

LEASING PROCEDURES FOR HOUSING MANAGERS
PARTICIPANT'S WORKBOOK
HUD-0050656



Leasing Procedures for Housing Managers

Participant's Workbook



FILE COPY

**Leasing Procedures
for Housing Managers**

Participant's Workbook |

February, 1979 |

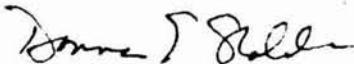
The research forming the basis for this workshop was conducted pursuant to grants between the U. S. Department of Housing and Urban Development and the five universities listed on the page of acknowledgements. Statements and information contained in this workshop are those of the grantees who assume sole responsibility for their accuracy and completeness.

FOREWORD

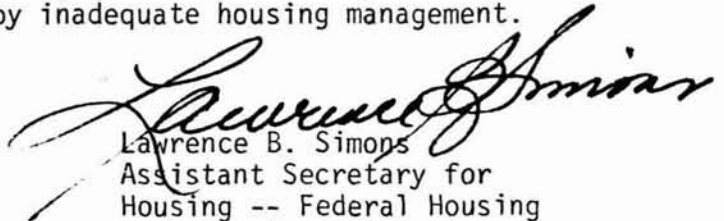
This workbook is one of eighteen in a housing-management curriculum developed by HUD in conjunction with Temple University. It is not easy. The workshops, for which this and the other workbooks are texts, will not be what we used to call Mickey Mouse sessions. And that, of course, is all to the good. Your time is valuable, and you are learning for a purpose. Any course you take should repay the efforts you must put in.

We believe that the workshops will do exactly that. At the end, after putting your new learning to practical use, you should feel not only a sense of satisfaction because of your enhanced competence, but you should also think of yourself as a housing-management professional, capable of dealing skillfully and humanely with anything the job throws at you.

Your instructor has a text similar to this one (with all the answers supplied) and a guide to conducting the workshops. The guide is a good one, stressing that the participants should be encouraged "to explore, risk, share, and feel." We hope you will. From there, and with your help, we can go on to reduce many of the serious problems brought about by inadequate housing management.



Donna E. Shalala
Assistant Secretary for
Policy Development and Research



Lawrence B. Simons
Assistant Secretary for
Housing -- Federal Housing
Commissioner

PREFACE

Each workbook in this series presents a number of learning objectives targetted to a selected area of management. Successful completion of the learning objectives presented in each workbook provides a series of building blocks to buttress the spectrum of skills required of a housing manager.

In preparing these workbooks, an attempt has been made to incorporate the range of knowledge that housing managers might be required to draw upon. Likewise, an attempt has been made to reflect the present state-of-the-art of housing management. Inevitably, whatever is captured in print reflects a body of knowledge and practice up to the point of publication. Therefore, the students and instructors making use of these workbooks will want to keep alert to new developments that should be integrated into the workbook material. Furthermore, like any attempt to codify knowledge in a particular field, the material presented in these workbooks is open to differences of interpretation and emphasis. We are aware that there may be some techniques and procedures described in these workbooks with which some experts in the field might disagree. The best test of such procedures and techniques will come when they are applied in the field by housing management practitioners. Through this process, the state-of-the-art will continue to be improved. Instructors in the future will undoubtedly want to incorporate such acknowledged improvements into their delivery of the workbook material.

One final point is worth mentioning. An initial impetus for these workbooks was the need to upgrade management skills in HUD-related housing. However, many of the principles presented should be viewed by students and instructors as applicable to multifamily housing management practices in the private sector.

ACKNOWLEDGEMENTS

The five universities listed below worked together to develop a college-level curriculum for housing management. The fifteen modularized workshops were developed and compiled by the Center for Social Policy and Community Development at Temple University using specific elements of the college curriculum.

Center for Housing and Real Estate
School of Business and Public Administration
Howard University
Washington, D. C. 20059

Housing Management Program
College of Business
Southern University and A & M College
Baton Rouge, Louisiana 70813

Center for Social Policy and Community Development
Housing Management Institute
Temple University
Philadelphia, Pennsylvania 19122

School of Public Affairs
Texas Southern University
Houston, Texas 77004

Housing Management Division
Business Department
Winston Salem State University
Winston Salem, North Carolina 27102

TABLE OF CONTENTS

	<u>Page</u>
I. INTRODUCTION	iii
II. CONTENT	
GOAL AREA 1	1
Provisions of a Lease	3
Lease Terminology	6
Words and Phrases Open to Different Interpretations	8
Task 1-A	
GOAL AREA 2	10
Rights and Responsibilities	11
Management Responsibilities	11
Resident Responsibilities	12
Implementation of Lease Responsibilities	12
Task 2-A	13
GOAL AREA 3	14
Enforcement	14
Management Enforcement Options	15
Resident Enforcement Options	18
III. POST-TEST	21
IV. SKILL-TEST	25

INTRODUCTION

A lease defines the essential rights and responsibilities of management and of residents. This workshop strives to prepare you to be able to carry out the stipulations set forth in contractual lease agreements. Accordingly, it has three overall goals:

1. To enable you to interpret the content of a lease to residents,
2. To enable you to implement the rights and responsibilities expressed in a lease, and
3. To enable you to enforce the responsibilities expressed in a lease.

Each goal has several learning objectives. These learning objectives are, simply, measurable statements about the specific knowledge participants are expected to acquire in the workshop.

Each learning objective, in turn, has what is called an anticipated practice outcome. Anticipated practice outcomes are those practical skills you can be expected to implement on the job using the information acquired in the workshop.

In other words, anticipated practice outcomes refer to the ways knowledge acquired in the workshop can be applied to real problems and situations.

This workshop requires one full day of three consecutive sessions:

- Session 1 (Goal Area 1) - (9:00 a.m. - 10:30 a.m.)
- Session 2 (Goal Area 2) - (10:30 a.m. - 12:00 p.m.)
- Session 3 (Goal Area 3) - (1:00 p.m. - 4:00 p.m.)

GOAL AREA 1:

TO ENABLE YOU TO INTERPRET THE
CONTENT OF A LEASE TO RESIDENTS

GOAL AREA 1: TO ENABLE YOU TO INTERPRET THE CONTENT OF A LEASE TO RESIDENTS

LEARNING OBJECTIVES

1. You will list ten (10) provisions to be included in a lease.
2. You will define four (4) legal terms used in a lease.
3. You will identify six (6) words used in a lease that can be misunderstood.

ANTICIPATED PRACTICE OUTCOMES

1. You will be able to examine a lease from a hypothetical housing development and suggest four (4) improvements.
2. You will be able to examine a lease from a hypothetical housing development and rewrite four (4) examples of legal terminology.
3. You will be able to examine a lease from a hypothetical housing development and write "house rules" for three (3) misleading terms.

Content

Provisions of a Lease

A written lease, executed by a responsible member of a family, is a prerequisite for occupancy of a dwelling. Every written lease includes a description of the unit to be rented, the length of the rental period, and the cost of rental. The provisions of the lease establish resident responsibilities and management responsibilities. An example of a lease can be found in the Appendix on page 39. Since managers have the task of explaining the lease to all new residents, it is necessary for managers to be familiar with the provisions listed in a lease and the content of such provisions. All leases should include the following provisions in some form.

1. Names of Parties

- Landlord
- Resident
- Address (unit number)
- Occupancy date

2. Amount and Due Date of Rental Payments

- Dollar figure
- Frequency (monthly)
- Date (in advance of a specific date of the month)
- Beginning payment date
- Late payments

3. Security Deposit (not necessarily required)

- Amount
- Use of funds (at lease termination to repair intentional damage or other charges owed management)
- Payment (all at once, over a period of time)
- Deposited to interest-bearing account
- Return with interest, less deductions
- Written statement of deductions
- Security deposit is not used for rent during occupancy.

4. Utilities

Furnished by (management/residents)
Process to maintain heat (temperature/notification of
needed repairs)

5. Redetermination of Rent, Dwelling Size, and Eligibility

Resident responsibilities (information on family income,
employment, and composition)
Management responsibilities
Reason for changes
- Decline in income or other hardship
- Termination of public assistance
- Misrepresentation of facts
Procedure for changes

6. Occupancy of the Dwelling Unit

Subletting procedures
Private dwelling unit
Guests

7. Damage and Repairs

Health and Sanitation (standards for unit)
Process for notification of repairs (unit and common areas)
Charges
Billing Process (separate from rent)
Management maintenance responsibilities
Resident rights for violation of management maintenance

8. Inspection

Time (before/after occupancy-reasonable hours)
Written statement of conditions
Description of process
Person or persons responsible
Reason for inspections
Emergency procedures
Notice of entrance

9. Legal Notice

Person directed to: (Management - in writing to manager, central office, personally, or certified mail. Resident - in writing, personally, to an adult member of family, certified mail.)

10. Termination of the Lease

Notice (time, notification in private)

Condition of unit upon termination

Reason(s) for termination

- Nonpayment of rent
- Serious or repeated interference with the rights of other residents
- Serious or repeated damage to the premises
- Creation of physical hazards
- Change in income status

11. Grievance Procedure

Resident awareness

- Process for grievance procedures
- Place or office in which the procedures are posted

12. Signature Clause

Statement that no change can be made after signing

Signatures of both parties

Date

In addition to being familiar with the topics of the lease itself, the manager must also be familiar with the legal terminology in the lease. On the following page is a list of definitions for some of the words and phrases found in the model lease.*

*Department of Housing and Urban Development, *Requirements and Recommendations to be Reflected in Tenant Dwelling Leases for Low-Rent Public Housing Projects*, Circular RHM 7465.8, February 22, 1971, (Model Lease Included)

Lease Terminology

Abate - A resident's right to stop paying rent.

Accrue - To be owed to another party.

Apartment - A complete and separate living unit in a building containing other units.

Basic rent - Rent charged in a subsidized housing development.

Building Codes - Local regulations that control design, construction, and materials used in construction. Building codes are based on safety and health standards.

Common Areas - Those spaces within a development that can be used by all residents in that development.

Dependent - Anyone living with and being supported by a resident.

Dwelling Unit - Living quarters occupied, or intended for occupancy, by a household.

Eligibility Determination - A process by which management determines whether an applicant is eligible for low-cost housing and whether a resident continues to be eligible for redetermination.

Escrow - A transaction in which a third party, acting as the agent for the rentor and the lessor, carries out instructions of both and assumes the responsibilities of handling all the paperwork and disbursement of funds.

Eviction - Lawful expulsion of an occupant from a unit.

Execute - To carry out what is called for in a situation.

Grievance - A dispute or complaint which a resident may have with respect to an action or inaction on the part of management.

Holdover Resident - A resident who remains in possession of leased property after expiration of the lease term.

Housing Code - Local standards that ensure that maintenance and improvements of housing meet accepted criteria and that housing is adequate for occupancy.

Interest-Bearing Account - A bank account where escrow is deposited and collects interest over time.

Landlord - The owner or lessor of real property.

Lease - A written document containing the conditions under which the possession and use of real and/or personal property are given by the owner to another, for a stated period, and for a stated consideration (amount).

Lessee - One holding rights of possession and use of property under terms of a lease (resident).

Lessor - One who leases property to a lessee (management or owner).

Notice of Rent Adjustment - notification from management to a resident of a change in rent, based on redetermination.

Pursuant - In accordance with (to comply with a legal ruling).

Promulgate - To make known, to declare openly.

Public Housing Authority - A city agency that monitors and implements community housing development needs. Such agencies do not necessarily possess renewal or redevelopment authority.

Rent - Consideration paid for use or occupancy of property, buildings, or dwelling units.

Resident - One who, although not the owner, occupies real property under consent of the owner and in subordination to the owner's title. The resident is entitled to exclusive possession, use, and enjoyment of the property or unit, for the rent specified in the lease.

Security Deposit - Collateral given (a sum of money) to be used by management at the termination of the lease for reimbursement of the cost of any damages to the dwelling unit incurred during a resident's term.

Sublease - A lease executed to a person, other than the original rentor, for a term no longer than the remaining portion of the original lease.

Term of Tenancy - The period of time between the commencement date and termination date of a note, mortgage, legal document, or other contract (lease).

Termination Date - The last day of the term of the contract (lease).

Words and Phrases Open to Different Interpretations

Managers should also be familiar with words or phrases that can be misunderstood or interpreted differently by different people. Commonly misinterpreted words and phrases include:

Redecoration - What may be merely "redecoration" to a resident may constitute major rehabilitation in the opinion of management.

Reasonable Care to Prevent Health and Sanitation Problems - "Reasonable health" and "sanitation" can be interpreted differently.

Normal Wear and Tear - The interpretation of "normal" can vary.

Reasonable Charges - The amount a resident thinks reasonable may fall well under the actual cost of repairing damage.

Repairs or Defects Hazardous to Life, Health & Safety - Residents may view minor problems hazardous and demand immediate repairs or alternative housing.

Interference with Rights of Others - "interference" is open to wide interpretation.

Reasonable Promptness- The amount of time considered "prompt" can vary.

It is the manager's responsibility to clearly define any terms in the lease that are open to different interpretations. One way to help avoid misinterpretations is to clearly define terms through "House Rules" - rules and regulations that clearly explain in simple, nonlegal terms what residents can and cannot do, based on responsibilities implied in the lease. The following are examples of house rules that attempt to convey what the lease states for the benefit of residents.

Reasonable Charge

- Repair sink drain \$X.00
- Repair door lock \$X.00
- Replace faucet \$X.00
- Resurface and repaint
8 x 10 room \$X.00

Interference with Rights of Others

- Loud sound or music after 10:00 p.m. weekdays
- Loud sound or music after midnight Fridays and Saturdays
- Loud sound or music before 9:00 a.m. anyday
- Garbage and trash in hallways
- Depositing trash and garbage in common areas and upon recreational facilities.

GOAL AREA 2

TO ENABLE YOU TO IMPLEMENT
THE RIGHTS AND RESPONSIBILITIES
EXPRESSED IN A LEASE

GOAL AREA 2: TO ENABLE YOU TO IMPLEMENT THE RIGHTS AND RESPONSIBILITIES EXPRESSED IN A LEASE

LEARNING OBJECTIVES

1. You will cite eight (8) responsibilities for managers that are created by the lease.
2. You will cite eight (8) responsibilities for residents that are created by the lease.

ANTICIPATED PRACTICE OUTCOMES

1. You will be able to examine a hypothetical process for collecting rent and make at least three (3) suggestions for improvement.
2. You will be able to design a step-by-step process for residents to follow when requesting repairs.

Content

Rights and Responsibilities

The manager is responsible for implementing the rights and responsibilities implicit in the lease for both management and residents. Residents have the right to a decent, safe, and sanitary dwelling in compliance with local housing codes. Management has the right to collect rent and expect the cooperation of residents. The lease expresses these rights in the form of certain responsibilities that management and residents owe to each other.

Management Responsibilities

- To provide basic facilities as defined by local housing codes.
- To maintain the common space, grounds, hallways and recreation areas.
- To provide residents with a written statement on the condition of the dwelling unit upon occupancy.
- To give thirty days notice before terminating a lease.
- To establish an escrow account (when a security deposit is requested).
- To maintain heat and light.
- To repair damages with reasonable promptness.
- To inspect units.
- To determine and redetermine rent.

Resident Responsibilities

- To use the residence for private use only.
- To obtain management consent before subletting.
- To obtain management consent before making alterations.
- To refrain from installing major appliances.
- To refrain from acts which disturb others.
- To maintain the premises in a clean and sanitary condition.
- To report damages or necessary repairs promptly.
- To pay service charges for repairs not a result of normal wear and tear.
- To permit inspections and/or repairs.
- To avoid excess utility usage.
- To pay rent promptly.
- To report changes in income and family size.
- To give thirty days notice before vacating unit.

Implementation of Lease Responsibilities

To facilitate the day-to-day implementation of the responsibilities outlined in the lease, managers need to insure that they address the following elements:

- Person responsible for the activity (manager, resident, staff).
- Time and/or date it is to be done.
- Cost.
- Way in which it is to be done.
- Follow-up procedures.

INSTRUCTIONS FOR TASK 2-A

(a) Place a check next to those statements that are responsibilities of residents.

- a. No installation of major appliances.
- b. Provide basic facilities as defined by local housing codes.
- c. Inspect dwelling units.
- d. Obtain management consent to sublet.
- e. Maintain dwelling units.

(b) Put a check next to those statements that are responsibilities of management.

- a. Maintain common areas.
- b. Refrain from acts which disturb others.
- c. Inspect dwelling units.
- d. Provide the utilities defined in the lease.
- e. Establish a security deposit account.

GOAL AREA 3

TO ENABLE YOU TO ENFORCE THE
RESPONSIBILITIES EXPRESSED IN
A LEASE

GOAL AREA 3: TO ENABLE YOU TO ENFORCE THE RESPONSIBILITIES EXPRESSED
IN THE LEASE

LEARNING OBJECTIVES

1. You will identify the four (4) enforcement options available to management and residents.
2. You will cite three (3) "grounds for action" that may be cause for eviction proceedings.

ANTICIPATED PRACTICE OUTCOMES

1. You will critique and make three (3) suggestions for improving the grievance procedure of a hypothetical housing development.
2. You will be able to evaluate information gathered about a resident from hypothetical reports, observations, and other references, in order to make a determination about eviction.

Content

Enforcement

In enforcing the lease provisions, problems can occur as a result of unclear language in the lease or as a result of the fact that people may not want to abide by rules and regulations. Management and residents have options for enforcing lease guarantees. Some of the options overlap, and the procedures for enforcement depend upon the party initiating the complaint. When problems occur, they should be dealt with quickly. All residents should be aware of the procedures for dealing with problems. Such procedures should be as simple as possible. The following options are available for management and residents:

Management Enforcement Options

1. Eviction

Grounds for action:

- a. Non-payment of rent
- b. Violation of rules of behavior stated in the lease and reinforced in the "House Rules"
- c. Exceeding income limits

Steps In the Process:

- a. Written notice to quit the premises.
- b. Private conference (public housing requirement)
- c. Grievance hearing (required).
- d. Summary eviction proceeding (a summons or warrant to appear in court sent to the resident).
- e. Court hearing
- f. If judgement is in favor of the landlord, eviction; if force is required, then under sheriff or marshall's office.

Records necessary:

- a. Rent delinquencies - financial records and ledgers with dates of any checks and dates of missed rental payments
- b. Other lease violations - records of how many times maintenance staff repaired or replaced equipment or fixtures in the apartment, personnel who answered calls, time and cost of repair (photographs where applicable).
- c. Anti-social behavior - witness giving evidence in court or signing affidavits describing such behavior.

2. Housing Code Violations (Management and Residents)

Grounds for action:

- a. Failure of residents to keep their part of the building in a clean and sanitary condition.
- b. Failure of residents to use garbage and trash containers provided; cluttering hallways or apartments with unsanitary debris.
- c. Overcrowding units.

Steps In the Process:

- a. There are no uniform steps in the process.
- b. Different agencies and personnel are responsible for codes in each locality.
- c. Each locality has different consequences for violation of codes.
- d. Codes are remedial rather than penal, and most local codes give the violator a chance to remove or correct the condition.
- e. Failure to comply is a misdemeanor punishable by fine or imprisonment (usually fine).

Records necessary:

- a. No records are required.
- b. The only way an agency can know if responsibilities are being carried out is from complaints or through official inspections.
- c. If management wishes to enforce codes, it must keep systematic records and conduct a series of regular inspections.

3. Housing Rules

Grounds for action:

- a. There are no uniform grounds for action.
- b. Some housing developments enforce house rules in the same manner as they enforce lease responsibilities.
- c. Some housing developments do not place the same degree of seriousness upon infractions of house rules as upon infractions of lease responsibilities.
- d. Managers should be clear about the degree of difference between house rules and lease responsibilities if they wish to make a distinction. They should also design enforcement procedures appropriately.

Steps in the Process:

- a. No formal standards are mandatory. Each manager should ensure that criteria for violating house rules are established.
- b. Rules should be developed in conjunction with residents, since residents help to enforce them by reporting violations and applying peer pressure.
- c. House rules should be applied fairly and uniformly. They should be flexible, however, in cases of special need. (When no pets are allowed, a shut-in child may be permitted to keep a parakeet.)
- d. Always post rules and regulations and make sure that all residents get a copy.

Records Necessary:

- a. There are no compulsory records; however, managers should keep a record of complaints, including the name of the person who made the complaint, the date and time the complaint occurred, as well as other pertinent information.

Resident Enforcement Options

1. Grievance Procedures (Must be developed by each management unit)

Grounds for action:

- a. Rent increase
- b. Alleged lease violations
- c. Proposed evictions
- d. Service charges for maintenance

Steps in the Process:

- a. A grievance personally presented either orally or in writing to the housing authority office or to the office where the resident resides.
- b. An informal discussion to attempt to settle the grievance.
- c. A summary of such discussion prepared, with copies sent to the resident and to the resident's file.
- d. If a hearing is requested:
 - A written request, by the resident to the housing authority office or to the office where the resident resides.
 - Selection of an unbiased hearing officer or hearing panel.
 - An impartial hearing according to due process.
 - A written decision with justification, with copies to the resident's file, and the housing authority office.
- e. A hearing decision, binding on both resident and management.
- f. Appeal of hearing decision to local courts.

2. Housing Codes (Residents)

Grounds for Action:

- a. Failure to provide basic facilities.
- b. Failure to maintain common grounds.
- c. Failure to provide heat, light, sanitation, and ventilation.
- d. Failure to prevent overcrowding.

Steps in the Process:

- a. Becoming acquainted with the agency or person responsible for enforcement in the locality.
- b. Arranging inspections.
- c. Uniting residents where gross violations occur.

Records Necessary:

- a. No records are necessary.
- b. If residents have code violation complaints, they should:
 - Keep a record of the complaints.
 - Record the complaints that were put into writing.
 - Record the names of inspectors.
 - Record length of time conditions exist.
 - Keep photographs when appropriate.

3. House Rules

Grounds for action:

- a. Violations of house rules specific to each housing development (where house rule violations have been established)

Steps in the Process:

- a. Reporting to management
- b. Working with management toward correction

Records Necessary:

- a. Name of party
- b. Date
- c. Account of interference
- d. Other witness

INSTRUCTIONAL AIDS: TASK 3-A

Match each of the following enforcement options with the appropriate occasion for its use.

- | | |
|-------------------------------|---|
| _____ 1. Housing Rules | a. Can be used by managers when non-payment of rent, violation of rules of behavior, or exceeding income limits occurs. |
| _____ 2. Housing Codes | b. Can be used by both management and residents when interfering with the rights of others occurs. |
| _____ 3. Eviction Procedures | c. Can be used by the resident when management has increased rent, proposed eviction, violated lease provisions, or made some service charge. |
| _____ 4. Grievance Procedures | d. Can be used by management or residents depending on the party violating the local code. |

POST-TEST

POST-TEST: WHAT DID YOU LEARN?

1. *List ten (10) provisions that should be included in a lease.*

- | | |
|----------|----------|
| a. _____ | f. _____ |
| b. _____ | g. _____ |
| c. _____ | h. _____ |
| d. _____ | i. _____ |
| e. _____ | j. _____ |

2. *Match the legal terms found in the lease with their definitions.*

- | | |
|------------------|--|
| _____ pursuant | a. to be owed to a party |
| _____ dependents | b. in accordance with, to comply with
(a legal ruling) |
| _____ accrue | c. stop (paying rent) |
| _____ abate | d. anyone living with and being
supported by a resident |

3. *Check the potentially misleading words or phrases in the following list.*

- _____ a. Normal wear and tear
- _____ b. The period from March 1 to March 14, 1978
- _____ c. Decent, safe, sanitary
- _____ d. Reasonable promptness
- _____ e. After 10:00 p.m.
- _____ f. Local housing codes
- _____ g. Within 72 hours
- _____ h. Hazardous to life, health, or safety
- _____ i. Interfering with others
- _____ j. Reasonable charges

4. *Which of the following responsibilities fall to management? Check appropriate selections.*

- a. To maintain community space, grounds, hallways, and recreation areas.
- b. To give notice before entering an apartment.
- c. To report damages and needed repairs promptly.
- d. To bring separate legal action for repair charges.
- e. To avoid installing major appliances.
- f. To avoid penalties for late payments.
- g. To provide and maintain landscaping.
- h. To place garbage and trash in containers provided.
- i. To deposit security deposits in a separate account.
- j. To install and maintain locks.
- k. To paint all common areas and apartments with non-lead based paint.

5. *Which of the following responsibilities fall to residents? Check appropriate selections.*

- a. To refrain from making major alterations.
- b. To refrain from acts which disturb others.
- c. To paint common areas with non-lead based paint.
- d. To keep the unit clean and in a sanitary condition.
- e. To report damages promptly.
- f. To give notice before entering an apartment.
- g. To place garbage and trash in containers provided.
- h. To exterminate insects and rodents confined to one unit.
- i. To report changes in income.
- j. To permit inspections of the unit.
- k. To provide and maintain landscaping.

6. Which of the following are not enforcement options for management or for residents?

Check appropriate selections.

- a. House rules
- b. Income reports
- c. Security deposits
- d. Grievance procedures
- e. Inspection procedures
- f. Housing codes
- g. Eviction
- h. Transfer options

7. Which of the following are grounds for eviction?

Check appropriate selections.

- a. Violation of provisions in the lease or house rules.
- b. Grievance hearing.
- c. Rent increases.
- d. Non-payment of rent.
- e. Service charges for maintenance.
- f. Exceeding income limits.

SKILL-TEST

SKILL TEST: CAN YOU USE WHAT YOU HAVE LEARNED IN WORK SITUATIONS?

1. *Below is a lease developed by the manager of a hypothetical housing development. Review the lease. What critical provisions are missing that will improve the lease?*

LEASE

a. Description of The Parties and Premises

(local housing development) does hereby
lease to (resident) the
dwelling unit below.

address
occupancy date

b. Amount And Due Date of Rental Payments

Monthly rent \$ _____
Beginning _____ 19 _____ and; due
On the _____ of each month.

c. Utilities

Management agrees to furnish the following utilities

Gas
Electricity
Heat

d. Redetermination of Rent, Dwelling Size, Eligibility

- (1) Resident shall supply income information once a year.
- (2) Management will notify resident, in writing, of any dwelling change due to redetermination.
- (3) One of the following reasons for change will be included in the notification:
 - decrease/increase in income
 - termination of public assistance
 - misrepresentation of facts

e. Occupancy of the Dwelling Unit

- Residents may not sublet premises
- Dwelling unit only for private use
- Guests permitted for two week periods only

f. Inspections

- An inspection will be made before and after occupancy and a written statement of conditions given to the resident.
- Inspections will be made during occupancy for emergencies and for rent redeterminations.

g. Legal Notices

Legal notices, such as those regarding eviction, will be sent by certified mail, return receipt requested, or be presented to an adult member of the family.

h. Termination of the Lease

- A written notice will be given thirty (30) days in advance, in writing, and privately.
- The following reasons for termination will be given:
 - Non-payment of rent
 - Serious or repeated interference with the rights of others.
 - Serious or repeated damage to the premises.
 - Creation of physical hazards.
 - Change in income status.

What criteria are missing?

2. *Below are several portions of a hypothetical lease. In the space below, rewrite each legal phrase in easily understandable language.*

LEASE FORM

- a. Management agrees to accept rental money from residents without regard to any other charges, and to seek separate legal action for any other charges which may occur to management from residents.

- b. The resident's rent shall abate during the time that the resident lives in the dwelling with an unrepaired defect, if the management is capable of repairing the defect but has not done so.

c. All grievances and appeals shall be processed and resolved pursuant to the grievance procedure of management posted in the development office.

d. Residents agree to abide by such necessary and reasonable regulations as may be promulgated by management for the benefit of the development and the residents.

3. *Below are some portions of a hypothetical lease. Circle the terminology that could lead to misunderstandings and rewrite such items in terms of easily understandable house rules.*

LEASE FORM

- a. Resident agrees to leave the dwelling unit in a clean condition, reasonable wear and tear excepted, and to return keys to management when he or she vacates.

- b. Management shall maintain the building and common areas and grounds of the development.

- c. Management will bill residents for repair services at a reasonable cost.

4. *Below is a process for collecting rent developed by the staff of a hypothetical housing development. Examine the instructions and make three (3) suggestions for improving the process.*

PAYMENT OF RENT

Regardless of the date on which you rented an apartment, all rents are due on the first of each month, payable in advance. Your rent is to be paid by check or money order, and mailed. Cash will not be accepted.

If your rent payment is late (after the 15th of the month) more than three (3) times in a twelve (12) month period, eviction procedures shall commence.

Your rent is based on family composition and total family income. It will remain the same as long as there are no changes in either. Any changes are to be reported to the manager within ten (10) days. Rent decreases are effective the first of the month.

Suggested improvements: (1) _____

(2) _____

(3) _____

5. *The following is a section from a handbook developed by a hypothetical housing authority. It was developed to explain to residents their rights and responsibilities in relation to damages. Examine it and make three (3) suggestions for improvements.*

DAMAGES TO YOUR APARTMENT

- a. Report damages promptly, within twenty-four hours.
- b. Report emergencies immediately.
- c. Arrange for repairs with the manager.
- d. Damages due to "wear and tear" are not billed to residents.
- e. Charges for repairs are made to residents when they are caused by the resident, his or her family, or friends.
- f. Charges are posted on a special charge list located in the office or given to residents on a separate flyer.
- g. If work is not done satisfactorily, report that fact to the manager and do not sign the work order.
- h. If an outside person or a vandal damages your unit, the development pays for repairs.
- i. If you are billed incorrectly, DO NOT PAY THE BILL. Contact your manager and explain the problem. If you cannot reach an agreement, you can request a grievance hearing.
- j. Whenever you think you are being overcharged, see the manager.
- k. You pay the bill within one month of the charge.
- l. If you cannot pay the bill, contact the manager and make arrangements for a payment plan.

Suggested Improvements:

(1)

(2)

(3)

6. *Mrs. Brown was angry with the management of her development because her rent was raised. The procedure she followed, as laid out by the manager, is listed below:*

- a. Mrs. Brown went to the local housing authority and told them about her complaint.
- b. The authority called the manager of her development and told him to take care of it.
- c. The manager called Mrs. Brown and requested a conference.
- d. Mrs. Brown came to the conference and insisted on a hearing.
- e. The manager set up the hearing providing a panel of three (3) people (one resident from the development, one manager from another development, and a respected community person).
- f. The panel contacted both parties about the hearing date and place.
- g. The panel decided the manager did not have enough information to raise Mrs. Brown's rent at this time.
- h. The panel sent the results of the hearing to both parties and to the housing authority.
- i. The manager decided to restore the original rental charge until he collected specific reasons for raising it.

How could you improve this procedure?

(a) Did Mrs. Brown do everything she could have done? If not, what else could she have done?

(b) Did the manager do everything that he should have done? If not, what else could he have done?

(c) Did the manager do something that was the responsibility of the panel? If so, what?

7. Below is a list of items found in a resident's file for the month of January. Examine the list. The manager has not had previous complaints about the resident nor has the manager discussed the issues in the file with the resident.

- a. Mrs. Jones complained on January 4 that loud noises were coming from the resident's apartment at 3:00 a.m.
- b. The resident was observed by manager throwing trash in the hallway on January 7.
- c. The resident was observed by manager parking his car in a no-parking area on January 8.
- d. Mr. Smith complained on January 10 that the resident parked in his space.
- e. The resident did not pay for a service charge for repairing a sink that was damaged due to the resident's misuse (January 19).
- f. The resident had six (6) guests residing in the apartment for four (4) weeks as of January 31.
- g. The resident did not pay rent due on February 1. (February 14).

(a) Does the manager have grounds for taking eviction action in relation to non-payment of rent?

_____ yes _____ no

Why/Why Not?

(b) Does the manager have grounds for taking eviction action in relation to rules of behavior stated in the lease?

_____ yes _____ no

Why/Why Not?

(c) Does the manager have grounds for taking eviction action in relation to exceeding income limits?

_____ yes

_____ no

Why/Why Not?

What would you suggest that the manager do in this case?

A P P E N D I X

MODEL LEASE FORM

1. DESCRIPTION OF THE PARTIES AND PREMISES. The _____ (Management) does hereby lease to _____ (Local Housing Authority) _____ (Tenant) the dwelling unit described below, under the terms and conditions stated herein.

Address _____
Occupancy Date _____

2. AMOUNT AND DUE DATE OF RENTAL PAYMENTS. Monthly rent of \$ _____ shall be due and payable in advance on the _____ of each month beginning _____ 19 _____. This rent will remain in effect unless adjusted in accordance with the provisions of Section 5 hereof.

(Alternate provision may be used if it is determined that a tenant may pay rent in installments, as per example, "monthly rent of \$ _____ on the _____ day and _____ day of each month beginning _____ 19 _____."

3. SECURITY DEPOSIT. (Security deposits are not necessarily required. If it is determined not to have a security deposit this section shall be eliminated. If security deposits are utilized, the alternate procedures for their collection are indicated.)

Tenant agrees to pay \$ _____ as a security deposit to be used by Management at the termination of this lease toward reimbursement of the cost of repairing any intentional or negligent damages to the dwelling unit caused by Tenant, his family, or dependents, and any rent or other charges owed by Tenant. Payment of the security deposit is to be made (upon occupancy) (by payment of \$10 upon occupancy and \$2 per month for the following _____ months of occupancy until the balance is paid.)

(The following provision may be used to provide for interest on security deposits).

Management agrees to deposit such security deposit in an interest-bearing account, crediting such interest as may accrue to Tenant's security deposit. Management agrees to return the security deposit, with such accrued interest as may have been earned, to Tenant when he vacates, less any deductions for any of the costs indicated above. If such deductions are made, Management will give Tenant a written statement of any such costs for damages and/or other charges to be deducted from the security deposit. The security deposit may not be used to pay rent or other charges while Tenant occupies the dwelling unit.

4. UTILITIES. Management agrees to furnish the following utilities in accordance with the current Schedule of Utilities posted in the Project Office:

(List utilities to be furnished)

Management will not be responsible for failure to furnish utilities by reason of any cause beyond its control.

(If heat is to be furnished by Management, add:
Management agrees to furnish heat when necessary or as specified by local law).

(If heat is to be furnished by Tenant, add:
Tenant agrees to furnish heat to the dwelling unit and agrees to maintain sufficient heat to prevent freezing of piped water. If for any reason, Tenant is unable to maintain sufficient heat, he shall immediately notify Management. Tenant will be charged for any damages resulting from his failure to maintain sufficient heat or to notify Management, unless for any cause beyond his control).

5. REDETERMINATION OF RENT, DWELLING SIZE, AND ELIGIBILITY. Once each year (once every two years if elderly tenant) as requested by Management, Tenant agrees to furnish accurate information to Management as to family income, employment, and composition, for use by Management in determining whether the rental should be changed, whether the dwelling size is still appropriate for Tenant's needs, and whether Tenant is still eligible for low-rent housing. This determination will be made in accordance with the approved Schedule of Rents and Statement of Income and Occupancy Limits available in the Project Office:

- a. Rent as fixed in Section 2 hereof or as adjusted pursuant to the above will remain in effect for the period between regular rent redetermination unless during such period:

- (1) Tenant can show a change in his circumstances (such as a decline in income) which would justify a reduction in rent pursuant to the Schedule of Rents or such other circumstances as would create a hardship situation.
- (2) Tenant commences to receive public assistance or his public assistance is terminated. Such a change must be reported to Management within ten (10) days of its occurrence.
- (3) It is found that Tenant has misrepresented to Management the facts upon which his rent is based, so that the rent he is paying is less than he should have been charged. If this is found then the increase in rent may be made retroactive.

In the event of any rent adjustment pursuant to the above, Management will mail or deliver a "Notice of Rent Adjustment" to Tenant in accordance with Section 9 hereof. In the case of rent decreases,

the adjustment will become effective the first of the following month. In case of rent increases, the adjustment will have effect the first of the second following month, unless the rent increase results from a finding of intentional misrepresentation under Section 5a(3) above.

- b. If Management determines that the size of the dwelling unit is no longer appropriate to Tenant's needs, Management may amend this lease by notice to Tenant, in accordance with Section 9 hereof, that Tenant will be required to move to another unit within the project in which he lives, giving Tenant a reasonable time in which to move.
- c. If Management finds that Tenant's income has increased so that it is above the approved income limits for continuing occupancy in low-rent housing, Management will then determine whether or not Tenant can, with reasonable effort, find other suitable housing.

(1) If Management determines that due to special circumstances Tenant will be unable to find other suitable housing, Tenant may remain in low-rent housing so long as the special circumstances exist, but the monthly rental will be increased in accordance with the approved Schedule of Rents. Management will notify Tenant of the rent adjustments in accordance with Section 9 hereof. The adjustment will become effective the first of the second following month.

(2) If Management determines that Tenant can, with reasonable effort, find other suitable housing, it will notify Tenant that Tenant has _____ months to find other housing and move, in accordance with Section 9 hereof.

6. OCCUPANCY OF THE DWELLING UNIT. Tenant agrees not to assign this lease, nor to sublet or transfer possession of the premises, nor to give accommodation to boarders or lodgers without the written consent of Management. Tenant further agrees not to use or permit the use of the dwelling unit for any purpose other than as a private dwelling unit solely for Tenant and his family and/or dependents. This provision does not exclude reasonable accommodation of tenant's guests or visitors. Tenant agrees to abide by such necessary and reasonable regulations as may be promulgated by Management for the benefit and well being of the housing project and its tenants.

7. DAMAGE AND REPAIR. Tenant shall use reasonable care to keep his dwelling unit in such condition as to prevent health or sanitation problems from arising. Tenant shall notify Management promptly of known need for repairs to his dwelling unit, and of known unsafe conditions in the common areas and grounds of the project which may lead to damage or injury. Except for normal wear and tear, Tenant agrees to pay reasonable charges

for repair of intentional or negligent damage to the leased premises or project caused by Tenant, his family, or dependents. Such charges shall be billed to Tenant and shall specify the items of damages involved, correctional action taken, and the cost thereof. Management agrees to accept rental money without regard to any other charges owed by Tenant to Management, and to seek separate legal remedy for the collection of any other charges which may accrue to Management from Tenant.

Management shall maintain the buildings and common areas and grounds of the project in a decent, safe, and sanitary condition in conformity with the requirements of local housing codes and applicable regulations or guidelines of the Department of Housing and Urban Development. Management shall make all necessary repairs, alterations, and improvements to the dwelling unit with reasonable promptness at its own cost and expense, except as otherwise provided in this Section. If repairs of defects hazardous to life, health, and safety are not made or temporary alternative accommodations offered to the Tenant within seventy-two hours of Tenant's reporting same to Management, and if it was within Management's ability to correct the defect or obtain the correction thereof, then Tenant's rent shall abate during the entire period of the existence of such defect while he is residing in the unrepaired dwelling. Rent shall not abate if the tenant rejects reasonable alternative temporary accommodation.

(Additional provisions may be inserted where Tenant assumes maintenance responsibilities.)

8. INSPECTIONS. When Tenant moves in, Management shall inspect the dwelling unit and shall give Tenant a written statement of the condition of the dwelling unit and the equipment in it. Tenant and/or his representative may join in such inspection.

Tenant agrees that the duly authorized agent, employee, or representative of Management will be permitted to enter Tenant's dwelling unit for the purpose of examining the condition thereof or for making improvements or repairs. Such entry may be made only during reasonable hours, after advance notice in writing to Tenant of the date, time, and purpose, provided, however, that Management shall have the right to enter Tenant's dwelling unit without prior notice to Tenant if Management reasonably believes that an emergency exists which requires such entrance. Management must promptly notify Tenant in writing of the date, time, and purpose of such entry, and of the emergency which necessitated it.

When Tenant vacates, Management will inspect the dwelling unit and give Tenant a written statement of the charges, if any, for which Tenant is responsible. Tenant and/or his representative may join in such inspection.

9. LEGAL NOTICE. Any notice required hereunder will be sufficient if delivered in writing to Tenant personally, or to an adult member of his family residing in the dwelling unit, or if sent by certified mail return receipt requested properly addressed to Tenant, postage prepaid. Notice to Management must be in writing, and either delivered to a Management employee at the Management office of the project within which Tenant resides or at the Central office of the Local Housing Authority, or sent to Management by certified mail, properly addressed, postage prepaid.
10. TERMINATION OF THE LEASE. This lease may be terminated by Tenant at any time by giving fifteen (15) days written notice in the manner specified in Section 9.

Tenant agrees to leave the dwelling unit in a clean and good condition, reasonable wear and tear excepted, and to return the keys to Management when he vacates.

This lease may be terminated by Management at any time by the giving of written notice as set forth in Section 9, not less than thirty (30) days prior to termination. Such notice may only be given for good cause, such as nonpayment of rent, serious or repeated damage to the premises, creation of physical hazards, or over-income status. Notice by either party to this lease may be given on any day of the month. If Management should elect to terminate this lease, Tenant must be told in a private conference, by a duly authorized representative of Management, the reason(s) for the eviction, and must be given an opportunity to make such reply for explanation as he may wish. At the time of the conference, Tenant must be informed of:

- a. The specific reasons for the proposed eviction and the alleged facts upon which it is based; and
 - b. His right to request a hearing upon the proposed eviction in the manner provided in Section 11 of this lease.
11. GRIEVANCE PROCEDURE. All grievances or appeals arising under this Lease shall be processed and resolved pursuant to the grievance procedure of Management which is in effect at the time such grievance or appeal arises, which procedure is posted in the Project Office and incorporated herein by reference.
12. CHANGES. This lease, together with any future adjustments of rent or dwelling unit, evidences the entire agreement between Management and Tenant. No changes herein shall be made except in writing, signed and dated by both parties.

IN WITNESS WHEREOF, the parties have executed this lease agreement this
_____ day of _____ 19 _____, at _____
(City)

(State)

(Tenant)

(Local Housing Authority)

By: _____

Title: _____

FILE COPY