

## THE BLUFFS AT 44TH APARTMENTS MANAGEMENT PLAN

**Project name:** The Bluffs at 44th Apartments  
**Project address:** 4401 Capitola Rd  
Capitola, CA 95010

**Owner:** The Bluffs at 44<sup>th</sup> LP  
**Contact:** Paul Salib **Phone:** 212.766.1914  
4455 Morena Blvd., Ste. 107 **Email:** psalib@crpaffordable.com  
San Diego, CA 92117

**Managing Agent name:** Cambridge Real Estate Services, Inc. **Phone:** 503.450.0230  
**Managing Agent address:** PO Box 2968, Portland, OR 97208

**Targeted population (elderly, family, large family, etc.)** Large Family and Farmworker  
Number of Rental Spaces: 36

### Proposed Project Description

	1 Bedroom	2 Bedroom	3 Bedroom	4 Bedroom
Apartment	16	9	11	
Manager Unit			1	

#### A. Role and Responsibility of Proposed Managing Agent:

The Managing Agent has a duty to provide administrative oversight of all project operations. This is achieved by working collaboratively with the Property Owner to clearly identify goals and expectations for their community. The objective of these goals will be financial stability and the well-being of the asset, the continued enhancement and preservation of the physical facility, and the cultivation of a harmonious resident population that, when operating conjointly, create a durable and healthy community.

The Managing Agent will provide monthly reports to the Property Owner detailing property operations. This report will address property performance from the perspective of four distinct viewpoints: Financial, Administrative, Operational, and Maintenance-related commentary and observations.

A Management Agreement, which outlines the relationship between Cambridge Real Estate Services and the Property Owner, specifies spending limits based upon the mutually approved operating budget and a single item limit of \$3,500. Spending limit exceptions apply in the event of emergencies although emergency expenditures are always communicated promptly to the client following stabilization of the emergency situation.

The respective duties and responsibilities of the Property Owner and the Managing Agent are clearly outlined in the Management Agreement developed for this property. Any overlapping of responsibilities is intended to ensure a consensus decision-making process by the Agent and the Owner. Such overlapping duties are typically focused on collaboration to arrive at allowable rental rates, household income

limitations / restrictions, and spending decisions that fall outside previously agreed upon budgetary guidelines.

The Managing Agent is granted authority to make site personnel decisions such as hiring and termination of employment as deemed necessary to ensure ongoing achievement of goals and property operations.

The Managing Agent is obligated to develop and enforce community policies with respect to property condition, resident management standards, and ongoing marketing of the community.

The management fee will be 6% of gross rent collections.

**B. Personnel Policy and Staffing Arrangements**

Within Cambridge, all Site Staff report directly to a designated Property Supervisor. Site Managers also have at their disposal the advice and guidance of a Regional Manager familiar with the particulars of their region and noted for their merit and experience. Property Supervisors report directly to the President of Cambridge Real Estate Services.

An applicant for employment at Cambridge must pass a comprehensive, third-party background screening examination which consists of verification of employment, landlord & professional references, confirmation that the applicant meets certain credit criteria, and substantiation that the applicant does not have a criminal history which would otherwise violate the published criteria for residency. In addition, employment applicants must possess and demonstrate knowledge of landlord/tenant law and have experience in property management or one of several related fields.

Supervisory payroll and overhead, bookkeeping/accounting payroll and overhead, and clerical expenses including payroll and overhead, and affordable housing / compliance department expenses including payroll and overhead, will be borne by the agent out of its own funds and will not be treated as an operating expense of the project.

Supervisory visits are conducted on site by the property supervisor at regular intervals, both announced and unannounced, to ensure the ongoing success of site management staff and of the property. Supervisory visits typically occur no fewer than nine (9) times per annum. Historical records maintained by the Managing Agent confirm supervisory visits will average between 12 and 15 on-site evaluations per year by the Property Supervisor with additional site visits conducted by Senior Level Maintenance Supervisors and still other visits conducted by the President of Cambridge Real Estate Services.

**The proposed staffing for the community is as follows:**

<b>Position / Role</b>	<b>Full or Part-Time</b>	<b>Benefit Eligible?</b>	<b>Hours / Week</b>	<b>Wage Range</b>
<b>Manager</b>	PT	Yes	18	\$31 - \$35
<b>Maintenance Tech</b>	PT	Yes	18	\$28 - \$35

Wages above have average of 33% for Taxes. Benefits equate to an additional \$7-\$8 per hour.

**Office Hours**

Office hours may vary in accordance with apartment availability, property performance, and ongoing activity level on site.

The site management office hours are as follows:

- ✓ Weekdays (Monday – Friday)                      \*By Appointment
- ✓ Saturday                                                      \*By Appointment
- ✓ Sunday                                                        \*By Appointment

\*After Initial Lease-up, Except During Recertification Cycle

Appointments outside the hours mentioned above will be made available as needed to meet the needs of the property and its target population. Office hours also expand during seasonally active months, from April / May through September / October.

## **Training**

Cambridge Real Estate Services provides intensive training courses for all new managers. Additional continuing education courses and/or workshops are prepared by the Managing Agent's senior staff and conducted periodically to ensure continued adherence with regard to oversight agency compliance, local state and federal Fair Housing laws, and property management policies and procedures.

On occasion, and as necessary to maintain professional proficiency, administrative and maintenance employees may be required to attend industry training courses. Tuition and travel costs for third-party training courses are critical for the ongoing smooth operation of the property. They include but are not limited to expert training in the area of Fair Housing / Civil Rights, Affordable Housing Program Regulations, State-mandated training, and technical training on Building / Facility Maintenance, and are considered an expense of the property for site-based employees.

Cambridge utilized Grace Hill, the best-in-class online training program available for the Property Management Industry, for the continuing professional development of its employees. Courses are designed to help individuals, teams, and companies improve performance and reduce risk. Cambridge employees are required to complete the Grace Hill Fair Housing training course within the first 2 days of their employment and at least once every 12 months thereafter as well as an additional 2 courses each quarter, focusing on a variety of industry appropriate topics.

## **Human Resource Oversight**

The designated Property Supervisor is actively engaged in resolving personnel disputes which may arise. For more complex matters, including those involving benefit eligibility and wage issues, the Management Agent's Human Resources department will be involved.

A formal appeal process exists for employees unsatisfied with determinations made by either the Property Supervisor or the Human Resources department. Such disputes are addressed through a sub-committee established by the Managing Agent which consists of outside legal counsel (when and if required) and the upper management of the Management Agent including the President of Cambridge.

## **C. Plans and Procedures for Marketing the Project:**

As part of a thorough and comprehensive marketing plan, Cambridge Real Estate Services will utilize numerous marketing resources to maintain stabilized occupancy, or where required, to address sub-standard occupancy levels and/or improve undesirable resident populations.

Marketing efforts will include, but are not limited to:

**Internet Marketing**

Craigslist, Apartments.com, Zillow

**Local and Regional Media**

Redwood Times, Santa Cruz Sentinel, Times Publishing Group, San Lorenzo Valley Post

**Local and Regional Housing Authorities**

City of Capitola Housing Authorities, Housing Authority of the County of Santa Cruz

**Community Development Organizations**

Capitola Community Development, United Way of Santa Cruz County

**Referral Programs**

Qualified Referrals through existing residents.

**Waiting List Implementation**

In cases when applicable.

**Print Media Distribution**

Community flyers/brochures will be distributed at local Businesses and posted on bulletin boards.

The primary cities/communities where the project will be advertised include:

1. Capitola, CA
2. Santa Cruz, CA
3. Rio Del Mar, CA
4. Aptos, CA
5. Paradise Park, CA
6. Pajaro, CA
7. Freedom, CA

Marketing efforts will target households likely to meet both the Managing Agent's Criteria for Residency as well as any/all criteria set forth by project oversight agencies.

Marketing activity and responses will be logged, monitored and analyzed daily by the site staff and Property Supervisor. Alterations in the marketing program will be made as warranted by the Managing Agent in order for the community's marketing program to remain effective in a competitive market.

All marketing efforts will comply with Federal Fair Housing Requirements as well as oversight agency requirements outlined in the Affirmative Fair Housing Marketing Plan. (see Exhibit – Affirmative Fair Housing Marketing Plan)

Marketing of the community will occur on an ongoing basis to ensure continuing project viability and stability. In the case where the project is maintaining maximum occupancy, advertising will still be conducted periodically to comply with Affirmative Fair Housing Marketing Plan requirements. As indicated in the Affirmative Fair Housing Marketing Plan, no less than one time annually, marketing efforts shall target those households least likely to apply.

**D. Procedures for Selecting Residents:**

Applications for housing will be accepted on a first-come, first-served basis, and processed in a consistent manner to ensure equitable treatment of applicants.

Site management will provide the written Criteria for Residency, which establishes the requirement for occupancy at the property, and a Rental Application to all prospective residents.

Site managers forward completed applications to a third-party background screening company who attempts to verify all information, including landlord references, employment, income, credit, public records and criminal records. The third-party screening company renders a recommendation to the Managing Agent regarding the suitability of the applicant for housing. This recommendation is based solely on the Criteria for Residency and does not address program eligibility. Program eligibility (as defined by various affordable housing program restrictions) is determined solely by Cambridge's Central Office Compliance Department.

The recommendation of the third-party screening company is not subject to adjustment by any site-based employee or employee of Cambridge Real Estate Services. If the applicant believes the recommendation published by the third-party screening company is unjust, the Criteria for Residency includes directions which enable an applicant to file an appeal.

**E. Maintenance and Repair Program:**

On an annual basis, a complete evaluation of the building envelope will be conducted by a Managing Agent representative to ensure continued diligence in preserving the physical facilities of the community. Identified maintenance issues will be incorporated into client communication, future budgets and long-term capital improvement recommendations. These inspections will typically be completed by regional maintenance supervisors and/or Property Supervisors.

As part of the Managing Agent's ongoing commitment to preserving the condition of the Rental Community, twice annually representatives of the Managing Agent will conduct a full preventative maintenance inspection in every apartment. The objective for preventative maintenance is to perform routine, ongoing maintenance in such a way as to help avoid the development of unexpected deferred maintenance conditions.

Residents are encouraged to report maintenance issues in their apartment to the site management's office in writing. A standardized Maintenance Request form is available for this purpose. E-Mail requests, other forms of written requests, and verbal requests are also accepted as valid forms of communication.

Qualified maintenance employees are trained to address maintenance issues on site. Management will make every attempt to respond to maintenance requests within 48 hours to protect the safety of residents

and the building structures. Requests will be prioritized upon receipt with emergencies addressed without delay via a 24 hour per day, 7 days per week after-hours emergency response system.

All capital improvements and reserve eligible items are approved by the project Owner. Once approved, specifications are developed by qualified architects, engineers or industry professionals (depending on the scope of the work), and typically three or more competitive bids are obtained. Bids are analyzed and presented to the project Owner along with a recommendation from the Managing Agent. Exceptions to this policy are made for repairs covered by casualty insurance or necessitated by emergency situations.

The property supervisor, in cooperation with the Property Owner, will do an analysis of the recommended major capital replacements wherein the life expectancy and cost of each capital item will be estimated. Each anticipated capital expenditure is, if feasible, included in the year end budget.

**F. Rent Collection Policies and Procedures:**

Rents are collected, recorded and promptly deposited by the Site Manager into the property's operating account. This account is a client's trust account held by the Managing Agent for the exclusive use and benefit of the property.

Unless restricted by regulatory agreement, late fees of 10% are assessed to any resident who has not paid rent by the opening of the office on the fifth calendar day of the month.

Notices to terminate a tenancy due to non-payment of rent are distributed by the Site Management office on the 8<sup>th</sup> calendar day of the month. Once this notice has expired, the tenant's file is managed by the central office so as to facilitate an eviction. As a rule, the Managing Agent does not negotiate extensions on rent due dates. Evictions are filed in the most cost effective, expeditious manner possible; this often, but not always, involves the services of a qualified attorney.

The Site Management staff is aware of a network of social service agencies, both publicly funded and private, where residents with immediate financial needs can receive assistance. The Site Manager will refer residents in need to these agencies provided an eviction has not yet been filed.

**G. Plans for Resident-Management Relations:**

Cambridge considers resident orientation with the features of the community, care of the apartment home, lease and house rules as integral to sustainable management of property assets and financial health. Orientation services include review of the terms of the resident's lease and house rules at move-in, again at lease renewal, and through ongoing resident communications. Considerable time and attention is spent in the dwelling to orient residents with the features of the apartment and the proper operations of those features. Site management will evaluate resident satisfaction on an ongoing basis through responsive and proactive communication.

Copies of all original move-in documents are retained by the on-site manager as part of the property's permanent records. A duplicate set are provided to the resident. Original documents are forwarded to Cambridge Real Estate Services corporate office to become part of the occupant's permanent record at the managing agent's primary place of business.

Cambridge Real Estate Services has a published Tenant Grievance Procedure which outlines the rights and responsibilities of all parties should a dispute arise. Generally speaking, the Site Manager first

addresses tenant grievances. If the Site Manager cannot satisfy the resident's request, the resident is encouraged to call or write the Property Supervisor at the Managing Agent's office.

#### H. **Security Measures:**

Ongoing efforts to provide education to residents will be made by Managing Agent as it pertains to resident safety and awareness.

Managing Agent employees including the site manager will coordinate with local law enforcement to establish positive working relationships and open communication regarding safety and security on site.

All residents must meet the published Criteria for Residency, which includes extensive criminal conviction criteria. Minimum criteria must be met regarding both credit and rental history in addition to any oversight agency requirements for occupancy prior to move-in.

Residents are provided with an overview of the policies and procedures of the community relative to safety advisories, as well as community expectations for behavior and conduct. Applicants that do not meet minimum requirements as outlined in the Criteria for Residency will not be permitted to reside at the rental community.

Cambridge communities actively participate in several safety and security related initiatives including Neighborhood Watch programs, National Night Out, diligent follow-up on maintenance related issues following the "Safe Housing" programs implemented in local communities, and other community-based initiatives.

#### I. **Resident Services:**

The property will have Resident Services provided by a third-party firm engaged by the ownership entity to provide services designed to meet the specific needs of the targeted resident population. Please refer to the Resident Services Agreement.

#### J. **Affordable Housing Compliance**

Applications to secure housing are maintained in confidential files at the site management office. After screening by a third-party, approved applications become part of the resident's future file while denied applications are maintained in accordance with published company policies.

In addition to the rental application and background screening report, each resident household is represented by an administrative file which contains: the lease; a full set of community rules and regulations; future tenant income certifications including all supporting documentation such as verifications, certifications, and other eligibility-critical data; the unit inspection report from the inception of tenancy; complete maintenance records for the dwelling; notifications of non-compliance, if any; and all other resident correspondence.

When a tenant is initially certified, and again upon annual / periodic recertification, the complete certification file is forwarded to the management company's office for review by a trained compliance expert. Corrections are requested on an as-needed basis. Once approved, the site management office and central office both maintain full and complete copies of eligibility related records.

Records are retained for the duration of the tenancy plus an additional seven years. The files for first occupants are maintained for the length of the compliance period plus an additional seven years. Copies of initial occupant files are customarily provided in duplicate form to investment partners, general partners and other agencies requesting such information.

The Managing Agent will train on-site personnel in application processing, eligibility determination and selection, unit assignment, certification, re-certification, rent and occupancy surcharge collection, and record keeping. No less often than every other calendar year, the Managing Agent will encourage site management employees who are actively involved in the oversight of compliance-related initiatives to receive third-party training from leaders in the industry; the cost for this training will be an expense of the property. Central office compliance department and Property Supervisory personnel are required to attend the same training, on the same schedule, as an expense of the Managing Agent. No less often than annually, Cambridge provides, at its expense, updated compliance training to site-based employees. Monthly newsletters provide ongoing training and direction.

A written procedures manual providing instructions on affordable housing compliance is provided to site managers for reference.

**K. Accounting, record keeping and reporting requirements.**

The managing agent will establish and maintain a comprehensive system of records, books and accounts in a manner conforming to the loan agreement and the client's reasonable expectations.

Cambridge provides accounting records on a modified accrual basis as maintained by a fully integrated computerized accounting system. Conversions to cash-based accounting records are available upon request. The records produced include monthly financial statements with ledgers and journals to support all entries. A rent roll with security deposit reconciliation is available and supported by cash receipts. These records are prepared in the management company's main office by bookkeeping or accounting personnel.

All invoices are approved before payment first by the site manager, then by the property supervisor and finally by a central office accounting department representative.

Financial statements are reviewed monthly by the property supervisor and by the President of Cambridge Real Estate Services.



105. Service Amenities

Items	Minimum Hours	TCAC Points Earned (Maximum 10 points)
Instructor-led adult educational, health and wellness, or skill building classes. Includes but is not limited to: financial literacy, computer training, home-buyer education, GED, resume building, ESL, nutrition, exercise, health information/awareness, art, parenting, on-site food cultivation and preparation, and smoking cessation classes. Drop-in computer labs, monitoring or technical assistance shall not qualify.	<p style="text-align: center;"><b>Minimum of 60 hours instruction each year (30 hours for small developments*).</b></p>	<p style="text-align: center;">5 Points</p>
After school program for school age children. Includes, but is not limited to tutoring, mentoring, homework club, art and recreational activities. (Only for large family projects or other projects in which at least 25% of Low-Income Units are 3 bedrooms or larger):	<p style="text-align: center;"><b>Minimum of 10 hours per week, offered weekdays throughout the school year</b></p>	<p style="text-align: center;">5 Points</p>
<b>Total Points</b>	<b>10 Points</b>	

**NOTE:** Please find attached the Resident Service Plan for the list of service amenities provided by the Lead Service Provider.



16935 W. Bernardo Drive, Suite 238  
San Diego, CA 92127  
Phone: 858.675.0506 Fax: 858.675.0702  
www.pswcdc.org



## EXHIBIT A

### THE BLUFFS AT 44<sup>TH</sup> APARTMENTS RESIDENT SERVICES PLAN

#### INTRODUCTION

Pacific Southwest Community Development Corporation (PSCDC) is a non-profit affordable housing developer and provider of resident services with 26 years of experience. Currently PSCDC is the managing general partner and provider of services at 79 properties across 13 counties in California. This constitutes 7,500 residential affordable units where we provide on-site services to over 10,000 residents.

This proposal details the on-site services to be provided to the residents of The Bluffs at 44<sup>th</sup> Apartments that includes an After-School Program for children and educational and skill building classes for adults. All services will be provided on-site at no charge to all the residents.

The purpose of the services provided will be to empower the residents by building skills that will increase their self-sufficiency and enhance their quality of life. PSCDC understands that offering a variety of services to the residents is a very important benefit in addition to living in an attractive, safe, and well managed housing environment.

The role of PSCDC will be to a) identify and assess resident service needs, b) provide services as indicated, c) schedule and coordinate services, d) inform the residents of available services and resources and e) regularly analyze and evaluate the services for continuous improvement.



16935 W. Bernardo Drive, Suite 238  
San Diego, CA 92127  
Phone: 858.675.0506 Fax: 858.675.0702  
www.pswcdc.org



**AFTER SCHOOL PROGRAMS FOR SCHOOL AGE CHILDREN – To provide 10 hours of service per week.**

- Homework Tutoring & Mentoring**  
This program will provide homework assistance and tutoring. There will be an instructor present at each session to assist children with academic skills such as math, reading, vocabulary, research, and other school related assignments.
- Computer Enrichment Program**  
The computer instructional program, geared toward children, will be provided on the use of hardware and software.
- Arts & Crafts**  
Arts and crafts instruction and activities will provide fun and engaging classes for children.
- Reading Program**  
A reading program will be offered to encourage children to read. Through a range of various fun activities, contests and lessons, children will work on building and understanding stories.

**PROGRAMS FOR ADULTS – To provide 60 hours of instruction per year.**

- Computer Lab**  
It is recommended that a computer lab with up to four computers with internet access be provided and made available to all residents free of charge during normal business hours.
- Computer Instruction**  
Computer literacy classes for adults will be offered with special emphasis on increasing the educational and employment potential of the residents.
- English as a Second Language Instruction (ESL) and other linguistic services.**  
ESL classes will be provided using a variety of resources including computer software and newspapers. In addition, other linguistic services will be offered including citizenship preparation classes. The residents will be notified of such services in the appropriate language required.
- Financial Literacy Workshops**  
Workshops on money management skills, wise use of credit, fraud prevention, banking and other financial literacy topics will be provided in partnership with local banks.
- Employment Counseling**  
Workshops will cover such topics as resume writing, job search, and interview skills.
- Food Distribution Program**  
A food distribution program will be provided on-site and free of charge to the residents in conjunction with local food banks and charitable organizations.