



Across California - and especially here in Orange County and Costa Mesa - there is a shortage of rental homes affordable and available to low income households, whose incomes are at or below the poverty guideline or 50% of their area median income (AMI). Many of these households are severely cost burdened, spending more than half of their income on housing. Severely cost burdened poor households are more likely than other renters to sacrifice other necessities like healthy food and healthcare to pay the rent, and to experience unstable housing situations like evictions.

What we are proposing is to covert the Mesa Motel (46 units) located at 2205 Harbor Blvd. to a Single Room Occupancy (SRO) residential center. We believe in doing so, the single room occupancy units will provide much needed affordable living and sleeping space for the residents of Costa Mesa.

**A few housekeeping items we have already taken into consideration:**

- Rental Terms - SRO units may be rented on an annual basis. Monthly rental will not be allowed. The SRO unit shall be the primary residence for the tenant; All SRO units shall be rented at 50% Area Median Income (AMI) for Orange County (with the exception of the manager's unit) and/or determined by the Orange County Housing Authority Fee Schedule. The affordability requirements shall remain in perpetuity.
- The property is located within close distance to transit stops (less than 100 feet) and major employment areas directly across and/or next to the property. This includes: Kmart Plaza, At Home Store, Planet Fitness, Northgate Mercado Market, Taco Bell, McDonalds, TJ Max, Home Depot, and American Tire Depot to name a few.
- Each entry door to the SRO unit has a working privacy lock. The occupant will be able to access the unit without going through any other unit.
- Each unit is fully furnished with a bed, chair, table, television, and enclosed bathroom. A compact kitchenette will be added to each room which will include a refrigerator, preparation table, sink, and microwave.
- Each unit has an enclosed bathroom with one flushing toilet that can be used in privacy, a lavatory basin, and a fully operable bathtub/shower.
- Secure bicycle parking will be provided.
- On-site coin operated washer and dryers will be provided.
- On-site 24/7 live-in manager along with video camera monitoring of common area space and parking lot will be provided.
- Each unit has a current wall mounted Room Air Conditioner (RAC) unit and ceiling mounted exhaust fans for heating and cooling. Based on the age of the current HVAC equipment there does not appear to be a need for any equipment replacement at this time.

With Gratitude,  
Dr. Nikan Khatibi  
Principle, Ahura Investments LLC

# **MESA MOTEL SRO CONVERSION**

## **“PROPERTY MANAGEMENT PLAN”**

Property  
2205 Harbor Blvd., Costa Mesa, CA 92627

Property Management / Owner  
Ahura Investments LLC  
29911 Niguel Road, #6429, Laguna Niguel, CA 92607

Public Agency  
City of Costa Mesa  
92 Fair Drive  
Costa Mesa, California 92626

Dated  
January 2, 2025

## **1. PROPERTY MANAGEMENT PLAN GOALS AND OBJECTIVES**

Ahura Investments, LLC. (“Management Company”) is committed to maintaining its properties to the highest standards and enriching the lives of the people who reside in its buildings. Our services are focused on a mission of financing, building, and operating exceptional affordable housing so that the people we serve may have a dignified home, a healthy and hopeful future and attain economic independence.

The Management Company takes responsibility for coordinating maintenance and operations of the Mesa Motel Project (“Property”), a 46-unit affordable housing development for individuals (seniors, veterans, the disabled, Costa Mesa employees) in Costa Mesa, California. The Management Company will oversee all leasing, resident selection criteria, priority guidelines for the replacement units, eviction policies, community rules, security and emergency services, social services, and day-to-day management of operations. The Management Company will also work with organizations including but not limited to the United Way to support the leasing and resident selection efforts. In addition, day-to-day operation of the project will be under the direct supervision of the Property Manager who will report to the Property Supervisor.

The Management Company acknowledges that there are multiple public agencies involved in the development and operation of the Property, including the City of Costa Mesa, the County of Orange, and the various non-profits including the United Way, PATH, Healthy Living Advocates, and Mercy House to name a few.

## **2. BUILDING MAINTENANCE**

The Management Company believes that the on-site staff is of critical importance to the success of the property, thus maintains the highest employment standards for our Management Company employees. The Management Company maintains positive and regular communication with residents and promptly completes requests and addresses complaints. The Management Company staff responds to and/or completes all resident work order requests within 24 hours of receipt.

### **2.1 UNIT INSPECTIONS**

For all inspections, Management Company Staff must make reasonable effort to conduct the inspection in the presence of the resident. Management Company Staff must give residents at least twenty-four-hour notice of entry. If the resident is not present, the Management Company Staff must receive verbal or written permission to enter and leave a notification that they entered the unit after the inspection is completed.

- a. Move-Out Inspections: When a unit has been vacated, the Property Manager will provide the resident with an opportunity to receive a Pre-Move-Out Inspection. At this time, the Management Company Staff will inspect the unit with the resident and determine any damages to be corrected or cleaning necessary over and above normal wear and tear, which shall be charged against the security deposit. A resident may, but will not be required to, participate in this inspection. The move-out inspection form will be compared to the move-in inspection form to determine the extent of resident- caused damages.
- b. Move-In Inspections: Move-In inspections are required at the time the resident signs their lease and receives the keys. Prior to the resident moving in, the resident must initial that the unit is in

decent, safe, and sanitary condition as per program requirements. Move-In inspections establish the actual condition of the unit before the resident begins occupancy. All Move-In inspections must be conducted in the resident's presence and with Management Company Staff present. For any items indicating repair, replacement, or needing cleaning, a work order must be generated immediately. When the work order is completed, the inspection must be updated and initialed by the resident as complete.

- c. Annual Unit Inspections: All units must be inspected bi-annually by Management Company Staff. The purpose of the bi-annual unit inspection is to evaluate the physical condition of each unit. Management Company Staff may conduct unit inspections on a mass schedule or based on the Move-In date but must be according to the determined schedule. All annual inspections must be conducted in the resident's presence and with the management company staff- including the property manager and property maintenance technician present. For any items indicating repair, replacement, or needing cleaning, a work order must be generated immediately. When the work order is completed, the work order must be updated and signed by the resident as complete. Any issues found during an annual inspection must be addressed. If a repair is necessary, a work order must be issued. The resident must be notified and must authorize entry for the work order. If it is determined that the resident is responsible for the deficiency, a letter must be issued to the resident explaining the issue and notifying them of the required remedy.
- d. Pre-Move-Out Inspections: Residents giving a 30-day written notice have the right to request a Pre-Move-Out inspection to be conducted 2 weeks prior to the Move-Out date. The intent of the inspection is to provide the resident with information about any damages or deficiencies that may exist in the unit and to allow the resident to make proper repairs and avoid forfeiture of some or all of their security deposit. At the time the Management Company office staff receives the 30-day written notice, the Management Company office staff and the resident must complete the Notice of Resident Option to Conduct Initial Inspection. All Pre-Move-Out inspections must be conducted in the resident's presence and with the Management Company's Property Manager and Maintenance Technician present. The unit inspections and the inspections must be conducted in pairs.

## 2.2 PREVENTATIVE MAINTENANCE

Inspections will be made on the exteriors and common areas for security and preventative maintenance purposes on a weekly, monthly, and quarterly basis. In general, the Project components will be inspected as follows:

- On-site physical inspections are conducted periodically by the Property Manager. This would be augmented as needed through inspections by the Management Company's Property Supervisor;
- Mechanical equipment inspection semi-annually or as needed;
- Walk-through with contract services quarterly and as needed;
- Roof inspections in the fall of each year and as needed;
- Internal components inspected by Management Company Property Manager or Management Company Regional Property Supervisor semi-annually or as needed;
- Exterior components such as lighting, building siding, asphalt, sidewalks, roof, etc. are inspected routinely (daily, weekly or monthly) as applicable by the Management Company Property Manager and Management Company Maintenance staff or vendor and periodically by the Management Company's Property Supervisor typically in the Spring and Fall;

- Lighting and security inspections are conducted routinely by on-site personnel and off-site personnel;

### 2.3 BUILDING AND CUSTODIAL MAINTENANCE

Each member of the Management Company Staff must contribute to maintaining a clean property. When there is trash visible on the property, all members of the staff must pick up the trash immediately. The property and common areas must be dusted and cleaned on a daily basis. Management Company Staff is responsible for managing janitorial vendors to keep the property clean at all times. Office Staff must communicate to the Property Supervisor if the janitorial vendors are not meeting Management Company's standards.

Unit Maintenance and Preventative Maintenance will be completed by the on-site Management Company Staff. Non-Routine maintenance/repairs of items outside of the Maintenance staff skillset and ability will be completed by a third-party vendor selected by the Management Company Staff and Property Supervisor as needed.

### 2.4 GROUNDS MAINTENANCE/LANDSCAPING

Outside contractors will be utilized on an as-needed basis, except for grounds maintenance, which will be contracted to an outside landscaping company, and for routine garbage removal and extermination services.

### 2.5 SERVICE AND WORK ORDER CALL SYSTEM

The Management Company requires a Work Order Request form to be verbally requested or filled out and signed by the resident for all repairs completed in a unit. Requests can be made by telephone, in-person, online, or in writing. Management Company Staff will assess each work order based on level of criticality and will respond based on level of priority ranging from emergency (within one hour) to deferred (work completed within one month). These response times will vary based on the criticality of each assignment. Office Staff must communicate the timing with the resident within 24-48 hours. The work order form is primarily used by residents when Management Company Staff is unavailable. It identifies the service required and the preferred time of service and is a record. Emergency and urgent repairs must be completed even if no work order form is filled out. Failure to complete a written work order is not grounds for a repair not being completed.

### 2.6 ENERGY EFFICIENCY AND ENVIRONMENTAL IMPACT MANAGEMENT

The Property Management Company practices energy conservation at all properties.

- Energy Conservation: Thermostats, HVAC systems, lighting, and other electrical devices are inspected as routine preventative maintenance to ensure they are working efficiently.
- Water Conservation: Property Staff must fix leaks immediately, not over irrigate the landscaping and only water during late-night hours, turn off irrigation systems during rainstorms (put systems on rain delay) and continually monitor the water and plants while walking around the property.
- Resident Engagement: Management Company Staff to spend time with residents educating them on sustainability measures and environmental conservation. Resident engagement in conservation measures is critical.
- Green Education: As part of the initial move-in process, the Management Company will provide new residents with an educational flyer about the building's green features and benefits.

### **3. SAFETY AND SECURITY PLAN**

Safety and security of the residents and property are of the utmost importance to the Property Management company. The Property has security cameras in place to help protect the residents and property along with access control systems. The Property Management Company will implement a comprehensive Safety and Security Plan along with an Emergency Response Plan (“ERP”) and perform regular emergency preparedness drills.

The Property Management Company adheres to a proactive approach concerning emergencies. The company participates in annual emergency preparedness drills such as The Great Shake-Out, Shelter in Place, and Active Shooter drills. It is vital that Management Company Staff be prepared for the variety of emergencies that may occur at any time. Office Staff are responsible for responding to all emergencies that occur on the property. This may entail ensuring that the property has appropriate emergency coverage (on-call maintenance with backup personnel). If circumstances prohibit Office Staff from temporarily taking this responsibility, they must notify the answering service to refer all emergencies to another staff member or the Property Supervisor.

#### **3.1 EMERGENCY RESPONSE PLAN**

The property Emergency Response Plan (ERP) includes the following:

1. Resident Education: All residents and staff will be trained annually on the ERP. Incoming residents will receive training on the ERP during their new resident orientation.
2. Emergency Binder: Management Company Staff must create and consistently maintain a current and accurate Emergency Preparedness Binder with an Evacuation Plan for all residents on the property. This includes utilizing maps with detailed descriptions of how to exit the building(s) in the event of an emergency. Local fire departments or the Red Cross may assist with this plan. For additional support, contact the Resident Services department or the Regional Property Supervisor.
3. Evacuation Plan: The Property Management Company requires all properties to have an evacuation plan. The evacuation plan will be specific to each building and produced with specific plans including exit areas, emergency response locations, and resident evacuation safe zones. The evacuation plan will include the egress stairways located at the building with the egress doors for exiting the building in the event of an emergency. Management Company’s designated Emergency Management Team Leader must discuss their property- specific plan with their Management Company’s staff. Management Company Staff must be familiar with the emergency evacuation plan and practice it periodically. The evacuation plan is distributed to all residents upon Move-In (updates must be distributed to current residents). Evacuation plans may also be posted on bulletin boards, in the laundry room, elevators, stairwells, and hallways, as appropriate.
4. Management Company Approach to Handling Emergencies: Only deal with the situation at hand and re-evaluate. Go above and beyond. Take care of all residents and any affected neighbors. Staff must never put themselves in harm’s way. In the event of an emergency that requires evacuation, it is important to have a plan and follow it. Below are some basic steps Management Company Staff must follow: The safety and survival of the Management Company Staff and residents are the top priorities. Call 911 for help as soon as it is safe or possible to do so. Evacuate in a safe and orderly manner to the designated evacuation area. Residents can help

one another when it does not jeopardize either person's safety. Office Staff will put forth their best effort to assist residents but must not put themselves in harm's way. If a resident refuses to leave their unit, Management Company Staff must keep moving forward with the evacuation and will inform hall monitors to do the same.

5. Following an evacuation, the Management Company Staff must do the following:
  - Utilize the Property Management Company Emergency Response System.
  - Utilize Phone Tree to contact key help (phone tree can be obtained from the Resident Services department or the Property Supervisor).
  - Gather the team and assign responsibilities. The team may include Management Company Staff, hall monitors, other residents, or other members of the community available to help. Responsibilities may include: Resident Care: Food, water, medication, first aid, contacting relatives, and booking overnight lodging. Property Care: Assessing damage and immediate necessary repairs. Take Roll Call: Is everybody accounted for? It is important to have a list of missing residents for emergency personnel. Management Company Staff must not re-enter a building after it has been evacuated to search for missing personnel. Emergency personnel will advise the Management Company Staff when it is safe to re-enter the building.
6. Resident Emergency Contacts: All resident emergency contact information must be consistently entered and maintained in the company database. This information is vital if an emergency occurs at the property. At annual recertification, Office Staff must request any updated emergency contact information and update it in the company database. Anytime that a resident notifies Office Staff of a change in their emergency contacts they must update it within 48 business hours.
7. Resident Roster or Roll Call List: If an emergency requiring evacuation occurs, the Management Company Staff must have a quick way to determine who is still in the building and their likely location. Office Staff must have an updated Resident Roster or Roll Call list. After an evacuation, it is vital that roll is taken as soon as possible so that the information on any missing individuals can be shared with emergency personnel.
8. Emergency Drills: New properties must practice their emergency evacuation drill within six months of the lease-up. Management Company Staff and hall monitors must practice their role in an evacuation drill periodically, but not less than twice a year.
9. Fire Protection:
  - Fire Monitoring: All properties must contract with a fire monitoring and protection company that services the property fire alarm systems in accordance with local, state, and federal law. Management Company Staff must ensure all required fire and life safety inspections are completed on time. The fire monitoring and protection company conducts all annual inspections of and repairs for fire/life safety systems.
  - Fire Extinguishers: Fire extinguishers must be inspected on a monthly basis as part of the preventative maintenance and safety program. Each fire extinguisher has a tag attached that must be initialed by the Management Company Staff member conducting the inspection monthly. The extinguisher must be checked for damage, that the charge arrow is in the green, that the pin is present, that the service tag is not expired, and that there are no other obvious issues including corrosion, broken pieces, or rusting on the box or extinguisher.
  - Smoke Alarms: All smoke detectors will be hard-wired. Per the California State Fire Marshal Information Bulletin 13-006, Effective July 1, 2015, all battery-operated smoke alarms must also comply with Provision (1) which shall contain a non- replaceable, non-removable

battery that is capable of powering the smoke alarm for at least 10 years. There must be smoke alarms on each floor, in each sleeping room, and in the immediate vicinity outside of the bedrooms (i.e., a hallway). Staff must upgrade smoke detectors to 10-Year batteries as they stop working and/or during unit turns. Maintenance Staff must install and maintain the detectors and may enter a unit for the purposes of installing, repairing, and testing with proper 24-hour notice.

- Carbon Monoxide Alarms: Buildings will not have an attached parking garage and will not have any appliances that utilize a fossil fuel source. (A fossil fuel is coal, kerosene, oil, wood, fuel gases, and other petroleum or hydrocarbon products that emit carbon monoxide as a byproduct of combustion.). The common area laundry room will have dryers that are natural gas-powered and there will be carbon monoxide alarms installed. Both smoke alarms/detectors and carbon monoxide devices are required to be installed in all dwellings. A combination smoke and carbon monoxide alarm/detector will satisfy both requirements. At a minimum, Carbon Monoxide devices must be installed outside each sleeping area in the unit. Maintenance Staff must install and maintain the detectors and may enter a unit for the purposes of installing, repairing, and testing with proper 24-hour notice.

### 3.2 ASSET PROTECTION AND SECURITY

The Management Company takes practical and prudent care to safeguard the security of each property, its residents, the resident files, and its staff members. It is essential that the residents and employees feel secure at all times and the property be protected from damage. Failure to adhere to the security requirements may result in corrective action. The Management Company Staff is the first line of defense against a security breach. Preventative measures must be taken to ensure the safety of the property, residents, and Management Company Staff. The items listed below are examples of things that must be considered in securing the property. This is not meant to be an exhaustive list. Management Company Staff must promote security in the following practices:

- a. All security devices must be properly maintained and be in constant operating order. This includes cameras, doors, locks, gates, and fences.
- b. Develop a relationship with local law enforcement and emergency response agencies.
- c. Follow all mandatory screening requirements for all residents.
- d. Walk the property daily and intermittently to look for possible weaknesses in the security of the property including, but not limited to malfunctioning gates, burnt lights, and possible outside access points.
- e. Universally enforce the lease and rental agreement, house, and ground rules, and the addendum for housing that is smoke-free and drug-free (other than properly prescribed medication).
- f. Note and correct general conditions such as rust on fences that could cause compromise to the structure's integrity.
- g. Look for evidence of forced entry, document with photos and/or video, and immediately correct.
- h. Maintain proper and adequate lighting and ensure the absence of dark areas around the property. Not only does adequate lighting look nice, but it also serves as a deterrent against crime. Management Company Staff must replace all non-functioning lighting immediately. Install lighting systems in unusually dark areas. The company also requires trees and shrubs to be trimmed to remove potential hiding places.
- i. Look for evidence of loitering in dark areas and stairwells. Such evidence might be trash, cups, and cigarette butts, or drug paraphernalia.



- j. Look for unauthorized vehicles surrounding the building.
- k. Re-key locks and re-code remote controls.
- l. Ensure all Security Cameras are working.
- m. Maintain fences in good condition (not cut or broken, no damage or abnormalities).
- n. Ensure gates and locks properly operate to ensure adequate security.
- o. Office Staff are required to record security breaches on an incident report form. Incident report forms must be sent to the Property Supervisor immediately following completion.
- p. Office Security: The management office must be secured when not occupied. Computers, electric equipment, security DVR systems, rent checks, resident files, and all other office valuables must be secured by the Office Staff even if the absence is intended for a short time.
- q. Property Safety: Management Company Staff are responsible for identifying and correcting most small hazardous conditions. Where correction is beyond their expertise or expense authorization level, Management Company staff must contact the Property Supervisor.
- r. During daily property inspections and walks of the Property Management Company staff, at a minimum, must look for: Trip hazards, Fire hazards, Slip hazards such as slick wet surfaces, Flood hazards, Damaged benches, Obstructions, Lighting and dark areas, Nonfunctioning security devices, Parking hazards

#### **4. UTILITIES**

The following utilities will be available at the property:

- Water: The provider will be Costa Mesa Water District and the water fees for the common areas and units will be paid for by the owner.
- Electricity: The provider will be Southern California Edison and the electricity fees for the common areas of the property will be paid for by the owner. In-unit electricity expenses will be paid for by the owner directly to the utility provider.
- Trash: The provider will be Waste Management and the trash fees for the property will be paid for by the owner.
- Sewer: The provider will be Costa Mesa Sanitary District and the sewage fees for the property will be paid for by the owner.

#### **5. PROPERTY MANAGEMENT PRACTICES, POLICIES & PROCEDURES LEASE ENFORCEMENT PROCESSES:**

##### **5.1 LEASE ENFORCEMENT PROCESSES:**

Lease and rules violations will be addressed by the Property Management Staff in partnership with the onsite Service Provider utilizing a 4-Step Housing Retention Action Plan (“HRAP”) as outlined below.

##### **5.2 OCCUPANCY GUIDELINES**

The Project has adopted standards for the number of persons initially permitted to occupy units. These standards conform to Owner's and/or regulatory guidelines. These standards shall be used at initial occupancy. Following are the unit size assignment standards subject to the clarifications and considerations indicated below:

Unit Size - Studio

Minimum # of Persons - 1

Maximum # of Persons - 2\*\*

[\*\*reasonable accommodation requests may be considered when determining occupancy. Double occupancy will not exceed 10% of all units]

If and when the household is “over-housed” (under-occupied), i.e., too few people for the unit, the household will be required to move to the next available appropriate sized unit. If the household is “under-housed” (over-crowded), the household will be required to move to the next available appropriate-sized unit. If no applicable unit size is available, for the household size, the household may be required to move, if required or allowed by regulation and law.

### 5.3 FOUR-STEP HOUSING RETENTION ACTION PLAN

We understand that many of our residents have multiple barriers and may have been unsuccessful in other housing environments. During their residency, we may expect some residents to exhibit behaviors that can jeopardize their housing stability.

The Four-Step Housing Retention Action Plan (“HRAP”) below serves as a tool for the service provider and property manager to work collaboratively to promote housing success for our residents. Through clearly detailing property management and supportive services roles, this housing team aims to build trust, safety, and transparency, with clear expectations for how lease violations and behavior issues will be addressed by all parties. This plan has been developed and adapted through years of experience within the supportive housing community context.

Furthermore, we believe that housing retention plans can and will empower residents to live independently within a supportive framework, building efficacy when implementing skills that promote housing stability. The following four-step plan is designed with this in mind, in order to reduce housing displacement and promote housing retention.

#### **\*\* Step One \*\***

Resident concern/issue is noted: example; potential lease violation, display of atypical behavior (ex. late rental payment, personality changes, etc.)

Property Manager:

1. Notifies Supportive Services of concern by emailing a referral which details the concern(s) and bringing it to their joint weekly meeting. Be sure to include important dates and history and/or bring file to meeting, so next steps can be discussed.
2. Include notes in resident’s file.
3. If rent payment, issue Pay or Quit notice by the 7th of the month.
4. Non-rent issue courtesy notice may be sent to resident.

Supportive Services:

1. Follows up with conversation, one-on-one
2. Assesses for ongoing challenges to follow rules.
3. Identifies supports to meet expectations
4. Reviews lease terms.
5. Coordinates between service providers (such as VASH, DHS, DMH) as needed

## **\*\* Step Two \*\***

Resident concern/issue continues: a reasonable period passes (typically 30 days) with no change in the same behavior/problem. Rent remains unpaid, neighbor issues have not been resolved, or a clear lease violation has occurred.

Property Manager:

1. Notifies SS of violation/concern, discusses with SS next step. Be sure to include important dates and history of same violation if applicable
2. If written lease violation is agreed upon, PM will issue it within 2 business days
3. PM will email SS a copy of violation before/at same time it is served

Supportive Services:

1. File notice in Housing file section
2. Meet with resident one on one
3. Verbally create housing retention plan
4. Explore situational factors and assess barriers
5. Identify community resources
6. Connect to necessary supports to follow lease

## **\*\* Step Three \*\***

Resident concern/issue progresses: the resident issue remains unresolved. If there has been an agreed upon designated period for correction, that time has passed. In cases where resident or staff safety is at risk, plans may immediately escalate to a step 3.

Property Manager:

1. Issues (3/30)-Day Notice Cure or Quit within 48 hours of agreement with SS (usually at standing meeting)
2. Notifies SS with electronic CC: of notice
3. Coordinates meeting with resident and SS
4. PM reviews and signs resident's proposed Housing Retention Plan during retention meeting with resident, PM and SS

Supportive Services:

1. Creates a document plan with the resident with date to review intended plan, results, and end of plan date. (note: will create updates as needed, upon plan review date)
2. Identifies barrier and 3 support items
3. Bring plan to meeting with resident and SS
4. Set regular meetings to support plan details

## **\*\* Step Four \*\***

Resident concern/issue continues: The period designated by the Housing Retention Plan has passed and there has been no reasonable update in the concern.

Property Manager:

1. PM discusses next step with SS
2. PM issues 30 or 60-day notice to quit
3. Notifies SS through electronic copy of notice
4. If resident elects to leave in designated time frame, will stop any formal eviction proceedings

Supportive Services:

1. Responds in the designated time frame
2. Looks for community resources and supports
3. Connects to legal supports if resident wants to fight eviction
4. Explores resident's housing options
5. Identifies alternative housing
6. Assists resident with relinquishing to avoid eviction
7. Problem solves potential issues to obtaining apartment (budgeting, etc.)

#### 5.4 RENT COLLECTION PROCESSES

- Collecting Rent: Office Staff must deposit by way of scanning all rent receipts each day they are received. Office Staff may not hold checks that are valid (dated the day received) overnight and must make every attempt to deposit all rent and security deposit checks the day they are received. The security deposit is typically equal to one month's rent and is collected at the time the lease is signed and shall be deposited into a separate account.
- Security Deposit: The Security Deposit Account may be a separate interest-bearing account (at the Owner's direction), which is FDIC insured. The interest on the security deposits will be distributed according to the Owner's directives and applicable law, if any. At the time a resident vacates the unit, a move-out inspection will be conducted with the resident, where possible. All items needing cleaning or repair plus the charges or estimated charges for each will be determined at the time of inspection. Both the Property Manager and the vacating resident will sign the inspection form. The final closing statement and refund of security deposit, less any charges for rent, fees, damage, etc. (excluding normal wear and tear) will be prepared for each vacating resident itemizing any charges to be made against the security deposit and forwarded to each vacating resident within 21 days of their vacating.
- Rent Check, Cashier Check, or Money Order Theft: Properties must have a secure location to accept rent checks. Secure means behind a locked door, in a locked drawer.
- Payment Accepted: Office Staff are prohibited from accepting cash as rent payment. Residents may pay their rent in the form of a check, cashier's check, or money order made payable to the designated entity. Office Staff cannot accept any rental amounts other than the actual resident's rent. If a resident brings Office Staff an incorrect check, cashier's check, or money order, Office Staff must return the payment to the resident with a written explanation.
- Second-party checks may be accepted as rent payment with proper documentation to management stating no tenancy will be created by its acceptance. Second-party checks are payments someone other than the resident submits as rent on behalf of the resident.
- Third-party checks cannot be accepted as rent payment (except as noted in subparagraph below). Third-party checks are checks made payable to the resident by someone else. The resident then requests to endorse the check over to the property as a rent payment.

- **Third-Party Rent Payment Exception: Non-Profit Rent Payment Assistance:** The only exception to the Third-Party rent payment policy is for residents who are receiving financial support from a non-profit agency on a one-time or reoccurring basis. Third-party checks may be accepted with a declaration that the payment does not constitute or initiate tenancy.
- **Timing of Rent Collection:** Rent is delinquent if not paid by the close of business on the fifth (5th) of each month. Delinquency dates may vary only if the fifth day of the month falls on a weekend or holiday (or if other delinquency periods are required by the property regulatory agreement). In such cases, the delinquency date moves to the next business day. See the property lease for late fee information. Pre-payments for rent are allowed.

## 5.5 RENT INCREASES

Rent may be increased annually or as allowed by law or regulation, including as permitted by the Regulatory Agreement with the City of Costa Mesa. Management Agent will submit request to Owner for approval of increase. If approved, Agent will submit a 30-day or 60-day notice of rent change to resident, depending on program type and regulation to tenant.

## 5.6 REASONABLE ACCOMMODATIONS/MODIFICATIONS

The Management Company follows state and federal laws, which require housing providers to make or allow changes to either a unit, the common areas, or to community rules, policies, and procedures if such changes may be necessary to enable a person with a disability an equal opportunity to use and enjoy the housing.

If the need is not otherwise obvious, a resident requiring such a change must make a verbal or written request with management company staff. When written, they must complete the Reasonable Accommodation/Modification Request Form which is the first step in our interactive process; when requested verbally; the management office staff will complete the form on the resident's behalf. Management Company Staff will then send the form to a third party to verify the resident's disability and their need for accommodation or modification. Assuming the third party confirms the need for the modification or accommodation, the resident will be notified. If the third party does not confirm the need the interactive process will continue until a decision is reached. If the accommodation request is denied due to physical, legal, or financial feasibility, the resident will be notified in writing.

For Reasonable Accommodations for applicants, please review the Tenant Selection Plan.

## 5.7 BEHAVIORAL POLICIES

Certain acts are considered to be contrary to the safety, well-being, peace, and enjoyment of the other Residents of the Property. These include, but are not limited to, the use, possession, manufacturing, or sale of illegal drugs or controlled substances and the carrying or exhibiting of firearms or other lethal weapons on the Property. Such acts are prohibited.

The resident, any member of the Resident's household, or a guest or other person under the resident's control shall not engage in acts of harassment, violence, or threats of violence, including, but not limited to, the unlawful discharge of firearms on or near the project premises. The carrying or exhibiting of firearms on the Property are strictly prohibited.

The resident, any member of the Resident's household, or a guest or other person under the Resident's control shall not engage in or permit the dwelling unit to be used for, or to facilitate, criminal activity, including drug-related criminal activity, on or near project premises. "Drug- related criminal activity" means the illegal manufacture, sale, distribution, use, or possession with intent to manufacture, sell, distribute, or use, of a controlled substance (as defined in Controlled Substances Act (CSA), 21 U.S.C., Chapter 13, Section 801 and Section 802). This includes the use, possession, and/or cultivation of all forms of marijuana, including cultivation of marijuana plants. The use, possession, and/or cultivation of marijuana, including cultivation of marijuana plants, is illegal under federal law even if it is permitted under state law. Per Section 577 of the Quality Housing and Work Responsibility Act of 1998 (QHWRA), P.L. 105- 276 (October 21, 1998), 42 W.D.C Section 13662, federally assisted housing providers are required to deny admission to anyone who is illegally using a controlled substance and allows Landlords of federally assisted housing to terminate the tenancy of anyone who is illegally using a controlled substance or whose illegal use is determined by the Landlord to interfere with the health, safety, or right of peaceful enjoyment of the premises by other residents. Resident or members of the household will not engage in the manufacture, sale, or distribution of any and all illegal drugs at any location, whether on or near the project premises or otherwise.

Resident units are smoke-free. All areas of the community are smoke-free with the exception of designated smoking areas. Residents, resident guests, staff, visitors, or any other person shall not smoke in the smoke-free areas to include but not limited to the entire area of the buildings including units, patios, balconies, halls, elevators, stairs, offices, community rooms, tot lots, laundry rooms, and parking lots. Designated smoking areas will be located outside on the common grounds and will be identified by "Designated Smoking Area" signs. These will be the only areas where smoking will be allowed within the community. Designated smoking areas will be covered areas with seating such as a gazebo that are at least 25 feet away from the entrance to buildings, doorways, or operable windows. The Smoking Policy promotes a smoke-free environment within the community, while permitting smoking in designated areas only. The No Smoking Rule applies to all areas except the designated smoking areas.

Violation of the above provisions of the property's drug-free, smoke-free and crime-free housing policy shall be a material violation of the house and ground rules and failure to comply with the house and ground rules is a violation of the lease, which may lead to the termination of tenancy pursuant the termination provision of the property lease. The Resident Smoking Policy addresses smoking for households residing in the project. While smoking will be prohibited on the property, this policy permits smoking for residents in designated areas. The Management Company and Lead Service Provider support the goal of achieving a smoke-free environment and promotes healthy lifestyles. Households will be provided supportive services and to support these goals and encouraged to connect to smoking cessation programs and other applicable life skills and treatment programs. By permitting smoking in designated areas only, the policy mitigates the following risks:

- Smoking increases the risk of fire
- Smoking is likely to damage the resident's premises
- Adverse health effects of secondhand smoke
- Secondhand smoke is likely to drift from one apartment to another
- The increased maintenance and cleaning costs associated with smoking

Definition of smoking: smoking includes inhaling, exhaling, breathing, carrying, or possession of any lighted cigarette, cigar, and pipe, other products containing any amount of tobacco, nicotine, or other similar product in any manner or in any form.

## 5.8 GRIEVANCE PROCEDURE

Should a resident have a complaint of any nature concerning her/his dwelling unit, other resident(s), or other housing-related issues, and the issue is not resolved in a satisfactory manner, the resident may engage in the Grievance Procedure provided to the resident at lease signing. The process provides detailed information on the specific steps a resident may take in order to address in hopes to resolve the issue. These steps include a timeline for residents to receive responses to grievances, how to request a formal hearing and request form, documentation requirements and participants in each step of the process.

“Grievance” is defined as any dispute with respect to Management action or failure to act in accordance with lease requirements, or any Management action or failure to act involving the interpretation of the application of Management regulations, policies, or procedures which adversely affects the rights, duties, welfare or status of the complainant.

It is the policy of Management that all residents’ grievances be given complete and objective consideration. Since, on rare occasions, this may require reference of a problem to higher levels of authority; this procedure has been adopted to assure that opportunity for full “due process” is given to all residents.

This procedure applies to both applicants and residents of the Mesa Motel project. All residents are encouraged to use it without concern that it will reflect on their status as a resident. Day-to-day contact and earnest communication between the manager and the residents is the most successful way to avoid misunderstandings and develop mutual respect. (See attached Grievance Procedure)

## 5.9 RESPONSIBILITY/GOVERNANCE

Property management and/or designee is responsible for ensuring the policies and procedures contained herein are implemented, monitored, and regularly reviewed.

## 5.10 PET POLICY

Pets shall not be allowed on the premises, except as approved by the Owner or required by law or local ordinance. A certified service animal or companion animal is not considered a "pet" and the resident requiring such animal shall be required to execute a service animal agreement describing the responsibilities of the resident.

## 5.11 LIVE-IN ATTENDANT

In the event that a resident requires the services of a live-in attendant, the above occupancy standards shall still apply. Prior to the attendant moving in the resident's physician or other qualified person shall document the need for a live-in attendant. Any income received by the attendant shall not be considered in evaluating the rent to be charged to the household. The attendant is subject to a criminal background check. The attendant shall not be considered a resident of the Project and has no residual rights to the unit if the resident no longer resides in the unit. The attendant shall be considered a guest of the resident

household, and the head of household shall be required to ensure that the attendant abides by all terms and conditions of the Lease or Rental Agreement. The live-in attendant must sign the House Rules and execute a Live-in-Attendant agreement.

#### 5.12 FORMS AND AGREEMENTS

With the approval of the Owner and Lenders, the Management Agent will develop leases or rental agreements, house rules, application forms and such documentation as may be necessary to facilitate the selection and admission of residents into the Project according to any Marketing Plan and/or CES]

#### 5.13 TENANT FILE MANAGEMENT

Resident information will be maintained in the property management software and safeguarded with passwords that are changed on a regular basis to protect resident information and privacy. All resident files are maintained in a fire safe, locked cabinet at the property.

#### 5.14 GUEST POLICY

Visitors and guests are required to sign in with office staff or a security guard when the office is closed. A tenant cannot have a guest stay overnight in excess of 10 nights per year. Guests must also provide their license plate to the office staff or security. Guest parking cannot exceed 24 consecutive hours.

#### 5.15 SITE ACCESS AND PARKING

The property has a wrought iron fence around its perimeter. Tenants have a key that allows access through the vehicular entrance. Tenant shall register their car with the office in order to get a parking permit. Spots are assigned.

#### 5.16 VIDEO CAMERA MONITORING

Security cameras are in place to monitor the entrance, dumpsters, laundry rooms, lobby, and office.

#### 5.17 TENANT AMENITIES

The property consists of the following amenities: one laundry rooms, courtyard, and bike racks.

### **6. PROPERTY MANAGEMENT STAFFING PLAN**

#### 6.1 STAFFING PLAN

The Management Company shall hire, train, pay, and supervise all personnel, including independent contractors. The management team will consist of:

- One (1) full-time, on-site Property Manager will be responsible for coordinating repair and maintenance of the building, the collection of rents, ensuring occupancy and compliance with various regulatory agencies, and providing support to the residents by maintaining records and files, maintaining information and referral resources, and collaborating with Resident Services to organize resident meetings and social events.
- One (1) Full-time, Maintenance Lead Technician, will be responsible for the oversight of day-to-day maintenance of the property. The maintenance technician will report to the property manager and will be responsible for the cleaning and repair of the property.



- Management Company Supervisor will oversee the Property Manager and coordinate issues and concerns among an array of similar facilities. This individual is responsible for the training of the Property Manager. This individual is available in case of any emergency and routinely visits the site to ensure the property is appropriately maintained and the Property Manager is fulfilling his/her responsibilities.

All hiring of on-site personnel shall conform to Equal Employment Opportunity guidelines without regard to race, religion, color, national origin, or sex. Leveraging the workforce programs for families with the Lead Service Provider and other local service providers, the Management Company shall make every effort to hire local vendors and employees when possible. Special efforts will be made to provide information regarding job openings to ensure affirmative outreach. This includes outreach to community organizations, newspapers, and other communications media. All hiring materials will indicate that the Management Company is an Equal Opportunity Employer. The Lead Service Provider will be responsible for hiring its social service staff and will conform to Equal Employment Opportunity guidelines.

## 6.2 TRAINING

Specific training in policies and procedures of the Regulatory Agencies will be provided to the Property Manager to ensure Project conformity to program requirements.

The Property Manager becomes knowledgeable through training and ongoing property management. As the budget permits, the Property Manager will be required to participate in relevant training conducted by professional agencies and organizations to assure understanding of the occupancy requirements of the Project. Property Manager holds periodic training sessions of a general nature for all employees off-site as well as specific on-site sessions tailored to the needs of individual Projects. In addition to such site-specific training, additional monthly, quarterly and annual training includes, but is not necessarily limited to, Fair Housing and non-discrimination.

It is Property Manager's policy to promote from within when possible. Employees are reviewed for potential promotion when positions become available. Property Manager's job opportunities are posted on various websites and job boards.

If required by regulation, Property Manager will make reasonable efforts to hire eligible residents for available positions at the project, whereas a qualified applicant is found, and whereas their employment at the property does not pose a potential or actual conflict of interest or provide access to proprietary resident information that should be beyond the view or manipulation of the resident employee.

## 6.3 EMPLOYEE BENEFITS

Sick time and benefits will be afforded to all employees working at the property in accordance with California labor regulations.

## 6.4 EMPLOYEE GRIEVANCE PROCEDURES

The Regional Manager assigned to the Project regularly visits the Project at which time problems can be discussed. If this is not satisfactory to an employee, the employee may contact the Vice President of Property Management or an officer of Agent.

## 6.5 EMPLOYEE TERMINATION PROCEDURES

Demotion, layoff, or termination shall be determined on a non-discriminatory basis. When an employee's performance is substandard, the employee shall be notified in writing. Every effort will be made to work closely with an employee to provide additional training if this is deemed appropriate. If their performance continues to be substandard, the employee will be placed on probation, and/or terminated.

## **7. TARGET POPULATION, PREFERENCES, REFERRALS, RENTAL RATES**

7.1 Mesa Motel Property is intended to serve qualified low-income individuals and households in need of affordable housing. Preference will be set aside for individuals and households living and/or working in the City of Costa Mesa, Veterans, the Elderly, and individuals with disabilities.

Marketing will be consistent with HUD and Orange County Fair Housing Marketing standards. Property Management will market the units through a variety of methods to ensure populations who are least likely to apply will be notified of availability. Advertising shall include use of newspaper and online advertisements, social networking sites, and notification of availability of rental units to public and private agencies. Advertising material will be prepared in languages appropriate to the ethnic groups in the area. Advertising will include a statement regarding the policy of compliance with all Federal, state, and local fair housing laws and policies.

All qualified referred applications will be verified and approved by the Management Agent.

7.2 Rental Terms - SRO units may be rented on an annual basis. Monthly rental will not be allowed. The SRO unit shall be the primary residence for the tenant; All SRO units shall be rented at 50% Area Median Income (AMI) for Orange County (with the exception of the manager's unit) and/or determined by the Orange County Housing Authority Fee Schedule. The affordability requirements shall remain in perpetuity.

## **8. RESIDENT SELECTION, INCOME ELIGIBILITY AND CERTIFICATIONS**

### 8.1 RESIDENT SELECTION

The Property Manager will be charged with the responsibility for screening residents referred to the Property. The Property Manager will be properly trained in resident eligibility requirements. In compliance with the Regulatory Agreements, only applicants that meet all eligibility requirements will be selected to occupy restricted units. Any applicable income limits or restrictions will be made available to the public upon request and/or in accordance with any and all regulatory guidelines. Applications and other records pertinent to a resident's continued eligibility will be kept on file in accordance with any and all Regulatory guidelines.

The Property Manager or other management personnel will not discriminate or give preferential treatment to any applicant or resident. Selection criteria must comply with eligibility requirements set forth by all program guidelines, included, but not limited to those of CalFHA.

The Management Company will utilize the low-barrier tenant selection process that is consistent with Housing First guidelines to ensure that the hardest to service populations have access to housing

opportunities. Management will take a holistic view when determining selection criteria for the Property. As such, negative credit, past criminal history, or lack of landlord references, or behaviors that indicate a lack of “housing readiness”, may not be taken into consideration to determine eligibility unless information revealed suggests that the applicant may pose a threat to the health and safety of other residents, guests, staff or vendors or to the property.

## 8.2 INITIAL INCOME ELIGIBILITY

The Property Manager will be responsible for determining income eligibility of each applicable household in the Project via third-party verification of all income and assets as programmatically required. Households whose gross annual income exceeds programmatically required income limits will be considered “over-income” and will not be considered income-eligible for units subject to any regulatory restrictions and/or guidelines.

## 8.3 RECERTIFICATION

A re-determination of eligibility (recertification) shall be made by the Management Company at least once a year. Information required to be furnished by Resident for such determination includes, but is not limited to, income and asset verification and names and ages of household members. Resident agrees via the lease that all information provided to Landlord shall be true, complete, and correct to the best of his/her knowledge. Failure to provide eligibility information, or providing false or misleading information, may result in the termination of his/her occupancy.

The Property Manager will maintain a “tickler file” for any applicable annual recertifications to ensure that processing is completed in a timely manner. Recertifications will also be performed by CalHFA as the subsidy provider. If, upon recertification, the resident's household income either increases or exceeds the project's applicable income limits as programmatically determined, the tenant portion of the rent will be adjusted accordingly and a lease addendum executed. All income regulations including over-income guidelines are included in the lease for recertification purposes. If a resident is determined to be no longer eligible for the program and regulation and law requires and allows the resident to vacate the unit, the owner will be notified and proper notice will be given based on applicable laws and regulation.

## 8.4 CONFIDENTIALITY

The Management Company shall maintain strict confidentiality when determining eligibility or during residency. Income information, programmatic compliance, and other confidential information will only be shared with appropriate agencies after applicant/resident consent is provided.

## **9. SUPPORTIVE SERVICES & RESIDENTIAL COORDINATION PLAN**

The Management Company will collaborate with the resident services staff and Case Managers in an effort to improve the quality of life for residents and promote housing retention. To this end, the Management Company will communicate tenant issues such as late rent payments, behavioral issues, safety issues, etc. to the resident service staff and Case Managers in real-time and through direct written referral, regular meetings (weekly or biweekly or as needed) so that services staff can apply clinical interventions, connect to resources, and/or provide residential support as needed.

This integration between property management and supportive services is a critical component of our model for successful community building. The housing provided at the Property addresses the need for

service-enriched, affordable housing. The services provided by our lead service provider focus on long-term healing, wellness, and economic independence.

#### 9.1 LEAD SERVICE PROVIDER

The lead supportive service provider in the building will be the in-house supportive service provider primarily dedicated to low-income populations, including homeless and at-risk individuals and families.

#### 9.2 HOUSING FIRST PHILOSOPHY

The Management company and Lead Service Provider integrates the Housing First model within its projects, which ensures low barriers for admission and not having preconditions for entry - meaning there are no requirements for sobriety time, for having an income, for service participation/treatment, etc. The Management Company and Lead Service Provider are skilled in engaging residents, to include those who are vulnerable, and ensures comprehensive services are offered so that the model is not “Housing Only”. Participation in services is continually offered and abstinence or harm reduction will be encouraged. Appropriate clinical interventions are utilized to address any issues that may jeopardize their housing.

#### 9.3 COMMUNITY COLLABORATION

To ensure community collaboration and access to resources, the Management Company and Lead Service Provider will work with the City of Costa Mesa, the County of Orange, and the OCRC. For the Lead Service Provider, it is not only about asking the community to help, it is about ensuring the Lead Service Provider contributes to the communities in which the agency is located and to the solutions that will address poverty, meet housing needs, and end homelessness. The Lead Service Provider will collaborate with community partners to both engage residents in need of housing provided by this project and leverage resources to provide services.

The Property Manager and Lead Service Provider will collaborate to determine the appropriate schedule of services and activities for resident’s needs. While each resident will be encouraged to have a case management plan, HUD rules and Housing First practices prohibit denial of housing to individuals who do not participate in services. The Lead Service Provider and, if applicable, other leveraged staff, will collaborate to offer services and other activities to encourage all to engage in the therapeutic community environment.

If additional support is needed beyond the schedule of the Case Managers, then the Lead Service Provider will provide secondary case management services for emergencies or after- hours issues through the Lead Service Provider on-site or on-call staff. All residents will have a phone number for 24/7 response in case of crisis or decompensation.

#### 9.4 RESIDENT RETENTION

For residents who exhibit behaviors that can jeopardize their housing stability, The Management Company and Lead Service Provider will work collaboratively to support the resident in retaining housing. The Housing Retention Action Plan described above is a tool that sets clear expectations and details the role of each party for addressing lease violations and behavior issues. Furthermore, a tenant-specific Retention Plan outlining the factors jeopardizing housing retention, strengths and resources to support the tenant, and action steps may also be created with the resident.

