

**ATTACHMENT E
PROPERTY MANAGEMENT PLAN GUIDELINES FOR
MULTI-FAMILY RENTAL HOUSING PROJECTS**

In consideration for your loan from the County of Orange, you must submit a Management Plan package for the review and approval of OC Housing and Community Development (HCD). To be approved, your plan package must satisfactorily address the requirements listed below in the following three parts:

1. Information on Management Agent.
2. Management Plan.
3. Documents attached to Management Plan.
4. Plans will be approved that satisfactorily meet these requirements.

A. Information on Management Agent

The following information is required for the Management Agent:

1. Name, address, contact person, telephone, fax numbers, and e-mail.
2. Type of Organization: corporation, for-profit, non-profit, partnership, sole proprietor, other.
3. Number of years experience managing property; managing affordable rental property.
4. Number and type of projects currently under management: private subsidized, affordable, commercial. List name of project, name, address, telephone number of project owner, dates managed, describe unit size, type, and affordability.
5. Copy of proposed agent's real estate broker's license.
6. Copy of Corporation's certificate of status and statement of officers (if applicable).
7. Copy of the Management Agreement with the Owner/Developer.

B. Management Plan

The following information is required to be contained in the Management Plan.

1. Development name and address, number of units.
2. Amount and terms of compensation of Management Agent. Describe scope of responsibilities of Agent and indicate circumstances under which agent will need prior approval from owner.
3. Term of contract with Management Agent.

4. Provision for OC Housing and Community Development (HCD) approval of termination or change of Management Agent.
5. Number of employees, their job descriptions and salaries. Include time basis and percent of time proposed to be spent on project. Indicate policy when employing residents and indicate if unit rent is affected by their employment. Include provision requiring resident manager if more than 16 units.
6. Procedures to determine tenant eligibility*, and for certifying and re-certifying household income and size. Describe steps to determine initial eligibility for filling vacancies. Describe annual tenant recertification procedure. Describe action to be taken if household's income exceeds program limits. Describe action to be taken if the number of persons occupying the unit increases and is no longer appropriate for unit size occupied. Describe procedure for implementation of tenant occupancy standards.

* Persons and households that live and/or work in Orange County will be given a preference for occupancy in developments that are funded under this NOFA. For certain developments, including but not limited to those receiving Federal Project Based Section 8 from the Cities of Anaheim, Garden Grove or Santa Ana, or are subject to special zoning ordinances requiring preference for City residents, further documentation from the applicant will be required demonstrating that residents throughout the County will have equal opportunity at obtaining units in the development.

7. Provision to transfer records and accounts upon termination of contract.
8. Provision requiring accounting and certification of cash, bank accounts, and trust accounts with right for owner approval. Describe procedure for expending funds on items not budgeted or that exceed the spending authorization.
9. Describe procedures for compliance with reporting requirements of HCD including provision of the annual audit and the certified annual report.
10. Provisions required for affirmative marketing, including a description of the methods to be used to notify the area's general population of the availability of assisted housing. Management plan must specify the following:
 - a. Statement of Nondiscrimination
 - b. The process for identifying persons least likely to know about the available units
 - c. Method of advertising, including advertising in English/Spanish/Vietnamese and or other language which will ensure the greatest possible number of non-English speaking minorities are reached
 - d. Process for notification of eligibility to applicants
 - e. Grievance and Appeal Procedure
11. Procedures and standards for selecting tenants*. These standards may include rental history, income, credit history, and other relevant information, but may not include items excluded by

Fair Housing regulations. The resident selection criteria must include the income restrictions imposed by the County. Any minimum income guidelines set by the management company must be low enough to include the majority of the group to be served by the project.

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12. Procedure for collection of rents and other receipts. Describe procedure to record vacancies and rent losses. Describe how rent will be calculated and collected.
13. Provision for keeping separate accounts for general operation, replacement reserve account, operating reserve account, and security deposit account. Describe use of security deposit account with policy for refund.
14. Procedures for disbursement from the general operating account, replacement and operating reserve accounts, and security deposit account. Include procedure for obtaining approval from HCD for disbursements from the reserve accounts. Describe system for cost control and purchasing. Describe system for assuring that monthly cash flow is sufficient to cover all operating expenses, reserve deposits, and loan payments. Describe system for determining payments on HCD loans. Describe system for tax credit reporting, accounting requirements, and any other financial reporting required by other funding/lending entities.
15. Provision for insurance.
16. Indicate basis of accounting that is used for project records.
17. Procedure for preparation, submission, and approval of proposed operating budget.
18. Describe procedure for maintenance and repairs in the following areas:
 - Schedule of preventative maintenance,
 - Provide a schedule for replacement items,
 - Procedure for making non-emergency repairs and emergency repairs,
 - Describe procedure for the identification and follow-up on construction defects,
 - Procedure for charging the tenant to repair tenant caused damage,
 - Procedure for tenant to dispute charges,
 - Authorization of purchases of equipment and supplies,
 - Describe maintenance to be performed by on-site staff and contractors,
 - Describe method of completing and recording routine and emergency tenant maintenance requests,
 - Maintenance of a service log book, and
 - Identify special security provisions.
19. Procedures for rent adjustments.

20. Procedures for provision of utilities and services for common areas.
21. Procedures for enforcement of residential leases and house rules. Describe actions to be taken when rent is late and circumstances if and when partial rent payments will be accepted. Describe how damages in excess of security deposit will be recovered from a vacating tenant.
22. Procedures for provision of resident services.
23. Procedures for termination of tenancies and evictions. Include grievance procedures.
24. Procedures for compliance with government orders.
25. Procedures for nondiscrimination.
26. Procedures for fidelity bond.
27. Provisions for inspection of units.
28. Procedures for procurement of contract services, discounts, rebates and commissions.
29. Procedures for protecting rights of HCD under contract with borrower.

C. Documents Attached to Management Plan

1. Management agent contract including the following terms:
 - a. Name of agent and agent compensation,
 - b. Number of employees,
 - c. Delineation of responsibilities including duties related to affirmative marketing, tenant selection, and annual re-certification,
 - d. Collection of rents,
 - e. Responsibilities for accounts,
 - f. Disbursements,
 - g. Records and reports,
 - h. Insurance,
 - i. Maintenance and repairs,
 - j. Utilities and services,
 - k. Enforcement of leases,
 - l. Terminations and evictions,

- m. Rent increases and adjustments,
 - n. Nondiscrimination,
 - o. Inspection of units
 - p. Contracts and bids,
 - q. Bonds,
 - r. Term of agreement,
 - s. Termination of agreement,
 - t. HCD compliance procedures and requirements,
2. An updated operating expense budget,
 3. List of employees assigned to the project/development,
 4. Application for occupancy and notice of eligibility or ineligibility (Tenant Information Sheet),
 5. Waiting list form,
 6. Lease form,
 7. Service plan (if applicable),
 8. Unit inspection report form,
 9. Maintenance schedule,
 10. Replacement schedule,
 11. Application for recertification form,
 12. Tenant income verification forms,
 13. Re-certification process checklist,
 14. Copy of affirmative marketing flyer,
 15. Copy of proposed rent schedule, and
 16. Schedule of tenant paid utilities.