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CHAPTER 9  
RESIDENT INITIATIVES

- 9-1 Introduction. HUD recognizes the importance and benefit of the participation of residents in creating a suitable living environment in HUD-owned and MIP multifamily housing projects. HUD encourages the formation of resident organizations and actively encourages resident involvement in project management. HUD welcomes resident organizations with democratically elected governing boards to be active advisors to PM's in management, including the planning and implementing of repairs, maintenance, and the resolution of resident concerns.
- 9-2 Communications in Resident Initiatives Activities. The Resident Initiatives Specialist (RIS) is responsible for the implementation of resident initiatives planning and activities. The GTR/GTM must seek guidance on resident initiatives matters from the RIS.
- 9-3 Resident Initiatives Requirements for All Occupied Rental Housing Projects.
- A. All resident initiatives activities and costs must be included in the Management Plan and project budget and must be approved by the GTR/GTM and the RIS.
- B. The Management Plan must include services and initiatives to encourage strategies to involve residents in issues that impact their living conditions, such as:
1. Procedures that promote decent and safe housing;
  2. Proper maintenance;
  3. Resident security; and
  4. Energy savings.
- C. The GTR/GTM must assure that the Management Plan includes and the PM implements the following activities:
1. Provide Information to Residents. The PM should provide the residents and resident organization, if any, with current information regarding HUD's policies on resident participation in management.

2. Determine the level of resident initiatives to be implemented at a subsidized or formerly subsidized project. The PM shall identify resident interests by developing a questionnaire or other survey tool to determine resident and project needs.

If there is a duly organized and democratically elected resident organization, the PM should include its comments in developing the survey tool and request its participation in conducting and analyzing the survey.

- a. Timing of survey. In projects with occupancy rates normal for their market area, the PM should conduct a resident survey within 30 days of project assignment and should include the results in an initial Management Plan.

The survey of a project that is vacant or has a very low occupancy rate at the time of assignment to the PM should be performed after the project's occupancy rate has risen to a level where the information gained from a survey would be useful to the DHM in recommending a disposition program for the project.

- b. The survey or questionnaire should include, but need not be limited to, the following:
  - (1) Resident interest in developing a resident organization or volunteering on committees;
  - (2) Resident needs, including, but not limited to:
    - (a) On-site day care;
    - (b) Drug abuse programs;
    - (c) Neighborhood watch patrols; and
    - (d) Classes that inform residents of the proper use, care, and maintenance of appliances and equipment;
  - (3) Resident interest in applying for openings in on-site positions, such as:

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- (a) Bookkeeping;
  - (b) Painting;
  - (c) Lawn care;
  - (d) Snow removal;
  - (e) Review applications of prospective residents; and
  - (f) Maintenance;
- (4) Resident interest in forming or joining a committee to advise the PM on development of appropriate house rules or regulations and other resident needs as provided above;
  - (5) Resident interest in exploring options in resident ownership or participation in project management;
  - (6) Resident interest in neighborhood and/or community involvement. The Management Plan should include PM assistance to the residents to develop strategies that promote positive relationships between the residents and the local community. Examples of community organizations are:
    - a. Colleges/universities;
    - b. Public/private foundations;
    - c. Public/private sector resources; and
    - d. Public and/or private health care organizations.
3. Evaluate Resident Interest and Recommend Activities. The PM should evaluate the responses from residents and include them and any suggested resident initiative activities in the Management Plan, if appropriate.
- D. The GTR/GTM should assure that the Management Plan includes and the PM implements an ongoing system of communication and outreach to promote resident interest and involvement in the operation of the property including, but not limited to:
- 1. Monthly scheduled and publicized resident meetings open to all residents;
  - 2. Resident newsletters; and

3. Bulletin board announcements.

9-4 Subsidized and Formerly Subsidized Projects. Resident Initiatives are generally tools used to empower the poor. HUD's ultimate goal is to promote active participation in management of the property by residents and/or their representative organization. Therefore, in addition to the planning requirements identified above under paragraph 9-3, there are additional resident initiatives requirements that are applicable to subsidized projects. If appropriate, the DHM, in consultation with the RHD, may extend the additional requirements to unsubsidized projects on a case-by-case basis.

- A. Existing Resident Organization Role. The GTR/GTM should assure that the PM encourages the resident organization to become actively involved in all the foregoing activities. Both existing and newly-formed resident organizations should be encouraged to prepare an action plan that incorporates the interests of the residents as identified in the resident survey and sets out an implementation plan for strategies that are intended to fulfill those stated needs.
- B. Implementing Development of Resident Organizations. Formation of a resident organization should be encouraged, based on the level of resident interest, and the resident initiatives component of the Management Plan should include an implementation timetable for strategies which will promote the establishment of such an organization. The Management Plan should indicate the type of resident organization (e.g., resident council or resident management corporation) planned, with a description of the organization's proposed structure.
- C. In-kind Assistance for Resident Initiatives. The involvement of residents through their representative organization can help to preserve the physical condition of property, assist in proper maintenance, promote security for residents and foster energy savings.

The PM should furnish reasonable in-kind assistance to the residents. The Management Plan should contain a listing of the assistance available.

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1. To the extent that the DHM determines that resident initiatives should be implemented, this assistance is meant to encourage residents to:
    - a. Create a positive relationship with the PM;
    - b. Develop a cohesive relationship between the residents and the local community;
    - c. Build and strengthen their capacity as an organization (e.g., maintain a democratically elected resident organization, establish operating/planning committees and block/building captains to carry-out specific organizational tasks, develop by-laws, etc.);
    - d. Begin participating in training activities associated with property management in multifamily housing.
  2. In-kind assistance for resident participation activities may include, non-cash assistance such as:
    - a. Technical assistance;
    - \* b. Use of facilities and equipment for resident related activities (e.g., space, office furniture and duplicating services); \*
    - c. Introduction of project-wide activities that promote and provide a suitable and improved living environment for the residents;
    - d. Identification of the social support needs of residents and acquisition of such support;
    - e. Assistance in acquiring fidelity bonding and insurance, but not the cost of the bonding and insurance; and
    - f. Assistance in developing performance standards and assessment procedures to measure the success of the resident organization, if applicable.
- D. The DHM must determine the extent of additional resident initiatives to be implemented based upon the usefulness of the expenditure of HUD and PM staff
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- time and PM costs for expanded resident initiatives activities. The DHM must consider the following:
1. Time Period of HUD Possession. Resident initiatives involve training in organizational and property management skills. This training, depending upon its magnitude, may take a considerable amount of time. The DHM must estimate the length of time that HUD will manage the project before sale occurs to determine the feasibility of obtaining results from such training. Training is not indicated in cases where time limitations will cause difficulty in obtaining positive results.
  2. Resident Interest. As stated above, the PM will perform a survey to determine resident interest in project management or ownership. If sufficient interest exists, resident initiatives are likely to produce positive results. A lack of resident interest indicates extensive resident initiatives should not be implemented until, and unless, such interest develops in the future.
  3. Planned Sale to a Resident Cooperative or Resident Nonprofit Organization. In such cases a broad effort to implement resident initiatives should be initiated.
- E. If the DHM determines that resident management or ownership is feasible, resident training should be implemented. Resident Training should include:
1. Training to provide support for resident organizations to build and strengthen their capacity as an organization, including, but not limited to:
    - a. Maintaining democratically elected officers of the organization;
    - b. Establishing operating/planning committees and block/building captains to carry-out specific organizational tasks;
    - c. Developing economic initiatives to further increase the self-sufficiency of residents and their resident organization;
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- d. Developing a cohesive relationship between the residents and the local community;
  - e. Training in administrative procedures necessary for the implementation of activities outlined above.
2. The training of residents in skills related to the operation, acquisition, and management of the project, including, but not limited to, the following:
- a. Fair housing requirements for management;
  - b. Financial management systems, including budgeting, accounting, and auditing;
  - c. Designing and implementing:
    - (1) Personnel policies;
    - (2) Performance standards for measuring staff productivity;
    - (3) Policies and procedures covering organizational structure, record keeping, maintenance, insurance, occupancy, and management information systems;
    - (4) Any other recognized functional responsibilities relating to property management in general; and
    - (5) Economic initiatives to further increase the self-sufficiency of residents and their resident organization and lead to the improved living environment of the resident community at large.
3. The GTR/GTM, in concert with the RIS, may authorize a resident initiatives budget not to exceed an amount equal to \$5.00 per occupied unit per month.
- a. A description of how the funds from this budgeted amount will be used must be included in the HUD-approved Management Plan. The GTR/GTM must assure that the Management Plan

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requires that the funds be expended in a reasonable, appropriate manner. Quarterly milestones and estimated cost for each milestone must be stated.

- b. Such assistance must be included in the HUD-approved project operating budget.
- c. Examples of activities for which reasonable funding assistance may be provided are:
  - (1) Publishing a project newsletter;
  - (2) Consulting and legal assistance to incorporate the resident organization;
  - (3) Preparing by-laws and drafting a corporate charter;
  - (4) Assessing potential management functions or tasks that the resident organization might undertake; and
  - (5) Purchasing appropriate refreshments for quarterly gatherings which are open to all residents of the project.
- d. Examples of ineligible items or activities which may not be funded include, but are not limited to, the following:
  - (1) Salaries or fees for officers and/or board members of the resident organization;
  - (2) Stipends for officers and/or board members of the resident organization for participating or receiving resident empowerment and/or management training;
  - (3) Travel, except for local mass transit costs for travel to project or training related meetings or classes which have been included in the Management Plan;
  - (4) Purchase of land or buildings or any improvements to land or buildings;



- (5) Implementation of resident empowerment activities not listed in the HUD-approved Management Plan and project budget;
- (6) Purchase of any vehicle (car, van, etc.);
- (7) Purchase of any property having a useful life of more than one year or an acquisition cost of \$300 or more per item, other than furniture or office equipment approved by HUD for use by the residents;
- (8) Payment of fees/salaries for lobbying services;
- (9) Per Diem during travel to HUD-approved training or meetings.