

Chair

Nancy Bird

Vice Chair

Mark Hall

Commissioners

Tom McGann

John Baenen

Chris Bolin

Trae Lohse

Sarah Trumblee

City Planner

Kevin Johnson

**PLANNING COMMISSION REGULAR MEETING
July 13, 2021 AT 6:45 PM
CORDOVA CENTER COMMUNITY ROOMS A & B**

AGENDA

1. CALL TO ORDER

2. ROLL CALL

Chair Nancy Bird, Commissioners Tom McGann, John Baenen, Chris Bolin, Trae Lohse, Mark Hall, and Sarah Trumblee

3. APPROVAL OF AGENDA

4. APPROVAL OF CONSENT CALENDAR

- a. Record excused absence for John Baenen and Trae Lohse from the June 10, 2021 Regular Meeting

5. DISCLOSURES OF CONFLICTS OF INTEREST AND EX PARTE COMMUNICATIONS

6. CORRESPONDENCE

7. COMMUNICATIONS BY AND PETITIONS FROM VISITORS

- a. Guest Speakers
b. Audience comments regarding agenda items (3 minutes per speaker)

8. PLANNER'S REPORTPage 1

9. NEW/MISCELLANEOUS BUSINESS

- a. Conditional Use Permit for Townhouse and zero lot line developments on Lot 8A, Block 5 Vina Young Subdivision Page 2

10. PENDING CALENDAR

- a. July 2021 CalendarPage 41
b. August 2021 Calendar.....Page 42

11. AUDIENCE COMMENTS

12. COMMISSION COMMENTS

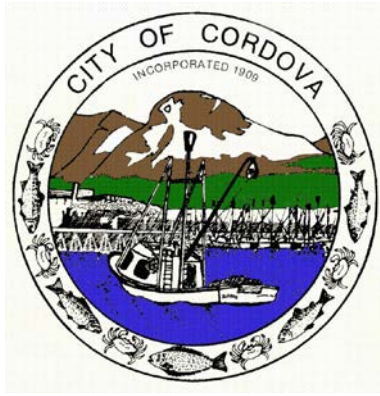
13. ADJOURNMENT

If you would like to participate telephonically please contact the Planning Department for call-in information.

Planner's Report

To: Planning Commission
From: Planning Staff
Date: 7/13/21
Re: Recent Activities and Updates

- Heavy traffic from public with misc. planning questions, i.e., subdivisions, permits, maps, zoning, property purchasing, etc.
- Starting RFP for Lot 11 Block 5, Odiak Park subdivision
- Waiting on signatures for Peterson plat and Beedle plat
- Researching property issues and easements
- Finalized lease and use plan sent to FEMA approval for the 5-mile garden for the Native conservancy.
- Craig Kuntz land purchase agreement signed-next step plat and deed
- 3 new building permits issued;2 renewed YTD 18.'
- Land disposal summary from 6/10 meeting will be on 8/10 meeting.



AGENDA ITEM # 9a

Planning Commission Meeting Date: 7/13/21

PLANNING COMMISSION COMMUNICATION FORM

FROM: Planning Staff

DATE: 7/13/21

ITEM: Conditional Use Permit for Townhouse and zero lot line developments on Lot 8A, Block 5 Vina Young Subdivision

NEXT STEP: Review Conditional Use Permit Application

☐ INFORMATION
☒ MOTION
☐ RESOLUTION

I. REQUEST OR ISSUE:

Requested Actions: Conditional Use Permit for Townhouse and zero lot line developments
Applicant: Swell, LLC
Legal Description: Lot 8A, Block 5 Vina Young Subdivision
Zoning: Low Density Residential
Attachments: Attachment A - Location Map
Attachment B - Application Material
Attachment C - City Attorney review of management plan and agreement

II. RECOMMENDED ACTION / NEXT STEP:

“I move to approve the conditional use permit request by Swell, LLC for Townhouse and zero lot line development on Lot 8A, Block 5 Vina Young Subdivision as described in the application and to adopt and incorporate the findings and special conditions contained in the staff report.”

Staff recommends the Planning Commission grant the Conditional Use Permit as described in the application and to adopt and incorporate the findings and special conditions contained in the staff report.

III. FISCAL IMPACTS:

The new development will generate revenue from property tax and sales tax. Revenue will also be generated for the water, sewer and refuse enterprise departments.

IV. BACKGROUND INFORMATION:

This property is located at 1215 Lake Avenue and has been used as a single-family resident. The lot size is 1.9 acres. Multifamily dwellings are not a permitted use in the Low-Density Residential District. Town houses require a conditional use permit in all residential district. The applicant is requesting to build a 15-unit townhouse development on a 1.9-acre lot in a low-density residential district which requires a Conditional Use Permit (CUP).

Cordova Municipal Code

Chapter 18.20 R LOW DENSITY RESIDENCE DISTRICT

18.20.010 Permitted uses.

The following uses are permitted in the R low-density district:

- A. *One-family, two-family and three-family dwellings.*
- B. *Boardinghouses.*
- C. *Truck gardening, the raising of bush and tree crops, flower gardening, and the use of greenhouses.*
- D. *Home occupations.*
- E. *Accessory buildings and uses not used or operated for gain and not including guest houses or accessory living quarters.*
- F. *Required off-street parking.*

Chapter 18.60 – Conditional Use Permits.

18.60.010 - Purpose.

It is recognized that there are some uses and associated structures which may be compatible with designated principal uses in specific zoning districts provided certain conditions are met. The conditional use permit procedure is intended to allow flexibility in the consideration of the proposed use on surrounding property if the proposed use is in harmony with the various elements or objectives of the comprehensive city plan and the zoning district. The conditional use permit process provides the opportunity to apply conditions of controls and safeguards to ensure that the proposed use will be compatible with the surroundings.

Conditional Use Standards - 18.60.020 (B)

1. *The use is consistent with the purpose of this chapter (Chapter 18.60 – Conditional Use Permits) and is compatible with the zoning district and the comprehensive plan.*

This condition is met.

Within the purpose of chapter 18.60 it is recognized that there are uses and structures that are compatible with zoning district but may not be expressly permitted. The conditional use permitting process is designed to provide flexibility to allow these types of uses to occur within a district. This development will occur on 1.9 acres allowing for the buildings to be set back from Lake Avenue, providing adequate open space and to meet setbacks, and the complex will include a playground and BQ area for families. All important components of residential neighborhoods. The structure and use being requested is residential and is in harmony with the low-density zoning district, meeting the intent of the chapter 18.60 conditional purpose.

The 2019 Comprehensive Plan has identified the lack of affordable housing as one of the key issues for Cordova. The goal for the housing section in the comprehensive plan is to increase the supply of affordable housing that address the needs of all residents. This development encompasses a larger population base than many of the other low-income housing opportunities and is geared towards the service industry wage range. This development is targeting incomes less than 60% of Cordova's median income. Cordova median income is \$103,500. A couple earning \$51,480 or less would qualify for the housing. A couple with 2 children could earn \$64,320 or less and still qualify for the housing. The units will be 2- and 3-bedroom units. Two-bedroom rents will start at \$620 and go up to \$1,344 per month. Three-bedroom units will rent for \$1,550. All utilities except electricity are included in the rent. This meets the 18.60 conditional use purpose of being in harmony with the various elements or objectives of the comprehensive city plan.

In the Comprehensive Plan's Future Land Use Map, this property is located "In-Town Residential" This area is described as primarily residential with compatible public, and commercial uses. This development is compatible with this land use concept.

2. The use will not permanently or substantially injure the lawful use of neighboring properties.

This condition is met.

The existing neighborhood is made up of a variety of one, two, three and multifamily family housing units. The proposed use and buildings are residential. The proposed property will have an onsite manager who is responsible to implement maintenance of both buildings and yards. The tax base credit program requires that all buildings be inspected annually by Alaska housing finance corporation and representatives of tax credit investors for compliance with codes and maintenance. This will ensure that the use stays residential and the property is well maintained. This use will not permanently or substantially injure the lawful use of neighboring properties.

All the property owners within 300 feet of the property boundaries have received notice of the CUP request and have the opportunity to voice concerns at the Public Hearing or provide correspondence.

3. Public services and facilities are adequate to serve the proposed use.

This condition is met.

Water, sewer and refuse have adequate facilities and infrastructure to meet the needs of this development.

There is a fire hydrant within 100 feet of the driveway and the existing public safety staff is adequate to serve the additional housing units.

4. *The proposed use will not have a permanent negative impact on pedestrian and vehicular traffic circulation and safety substantially greater than that anticipated from permitted development.*

This condition is met.

If the existing property were to be subdivided by today's code requirements, the subdivision would create approximately the same or more 4,000 square foot lots, which is the minimum lot size requirement for low density residential. The subdivided lots could be per code 1, 2 or 3 family dwellings. In summary the existing allowable permitted development could potentially allow for more vehicle traffic to the area. This development will not have a permanent negative impact on pedestrian and vehicular traffic circulation and safety substantially greater than that anticipated from permitted development.

5. *The proposed use will not adversely affect the public's safety, health, or general welfare.*

This condition is met.

The proposed housing units will be built to the current International Building Codes and be required to have Fire, Life and Safety approval from State Fire Marshal. The public services such as water, sewer, police, fire and refuse are available for the proposed site. These requirements and services promote public health, safety and general welfare.

Conditional Use Standards for Townhomes and Zero Lot Line Developments – 18.60.050

- A. *That the proposed dwelling group will constitute a residential environment of sustained desirability and stability, that it will be in harmony with the character of the surrounding neighborhood, and it will result in an intensity of land utilization no higher, and standard of open space at least as high, as permitted or specified in this chapter in the district in which the proposed dwelling is to be located,*

This condition is met.

The proposed development is a residential development that includes a playground, BQ area and garages which are desirable residential qualities and are in harmony with the character of the surrounding residential neighborhood. Professional property management and an onsite manager will sustain the desirability and stability of the property as a residential neighborhood.

If the existing property were to be subdivided by today's low-density residential district requirements the new subdivision would create approximately the same or more buildable lots. All or any of these lots could be 1, 2 or 3 family dwellings. The 15 unit proposed development will allow for more open space and meets or exceed set back regulations and will not result in an intensity of land utilization higher than is permitted.

- B. *That the tract of land on which the dwelling group is to be erected comprises a minimum of sixteen hundred square feet per dwelling unit for each dwelling unit within the proposed development,*

This condition is met.

The property is 1.9 acres, allowing for approximately 5,500 square feet per dwelling unit.

C. That the buildings are to be used only for residential purposes and the customary accessory uses, such as garages, storage spaces and recreational and community activities,

This condition is met.

The proposed 15-unit development is being built in conjunction Swell LLC, Low-Income Housing Tax Credit program and Alaska Housing Finance Corporation. The development is required to be used for residential purposes only by these programs.

D. That these are provided, as part of the proposed development, adequate recreation areas to serve the needs of the anticipated population,

This condition is met.

The proposed development is geared towards families and includes a playground and BQ/picnic area for the residents. There will be open space surrounding the property for recreation.

E. That off-street parking be provided on the basis of two parking spaces for each dwelling unit within the development. This requirement may be fulfilled by either two parking spaces adjacent to the dwelling unit or a parking area adequate to accommodate the total development parking requirement at a location conveniently located to all the dwelling units within the development,

This condition is met.

Each unit will have two parking spaces: a single car garage and an outside parking spot. There will also be onsite parking for visitors.

F. That the developer furnish the planning and zoning commission with two copies of the homeowners agreement which will cover such areas as property maintenance, dwelling unit maintenance and upkeep, etc. Only copy will be forwarded to the city attorney for his review and comments,

This condition is met.

The company has provided a sample management agreement and management plan. These are included in the attachments. These agreements ensure that property maintenance, dwelling unit maintenance and upkeep will be done. Operation and maintenance standards listed and annual inspections by the company and its partners ensure that they are upheld. The city attorney has reviewed the documents and determined that this condition has been satisfied.

G. That the development will not produce a volume of traffic in excess of the capacity for which the access streets were designed,

This condition is met.

The proposed development will not provide a volume of traffic that is in excess of Lake Avenue or Lefevre designed capacity. Lake Avenue is a state-owned road with two-way traffic and sidewalk on the south side from Lefevre to the corner of Second Street. Lefevre runs north and south and provides access from the Copper River Highway to Lake Avenue. Lefevre is a two-lane road with sidewalk on the west side of the road, from the intersection of Chase to Lake Avenue. The section from the Copper Highway to Chase Avenue does not have a sidewalk. These roads were designed to provide access to neighborhoods, Power Creek road and Copper River Highway. The addition of vehicle traffic from the proposed development while it will increase traffic to the area it should not exceed the design capabilities.

H. That the property adjacent to the proposed dwelling group will not be adversely affected,

This condition is met.

The adjacent properties of the proposed development will not be adversely affected. The neighborhood is made up of one, two, three and multi-family units. The required property management and on-site manager will ensure that the units are well maintained and kept up.

I. That such dwelling group shall only be located on a district which permits residential use,

This condition is met.

The requested development is in low density residential district.

J. That the proposed town house development will be consistent with the intent and purpose of this title to promote public health, safety and general welfare.

This condition is met.

The proposed housing units will be built to the current International Building Code and required to have Fire, Life and Safety approval from State Fire Marshal. The public services such as water, sewer, police, fire and refuse are available for the proposed site. These requirements and services promote public health, safety and general welfare.

Special Conditions:

This proposed housing is a Low-Income Housing Tax Credit project. The project must compete with other projects throughout the State for funding. Anticipated announcement of award is January 2022. If awarded, the construction is slated to start in June 2022 and will be completed a year later.

1. Swell LLC will follow this timeline for implementation of the CUP project. Notification of award January 2022, construction June 2022, and Residential use June of 2023.

Additional Special Conditions may be added by the commission.

VI. LEGAL ISSUES:

None currently.

VII. CONFLICTS OR ENVIRONMENTAL ISSUES:

N/A

VIII. SUMMARY AND ALTERNATIVES:

The Planning Commission may grant or deny the Conditional Use Permit and add or delete conditions.

Location Map



CITY OF CORDOVA



CONDITIONAL USE PERMIT APPLICATION

City of Cordova, Alaska

INSTRUCTIONS	PERMIT TYPE	FEE
Print or type requested information. Incomplete applications will be returned to the applicant and will delay processing of the request. Applications must be received by the Planning Department 21 days prior to the next Planning Commission Regular Meeting, which is scheduled the second Tuesday of each month.	Conditional Use Permit	\$250

APPLICANT INFORMATION	
Name:	Swell, LLC
Mailing Address:	1113 West Fireweed Lane, #202
City/State/Zip:	Anchorage, Alaska 99503
Phone Number:	(907) 277-2663
Email Address:	glenn.gellert@gmail.com

OWNER INFORMATION	
Name:	Swell, LLC or assigns
Mailing Address:	1113 West Fireweed Lane, #202
City/State/Zip:	Anchorage, Alaska 99503
Phone Number:	(907) 277-2663
Email Address:	glenn.gellert@gmail.com
Only complete this section if owner is different from applicant.	

PROPERTY INFORMATION	
Address:	1215 Lake Avenue
Legal Description:	Lot 8A, Block 5, V. Young Sub, plat #2016-9, Cordova Recording Dist.
Tax Lot No.:	02-072-597
Zone District:	Low Density Residential District
Planning Department can assist if unknown.	

REQUEST DESCRIPTION

Please describe your requested conditional use in detail as well as the proposed time frame for the new use.

We propose construction of 15 units of townhouse style multi-family rental housing which will target tenants making 60% or less of median income. Currently, Cordova has many sub standard housing units. A lot of tenants are living in trailers which have significant health and safety issues. Our housing is designed to target Cordova tenants who are working in the service sector and are unable to afford better living conditions. We plan to build 2 and 3 bedroom apartments which will each have single car garages. Two bedroom rents will start at \$620 and go up to \$1,344 per month. Three bedroom units will rent for \$1,550. Tenants will pay for their own lights and refrigerator electricity while we will pay for heat and water/sewer/garbage.

This proposed housing is a Low Income Housing Tax Credit project. We compete with other projects throughout the State for funding. We expect to hear if we have won in January 2022. Construction is slated to start in June 2022 and will be completed a year later.

You may add any additional documents which will help the Planning Commission better understand the request, such as a cover letter, drawings, maps, or photographs.

CONDITIONAL USE STANDARDS

The Planning Commission may only approve the conditional use if the commission finds that **ALL** of the following standards are met. You must include a statement and adequate evidence showing that each of the standards has been met. Use additional pages if needed.

The use is consistent with the purpose of this chapter (Chapter 18.60 - Conditional Use Permits) and is compatible with the zoning district and the comprehensive plan.

Our proposed project meets the conditional use parameters spelled out in section 18.60.050 of the Cordova building code related to multifamily housing development in a low density residential district. Our housing is replacing a rental property and is in close proximity to other multi family properties (9th and Lake Ave.). The proposed project design leaves plenty of open space on the 1.9 acre site as there is 5,517 square feet of land per dwelling unit, which is well in excess of the 1,600 square feet required. All structures will be dedicated to residential use. As this is a family housing development, a playground and picnic area will be included which will all be ADA accessible. Each tenant will have two parking spaces - the garage space and then an additional space outside the garage. There will also be additional visitor spaces and snow storage space. The property manager will be North Star Property Management, who currently manages Cordova Mews. Mike Chevalier, the principal of North Star, is a partner in this development. Through hands-on property management, neighbors will not be negatively impacted by this housing.

The use will not permanently or substantially injure the lawful use of neighboring properties.

We have put similar housing in many places throughout the State including Kodiak, Anchorage, Homer, Juneau and Fairbanks. Many times we have built in high end neighborhoods like Turnagain in Anchorage and Doyon Estates in Fairbanks. Our properties have always been well received once they are operational because they are built to the standards of the neighborhood or better and they are more strictly managed than market rate rental housing (see included pics). Not only are our projects professionally managed with an on-site manager but they are inspected annually by Alaska Housing Finance Corporation as well as representatives of the tax credit investors. Any violations can have catastrophic consequences and potentially lead to a revocation of the tax credits. Tax credits pay for 85% of the development costs or over \$7 million in this case so there is tremendous incentive to keep the projects running well.

Public services and facilities are adequate to serve the proposed use.

This property is served by both public water and sewer, and our understanding is that these systems are adequate to handle the additional units we are proposing. Our tenants have a park and lake to enjoy across Lake Avenue, and the school and other services are within walking distance.

The proposed use will not have a permanent negative impact on pedestrian and vehicular traffic circulation and safety substantially greater than that anticipated from permitted development.

In our experience tax credit housing typically has a smaller impact on traffic than market rate projects because tenants we target at these income levels have fewer automobiles. I wouldn't expect our housing to impact traffic anymore than the neighboring multifamily housing. In fact I would argue that our impact will be less because this housing is located a bit farther out of town and there is considerably less traffic beyond our property. The housing is located far away from Lake Street so pedestrian/auto conflicts along Lake Street should be minimal.

The proposed use will not adversely affect the public's safety, health, or general welfare.

Our housing is designed and structured to improve the overall health of communities that we serve. Many small communities in Alaska, like Cordova, are losing population because young people can not afford to live there anymore. Affordable housing like ours allows tenants to stabilize their lives and focus on work and family. This housing also makes it easier for young people to build up savings so that they can eventually buy their own house.

Finally, our housing caters to tenants with physical and mental disabilities as well as those that might be living in a transitional housing arrangement. We believe that everyone is entitled to clean, safe, affordable housing and we are anxious to bring our housing to Cordova.

OTHER CONDITIONAL USE REQUIREMENTS

Any application approved by the planning commission shall be conditional upon the privilege granted being utilized within six (6) months after the effective date of approval.

Plot plan is required. The plot plan needs to be drawn to scale, showing the location of all existing and proposed buildings or improvements, elevations of such buildings or alterations, and off-street parking areas.

The City Planning Commission shall have the authority to impose such conditions and safeguards as it deems necessary to protect the best interests of the surrounding property or neighborhood and the Comprehensive City Plan and zoning ordinance.

If applicant is not the owner of the subject lot, the owner's signed authorization granting applicant the authority to (a) apply for the conditional use permit and (b) bind the owner to the terms of the conditional use permit, if granted.

Some conditional uses (telecommunication tower, marijuana establishments, junkyards, and others) are subject to additional requirements in Chapter 18.60 of the Cordova Municipal Code.

APPLICANT CERTIFICATION

By the signature attached hereto, I certify that I am the owner or duly authorized owner's agent and that the information provided within this application and accompanying documentation is correct. Furthermore, I hereby authorize the City and its representatives to enter the property associated with this application for purposes of conducting site inspections.

Applicant Signature: 

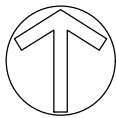
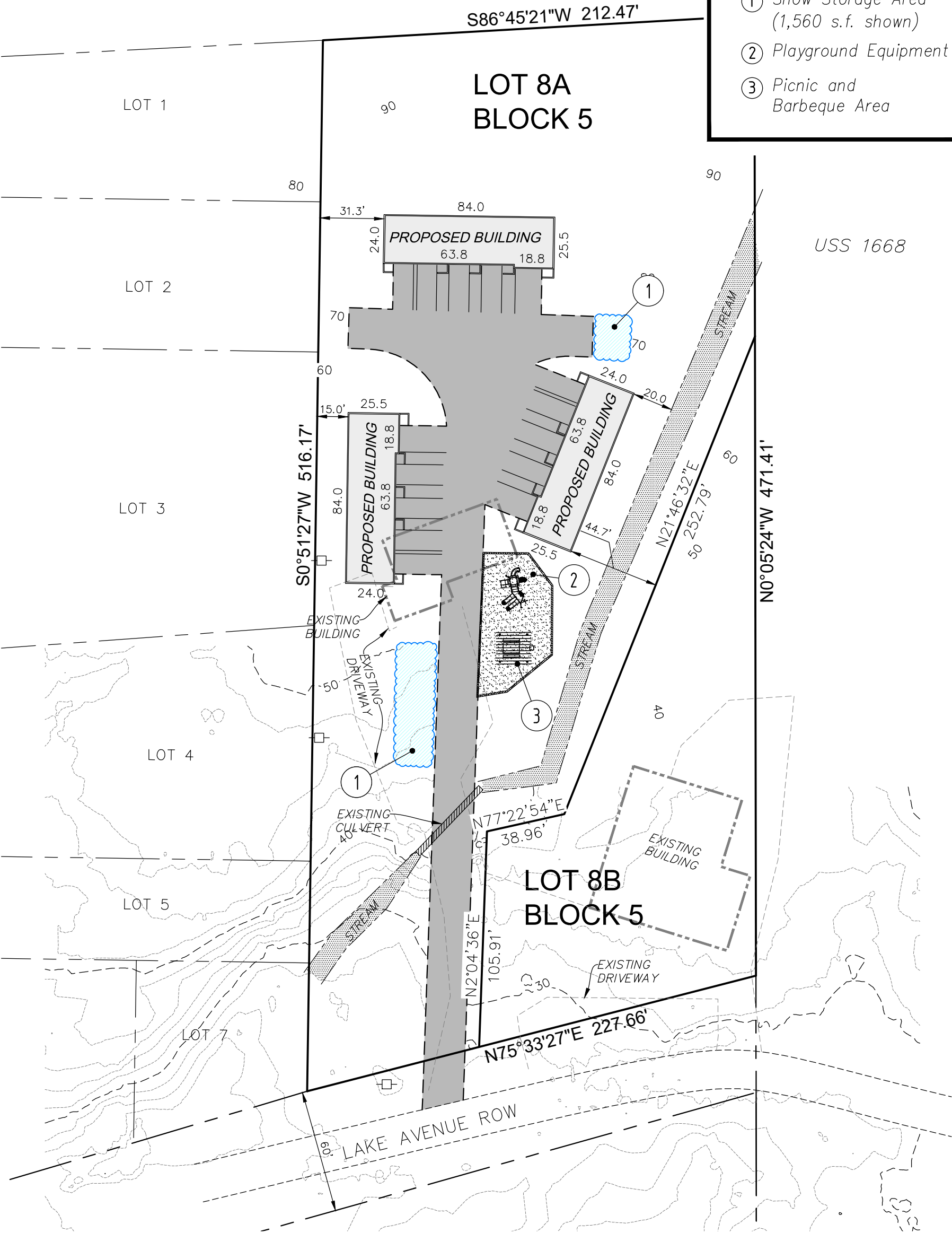
Date: 6-7-21

Print Name: Glenn Gellert

USS 1765

Site Plan Amenities

- ① Snow Storage Area (1,560 s.f. shown)
- ② Playground Equipment
- ③ Picnic and Barbeque Area



LEGEND

- PROPOSED GRAVEL DRIVEWAY
- 80--- CONTOUR ELEVATION (10' INTERVAL)
- 80--- CONTOUR ELEVATION (2' INTERVAL)
- POWER POLE

- NOTES:
- 1. THIS PLOT PLAN WAS PREPARED BASED ON RECORD INFORMATION AND ASBUILT DATA SHOW ON PLAT 2016-9. NO FIELD SURVEY WAS PERFORMED.
 - 2. NO BUILDINGS MAY EXCEED 35 FEET IN HEIGHT.



PLOT PLAN
LOT 8A , BLOCK 5
V. YOUNG SUBD

PER PLAT 2016-9, CORDOVA RECORDING DISTRICT, LOCATED IN NW¹/₄ SECTION 27, T15S., R3W., COPPER RIVER MERIDIAN, STATE OF ALASKA

Scale: 1"=50'
Checked: GG
Drawn: TH
FB/Page: N/A
Date: 6/6/2021
Plat: 2019-9, C.R.D.

The Boutet Company, Inc.
601 E. 57th Place, #102
Anchorage, AK 99518
Ph. 907-522-6776
Fx. 907-522-6779
License No. AECC957

[NAME] MANAGEMENT AGREEMENT MULTIPLE FAMILY HOUSING PROJECT

This Agreement is made this 1st day of _____, 20__ between [NAME] Apartments, LLC, an Alaska limited liability company (the "Owner"), and North Star Management, LLC, (the "Agent") under the terms and conditions set forth herein.

I. General

A. Appointment and Acceptance. The Owner appoints the Agent as exclusive agent for the management of the property described in paragraph I B of this Agreement, and the Agent accepts the appointment, subject to the terms and conditions set forth in this Agreement.

B. Project Description. The property to be managed by the Agent under this Agreement (the "Project") is a housing development consisting of the land, buildings, and other improvements. The Project is further described as follows:

Name: [NAME] Apartments

Location: Cordova, Alaska Borough: Valdez-Cordova Census Area

No. of dwelling units: 15 Type of Units: Family

C. Owner and Agent Business Addresses.

Owner: [NAME] Apartments, LLC
c/o [NAME] Partners, LLC
[ADDRESS]
[ADDRESS]

Agent: North Star Management, LLC.
1209 Pacific Avenue, P.O. Box 188
Benson, MN 56215-0188

D. Definitions. As used in this Agreement:

1. "Principal Parties": Owner and the Agent.
2. "Agent": Person or business entity, including employees at the Agent's office and project site, engaged in the task of providing management of a low income housing tax credit equity financed multifamily housing project in contractual arrangement with the Owner.
3. "AHFC": Shall mean Alaska Housing Finance Corporation.
4. "LIHTC": Shall mean Low Income Housing Tax Credits Program, administered by AHFC, and shall include the applicable Land Use Restriction Agreement ("LURA").
5. "Limited Partner": Shall mean [LIMITED PARTNER] or its affiliate.
6. "Code": Shall refer to the Internal Revenue Code.

E. Identity of Interest. The Agent discloses or will disclose to the Owner any and all identities of interest that exist or will exist between the Agent and the Owner, suppliers of material and/or services, or vendors in any combination of relationship.

F. LIHTC Requirements. In performing its duties under this management agreement, the Agent will comply with all relevant requirements of LIHTC. LIHTC requirements include but are not limited to preparation of forms and reports in the formats required by AHFC and the Limited Partner.

- G. Basic Information. If for new construction, the Owner will furnish the Agent with a complete set of "as built" plans and specifications and copies of all guarantees and warranties relevant to construction, fixtures, and equipment. With the aid of this information and inspection by competent personnel, the Agent will become thoroughly familiar with the character, location, construction, layout, plan and operation of the project, and especially with the physical plant.
- H. Compliance with Governmental Orders. The Agent will take such action as necessary to comply promptly with any and all governmental orders or other requirements affecting the Project, whether imposed by federal, state, county or municipal authority, subject, however, to the limitation stated in paragraph IV D of this Agreement with respect to litigation and repairs. Nevertheless, the Agent shall take no action so long as the Owner is contesting, or has affirmed its intention to contest, any such order or requirement. The Agent will notify the Owner in writing of all notices of such orders or other requirements, within seventy-two (72) hours from the time of their receipt.
- I. In the performance of its obligations under this Agreement, the Agent will comply with the provisions of any applicable Federal, State or local Fair Housing laws prohibiting discrimination in housing on the grounds of race, color, religion, sex, familial status, national origin, physical or mental disability, age or marital status.
- J. Fidelity Coverage. The Agent agrees to furnish, at its own expense, fidelity coverage to the Owner on the employees of the Agent who are entrusted with the receipt, custody, and disbursement of any project moneys, securities, or readily saleable property other than money or securities. Coverage of [CALCULATED COVERAGE] will be provided. The Agent will obtain coverage from a company licensed to provide coverage in the project locality. Coverage will be in force to coincide with the assumption of fiscal responsibility by the Agent until that responsibility is relinquished. The other terms and conditions of the coverage, and the surety thereon, will be subject to the requirements and approval of the owner.
- K. Bids, Discounts, Rebates, etc. The Agent will obtain contracts, materials, supplies, utilities, and services on the most advantageous terms to the Project, and is authorized to solicit bids, either formal or informal. The Agent will secure and credit to the Owner all discounts, rebates, or commissions obtainable with respect to purchases, service contracts, and all other transactions on the Owner's behalf.

II. Management Plan.

- A. Description. Attached is a copy of the Management Plan for the Project, which provides a comprehensive and detailed description of the policies and procedures to be followed in the management of the project.
- B. Relationship with Management Plan. The Agent shall conduct its management activities in accordance with the policies and procedures set forth in the Management Plan.
- C. Division of Duties and Common Expense. An identification of duties and supervisory relationship for project site staff and Agent's office staff are described in the Management Plan as is the pro rata division of singularly incurred operating expense common to the Agent and the Owner.

III. Budgets.

- A. Preparation. Not less than 60 days prior to the end of each fiscal year, the Agent shall prepare and submit to Owner a new budget for the following year. Owner shall review and either approve or require changes to the proposed budget in a

timely manner, not to exceed 15 days from the date of submission to Owner. If Owner fails to act on the budget within 15 days, it shall be considered approved by Owner.

- B. Budget Categories. Unless agreed otherwise, the operating budget shall be prepared using the format and categories acceptable to the Owner and Agent.

IV. Agent's Authorizations.

The Owner authorizes the Agent to:

- A. Operate the project according to this Agreement, the Management Plan and the Owner's Operating Agreement, and in compliance with Owner's loan agreements, if any, with the LURA, and with applicable LIHTC and AHFC regulations and guidelines.
- B. Operate and maintain the project within reasonable tolerance of the expense category subtotals in the project budget.
- C. Purchase all material, equipment, tools, appliances, supplies and services necessary for proper maintenance and repair of the project as stipulated by the Owner in the Management Plan, project budget, and/or other form of written documentation.
- D. Notwithstanding any of the foregoing provisions or any similar provisions that follow, the prior written approval of the Owner will be required for any expenditure for which funds from the replacement reserves are proposed to be used. Requests for expenditure of replacement reserves must include an explanation of the need for the expenditure and written bids. The prior written consent of Owner shall also be required for any expenditure which exceeds Three Thousand Dollars (\$3,000.00) in any one instance for litigation involving the project, or labor, materials, or otherwise in connection with the maintenance and repair of the project. This limitation is not applicable for recurring expenses within the limits of the operating budget, which has been approved by the Owner, or emergency repairs involving manifest danger to persons or property, or that are required to avoid suspension of any necessary service to the project. In the latter event, the Agent will inform the Owner of the facts as promptly as possible.
- E. Represent the Owner in specific matters related to management of the project.

V. Agent's Obligations.

- A. Marketing. The Agent will market the rental units according to the Management Plan and any requirements of AHFC, and maintain records of the marketing activity for compliance review purposes.
- B. Rentals. The Agent will offer for rent and will endeavor to rent the dwelling units in the Project. The following provisions will apply:
 - 1. The Agent will follow the tenant selection policy described in the Management Plan or Tenant Selection Policy.
 - 2. The Agent will show the premises and available units to all prospective tenants without regard to race, color, national origin, sex, religion, familial status, pregnancy, sexual orientation, gender identity, parenthood, retaliation, physical or mental disability, age, or marital status; and will provide for reasonable accommodation to individuals with handicaps.

3. The Agent will accept and process all applications for rentals. If an application is rejected, the Agent will inform the applicant in writing of the reason for rejection. The rejected application, with the reason for rejection noted thereon, will be kept on file until a compliance review has been conducted. If the rejection is because of information obtained from a credit bureau, the source of the report must be revealed to the applicant according to the Fair Credit Reporting Act. A current list of qualified applicants will be maintained.
 4. The Agent will prepare all dwelling leases and related documents, and will execute the same as Agent for the Owner. The terms of all leases, including rents, will comply with the relevant provisions of LIHTC and AHFC regulations as well as State and local law. Dwelling leases will be in a form approved by the Owner and AHFC.
 5. The Owner will furnish the Agent with rent and income report forms required by LIHTC and AHFC, showing rents as appropriate for dwelling units, other charges for facilities and services, and income data relevant to determinations of tenant eligibility and tenant rents. In no event will the rents and other charges be exceeded.
 6. The Agent will counsel all prospective tenants regarding eligibility and will prepare and verify eligibility certifications and recertifications in accordance with LIHTC and AHFC requirements.
- C. Reports. The Agent will furnish information (including occupancy reports) as may be requested by the Owner (including Limited Partner) and AHFC, from time to time with respect to the project's financial, physical, or operational condition.
- The Agent will prepare for the Owner's approval all additional reporting forms and data prescribed by LIHTC and AHFC, affecting the operation and maintenance of the project. The Agent will submit to the Owner, including the Limited Partner, all quarterly and annual unaudited financial reports required by the Owner and Limited Partner, and shall provide to the project accountant all information required by the accountant for the accountant's preparation of audited annual financial reports (if any) and tax returns. All monthly reports shall include calculation of management fee.
- D. Collection of Rents, Security Deposits and Other Receipts. The Agent will collect when due all rents, charges, and other amounts receivable on the Owner's account in connection with the management and operation of the Project. Such receipts will be deposited immediately in the project's General Operating Account with a major banking institution that maintains a branch office in [Cordova], Alaska whose deposits are insured by an agency of the Federal Government. The Agent will also collect, deposit, and disburse security deposits, if required, in compliance with any State or local laws governing tenant security deposits. Security deposits will be deposited by the Agent in a separate account, at a federally insured institution. This account will be carried in the Owner's name and designated of record as "[NAME] Apartments, LLC Security Deposit Account." Agent will also maintain, on the Owner's account, a Replacement (Restricted) Reserve account in interest bearing accounts at an FDIC insured institution.
- E. Accounting System. The Agent must develop a systematic method to record the business transactions of the project that appropriately reflects the complexity of project operations and the Owner's requirements, in accordance with generally accepted accounting principles as prescribed by the project accountant. The financial reports will be prepared on an accrual basis. The accounts described in

Section VI of this agreement, as a minimum, will be established and regularly maintained by the Agent.

F. Enforcement of Leases. The Agent will endeavor to ensure full compliance by each tenant with the terms of the lease. Voluntary compliance will be emphasized. The Agent, using the services of local social service agencies when available, will counsel tenants and make referrals to community agencies in cases of financial hardship or other circumstances deemed appropriate by the Agent. Involuntary termination of tenancies should be avoided to the maximum extent consistent with sound management of the Project. Nevertheless, and subject to the relevant procedures prescribed in the Management Plan, the Agent may initiate action to terminate any tenancy when, in the Agent's judgment, there is material non-compliance with the lease or other good cause as prescribed by AHFC regulations (if any) for such termination. Attorney's fees and other necessary costs incurred in connection with such actions will be paid out of the General Operating Account as Project expenses within the itemized limit of the project budget.

G. Maintenance and Repair. The Agent will endeavor to maintain and repair the project in accordance with the Management Plan and local codes, and keep it in a condition acceptable to the Owner, limited partner and AHFC at all times. This will include, but is not limited to cleaning, painting, decorating, plumbing, carpentry, grounds care, energy conservation measures and practices; and such other maintenance and repair work as may be necessary, subject to any limitations imposed by the Owner in addition to those contained herein.

Incident thereto, the following provisions will apply:

1. Special attention will be given to preventive maintenance, and to the greatest extent feasible, the services of regular maintenance employees will be used.
2. The Agent will conduct price investigations and contract with qualified independent contractors acceptable to the Owner for the maintenance and repair of air-conditioning, heating systems and elevators, and for extraordinary repairs beyond the capability of regular maintenance employees.
3. The Agent will systematically receive and promptly investigate all service requests from tenants, take such action as may be justified, and keep records of the same. Emergency requests will be received and serviced on a twenty-four (24) hour basis. Serious complaints will be reported to the Owner after investigation.
4. The Agent will advise the Owner of any cost-effective and adaptable energy conservation measures or practices that should be used in the project. The Agent will encourage their use and will assist the Owner during any installation of these measures or institution of practices.

H. Utilities, Vendors and Services. In accordance with the Owner's Management Plan, the Agent will make arrangements for water, electricity, gas, fuel oil, sewage and trash disposal, vermin extermination, decorating, laundry facilities, and telephone service.

I. Insurance. The Owner will inform the Agent of insurance to be carried with respect to the Project and its operations, which at a minimum will include worker's compensation insurance and general liability insurance of at least \$1,000,000 per occurrence and \$2,000,000 aggregate, and \$4,000,000 general liability umbrella coverage, and the Agent will cause such insurance to be placed and kept in effect

at all times. The Agent will pay premiums out of the general operating account, and premiums will be treated as operating expenses. All insurance will be placed with companies, on conditions, in amounts, and with beneficial interests appearing thereon as shall be acceptable to the Owner, provided that the same will include public liability coverage, with the Agent designated as one of the insured, in amounts acceptable to the Agent as well as the Owner. The Agent will investigate and furnish the Owner with full reports on all accidents, claims, and potential claims for damage relating to the Project, and will cooperate with the Owner's insurers in connection therewith. The Agent shall at all times maintain its own insurance policies to cover Agent's management activities, including general liability, worker's compensation and fidelity coverage.

- J. Taxes, Fees and Assessments. The Agent shall provide for the payment from project funds all taxes, assessments, and government fees for the Owner promptly when due and payable. The Agent shall also evaluate local property taxes to determine if they bear a fair relationship to the project value and if they do not, at the direction of the Owner, appeal such taxes on behalf of the Owner or assist the Owner in the appeal, whichever is required by local jurisdiction or is appropriate.
- K. Debt Service. All debt service payments, if any, are paid promptly when due and payable. Owner shall provide Agent with a copy of relevant loan documents setting forth the payment amounts and schedules.
- L. Employees and/or Services. The Agent will employ persons and/or services to perform duties and responsibilities at the project site as described in the Management Plan. Compensation of such persons and/or services will be paid as a direct expense to the project as specified in the Management Plan and this agreement. The agent will employ sufficient resources (staff and/or services) within the Agent's operation to fulfill Agent's obligation to the Owner under the terms of this agreement. Agent will not employ any person as a direct employee of the Owner.
- M. Low-Income Housing Tax Credit Requirements. In addition to the other provisions contained herein, the Agent acknowledges that the Owner is required to use its best efforts to lease 100% of the residential rental housing units in the Project (based on ratio of apartment units or floor area of low-income units to non-low-income units, whichever is less) to tenants whose income and rent levels qualify such apartments for inclusion in determining federal low-income housing tax credits (the "Credits") for the Project pursuant to Section 42 of the Code, including the following requirements:
 - 1. The units in the Project must be occupied by individuals or families with incomes less than or equal to the income restrictions set forth in the LURA as a condition of the LIHTC allocation.
 - 2. The gross rent (including all utilities, but excluding HUD Section 8 or other rental assistance payments) for each housing unit may not exceed thirty percent (30%) of the qualifying income level for the tenant under number 1 above.

The Agent further acknowledges that obtaining the Credits will have substantial economic value to the Owner and its partners. The Agent is familiar with or will familiarize itself with the low income housing tax credit requirements as they relate to the Agent's leasing and management duties hereunder and shall use its best efforts to comply with such requirements and to the extent the Agent is unable to do so, the Agent shall promptly notify the Owner of such fact and the reasons therefore. Incident thereto, the following provisions shall apply:

- a) The Agent shall require each prospective tenant to certify, on the appropriate documents, the amount of such tenant's annual family income, family size, and any other information required to enable the Owner to obtain the credits or otherwise reasonably requested by the Owner. The Agent shall require tenants to certify in writing as to such matters on an annual basis, prior to such time as the information is required for reporting purposes.
- b) The Agent shall from time to time furnish the Owner with a written schedule of maximum rents for the apartments which complies with the requirements, for the Owner's (and any lender's if required) approval. Without the Owner's (or any lender's, if required) express written consent, the Agent shall not enter into any lease on behalf of the Owner at a rental amount exceeding the applicable maximum.
- c) The Agent shall maintain and preserve all written records of tenant family income and size, and any other information necessary to comply with the requirements or otherwise reasonably requested by the Owner throughout the term of this Agreement, and shall turn all such records over to the Owner upon the termination or expiration of this Agreement.
- d) If requested by the Owner, the Agent shall prepare reports of low-income leasing and occupancy and other matters related to the Agent's obligations hereunder and to the operation of the Project in form suitable for submission in connection with the credits and in compliance with the requirements.
- e) In no event will the Agent lease a restricted unit to a non-qualified tenant.

N. Meetings with Owner and Property Inspections. The Agent shall attend meetings with the Owner, or Owner's representative, at the project site as necessary.

O. Records. Agent shall maintain complete records of all transactions relating to the project and maintain files containing correspondence, maintenance and service contracts, payroll records and unpaid bills. The documents described herein shall be the property of the Owner and shall be available for inspection by Owner or its representative.

VI. Project Accounts. The Agent will maintain and safeguard the Owner's project financial accounts, reserve accounts and tenant security deposit accounts.

VII. Agent's Compensation, Tenure and Indemnification.

A. Agent's Compensation. The Agent will be compensated for its services for providing management described under this agreement, and the Owner's Management Plan, by monthly fees, to be paid from the general operating account and treated as a project operation and maintenance expenses. Such fees will be payable on the first day of each month for the preceding month. Each monthly fee will be in an amount computed as follows:

[PERCENTAGE] of gross rental income collected.

The costs incurred by the Agent for performing the specified services listed in this agreement shall be allocated to the Owner and Agent as outlined in the agreement, Management Plan, and project budget.

B. Term of Agreement. This Agreement shall be in effect for a period of not more than three years, beginning on the date first set forth above, subject, however, to the following conditions:

1. This Agreement may be terminated by either party at of the end of any calendar month; provided that at least sixty (60) days advance written notice thereof is given.
2. In the event that a petition in bankruptcy is filed by or against either of the Principal Parties, or in the event that either makes an assignment for the benefit of creditors or takes advantage of any insolvency act, the other party may terminate this Agreement without notice to the other.
3. Upon termination of this Agreement the Agent will submit to the Owner all project books and records and any financial statements required by AHFC and/or Owner (including Limited Partner), and all LIHTC and AHFC compliance records. After the Principal Parties have accounted to each other with respect to all matters outstanding as of the date of termination, the Owner will furnish the Agent security, in form and principal amount satisfactory to the Agent, against any obligations or liabilities, which the Agent may properly have incurred on behalf of the Owner hereunder.

C. Agent's Indemnification. Notwithstanding any provision of this Agreement or any obligation of Agent hereunder, it is understood and agreed: that Owner has assumed and will maintain its responsibility and obligation throughout the term of this Agreement for the finances and the financial stability of the project; and that Agent shall have no obligation, responsibility or liability to fund authorized project costs, expenses, or accounts other than those funds generated by the project itself or provided to the project or to Agent by Owner. In accordance with the foregoing, Owner agrees that Agent shall have the right at all times to secure payment of its compensation, as provided for under Paragraph VII A of this Agreement, from the Operating and Maintenance Account, immediately when such compensation is due and without regard to other project obligations or expenses provided the Agent has satisfactorily discharged all duties and responsibilities under this Agreement. Moreover, Owner hereby indemnifies Agent and agrees to hold it harmless with respect to project costs, expenses, accounts, liabilities and obligations during the term of this Agreement. Owner further agrees to guarantee to Agent the payment of its compensation under Paragraph VII A of this Agreement during the term of this Agreement to the extent that the project's Operation and Maintenance Account is insufficiently funded for this purpose. Failure of Owner at any time to abide by and to fulfill the foregoing shall be a breach of this Agreement entitling Agent to obtain from Owner, upon demand, full payment of all compensation owed to Agent through the date of such breach and entitling Agent, at its option, to terminate this Agreement forthwith.

VIII. Owner's Indemnification. As long as Owner has fully complied with its obligations under this Agreement, and in the event Agent negligently performs or fails to perform its duties under this Agreement, and such performance or non-performance by the Agent causes the Project to sustain a loss of tax credits, Agent shall indemnify Owner and agrees to hold it harmless with respect to any costs, expenses, liabilities and obligations incurred or sustained by owner as a result of such loss of tax credits. In the event Agent performs or fails to perform its duties under this Agreement in a manner that is reckless or willfully malicious, and such reckless or malicious performance or non-performance by the Agent causes the Project to sustain a loss, not limited to tax credits, Agent shall indemnify Owner and agrees to hold it harmless with respect to any costs, expenses, liabilities and obligations incurred or sustained

by owner as a result of such loss. Owner agrees that Agent's management fees are an obligation of the project and this indemnification of Owner does not include recourse against such fees. Further, Owner agrees that it shall not withhold Agent's management fees under this Owner's indemnification provision.

IX. Interpretative Provisions.

- A. At all times, this agreement will work to the benefit of and constitute a binding obligation upon the Principal parties and their respective successors and assigns. To the extent that this agreement confers rights upon the consenting parties, it will be deemed to work to their benefit, but without liability to either, in the same manner and work with the same effect as though the consenting parties were primary parties to the agreement.
- B. Every term of this Agreement is severable. If any term or provision is lawfully held to be illegal or invalid for any reason whatsoever, the illegality or invalidity will not affect the validity of the remainder of this Agreement.
- C. The laws of the State in which the Project is physically located shall govern the validity, construction and interpretation of this Agreement.
- D. In the event of any legal dispute, claim or action arising out of any of the provisions of this agreement, the prevailing party shall be entitled to reimbursement for all costs, including attorneys fees, incurred in connection with such dispute, claim or action.

- X. Notices. All notices required or permitted to be given by either party to the other shall be in writing and shall be deemed to have been properly given and delivered when deposited in the United States mail, sent certified or registered, return receipt requested, postage prepaid and properly addressed to the parties as follows:

Owner: [NAME] Apartments, LLC
c/o [NAME] Partners, LLC
[ADDRESS]
[ADDRESS]

Agent: North Star Management, LLC.
1209 Pacific Avenue
P.O. Box 188
Benson, MN 56215-0188

The Principal Parties, by their duly authorized officers, have executed this Agreement on the date first above written.

OWNER: [NAME] Apartments, LLC

By its Managing Member: [NAME] Partners, LLC

By: _____

Title: _____

AGENT: North Star Management, LLC.

By: Michel D. Chevalier

Title: Chief Manager

MANAGEMENT PLAN [NAME] APARTMENTS

This Agreement is made this ____ day of _____, 20__ between [NAME] Apartments, LLC (the "Owner") and North Star Management, LLC. (the "Management Agent"), concerning operation and management of [NAME] Apartments (the "Project"), under the terms and conditions set forth herein.

1. The role and responsibility of the Owner and the relationship and delegation of authority to the Management Agent.
 - A. Michel Chevalier is the Chief Manager of North Star Management, LLC. The Regional Manager reports to the Chief Manager. A Regional Manager is assigned to the Project and supervises the on-site manager.
 - B. The Management Agent consults with the Owner on any capital expense or major operational problem that may occur at the Project. No expense over three thousand dollars (\$3,000.00) will be made for routine maintenance without the Owner's prior written approval and no expense over three thousand dollars (\$3,000.00), in a single instance or cumulatively over a one-year period, will be made for non-budgeted non-recurring expenses without the Owner's prior written approval.
 - C. Michel Chevalier, Chief Manager of Management Agent, is the key contact person for the organization; however, the Project's Regional Manager and / or the Controller is the key contact person at the Management Agent for operational questions such as those related to the collection of rent, enforcement of leases, employees, disbursement from the Project's rental accounts, and budget.
 - D. The fundamental responsibilities of the Owner and the Management Agent are described as follows:
 - (1) OWNER'S RESPONSIBILITIES
 - (a) Monitor the Management Agent's operation of the Project. During regular communication with the Management Agent, convey any concerns or questions and offer advice or solutions to these concerns.
 - (b) Review for approval all non-budget expenditures which exceed three thousand dollars (\$3,000), unless emergency repairs that exceed this amount are needed to avoid endangering life or property.
 - (c) Timely review and approve, or disapprove with comments, annual budgets.
 - (d) Appoint and allow the Management Agent to perform the day-to-day operation of the project according to the details of this Management Plan. The Management Agent is to consult with the Owner on all other matters.

- (e) Appoint a contact person with authority to be a liaison with the Management Agent. The contacts for the Owner are [NAME(S)] of the managing member.
- (f) Provide decent, safe and sanitary housing.
- (g) Accept financial responsibility for the financial management within the areas of Owner control for the Project.
- (h) Review monthly financial statements, reports and budgets.

(2) MANAGEMENT AGENT'S RESPONSIBILITIES

The Management Agent will have general supervisory responsibility over policies and procedures and the execution of the duties and services outlined in the Management Plan. The Management Agent will have full authority for both the physical maintenance and financial administration of the Project within the financial limitations and within the policy guidelines set forth in discussions with the Owner. The Management Agent's specific responsibilities are as follows:

- (a) Appoint from Agent's staff a qualified Regional Manager and Project Management Bookkeeper to administer and monitor the daily management and financial operations of the Project.
- (b) The Regional Manager will hire, train and supervise on-site personnel who will handle on-site problems and be responsive to tenant problems and needs. The Regional Manager will supervise the on-site personnel, train them to handle routine matters and to conduct themselves in an appropriate manner toward tenants and others, and be available to them to deal with non-routine problems.
- (c) Rent available units to satisfactorily eligible tenants, after Agent's completion of credit and reference checks and Agent's completion of required forms for LIHTC certifications (to ascertain that all eligibility, income, lease, and certification requirements have been met). The Management Agent will receive from the Owner a lease-up fee of \$200.00 for each initial qualified household, with total lease-up fees not to exceed \$3,000.00.
- (d) Inspect and report to Owner the general condition of the Project.
- (e) Coordinate repairs, corrections, or major replacements with on-site personnel or contractors.
- (f) Comply with all federal, state and local agency regulations, including the LIHTC regulations, and file all reports required by federal, state and local agencies and the Owner in a timely and accurate manner.
- (g) Maintain both the interior and exterior of the Project, including the grounds, parking areas, recreation areas and garbage enclosures, to meet the standards of good housing and to protect the value of the Project.

- (h) Provide monthly financial statements showing all deposits of income and disbursements and calculation of management fee. These financial activities will be compared with the budget. Keep a comprehensive set of books consistent with an approved chart of accounts and prepare monthly bank reconciliations.
 - (i) Maintain accurate records of the day-to-day operations of the property including collection and accounting for rental income, government subsidies, and miscellaneous income. Maintain rental income and security deposit collections in separate Owner accounts. Negotiate and collect funds from laundry and concession income sources.
 - (j) If necessary, negotiate contract for water, electric, gas, fuel, telephone, and other services, subject to approval by Owner.
 - (k) Provide referrals and coordination in the fields of counseling, guidance and social services. Cooperate with all agencies, which provide financial and other services to residents.
 - (l) Enforce the provisions of the lease and rules and regulations of the Project.
 - (m) Move tenants in and out of the Project with as little vacancy loss as possible.
 - (n) Receive and respond to tenant complaints in a timely fashion. Take all necessary corrective actions in accordance with the lease.
 - (o) Meet requirements for fidelity bond, fire, and liability insurance coverage.
- E. The Management Agent's financial obligations included in the management fee are:
- (a) The overall management expertise and bookkeeping.
 - (b) Monitoring Project operations, including training, hiring and supervision of on-site staff and Management Agent's head office staff. Pro-rata personnel costs for a Regional Manager will be paid by the project.
 - (c) Preparation and monthly monitoring of an annual budget.
 - (d) Preparation and distribution of quarterly reports.
 - (e) All travel and related expenses incurred by the Management Agent or its staff to the property for the purpose of site visits, inspections, and the preparation of any related reports. This also includes the preparation and distribution of annual reports of operation and maintenance.
 - (f) Preparation of requests for reserve withdrawals, rent adjustments, rehabilitation and energy conservation proposals, plans and specifications.
 - (g) Execute and monitor service contracts.
 - (h) Develop resident services referral programs, if needed.

- (i) Site inspections and reports.
 - (j) Supervision of Project's direction and general overall management.
 - (k) Management Agent's office overhead including office space, utilities, clerical staff, office supplies, and equipment.
 - (l) Meeting with the Owner, investors and/or lending agents.
 - (m) Development and preparation of Management Plans and Agreements.
 - (n) Provide liaison and information to attorneys, government agencies, accountants, and Owner.
- F. Pro rata divisions of operating expenses common to the Management Agent and the owner are described as follows:
- 1. Electronic Storage/Software
 - a. The agent will be reimbursed for actual pro-rata share of costs associated with electronic data storage, site-specific computer(s) and software.
 - 2. Regional Manager
 - a. The agent will be reimbursed for the pro-rata share of a Regional Manager.
2. Personnel policy and staffing arrangements.
- A. All hiring is performed in accordance with equal opportunity requirements.
 - B. The projected staffing needs for the project are the pro-rata share of a Regional Manager and Site Manager.
- All on-site and the pro-rata share of off-site personnel will be employees of the Management Agent and will be hired, paid, supervised and discharged by the Management Agent. Salaries of these employees will be paid from the Owner's general operating account as approved in the annual budget. This account will also be used for the payment of worker's compensation, social security taxes, other taxes normally paid by an employer dealing with employee wages, and employee benefits such as health insurance.
- C. The lines of authority within the Management Agent are:
 - Chief Manager
 - Regional Manager/Occupancy Specialist
 - Controller
 - Site Manager
 - Maintenance personnel
 - D. Training for all personnel for their job responsibilities is performed on an on-going basis. Site managers are trained by the Occupancy Specialist and Regional Manager at the

commencement of their employment. Additional training is provided annually or more frequently, individually or at Management Agent workshops. These workshops are conducted by Management Agent staff and address any changes in the housing laws, LIHTC regulations, company policies, or areas that need improvement. If on-site personnel need extra help or correction, Management Agent staff will follow up with additional help at the property or in mini area workshops.

3. Plan and procedures for marketing units, achieving and maintaining full occupancy and meeting Affirmative Fair Housing Marketing Plan requirements (HUD 935.2).

- A. The units will be advertised in accordance with the Affirmative Fair Housing Marketing Plan. A copy of the plan is available from the Management Agent. Additional advertising may be required for vacancies as they occur. Site signs, websites, newspaper advertisements, and flyers may all be used. The Equal Housing logo and/or slogan will be used in all advertising. Advertising will be designed to attract applicants who would be the least likely to apply who meet tenant eligibility requirements. HUD's Fair Housing poster will be displayed in a prominent place on the Project and in the rental office as required. All persons engaged in the rental of property will be instructed periodically to insure that they are aware and knowledgeable of Fair Housing requirements.
- B. Among the methods used to achieve and maintain the highest possible occupancy will be for the Management Agent to attempt to anticipate any vacancies thirty (30) days prior to a vacancy occurring, provided the tenants have given proper notice of their intent to vacate, and to maintain a wait list and contact persons on the wait list as soon as possible after learning of the tenant's intent to vacate. The site manager will advertise for vacancies and observe the requirements listed on the Project's Affirmative Fair Housing Marketing Plan.
- C. Advertising in commercial media will be primarily web content, local newspapers, flyers, and telephone yellow pages and where appropriate, local television. In smaller communities where there are no formal communications media, community contacts will be made to reach minority groups, special ethnic groups, the handicapped and elderly.

In the case where the project is maintaining maximum occupancy, advertising will still be conducted annually to comply with the requirements of the Affirmative Fair Housing Marketing Plan.

The Site manager will maintain a marketing / outreach file with copies of all advertisements and maintain a record of phone contacts listing names and phone numbers.

- D. The Project is able to offer handicapped tenants such reasonable accommodations in policies and procedures when requested.
- E. The process the Management Agent will follow to review and to determine whether reasonable accommodation structural modifications of an apartment are feasible will be:

(1) The tenant will bring a request for a structural modification to the site manager.

- (2) The Management Agent or Owner will review the request to determine if it presents an undue financial burden to the property.
 - (3) If it does not, the Owner or Management Agent will request reasonably detailed plans that will meet Owner specifications and local building codes. The Owner will pay for any alterations to the structure.
 - (4) If it does present an undue financial burden, the Owner or Management Agent will try to develop or suggest other alternatives to accommodate the tenant.
- F. The form used to record unit conditions is called the Apartment Inspection Report. Tenants and a management representative will sign and date this report at the time of moving in and moving out of the Project. The Management Agent will retain the original and the tenant will receive a copy.
 - G. Orientation services to be provided tenants to acquaint them with the Project and care of the unit include reviewing the terms of their lease and the Project Rules and Regulations; instructions as to the locations of such facilities as laundry rooms and any unique features the Project has that may affect them. As the need arises, the site manager may distribute announcements to the tenant or post them in the Project's office.
 - H. The person responsible for determining tenant eligibility is the Regional Manager/Occupancy Specialist.
 - I. This project is a tax credit project and shall be managed and operated in compliance with Section 42 of the Internal Revenue Code and all regulations and revenue rulings promulgated there under.
4. Procedures for determining tenant eligibility and for certifying and recertifying incomes
- A. Applications are kept on site. Other records related to this function are also kept on site with duplications of all tenant household records, the verification documentation, and tenant certification is maintained at the office of Management Agent. Verifications are checked at the main office and returned to the site for storage. The tax credit verification and certification records for the Project's first tax credit year which support the initial qualification of the buildings as qualified low income buildings are retained for at least six (6) years beyond the filing date of the project's income tax return covering the last year of the compliance period (i.e., at least twenty-one (21) years after the first year of occupancy). All subsequent tax credit verification and certification records are retained for at least seven (7) years after the tenant has vacated the unit. All other records are retained for a minimum of three (3) years, or until a compliance review has been conducted at the office of the Management Agent or at the Project.
 - B. The Management Agent will train on-site personnel in application processing, eligibility determination, selection, unit assignment, certification, re-certification, rent collection and record keeping. Certifications, including all verification and other supporting documentation, are reviewed for accuracy in the Management Agent's office. The Management Agent provides annual or bi-annual training. Specialized training is also

provided by such national training organizations as Spectrum, Elizabeth Moreland Consulting, and AHMA.

- C. The person responsible for determining tenant eligibility is the Regional Manager/Occupancy Specialist. The on-site manager shall be responsible for assisting the Regional Manager/Occupancy Specialist with gathering documentation required for the determination of tenant eligibility and preparation and verification of tenant certifications.

5. Leasing and Occupancy policies

- A. The occupancy standards for the Project are:
- B. A minimum of one person per bedroom, or
- C. A maximum of two persons per bedroom.
- D. Exceptions to this policy may be made for existing households when circumstances require. Existing households will be required to move to an appropriate size unit as soon as one is available.
- E. The Project admissions and occupancy policies and procedures and criteria for selecting tenants for occupancy are outlined in detail in the Tenant Selection Policy.
- F. All Project management personnel are expected to understand the provisions included in the Project lease and how they are applied. Lease provisions, occupancy standards, and admission policies are periodically reviewed in annual company seminars and reviewed with site and office staff by the Regional Manager/Occupancy Specialist. All Project management personnel will be encouraged to seek clarification when needed, particularly in unusual circumstances.
- G. Special procedures may be used in marketing areas that include non-English speaking/reading people, including making available interpreters and translating certain documents into the dominant non-English language. Where possible, site management will be hired that is bilingual in the area's dominant non-English language. If necessary, free Internet language translation services may be used. Documents that may be compromised in the clarity of their meaning by being translated will remain in the English language.

6. Rent and occupancy charge and occupancy surcharge collection policies and procedures.

- A. The rent collection policy of Management Agent is summarized below:

"RENT COLLECTION POLICY"

The Management Agent is aware that a firm, fair and universally enforced rent collection policy is a vital component of the Project's financial health and stability. It is:

- (3) Rent is due on or before the first day of each month. It will be paid in the site management office either in person or by mail. Provisions will be made so that people who are absent from the Project during the day can make their payments after normal business hours.
- (4) On the 6th day of the month, the site manager will contact the Management Agent's central office to notify the bookkeeper of any outstanding rents. All tenants who are delinquent at that time will be sent a Seven Day Pay or Quit Notice. The original notice is sent by Certified First Class mail, a copy is delivered in person by the site manager along with a witness, a copy with a Certificate of Service filled out by the site manager and the witness is retained in the tenant's on-site file, and a copy is kept in the Project's correspondence file in the Management Agent's central office.
- (5) If a tenant has not paid his rent by the expiration date of the Seven Day Pay or Quit, the site manager contacts the Regional Manager. Unless specific arrangements have been made for the payment, the Management Agent will contact an attorney to begin an Unlawful Detainer action. No tenant will be allowed to be more than 30 days delinquent without action taken to collect the rent or terminate tenancy.
- (6) All rent collections should be completed, banked, recorded, and received in the Management Agent's office by the middle of the month so that financial statements may be prepared in a timely manner.
- (7) A payment is considered late if it is not received by the 1st of each month, with a five-day grace period before collection action begins. A late charge of \$50.00 will be charged per the lease agreement. Unless a tenant makes special arrangements for a pay schedule, one month's rent loss is reason for eviction. All bad debts will be turned over for collection.
- (8) If a tenant is repeatedly late in making rent payments, the tenant will be sent a letter warning that continued late payment is cause for eviction. If the tenant continues to be delinquent, eviction will be commenced with a proper notice to vacate.
- (9) It is the primary responsibility of the site manager to bank the rents. The Management Agent instructs all managers that state law requires rents to be banked within 24 hours. Site managers are required to bank daily to comply with state law and to avoid theft, loss, or misuse of funds. The Management Agent checks rent deposit slips against rent receipts to ensure that this policy is being followed.
- (10) The site manager gives all tenants, regardless of the method of payment, a rent receipt upon request. The site manager will be held accountable for each receipt issued. A copy of the rent journal sheet and the rent receipts will be sent with the bank deposit slips to Management Agent's office.
- (11) The Project Manager will collect a Security Deposit prior to the time the tenant moves into the unit. Security Deposits will be maintained in a separate account. The interest earned on the Security Deposit will be retained by the Owner.

- (12) Each tenant's security deposit is individually recorded and accounted for. It is deposited into a separate security deposit account, which is in [BANK], or its successor, a federally insured bank and held in trust for the tenant until the time that the tenant leaves the property. Any charges deducted from the security deposit will be detailed on the Unit Inspection Report, which will be mailed to the tenant within 14 days of moving out of the property.

7. Plans and procedures for carrying out an effective maintenance repair and replacement program.

- A. The objective for preventive maintenance is to perform maintenance in such a way as to avoid the development of unexpected deferred maintenance conditions. The preventive maintenance plan, cash flow allowing, is to repaint, re-roof, re-carpet, and respond to other typical wear cycles so as to avoid unexpected peak expenses.
- B. The as-built plans, when available, will be kept at the Project. When available, copies will be kept at the Management Agent's office. The Regional Manager will attempt to keep as-built files up-to-date in the event of modifications. The project contractor is [CONTRACTOR]. The project architect is [ARCHITECT].

- (1) In terms of life/safety/security provisions, all units will be equipped at the tenant's move-in with a working smoke detector. Fire extinguishers will be provided in the common areas and checked annually per fire code. The outside lighting will be checked regularly to make sure all bulbs are replaced as needed. De-icer will be bought early in the fall so that an adequate supply is on hand. Walks are cleared as soon as possible and practical after a snow. If icy conditions prevail, despite these efforts, a caution sign will be posted.

- (2) The on-site managers or contractors will be responsible for performing maintenance related to tenant move-ins and move-outs.

- (3) Major repairs or improvements will be handled by obtaining competitive bids from reliable contractors. The original contractor, The Petersen Group (See Paragraph 8.B. above), must be contacted for recommendations and referrals. The Management Agent and the Owner will review these bids and select a vendor based on cost and ability to perform the work. If possible, three (2) bids will be obtained for work over \$5,000. If work results in a replacement reserve draw, the Owner must approve the request. Grounds upkeep will either be performed by the site manager or by a landscape contractor, whichever is the most cost-effective and capable.

- (4) Garbage and trash removal will be contracted for pick up on at least a weekly basis. Trash service is paid by the Project.

- C. Tenants are instructed to use maintenance work orders to report any major and/or minor repairs. Emergency repairs will be reported immediately.

- D. Invoices are identified by Project and are approved by the Management Agent prior to payment. Project bills are paid monthly or more frequently.
8. Plans and procedures for providing supplemental services.
- A. Laundry machines are provided as a supplemental service to the tenants. The machines are located in the Project's laundry room.
9. Plans for meeting accounting record keeping and reporting requirements.
- A. The Management Agent will establish and maintain a comprehensive system of records, books and accounts in a manner conforming to the loan agreement. A computerized modified-cash accounting system will be utilized. The records produced include monthly financial statements with invoices to back up any expenditure, and a rent roll with security deposits reconciliation backed up by rent receipts. These records are prepared in the Management Agent's main office by bookkeeping or accounting personnel. The Management Agent approves all invoices before payment. The Management Agent and Owner review monthly financial statements.
 - B. The replacement reserves will be kept in a separate account. Interest earned remains in the account.
 - C. The chart of accounts is based on generally accepted accounting principles.
 - D. The Management Agent will provide the Owner's accounting firm with the information necessary to complete an annual audit. The accounting firm is an independent accounting firm with no ownership or identity of interest in the Project.
 - E. The complete tenant records, which include the lease, rules and regulations, certification with all verifications, the unit inspection report, and any pertinent correspondence, are kept at the Project. When a tenant is initially certified or is recertified, the original certification and all original verifications and medical records are sent to the Management Agent's office for review, correction and final authorization. A copy of the certification and verification documentation is kept at the Management Agent's office. Two copies of the certification are returned to the Project along with the original verification information. One copy is for the tenant to keep along with the tenant's copy of the Apartment Inspection Report, a signed lease and the signed Occupancy Rules. The second copy with the original verification information is kept in the tenant's on-site file, which also includes the lease, rules and regulations, Apartment Inspection Report, landlord and credit check release, original application for tenancy, and any notices to the tenant or correspondence. Certification and verification documentation are retained as set forth in Paragraph 4.A. above. All other tenant records are retained for at least three (3) years after the tenant has moved out.
 - F. All records relating to tenants will be kept at the Project. All accounting records and financial statements and back up are kept at the Management Agent's office or storage facilities.

- G. The documentation (or a copy thereof) upon which the tenants' Utility Allowances are based is kept at the Project.

10. Energy conservation measures and practices.

- A. Actions to stimulate conservation will be to emphasize its importance at move-in, and to issue seasonal and weather sensitive announcements. Tenants will be oriented to conservation at move-in and periodically throughout their tenancy. The tenants are advised that they directly control energy conservation related to the amount of water and the amount of power they consume. Tenants can control and are informed of the importance of the conservation of water by not letting faucets run and promptly reporting leaking plumbing fixtures and by conserving power by not using excessive heat or air conditioning. During unit inspections, the inspectors look for tenant practices that may waste power and advise the tenant of corrective measures. The Management Agent monitors the unit power bills. Any bill that is out of a normal range is investigated. Tenants whose practices abuse the use of power are instructed that these practices must be corrected.
- B. The objective in implementing energy conservation measures is to control or reduce operating costs as much as possible.

11. Plan for carrying out management training programs.

- A. Management staff is expected to be proficient in their knowledge of all LIHTC program and property management job requirements. This proficiency is measured by periodic evaluations of job performance and by obtaining professional designations such as Spectrum's STAR program, NCHM's Certified Occupancy Specialist, etc.
- B. Internal training includes sending staff to periodic training seminars put on by Spectrum, NCHM and AHMA. Fair Housing training is included at training seminars. The Management Agent also conducts at least annual staff and site manager training.

12. Termination of leases and evictions

- A. The Regional Manager is responsible for knowing and administering state and local laws and requirements regarding termination of leases or occupancy agreements and evictions. The Regional Manager works with the site personnel to implement all regulations and laws.
- B. Both the site manager and Regional Manager are familiar with local and state laws and requirements for notices to comply with lease or termination of tenancy notices. Also, attorneys are consulted if there is any question on the part of management regarding termination of tenancy.

13. Security servicing

- A. The person responsible for knowing the fidelity bonding requirements, if any, is the Chief Manager of the Management Agent.

- B. The person responsible for knowing Owner's insurance requirements is the Chief Manager of the Management Agent.

14. Management Agreement.

- A. A copy of the Management Agreement is attached.

15. Management Compensation.

- A. The management fee shall be paid pursuant to the terms of the Management Agreement.

16. On-site management

- A. On-site management will be performed by the on-site manager, salaried or hourly repair and yard personnel, and contractors, as required.
- B. The site manager is responsible for the day-to-day site management operations, such as the collection of rents, making deposits, preparation of the units for rental, renting units, all routine maintenance, and all other activities listed in the site manager's position description.
- C. The office hours may vary in accordance with the season and work in progress at the site. The office hours are posted on the office door and/or entrance to on-site manager's apartment.

The remainder of this page is left intentionally blank.

17. Validity of the Management Plan

IN WITNESS WHEREOF, the Principal Parties, or by their duly authorized representatives, have executed this Agreement.

OWNER: [NAME] Apartments, LLC

By its Managing Member, [NAME] Partners, LLC

By: _____

Name: _____

Title: _____

AGENT: North Star Management, LLC.

By: _____

Name: Michel D. Chevalier

Title: Chief Manager, North Star Management, LLC.







MEMORANDUM

**TO: CORDOVA PLANNING COMMISSION
CORDOVA PLANNING DEPARTMENT**

FROM: HOLLY C. WELLS

**RE: MULTIPLE FAMILY HOUSING PROJECT APPLICATION
REQUIREMENTS AND APPROVAL CRITERIA**

CLIENT: CITY OF CORDOVA

FILE NO.: 401777.261

DATE: JULY 6, 2021

This memorandum confirms that the Northstar Management, LLC Management Agreement was submitted to me for review and that this agreement properly addresses maintenance, upkeep, dwelling maintenance, and other issues in compliance with the requirements in Chapter 18.60 as well as other applicable state and local laws. This review, however, in no way interjects the City of Cordova into disputes arising from compliance with or the legality of the terms of the Management Agreement as applied or interpreted between the parties to that agreement.

2021 JULY

Sunday	Monday	Tuesday	Wednesday	Thursday	Friday	Saturday
27	28	29	30	01	02	03
04	05	06	07 7:00 PM - City Council Regular meeting (Cordova Center Rooms A & B)	08	09	10
11	12	13 6:30 PM - Planning Commission Regular Meeting (Cordova Center Rooms A & B)	14	15	16	17
18	19	20	21 7:00 PM - City Council Regular Meeting (Cordova Center Rooms A & B)	22	23	24
25	26	27	28	29	30	31
01	02	03	04	05	06	07
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2021 AUGUST

Sunday	Monday	Tuesday	Wednesday	Thursday	Friday	Saturday
01	02	03	04 7:00 PM - City Council Regular Meeting (Cordova Center Rooms A & B)	05	06	07
08	09	10 6:30 PM - Planning Commission Regular Meeting (Cordova Center Rooms A & B)	11	12	13	14
15	16	17	18 7:00 PM - City Council Regular Meeting (Cordova Center Rooms A & B)	19	20	21
22	23	24	25	26	27	28
29	30	31	01	02	03	04
05	06	07	08	09	10	11
						42