and rental applications are to be made available to the public.
 - (c) Describe methods of outreach to inform persons with disabilities of the availability of accessible housing. Describe how at initial occupancy, accessible units will be held open for at least 30 days while efforts are made to market to persons in need of the special design features. Maintain evidence of outreach to ensure on-going efforts are made in marketing to persons with disabilities.
 - (d) Ensure that all policies meet all applicable federal, state, and local laws.
 - (e) Complete AFHMP (see Chapter 4) and submit as an attachment to the management plan.
2. Resident Application
 - (a) The owner and agent must devise and follow a consistent method of accepting and processing applications for applicants. Applications must be time and date stamped.
 - (b) The use of 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.

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3. Selection of Residents

The owners must have a written Resident Selection Plan. The selection of residents is one of the most important activities that the agent will perform. The ongoing stability and success of the property is dependent on this factor. If applicants are not properly screened at this stage, the agent may encounter many problems during occupancy that will absorb far more time than initially spent in the resident selection process. See Chapter 5, Resident Selection Criteria, for detailed instructions for the selection of residents.

4. Waiting List

(a) Applicants must be admitted, placed on the waiting list, or rejected. Potentially eligible and acceptable applicants for whom the right size unit is not available should be placed on the waiting list. For waiting list requirements, please consult the HUD Handbook 4350.3. A sample is included at the end of the Chapter.

(b) All applications must be date and time stamped and placed in chronological order on the waiting list.

(c) 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. Additional information on maintaining the waiting list is available in HUD Handbook 4350.3 REV1, Chapter 4.

5. Reasonable Accommodations/Modifications

Develop written policies consistent with all applicable federal, state, and local laws to address the applicants and existing residents with a disability requesting a reasonable accommodation or modification to a unit.

6. Rental Collection Procedures

Develop policies consistent with State law as it relates to the collection of rent, late fees, and other charges.

7. Recordkeeping Requirements

The plan should contain what is maintained in resident files. Some examples include:

- Application

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- Screening criteria
- 50059s Initial and Annual Recertifications
- Third-party verifications
- HUD Mandated forms, i.e., Privacy Act, Authorization for Release, HUD Form 9887, 9887- A

Consult the RHIP Quality Control Guide for a complete list.

8. Record Retention Requirements

HUD Handbook 4350.3 REV 1 provides guidance to O/A's regarding the retention of property records. HUD requires owners to maintain applicant and tenant information in a way to ensure confidentiality. Owners must keep the following documents in the tenant's file at the project office site:

A.

1. All original, signed forms HUD 9887 & 9887-A
2. A copy of signed individual consent forms; and
3. Third-party verifications.

B. Owners must maintain documentation of all verification efforts throughout the term of each tenancy and for at least three years after the tenant moves out.

C. The tenant's file should be available for review by the tenant upon request or by a third party who provides signed authorization for access from the tenant.

D. Owners must dispose of tenant files and records in a manner that will prevent any unauthorized access to personal information, e.g., burn, pulverize, shred, etc.

Consult the HUD Handbook 4350.3 REV 1 Section 5-23 for additional information.

9. Eviction Procedures

A description of the policies regarding eviction must be included and be in compliance with all applicable laws, the lease, and the HUD Handbook 4350.3 REV 1.

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F. Corrective and Preventive Maintenance Procedures

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

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Links

HUD Handbook 4350.3 REV 1

HUD Website
www.hud.gov

HUD Notice 2009-11-11 State Lifetime Sex Offender Registration
http://portal.hud.gov/hudportal/documents/huddoc?id=DOC_11399.pdf

HUD Notice 2010-H-10 Enterprise Income Verification System
http://portal.hud.gov/portal/page/portal/HUD/program_offices/administration/hudclips/notices/hsg/files/10-10hsgn.pdf

EIV & You Brochure
https://www.hud.gov/sites/documents/DOC_7877.PDF