

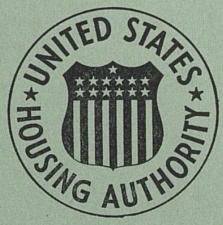
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BULLETIN No. 32

The Management Program



DECEMBER 28, 1939

FEDERAL WORKS AGENCY

UNITED STATES HOUSING AUTHORITY • NATHAN STRAUS, *Administrator*

Suggestions to Local Housing Authorities
for the Preparation of Management Programs

The Management Program

This Bulletin describes the procedures for the formulation and execution of Management Programs by local authorities. The procedure contemplates the preparation and submission by the local authority to the USHA of a proposed Management Resolution which, after approval by the USHA and adoption by the local authority, establishes the Management Program for the following period of project administration. This procedure is first initiated before beginning the selection of tenants and is repeated at regular annual intervals during the entire period of administration of the project.

This procedure for an advance submission of the Management Program has been devised to minimize the possibility of any local action which is inconsistent with the Act or the Loan and Annual Contributions Contract, and which might, accordingly, make it necessary for the USHA to withhold payment of Annual Contributions until appropriate remedial measures have been taken by the local authority.

There is available from the USHA a model Management Resolution which may be made to cover one or more projects. *This is a model only and is submitted merely to make the work of local authorities more simple and easy if they care to use it.* The items are marked by the symbols "M" (Mandatory), "A" (Subject to USHA Approval), and "O" (Optional). All items marked "M" must therefore be covered in the local authority's Resolution as they are covered in the Model Management Resolution, but not necessarily in the same wording. These mandatory items are fixed by the United States Housing Act, and cannot be changed by the USHA. The items marked "A" flow from the law but may be varied at the discretion of the USHA. On items marked "A" it is requested that the local housing authorities, after careful consideration, express themselves clearly in the proposed Management Resolution, after which the USHA will review for approval.

Items marked "O" are purely and simply suggestive of items that the local housing authorities may or may not wish to include in their Management Resolution. The action of the local housing authority is final on all "O" items.

This phase of the program is still formative. The USHA is very anxious to benefit by the advice and experience of local authorities and will greatly appreciate suggestions from local authorities on both the Bulletin and the Model Resolution at any time, addressed to the Regional Director. Meanwhile, it shall be appreciated if local authorities will utilize this material as a guide.

FEDERAL WORKS AGENCY
UNITED STATES HOUSING AUTHORITY
Washington

CONTENTS

	Page
Scope and content	1
The management program.	1
The preparation, submission, approval, and adoption of the management program for the first budget period	1
The preparation, submission, approval, and adoption of the management program for regular annual budget periods	2
USHA services available to local authorities	2
APPENDIX:	
A. Determination of fiscal year, first budget period, and regular annual budget periods.	3
B. Scheduling initial occupancy	3
C. List of services available from USHA	3

THE MANAGEMENT PROGRAM

SCOPE AND CONTENT.

This Bulletin describes the procedures for the formulation and execution of Management Programs by local authorities. The procedure contemplates the preparation and submission by the local authority to the USHA of a proposed Management Resolution which, after approval by the USHA and adoption by the local authority, establishes the Management Program for the following period of project administration. This procedure is first initiated before beginning the selection of tenants and is repeated at regular annual intervals during the entire period of administration of the project.

This procedure for an advance submission of the Management Program has been devised to minimize the possibility of any local action which is inconsistent with the Act or the Loan and Annual Contributions Contract, and which might, accordingly, make it necessary for the USHA to withhold payment of Annual Contributions until appropriate remedial measures have been taken by the local authority.

More particularly, this Bulletin describes (I) the Management Program, the procedures for preparation, submission, approval, and adoption of Management Programs for (II) the first Budget Period and (III) subsequent Budget Periods, and (IV) services available from the USHA upon request. Referred to in the Bulletin and attached as appendices, are statements on (A) determining the first and regular annual Budget Periods, (B) scheduling initial occupancy, and (C) types of USHA services available to local authorities.

I. THE MANAGEMENT PROGRAM.

A Management Program is a statement of major policies and procedures with respect to tenant selection, tenant relations, operation and maintenance, personnel and business administration and related matters in connection with the administration of a project, including rental schedules, operating budgets, and estimates of average annual income and expense.

The Management Program is embodied in a resolution which is adopted by the local authority. The USHA will furnish upon request a form of Model Management Resolution which will be of assistance to local authorities by serving as a guide.

II. THE PREPARATION, SUBMISSION, APPROVAL, AND ADOPTION FOR THE MANAGEMENT PROGRAM OF THE FIRST BUDGET PERIOD.

The first Budget Period begins at or slightly before the time tenant selection activities start and extends to the beginning of the first regular annual Budget Period. Thus the first Budget Period will begin approximately 3 months before the date of initial occupancy of the project and generally will extend to at least 1 year after the date of initial occupancy. (See Appendix A, "Determination of first and regular Budget Periods.")

The procedure for the preparation, submission, approval, and adoption of the Management Program for the first Budget Period is as follows:

(a) At the time the main construction contract is awarded, the USHA will suggest to the local authority by letter that it should start its thinking and discussion on its Management Program immediately.

(b) Within approximately 1 month after the award of the construction contract the local authority and the regional office of the USHA will have agreed on the scheduled date of initial occupancy and on a time schedule for the remaining steps in the procedure and will have determined the Budget Periods for the project. (See Appendix B, "Factors to be Considered in Scheduling Initial Occupancy.") Also by this time the details for the requisitioning of funds for expenditures required for management personnel and other management costs prior to the beginning of the first Budget Period should have been arranged.

(c) Generally about 7 months before the scheduled date of initial occupancy the local authority will submit to the Regional Office of the USHA four copies of its proposed Management Resolution for the first Budget Period. *This proposed resolution will not have been adopted by the local authority but will merely have been approved for submission to the USHA.*

It is contemplated that during the period of preparation of the proposed resolution the local authority will consult with the Regional representatives of the USHA toward the end that the proposed resolution may represent a mutual understanding and that no further adjustments may be necessary.

(d) Within 1 month after the local authority submits its proposed resolution it will be notified either that it meets with the approval of the USHA or that it will meet with USHA approval if modified in a specified manner. Assuming tenant selection is to begin 3 months before initial occupancy, this will leave about 3 months for (1) the adjustment of any points of difference between the USHA and local authorities, (2) the development of local manuals of procedure to implement the policies set forth in the resolution, and (3) the selection and training of the tenant selection staff.

(e) After receipt of USHA unqualified or conditional approval, the local authority (after consideration of necessary modifications and after any discussions with the USHA incident thereto) will adopt the resolution which then establishes the Management Program for the first Budget Period.

(f) After adoption of the resolution in a form satisfactory to the USHA, the local authority will transmit four copies to the Regional Office of the USHA, together with four certified copies of (or extracts from) the minutes of the meeting at which the resolution is adopted.

In order to insure satisfactory public relations, the local authority should not announce rents or accept formal applications for admission prior to adoption of the Management Program in a form satisfactory to the USHA. Further, in order that national and local publicity may be coordinated, the announcement of rents should be made at a time agreed upon in advance with the USHA.

It is realized that the above procedure cannot be applied exactly to projects for which construction contracts are about to be or are already awarded. In such cases adjustments will have to be worked out to best meet the individual situation.

III. THE PREPARATION, SUBMISSION, APPROVAL, AND ADOPTION OF THE MANAGEMENT PROGRAM FOR REGULAR ANNUAL BUDGET PERIODS.

It is contemplated that each local authority will make a comprehensive review annually of its policies and procedures and resulting expenses of administration for each project. During such regular annual review, all policies and procedures should be examined critically in the light of increasing experience. It is expected that modifications can be made which will maintain rents at levels appropriate to the current rent-paying ability of low-income families and,

at the same time, achieve essential standards with greater economies in project administration so that annual contributions may be lowered progressively.

The procedure for the preparation, submission, approval, and adoption of the Management Program for each regular annual Budget Period is as follows:

(a) At least 3 months before the start of the next Budget Period the local authority will submit four copies of its proposed Management Resolution for such period to the USHA. This proposed Management Resolution will not have been adopted by the local authority but will merely have been approved for submission to the USHA.

(b) Within 1 month after receipt, the USHA will notify the local authority either that the proposed Management Resolution meets with the approval of the USHA or that it will meet with USHA approval if modified in a specified manner.

(c) After receipt of USHA unqualified or conditional approval, the local authority (after consideration of necessary modifications and after any discussions with the USHA incident thereto) will adopt the resolution which then establishes the Management Program for the following Budget Period.

(d) After adoption of the resolution in a form satisfactory to the USHA, the local authority will transmit four copies to the Regional Office of the USHA, together with four certified copies of (or extracts from) the minutes of the meeting at which the resolution is adopted.

IV. USHA SERVICES AVAILABLE TO LOCAL AUTHORITIES.

Management and other advisers and staff specialists of the USHA, to the extent that the services of such personnel are made available by appropriations for administrative personnel, will be available to advise local authorities in the formulation of their Management Program, in preparation of the Management Resolution documents, and in the execution of project administration. (See Appendix C, "Types of USHA Services Available to Local Authorities.")



NATHAN STRAUS,
Administrator.

December 28, 1939.

APPENDIX A

Determination of Fiscal Year, First Budget Period, and Regular Annual Budget Periods

1. In compliance with the U. S. Housing Act, a regular annual report must be made to the Congress. As the fiscal year of the United States Government runs from July 1 to June 30, it is necessary that the fiscal year for all local authorities conform to this period.

2. In order that the USHA may be in the best position to render service to local authorities, it is desirable to spread the work of the review of project administration over the entire year. This may be accomplished by establishing the annual budget periods so that the budget periods for one quarter of the local authorities in each Region will begin on January 1, one quarter on April 1, one quarter on July 1, and one quarter on October 1. Each local authority should obtain from the regional office the date for the beginning of its regular annual Budget Period. When established for the first project, the same date will be automatically set for all subsequent projects under that local authority's jurisdiction.

3. The first Budget Period should commence on the first of the month in which tenant selection activities are scheduled to begin (in general at least 3 months prior to the scheduled date of initial occupancy) and will extend to the beginning of the second Budget Period. When, after the determination of the date for the beginning of the subsequent budget periods, it appears that the first Budget Period would extend less than 9 months, it may include an additional 12 months. The first Budget Period may therefore extend from 9 to 20 months.

APPENDIX B

Scheduling Initial Occupancy

It is of the utmost importance to make arrangements with construction contractors to complete the various portions of the project according to a schedule which will permit orderly and efficient initial occupancy of the project. In this way the tenant selection process can be so coordinated with construction completion that the various parts of the project can be occupied immediately upon completion.

In general, and when deemed practicable for projects of more than 150 dwelling units, it is suggested that local authorities make

arrangements with their construction contractors to complete portions of each project for tenant occupancy in advance of the completion of the entire project. It is suggested that, of the first part of any such project, no less than 100 dwelling units be scheduled for acceptance and tenant occupancy. It is usually found preferable to accept subsequent portions in blocks of approximately 100 dwelling units each.

It may not be desirable to accept too many dwellings at any one time or at too frequent intervals. The rate of acceptance will be affected by the rate of tenant selection and leasing and by the number of families that can be moved in at one time without confusion. This latter consideration is especially important where disinfection is part of the established procedure.

The various portions of the project to be accepted for tenant occupancy should be so scheduled that all of the dwelling units in each portion are contiguous and are separated from other parts of the project site by natural boundaries such as streets, playgrounds, or other reasonable barriers. The construction schedule should be arranged in such a fashion that progressive acceptance of the various portions of the project is made of areas that are contiguous to the portions previously accepted. The partial acceptance and occupancy schedule should be checked carefully against the completion schedule of the heating system, utility distribution lines and mains, street, walk, and other improvements, and the delivery of ranges, refrigerators, and other equipment.

APPENDIX C

List of Services Available from USHA

1. *Informational Services.*—Guidance in the dissemination of information regarding the policies and procedures of project administration.

2. *Tenant Relations.*

(a) *Tenant selection, leasing, and determination of eligibility for continued occupancy.*—Guidance in determining qualifications for and in training personnel; in formulation of policies; in preparation of local procedures including manuals and forms; and in evaluation of performance.

(b) *Community relations.*—Guidance in determining qualifications for and in training personnel; in obtaining leadership, supervision, equipment, and facilities from local and national agencies; in development of programs in education, health, welfare,

recreation, and the like; in analysis of project needs and available community services and facilities; and in planning for services and facilities for project and neighborhood.

3. *Operation and Maintenance.*—Guidance in determining qualifications for and in training personnel; in formulation of policies and evaluation of performance in connection with operating services, dwelling utilities, and the repair, maintenance, and replacement of grounds, buildings, and equipment.

4. *Legal Assistance.*—Interpretation of applicable municipal, State, and Federal laws, Loan and Annual Contributions Contracts, and proceedings of the local authority; and advice on other matters of a legal nature including the form and issuance of local authority obligations.

5. *Accounting.*—Interpretation of general instructions and guidance in installation and operation of accounting systems and procedures.

6. *Surveys and Market Analysis.*—Guidance in the preparation of studies of the tenant market in the community, including the distribution of families of low income, by income, size, and rent paid; in the correlation and interpretation of existing data on low-income families as this affects rents, rent differentials, occupancy, and income limits; and other services in connection with such research and analysis of the tenant market as may be necessary for the formulation, review, and execution of the Management Program.

7. *Insurance.*—Guidance in obtaining lowest available rates on all types of insurance coverage required.

8. *Personnel and Labor Relations.*—Determination of prevailing wage standards for operation and maintenance personnel; guid-

ance in negotiation of agreements with labor organizations; and advice on such other matters of personnel and labor policy and procedure as may be involved in project administration.

9. *Racial Relations.*—Advice concerning racial policy to be applied in the selection of personnel and tenants and such other matters of racial policy as may be involved in project administration.

10. *Construction Completion and Acceptance.*—Guidance in the development of schedules of completion and acceptance for the various parts of the project and advice on other construction matters relating to project administration.

11. *Estimates and Budgets.*—Guidance in preparation of estimates of average annual income and expense and cash operating budgets.

12. *Field Review of Execution of Management Program.*—At the convenience of each local authority, arrangements will be made during the first and subsequent Budget Periods for management advisers, auditors, and staff specialists to review project administration in the field. The extent and the nature of such field review will be kept to the absolute minimum necessary to assure the regular payment of annual contributions. In general, such field review will serve to supplement the review of periodic reports to be made by local authorities in accordance with Bulletin No. 28 entitled "Manual of Management Reports." Subsequent to the first Budget Period and except where such reports indicate the need for more frequent visits, the field review will normally be made during the 3-month interval immediately preceding each successive annual Budget Period.

