

**YAKIMA HOUSING
AUTHORITY**

"Committed to Safe and Affordable Housing"

**YHA Family Housing
Occupancy Policy &
Management Plan**

Management Plan for YHA Family Housing

YHA Family Housing Limited Company

**January 2013
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YHA Family Housing Limited Company

Management Plan for YHA Family Housing

1. The role and responsibility of the owner and the relationship and delegation of authority to the management agent

A. Owner: The owner of the YHA Family Housing development is the YHA Family Housing Limited Company (YHAFHLC). Lowel Krueger serves as Agent of the YHAFHLC.

Under the terms of the "Certificate and Agreement of Limited Company of the YHA Family Housing Limited Company," as amended, the Housing Authority of the City of Yakima (YHA), as General Partner, has full responsibility for management of the Company business, including arrangements for management and maintenance of the housing development.

Management Entity: The Yakima Housing Authority will serve as property manager for the development, under the terms of a Management Agreement with the YHAFHLC. Owner and Manager staff positions are shown on the "Staffing Plan" included under Section 2. Only those staff positions shown will have responsibilities related to the management and maintenance of YHA Family Housing. Ultimate responsibility lies with the Yakima Housing Authority's Executive Director.

B. The fundamental responsibilities of the owner and the managing entity are described as follows:

(1) Owner's responsibilities (as carried out by the general partner)

- (a) Oversee the operation of YHA Family Housing
- (b) Provide decent, safe and sanitary housing.
- (c) Provide housing to meet the needs of the population to be served.
- (d) Accept responsibility for the financial management of YHA Family Housing within the areas of owner control for the development.
- (e) Prepare monthly financial statements, reports and budgets.

(2) Management entity's responsibilities (as carried out by YHA)

As the management entity, the Yakima Housing Authority will have general supervisory responsibilities over policies and procedures and the execution of the duties and services outlined in the Management Plan. YHA will have full authority for both the physical maintenance and financial administration of YHA Family Housing. The management entity's specific responsibilities are as follows:

- (a) Employ qualified personnel to administer and monitor the daily management and financial operations of the buildings.
- (b) Rent available units to satisfactory, eligible tenants after completion of credit and reference checks, completion of required forms for tax credit certifications and ascertaining that all eligibility, income certification, lease and recertification requirements have been met.
- (c) Coordinate repairs, corrections or major replacement with contractors when necessary.
- (d) Conform to all federal, state and local agency regulations, file all reports required by

the owner and by federal, state, and local agencies in a timely and accurate manner.

(e) Maintain both the interior and exterior of the development, including the grounds, parking areas, recreational areas and garbage enclosures, meet the standards of good housing and protect the value of the property.

(f) Provide monthly financial statements showing all deposits of income and disbursements, which will be compared with the budget. Keep a comprehensive set of books consistent with an approved chart of accounts and prepare monthly bank reconciliation.

(g) Maintain accurate records of the day-to-day operations of the property, including collection and accounting for rental income, government subsidies and miscellaneous income. Maintain security deposit collections in a separate trust account.

(h) Negotiate contracts for services, when necessary, subject to approval by the owner.

(i) Provide referrals and coordination in the field of counseling, guidance and social services and cooperate with all agencies which provide financial and other services to residents.

(j) Enforce the provisions of the lease and YHA Family Housing rules and regulations.

(k) Coordinate unit turnover with as little vacancy loss as possible.

(l) At least annually throughout the Low Income Housing Tax Credit Project Compliance Period, notify at least two community agencies in the Yakima area of the availability of low-income housing units.

(m) At least annually throughout the Low Income Housing Tax Credit Project Compliance Period, notify the general public via advertisement in a newspaper of general circulation in the Yakima area of the availability of low-income housing units and the set aside of low-income large household units and units for the disabled.

(n) Receive and respond to tenant complaints in a timely fashion and perform all necessary corrective actions in accordance with the lease.

(o) Meet requirements for fidelity bond and insurance coverage

(3) The management entity's financial obligations included in the management fee are:

(a) The overall expertise in and oversight of bookkeeping services.

(b) The monitoring of project operations, including training, hiring and supervision of staff.

(c) The preparation and monthly monitoring of an annual budget.

(d) The preparation and distribution of monthly financial reports.

(e) The preparation and distribution of monthly reports of operation and maintenance.

(f) The preparation of requests for reserve withdrawals, rent adjustments, rehabilitation and energy conservation proposals, plans and specifications.

(g) Execution and monitoring of service contracts.

(h) The development of resident services referral programs.

(i) Site inspections and reports

(j) Supervision of the program's direction and general overall management.

(k) Review of tenant certifications.

(l) The management entity's office overhead, including office space, utilities, clerical staff, office supplies, equipment and data processing.

This also includes the cost of duplication of the development's records being maintained at the management entity's office and postage from the management entity's office. All other costs of postage, duplication and forms necessary for the development to do business will be allocated to YHA Family Housing's operating budget expense line items.

- (m) Meetings with investors and/or lending agents
- (n) Development and preparation of management plans and agreements.
- (o) Provision of liaison activities and information to attorneys, government agencies, ownership parties and accountants.
- (p) Preparation and distribution of employees' payroll reports, including preparation and distribution of payroll checks. The direct cost of a payroll processing service, if used, will be allocated to the project.

2. Personnel policy and staffing arrangements

- A. All hiring is performed in accordance with Equal Opportunity requirements.
- B. The projected staffing needs for YHA Family Housing include YHA's Executive Director and the proportional attention of the following employees of the Yakima Housing Authority:
Executive Director, Finance Director, Maintenance Supervisor, Housing Manager, Accounting Technician, and Housing Facilitator.
- C. Staff familiarization and training related to program requirements for this development will occur in one-on-one training for new employees, during scheduled management staff meetings and on an on-going basis as the need for clarification occurs as a part of daily management activities. Employees receive training regarding the various funding sources' program requirements, federal and state fair housing laws, Washington State Residential Landlord-Tenant Act requirements and YHA's policies and procedures. Supervisory personnel will be responsible for staff training. Staff will attend professional training workshops and conferences as time and finances allow.

3. Plan and procedures for marketing units, maintaining full occupancy, and meeting occupancy set-aside quotas.

- A. On-going Marketing: In the event of unit availability, marketing will be carried out in accordance with the Affirmative Fair Housing Marketing Plan. Outreach will be comprised of newspaper ads, radio and/or television announcements. If necessary, descriptive leaflets will be distributed to the listed contacts and to all other interested parties who may contact the Yakima Housing Authority for information. Notices will be posted and distributed in the market area.

In accordance with Low-Income Housing Tax Credit requirements, an advertisement will be placed in a local newspaper of general circulation at least once for each vacancy of a housing unit or a general availability advertisement will be placed at least once a year or such other

schedule of advertising as may be required under the Low-Income Tax Credit program will be followed.

The Management Agent will maintain an on-going waiting list for the YHA Family Housing units. Marketing efforts similar to those outlined above will be undertaken on a routine basis, as needed, to maintain an appropriate waiting list for the units.

Information maintained on the waiting list includes: application number, date, time, applicant's name, household size, unit size needed, income level, dates contacted for occupancy, lease date, removal date and comments.

B. The Management Agent's office is equipped with a TDD telephone device to assist in communicating with applicants and tenants who are hearing impaired. Handicapped parking spaces and curb cuts will be provided at the management office and housing site. Reasonable requests for accommodation made by those with disabilities will be addressed.

The YHA Family Housing units are designed to meet the requirements of the Architectural Barriers Act of 1968, the Americans with Disabilities Act and other handicap accessibility laws. The Yakima Housing Authority permits the installation of grab bars, ramps and other reasonable accommodations to its non-handicap designated units when needed. Requests for unit modifications will be reviewed by management and maintenance staff on a case-by-case basis. Modifications which do not damage the structural integrity and lifetime value of the units and which do not place extraordinary financial hardship on the development will be allowed.

C. The form used to record unit conditions is called the Move-In/Move-Out Inspection Form. The tenant(s) and a YHA representative will sign and date this form at the time the tenant moves in. The tenant will also be given the option of being present for the move-out inspection. Any originals will be retained by the Management Agent. The tenant will receive a copy.

D. Pre-Occupancy Tenant Orientation:

Prior to lease signing, the following procedures will be followed.

(1) All adult members of the tenant household will be required to attend a lease conference. Lease conferences can be conducted in Spanish whenever Spanish will help the tenant to better understand and communicate during the orientation. Every effort will be made to follow similar procedures for other foreign language tenants. During the conference, YHA staff will explain each section of the Dwelling Lease Agreement, the rules for occupancy, and general YHA obligations with respect to tenancy.

(2) Following the lease conference, arrangements will be made for tenant families to be at their units at a predetermined time to participate in a pre-occupancy inspection. The inspection will provide an opportunity for Housing Authority staff to demonstrate the use and features of the units (i.e., the purpose of the circuit breaker, shut-off valves for emergencies, filter cleaning for hood fans and air conditioners, etc.).

It will also serve to train tenants to note "danger" signals that require maintenance attention in order to prevent unit damage and tenant discomfort. Energy conservation will be emphasized, particularly through proper use and care of appliances and equipment.

Management shall call meetings of all tenants, preferably no less than once each year, to provide both tenants and management an opportunity to share ideas, discuss problems that may be occurring and to develop suggestions for ways to enhance the quality of life in YHA Family Housing.

4. Tenant Selection

- A. In no event shall units be rented to households that exceed the maximum income requirements under the Low-Income Housing Tax Credit program at the time of admission.
- B. Other applicable selection criteria and Occupancy standards are outlined in the Policies Governing Admission To and Continued Occupancy of YHA Family Housing.

5. Ineligible tenants and formerly eligible tenants

Policies and procedures for the management of applicants who are ineligible for reasons other than income and for the management of formerly eligible tenants are detailed in the Policies Governing Admission To and Continued Occupancy of YHA Family Housing.

6. Leasing and occupancy policies

Detailed descriptions of leasing and occupancy policies can be found in the Policies Governing Admission To and Continued Occupancy of YHA Family Housing.

7. Dwelling Lease Agreement

The Dwelling Lease Agreement with Exhibits to be used for YHA Family Housing is attached to this Management Plan

8. Rent collection policies and procedures

- A. Rent will be due the first day of each month and will be paid by check or money order to YHA Family Housing by mailed to P.O. Box 1447 Yakima WA 98907. The payment must be received on or before the 5th day, if rent is received after the 5th day a late charge of \$25.00 will be assessed. The tenant may also drop payments in the Yakima Housing Authority drop box if they choose to do so. No cash will be accepted.
- B. Repeated delinquencies are cause for termination and shall be documented in the tenant file. If a tenant is repeatedly late in making rent payments, a notice of termination may be issued.

C. In the event of nonpayment of rent, a written notice to pay rent or vacate the premises shall be issued. The notice will be delivered personally to the tenant or will be left with an adult member of the household and will be sent by certified mail, properly addressed to the tenant. Such notice will be given 14 days prior to the date of termination. If the tenant has not paid the rent by the expiration date of the notice, management may begin an unlawful detainer action.

D. Procedures governing collection of rent, late charges and security deposits are outlined in Sections 2 and 4 of the Lease Agreement. Interest earned on deposited funds will accrue to the general operating budget.

E. The YHA Family Housing development has a separate operating account into which rents are deposited. Security deposit funds will be held in a trust account.

F. Tenants are required to pay a security deposit in accordance with the Schedule of Deposits in effect on the date the Lease Agreement is signed. Each tenant's security deposit will be individually recorded and accounted for. The deposit shall be held in trust for the tenant until the tenant's residency ends. Security deposits will be returned to the tenant in accordance with State Law.

G. Security Deposits will be assessed according to unit size. No special deposit will be required for handicapped individuals.

9. Rent and utility allowance changes

Rent and utility allowance changes will be handled in accordance with Low Income Housing Tax Credit program regulations and state law. Tenants will be notified of changes in writing not later than 30 days before the anticipated effective date of change. A notice will also be posted at the Housing Authority administrative office.

10. Plans for carrying out an effective maintenance, repair and replacement program.

A. Preventive maintenance will be conducted in accordance with the Yakima Housing Authority's Schedule of Preventive Maintenance. The objective of preventive maintenance is to perform maintenance in such a way as to avoid unexpected maintenance problems and expenses.

B. As-built plans and specifications will be kept in the Management Agent's administration offices and will be updated by the Maintenance Supervisor as modifications occur.

C. An initial capitalization deposit plus regularly scheduled on-going deposits will be made to the capital reserve account in order to achieve and maintain a reserve amount of approximately(amount to be determined at a later date) of total development costs within ten years of initial rent-up. Withdrawals from this account will be made only for major maintenance and repair expenses and not for routine maintenance.

D. General maintenance procedures and schedules will be performed as follows:

- (1) Move-in and Move-out inspections will be conducted at the time of unit turnover. Condition reports will be signed jointly by the tenant and management personnel. For move-outs, charges will be deducted from the security deposit in accordance with YHA Family Housing policies and the balance promptly returned to the tenant in accordance with state law.
- (2) Work orders will be prepared at the time of tenant reporting or management's determination of needed repairs. Work orders will be entered in the software system by date and time of complaint and conveyed to maintenance personnel. Any emergency items will be called in directly to the maintenance department so that a maintenance representative can be dispatched immediately. Tenants will be responsible for the payment of charges for damages beyond normal wear and tear or damages that are not a responsibility of the owner.
- (3) Major repairs will be handled by obtaining competitive bids from reliable contractors. The Yakima Housing Authority, as general partner, will review bids and select a vendor based on cost and ability to perform the work. Solicitation of bids will be in accordance with the Housing Authority's procurement policies.

11. Plans and procedures for providing supplemental services.

Seventy-five percent of the YHA Family Housing units are for large families. Five units were identified in the YHA Family Housing Low Income Housing Tax Credit (LIHTC) application as set aside for large household use and must include at least three bedrooms and be held for households of four or more persons. In addition, five units were identified in the YHA Family Housing LIHTC application as set aside for households with a disabled household member. Services to large households include on-site tot lots and play areas for older children, in addition to the provision of large-family units which are not readily available in the private market. The Owner/Management Agent will coordinate with local and regional service providers to serve the needs of disabled tenants. The YHA Family Housing Limited Company has entered into Affirmative Marketing and Referral Agreements with the Yakima County Coalition for Homeless in Yakima. Management will work to assure services to tenant families through its working relationship with these agencies and with a wide variety of other service organizations in the area.

12. Evictions

Conditions governing the termination of leases are outlined in Section 9 of the Lease Agreement. Provisions for appeals are outlined in the Grievance Procedure. The Yakima Housing Authority Executive Director will be responsible for knowing and following all laws and regulations concerning lease terminations and evictions. The Housing Authority will make every effort to suggest certain social service agencies and community organizations that may provide assistance to tenants with rent-paying or other lease problems.

13. Plans for meeting accounting, record keeping and reporting requirements

A. The Yakima Housing Authority shall follow the accounting systems and reporting requirements outlined in the "Amended and Restated Certificate and Agreement of Limited Company of YHA Family Housing Limited Company" and the "Regulatory Agreement (Extended Use Agreement)" between the owner and the Washington State Housing Finance Commission. The timely submission of all reports shall be the responsibility of the Yakima Housing Authority Executive Director. The Management Agent's accounting department shall be responsible for the maintenance of accounting records and preparation of accounting reports. All accounting records will be kept in the Management Agent's administrative offices and shall be open to the YHA Executive Director at all times. The accounting method is accrual.

B. An annual audit shall be prepared by an independent accounting firm with no ownership or identity of interest in the YHA Family Housing development.

C. Tenant files shall contain at a minimum the Lease Agreement, House Rules, Move-in/Move-out Inspection form, work orders, income verification, original application for tenancy and any notices and/or correspondence to the tenant. These records will be maintained at the Housing Authority's administrative offices for at least three years after the tenant has moved out or in compliance with tax credit monitoring requirements.

14. Fidelity bonds and insurance

Fidelity bonding, fire and extended coverage insurance and other forms of indemnification shall be obtained by the Yakima Housing Authority, as General Partner of the tax credit company, in accordance with the requirements of the "Amended and Restated Certificate and Agreement of Limited Company of the YHA Family Housing Limited Company." The Management Agent shall carry fidelity bonding and liability insurance which covers its activities on the YHA Family Housing development.

15. Energy conservation measures and practices

A. Tenants will be advised of recommended conservation practices at move-in and periodically throughout their tenancy. During unit inspection, management staff will look for tenant practices that may waste power and will advise the tenant of corrective measures. On an annual or more frequent basis, management will request utility bill information for the housing units from the power company.

Any bills that are out of normal range will be investigated to determine whether the excessive use is due to defective heating equipment or appliances or whether it is due to tenant usage patterns. Defective equipment and appliances owned by the development will be repaired or replaced. If excessive use is the fault of the tenant or tenant's appliances, management will emphasize the importance of correcting such problems.

B. At project expense, management may install shower low restrictors, wrap hot water tanks, lower water heater temperatures to 120 degrees and purchase energy efficient appliances to help conserve energy in the units.

C. Management and maintenance staff will assure the continued efficient performance of energy conservation features that have been included in the architectural and landscape design and will seek to incorporate more efficient features as they become available on the market. On an on-going basis, maintenance staff will insure that insulation, weather stripping and caulking are in good repair.

16. Management agreement and management compensation

A copy of the Management Agreement, including compensation information, is attached.

17. Tenant councils and tenant-management relationship

A. The Yakima Housing Authority shall encourage the formation of a Tenant Council. Information regarding changes in policies, grievance procedures, rules and regulations, lease requirements, etc., shall be conveyed to tenants and the Tenant Council, if such exists, in order to provide tenants with an opportunity for comment, suggestion and input.

B. The Management Agent shall maintain a tenant bulletin board in the YHA office on which shall be posted all current requirements, a schedule of charges for services, notes and bulletins from the Housing Authority, the Tenant Grievance and Appeals Procedure and Equal Housing Opportunity posters.

18. Nondiscrimination

The YHA Family Housing Limited Company shall at all times provide equal opportunity in tenant selection and employee hiring. An Affirmative Fair Housing Marketing Plan shall be followed in accordance with fair housing laws.

19. Validity of the Management Plan

IN WITNESS WHEREOF, the parties have executed this agreement on the date below written. OWNER:

YHA Family Housing Limited Company
By: Yakima Housing Authority, its General Partner

By: Date:

Title:

MANAGEMENT AGENT:

Yakima Housing Authority

By: Date:

Title: