

MANAGEMENT PLAN - MANAGER/CARETAKER

Name of Project: _____ No. of Units _____

Address of Project: _____

Owner's Name: _____

Owner's Address: _____

Owner's Representative's Name: _____

Owner's Representatives Address: _____

Management Agents Name: _____

Management Agents Address: _____

1. The Role and Responsibility of the Owner and the Relationship and Delegation of Authority:

- a. The (Owner or Owner's Representative) will be involved in major management decisions. The Management Agent must contact the (Owner or Owner's Representative) on any major decisions, i.e. major maintenance expense items, contract disputes, discrimination complaints, etc. and for any other specific issues described as follows:

- b. The (Owner or Owner's Representative) will contract with a Management Agent, who will be responsible for the day-to-day operation of the project. The Management Agent will have a thorough understanding of all USDA Rural Development regulations and state and federal laws that affect the operation of the project. The Management Agent will be accountable to the (Owner or Owner's Representative). Subject to the above the Management Agent will have full authority to manage this project for its intended purposes in accordance with this agreement.
- c. The Owner and/or Management Agent are required to disclose and justify any identity of interest, or the appearance of same, that exists between themselves and suppliers of materials and services used in the operation. Disclosure will be provided by the use of Form RD 3560-30. "Identity of Interest (IOI) Disclosure Certificate" and, if appropriate, Form RD 3560-31 "Identity of Interest Qualification".
- d. Hereafter the word "Owner" will mean either the "Owner or the Owner's Representative" as appropriate.

2. Personnel Policy and Staffing Arrangements:

- a. A Management Agreement will be executed between the Owner and Management Agent, subject to USDA Rural Development approval.
- b. A Management Agent will maintain a staff of the size and quality necessary to carry on the functions of the management program. The following employees will be required:



- Site Manager
 Caretaker
 Maintenance Person

- c. Hiring Policies will be in accordance with equal employment opportunity goals.
- d. The Management Agent will be responsible for keeping all employees current on USDA Rural Development regulations and state and federal laws as they apply to the operation of the apartment complex.

3. Plans and Procedures for Marketing Units, Achieving and Maintaining Full Occupancy:

- a. Approximately 120 days prior to the completion of the construction of the project, the Management Agent will actively market the apartment units. Marketing will be accomplished in accordance with the projects approved Affirmative Fair Housing Marketing Plan. Units will be advertised in the local newspaper and on the local radio stations in the market area. An open house will be held to familiarize the public with the project. Contacts will be made to the city offices, social service agencies, minority and disability organizations and other organizations informing them of the available housing.
- b. Management will maintain a waiting list as required in USDA Rural Development's Multi-Family Housing Management Handbook (Handbook-2-3560).
- c. Priority will be given to keeping the improvements to the project in good repair and the lawn well groomed and free of weeds. The complex will adapt a plan to improve its landscape. With the above considerations, the project should have a good appearance and appeal to those families in the market for an apartment and those families that reside in the complex.
- d. Efforts to obtain high levels of occupancy after initial rent-up will be made through effective advertising and community contacts as specified in the project's Affirmative Fair Housing Marketing Plan (AFHMP). Advertising will be conducted, as needed, to obtain tenant applicants to fill vacant units and build a waiting list. Advertising will consist of ads in local newspapers, radio spot ads (when applicable), pamphlets, brochures, posters in local businesses, etc. All advertisements will identify the project's handicap accessibility and contain the appropriate fair housing logo. Ads will be placed in the local newspaper at least annually to promote project visibility, regardless of the size of the project's waiting list. The "And Justice For All" poster (AD-485A), the "Fair Housing" poster (Form HUD 928.1A), the "Grievance and Appeals procedure" 7CFR 3560.160, (HB 2-3560, Chapter 6, Section 8) and the current "Affirmative Fair Housing Marketing Plan", (Form HUD 935.2) will be displayed at the rental office and at the project site as required. A system will be maintained to provide data to indicate to what extent the objectives of the AFHMP are being met.
- e. Telecommunication Device for the Deaf (TDD)
- A TDD system has been installed at the rental office. The public will be made aware of the TDD system as follows:
- All advertising will include the TDD telephone number.
- _____



OR

() The Nebraska Relay System will be used.

() This relay service is available 24 hours a day without added cost to the disabled person.

() _____

f. The project will maintain a project sign as required by USDA Rural Development.

() This project has a TDD number that will be included on the project sign.

() This project uses the Nebraska Relay System (TTY) so it is optional as to whether or not the telephone number is included on the project sign.

g. Management will be attentive to the needs of the tenants. All problems or repairs will be handled in an expedient manner.

h. As vacancies occur, the apartment units will promptly be cleaned and repaired making them attractive to any potential tenants.

i. _____ will show vacant or to be vacated units to prospective tenants.

j. _____ will explain income requirements, rental rate determinations, rental assistance, occupancy rules and regulations, and tenant responsibilities to all prospective tenants. The following printed project information will be given to applicants:

k. _____ will be responsible for selection of tenants and assignment of units to occupants.

l. _____ will advise new tenants of the services available at the project, names of firms to contact for utility hook-ups and where emergency services can be obtained.

m. Any tenant occupying an apartment in a complex that is receiving tax credits will not be required to move from the project should their income exceed the Tax Code guidelines.

n. To provide public notice that there will be no discrimination on the basis of disability, all advertising and public notices will use the Equal Housing Opportunity Logo. (The logo is the house with the equal sign and the words Equal Housing Opportunity underneath the house)

o. When marketing an elderly project, all advertising and public notices will identify that persons of legal age with disabilities may also be considered for occupancy.

p. Before accessible units are temporarily rented to people who do not need special design features, diligent marketing efforts will be made to market the units as accessible units as follows:

This diligent marketing effort will continue after renting the accessible units to someone who



does not need the special design features until the accessible units are filled with people who need special design features.

4. Plans and Procedure for meeting Accessibility Requirements:

The owner will comply with all applicable Federal, State and local laws and with all applicable USDA Rural Development regulations.

Owners will consider all reasonable accommodation requests that would afford a person with disabilities equal opportunity to occupy or continue to enjoy an apartment in accordance with Section 504 of the Rehabilitation Act of 1973 and the Fair Housing Act of 1988. Such accommodations will include rules, practices, services and modification to the apartment. Responsibility for the payment of any changes at the request of persons with disabilities will be in accordance with these laws.

In accordance with 7 CFR Subpart 15b, the following specific actions will be taken (and additional actions may be required):

- a. A self-evaluation plan either has been or will be completed with the assistance of persons with disabilities or organizations representing persons with disabilities. The self-evaluation plan will contain a list of interested persons consulted, a description of the areas examined, the problems identified and a description of any modifications and remedial actions that are needed. The self-evaluation plan will be maintained for at least three years, made available for public inspection, and a copy provided to the agency. Additional plans may be required pending new regulation changes or requirements.

Based upon the findings in the self-evaluation plan, a transition plan will be completed that will identify the physical obstacles that limit accessibility, detail methods that will be used to make the facility accessible, specify a schedule for taking steps to achieve accessibility, and identify the person(s) responsible for implementing the plan. Actions will be taken to correct the deficiencies noted in the transition plan within three years.

- b. Handicapped parking, handicapped parking signs and signs identifying the handicapped accessible route throughout the complex will be provided as required by the Americans with Disabilities Act and in accordance with the Uniform Federal Accessibility Standards.
- c. Describe how applicants and tenants will be made aware that the owner will provide reasonable accommodations:

- d. Describe how requests for reasonable accommodations will be handled and who is authorized to approve or deny such requests:

- e. Describe additional procedures established to accommodate hearing and sight impaired applicants and tenants: (Examples may include readers, sign language, interpreters, Braille etc.)



- f. Persons with disabilities who require service or assistance animals will be permitted to have them with written verification of need from a health care service provider. Details of any medical condition or specific reasons for the need of a service or companion animal will not be requested or required. No pet fees will be collected for service or companion animals.

This is an elderly designated project and commonly accepted household pets are permitted.

This is a non-elderly designated project and commonly accepted household pets:

Are permitted

Are not permitted except for persons with disabilities who require service or assistance animals.

5. Procedures for Determining Tenant Eligibility and for Re-certifying Tenant Incomes:

- a. All written applications will be responded to in writing, within 10 days from the date that a complete application is received, advising the applicant if they are eligible, rejected, or put on a waiting list. Applications will be kept in a secure location.
- b. An Applicant Eligibility/Tenant Selection Policy will be followed. Rejected applications will be kept on file for a period of 5 years, or until a supervisory visit review has been conducted by USDA Rural Development.
- c. _____ will be responsible for determining a tenant's eligibility and place on the waiting list. HE/SHE is knowledgeable of USDA Rural Development procedures concerning tenant certification and re-certification, income limits, USDA Rural Development occupancy policy, tenant eligibility, tenant selection, tenant rejection procedures, rent collection policies, and maintenance of a waiting list. Appeal rights will be given to all rejected applicants, when appropriate, per the 7CFR 3560.160, (HB 2-3560, Chapter 6, Section 8).
- d. The Management Agent will keep current on USDA Rural Development requirements through attendance at USDA Rural Development training meetings and contacts with the Area or Sub-Area Office Staff as appropriate. The Management Agent will also keep up to date on all local, state and federal laws that affect the operation of the project.
- e. When overage is due through no fault of the tenant or member, the overage will be paid by:
 Owner or **Management Agent**

6. Tenant Admission Policies and Leasing Policies:

- a. Management will maintain a waiting list of prospective tenants in chronological order in accordance with the 7CFR Part 3560.154 (HB 2-3560, Chapter 6).
- b. In the event that the project would secure low income housing tax credits, occupancy in the project will be restricted to those applicants that meet the eligibility requirements of the tax credit program. At the Owners option, due to vacancies, the owner may rent to non-tax credit eligible applicants, in which case the eligibility requirements and the tenant selection priorities of the 7 CFR Part 3560.154 & 155 (HB 2-3560, Chapter 6, Section 5).



- c. In order to achieve maximum utilization of subsidized space without causing overcrowding or providing more space than needed by the number of people in the project, the following occupancy standard is established.

<u>Number of bedrooms</u>	<u>Occupant Density Range</u> (To be established by owner or local ordinance)	
	<u>Ideal Min.</u>	<u>Ideal Max.</u>
1 BR		
2 BR		
3 BR		
4 BR		

A larger sized apartment unit may be assigned to an applicant/tenant than allowed above so that related (other than spouses) and unrelated adults, children of opposite sex and persons of different generations are not required to share a bedroom.

A smaller sized apartment unit than permitted by the above range may be assigned to a household upon the applicant/tenants request, provided the apartment unit does not become over-crowded or exceed local occupancy codes. An apartment unit is considered to be overcrowded when the household size exceeds the number of occupants permitted by the "Occupancy Standard".

- d. Priority for available apartment units will be granted to persons with disabilities needing the design features of the accessible handicapped unit(s) (with first priority given to those persons with disabilities living in the complex and then to persons on the waiting list), to holders of "Letters of Priority Entitlement" issued by USDA Rural Development, and to those households displaced due to housing being determined uninhabitable.
- e. The policy for verifying a person's disability will be limited only to that which is needed to establish eligibility. Written verification may be required from a health care professional; however, requiring identification of the disability itself is prohibited.

Persons with disabilities will be given the same choices as other applicants are given. For example, the choice of renting either a first or second floor apartment.

- f. An application fee is not required.
- An application fee in the amount of \$_____ must accompany each application.

This application fee is for: _____

- g. Management will use a Rental Housing Lease Agreement that has been approved by USDA Rural Development.
- h. Tenants will be provided a copy of the project's Occupancy Rules and Regulations. A copy will also be posted on the premises and a copy will be available from the Management Agent.
- i. In those areas that include substantial populations of non-English speaking/reading people, the Management Agent will attempt to locate interpreters and translate various documents into the dominant non-English language.
- j. A "Tenant Selection Policy" is a part of this Management Plan.



- k. Except for the above priorities, selections will be made on a first come, first served basis from the selected income categories in the following order.

- Households with:
- (1) Very low income
 - (2) Low- income
 - (3) Moderate income
 - (4) Above moderate income (Ineligible)

- l. This project has Rental Assistance. Present tenants who are eligible for Rental Assistance will be given first priority when assigning Rental Assistance.

7. Rent Collection Policies and Procedures:

- a. Rents are due on the first of each month and are to be mailed or hand delivered to the following address:

- b. If rents are not received by the 10th of the month, the Management Agent will deliver to the tenant a "Notice of Delinquent Rent". A late fee not to exceed the higher of \$10 or an amount equal to 5% of the tenants gross contribution will be charged if rent is not received by the 10th of the month. If rent is not paid within 3 days after the "Notice of Delinquent Rent" is delivered, eviction will commence.

- c. _____ will keep a log of all rents received and promptly deposit rents in the general fund account.

- d. Management will collect a security deposit prior to the time the applicant moves into the apartment equal to the following:

Amount equal to "Basic Rent" for projects with Interest Credit Plan II.

Amount equal to the "Market Rent" for unsubsidized projects or those operating with Interest Credit Plan I.

Amount required under the HAP contract or as required by HUD for those projects receiving HUD Section 8 Assistance, or other HUD rent subsidies.

All security deposits will be maintained in a separate account. Interest accruing to the Security Deposit Account is property of the project and will be deposited into the project's general fund account.

8. Procedures for Requesting and Implementing a Rent Increase:

- a. Rent Increases will be handled in accordance with RD Instruction the 7 CFR Part 3560.303 (HB 2-3560, Chapter 4, Section 4). Requests for rent increases will be submitted with the annual budgets at least 90 days prior to the end of the project's accounting year.

_____ will process rent change requests.

- b. Tenants will be notified of the proposed rent increase by posting a notice at the project and



mailing or hand delivering a copy of the notice to each tenant.

9. Plans for Carrying Out an Effective Maintenance and Repair Program:

- a. As built plans and specifications will be located at _____ and will be maintained by _____.
- b. The Management Agent will make arrangements for the hiring of local service technicians for the repair of any plumbing or electrical problems that may occur at the complex.
- c. _____ will conduct an inspection of the unit prior to the tenant move out and arrange for any necessary maintenance prior to re-renting the apartment unit.
- d. An inspection of the apartment unit will be made within thirty (30) days after a tenant initially occupies an apartment unit and at least annually thereafter to assure tenants adherence to the terms of the lease agreements and to assure adequacy of maintenance and upkeep. No units will exceed five years between scheduled repainting unless the apartment unit has received exceptional care or the existing tenant requests in writing that the apartment unit not be repainted. Carpeting will be replaced on an as-needed basis.
- e. Garbage removal will be provided by the owner in accordance with the lease agreement.
- f. The plan for preventive maintenance will require the Management Agent or their representative to inspect, on at least a yearly basis, all water heaters, furnaces, wall heaters, air conditioners, kitchen appliances, clothes washers and dryers, smoke alarms, fire extinguishers and outside lighting to assure that they are in working order. Inspections will be documented and kept on file for review by Rural Development.
- g. The Management Agent will discuss with the Owner any needed major repairs. Bids will be obtained for all major repairs and reviewed by the owner.
- h. The Management Agent will hire and supervise personnel for lawn care and to clean the sidewalk and parking area.
- i. The Management Agent will supervise the caretaker who will clean the halls and common areas on a weekly basis (more often if needed).
- j. Tenants will be advised to contact _____ by phone, in person, or in writing to report any needed maintenance repairs.
- k. The cost for maintenance and replacement costs will be paid from the project's general operating account. Should the balance in the general operating account be insufficient to pay such costs, the Owner/Manager will submit a request to USDA Rural Development to use reserve funds to complete the needed repairs.

10. Plans and Procedures for Providing Supplemental Services:

- a. Laundry equipment is to be provided for use by the tenants. The washers and dryers will be coin-operated. The cost to the tenants will be competitive to the cost of other public laundry facilities in the community.



- b. The laundry equipment will be owned by:
 () The Project
 () Under lease agreement with _____

(attach a copy of the lease)

- c. _____ will be responsible for recording cash collections from the use of the laundry equipment and will keep collections safe in the following manner: _____

11. Plans for Accounting, Record Keeping and Meeting USDA Rural Development Reporting Requirements:

- a. The project's accounting system will be established to adequately track operating income and expenses as required by USDA Rural Development. _____ will be responsible for maintaining financial records. All income will be identified by source and all expenses will identify the vendor and the purpose.

- b. _____ will be responsible for the preparation and submission of the financial reports to USDA Rural Development. These reports will be provided using the following types of accounting methods:

- (1) Annual Budget:-----Circle Method------(cash)
- (2) Quarterly Report:-----Circle Method------(cash or accrual)
- (3) Annual Report:-----Circle Method------(cash or accrual)

These reports will be made on Form RD 3560-7 "Multiple Family Housing Project Budget" or a computer generated form that contains identical information.

- c. The required review/audit of the annual reports will be conducted by a person or firm that is not associated with the project, other than to perform the review/audit.
- d. Numbered receipts will be issued for all cash payments.
- e. Project income will be deposited into the general operating account within one day of receipt.
- f. All bills will be paid promptly when due. Any late fees will be paid by the Owner or Management Agent unless the late payment is due to insufficient project funds being available.
- g. _____ will prepare the tenant certification, verify tenant income and prepare leases. Tenant files will be established and maintained using NE RRH Guide 306 "Filing System - Tenant Files" OR a consistent Filing System acceptable to USDA Rural Development. Tenant files will be retained for a period of 5 years after the tenant moves from the project.
- h. Records will be kept at _____ and will be made available to USDA Rural Development upon advance notice.

12. Energy Conservation Measures:



- a. Tenants will have control over heat, electricity, and water use within the apartment unit. The Management Agent, through discussions with tenants, will encourage conservation of water and electricity.
- b. The Management Agent will have control over water used for lawn watering, electricity for lighting, and heating the hall and common areas. The Management Agent will also have control over all utilities in vacant units. All utilities will be turned off or lowered to a minimum when an apartment unit is vacant to save on energy consumption.

13. Emergency Evacuation Plan:

Management in consultation with local Civil Defense Authorities and the local Fire Department will develop an evacuation plan for the project. A copy of the plan will be posted at the project and a copy given to each tenant. Evacuation drills will be conducted as recommended by local authorities.

14. Plans for Tenant-Management Relations:

- a. The Management Agent will explain to the tenants the objectives of the apartment complex and will advise the tenants of their responsibilities in abiding by the occupancy policies.
- b. Tenant organizations will be supported by management. Such organizations must represent the interests of all tenants in resolving problems.
- c. The Management Agent is knowledgeable of the 7CFR 3560.160, (HB 2-3560, Chapter 6, Section 8) "Tenant Grievances and Appeals Procedure", and will inform tenants of the procedure. A copy of the "Tenant Grievance and Appeals Procedure" will be posted at the project site. The Management Agent will be responsible for considering and making responses to any tenant grievance.

15. Plans for Carrying Out a Management Training Program:

- a. The management staff is expected to operate the apartment complex in a professional manner and be aware of all USDA Rural Development regulations and local, state and federal laws that impact its operation. The management agent and employees, including site personnel, will periodically attend meetings and management seminars, at least annually, to enhance their knowledge and ability to conduct their management responsibilities.
- b. The management Agent will provide training to their site employees as needed to keep them updated on USDA Rural Development regulations and laws.
- c. The Management Agent and Site Managers, when applicable, will be required to attend workshops conducted by USDA Rural Development personnel.
- d. Management will provide their employees with civil rights training as follows:

16. Termination of Leases and Evictions:

- a. The Management Agent is knowledgeable of USDA Rural Development requirements regarding termination of leases and evictions, which is covered in the (HB-2-3560, Chapter 6, Section 7)



and the 7CFR Part 3560.159.

- b. The Management Agent will seek assistance from the Owner's attorney on the handling of any evictions to assure compliance with State Law.

17. Security Servicing:

The Management Agent is knowledgeable of USDA Rural Development's insurance requirements, fidelity bond requirements, and loan repayment schedules. The Management Agent will arrange for obtaining and renewal of insurance and fidelity bond coverage and for making monthly loan payments.

18. Management Agreements:

All Management Certifications and Agreements will meet requirements of 7CFR 3560.102 (HB-2-3560, Ch. 3, Sec.1)

19. Management Compensation:

Management fees shall be paid monthly in accordance with the approved management agreement and approved operating budget **based upon the conditions in the following attachments:**

- Attachment A "Property Management Services Task Chart and Job Duties"
- Attachment B "Costs and Services to be Paid from the Management Fee".
- Attachment C "Costs and Services to be Paid from Project Income".

20. The following are a part of our management plan.

- Affirmative Fair Housing Marketing Plan (If applicable)
- Application for Occupancy
- Tenant Selection Policy
- Filing System - Tenant Filing System **OR** other consistent filing system acceptable to RD
- Inspection Report - Move In/Move out
- Inspection Report - Periodic
- Lease Agreement
- Lease Addendum Agreement
- Management Agreement
- Pet Agreement and Policies (if applicable)
- Occupancy Rules and Regulations
- Laundry Equipment Lease Agreement (if applicable)

XXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXX

This Management Plan has been prepared by _____
for use in the operation of a USDA Rural Development financed Multiple Family Housing project.

The **effective date** of this management plan is: _____.

Owner/Authorized Representative (Name and Title)

Date



XXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXX

Management Plan Reviewed by:

USDA Rural Development Authorized Representative

Date

XXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXXX

In accordance with Federal civil rights law and U.S. Department of Agriculture (USDA) civil rights regulations and policies, the USDA, its Agencies, offices, and employees, and institutions participating in or administering USDA programs are prohibited from discriminating based on race, color, national origin, religion, sex, gender identity (including gender expression), sexual orientation, disability, age, marital status, family/parental status, income derived from a public assistance program, political beliefs, or reprisal or retaliation for prior civil rights activity, in any program or activity conducted or funded by USDA (not all bases apply to all programs). Remedies and complaint filing deadlines vary by program or incident.

Persons with disabilities who require alternative means of communication for program information (e.g., Braille, large print, audiotape, American Sign Language, etc.) should contact the responsible Agency or USDA’s TARGET Center at (202) 720-2600 (voice and TTY) or contact USDA through the Federal Relay Service at (800) 877-8339. Additionally, program information may be made available in languages other than English.

To file a program discrimination complaint, complete the USDA Program Discrimination Complaint Form, AD-3027, found online at http://www.ascr.usda.gov/complaint_filing_cust.html and at any USDA office or write a letter addressed to USDA and provide in the letter all of the information requested in the form. To request a copy of the complaint form, call (866) 632-9992. Submit your completed form or letter to USDA by:

- (1) mail: U.S. Department of Agriculture
Office of the Assistant Secretary for Civil Rights
1400 Independence Avenue, SW
Washington, D.C. 20250-9410;
- (2) fax: (202) 690-7442; or
- (3) email: program.intake@usda.gov.

This institution is an equal opportunity provider.



**Attachment A
Property Management Services Task Chart
and Job Duties**

Tasks	Mgmt Agent	Site Mgr	Maint Person(s)	Caretaker
Application & Lease Processing				
Show Apartments				
Take Applications				
Waiting List Preparation & Maintenance				
Review & Disposition of Applications				
Notify Applicants of Disposition				
Tenant Certification & Recertification, Preparation & Approval				
Tenant Certification & Recertification Transmittal				
Preparing Lease & Move-In Documentation				
Re-certification Notices				
Project Worksheet Preparation				
Monthly Rental Assistance Request				
Other Notices (Landlord Tenant)				

Site Maintenance				
Site Maintenance				
Site Maintenance Work Order Preparation				
Request For Proposed Bid & Spec/Vendor Coordination				
Maintains Maintenance Log				

Accounting				
Rent Collection & Posting				
Vendor Payment Preparation				
Vendor Accounts Payable/Preparing Checks				
Distributing Checks				

Administrative				
Site Management Payroll				
Site Management Benefits-Medical Insurance, Dental				
Employer's FICA/Medicare Matching Taxes				
Worker's Comp Expenses-Tied Directly to Payroll				
Payroll fees-Automated Data Processing Paychecks				
Maintain Site Employees Personnel Records				
Approve Time Sheets & Prepare/Process Payroll				
Administer Rate of Pay & Track Time Off				
Auditing Expenses				
Legal Expenses				
Advertising Property & Employment				
Property Telephone & Long Distance Tolls				



Property Postage, Supplies & Copying				
Site Management Training				
Resident Newsletter/Programs				

Mgmt Agent Site Mgr Maint Person(s) Caretaker

Taxes & Insurance

Property Taxes Administration				
Tax Preparation-Federal Tax Return & Related K-1S				
Tax Preparation - Personal Property				
Annual License & Required Fees				
Property Insurance Administration				

Property Administration Support

Program Compliance & Response to USDA RD				
Responding to Inspections & Compliance Visits				
Management Plan & Agreement Preparation				
Management Procedure & Forms Preparation				
Review & Implement Regulation Changes				
Budget & Capital Replacement Plan Preparation				
Reserve Withdrawal Request				
Preparing & Servicing Workout Plans				
Section 504/ADA/Fair Housing				
Program Compliance-LIHTC, Other Approved Financing				
Program Annual Reporting & Monitoring Fees				
Responding to Other Funding Reviews				
Prepare Other Funding Program Reports				
Investor Reporting				
Asset Management/Cash Management Issues				

Other (Describe)

Note: In some instances, tasks may be shared. In those cases a full explanation must be provided of how the task is pro-rated along with the methodology used for pro-rating of expenses between management agent, fees, and project operations.



ATTACHMENT B

COSTS AND SERVICES TO BE PAID FROM THE MANAGEMENT FEE

The following items and services are provided in return for the management fee:

- A. Supervision by the management agent and its staff (time, knowledge and expertise) of overall operations and capital improvements of the site.
- B. Hiring, Supervision and termination of on-site staff.
- C. General maintenance of project books and records (general ledger, accounts payable and receivable, payroll, etc.). Preparation and distribution of payroll for all on-site employees including the costs of preparing and submitting all appropriate tax reports and deposits, unemployment and workers compensation reports and other IRS or state required reports.
- D. Training provided to on-site staff at the project site.
- E. Prepare and submit proposed annual budgets and negotiate approval with RHS, HUD or other governmental agencies and the borrowers.
- F. Preparation and distribution of Rural Housing Service (RHS), Department of Housing and Urban Development (HUD), Housing Finance Agency (HFA), or other governmental agency forms and routine financial reports to Borrowers, RHS, HUD, HFA or other governmental agency.
- G. Insure preparation and distribution of required year-end reports to RHS, HUD, HFA's or other governmental agency and borrowers.
- H. Preparation of requests for reserve withdrawals, rent increases or other required adjustments.
- I. Arrange for preparation by outside contractors of energy audits and utility allowance analysis. Implement appropriate changes.
- J. Prepare and implement Affirmative Fair Housing Plans as well as general marketing plans and efforts.
- K. Review tenant certifications and submit monthly rental assistance requests, overage and monies collected for occupancy surcharge. Submit payments where required (Project Worksheets).
- L. Preparation, approval and distribution of operating disbursements and oversight of project receipts and reconciliation of deposits.
- M. Overhead of management agent including:
 - 1. Establish, maintain and control an accounting system sufficient to carry out accounting supervision responsibilities.
 - 2. Maintain agent office arrangements, staff, equipment, furniture and services necessary to communicate effectively with the properties, RHS, HUD, HFA or other governmental agency and with the borrowers.



3. Postage expenses related to the normal responsibility for mailings to the properties, RHS, HUD, HFA's or other governmental agency, the tenants, the vendors and the owners.
 4. Expenses of telephone and facsimile communication to the properties, tenants, RHS, HUD, HFA, or other governmental agency and the borrowers.
 5. Direct costs of insurance (fidelity bonds covering central office staff, computer and data coverage, general liability, etc.), directly related to the protection of the funds and records of the borrower.
 6. Central office staff training and ongoing certifications.
 7. Maintenance of all required profession and business licenses and permits. (This does not include project site office permits or licenses).
 8. Insurance coverage for agent's office and operations (Property, Auto, Liability, Error and Omissions, Casualty, Workers Compensation, etc.).
 9. Travel of agent staff to the properties for on-site inspection, training or supervision activities.
 10. Agent bookkeeping for their own business.
- N. Attendance at meetings (including travel) to become competent in managing Federally Financed Properties or for conducting on-site training.
- O. Development, preparation and revision of management plans or agreements.
- P. Coordination of HUD certifications or vouchers with tenants including all reporting to all pertinent agencies and borrowers.
- Q. Directing the investment of project funds into required accounts.
- R. Maintenance of bank accounts and monthly reconciliations.
- S. Preparation, request for and distribution of borrower initial operating capital (for new projects) as well as administration of annual owner's return on investment.
- T. Account maintenance, settlement and disbursement of security deposits.
- U. Working with third party auditors for initial set-up of audits and annually thereafter for audit preparation and review. Assist with supplemental letters and preparation of RD Forms 1930- 8 as well as other RHS, HUD, HFA or other governmental agency reports.
- V. Storage of records and adherence to records retention requirements.
- W. Assist on-site staff with tenant relations and problems. Provide assistance to on-site staff in severe actions (eviction, death, insurance loss, etc.).
- X. Oversight of general and preventive maintenance procedures and policies.



- Y. Development and oversight of asset replacement plans.
- Z. Oversee preparation of section 504 reviews, development of plans and implementation of improvements necessary to comply with plans and section 504 requirements.
- AA. Reporting to general and limited partners and State agencies for LIHTC compliance purposes.



ATTACHMENT C COSTS AND SERVICES TO BE PAID FROM PROJECT INCOME

There are generally accepted project expenses that may be paid out of the project operating account. These expenses are listed below.

- A. Actual costs for direct personnel costs of permanent and part-time staff assigned directly to the project site. This will include maintenance staff, caretaker and temporary help for these positions. An allowable management charge for each complex will include the management fee and the costs for the resident or site manager. Direct personnel costs can include the following specific items:
 - 1. Gross salary
 - 2. Employer FICA contribution
 - 3. Federal unemployment tax
 - 4. State unemployment tax
 - 5. Workers compensation insurance
 - 6. Health insurance premiums
 - 7. Cost of fidelity or comparable insurance
 - 8. Leasing, performance incentive or annual bonuses
 - 9. Direct costs to travel to off-site locations by on-site staff for property business or training
 - 10. Retirement benefits

- B. Legal fees directly related to the operation and management of the property including tenant lease enforcement actions, property tax appeals and suits, all legal documents, and other project relevant matters.

- C. All outside account and auditing fees, if required by RHS, directly related to the preparation of the annual audit, partnership tax returns and 401-K's, as well as other outside reports and year end reports to Rural Housing Service (RHS), Department of Housing and Urban Development, HUD, Housing Finance Agency (HFA), or other governmental agency.

- D. All repair and maintenance costs for the project including:
 - 1. Maintenance staffing costs and related expenses.
 - 2. Maintenance supplies.
 - 3. Contract repairs to the projects (heating and air conditioning, painting, roofing, etc.).
 - 4. Make ready expenses including painting and repairs, flooring replacement and appliance replacement as well as drapery or mini-blind replacement. (Turnover maintenance).
 - 5. Preventive maintenance expenses including occupied unit repairs and maintenance as well as common area systems repairs and maintenance.
 - 6. Costs of snow removal.
 - 7. Costs of elevator repairs and maintenance contracts.
 - 8. Costs of section 504 and other Fair Housing compliance modifications and maintenance.
 - 9. Costs of landscaping maintenance, replacements and seasonal plantings.
 - 10. Costs of pest control services.
 - 11. Other related maintenance expenses.

- E. Specific costs that may be charged to the project include:



1. The costs of obtaining and receiving credit reports, police reports and other checks related to tenant selection criteria for prospective residents.
2. The cost of duplicating forms for those properties not owning a copier. This will include the costs of producing or purchasing forms and mailing or delivering those forms to the project site.
3. All bank charges related to the property including purchases of supplies (checks, deposit slips, returned check fees, service fees, etc.).
4. Costs of site based telephone including initial installation, basic services, directory listings and long distance charges.
5. All advertising costs related specifically to the operations of that project. This can include advertising for applicants or employees in newspapers, newsletters, radio, cable TV and telephone books.
6. Postage and delivery costs from the site including expenses to RHS, HUD or other governmental agencies, tenants, verifying third parties, central management offices, etc.
7. Partnership or corporate business expenses including state taxes and other mandated state or local fees as well as other relevant expenses required for operation of the property by a third-party governmental unit. Costs of continuing financing statements and site licenses and permit costs.
8. Expenses related to site utilities including actual costs and surcharges as well as deposits and expense of utility bonds in lieu of bonds.
9. Site office furniture and equipment including site based computer and copiers. Service agreements and warranties for copiers, telephone systems and computers are also included (if approved by RHS).
10. Real estate taxes (personal tangible property and real property taxes) and expenses related to controlling or reducing taxes.
11. All costs of insurance including property liability and casualty as well as fidelity or crime and dishonesty coverage for on-site employees and the owners.
12. Costs of collecting rents on-site including bookkeeping supplies and record keeping items.
13. Costs of preparing and maintaining tenant files and processing tenant certifications including all office supplies, copies and other associated expenses.
14. Public relations expense relative to maintaining positive relationships between the local community and the tenants with the management staff and the borrowers. Chamber of Commerce dues, contributions to local charity events, and sponsorship of tenant activities are examples.
15. Tax Credit Compliance Monitoring Fees imposed by HFA's.
16. All insurance deductibles as well as adjuster expenses.
17. Professional service contracts (audits and compilations, tax returns, energy audits, utility allowances, architectural, construction, rehabilitation and inspection contracts, etc.).
18. Requested attendance at meetings (including travel expense) held by RHS and meetings held by outside vendors or other agencies that is pre-approved by RHS. This does not include attendance at meetings (including travel) to become competent in managing Federally Financed Properties or for conducting on-site training.
19. Site manager salary for additional hours associated with congregate housing.

