

Good management is critical to the overall success of projects. Project owners will be required to submit a management plan to OH for approval.

Prior to completion of construction, the borrower must submit a management plan for operations of the building, consistent with the requirements of Section IX in the Housing Funding Policies, which must be approved by OH. For projects that do not include construction, a management plan shall be submitted when required by OH. This includes prior to the closing on an acquisition.

The borrower must make any corrections required by OH. A property must operate in accordance with the management plan and not modify the plan or management policies without the prior written consent of OH.

As part of the management plan, each owner must provide their policy and procedures for managing reserve accounts in line with the terms outlined in the Loan Agreement. An Owner may choose to adjust/increase the periodic deposits based on a review of the capital needs and operating risks of projects and of other public funder standards.

It is important to understand the difference between a Management Plan and a Management Agreement. Do not submit a Management Agreement in lieu of a Management Plan.

A Management Plan is a formal planning tool that aims to provide a narrative overview of any pertinent leasing or management strategies. Any staff member should be able to pick up a Management Plan and understand how a property is operated.

A Management Agreement is a formal signed agreement between the Owner of a Property and the Agent of their choice. The Management Agreement includes items such as a scope of work, outlining which party is responsible for what responsibilities and tasks, clauses including the termination of the agreement, the fees for the agreement, the length of the agreement, and any legal parameters.

**All Management plans must include the following:**

1. **Occupancy standard** (# of persons per unit) that is consistent with applicable law, including Seattle Housing Code and federal, state and City fair housing standards.
2. **Rent standard** (household income and rents) that fulfills all contract restrictions.
3. A **management philosophy** that is suitable for the target population.
4. **Affirmative Marketing Plan** that complies with federal, state and City laws and the Affirmative Marketing policy in Chapter 9 of the Housing Funding Policies.
  - a. *Borrowers must demonstrate cultural competency.* Listing Craigslist and ForRent does not satisfy the cultural competency requirements.

- b. If a Property completes an Affirmative Fair Housing Marketing Plan (AFHMP) from HUD, the Management Plan must also include a list of local organizations they plan to communicate lease up and ongoing vacancies with. The Office of Housing has a list of local Community Business Organizations that an owner may begin with.
5. **Community Preference** policy and procedures, with prior approval by OH and SOCR, if applicable.
6. **Roles and Responsibilities** of key staff and contracted management.
7. **Maintenance Plan** including a schedule of routine and preventative maintenance; a schedule of inspections; and the long-term maintenance plan.
8. A **Capital Needs Assessment (CNA)** that includes a 20-year schedule of major replacements with a corresponding schedule of replacement reserve account deposits.
9. **Budget:** Annual projection of income, expenses, capital improvements, and reserve accounts.
10. **Operating Policies and Procedures** for the following management functions, at a minimum:
  - a. **Admissions Policies:** Income qualification procedures; tenant referral agreements if applicable; screening criteria, including procedures for individual assessment of applicants if applicable; and a copy of the lease or program agreement. Owners will provide notice of screening criteria as required by law. Except as required by federal law, criminal background checks are prohibited.
  - b. **Rent:** Rent collection, deposits, late payments, addressing damage to units, rent increases.
  - c. **Commitment to the City's Just Cause Eviction Ordinance.**
  - d. If **mutual termination agreements** are used, a written policy must allow mutual terminations to be used only in circumstances when an eviction would otherwise be filed or if requested in writing or verbally by a tenant. OH will review the mutual termination policy as part of its review and approval of the management plans submitted by project owners.
  - e. **Management of tenant files and records.**
  - f. **Work order and Repair process.**
  - g. **Unit turnaround** and filling vacancies.
  - h. **Building security** and emergency plan.
  - i. **Community education** and involvement plan for addressing complaints or issues raised by tenants and neighbors about the building or tenants.

Management plans for special needs housing and housing with support services should also include the following:

1. Description of service support program to be provided to tenant households including funding commitments and contracts.
2. Identification of key staff roles and responsibilities related to service delivery including written agreements that describe relationships with other agencies.
3. A description of any tenant referral arrangement required by operating and/or services funding, including participation in King County's Coordinated Entry for All system.
4. For permanent supportive housing or other housing with a homeless services funding contract, screening criteria consistent with service funder requirements.
5. Involvement of tenants in project governance and house rules.
6. Description of performance or outcome measures.