PROPERTY MANAGEMENT 101

LESLIE OSGOOD, CHIEF OF RENTAL HOUSING, SEDA-COG HOUSING DEVELOPMENT CORP.

JO RAFF, DIRECTOR OF PROPERTY MANAGEMENT AND BROKER OF RECORD, COMMUNITY BASICS, INC.
As a manager you wear many hats everyday!

- Leader
- Manager
- Cheerleader
Mentor (coworkers & residents)

Judge

Team Player

Investigator

Coach

Therapist

Counselor

Negotiator
You are not

The Lawyer  Doctor  Besties  Aggressive  Better than others
MANAGEMENT PLAN

• PHFA requires companies to complete a plan
• This important document outlines what the Owner, Agent & Agent Employee agree to provide to residents who reside at the property
• Includes:
  • Define who is Owner, who is Agent
  • Type of Construction
  • Location
  • Number of units
  • Organizational Chart
  • Delegation of Tasks
  • Staff and staff hours for the community
  • Occupancy Standards (must match the TSP)
  • How to handle vacant units
  • Vacant Accessible Unit policy
  • VAWA requirements
  • Include and define other programs funding the property & those requirements
6 MANAGEMENT PLAN

• This is very important for you to have this on site – so you know the day to day operations, responsibilities and what is expected of you as the site Manager.

• Remember you are the person whom the public sees when they come to your site. You want to make sure you represent what the owner/agent has stated they will do.
THE TENANT SELECTION PLAN (TSP)
REQUIRED DOCUMENT FOR EVERY PROPERTY

• This document is a tool for you to refer to in order to qualify applicants for housing EQUALLY
• Each property should have one – keep it handy for reference
• Your TSP must be made available to all applicants – someone being denied is to be sent a copy as well
• TSP is especially important if your community has a preference (residency)
• It also is your guide to add someone to an existing household
• TSP also tells you what screening is to be used to qualify
• HUD properties must consider a household Criminal History, verification of SSN & EIV and if the applicant or H/H member is a registered lifetime sex offender
• PHFA also requires two more TSP criteria that your company/owner can choose from:
  Credit Check * a report of no credit history does not disqualify applicants
  Criminal Background Checks
  Landlord Reference – use the same form for everyone you process
  Home Visits – You can limit the radius of the visits, but again use a form that is to be used for everyone you process
TSP – ESSENTIALS OF A TSP:

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- **Property Description** (name, location, program type, occupancy designation, # of units)
- **Pledge to Not Discriminate** - State, local, federal laws that must be included are Section 504 Act, Fair Housing Amendment, Civil Rights Act, PA Human Relations Act. The purpose of citing these acts/laws is how you pledge to NOT DISCRIMINATE against disability, race, color, religion, sex, familial status, national origin, age, ancestry or sexual orientation.
- **Applications** - How you will take applications, how you will assist those who have Limited English Proficiency, fee to apply, your ability to use other forms of communication including a free (to them) translator or PA Relay Service, & your plan to accommodate those who ask for a reasonable accommodation to the application process.
- **Resident Screening** – PHFA does require you choose two criteria for your screening & how you will evaluate. States that Plan will be used uniformly to screen all applicants.
- **Appeal Process** – How to appeal & it is recommended the same person complete appeals to ensure consistency & uniformity.
• **Eligibility** – Income qualifications, verification forms, especially for Student Households (which varies from programs), & the pledge to not refuse to accept vouchers.

• **Waiting Lists** – Who maintains it, order you process H/H on the list, preference for MUI/HVI units to be rented to those needing the features. How they open/close and are advertised publicly.

• **Pet Policy** – If any fees for pets if allowed. Remember PETS are not Assistance/Service Animals.

• **Occupancy** – Can be per bedroom (two people per bedroom) or square footage. Your town, township, city or borough may have occupancy limits you want to follow.

• **Reasonable Accommodation Policy** – How to apply for the accommodation, who reviews & approves.

• **Transfer Plan** – Some call this in-house move/transfer list policy to address occupancy, accommodation, Household growth and VAWA.

PHFA HAS A CHECKLIST TO USE
AN IMPORTANT DOCUMENT FOR EVERY PROPERTY –
THE WRITTEN TENANT SELECTION PLAN (TSP)

• The TSP is to reduce RISK to the owner
  • Risk that a household member is listed on a lifetime registered sex offender
  • Risk that a household may not pay their rent
  • Risk that a household disturbs neighbors (right to Peaceful Enjoyment)
  • Risk that a household may cause damage to owner’s property
  • Risk that household would be involved in illegal activities

  TSP USUALLY REQUIRES ONLY 1 FAILURE TO REJECT H/H
  
  Keep in mind the risk must be substantial and your property management company should have a list of what is and what is not acceptable

  Criminal Activity from years before (TSP should include how far back crimes will be included)
  
  Example: traffic violations, criminal activity from years before & there is no pattern to the crimes
  But the TSP also outlines a process for the applicant to appeal a rejection & have a secondary review by someone who did not complete the initial processing

NSOPW.GOV – National Sex Offender Website
HOUSE RULES & TENANT HANDBOOK

- Written for each community & is unique
- Try not to be all negative – Be helpful
- Outline your expectations
- A “How-To” guide (may also reinforce the lease)
  - Office info
  - Late fees
  - Smoking Policy
  - Emergency policy
  - Parking policy
  - What to use to hang items
  - Detector & Sprinkler regulations
- After office hours contact
- Where to pay rent & to Who
- Laundry room
- Noise policy
- Trash removal & recycling
- Redecorating policy
- How to Operate equipment

Purpose of the handbook: REINFORCE LEASE REQUIREMENTS

- Common sense & Courtesy (different for everyone)
  - **WALK THE PROPERTY AND PREPARE A LIST OF ITEMS TO ADDRESS, & TO INCLUDE COMMON COURTESIES & ANYTHING THAT WOULD AFFECT THE RESIDENT AND/OR THE OWNER ADVERSELY
  - If you are experiencing an issue regularly put it in your handbook
COMPANY POLICIES AND PROCEDURES

• Parking Policy
• Service Animal Agreement
• Pet Policy
• Smoke Detector Policy
• Supportive Service
• Death
LEGAL DOCUMENTS -

• Indenture of Restrictive Covenant – LIHTC
• Regulatory Agreement – HOME/PHARE/HTF
• 8609 – Form that the owner uses to claim the tax credits
Annual reports required to be submitted to the Agency will refer to information contained in both of these written legal docs. If a project has several funding program layers you want to make sure you are meeting each of those program funding requirements to remain in compliance.
IRC is the written agreement that drives the tax credits for a project. It indicates the applicable fraction, which if 100% the O/A can conduct Alt certs for years following the initial move-in cert. It also, states the minimum set-aside that must be met to claim the tax credits and how many units the Owner elected to restrict rent and income at or below 50% AMI. In older versions this information would be housed in Article III of the IRC in the newer versions it can be found in Exhibit B. You will also find in Exhibit B information regarding the accessible units. The Indenture of Restrictive Covenants Agreement (the “Agreement”) sets forth the income and occupancy restrictions for the development for the entire compliance period or extended use period, whichever is greater.

Low-Income Housing Tax Credit (LIHTC) Agreement is referred to as Indenture of Restrictive Covenants (IRC)
THIS INDENTURE, made this 9th day of March 2022, by and between JUMANJI L.P., a Pennsylvania limited partnership with a principal place of business at 1234 Long Pond Rd, Long Pond, PA 18334 ("Owner"),

AND

PENNSYLVANIA HOUSING FINANCE AGENCY, a public corporation and government instrumentality of the Commonwealth of Pennsylvania, with its principal offices at 211 North Front Street, Harrisburg, Pennsylvania 17101 (the "Agency"),

WITNESSETH:

WHEREAS, the Governor of the Commonwealth of Pennsylvania has designated the Agency as the housing tax credit agency for the Commonwealth of Pennsylvania for the allocation of low income housing tax credit dollars pursuant to Section 42 of the Internal Revenue Code of 1986, as amended (the "Code"); and

WHEREAS, the property is located at 123 Main Street, Harrisburg, Dauphin County, Pennsylvania, as more fully described in Exhibit A attached hereto and made a part hereof, known as Daytona 500 Apartments (the "Development"); and

WHEREAS, based upon Owner's representations, Owner has received, pursuant to the Code, an allocation of low income housing tax credit dollars for the Development from the Agency (the "Tax Credits") which allocation is subject to Owner executing, delivering and recording in the official land deed records of the county in which the Development is located this Indenture for the purpose of enforcing the requirements of the Code by regulating and restricting the use, occupancy and transfer of the Development as set forth herein; and

WHEREAS, Owner, under this Indenture, intends, declares and covenants that the regulatory and restrictive covenants set forth herein governing the use, occupancy and transfer of the Development shall be and are covenants running with the Development for the term stated herein and binding upon all subsequent owners of the Development for such term.
A. NOW, THEREFORE, the parties hereto, intending to be legally bound, do hereby agree as follows:

B. ARTICLE I
DEFINITIONS

C. All words and phrases defined in the Code and in the Regulations (as such term is hereinafter defined) pertaining thereto promulgated by the U.S. Department of Treasury ("Treasury"), the Internal Revenue Service ("IRS") or the U.S. Department of Housing and Urban Development ("HUD") shall have the same meanings in this Indenture.

D. ARTICLE II
E. OWNER’S REPRESENTATIONS AND WARRANTIES

F. The Development will be constructed, financed, operated and managed in a manner which is fundamentally and materially consistent with the representations and certifications set forth in the Owner’s application to the Agency for Tax Credits.

G. Owner is and shall continue to be duly organized and existing under the laws of the Commonwealth of Pennsylvania as the type of entity it represents itself to be and authorized to perform the activities contemplated by the Development financing.

H. There is no action, suit or proceeding at law or in equity or by or before any governmental instrumentality or other agency now pending, or, to the knowledge of Owner, threatened against or affecting it, or any of its properties or rights, which, if adversely determined, would materially impair its right to carry on business substantially as now conducted or would materially affect its financial condition.

I. All statements and representations made by Owner to the Agency in connection with the Tax Credits or relating to the Development were true and correct in all material respects when made by Owner.

J. Owner has and shall continue to have good and marketable title to the Development.

K. Owner acknowledges that the Development is and shall remain low-income residential rental property, in accordance with the Code and the regulations (proposed, temporary and final), which shall include, but are not limited to compliance monitoring regulations, promulgated by Treasury thereunder, as well as all public rulings, notices, procedures, announcements and bulletins issued by the IRS (collectively, the "Regulations"), for the term of this Indenture. Owner will not knowingly take or permit to be taken any action which would, either directly or indirectly, subject Owner or the Development to non-compliance with the Code or the Regulations.

L. During the term of this Indenture, Owner agrees and warrants that each low-income unit is and will remain suitable for occupancy.

M. Owner (or any successors or assigns thereto) shall not displace, evict or terminate an existing tenant of any residential unit subject to this Indenture and included in the applicable fraction (other than for good cause) in accordance with the Code and Rules, as well as any other applicable law, or make any increase in the gross rent with respect to a low-income unit not otherwise permitted by the Code. Furthermore, for the term of this Indenture, Owner shall continue to comply with any and all applicable Code, Rules or technical advice of the IRS with respect to such tenancy.
A. For the term of this Indenture, the Owner shall continue to comply with Section 42(h)(5)(A-C) of the Code and any and all applicable federal regulations and laws including those that apply retroactively.

B. Owner shall submit information including, but not limited to, unit amenities, household size, household income and move-in information and any ongoing unit vacancies in a secure and timely manner in a form proscribed by the Agency. In addition to the foregoing, Owner shall keep such additional records and prepare and submit to Agency such additional reports as Agency may deem necessary to ensure compliance with the requirements of the Regulations and this Indenture.

C. ARTICLE III

D. RENTAL RESTRICTIONS

E. Pursuant to its application for Tax Credits with the Agency, Owner represents, warrants and covenants throughout the term of this Indenture:

F. The applicable fraction (as defined in Section 42(c)(1) of the Code) for the Development shall be at least 100% percent and shall continue to apply during the term of the Indenture in accordance with Section 42(h)(6)(B)(i) of the Code.

G. Owner hereby certifies that a minimum of nineteen (19) units will be available and affordable to tenants at or below 50 percent of median income.

H. In accordance with Section 42(g)(1) of the Code, Owner has elected the Minimum Set-Aside Requirement to be 40 percent (40%) of the units at 60 percent (60%) of median income.

I. ARTICLE IV

J. TERM OF INDENTURE

K. Except as otherwise provided herein, the term of this Indenture (consistent with Section 42(h)(6)(D) of the Code) shall begin on the first day of the compliance period specified in Section 42 of the Code and shall terminate thirty-five (35) years after the first day of such compliance period (the “Compliance Period”).

L. Notwithstanding paragraph A above, Owner shall comply with the requirements of the Code relating to the Compliance Period, provided, however, the Compliance Period for any building that is part of the Development shall terminate on the date the Development is acquired by foreclosure or transferred by a deed or other instrument in lieu of foreclosure unless the Secretary of the Treasury determines that such acquisition is part of an arrangement with Owner a purpose of which is to terminate such Compliance Period. Owner acknowledges that by recording this Indenture in the county's official land deed records the Owner waives the right to petition the Agency for relief under Section 42(h)(6)(E)(i)(II) of the Code during the Compliance Period.

M. For a period of three (3) years from the date of termination of the Compliance Period made pursuant to Paragraph B above, Owner (or any successors or assigns) shall not displace, evict or terminate an existing tenant of any low-income unit and included in the applicable fraction (other than for good cause) or increase the gross rent above the maximum allowed under the Code with respect to such units.

N. ARTICLE V

O. OWNER’S COVENANTS
A. Owner shall not discriminate on the basis of race, creed, color, gender, age, handicap, marital status, national origin, status as a veteran or certificate of eligibility under Section 8 of the U.S. Housing Act of 1937, family status or religion, in the lease, sale, rental, use or occupancy of the Development or in connection with the employment or application for employment of persons for the operation and management of the Development or in connection with any improvements to be erected thereon or in connection with maintenance of the Development.

B. If Owner becomes aware of any situation, event or condition that would result in non-compliance with the Code or the Regulations, Owner shall promptly submit written notice thereof to the Agency.

C. Owner, for itself, its successors and assigns, agrees that the terms, conditions and restrictions of this Indenture shall be covenants running with the land, and that in any deed of conveyance of the Development or any part thereof, said terms, conditions and restrictions shall be incorporated by reference to this Indenture and the record hereof as fully as the same are contained herein for the Compliance Period as defined herein.

D. Subject to the requirements of the Code and this Indenture, Owner may sell, transfer or exchange the entire Development at any time. However, unless the Compliance Period has terminated in accordance with Article IV hereof, Owner (and its successors and assigns) shall notify in writing and obtain the agreement of any buyer or successor or other person acquiring the Development or any interest therein that such acquisition is subject to the requirements of this Indenture and to the requirements of the Code and Regulations. This provision shall not act to waive any other restriction on sale, transfer or exchange of the Development or any low-income portion of the Development.

E. Owner agrees to notify the Agency in writing in advance of any sale, transfer or exchange of the Development. Owner shall not dispose to any person any portion of the Development to which this Indenture applies unless all of the Development is disposed of to such person. Within thirty (30) days of the closing of such sale, transfer, or exchange, the Owner shall provide the Agency a complete copy of all of the closing documents.

F. The Agency may at any time during the term of this Indenture seek to enforce all material representations made by the Owner at any time.

G. ARTICLE VI

H. ENFORCEMENT OF PROVISIONS

I. Owner acknowledges that the primary purpose for requiring compliance with the restrictions provided in this Indenture is to assure compliance of the Development and Owner (and its successors and assigns) with the Code, the Regulations and the applicable Agency’s Tax Credit Program requirements. Owner in consideration for receiving the Tax Credits for the Development, hereby agrees and consents that (i) the Agency, the Commonwealth of Pennsylvania and/or the United States of America shall be entitled to enforce specific performance by Owner, its successors and assigns, of its obligations under this Indenture in any tribunal in the Commonwealth of Pennsylvania for any and all breach of the conditions and restrictions hereof or material representations made by Owner at any time, and in addition to all other remedies provided by law or in equity, and (ii) Owner further acknowledges and agrees that this Indenture shall inure to the benefit of all prospective, present and former low-income tenants or occupants of the Development who meet the income limitation applicable to the Development under Section 42(g) of the Code as third party beneficiaries who, either individually or collectively, shall have the right to enforce the requirements and prohibitions of Section 42(h)(6)(B)(i) in any tribunal in the Commonwealth of Pennsylvania.

J. Indenture of Restrictive Covenants

K. Extended Use

L. Page 4
The Regulatory Agreement defines the terms, conditions, and covenants that the owner agrees to be monitored by PHFA. The Regulatory Agreement drives the Penn HOMES, PHARE and HTF, and indicates the number of units restricted to be leased to individuals or families of various area median incomes.

Rental Project Restrictions in the newer Regulatory Agreement can be found in section 9a. in older versions it is 8a.
On this day of , 2019, a Pennsylvania having its principal office at Pennsylvania ("Owner"), grants and covenants to the PENNSYLVANIA HOUSING FINANCE AGENCY, having a mailing address of 211 North Front Street, Harrisburg, Pennsylvania 17101 the ("PHFA" or "Agency"), for the purpose of ensuring that the property located at Pennsylvania, upon which is to be owned and operated building(s) consisting of ( ) residential rental units as more fully described in Exhibit A, attached hereto and made a part hereof (the "Project"), as affordable housing for occupancy by low and moderate income households.

The terms of this Regulatory Agreement ("Agreement") are as follows:

1. Definitions. For the purposes of this Regulatory Agreement each of the following terms shall have the meaning specified with respect thereto: Any term not defined herein shall be as defined in the context thereof or in the loan documents of even date herewith relating to the Project.

a. Extended Affordability Period - Upon construction completion of the Project and continuing therefor, Owner, its successors and assigns, shall maintain the Project for low income seniors in compliance with all Agency requirements for a period of twenty (20) years.

b. Low or Very Low Income Households - Households meeting the requirements of Paragraph 9 of this Agreement.

c. Management Agreement - The agreement by which Owner appoints an agent who agrees to act as the exclusive agent for the management of the Project.

d. Mortgage - The Open-End PHFA Mortgage and Security Agreement and Assignment of Leases and Rents securing a loan evidenced by a PHFA Note and covering all of the right, title and interest of Owner in and to the Project and all personal property used in the management, maintenance and operation of the Project.
a. **Owner** - Individuals, corporations, joint ventures, partnerships, limited partnerships, trusts, cooperatives and condominiums, their principals and stockholders as provided in 35 P.S. Section 1680.402a(e) of the Act.

b. **Owner Distribution** - Any withdrawal of cash or any assets of the Project, as approved in the sole discretion of the Agency, including the segregation of cash or assets for subsequent withdrawals as well as any and all fees payable to the general partner (excluding payment for reasonable expenses incident to the operation and maintenance of the Project).

c. **Surplus Cash** - Excess of revenue over Project costs (as defined in "Excess Revenue" in the Building Loan Agreement of even date herewith) required by the Agency in its sole discretion to be applied to outstanding amounts of the Mortgage before (or simultaneously with) application of such funds to Owner Distribution.

d. **Loan Documents** - This Agreement, the PHFA Note, the PHFA Mortgages, the PHFA Building Loan Agreement, the Management Agreement, and all other loan documents executed in connection with the Loan.

e. **Agency Loans** - The indebtedness evidenced by the PHFA Note secured by an Open-End PHFA Mortgage and Security Agreement and Assignment of Leases and Rents.

2. **Covenants running with the Land.** Owner intends, declares and covenants, on behalf of itself and its successors and assigns, that the covenants and restrictions set forth in this Agreement regulating and restricting the use, occupancy and transfer of the Project (i) shall be and are covenants running with the Project, encumbering the Project for a term of either the Affordability Period or Extended Affordability Period, which shall run concurrently with the Mortgage, whichever occurs later, ("Term") binding upon the Owner's successors in title and all subsequent owners of the Project; (ii) are not merely personal covenants of Owner; and (iii) shall bind Owner and its successors and assigns (and the benefits shall inure to Agency and to any past, present or prospective tenant of the Project). The Owner acknowledges that it has received assistance from Agency in developing the Project as affordable rental housing. This Agreement shall continue in force for its stated Term regardless of the prior repayments of such loan.

1. **Satisfaction of all Deed Restriction Requirements.** Throughout the Term of this Agreement, Owner hereby agrees that any and all requirements of the applicable laws of the Commonwealth of Pennsylvania to be satisfied in order for this Agreement to constitute deed restrictions and covenants running with the land shall be deemed to be satisfied in full.

2. **All Conveyances and Project contracts subject to Covenants.** Throughout the Term of this Agreement, each and every contract, deed or other instrument hereafter executed conveying the Project or portion thereof shall expressly provide that such conveyance is subject to this Regulatory Agreement, provided, however, that the covenants contained herein shall survive and be effective regardless of whether such contract, deed or other instrument hereafter executed conveying the Project or portion thereof provides that such conveyance is subject to this Regulatory Agreement.

3. **Affordable Housing Project Unit Requirements.** Throughout the Term of this Agreement, each unit in the Project (with the exception of single room occupancy units) shall contain complete facilities for living, sleeping, eating, cooking and sanitation which are to be used on other than a transient basis. Each unit in the Project shall meet the housing quality standards set forth in the
A. regulations of the United States Department of Housing and Urban Development ("HUD") (or any successor thereto), at 24 C.F.R. Section 982.401, and all applicable local codes, rehabilitation standards, ordinances and zoning ordinances.

6. No Discrimination by Owner. Throughout the Term of this Agreement, Owner shall not discriminate on the basis of race, religious creed, ancestry, color, sex, age, handicap, marital status, sexual preference, national origin or any other basis prohibited by law in the lease, use and occupancy of the Project or in connection with the employment or application for employment of persons for the operation and management of the Project. The Owner shall not discriminate against, or refuse to lease, rent or otherwise make available units in the Project to, a holder of a certificate of family participation under the Housing Choice Voucher Program (24 C.F.R. Part 982) or a holder of a comparable document evidencing participation in a HOME Program tenant-based assistance program because of the status of the prospective tenant as a holder of such certificate of family participation rental voucher or comparable HOME Program tenant-based assistance document (or any successor federal rental support program.)

7. Resident Marketing and Selection Plan Requirements. Throughout the Term of this Agreement, the Owner shall adopt and submit to Agency for approval resident selection policies and criteria acceptable to Agency that:

a. are consistent with the purpose of providing housing for Low-Income Families and Very Low-Income Families, as defined and required herein;

b. are reasonably related to all federal program eligibility of prospective tenants and to the prospective tenants' ability to perform the obligations of the Owner's form of lease; and

c. provide for the selection of residents from a written waiting list in the chronological order of their application, insofar as practicable and the prompt written notification to any rejected applicant of the grounds for any rejection.

8. Special Resident Rules applicable to CHDO projects. In the event the Project receives HOME Investment Partnerships Program (the "HOME Program") funds and is owned, sponsored or developed by a certified community housing development organization ("CHDO"), Owner shall adopt and comply with a plan for resident participation in management decisions as well as resident fair lease and grievance procedures.

9. Specific Affordability Period Requirements relating to Federal Programs:

(a) Program Occupancy and Rents. Throughout the Affordability Period, Owner shall maintain if HOME assisted units (as defined below) whose annual income does not exceed 80% of the area median income ("Very Low Income Families") based on family size as determined by HUD and does not exceed the applicable 80% limits. A "Family" is defined as one or more individuals occupying a unit and satisfying the standards adopted by HUD for the so-called Section 8 Program under the United States Housing Act of 1937, as promulgated at 24 C.F.R. Part 982.
(b) The HOME assisted units are floating units, which means that the units designated as HOME assisted units may be changed to maintain conformity with the requirements of the HOME Program during the Affordability Period so that the total number of housing units meeting the HOME Program requirements remains the same. In doing so, each substituted unit shall be comparable in terms of size, features and number of bedrooms to the originally designated HOME assisted units. No later than at initial occupancy, Owner shall provide the unit number and address of all HOME assisted units.

(c) During the Affordability Period, the Agency shall annually review and approve or disapprove rents for HOME assisted units, subject to the maximum HOME rent limitations provided herein.

(d) The HOME rent limits are calculated and published on a periodic basis by HUD. In the event rents decrease, the Owner is not required to reduce rents immediately. Compliance with the decreased limits may be done at the point in time specified in the lease, or if not specified, customary for periodic (usually annual) adjustments in rent. However, rents of the HOME assisted units are never required to be reduced below the following rent levels:

<table>
<thead>
<tr>
<th>Unit Type</th>
<th>50% HOME Rent</th>
</tr>
</thead>
<tbody>
<tr>
<td>1 bedroom</td>
<td></td>
</tr>
<tr>
<td>2 bedroom</td>
<td></td>
</tr>
</tbody>
</table>

Consequently, if rent limits increase, the Owner may not raise rents of occupied units immediately. Rents may be increased at the point in time specified in the lease, or if not specified, at a time customary for periodic (usually annual) adjustments in rent.

(e) The monthly rent charged to the residents of the HOME assisted units to be occupied by families whose incomes do not exceed 60% of the area median income shall not exceed the lesser of:

i. The fair market rent for existing housing for comparable units in the area as established by HUD under regulations promulgated at 24 C.F.R. Section 888.111 (or successor regulations), less the monthly allowance for the utilities and services (excluding telephone) to be paid by the tenant; or

ii. The 60% HOME rent, as calculated by PHFA based upon HUD-published income limits, with adjustments for the number of bedrooms in the unit. In determining the maximum monthly rent that may be charged for a unit under this paragraph (ii), the Owner shall subtract from the above amount an allowance for any utilities and services (excluding telephone) to be paid by the Family; or

iii. The 60% tax credit rent if the Project is receiving federal low income housing tax credits.

(f) Furthermore, the monthly rent charged to the residents of the HOME assisted units required to be occupied by families whose incomes do not exceed 50% shall not exceed the lesser of:

(i) The fair market rent for existing housing for comparable units in the area as established by HUD under regulations promulgated at 24 C.F.R. Section 888.111 (or successor regulations).
a. regulations), less the monthly allowance for the utilities and services (excluding telephone) to be paid by the tenant; or

ii. The 50% HOME rent, as determined and provided by HUD, with adjustment for number of bedrooms in the unit using average occupancy per unit assumptions provided by HUD. In determining the maximum monthly rent that may be charged for a unit under this clause (ii), the Owner shall subtract from the above amount a monthly allowance for any utilities and services (excluding telephone) to be paid by the Family; or

i. The rent identified in paragraph (e) above; or

ii. The 50% tax credit rent if the Project is receiving federal low income housing tax credits.

g. In the event the Owner is receiving federal or state project-based assistance for Very Low Income Families whose rents do not exceed 30% of the Family's monthly adjusted income, the maximum rent (tenant rent plus utility allowance plus project-based subsidy) is the rent allowable under the project-based assistance program. Upon expiration of said assistance during the Affordability Period, the Project rents shall revert to the rents established above.

a. In the event the Owner is receiving federal or state project-based assistance for Low Income Families, the maximum rent (tenant rent plus utility allowance plus project-based subsidy) is the 60% HOME rent.

b. If the Project is subject to requirements of the federal Low Income Housing Tax Credit Program pursuant to Section 42 of the Internal Revenue Code of 1986, as amended (“Section 42”), the rents charged to residents of non-HOME assisted units shall be the applicable tax credit rents as set forth in the Indenture of Restrictive Covenants Low Income Housing Tax Credits of even date herewith.

c. Over-Income Residents. The Project qualifies as affordable housing despite a temporary noncompliance with the above paragraphs, if the noncompliance is caused by increases in the incomes of existing residents and if actions satisfactory to HUD (or the Agency) are being taken to ensure that all vacancies are filled in accordance with this section until the noncompliance is corrected. Residents who no longer qualify as low-income residents must pay as rent the lesser of the amount payable by the resident under State or local law or 30% of the resident’s adjusted monthly income, as recertified annually. In addition, since the HOME assisted units are floating units, residents of HOME assisted units who no longer qualify as low income are not required to pay as rent an amount that exceeds the fair market rent for comparable, unassisted units in the neighborhood. However, if the Project is subject to the federal Low Income Housing Tax Credit Program, residents of HOME assisted units must pay rent governed by Section 42.

d. 10. Affordability Period Leasing, General Federal Requirements and Record Keeping.

e. (a) The Owner represents, warrants and covenants that the determination of whether a Family meets the income requirements set forth herein shall be made by Owner at the time of leasing of a unit in the Project and thereafter at least annually on the basis of the current income of such Family. Owner shall maintain as part of its Project records copies of all leases of units in the Project and all initial and annual income certifications by tenants of the Project. Within fifteen (15) days after the end of each calendar year of occupancy of any portion of the Project, the Owner shall provide to the Agency annual
a. reports consisting of certifications regarding the annual and monthly gross and adjusted income of each Family occupying a unit at the Project. With respect to Families who moved to the Project in the prior year, the annual report shall also include certifications regarding the annual and monthly gross and adjusted incomes of such Families at the time of their initial occupancy at the Project. The annual reports shall be in a form approved by Agency and shall contain such supporting documentation as Agency shall reasonably require. Furthermore, in addition to the foregoing, Owner shall keep such additional records and prepare and submit to Agency such additional reports as Agency may deem necessary to ensure compliance with the requirements of this Regulatory Agreement and of the HOME Program. The Agency may at any time during the Affordability Period request from Owner, annual reports and certifications along with supporting documentation.

b. Owner shall carry out each activity provided for in this Agreement in compliance with all applicable federal laws and regulations described in 24 C.F.R. Section 92.350 (equal opportunity and fair housing), Section 92.350 (debarment and suspension), Section 92.351 (affirmative marketing), and Section 92.353 (displacement, relocation, and acquisition), all applicable federal laws and regulations described in Section 92.354 (labor standards), Section 92.355 (lead-based paint), Section 92.356 (conflict of interest), Section 92.358 (Violence Against Women) and all applicable requirements in the HOME Program Statement of Assurances attached hereto and incorporated herein as Exhibit B, including all record keeping and reporting requirements.

11. Affordability Period Rent Floor and Increase Requirements. Prior to initial occupancy of the Project and annually thereafter as part of the annual reports required under paragraph 9 above, Owner shall submit to the Agency a proposed schedule of monthly rents and monthly allowances for utilities and services for all units in the Project. The rent schedule shall include the gross rent floor under paragraph 9(d) above, the maximum rents applicable to units under paragraph 9(e), 9(f) and 9(g) above, as well as the actual rents to be charged to over-income Families under paragraph 9(i) above. Such schedule shall be subject to the approval of the Agency for compliance with the requirements of paragraph 8 above and 24 C.F.R. Section 92.252, as amended. After approval of a schedule of rents and allowances by PHFA, rents shall only be increased within the limits prescribed in paragraphs 9(d), (e) and (f) above. Notwithstanding the foregoing, rent increases shall be subject to the provisions of outstanding leases and shall not be implemented without at least thirty (30) days prior written notice by Owner to all affected tenants.

1. Mandatory Lease Requirements. Throughout the Term, Owner shall not include in any lease for a unit in the Project any of the following provisions:

   a. Agreement by the tenant to be sued, to admit guilt or to a judgment in favor of Owner in a lawsuit brought in connection with the lease.

   b. Agreement by the tenant that Owner may take, hold, or sell personal property of household members without notice to the tenant and a court decision on the rights of the parties. This prohibition, however, does not apply to an agreement by the tenant concerning disposition of personal property remaining in the unit after the tenant has moved out of the unit. Owner may dispose of such personal property in accordance with state law.

   c. Agreement by the tenant not to hold Owner or Owner’s agents legally responsible for any action or failure to act, whether intentional or negligent.
On this day of , 201 , a Pennsylvania, having its principal office at , ("Owner"), grants and covenants to the PENNSYLVANIA HOUSING FINANCE AGENCY, having a mailing address of 211 North Front Street, Harrisburg, Pennsylvania 17101 the ("Agency"), for the purpose of ensuring that the property located at , County, (Pennsylvania, upon which is to be constructed and/or rehabilitated -story building(s) consisting of ( ) residential rental units as more fully described in Exhibit A, attached hereto and made a part hereof (the "Project"), is retained as affordable housing for occupancy by low and moderate income individuals and families.

The terms of this Regulatory Agreement are as follows:

1. For the purposes of this Regulatory Agreement each of the following terms shall have the meaning specified with respect thereto:

   a. Affordability Period - Upon construction completion of the Project and continuing thereafter, Owner, and its successors and assigns, shall maintain the Project as housing for low or very low income families for a period of years.

   b. Low or Very Low Income Families - Families meeting the requirements of Section 8 of this Agreement.

   c. Management Agreement - The agreement by which Owner appoints an agent who agrees to act as the exclusive agent for the management of the Project.

   d. Mortgage - The Open-End PHFA Mortgage and Security Agreement and Assignment of Leases and Rents securing a loan in the amount of Dollars ($ evidenced by a PHFA Note and covering all of the right, title and interest of Owner in and to the Project and all personal property used in the management, maintenance and operation of the Project.

   e. Retail Property - The property described above.

   f. Renovation - The addition of new amenities, improvements, or rehabilitation services to the Project.

   g. Remaining Term - The period of time remaining under the terms of the Regulatory Agreement.

   h. Property - The Project as described in Exhibit A.

   i. Project - The building(s) described in Exhibit A.

   j. PHFA - The PENNSYLVANIA HOUSING FINANCE AGENCY.

   k. Owner - The entity or individual described in Exhibit B.

   l. Agreement - The agreement, contract, or other document executed by Owner and the Agency.

   m. PHFA Note - The promissory note evidencing the loan.

   n. PHFA Mortgage - The mortgage securing the loan.

   o. PHFA Security Agreement - The agreement securing the loan.

   p. PHFA Assignment of Leases and Rents - The assignment of leases and rents securing the loan.

   q. PHFA Note and Security Agreement - The promissory note and security agreement securing the loan.

   r. PHFA Assignment of Leases and Rents and Security Agreement - The assignment of leases and rents and security agreement securing the loan.

   s. PHFA Mortgage and Security Agreement - The mortgage and security agreement securing the loan.

   t. PHFA Assignment of Leases and Rents and Security Agreement - The assignment of leases and rents and security agreement securing the loan.

   u. PHFA Note and Mortgage - The promissory note and mortgage securing the loan.

   v. PHFA Security Agreement and Assignment of Leases and Rents - The security agreement and assignment of leases and rents securing the loan.

   w. PHFA Note and Mortgage and Security Agreement - The promissory note, mortgage, and security agreement securing the loan.

   x. PHFA Assignment of Leases and Rents and Security Agreement - The assignment of leases and rents and security agreement securing the loan.

   y. PHFA Mortgage and Security Agreement - The mortgage and security agreement securing the loan.

   z. PHFA Assignment of Leases and Rents and Security Agreement - The assignment of leases and rents and security agreement securing the loan.
a. Owner - Individuals, corporations, joint ventures, partnerships, limited partnerships, trusts, cooperatives and condominiums, their principals and stockholders as provided in 35 P.S. Section 1680.402a(e) of the Act.

b. Owner Distribution - Any withdrawal of cash or any assets of the Project, as approved in the sole discretion of the Agency, including the segregation of cash or assets for subsequent withdrawals as well as any and all fees payable to the general partner (excluding payment for reasonable expenses incident to the operation and maintenance of the Project.)

c. Residual Revenue - Excess of revenue over project costs (as defined in "Excess Revenue" in the PHFA Note of even date herewith) less the amount of all Owner Distributions.

2. Owner intends, declares and covenants, on behalf of itself and its successors and assigns, that the covenants and restrictions set forth in this Regulatory Agreement regulating and restricting the use, occupancy and transfer of the Project (i) shall be and are covenants running with the Project, encumbering the Project for a term of either the Affordability Period or thirty (30) years which shall run concurrently with the Mortgage, whichever occurs later, binding upon the Owner's successors in title and all subsequent owners of the Project; (ii) are not merely personal covenants of Owner; and (iii) shall bind Owner and its successors and assigns (and the benefits shall inure to Agency and to any past, present or prospective tenant of the Project). The Owner acknowledges that it has received assistance from Agency in developing the Project as affordable rental housing. This Regulatory Agreement shall continue in force for its stated term regardless of the prior repayments of such loan.

1. Owner hereby agrees that any and all requirements of the applicable laws of the Commonwealth of Pennsylvania to be satisfied in order for this Regulatory Agreement to constitute deed restrictions and covenants running with the land and shall be deemed to be satisfied in full.

2. Each and every contract, deed or other instrument hereafter executed conveying the Project or portion thereof shall expressly provide that such conveyance is subject to this Regulatory Agreement, provided, however, that the covenants contained herein shall survive and be effective regardless of whether such contract, deed or other instrument hereafter executed conveying the Project or portion thereof provides that such conveyance is subject to this Regulatory Agreement.

3. Each unit in the Project (with the exception of single room occupancy units) shall contain complete facilities for living, sleeping, eating, cooking and sanitation which are to be used on other than a transient basis. Each unit in the Project shall meet the housing quality standards set forth in the regulations of the United States Department of Housing and Urban Development ("HUD") (or any successor thereto), at 24 C.F.R. Section 982.401, and all applicable local codes, rehabilitation standards, ordinances and zoning ordinances.

4. Owner shall not discriminate on the basis of race, religious creed, ancestry, color, sex, age, handicap, marital status, sexual preference, national origin or any other basis prohibited by law in the lease, use and occupancy of the Project or in connection with the employment or application for employment of persons for the operation and management of the Project. The Owner shall not discriminate against, or refuse to lease, rent or otherwise make available units in the Project to, a holder of a certificate of family participation under the Housing Choice Voucher Program (24 C.F.R. Part 982) or a holder of a comparable document evidencing participation in a HOME Program tenant-based assistance program because of the status of the prospective tenant as a holder of such certificate of family participation rental voucher or comparable HOME Program tenant-based assistance document.

A. Regulatory Agreement/PennHOMES (12>)
B. Project
Page 2 of 15
A. The Owner shall adopt and submit to Agency for approval resident selection policies and criteria acceptable to Agency that:

a. Are consistent with the purpose of providing housing for Low-Income Families and Very Low-Income Families, as defined below and required herein;

b. Are reasonably related to HOME Program eligibility of prospective tenants and to the prospective tenants' ability to perform the obligations of the Owner's form of lease; and

c. Provide for the selection of residents from a written waiting list in the chronological order of their application, insofar as practicable and the prompt written notification to any rejected applicant of the grounds for any rejection.

A. The Owner shall also provide the Agency with an affirmative marketing plan and a fair lease and grievance procedure acceptable to the Agency. The approved marketing plan, the fair lease and grievance procedure and the approved resident selection policies and criteria shall be adhered to in every respect.

B. In the event the Project receives Federal HOME Investment Partnerships Program (the "HOME Program") funds and is owned, sponsored or developed by a certified community housing development organization ("CHDO"), Owner shall adopt and comply with a plan for resident participation in management decisions as well as resident fair lease and grievance procedures.

C. (a) Upon initial occupancy of the Project and thereafter during the Affordability Period (as well as upon expiration of federal or state project-based assistance), Owner shall maintain HOME assisted units. ( ) units in the Project shall be leased to Families (as defined below) whose annual income does not exceed 20% of the area median income ("Extremely Low Income Families") based on family size as determined by HUD. ( ) units in the Project shall be leased to Families (as defined below) whose annual income does not exceed 50% of the area median income ("Very Low Income Families") based on family size as determined by HUD and does not exceed the applicable 50% rents. The remaining ( ) units in the Project shall be leased to Families whose annual incomes do not exceed 60% of the area median income ("Low Income Families") based on family size as determined by HUD and does not exceed the applicable 60% rents. A "Family" is defined as one or more individuals occupying a unit and satisfying the standards adopted by HUD for the so-called Section 8 Program under the United States Housing Act of 1937, as promulgated at 24 C.F.R. Part 982.

b. The HOME assisted units are floating units, which means that the units designated as HOME assisted units may be changed to maintain conformity with the requirements of the HOME Program during the Affordability Period so that the total number of housing units meeting the HOME Program requirements remain the same. In doing so, each substituted unit shall be comparable in terms of size, features and number of bedrooms to the originally designated HOME assisted units. No later than at initial occupancy, Owner shall provide the unit number and address of all HOME assisted units.

d. During the Affordability Period, the Agency shall annually review and approve or disapprove rents for HOME assisted units, subject to the maximum HOME rent limitations provided herein.
A. (d) The HOME rent limits are calculated and published on a periodic basis by HUD. In the event rents decrease, the Owner is not required to reduce rents immediately. Compliance with the decreased limits may be done at the point in time specified in the lease, or if not specified, customary for periodic (usually annual) adjustments in rent. However, rents of the HOME assisted units are never required to be reduced below the following rent levels:

<table>
<thead>
<tr>
<th>Unit Type</th>
<th>20% HOME Rent</th>
<th>50% HOME Rent</th>
<th>60% HOME Rent</th>
</tr>
</thead>
<tbody>
<tr>
<td>C bedroom</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>bedroom</td>
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<td></td>
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<tr>
<td>bedroom</td>
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</tr>
</tbody>
</table>

D. Consequently, if rent limits increase, the Owner may not raise rents of occupied units immediately. Rents may be increased at the point in time specified in the lease, or if not specified, at a time customary for periodic (usually annual) adjustments in rent.

E. (e) The monthly rent charged to the residents of the HOME assisted units to be occupied by families whose incomes do not exceed 60% of the area median income shall not exceed the lesser of:

i. The fair market rent for existing housing for comparable units in the area as established by HUD under regulations promulgated at 24 C.F.R. Section 888.111 (or successor regulations), less the monthly allowance for the utilities and services (excluding telephone) to be paid by the tenant; or

ii. The 60% HOME rent, as calculated by PHFA based upon HUD-published income limits, with adjustments for the number of bedrooms in the unit. In determining the maximum monthly rent that may be charged for a unit under this paragraph (ii), the Owner shall subtract from the above amount an allowance for any utilities and services (excluding telephone) to be paid by the Family; or

iii. The 60% tax credit rent if the Project is receiving federal low income housing tax credits.

A. (f) Furthermore, the monthly rent charged to the residents of the HOME assisted units required to be occupied by families whose incomes do not exceed 50% shall not exceed the lesser of:

i. The fair market rent for existing housing for comparable units in the area as established by HUD under regulations promulgated at 24 C.F.R. Section 888.111 (or successor regulations), less the monthly allowance for the utilities and services (excluding telephone) to be paid by the tenant; or

ii. The 50% HOME rent, as determined and provided by HUD, with adjustment for number of bedrooms in the unit using average occupancy per unit assumptions provided by HUD. In determining the maximum monthly rent that may be charged for a unit under this clause (ii), the Owner shall subtract from the above amount a monthly allowance for any utilities and services (excluding telephone) to be paid by the Family; or

iii. The rent identified in paragraph (e) above; or

A. Regulatory Agreement/PennHOMES (12>)
B. Project:
Page 4 of 15
a. (iv) The 50% tax credit rent if the Project is receiving federal low income housing tax credits.

g. In the event the Owner is receiving federal or state project-based assistance for Very Low Income Families whose rents do not exceed 30% of the Family's monthly adjusted income, the maximum rent (tenant rent plus utility allowance plus project-based subsidy) is the rent allowable under the project-based assistance program. Upon expiration of said assistance during the Affordability Period, the Project rents shall revert to the rents established above.

a. In the event the Owner is receiving federal or state project-based assistance for Low Income Families, the maximum rent (tenant rent plus utility allowance plus project-based subsidy) is the 60% HOME rent.

b. If the Project is subject to requirements of the federal Low Income Housing Tax Credit Program pursuant to Section 42 of the Internal Revenue Code of 1986, as amended ("Section 42"), the rents charged to residents of non-HOME assisted units shall be the applicable tax credit rents as set forth in the Indenture of Restrictive Covenants Low Income Housing Tax Credits of even date herewith.

c. Over-Income Residents. The Project qualifies as affordable housing despite a temporary noncompliance with the above paragraphs, if the noncompliance is caused by increases in the incomes of existing residents and if actions satisfactory to HUD are being taken to ensure that all vacancies are filled in accordance with this section until the noncompliance is corrected. Residents who no longer qualify as low-income residents must pay as rent the lesser of the amount payable by the resident under State or local law or 30% of the resident's adjusted monthly income, as recertified annually. In addition, since the HOME assisted units are floating units, residents of HOME assisted units who no longer qualify as low income are not required to pay as rent an amount that exceeds the fair market rent for comparable, unassisted units in the neighborhood. However, if the Project is subject to the federal Low Income Housing Tax Credit Program, residents of HOME assisted units must pay rent governed by Section 42.

9. The Owner represents, warrants and covenants that the determination of whether a Family meets the income requirements set forth herein shall be made by Owner at the time of leasing of a unit in the Project and thereafter at least annually on the basis of the current income of such Family. Owner shall maintain as part of its Project records copies of all leases of units in the Project and all initial and annual income certifications by tenants of the Project. Within fifteen (15) days after the end of each calendar year of occupancy of any portion of the Project, the Owner shall provide to the Agency annual reports consisting of certifications regarding the annual and monthly gross and adjusted income of each Family occupying a unit at the Project. With respect to Families who moved to the Project in the prior year, the annual report shall also include certifications regarding the annual and monthly gross and adjusted incomes of such Families at the time of their initial occupancy at the Project. The annual reports shall be in a form approved by Agency and shall contain such supporting documentation as Agency shall reasonably require. Furthermore, in addition to the foregoing, Owner shall keep such additional records and prepare and submit to Agency such additional reports as Agency may deem necessary to ensure compliance with the requirements of this Regulatory Agreement and of the HOME Program.

1. Prior to initial occupancy of the Project and annually thereafter as part of the annual reports required under paragraph 9 above, Owner shall submit to PHFA a proposed schedule of monthly rents and monthly allowances for utilities and services for all units in the Project. The rent schedule shall include the gross rent floor under paragraph 8(d) above, the maximum rents applicable to units under

a. Regulatory Agreement/PennHOMES (12>)
b. Project:
Page 5 of 15
a. paragraph 8(e), 8(f) and 8(g) above as well as the actual rents to be charged to over-income Families under paragraph 8(i) above. Such schedule shall be subject to the approval of PHFA for compliance with the requirements of paragraph 8 above and 24 C.F.R. Section 92.252, as amended. After approval of a schedule of rents and allowances by PHFA, rents shall only be increased within the limits prescribed in paragraphs 8(d), (e) and (f) above. Notwithstanding the foregoing, rent increases shall be subject to the provisions of outstanding leases and shall not be implemented without at least thirty (30) days prior written notice by Owner to all affected tenants.

b. 11. Owner shall not include in any lease for a unit in the Project any of the following provisions:

c. Agreement by the tenant to be sued, to admit guilt or to a judgment in favor of Owner in a lawsuit brought in connection with the lease.

d. Agreement by the tenant that Owner may take, hold, or sell personal property of household members without notice to the tenant and a court decision on the rights of the parties. This prohibition, however, does not apply to an agreement by the tenant concerning disposition of personal property remaining in the unit after the tenant has moved out of the unit. Owner may dispose of such personal property in accordance with state law.

e. Agreement by the tenant not to hold Owner or Owner's agents legally responsible for any action or failure to act, whether intentional or negligent.

f. Agreement of the tenant that Owner may institute a lawsuit without notice to the tenant.

g. Agreement by the tenant that Owner may evict the tenant or household members without instituting a civil court proceeding in which the tenant has the opportunity to present a defense, or before a court decision on the rights of the parties.

h. Agreement by the tenant to waive any right to a trial by jury.

i. Agreement by the tenant to waive the tenant's right to appeal, or to otherwise challenge in court, a court decision in connection with the lease.

j. Agreement by the tenant to pay attorney's fees or other legal costs even if the tenant wins in a court proceeding by Owner against the tenant. The tenant, however, may be obligated to pay costs if the tenant loses.

k. All initial leases for units in the Project shall be for terms of not less than one (1) year, unless by mutual agreement between the tenant and Owner, and shall require tenants to provide information required for the Owner to meet its reporting requirements hereunder. In no event may the initial lease term be less than six (6) months. Owner may not terminate the tenancy or refuse to renew the lease of an occupant of the Project except for (i) serious or repeated violations of the terms and conditions of the lease; (ii) violations of applicable federal, state or local law; or (iii) other good cause. Any termination or refusal to renew must be preceded by not less than thirty (30) days by Owner's service on the tenant of a written notice specifying the grounds for the action.

l. 12. Owner further covenants and agrees that:
8 b Here is where you determine whether the Owner has elected to treat the project as a multiple building project, a statement must be attached to the 8609.

10 a Here is where it is determined if the Owner will elect to defer the first year of credits to the year after the building is PIS.

10 c Here is where it is determined the minimum set-aside requirement the project must meet to claim Tax Credits.

Here the Owner will enter the first year they will claim credits for the project.
• Resident Files
• AFHMP
• Lease/Addendums
• Fair Housing
• Grievance Procedure
• Language Access Plan
• Inspections
Resident Files
It is the duty of the manager to ensure that all resident applicant and occupancy files are maintained in accordance with property owner/management agent operating procedures. Resident files are subject to inspection by monitors such as HUD, PHFA, or other agencies involved with the property. Remember your files should tell the story of the unit from the very beginning: pulling from waitlist, rent-up information such as screening and application documents, certification of tenant eligibility, the leasing agreements and renewals, pet agreements, lease addendums, move in inspection forms, unit inspection notices and maintenance records, incident reports, tenant complaints, memos and letters from management, legal and late rent notices and all legal correspondence and documents. A reviewer should be able to review files in a sensible and standard manner, with the information clearly arranged. If your files are not properly maintained with all relevant documentation, the owner/agent may be subject to external reprimands including regulatory, compliance and/or funding difficulties.

For TAX CREDIT files - do not purge your files - some think that you can purge the files – you need to keep the original move in files for the life (required compliance time) of the property!! You need to keep them in a safe place.
AFHMP

- Affirmative Fair Housing Marketing Plan
CHAPTER 4
AFFIRMATIVE FAIR HOUSING MARKETING PLAN

All properties in the Agency portfolio are required to execute an Affirmative Fair Housing Marketing Plan (AFHMP) prior to a commitment of Agency funds.

The Affirmative Fair Housing Marketing Plan is HUD Form 935.24 and is Exhibit 3.

This document outlines the strategies that will be addressed to market the property. More specifically, it outlines the strategies necessary to attract the property those applicants who are considered least likely to apply. It also specifies racial and ethnic targets, not quotes, and the marketing strategies to attract this mix. Outreach efforts must also be directed to families with children (if applicable) and persons with disabilities.

The intention of this process is to affirmatively further equal housing choices for all prospective applicants in a market area regardless of age, race, color, religion, gender, creed, disability, familial status, or national origin. This plan must be referencing in advertising for applicants.

Owners are required to review the plan annually to determine if it is successful. If it is not, an updated plan must be submitted with the PennHomes Annual Report.

Sample community contacts and advertising information are also included in Exhibit 3.

For further guidance, refer to the Fair Housing and Equal Opportunity Division of the local HUD office.

PHILADELPHIA
U.S. Department of Housing & Urban Development
The Pennsylvania State Office
The Wanamaker Building
120 Penn Square East
Philadelphia, PA 19107-2390
(215) 595-0200 Toll-Free TTY
1-800-656-9200 Toll-Free Complaints

PITTSBURGH
U.S. Department of Housing & Urban Development
Pittsburgh Office, Mid-Atlantic Region
339 Smith Avenue
Pittsburgh, PA 15222-2916
(412) 644-6900
1-800-800-8888 Toll-Free TTY
1-800-656-9200 Toll-Free Complaints

PENNSYLVANIA HOUSING FINANCE AGENCY
For PennHOMES Program properties receiving feasibility and commitment approval from 1995 forward, the following paragraphs are applicable:

The AFHMP that is to be used by all Agency-assisted housing properties is the HUD Form 935.2A. Agents must retain the AFHMP on file and each year the agent or owner must review the success of the plan. If the affirmative marketing is not deemed a success, that is the affirmative marketing requirements have not been met, owners of properties must develop a plan of corrective actions to be taken to make the AFHMP a success. The corrective action plan must accompany the PennHOMES Annual Report, Exhibit 4. The owner or agent must submit an original, executed copy of the AFHMP to the Agency in order to obtain Agency loan commitment. A copy of the AFHMP and Marketing and Management Plan, with all attachments, should be retained on site for reference.

The AFHMP outlines the strategies that will be utilized to market the property. The owner describes the marketing program to be used to attract all segments of the eligible population, especially those groups designated in the Plan as least likely to apply.

Owners of properties must maintain records documenting outreach efforts in accordance with the AFHMP.

The AFHMP must include the Equal Housing Opportunity Slogan, logo, or statement in all advertisement, public service announcements, press releases, and information mailings. It is required that the HUD Fair Housing poster and the Pennsylvania Fair Housing Practices Notice, included in Exhibit 3, be displayed in offices where rental activity takes place for all properties with five or more units.

A copy of any formal housing discrimination complaint filed against the owner or agent must be submitted to the Agency Housing Management Representative assigned to the property within 30 days.
AFHMP

This form must be attached to the plan and signed by the owner/agent. This is often found to be omitted.
PHFA Affirmative Fair Housing Marketing Plan Checklist
# PHFA AFFIRMATIVE FAIR HOUSING MARKETING PLAN - CHECKLIST

**Form HUD 935.2A**

<table>
<thead>
<tr>
<th>Item #</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>1a</td>
<td>Project name and full address. The most frequent omission is the county.</td>
</tr>
<tr>
<td>1b</td>
<td>Project’s Section 8 contract number. Do not use the PHFA number unless it has Tax Credits.</td>
</tr>
<tr>
<td>1c</td>
<td>List the total number of units in the development.</td>
</tr>
<tr>
<td>1d</td>
<td>Provide the census tract number. Provide a copy of the specific page(s) from the census report on which the plan was based. The areas considered to be the market area should be identified (highlighted). The most frequent mistake is the incorrect census tract number.</td>
</tr>
<tr>
<td>1e</td>
<td>Submit a map designating the Housing Market Area and the Expanded Housing Market Area (town/city from which the owner/agent intends to draw applicants). A housing market area is the area from which an owner may reasonably expect to draw a substantial number of its residents. An expanded housing market area is a larger geographic area which could provide additional demographic diversity in terms of race, color, national origin, religion, sex, familial status, or disability.</td>
</tr>
<tr>
<td>1f</td>
<td>Provide the management agent’s name, address, telephone number, &amp; email address. The most frequent omissions are the telephone number and email address.</td>
</tr>
<tr>
<td>1g</td>
<td>Provide owner’s name, address, telephone number, &amp; email address. The most frequent omission is the telephone number and email address.</td>
</tr>
<tr>
<td>1h</td>
<td>Check the entity responsible for marketing (owner, agent, or other). Also provide position, name, address, telephone and email of the person responsible for implementing marketing plan. The most frequent omitted items are the telephone number and email address.</td>
</tr>
<tr>
<td>1i</td>
<td>Provide the name, address, telephone number, &amp; email address of the person to whom approval and other correspondence should be sent regarding the AFHMP. The most frequent omissions include the telephone number and email address.</td>
</tr>
<tr>
<td>2a</td>
<td>Existing Section 8/Tax Credit properties had an AFHMP completed when they opened. They should choose “Updated Plan”. List the date of the first approved plan or the date of the oldest plan available. New properties should choose “Initial Plan”. The most frequent omission is this item is left blank.</td>
</tr>
<tr>
<td>2b</td>
<td>Select the occupancy type of the project and check ALL that apply.</td>
</tr>
<tr>
<td>2c</td>
<td>List the date of initial occupancy. If this plan is for a new property, list the anticipated opening date.</td>
</tr>
<tr>
<td>2d</td>
<td>List the advertising start date. New construction and substantial rehabilitation projects: Advertising must begin at least 90 days prior to initial occupancy. Existing properties: Check appropriate box to indicate whether the advertising will be used to fill existing vacancies, to place individuals on the project’s waiting list, or to re-open a closed waiting list. Indicate how many people are on the waiting list when advertising begins.</td>
</tr>
<tr>
<td>3a</td>
<td>Use the US Census website (data from the 2020 census must be used). Provide census data and maps. Omitting supporting census data and maps will result in the plan being returned. Enter the data into Worksheet 1 which is designed to help identify which groups of applicants might need additional outreach to apply for housing at the property.</td>
</tr>
<tr>
<td>3b</td>
<td>Project %: List the percentage of individuals from each demographic category that reside at the property.</td>
</tr>
<tr>
<td>3c</td>
<td>Project’s Applicant Data %: Use wait list information to provide % of individuals from each demographic category.</td>
</tr>
<tr>
<td>3d</td>
<td>Census Tract %: List % of individuals from each demographic category that reside in the property’s census tract.</td>
</tr>
</tbody>
</table>
42 PHFA AFFIRMATIVE FAIR HOUSING MARKETING PLAN – CHECKLIST

- Housing Market Area: List the % of individuals from each demographic category that reside in the property’s housing market area.
- Expanded Housing Market Area: List % of individuals from each demographic category that reside in the property’s expanded housing market area. Please note that the expanded housing market area should be utilized if the smaller housing market area is not diverse enough to attract demographic groups underrepresented as tenants at the property and/or on the waiting list.
- If the current occupancy and Housing Market Area are not demographically diverse, applicants MUST utilize the Expanded Housing Market Area.

The most frequent omissions are:
- Incomplete data on Worksheet 1
- Missing maps of the Market Area and Expanded Market Area

3b Review the data collected on Worksheet 1 and identify the demographic group(s) least likely to apply for the housing without special outreach. Check all boxes that apply. Is EACH group in the community appropriately represented at the property or on the waiting list? Checked boxes should correspond directly with the census data.

The most frequent omission is this step is not complete.

4a If the owner wants to request a residency preference, review the procedures in the HUD Handbook 4350.3 REV 1. If there is an existing residency preference, provide documentation and complete Worksheet 2.

Most properties answer this question NO.

4b Use Worksheet 3 to describe the use of community contacts to help market the project to those least likely to apply.

- List targeted groups down the left column and list a specific community contact for each group identified in Section 3b. At least one community contact must be listed for each underrepresented group. Each blank in this section must be completed (address, phone numbers, etc.). The frequency of contacts must be stated, at a minimum, as “at least once annually” or “(date) and annually thereafter.” Sample community contact letters must be attached.

- Provide:
  - The name of the contact person
  - List Agency
  - Address of the contact person
  - Telephone number
  - Previous experience working with targeted group
  - Approximate date was/will be initiated
  - State the specific role the contact will play in assisting with the marketing
  - List how often the agency will be contacted (at a minimum)

The most frequent omissions are the anticipated date the contact will begin, the role the contact has agreed to play, and the contact’s experience working with the targeted group.

4c Use Worksheet 4 to list the specific methods of advertising that will be used to reach each group identified in Section 3b.

- Method of advertising: List the types and/or names of newspapers, radio stations, television stations, radio stations, electronic media, bulletin boards, brochures, and flyers that will be used in marketing the property. Minority newspapers should be considered as part of the advertising plan.
- Targeted Population: For each method of advertising, list the targeted audience and state any languages other than English that the information will be provided.
- Indicate that the marketing will be done annually.
- Attach copies of all marketing materials. Copies must include the name and the date of publication (if applicable).
- All documents are required to have the equal housing opportunity statement, logo or slogan.
- Indicate future marketing activities that include (as a minimum) “newspapers, a site sign, and community contacts.”
<table>
<thead>
<tr>
<th>Section</th>
<th>Requirement</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>5a</strong></td>
<td>Check off each location where the Fair Housing Poster will be displayed. Make sure to display the most current version of the Poster (HUD Form 928.1, currently 2011). Note: PHFA properties must also display the most current version of the HRC Fair Housing Practices poster.</td>
</tr>
<tr>
<td><strong>5b</strong></td>
<td>Check off all locations where the Affirmative Fair Housing Marketing Plan (AFHMP) will be available for public inspection.</td>
</tr>
<tr>
<td><strong>5c</strong></td>
<td>A photo or rendering of the property sign must be provided. Provide the dimensions of the project sign and describe in terms of feet and/or inches. The logo and the words “Equal Housing Opportunity” must be distinguishable. Use of the accessibility logo may be used. Most frequent omission is that this part is not completed.</td>
</tr>
<tr>
<td><strong>6</strong></td>
<td>Explain the process you will use to evaluate the AFHMP. How will you determine whether your marketing strategies have been a success in attracting those least likely to apply? How often will you make this determination? Describe how future decisions about marketing will be based on the evaluation process.</td>
</tr>
<tr>
<td><strong>7a</strong></td>
<td>List the names of the staff and their positions that will be responsible for affirmative marketing.</td>
</tr>
</tbody>
</table>
| **7b**  | o Indicate if staff has been trained on this AFHMP.  
   o Indicate if staff has been instructed in writing and orally on non-discrimination and fair housing policies, as required. If the answer is Yes, list the name of the individual who provided instruction.  
   o Indicate if staff is periodically assessed on their skills on the use of the AFHMP and the Fair Housing Act. If the answer is Yes, indicate how often and how this is assessed. |
| **7c**  | Indicate whether staff has been trained on tenant selection in accordance with the project’s occupancy policy, including residency preferences (if any). Identify those staff positions that are/will be responsible for tenant selection. |
| **7d**  | Describe all AFHMP/Fair Housing training. Be specific with regard to staff training topics: Reasonable Accommodation/Modification, Fair Housing Act, Americans with Disabilities Act, 504 Regulations and so on. Indicate the dates of past training and anticipated training dates. Include copies of any training materials. |
| **8**   | Describe any additional considerations that are planned to outreach to groups not previously mentioned in the plan. |
| **9**   | Sign and date the plan. The signature indicates the owner or person submitting this plan agrees to review the plan every 5 years (each year for Rural Housing properties). The signature also certifies that all the information stated in the plan is true and correct. The most frequent omission is that the plan is submitted with out a signature. |
| **10**  | Submit the AFHMP, all attachments, and the PHFA Addendum to PHFA. |
| **11**  | For USDA Properties per HB-1-3565; Exhibit 4-1:  
   Provide information on the rental rates. Indicate rents from lowest to highest. If there is rental assistance, the lowest rent should be shown as zero. |
PHFA AFFIRMATIVE FAIR HOUSING MARKETING PLAN – CHECKLIST


5b. Check off all locations where the Affirmative Fair Housing Marketing Plan (AFHMP) will be available for public inspection.

5c. A photo or rendering of the property sign must be provided. Provide the dimensions of the project sign and describe in terms of feet and/or inches. The logo and the words “Equal Housing Opportunity” must be distinguishable. Use of the accessibility logo may be used. Most frequent omission is that this part is not completed.

5b. Check off all locations where the AFHMP will be available for public inspection.

6. Explain the process you will use to evaluate the AFHMP: How will you determine whether your marketing strategies have been a success in attracting those least likely to apply? How often will you make this determination? Describe how future decisions about marketing will be based on the evaluation process.

7a. List the names of the staff and their positions that will be responsible for affirmative marketing.

7b. Indicate if staff has been trained on the AFHMP.

7c. Indicate if staff has been instructed in writing and orally on non-discrimination and fair housing policies, as required. If the answer is Yes, list the names of the individuals who provided instructions.

7d. Indicate whether staff has been trained on tenant selection in accordance with the project’s occupancy policy, including residency preferences (if any). Identify those staff positions that will be responsible for tenant selection.

8. Describe any additional considerations that are planned to outreach to groups not previously mentioned in the plan.

9. Sign and date the plan. The signature indicates the owner or person submitting the plan agrees to review the plan every 5 years (each year for Rural Housing properties). The signature also certifies that all the information stated in the plan is true and correct. The most frequent omission is that the plan is submitted with out a signature.

10. Submit the AFHMP, all attachments, and the PHFA Addendum to PHFA.

11. For USDA Properties per HB-1-3565, Exhibit 4-1:

Provide information on the rental rates. Indicate rents from lowest to highest. If there is rental assistance, the lowest rent should be shown as zero.
Review Every Year

Update Every 5 years
AFHMP

PHFA 5 yr Acknowledgement (update) if no changes.
Affirmative Fair Housing Marketing Plan

Five-Year Update Acknowledgement

I,(owner/agent) certify that I have reviewed the Affirmative Fair Housing Marketing Plan for ________________________ which was last approved on ________________________. The following statement applies:

☐ The plan was reviewed and no further update is needed.

☐ An updated plan, with supporting documentation, is attached for review and approval.

Signature (owner/agent) ____________________________ Date ________________
LEASE AGREEMENT (CONTRACT)

- Contract between Owner & Resident
- Leases are required to be easily read & understood
- Should be written by an attorney – to be its strongest
- Nothing protects the rights of the resident & the owner like a lease
- PHFA has a requirement for PHFA LIHTC addendum, HUD 91067 VAWA Lease addendum, Accessible Unit addendum, HOME/HTF also require HUD 5380 & 5382 acknowledgement (funded after 12/16/2016), Fair Housing Brochure and Grievance Procedure.

- Other funding might also require an addendum (including a subsidy contract)
- PHFA REQUIREMENTS:
  - One year term – HOME/HTF
  - Six months term - LIHTC
  - Rent
  - Thirty-day notice to increase rent
  - Security Deposit amount
  - Utility information
  - Signatures
  - Describes Eviction procedures
  - Address of the apartment
  - Owner’s name
  - Process to renew (notice)
  - Notice requirements
  - Where to pay rent
  - A move in -inspection (attachment)
  - Tenant/Landlord Responsibilities
  - After Move-in forty-eight hour notice of inspections.
LEASE CONTRACT

• Forbidden lease terms (also applies to addendums)
  • Resident gives up rights —like agreeing to be sued, admission of guilt; gives up the right to a jury trial; waives right to a written notice or notice at all; waives right to appeal or challenge an eviction
  • Owner may keep personal property & may sell it without a court decision
  • Owner may start a lawsuit without notice
  • Owner may evict without a hearing (in court) or without Judgment by court
  • That resident pays attorney fees & court cost no matter the hearing outcome
  • Resident must participate in Social Service Program

READ YOUR LEASE, STUDY IT, KNOW IT, AND REVIEW WHEN REGULATIONS CHANGE
IF YOU DON'T KNOW WHAT A PARAGRAPH/CLAUSE MEANS - ASK
(you also need to read upside down)
LEASE ADDENDUMS

- PA Low Income Housing Tax Credit Program Lease Addendum
- VAWA Lease Addendum – required for move in lease, when lease is updated or at recert IF a new lease is done.
- Some Management company use other Lease Addendums such as: No Smoking Addendums, Smoke Detector Addendum, Mold Addendums, Bed Bug Addendums just to name a few.
1. Pennsylvania
2. Low Income Housing Tax Credit Program
3. Lease Addendum

4. This Lease Addendum sets forth certain mandatory compliance requirements applicable to the Lease between Landlord and Tenant and shall be part of the Lease.

5. The property participates in federally funded program(s) which mandate certain requirements be applicable to this Lease; including, without limitation:

   6. No termination (or nonrenewal of lease) of the tenancy by Landlord except for “Good Cause” — defined as serious and repeated violations of the Lease by the Tenant.

   7. Protections of the Violence Against Women Act, as amended from time to time.

   8. Protections of the Fair Housing Act, as amended from time to time.

   9. No discrimination against households with Section 8 program vouchers or certificates.

10. Landlord shall not increase gross rents above maximum allowable program rents.

11. In addition, protections of the Pennsylvania Landlord - Tenant Act; as amended from time to time are applicable to this Lease — unless Tenants are provided additional protections under federal regulations or other PIHFA guidance.

12. Tenant agrees to participate and cooperate with the annual income recertification process and to cooperate with reasonable monitoring and physical inspections by management and necessary third parties.

13. In the event Tenant occupies a unit which has accessibility features not needed by the Tenant, Tenant agrees that Landlord may require Tenant to relocate to another non-accessible comparable unit (upon reasonable notice) to accommodate a household needing the accessible unit.

14. Tenant agrees to provide information to the Owner/Landlord regarding household composition, student status, income, agrees to participate in collection of information regarding consumption of energy and utilities and authorizes release of information by third party providers to the Owner/Landlord for these efforts and agrees to allow reasonable physical inspection of the unit.

15. To the extent of any inconsistency with any of the provisions of the attached Lease, the terms of this Lease Addendum shall control.

16. This Lease Addendum has been signed and dated by the Tenant and by an authorized agent of Landlord (such as a Management Agent) below.

17. TENANT(S) LANDLORD

_________________________  __________________________

DATED: DATED:

Revised 4/11/19
VAWA

HUD Lease Addendum – Required at move in and at recertification if resident enters into a new lease.

HUD-91067
FAIR HOUSING BROCHURE

• Copy of Brochure
GRIEVANCE PROCEDURE

Grievance Procedure Checklist
Acknowledgements can all be listed on one document (signature)
SITE INSPECTIONS:
• PHFA Physical Conditions Critique (PCC)
• REAC (HUD)
• Section 8 inspection

UNIT INSPECTIONS:
• Move in/Move out inspection
• Annual unit inspection
• Quarterly Smoke Detector/Pull Cord/Filter this allows management to know if there is a housekeeping issue
• Tenant must be provided with a 48 hour notice prior to entering any apartments
LANGUAGE ACCESS PLAN

• Plan addresses how you will communicate with those individuals who are not proficient in English
• Set up of an on-demand phone interpretation
• The interpreters that work for the company
• Other methods of how you will assist the LEP (Limited English Proficiency)
• Predominate Language of the local area & how to handle those who are least likely to apply
• “I speak cards” utilize hud.gov
• Written translation services (vital documents) you will provide
• Staff training
• How you let public know your policy
• Recommend you track when you use the plan or services defined by the plan
TOOLS:
HUD Handbook 4350.3 CHAPTER 5, 8823 Guide (IRS), HUD Exchange Website, PHFA’S WEBSITE at phfa.org
the Agency and Tax Credit Manual have verifications forms to use and requirements per program can be found there.

Build a site manual often referred to as the “Site Bible” - Put all of the documents that pertain to your site in one binder. This will help you in the day to day operation of your site.
Question: What Chapter in 4350.3 covers how to calculate income and assets in affordable housing?
CBI BASICS FOR A SUCCESSFUL RESIDENT

- #1 – Pay rent and pay it on time
- #2 – Keep the apartment & areas in front/behind/beside Orderly, Clean, Sanitary, litter free
- #3 – Get along with others & be respectful to staff, residents, guests, inspectors & contractors – Also do not disturb others with noise
- #4 – Read the handbook & Lease, know & follow rules outlined
BEST ADVICE FROM AN OLD MANAGER

DOCUMENT, DOCUMENT

IF YOU DON’T KNOW, DON’T GUESS

NEVER TRY TO SHAME SOMEONE INTO DOING WHAT YOU WANT THEM TO

OWN WHAT IS YOURS – BE THE RESPONSIBLE ONE

YOU CAN’T PLEASE EVERYONE BUT YOU CAN TRY

COMMUNICATE LISTEN – LISTEN - ESPECIALLY TO THE DETAILS

KNOW THE REGULATIONS, OR AT LEAST WHERE TO GET ANSWERS

BE WELL ORGANIZED

SET A GOOD EXAMPLE AT WORK
BEST ADVICE/BEST PRACTICE

• Be respectful to all
• Smile & Enjoy work
• Ask, Ask, Ask to have your supervisor or training staff to relay to you – the responsibilities & expectations of the Owner & Management Agent
• Use reference materials – 4350.3, PHFA Manuals (phfa.org), IRS 8823 Guide and www.hudexchange.info/program/HOME
• Keep Learning
• Listen
• THINK before you speak – Is it True, Is it Helpful, Is it Inspiring, Is it Necessary, Is it Kind
• Set up residents & staff to be successful, do not set them up to fail
PROPERTY MANAGEMENT ACRONYM USE

AAA – Area Agency on Aging
AAF – Annual Adjustment Factor (for rent)
ACLU – American Civil Liberties Union
ACT 137 - County recorder’s fee to be used for affordable housing purposes
ADA – Americans with Disabilities Act
ADL – Activity of Daily Living
AHP – Federal Housing Loan Bank's Affordable Housing Program
AMI – Area Median Income
BMIR – Below Market Interest Rate
BOCO - Buildings Officials and Code Administrators International Model
CAP – Community Action Program
CDBG – Community Development Block Grant
CEO – Chief Executive Officer
CFO – Chief Financial Officer
CHDO – Community Housing Development Organization
CIL – Center for Independent Living
CNA – Comprehensive Needs Assessment
COLA – Cost of Living Adjustment
CRA – Community Reinvestment Act
DCED – Department of Community & Economic Development
DNR – Do Not Resuscitate
EHS – Exigent Health & Safety Deficiency Notice
EZ – Enterprise Zone
FDA – Food & Drug Administration (Federal)
FHA - Federal Housing Administration
FHLB – Federal Home Loan Bank
FmHA – Farmer’s Home Administration now RHS
FMLA – Family and Medical Leave Act
FMR – Fair Market Rent
FY – Fiscal Year
GAO – General Accounting Office (Federal)
HA – Housing Authority
HAP – Housing Assistance Payment
HFA – Housing Finance Agency ours – PHFA
HIPAA – Health Insurance Portability and Accountability Acts
HOME – HOME investment Partnerships Program
HUD - Department of Housing & Urban Development (Federal)
IRA – Individual Retirement Account
IREM – Institute for Real Estate Management
L&I – Labor & Industry (PA)