

# NAHP Update

## Create a Resident Retention Plan That Works

BY CATHERINE A. SMITH

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**K**eeping “good” residents—people who pay their rent on time, maintain their homes, aren’t a problem for their neighbors and contribute to a sense of community—is one of the most productive things you

can do. Not only is it good for the bottom line, it helps avoid some of the biggest headaches in property management.

resident; and sometimes even concessions that need to be paid out to attract new residents. Even if you have a waiting list of prospective residents, there’s always staff time and other costs affiliated with making a change.

One of the biggest factors in

retaining residents is the quality of management services at the site. That’s why it’s wise to consider having a resident retention plan in place that really looks at what services, amenities and actions are most likely to result in residents who stay in place.

owner, manager, leasing agent (if there is one), marketing department, building services team, and even the residents themselves. The plan should be a formal written document with defined objectives and measurable goals that, if possible, are



can do. Not only is it good for the bottom line, it helps avoid some of the biggest headaches in property management.

### WHY RESIDENT RETENTION IS IMPORTANT

The value of retaining residents is a no-brainer. Keeping residents maintains cash flow. Replacing residents is costly. There’s the down time experienced by vacancies; the costs of preparing a residence for a new

retaining residents is the quality of management services at the site.

That’s why it’s wise to consider having a resident retention plan in place that really looks at what services, amenities and actions are most likely to result in residents who stay in place.

### CREATING A RESIDENT RETENTION PLAN

Like any good plan, a resident retention plan benefits from the input of everyone involved: the

specific for each resident.

For example, let’s say that one of your objectives is to deal with complaints in a timely fashion. This is important because resident complaints can affect the morale of everybody on your property. Set realistic goals for how quickly and cost-effectively specific kinds of complaints are addressed. Decide how quickly and at what cost it should take to deal with burnt-out light bulbs, jammed garbage disposals,



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dripping faucets and minor problems with ovens or stoves. Then use forms to track the resident's complaint, with space to indicate how long and at what cost it took to fix the problem. If you need to use a contractor to fix the problem, request everything in writing. In the event that an issue eventually becomes part of a dispute, this type of documentation is critical to have.

Evaluate on a regular basis whether the response time and cost factor meet your objectives. If not, figure out whether your goals were realistic or whether there is a problem with the responder.

The goal of the resident retention plan should be 95-98 percent retention, even though this may seem pie-in-the-sky. Some residents need to move regardless of how well a property is managed. But having a goal of 95-98 percent retention sets the bar high and reminds everyone that this is really important.

### **PROPER MARKETING AND SCREENING**

The first step to keeping residents is to find resident prospects whose needs you are most likely able to fill. The best of these are often referrals, people who have visited current residents on site and have a good sense of what you have to offer.

But whether residents come to you from referrals, classified ads or through some other marketing technique, you need to attract qualified prospects. Then you need to pre-screen them so that their chances of being successful in your community are good. For this you need a comprehensive application process that allows you to

pull criminal background and credit information, verify employment and income, verify rental history and discover how they have fared with other landlords or even roommates.

### **RESIDENT PROFILE**

Once you have residents in place, it is a good idea to keep an updated profile of each one. At a minimum, you can list basic information, such as a brief statement of the resident's employment history, contact information, the lease termination date and the likelihood of renewal. The resident profile could also include a history of maintenance and service activities.

Regularly scheduled meetings with residents should also be tracked in the resident profiles. These meetings provide an opportunity for residents to discuss their satisfaction with or concerns about building services. The feedback from these meetings provides information needed to make changes that will help to retain the resident.

### **PROPERTY ASSESSMENT**

Most residents really care about the physical condition of the property and want to know that its infrastructure is being properly maintained. While you might not want to share every action that is being taken to maintain your physical plant, you can consider sharing your facility's strengths and plans for upgrades. Keep a written assessment of your property's relative position in the marketplace, strengths and weaknesses, and rent structure. To remain competitive, this information should be updated at least annually—and more frequently if the property is located

in a rapidly changing market.

### **CONTRACTOR ACTIVITY**

The quality and efficiency of contractors, service providers and vendors are a critical part of how a building is maintained and serviced. The resident retention plan should include a review of your existing contractors and a history of any unique or difficult situations you or your residents may have experienced with them.

### **RESIDENT SATISFACTION SURVEY**

A resident satisfaction survey helps determine which aspects of property management are satisfactory to residents and which areas need improvement. It's a good idea to conduct resident satisfaction surveys on a regular basis, preferably annually, but no longer than every two years. Share with residents the results of the survey and any planned follow-up activities. Document improvements that are made as a direct response to data obtained from the survey.

While a formal survey will provide important information on the quality of the property and services, do not underestimate the value of frequent, informal discussions with residents. A comment made during an informal conversation may reveal a growing concern on the part of a resident.

Addressing small issues before they become larger problems will go a long way toward maintaining resident satisfaction.

### **STAFF TRAINING**

A resident retention training program for each member of the management team should also



be a part of the resident retention plan. The individual components of the training program will vary based on each team member's responsibilities, but the common and overarching theme will be to ensure that residents always feel welcome and appreciated. Customer service, communication and overall hospitality are three of the most important areas in which staff should be trained.

### **RESIDENT COMMUNICATION**

Resident communication can be achieved in many different ways—through e-mails, office visits, newsletters, and the like. Regardless of the method of communication, a regular schedule for communicating with residents is another important component of the resident retention plan.

### **SERVICES AND AMENITIES**

Beyond the basic services required under the lease, additional amenities and services can help to differentiate building management from competitors. The resident retention plan should individually list the services and amenities to be provided and should include a plan for developing, maintaining and adding services and amenities.

As a property owner/agent it

makes sense to review leases that will be expiring in as close to three months and get your maintenance personnel to check with the residents to see if they need any repairs done on the unit. This gets your residents in the right mood for wanting to stay on and have the lease renewed.

You might also consider coming up with a thank-you program that offers gifts for residents who renew their lease. A reward always works in your favor.

### EXIT INTERVIEW

While no management team wants to lose a resident, it is an inevitable part of doing business. Exit interviews provide the opportunity to understand why a resident is leaving the building. Even if the resident is leaving because of factors beyond your control, you will likely obtain information that can help you make changes and improvements that should help retain the remaining resident base.

At a minimum you should document the following two items:

- Official stated reason for moving: Include details such as information about new location, size, rent, lease terms, purchased property, and so forth.
- Comments and suggestions: How could the management team have served the resident better? What did we do right? Be as detailed as possible.

Always end the resident relationship on a professional note. You never know who the former resident may talk to about your management team and facility, and referrals to new residents may result. **NU**

# The Option of Smoke-Free Housing

**H**UD recently sent out a notice encouraging owners and management agents (O/As) to implement smoke-free housing policies in some or all of the properties they own or manage.

The rationale for doing this is simple: It has been proven that exposure to smoke, whether direct or secondhand, causes adverse health outcomes such as asthma and other respiratory illnesses, cardiovascular disease, and cancer.

In its notice, HUD cites the following:

- According to a 2005 estimate by the California Environmental Protection Agency, Office of Environmental Health Hazard Assessment, approximately 50,000 excess deaths result annually in the U.S. from exposure to secondhand smoke alone.
- Children exposed to secondhand smoke are at an increased risk for sudden infant death syndrome, acute respiratory infections, ear problems, and more severe asthma.
- Exposure of adults to secondhand smoke has immediate adverse effects on the cardiovascular system and causes coronary heart disease and lung cancer. Their risk of developing heart disease increases by 25-30 percent, and their risk of devel-

oping lung cancer increases by 20-30 percent.

In addition to the negative health effects of secondhand smoke, smoking is a proven hazard to physical structures. The U.S. Fire Administration (USFA) indicates smoking as the number one cause of home fire deaths in the country. About 1,000 people are killed every year in their homes by fires caused by cigarettes and other smoking materials. The USFA states that 25 percent of people killed in smoking-related fires are not the actual smokers; of this percentage, 34 percent of the victims were children of the smokers, and 25 percent were neighbors or friends of the smokers.

HUD's notice allowing smoke-free housing applies to:

- Project-based Section 8 new construction, state agency financed construction, substantial rehabs, Section 202/8 housing, Rural Housing Services Section 515/8 housing, Loan Management Set-Asides (LMSA) and Property Disposition Set-Asides (PDSA)
- Rent Supplement
- Section 202/162 Project Assistance Contract (PAC)
- Section 202 Project Rental Assistance Contract (PRAC)
- Section 811 PRAC
- Section 236

■ Rental Assistance Payment (RAP)

■ Section 221(d)(3) Below Market Interest Rate (BMIR)

### UPDATE TO HOUSE RULES/POLICIES AND PROCEDURES

O/As choosing to implement a smoke-free housing policy must update their House Rules and Policies and Procedures, as applicable, to incorporate the smoke-free housing requirements. O/As are encouraged to establish smoke-free policies that pertain specifically to their building and grounds, including any common areas, entry ways, openings to the building (e.g., windows) and/or playground areas.

In carrying out any smoke-free housing policy, O/As must comply with all applicable fair housing and civil rights requirements including, but not limited to, the Fair Housing Act; Title VI of the Civil Rights Act of 1964; Section 504 of the Rehabilitation Act of 1973; Title II of the American Disabilities Act; Section 109 of the Housing and Community Development Act of 1974.

### REQUIREMENTS FOR IMPLEMENTATION

O/As who choose to establish smoke-free housing policies

may allow smoking in individual units but prohibit smoking in all common areas or policies to create a totally smoke-free property.

The O/As' policies **must**:

1. Be in accordance with state and local laws.
2. Address smoking in a tenant's unit, common areas, playground areas, areas near any exterior window or door and areas outside a tenant's unit.
3. Designate specific smoking areas and identify these areas with clear signage unless the O/A establishes a totally smoke-free policy.

The O/A **must not** have policies that:

1. Deny occupancy to any individual who smokes or to any individual who does not smoke who is otherwise eligible for admission.
2. Allow the O/A to ask at the time of application or move-in whether the applicant or any members of the applicant's household smoke. However, if the O/A has established a smoke-free building as of a certain date, the O/A must inform applicants after that date that the building is a totally smoke-free building. The O/A must not maintain smoking or non-smoking specific waiting lists for the property.
3. Allow the O/A to ask at the time of recertification whether the tenant or any members of the tenant's household smoke.
4. Require existing tenants, as of the date of the implementation of the smoke-free hous-

ing policies, to move out of the property or to transfer from their unit to another unit.

#### **GRANDFATHERING**

O/As are not required to grandfather current tenants living at their property; however, they do have the option to do so. Such policies must be clearly defined (e.g., whether current tenants are allowed to smoke in their units).

#### **NON-SMOKING WINGS, BUILDINGS, FLOORS OR UNITS**

O/As are not restricted from establishing smoke-free wings, buildings, floors and/or units at their property. When a unit becomes available, regardless of where this unit is located, it must be offered to the first eligible household on the waiting list. Waiting lists must be maintained according to existing procedures found in HUD Handbook 4350.3 REV-1, *Occupancy Requirements of Subsidized Multifamily Housing Programs*, Chapter 4 and the removal of names from the waiting list according to HUD Handbook 4350.3 REV-1, *Occupancy Requirements of Subsidized Multifamily Housing Programs*, paragraph 4-20.

O/As who have already established smoke-free policies may continue to enforce their current policies so long as the policies do not violate state or local laws or any of the above guidance.

O/As must implement any new smoking-related House

Rules in accordance with the HUD Handbook, paragraphs 6-9 and 6-12.

#### **NEW ADMISSIONS**

O/As are required by existing HUD policies to provide the House Rules to all new tenants.

O/As must notify existing tenants, who have completed their initial lease term, of the modifications to the House Rules 30 days prior to implementation.

Notification is accomplished by forwarding a copy of the revised House Rules to existing tenants. For those tenants who have not yet completed their initial lease term, the owner must provide the tenant with 60 days notice, prior to the end of their lease term, of the change in the House Rules.

#### **PENALTIES FOR VIOLATING THE HOUSE RULES**

Repeated violations of the non-smoking policy may be considered material noncompliance with lease requirements and may result in termination of tenancy. When pursuing eviction due to material noncompliance with lease requirements, existing HUD procedures found in Chapter 8 of the HUD Handbook must be followed.

#### **FOR FURTHER INFORMATION**

If you have any questions regarding the requirements in this notice as they pertain to the Office of Housing's programs, please contact your local HUD Field Office. **NU**

#### **PRESIDENT**

Scott Reithel  
sreithel@chpc2.org

#### **EXECUTIVE DIRECTOR**

Kris Cook, CAE  
kris.cook@nahma.org

#### **MANAGER, EDUCATION & SPECIAL PROGRAMS**

Brenda Moser  
brenda.moser@nahma.org

#### **EDITOR**

Catherine A. Smith  
Community-Based  
Communications, L.L.C.  
cbc.smith@comcast.net

#### **DESIGN**

Mary Butler  
butler5s@comcast.net

#### **CONTRIBUTING WRITERS**

Brian Carnahan  
Mary Ross  
Allan Pintner  
Al Shapiro

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# Pet Policy Breeds Satisfaction

**Q:** What would be a good policy to have regarding pets?

**A:** It's important to have a written policy on pets. What if a new resident shows up with a screeching mynah bird? Or a 90-gallon aquarium that weighs more than 1,000 pounds? Or a pit bull that growls at you when you put your hand out?

If your property is going to accommodate pets, there are

several things managers must consider: how to cover the costs of pets (e.g., if they damage carpets) and how to ensure that pets don't harm or aggravate other residents. If pets are allowed, keep in mind that a very thorough apartment cleaning procedure will be required when the resident moves, because the next tenant might be allergic to animal fur or dander.

Costs can be covered by

incorporating the potential cost of damage into the security deposit. In some jurisdictions, it is possible to charge extra rent for a pet.

Preventing harm and aggravation are more difficult.

The following sample pet policy contains some language that may be useful when you are developing your pet policy.

Have the resident(s) sign and date the policy, and revisit it with them at least annually. **NU**

## Sample Pet Policy

**PURPOSE: THIS POLICY ESTABLISHES THE TERMS AND CONDITIONS UNDER WHICH [NAME OF APT. AND RESIDENTS] MAY KEEP PETS AT [NAME OF PROPERTY].**

1. No unit can hold more than two pets and/or aquariums.
  2. Each species of animal and each specific animal must be approved in advance by the on-site property manager.
  3. Full-grown dogs can weigh no more than 70 pounds. The following breeds of dogs are not permitted as pets [list].
  4. Dogs that bark continuously for more than three hours will be removed from the unit and taken to [the Humane Society or other facility], where it will be held until the owner retrieves it. Any associated costs must be borne by the resident, who must prove that the infraction will not occur again (e.g., by hiring a dog sitter).
  5. All dogs and cats must receive examinations and vaccines, and be spayed or neutered as appropriate. This needs to be confirmed by a veterinarian's certificate.
  6. There shall be a \$\_\_\_\_\_ deposit for each animal and for each aquarium. Part or all of the deposit may be retained by management to defray cleaning, repair, and/or replacement of property soiled or damaged by the animal.
  7. Animals must be kept inside the apartment except when exercised outside under the direct and constant supervision of the owner.
  8. All animals that make noises loud enough to be heard outside the apartment are disallowed.
  9. All snakes are disallowed.
  10. Reptiles must be non-poisonous and kept in secured containers or under constant supervision at all times.
  11. All wild animals and all dangerous animals are disallowed, as are all animals which may not legally be kept in captivity.
  12. Animal breeding operations are disallowed.
  13. Animals are not allowed in the swimming pool area [if applicable].
- Visitors to [name of property] may not bring their animals onto [name of property].
- Violation of any aspect of the [name of property] Pet Policy terms or conditions shall be grounds for eviction of the tenant who maintains the animal as well as all other persons living in the tenant's apartment.
- [SIGNED / DATE]
- 
- I UNDERSTAND AND ACCEPT THE TERMS AND CONDITIONS OF THE [name of apt] PET POLICY.

## Welcome New Certificants!

### NAHP Executive

- >> Anne Sackrison  
CSI Support & Development  
Warren, MI
- >> Melissa Fish Crane  
Crane Peabody Properties  
Braintree, MA

### NAHP Professional

- >> Carole Rowell  
PRD Management  
Mt. Ephraim, NJ
- >> Paula Malcolm  
Corcoran Management  
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- >> Donald Luehrman  
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- >> Mike Gabler  
BIONIC Real Estate Services, LLC
- >> Vernon Hahn  
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- >> Wilbert Handson  
BIONIC Real Estate Services, LLC



# Need for Housing Energizes a Career

**NAHP:** Melanie Murphy Kibble, NAHP-e, SHCM

**MANAGEMENT COMPANY:** Mercy Housing Management Group

**POSITION:** Vice President of Compliance and Regional Vice President, Midwest

**YEAR OF CERTIFICATION:** 2008

Melanie Murphy Kibble took “climbing the ladder” quite literally—even if she was so caught up in doing it that she wasn’t doing it consciously.

She started out 30 years ago at one property “as the drapery lady,” she said, taking drapes down, laundering and repairing them, and putting them back up as units turned over.

Melanie worked her way up from drapes to leasing agent to office manager, site manager and then portfolio supervisor in less than 10 years.

After a brief stint as an association manager, Melanie was with Urban Property Management for 14 years, beginning as a property supervisor and then vice president/director of Operations.

In 2005 Melanie went to work for Mercy Housing Management Group (MHM), formerly Mercy Services Corporation, where she is the vice president of compliance and regional vice president for the nonprofit’s Midwest portfolio. MHM was established in 1983 and manages hundreds of properties across the country for

multiple ownership groups with a wide variety of product, regulatory and population types. MHM is a proven leader in the national market for affordable housing property management.

Melanie has always been based in Denver but has worked nationally, getting “a full spectrum of housing” but particularly enjoys Mercy Housing, as she always wanted to work for a nonprofit.

Throughout her career, Melanie has always sought out training, earning numerous certifications. She has also been very involved in Rocky AHMA, where she is the immediate past president and remains on its board of directors. She has been the AHMA’s conference chair for the past 10

years and calls education AHMA’s “primary driver.” She is especially proud that the AHMA developed the online Basic Occupancy course and is currently working on developing that to the next level.

Melanie also serves as the chair of the senior housing committee for NAHMA and has been the president of the Apartment Association of Metro Denver.

Despite being so busy professionally, Melanie and her husband have five children together and have 10 grandchildren. She is also a professional singer.

Melanie’s commitment to her work is inspired by “the tremendous need in this country for affordable housing,” she said. “I want to be part of the effort to provide it.” **NU**

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 Alexandria, VA 22314  
 400 North Columbus Street, Suite 203  
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