

**ATTACHMENT 3-A
MANAGEMENT PLAN REQUIREMENTS**

1. The role and responsibility of the owner and the relationship and delegations of authority to the management agent. A management agreement must be provided where a management agent is to be used. If there is no management agent, the management plan should supply the equivalent information concerning the management staff assigned to day-to-day operation of the project even when the owner provides direct management.

a) Describe and fully justify any identity of interest as described in 7 CFR 3560.

b) Identify the supervisory relationships, and to whom the incumbent of the position responsible for the day-to-day operation of the project is accountable.

c) Describe the conditions when the management agent must consult the owner before taking any action.

d) Identify the person or position in the owner's organization that is the key contact for the management agent.

e) Describe the type of decisions to be made by this contact person.

f) Describe the fundamental responsibilities and duties of the owner and the managing agent. Identify any areas of overlap and describe how the overlap will be handled.

g) Describe any pro rata divisions of singularly incurred operating expense that is common to the management agent and the owner (project) (i.e., fidelity coverage that may be divided between both).

2. Personnel policy and staffing arrangements.

a) Describe hiring practices of management and their conformance with equal employment opportunity requirements.

b) Include a staffing plan for the project.

c) Describe the lines of authority, responsibility, and accountability (internal controls) within the management entity.

d) Describe the standards and plans for training and familiarizing employees with their job related responsibilities and applicable Rural Development program requirements. Describe how such training will generally be achieved.

3. Plans and procedures for marketing units, achieving and maintaining full occupancy, and meeting HUD Form 935.2, "Affirmative Fair Housing Marketing Plan," requirements.

a) Describe how affirmative marketing practices will be used. Describe the outreach and marketing efforts that will be used to reach those low-income and minority persons who are least likely to apply for such housing without special outreach efforts.

b) Describe the methods that will be used to achieve and maintain the highest possible level of occupancy. When applicable, indicate any additional compensation or incentives that may be allowed management agents for early initial rent-up. (If this area is not covered in the management plan, it will not be allowed at a later date.)

c) Describe how the units will be advertised. Indicate minimum levels planned regardless of occupancy levels.

d) Describe the appropriate communication system, auxiliary aids, or other assistance that will be used to ensure effective communication with applicants, tenants or members, and members of the public that have sight or hearing impairments.

e) Describe the kinds of reasonable accommodation the project can readily provide such as changing water faucets, kitchen equipment, doorknobs, assigning handicap parking spaces, etc.

f) Describe the process management will follow in reviewing and determining whether structural modification of an apartment unit is practical and feasible to reasonably accommodate a tenant or household member who has a disability.

g) Provide a sample waiting list.

h) Attach copies of sample forms that will be used to record unit condition, and indicate who will receive copies of the inspection forms.

i) Describe any orientation services to be provided tenants or members to acquaint them with the project and care of the units. Indicate what printed project information will be given to applicants.

j) Identify the person or staff position responsible for determining tenant or member eligibility and their location on the waiting list.

k) In projects receiving tax credits, explain if special waiting lists will be required when eligible tenants with incomes higher than tax credit limits will be considered for occupancy and how this waiting list will be maintained.

4. Procedures for determining eligibility and for certifying and recertifying incomes.

a) Describe how applications and other records relevant to this function will be kept. If application fees are used, describe them.

b) Describe the level of knowledge, skill, and ability that management official(s) will be expected to possess BEFORE assuming rental related duties such as application processing, eligibility determination, selection, unit assignment, certification, recertification, rent or occupancy charge collection, and record keeping. This discussion should mention training and testing to be provided or obtained to achieve and maintain the level expected.

5. Leasing and occupancy policies.

a) Describe the occupancy standards for the project. (This could be shown as an annex to the management plan.)

b) Describe the project admissions and leasing/occupancy policies and procedures, and criteria for selecting tenants/members for occupancy. (This could be shown as an annex to the management plan.)

c) Describe the level of knowledge, skill, and ability that management official(s) will be expected to understand and apply regarding project lease provisions and prohibitions, occupancy standards, and admissions policies.

d) Describe special procedures that will be used where the marketing area includes non- English speaking or reading persons to assure that such persons will understand leases or occupancy agreements and established rules.

6. Rent and occupancy charge collection policies and procedures.

a) Describe the project rent/occupancy charge collection policy and procedure, covering such matters as where the collection point is, which staff position handles the collection, provisions for collection after normal office hours, recording, and safeguarding of collections.

b) Describe the project security deposit/ membership fee policy and procedure covering matters similar to the preceding item. Include discussion on handling of any interest earned on such deposits.

7. Procedures for requesting and implementing a rent or occupancy charge change.

a) Describe the process to be followed for preparation and request of a change of rents/occupancy charges and/or utility allowances, and to notify tenants of such change, to meet Rural Development requirements.

b) Identify which staff position or person will process change requests.

c) Describe when such change requests will normally be made in terms of economic need and timing within a fiscal year of operation.

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

a) Describe the project objective and general plan for preventive maintenance.

b) Describe where the project's as-built plans and specifications will be located and identify the staff position responsible for updating it as modifications occur.

c) Describe the general maintenance procedures and schedules or cycles to: (this list could be attached as an addendum)

(1) Check and service appliances and mechanical equipment.

(2) Perform safety checks of smoke/fire alarms, fire extinguishers, outside lighting, and ice removal, etc.

(3) Inspect and perform maintenance and redecoration incident to tenant/member move-out and move-in.

(4) Perform major interior and exterior painting and redecorating.

(5) Perform major repairs and grounds maintenance.

(6) Remove garbage and trash.

(7) Perform common areas clean up (parking lot, entryways, hallways, community room, etc.)

d) Describe the project policy and procedure for tenants/members to prepare and submit maintenance requests.

e) Describe the general timing for handling purchase orders and payments.

f) Describe the project policy for budgeting for and/or requesting use of reserve funds for funding major maintenance or replacement items.

g) In migrant or seasonally occupied labor housing (LH), describe the above items in terms of season opening and closing dates.

9. Plans and procedures for providing supplemental services.

a) Describe the types of supplemental services such as laundry and vending machines that will be provided to benefit occupants.

b) Explain whether this equipment will be owned and operated by the owner or a consignee (vendor).

c) Describe the safekeeping and recording practices (internal control) of any cash collections from use of the equipment.

d) Describe who will be responsible for maintaining the equipment and stocking any vending machines.

e) When a consignee will operate the equipment, describe the general terms of the consignment contract.

10. Plans for accounting, record keeping, and meeting Rural Development reporting requirements.

a) Briefly describe the type of project accounting methods (i.e., cash or accrual) and records that will be used, how will they be maintained, and which staff position will prepare and maintain them.

b) Describe how interest earned on project reserve funds will be prorated and accounted “separately” if such funds are deposited jointly with funds of another project owned by the same borrower.

c) Describe whether the project bookkeeping chart of accounts and bank accounts is compatible with Form RD 3560-7, “Multiple Family Housing Project Budget,” requirements, and if not, what adjustments will be made when reporting actuals on the form.

d) Identify which staff member or position will be responsible for the preparation and submission of the quarterly and annual reports required by Rural Development.

e) Provide assurance or explanation that the person or firm who will perform and prepare the annual audit, or verification of review, is not associated with the project, other than to perform the audit or review.

f) Discuss the proposed tenant or member record maintenance system including retention of records and identify which person/position will handle and maintain the records.

g) Identify where records subject to Rural Development review will be kept and which person/position Rural Development will contact to review the records.

11. Energy conservation measures and practices.

a) Describe the plan to inform and encourage tenants/members in use of energy conservation practices they can use in their unit to save utility expense (and thus minimize utility allowances and conserve rental assistance).

b) Describe the plan to utilize energy conservation practices in the common areas of the project (to conserve operating expense and help minimize rent/occupancy charge levels).

c) Describe the project objective in implementing energy conservation measures.

12. Plans for tenant participation in rural rental housing (RRH) project operations and tenant's relationship with management.

a) Describe any plans for a tenant organization and how management and staff will work with the organization.

b) Describe where the Tenant Grievance and Appeals Procedure will be posted in the project and otherwise made available to tenants. Identify which person or staff position will be responsible for responses to and consideration of a tenant/member grievance.

13. Plans for member participation in rural cooperative housing (RCH) project operations.

a) Describe who will explain to the members the types of committees the cooperative will be using.

b) Describe what the cooperative will do to attract member participation on committees.

c) Describe how the board members will participate with the committee.

d) Describe where the cooperative will post, and otherwise make available to members, the Tenant Grievance and Appeals Procedure. Identify which person or staff position will be responsible for response to and consideration of a member grievance.

14. Plan for carrying out management training programs.

a) Describe the standards of training and proficiency that management or board members will be expected to attain and maintain to perform their duties and responsibilities in carrying out project objectives, including compliance with applicable Federal, State, and local laws.

b) Describe the plan to conduct internal training and to otherwise use external training sources to maintain levels of attained proficiency.

c) For RCH, describe the actions the board will take if a board member(s) does not participate in training.

d) For RCH, describe the role the board will assume in making sure the RCH membership as a whole understands its role and functions in the cooperative.

15. Termination of leases or occupancy agreements and eviction.

a) Identify which person or staff position is responsible for knowing and administering State and local laws and Rural Development's requirements regarding termination of leases or occupancy agreements and evictions.

b) Identify which person or staff position is responsible for knowing and administering State and local laws and Rural Development's requirements regarding the notification that must be given to a tenant or member when termination of lease or occupancy agreement is proposed and subsequent eviction procedures through the State or local judicial process.

16. Insurance.

a) Identify which person or staff position is responsible for knowing and complying with Rural Development requirements for fidelity coverage and acquiring such coverage.

b) Identify which person or staff position is responsible for knowing and complying with Rural Development's insurance coverage requirements and acquiring such coverage.

17. Management agreement. Attach a copy of the management agreement, when applicable. (If an initial loan, attach a copy of the proposed management agreement, when applicable.)

18. RCH board of director/adviser relationship. Discuss the relationship of the adviser and its effect on decisions made by the board.

19. Management compensation.

a) If management is provided directly by the owner, describe the amount of management fee, how it will be determined, and how it will be paid.

b) In the case of a cooperative, describe the amount of compensation to be paid to the adviser by the board.

20. On-site management.

a) Describe who (owner, site manager, caretaker, board) will perform on-site management duties and responsibilities.

b) Describe the duties and responsibilities of the on-site management staff.

c) Identify whether the site manager will live in the project in a rent-free unit, pay rent, or live off-site.

d) Describe established office hours and indicate where they will be posted.

21. Validity of the management plan. The plan must provide space at the end for the date, title, and signature of borrower or borrower's authorized representative.