

HATC Action Item 4A
May 3, 2018

Resolution No. HATC-2018-04: To Adopt *Procedures for Requesting and Implementing a Change in Rent Charges* for Manor Town Apartments and Carson Creek Homes.

WHEREAS, the *Procedures for Requesting and Implementing a Change in Rent Charges* for Manor Town and Carson Creek Homes is a component of the proposed Management and Continued Occupancy Plan; and

WHEREAS, the Housing Authority of Travis County would like to establish strong control policies; and

WHEREAS, the *Procedures for Requesting and Implementing a Change in Rent Charges* will be updated periodically for revisions in policy with approval from the CEO/Executive Director for minor revisions or the Board of Commissioners for significant changes.

NOW, THEREFORE, BE IT RESOLVED that the Board of Commissioners of HATC hereby:

1. Approves Resolution No. HATC-2018-04,
2. Authorizes the CEO/Executive Director to execute all necessary documents and extensions.

Passed and approved the 3rd day of May 2018.

Ann Denton, Chair, Board of Commissioners

Attested and approved as to form:

Patrick B. Howard, *CEO/Executive Director*

HATC Action Item 4A
May 3, 2018

Resolution No. HATC-2018-04: To Adopt *Procedures for Requesting and Implementing a Change in Rent Charges* for Manor Town Apartments and Carson Creek Homes.

Background Information:

To ensure the long term sustainability of HATC Manor Town Apartments and Carson Creek Homes, staff is developing a Management and Continued Occupancy Plan to achieve three goals: (1) to effectively manage its nonsubsidized properties; (2) to ensure compliance with state, federal, and fair housing requirements; (3) and to establish procedures for admission and continued occupancy. This Plan is currently under development and being prepared for board consideration at a future date.

The focus of this Agenda Item is to take immediate action on one component of the Plan to be referred to as *Procedures for Requesting and Implementing a Change in Rent Charges* (see Attachment A). Consistent with these proposed procedures, staff has developed an action plan to address issues at Manor Town. The action plan will address the missed opportunities of previous years to increase rents in accordance with annually published HUD rent and income limits; furthermore, current rent levels are unable to sufficiently meet debt-to-income requirements and capital need obligations such as roof repairs, exterior lighting, parking lot repairs, security lighting/gates/cameras, and elevator repairs.

Recommended Action:

Consideration and take appropriate action regarding **Resolution No. HATC-2018-04:** To Adopt *HATC Procedures for Requesting and Implementing a Change in Rent Charges*.

Alternate Option:

The Board of Commissioners could elect to Not Adopt *Procedures for Requesting and Implementing a Change in Rent Charges*.

Fiscal Impact:

N/A

Attachments:

- A. Excerpt from draft Plan: *Procedures for Requesting and Implementing a Change in Rent Charges.*
- B. HATC Management and Continued Occupancy Plan (draft) Summary/framework

Prepared by:

Barry E. Hall, Director of Affordable Housing Programs

Approval:



Patrick B. Howard, *CEO/Executive Director*

Attachment A

Procedures for Requesting and Implementing a Change in Rent or Occupancy Charges

Rent Increases

HATC shall use HUD's annually published rent and income limits to implement yearly tenant rent increases. The increases shall be effective immediately but will be applied 90 days after the effective date. If a proposed rent increase shall cause an undue financial hardship for residents, the increase shall be amortize over a reasonable period of time.

For example: Resident "A" pays \$390 per month for an one (1) bedroom unit that's designated at 60% of AMLI, but the max allowable rent permitted by HUD's published rent limit is \$851 per month. Based upon the difference between the max allowable rent limit and the current resident paid rent, the resident would experience a yearly increase of \$461. Such an increase would be deemed an undue financial hardship to the resident. In order to mitigate any hardship, HATC shall amortize the proposed increase over a five year period.

Proposed Annual Rent Increase for Resident "A"						
Unit Designation	Bedroom Size	Resident Paid Rent	Maximum Allowable Rent	Proposed Annual Rent Increase	Amortization Schedule	
60% AMLI	1 BR	\$390.00	\$851.00	\$461.00	2018	\$92.20
					2019	\$92.20
					2020	\$92.20
					2021	\$92.20
					2022	\$92.20

NOTE: HATC reserves the right to adjust the proposed rent increase schedule to reflect annually published HUD rent and income limits. Residents will be given notice prior to any change to the schedule.

Notification of Rent Changes

- Notification of a proposed rent change will be accomplished by mailing copies of HATC Notice to Tenants of Proposed Rent to all affected tenants at least 90 days prior to the anticipated effective date of the rent change.
- The Notice will also be posted in common areas around the project, such as the common room and laundry rooms.
- The Notice will inform tenants that during a 30-day comment period, they will have an opportunity to inspect, copy and make written comments or objections to all materials submitted by HATC to support the rent change. All affected tenants will be informed of HATC approved rent increases in writing at least 30 days prior to the effective date of the rent change.
- Rent changes will typically be proposed 90 days prior to the end of the fiscal year. Under special circumstances, where a change is necessary to preserve the financial integrity of the project, a rent change may be requested at times other than 90 days prior to the end of the fiscal year.

Attachment B

HATC MANAGEMENT AND CONTINUED OCCUPANCY PLAN for MANOR TOWN APARTMENTS AND CARSON CREEK HOMES

The HATC Management and Continued Occupancy Plan (hereinafter "The Plan") will serve as the guiding policy document which governs all of the following processes listed here but not limited to: management, budgeting, procurement, marketing, leasing, waitlist, tenant selection, repairs, and any other processes necessary to manage a nonsubsidized, multifamily property. HATC is both the owner and manager of Manor Town Apartments, a monolithic 33 unit building located at 200 W. Carrie Manor St, Manor, TX. 78653 and Carson Creek Homes, 8 duplexes located at 1300 Cool Shadow, Del Valle, TX. 78617.

The Plan is organized into the following Sections:

- Roles and Responsibility of the Owner and Relationship and Delegations of Authority to the Management Agent
- Personnel Policy and Staffing Arrangements
- Marketing Units, Achieving and Maintaining Full Occupancy, and Meeting Requirements of the Affirmative Fair Housing Marketing Plan
- Procedures for Determining Eligibility and for Certifying and Recertifying Income
- Leasing and Occupancy Policies
- Rent and Occupancy Charge Collection Policy and Procedure
- Procedures for Requesting and Implementing a Change in Rent or Occupancy Charges
- Plans and Procedures for Maintenance, Repair and Replacement
- Plans and Procedures for Providing Supportive Services
- Energy Conservation Measures and Practices
- Tenant Participation in Operations and Tenants' Relationship with Management
- Termination of Leases and Evictions
- Insurance
- Management Compensation
- On-site Management

Administrative processes, operating procedures, protocols, and management practices for any policy, initiative, or approach shall be developed pursuant to this "Plan" and are subject to Housing Authority of Travis County CEO/Executive Director's prior review and approval. Such approval may be amended and/or withdrawn from time-to-time at the discretion of the CEO/Executive Director.

The CEO/Executive Director of the Housing Authority of Travis County, as vested by the Board of Commissioners, can authorize revisions, as appropriate, to this "Plan" in order to clarify the original intent of any policy enumerated herein without the prior approval of the Board of Commissioners, provided that any such revision to the "Plan" does

not substantially change the original intent of any policy. Significant changes to major policy provisions in this "Plan" must be approved by the Board of Commissioners.

This "Plan" shall (once adopted by the HATC Board of Commissioners) supersede any previously adopted HATC policy related to management and occupancy of Manor Town Apartments and Carson Creek Homes.