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PENDER COUNTY HOUSING DEPARTMENT



MANAGEMENT PLAN

FOR THE USDA/RURAL DEVELOPMENT PROJECT:

COUNTRY COURT APARTMENTS

REVISED February 9, 2017
BOARD APPROVED 3/20/2017
EFFECTIVE 4/1/2017

Section 1

ROLE AND RESPONSIBILITY OF THE OWNER AND THE RELATIONSHIP AND DELEGATION OF AUTHORITY TO THE MANAGEMENT AGENT:

The owner of Country Court Apartments, the USDA/RD Project, is the Pender County Housing Authority. The Pender County Board of County Commissioners serves as the Housing Authority Board and selected Pender County Housing Department (PCHD) to act as the "management agent" for the project.

PCHD is responsible for day-to-day operations of the project and has direct responsibility for contact with project residents. It is the Department's responsibility to ensure smooth operation of the project. PCHD's staff currently consists of the Housing Department Director, a program assistant/housing technician and a part-time inspector/maintenance technician. PCHD is currently located at 805 South Walker Street Burgaw, North Carolina, 28425. This is the primary office location and there is no staff on-site at Country Court.

Contractors and staff are under the supervision of the Housing Department Director. The Director reports to the County Manager. The Pender County Finance Department assists the financial operations of Country Court by paying invoices, balancing bank accounts, assisting in the preparation of the budget and provides any required quarterly or annual financial reports.

RESPONSIBILITIES OF THE PCHD STAFF:

The Staff is responsible for operations and management, including but not limited to:

- Completing re-examinations of resident income at least annually, or more often as necessary;
- Marketing the project to community organizations and target populations;
- Collection of application fees, rents, late fees, damage billings and re-payment of over-paid rental assistance, as applicable;
- Enforcing Lease terms;
- Supervising maintenance;
- Resolving resident problems and/or complaints;
- Submitting bills to Finance for timely payment;
- Drafting the annual budget;
- Completing required USDA/RD Reports; and
- Reporting to the County Manager.

RESPONSIBILITY OF BOARD MEMBERS

The Board is responsible for establishing overall policy guidance and direction for the Housing Authority and PCHD, as Managing Agent.

Section 2

PERSONNEL POLICY AND STAFFING REQUIREMENTS:

PCHD, as a department of Pender County, functions in accordance with County policies for hiring, promotion and conditions of employment. Pender County is an Equal Opportunity Employer.

The current management staff for Country Court is the PCHD staff. The staff is not exclusive to Country Court and shares time with the Housing Choice Voucher Program and other programs' administrative duties. The employees are supported primarily by the Housing Choice Voucher Program. However, the U S Department of Housing and Urban Development (HUD) does not permit administrative funds to be used for other program. A percentage of staff time is charged to Country Court and some operation costs are covered by the management fee paid by the project. Staffing requirements will be assessed periodically and modified, if necessary.

TRAINING

On-the-job training will be provided by senior personnel as necessary. Staff will also utilize the knowledge of other Rural Development Management Agents, as necessary. PCHD staff will attend USDA/RD training, when provided. Training will be provided via SPECTRUM Companies, Nan McKay, Nelrod and other companies or non-profits, as available, and may include but are not limited to:

- Rules and Regulations for USDA/Rural Development;
 - Deviations
 - Income Definitions
- Property Management;
- Marketing;
- Lease Enforcement; and
- Fair Housing.

Section 3

MARKETING UNITS AND MAINTAINING FULL OCCUPANCY AND AFFIRMATIVE FAIR HOUSING:

Marketing practices will follow the approved Affirmative Fair Housing Marketing Plan. At least annually, and more often when/if there are vacancies, PCHD will advertise notice that it is accepting applications for the Country Court Apartments. Local Newspapers and the County's website will serve as the advertising mediums. A picture, along with project information, is displayed in the Department's offices. All persons inquiring in the office can view the information. Contacts with local agencies will also be utilized to the fullest extent possible.

WAITING LIST

A waiting list will be maintained, as required. All applications and records will be kept in accordance with 7 CFR 3560. Applications will be complete by program applicants and kept of file by PCHD. The waiting list will be maintained in chronological order according to the date and time of application, as previously stated in this document. The waiting list is managed and updated by PCHD staff at the Department's office. Staff is responsible for entering applicants on the waiting list and to choose names from the list in order of date and time of application. Once applicants reach the top of the waiting list, Staff will review the application to determine if the household is eligible for the project.

SPECIAL COMMUNICATION

Upon notification of need, PCHD may make special arrangements to communicate with the sight or hearing impaired. Accessibility for the hearing impaired is provided by the State TTD/TDY telephone service provider and/or interpreter. We have access to bilingual employees in other departments to help with Spanish translations and will use contract interpreters when needed.

REASONABLE ACCOMMODATION

Requests for reasonable accommodation from persons with disabilities will be granted upon verification that they meet the need presented by the disability and they do not create an "undue financial and administrative burden" for the PCHD, meaning an action requiring "significant difficulty or expense". In determining whether accommodation would create an undue hardship, the following guidelines will apply:

- The nature and cost of the accommodation needed;
- The overall financial resources of Country Court that may be involved in the provision of the reasonable accommodation; and
- The effect on expenses and resources, or the likely impact on the operation of Country Court as a result of the accommodation.

By written request, PCHD will make reasonable accommodation for persons with disabilities including

changing faucets, door knobs, grab bars and assigning accessible parking spaces. PCHD may grant requests including, but not specifically limited to:

- Accommodations requested by mobility impaired applicants/residents for an assigned, reserved parking space near to that person's dwelling unit as possible; and
- In the case that the project has a policy prohibiting pets, accommodations will be made for applicants/residents with impairments that require service animals to permit a service animal to live in the unit.

Accommodation requests that require structural changes will be reviewed to determine if the request can be met at a reasonable cost and without compromising the structural integrity of the unit and/or building. No increase in Security Deposit or rent is required for such an accommodation, if approved. However, the resident may be required to pay the cost of restoring the unit upon move-out.

If required, reimbursement for the cost of restoration may be made through a repayment agreement, may be advanced by the resident through a pre-arranged deposit format or may be paid-in-full upon move-out. If a pre-arranged deposit format is used, any money collected in excess of the cost of restoration, including interest earned on the account, will be refunded to the resident.

VERIFICATION OF REQUEST FOR REASONABLE ACCOMMODATION

The need for a reasonable accommodation may be verified with a knowledgeable, medical professional who can reasonably be expected to have knowledge of the applicant/participant's situation. PCHD will utilize outside organizations to provide assistance for persons as needed to facilitate the request. In the case that the need is obvious, such as the need for a wheel-chair ramp where one does not exist, verification of need may not be required. All requests for access and granting of accommodations must be approved by the Director or his/her designee.

FAIR HOUSING POLICY

It is the policy of PCHD to comply fully with all Federal, State and local nondiscrimination laws and with the rules and regulations governing Fair Housing and Equal Opportunity in housing and employment. We will not deny any family or individual the opportunity to apply for or receive assistance via USDA/RD Programs on the basis of race, color, sex, religion, creed, national or ethnic origin, age, familial status, handicap or disability.

To further its commitment to full compliance with applicable Civil Rights laws, PCHD will provide Federal/State/local information to residents regarding "discrimination" and any recourse available to them if they are victims of discrimination. Such information will be made available during the family lease-up briefing, and all applicable Fair Housing Information and Discrimination Complaint Forms will be made available upon request. Except as otherwise provided in 24 CFR 8.21(c)(1), 8.24(a), 8.25, and 8.31, no individual with disabilities shall be denied the benefits of, be excluded from participation in, or otherwise

be subjected to discrimination because our facilities are inaccessible to or unusable by persons with disabilities. PCHD's office is accessible to persons with disabilities. Posters and housing information are displayed in locations throughout our office in such a manner as to be easily read from a wheelchair.

AFFIRMATIVE ACTION

PCHD takes affirmative action to provide opportunities to participate in the program to persons or families who, because of factors such as race, ethnicity, head of household gender, age, disability or source of income, are less likely to apply.

NON-DISCRIMINATION CERTIFICATION

PCHD will not discriminate because of race, color, religion, creed, familial status, disability, national origin, age or marital status. Information will be given to families regarding discrimination and the recourses available to them in order to eliminate situation or procedures that create a barrier to equal housing opportunity for all. If an applicant/resident claims illegal discrimination because of one of the above reasons, PCHD will provide information to the family on how to fill out and file a complaint. The applicant/resident will also be given information on contacting any Fair Housing, Legal Aide or other Agencies that assist families facing discrimination.

PRIVACY POLICY AND PRACTICES

PCHD's policy regarding the release of information is designed to safeguard the privacy of applicants and participant families. It follows Federal, State and local laws that restrict the release of family or household information. Requests for information by outside Agencies or parties must include a signed request for release of information specifically permitting PCHD to provide the requested information. The exceptions to this rule include only those Agencies with whom PCHD has entered into a Memorandum of Understanding (MOU) for cooperation and sharing information on mutual clients, such as the Department of Social Services.

Files containing personal information on applicants and families will be stored in a secure manner, accessible only to authorized staff, and may include electronic storage of records. Staff is not permitted to remove files from PCHD offices, whether in paper or electronic formats, except as necessary to conduct business.

The nature of a disability is not requested nor purposefully collected by PCHD. Any information inadvertently obtained by PCHD that may lead to disclosure of the nature of a disability will be returned to the individual, unless it is vital to determination of eligibility or the need for a "Reasonable Accommodation", as defined in this document. In such case, the information will kept secure and will be reviewed only by staff on an "as needed" basis.

Section 4

ELIGIBILITY AND CERTIFICATION OF INCOME:

Families must be eligible for unit based on both income and occupancy requirements. Income eligible family are those earning up to 50% of Area Median Income. Occupancy standards require that families have at least one eligible household member per bedroom.

APPLICATION FEE

PCHD requires an application fee of \$20 to cover the cost of the criminal and credit background check for each adult household member. A background check of all adult household members is required as part of the eligibility verification process for Country Court and may not be paid by other programs administered by PCHD. The fee will be collected at the time an applicant reaches the top of the waiting list and is being reviewed for eligibility and any time a resident applies to add another adult to the household (charges apply to the new household member only).

ELIGIBILITY

Applicants must be the following eligibility criteria:

- The applicant's adjusted annual income must meet the definition of very-low, low or moderate income in accordance with the income guidelines published by USDA/RD,
- Adult household members must have acceptable criminal backgrounds in accordance with policies established by PCHD for the Housing Choice Voucher Program (a HUD program),
- Heads and co-heads of household must have acceptable credit histories including no unpaid collections for utilities or rent and no evictions within the last five years, and
- Families must meet the USDA/RD occupancy standards as for the size of the unit.

Residents' adjusted annual income must be re-determined at least once every 12 months. Residents must be eligible for continued occupancy based on the following criteria:

- The resident's adjusted annual income must continue to meet the definition of very-low, low or moderate income in accordance with the income guidelines published by USDA/RD. Once a resident's adjusted annual income exceeds the moderate income limit established for the Pender County, the resident is no longer eligible and will be required to vacate the project in accordance with the terms of the lease. Residents must meet the income limitation regardless of age or disability.
- The family must continually meet the occupancy standards for the unit.

OCCUPANCY STANDARDS

Occupancy standards are based on USDA/RD guidelines, details of which are included in the lease. PCHD will set reasonable standards in order to assist as many people as possible without overcrowding a unit or the project. PCHD will comply with all reasonable State and local health and safety restrictions regarding the maximum number of occupants permitted to occupy a dwelling unit.

The occupancy standards will be applied with consideration for habitable sleeping rooms only. A kitchen, bathroom, hallway or dining area is not considered to be a habitable sleeping room.

Country Court is a project consisting of all three-bedroom units. Therefore, in placing families on the waiting list and in determining eligibility, PCHD will follow occupancy standards relative to the unit size and will not perpetuate any patterns of occupancy that would be inconsistent with Title VI of the Civil Rights Act of 1964 or the Fair Housing Act.

In setting occupancy standards, PCHD will set the standards to permit the resident to select the unit he/she deems appropriate to their needs provided overcrowding or under-utilization does not occur. Considering that all units in the project are three-bedroom units, we will apply the following standards:

- No more than two persons are to occupy a bedroom;
- Persons of different generations or of the opposite sex (excepting spouses or life-partners) and unrelated adults are not required to share a bedroom;
- Children, excepting infants, are not required to share a bedroom with persons of different generations, including their parents;
- Residents may be admitted/or remain provided the unit is not overcrowded or under-utilized and they remain otherwise qualified to receive available rental subsidy based on income;
- When an occupied unit becomes overcrowded or under-utilized, and there is a waiting list for the units, the resident must vacate the unit and the project at the end of the lease term, or within a reasonable time period as established by terms of the lease;
- PCHD may permit temporary occupancy of specially designed or adapted, handicapped accessible units by households not needing such special feature, under the following conditions:
 - No household needing the special features is available to occupy the unit and management has made diligent effort to reach families who qualify for the unit; and
 - The resident agrees to transfer to an appropriate unit if and when it becomes available in the project once an applicant with a disability that requires such features is on the waiting list and is ready to move in.

Nothing in this section requires that a unit be made available to any individual whose tenancy would constitute a direct threat to the health, safety and right to peaceful enjoyment of other individuals or whose tenancy would result in substantial physical damage to the property of others, except when such treatment can be removed by applying a reasonable accommodation.

HOUSEHOLD MEMBERS

When determining eligibility and occupancy, all household members must be considered. Household members may include:

- All persons who are full-time members of the household;
- Dependent minors who are away at school but live with the family during school recesses;
- Dependent minors who are subjects of joint custody arrangement but who live in the unit 50 percent of the time;
- Unborn children or a child in the process of being adopted by a household member; and/or
- A foster child residing in the unit.

SURVIVING/REMAINING HOUSEHOLD MEMBERS

If the head of household moves or dies, remaining household members may qualify for continued occupancy provided that:

- Remaining household members who are currently included in the tenant certification meet the eligibility requirements with the respect to income and occupancy standards requirements.
- Surviving non-elderly or non-disabled co-tenants/co-members will not qualify for the elderly family adjustments to income, unless the individual qualifies on his/her own for adjustments.
- The remaining household member(s) must sign a Succeeding Tenant Certification to establish his/her/their own tenancy.

FORMERLY ELIGIBLE RESIDENTS

Residents who no longer meet the USDA/RD income eligibility requirements will be required to vacate their unit within 30 days or at the end of the initial lease term, whichever is longer unless they are otherwise authorized to remain in the unit. If there is not an eligible applicant on the waiting list for occupancy, the formerly eligible resident may remain until there is an eligible applicant to occupy the unit. At the time an income eligible applicant is available, the formerly eligible tenant will be given a notice to vacate.

Section 5

ADMISSION AND LEASING:

PCHD will follow 7 CFR 3560; USDA/RD Handbook-2-3560 Multi-family Asset Management; the policies outlined in this Management Plan; and the terms of the Lease, when developing admission and leasing policies to ensure consistency.

To ensure that policies are followed, files are subject to review and/or audit by USDA/RD, the Finance Officer, the Housing Director (to review work of subordinate staff members) or other supervisor as deemed necessary by the owner.

Section 6

RENT COLLECTION POLICIES AND PROCEDURES:

Rent is due and payable, in advance, on the first day of each month. Rent may be paid by certified check or Money Order. Personal checks are not accepted. For the resident's safety, we discourage payment of rent in cash. All monies are receipted and handled in accordance with the Pender County Cash Management Policy.

LATE PAYMENT OF RENT

Rent is due on the first day of the month and is late on the second. If rent is not received by the 10th day of the month, a late charge of \$15 will be charged to the resident's account. Late payment of rent is a lease violation, eviction proceedings may be initiated against the resident for late payment of rent. Notices may be hand delivered or mailed by U S Mail.

Acceptance of late rent payments does not constitute a waiver of the rent collection policy.

TERMINATION FOR NON-PAYMENT OR LATE PAYMENT OF RENT

Per the terms of the lease agreement, PCHD may terminate the resident's lease for good cause such as non-payment of rent or late payment of rent. In cases of non-payment of rent, notice of termination will be given not less than 10 days prior to the termination date.

Residents who have three lease violations are subject to termination of participation. Acceptance of rent does not waive the landlord's right to enforce the lease.

TERMINATION FOR CAUSE

Per the terms of the lease agreement, PCHD may terminate the resident's lease for good cause including issues not related to the payment of rent. Issues may include, but are not limited to, criminal activity on the property, unauthorized occupants, deliberate destruction of property, negligent damage to property and other actions/inactions covered by the lease agreement.

Residents who have three lease violations are subject to termination of participation. Acceptance of rent does not waive the landlord's right to enforce the lease.

SECURITY DEPOSIT

A security deposit of \$300 is required before an applicant may take possession of a unit. Upon receipt, funds will be recorded and deposited in a separate account in compliance with the law of the State of North Carolina.

In a hardship situation, PCHD may accept a limited-term payment agreement allowing the Security Deposit to be paid in installments.

Within 30 days of the resident's move-out date, PCHD will complete a written reconciliation of the Security Deposit to the forwarding address left by the resident. Security deposits will be held in an interest bearing or a Security Deposit trust account and may not be co-mingled with other monies held by Pender County.

Section 7

MAINTENANCE AND REPAIR PROGRAM:

Minor and routine maintenance will be provided through a contractor under the supervision of PCHD or, if possible, by Pender County maintenance staff. Major repairs, including servicing of appliances and mechanical equipment will be contracted to the lowest responsible bidder and considering the contractor's qualifications.

An outside contractor will provide lawn and other grounds maintenance. A schedule for mowing and other lawn care needs will be established with the contractor.

WORK ORDERS

Residents are asked to report work orders to PCHD by phone, mail or in person. A staff member will complete a written work order. The maintenance contractor will pick up outstanding work orders from PCHD's office and return completed work orders as soon as is reasonable. Emergency repairs will be completed within 24 hours or as soon as possible relative to the availability of skilled repair personnel.

ROUTINE AND PREVENTATIVE MAINTENANCE

Maintenance is performed by staff, when qualified staff is available, or by appropriately experience and/or licensed contractors. As much as possible, staff will perform routine, minor and preventative maintenance. Staff will schedule appointments with residents to complete work as needed.

Routine and scheduled maintenance includes but is not limited to:

- Air Filters – will be check monthly and changed as needed, but at least bi-monthly;
- Interior Painting – for occupied units, interiors will be painted every four years, or as needed; and
- Exterior Painting – building exteriors will be painted every five years, or as needed.

SAFETY AND SECURITY

PCHD furnishes the following safety and security items:

- Outside Lighting – provides security for the complex.
- Smoke Detectors – working smoke detectors are providing in each unit. PCHD will ensure these items work as designed to work at move-in and will replace smoke detectors that no longer work as designed. After move-in, residents are responsible for making sure smoke detector batteries are replaced as needed.

RESIDENT CHARGES

Per the terms of the lease, residents are responsible for keeping their units decent, safe and sanitary as well as for the behavior of household members and guests. Residents are responsible for reporting maintenance and repair needs as they occur, including repairs for damages caused by a household member or a guest, in writing. If damages occur, residents will be charged for repairs at the time of the incident.

At move-out, residents are expected to leave units in the same condition as the units were received, less normal wear and tear. Units are expected to be cleaned at move-out, including (but not limited to) interior and exterior of appliances, cabinets, floors, fixtures, walls, windows and storage rooms. Residents will be charged for cleaning, if the unit is not clean at move-out.

Repairs necessitated age of a unit or appliance, repairs related to storm damage/acts of God or replacement/repairs due to normal wear and tear are not charged to residents. There are no charges for routine maintenance.

A current charge list is attached to this Management Plan as Exhibit B. It may be updated periodically as the cost of goods and services change.

Section 8

TERMINATION OF LEASES AND EVICTION:

PCHD staff is responsible for knowing and following USDA/RD requirements regarding the termination of leases and evictions. Staff must ensure proper notice is given to residents when lease termination or eviction is proposed.

Staff is also responsible for knowing and following State and local laws regarding notification requirements for lease termination and eviction.

In order to be consistent in our application of policies, we will move to terminate the lease of tenants as follows:

- **Minor Lease violations:** Minor lease violations include, but are not limited to, issues such as improper disposal of trash, late payment of rent, failed housekeeping inspections and untagged vehicles. Tenants who amass three minor lease violations will be placed on noticed. If a fourth lease violation occurs, PCHD will begin eviction. Tenants have the option to move voluntarily and avoid eviction.
- **Major Lease Violations:** Major lease violations include, but are not limited to, non-payment of rent or other charges, criminal activity, unauthorized occupants, and damage to systems (HVAC, septic, etc). PCHD will begin eviction immediately upon verification that a major lease violation has occurred. Tenants have the option to move voluntarily and avoid eviction.

Residents who claim hardship as the cause for a lease violation must provide documentation to support the claim of hardship. In order to receive consideration for a hardship claim, the resident must otherwise be in good standing with no other lease violations in the last 12 months.

Otherwise, PCHD will enforce the terms of the Lease and the requirements/policies of the USDA/RD.

Section 9

SUPPLEMENTAL SERVICES:

There are no supplemental services offered at this project.

Section 10

ENERGY CONSERVATION

Residents have direct control of all utilities with the exception of area lighting and water. Water for this project is provided by a well. They will be briefed at the lease-up briefing on the efficient use of appliances, heating and cooling units, etc., and how to conserve energy in order to reduce/minimize the costs for these items.

If it needed or requested, a group meeting with the utility company representative will be arranged so that residents can receive more information about energy usage and energy conservation.

PCHD provides exterior lighting and water. The cost of the exterior lighting is fixed.

If water consumption becomes a problem, meters may be installed and fees charged to residents for usage.

Section 11

REQUESTING AND IMPLEMENTING A RENT INCREASE AND CHANGES IN THE UTILITY ALLOWANCE:

Rent increase requests will be made in accordance with USDA/RD policies and procedures. PCHD will file a written request for a rent increase with USDA/RD. The effective date of the requested increase will be effective, whenever possible, with the beginning of the County's fiscal year.

Residents will be notified of the request for rent increase at least 60 days prior to the proposed effective date.

At least annually, PCHD will conduct a utility survey by contacting the local electric cooperative to determine the past 12-month average utility bill per unit. The information will be analyzed to determine if the allowance for the project is adequate. Any adjustments will be requested through the annual budget process and at the time of a rent increase request, if any.

Section 12

RURAL DEVELOPMENT ACCOUNTING AND REPORTING REQUIREMENTS:

PCHD, in association with the Finance Department, is responsible for the preparation and submission of monthly and/or annual reports as may be required by USDA/RD.

PCHD has an established system of record keeping that complies with the directives of USDA/RD. A file will be maintained for each resident. Files may be stored electronically or in paper format. In either case, files will be readily accessible and will include the resident's application, Lease Agreement and other necessary information.

The Pender County Finance Department will provide all accounting, cash management and bookkeeping duties for Country Court. All detailed financial records, receipts, bank statements, reports and records subject to USDA/RD review will be kept in the County Administrative offices at 805 South Walker Street, Burgaw, North Carolina. Records may be stored either electronically or in paper format. In either case, all records will be readily accessible.

Section 13

TENANT – MANAGEMENT RELATIONS

PCHD strives for effective management of the project through consistent implementation of policies and enforcement of Lease terms. Many low-income families have a variety of challenges and Staff will exercise flexibility and understanding whenever possible as they work with families to help families be successful. However, PCHD will terminate leases of families who habitually do not meet their responsibilities and will evict such families who do not vacate the unit as required, in accordance with the notice and the lease.

REVIEW OF PROJECT POLICIES AND LEASE TERMS

All residents must attend a lease-up briefing in which the lease will be reviewed; policies of USDA/RD and PCHD will be reviewed; and housekeeping requirements will be explained. At this time, residents will become familiar with PCHD staff, receive contact information for maintenance and work order procedures.

DISPUTE MANAGEMENT

PCHD will review written requests for resolution of disputes and complaints in accordance with 7 CFR 3560. Grievance and hearing procedures are posted in PCHD's office and can be viewed during normal business hours, Monday through Friday, 8 a.m. until 5 p.m. The procedures are incorporated into this document as Exhibit A.

Section 14
SECURITY SERVICING

Pender County will follow USDA/RD requirements for fidelity bond coverage. The Finance Office manages payment of insurance and must maintain multi-peril and liability insurance for the project in accordance with USDA/RD requirements.

Section 15
MANAGEMENT AGREEMENT

The project is being managed by PCHD, a department of Pender County, as stated in a resolution adopted by the Pender County Board of Commissioners serving in their capacity as the Board for the Pender County Housing Authority. No management agreement is required by USDA/RD.

Section 16
MANAGEMENT COMPENSATION

A management fee earned per occupied unit per month will be charged during the fiscal year. Management fees are earned and paid in accordance with current USDA/RD rules and regulations. As of this writing, the management fee is currently \$58 per occupied unit per month but the fee will vary based on amounts approved by USDA/RD. The fee covers duties and responsibilities of the managing agent.

EXHIBIT A
GRIEVANCE PROCEDURES FOR USDA PROGRAM PARTICIPANTS
Country Court Apartments

Pursuant to 7CFR§3560.160, Grievance procedures are established and apply to a borrower action regarding housing project operations, or the failure to act, that adversely affects tenants or prospective tenants.

These procedures **DO NOT** apply to the following situations:

1. Rent changes authorized by the Agency in accordance with the requirements of §3560.203(a);
2. Complaints involving discrimination which must be handled in accordance with §3560.2(b);
3. Housing projects where an association of all tenants has been duly formed and the association and the borrower have agreed to an alternative method of settling grievances;
4. Changes required by the Agency in occupancy rules or other operational or management practices in which proper notice and opportunity have been given according to law and the provisions of the lease;
5. Lease violations by the tenant that would result in the termination of tenancy and eviction;
6. Disputes between tenants not involving the borrower; and
7. Displacement or other adverse actions against tenant as a result of loan prepayment handled according to subpart N of the regulation.

As required, PCHD posts tenant grievance procedures in our office for inspection by the tenants and the Agency upon request.

Tenants or prospective tenants may file a grievance in writing with the borrower in response to a borrower action, or failure to act, in accordance with the lease or Agency regulations that results in a denial, significant reduction, or termination of benefits. Tenants or prospective tenant may contest a borrower's notice of proposed adverse action as indicated later in this attachment.

Acceptable reasons for filing a grievance may include:

- (1) Failure to maintain the premises in such a manner that provides decent, safe, sanitary, and affordable housing in accordance with 7CFR§3560.103 and applicable state and local laws;
- (2) Borrower violation of lease provisions or occupancy rules;
- (3) Modification of the lease;
- (4) Occupancy rule changes;
- (5) Rent changes not authorized by the Agency according to §3560.205; or
- (6) Denial of approval for occupancy.

In the case of a proposed action that may have adverse consequences for tenants or prospective tenants such as denial of admission to occupancy and changes in the occupancy rules or lease, we will must notify the tenant or prospective tenant in writing. In the case of an adverse action including denial of admission to occupancy, we will notify the applicant/tenant in writing. The notice will give specific reasons for the proposed action and will be delivered by certified mail return receipt requested, or a hand-delivered letter with a signed and dated acknowledgement of receipt from the applicant/tenant. The notice will advise the tenant or prospective tenant of "the right to respond to the notice within ten calendar days after date of the notice" and of "the right to a hearing in accordance with §3560.160 (f)", which is available upon request.

The following procedures must be followed by all parties involved in a grievance or a response to an adverse action:

- (1) The tenant or prospective tenant must communicate to PCHD in writing any grievance or response to a notice within 10 calendar days after occurrence of the adverse action or receipt of a notice of intent to take an adverse action.
- (2) PCHD will offer to meet with tenants to discuss the grievance within 10 calendar days of receiving the grievance. USDA encourages borrowers and tenants or prospective tenants to make an effort to reach a mutually satisfactory resolution to the grievance at the meeting and PCHD will make every effort to do so.
- (3) If the grievance is not resolved during an informal meeting to the tenant or prospective tenant's satisfaction, PCHD will prepare a summary of the problem and submit the summary to the tenant or prospective tenant and to USDA within 10 calendar days. The summary will include: PCHD's position; the applicant/tenant's position; and the result of the meeting. The tenant also may submit a summary of the problem to USDA.

The following procedures apply to a hearing process:

- (1) **Request for hearing** - If the tenant or prospective tenant desires a hearing, a **written request** for a hearing must be submitted to the borrower within 10 calendar days after the receipt of the summary of any informal meeting.
- (2) PCHD will select a hearing officer who is a disinterested third-party. If the tenant does not agree on a hearing officer, they must dispute the choice at least 48 hours prior to the hearing date. PCHD will work with the tenant to select an acceptable Hearing Officer. If PCHD and the tenant cannot agree upon the selection of a hearing officer, PCHD will notify USDA by mail of the situation. USDA will appoint a person to serve as the sole hearing officer. The Agency may not appoint a hearing officer who was earlier considered by either the borrower or the tenant, in the interest of ensuring the integrity of the process.
- (3) The tenant will be allowed the opportunity, at a reasonable time before a hearing and at the expense of the tenant, to examine or copy all documents, records, and policies that PCHD intends to use at a hearing unless otherwise prohibited by law or confidentiality agreements.
- (4) A hearing will be scheduled within 15 calendar days after the selection of a hearing officer. All hearings will be held at a time and place mutually convenient to both parties. If the parties cannot agree on a meeting place or time, the hearing officer will designate the place and time.
- (5) If a grievance involves a rent increase not authorized by the Agency, or a situation where PCHD fails to maintain the property in a decent, safe, and sanitary manner, rental payments may be deposited by the tenant into an escrow account, **provided the tenant's rental payments are otherwise current.**
 - (i) The escrow account deposits must continue until the complaint is resolved through informal discussion or by the hearing officer or panel.

- (ii) The escrow account must be in a Federally-insured institution or with a bonded independent agent.
- (iii) Failure to make timely rent payments into the escrow account will result in a termination of the tenant grievance and appeals procedure and all sums will immediately become due and payable under the lease.
- (iv) Receipts showing escrow account deposits must be available for examination by PCHD.

(6) if the tenant or prospective tenant does not request a hearing within the time allotted, PCHD's disposition of the grievance or appeal will become final.

The following requirements will govern the hearing process:

- (1) The hearing will proceed before a hearing officer at which evidence may be received without regard to whether that evidence could be used in judicial proceedings.
- (2) The hearing will be structured so as to provide basic due process safeguards for both PCHD and the tenants or prospective tenants, which must protect:
 - (i) The right of both parties to be represented by counsel or another person chosen as their representative;
 - (ii) The right of the tenant or prospective tenant to a private hearing unless a public hearing is requested;
 - (iii) The right of the tenant or prospective tenant to present oral or written evidence and arguments in support of their grievance or appeal and to cross-examine and refute the evidence of all witnesses on whose testimony or information PCHD may rely; and
 - (iv) PCHD has the right to present oral and written evidence and arguments in support of the decision, to refute evidence relied upon by the tenant or prospective tenant, and to confront and cross-examine all witnesses in whose testimony or information the tenant or prospective tenant relies.
- (3) At the hearing, the tenant or prospective tenant must present evidence that they are entitled to the relief sought. PCHD must present evidence showing the basis for action or failure to act against that which the grievance or appeal is directed.
- (4) All parties are required to conduct themselves in an orderly manner. Failure to comply may result in exclusion from the proceedings or in a decision adverse to the interests of the disorderly party and granting or denial of the relief sought, as appropriate.
- (5) If either party (or their representative) fails to appear at a scheduled hearing, the hearing officer may make a determination to postpone the hearing for no more than five days or may make a determination that the absent party has waived their right to a hearing. If the determination is made that the absent party has waived their rights, the hearing officer will make a decision on the grievance. Both the tenant or prospective tenant and PCHD must be notified in writing of the determination of the hearing officer.

Hearing decisions must be issued in accordance with the following requirements.

- (1) The hearing officer has the authority to affirm or reverse PCHD's decision.
- (2) The hearing officer must prepare a written decision, together with the reasons thereof based solely and exclusively upon the facts presented at the hearing within 10 calendar days after the hearing. The notice must state that the decision is not effective for 10 calendar days to allow time for USDA to review as specified in §3560.160.
- (3) The hearing officer must send a copy of the decision to the tenant/ prospective tenant, PCHD, and USDA.
- (4) The decision of the hearing officer is binding upon the parties to the hearing unless the parties to the hearing are notified within 10 calendar days by USDA that the decision is not in compliance with regulations.

(5) Upon receipt of written notification from the hearing officer, PCHD and the tenant must take the necessary action, or refrain from any actions, specified in the decision.

Any tenant/member or prospective tenant/member seeking occupancy in or use of Agency facilities who believes he or she is being discriminated against because of age, race, color, religion, sex, familial status, disability, or national origin may file a complaint in person with, or by mail to the U.S. Department of Agriculture's Office of Civil Rights, Room 326-W, Whitten Building, 14th and Independence Avenue, SW., Washington DC 20250-9410 or to the Office of Fair Housing and Equal Opportunity, U.S. Department of Housing and Urban Development (HUD), Washington, DC 20410. Complaints received by Agency employees must be directed to the National Office Civil Rights Staff through the State Civil Rights Manager/Coordinator.

EXHIBIT B
2017 CHARGE LIST FOR COUNTRY COURT APARTMENTS

The following is the approved general charge list for the complex. See the Management Plan for Country Court for policies on charging residents. The charges are for materials and may not include labor. Additional charges may be incurred depending on the type of the repair.

Application Fee (per adult household member):	\$20
Security Deposit:	\$300
Pest Control (other than quarterly routine extermination):	Actual Cost
General cleaning after move-out (entire unit):	\$300
Oven cleaning (move-out):	\$30
Refrigerator cleaning (move-out):	\$30
Replacement of damaged mini-blinds:	\$15 ea.
Replace missing/damaged smoke detector(s):	\$25
Replace smoke alarm batteries:	\$3 (current resident)
Drip pans/burner rings for stove:	\$10 ea.
Toilet Seat:	\$40
Towel racks, toothbrush holders, toilet paper holders:	\$10 ea.
Shower rod:	\$15
Range hood:	\$130
Faucet aerators:	\$10
Faucets:	\$30
Faucet sprayers:	\$15
Cabinet knobs/hinges, outlet and light switch plates:	\$10
Cabinet doors/drawers:	Actual cost
Exterior locks:	Actual cost
Mailbox Locks:	Actual cost
Damage to floor tile:	Actual cost
Replacement broken window or broken/missing screen:	Actual cost
Plumbing/HVAC/electrical repairs:	Actual cost
Replacement of damaged appliances:	Actual cost
Repair drywall/ceiling damage:	Actual cost
Replacement interior/exterior/closet doors (incl. jams, as needed):	Actual cost
Trash Removal (broken items/large debris around building or dumpster):	\$30 per load
Trash pick-up around tenant unit:	\$20 per hour, 1 hour minimum
Lock outs (business hours):	\$10.00
Lock outs (after hours):	Actual Costs
Non-working, untagged vehicles:	Tow Company will charge resident

The charge to repair any tenant-caused damage that is not listed above will be "actual cost".

The term "actual cost" will include the charges for materials and labor.

THIS MANAGEMENT PLAN HAS BEEN APPROVED AND ADOPTED BY THE BOARD OF THE PENDER COUNTY HOUSING AUTHORITY, AS CERTIFIED BY THE BOARD CHAIRMAN'S SIGNATURE BELOW:

The plan is approved this 20th day of March, 2017.



Chairman, Pender County Board of Commissioners for the Pender County Housing Authority

THIS MANAGEMENT PLAN HAS BEEN REVIEWED AND APPROVED FOR USDA BY:



USDA/Rural Development Representative

5-30-17

Date