

## **Exhibit 8-2 Vacancy Definitions**

Turnaround days are one indicator used by AHFC management to evaluate our Public Housing operations and responsibilities. HUD categorizes turnarounds in four distinct steps:

1. Tenant Move-Out
2. Maintenance Readies Unit
3. Management Selects Tenant
4. Tenant Move-In

Asset Supervisors are responsible for tracking and filling vacancies within the parameters outlined in policy. Examples utilizing the definitions below are shown in Exhibit 8-2.

### **8-1.1 VACANCY TYPES**

A tenant may vacate a unit by:

1. Being ordered to surrender the unit by a court (court eviction)
2. Receiving notice from AHFC and moving out (non-court eviction)
3. Giving notice of intent to move
4. Transferring to a new assisted unit
5. Passing away
6. Abandoning a unit

In each of the cases above, a tenant may vacate the unit and leave personal property in the unit. When a tenant vacates, do not immediately post the move out action in the computer. Staff must be able to clearly establish each tenant's legal responsibilities under the lease so that the proper charges accrue to the tenant's account.

### **8-1.2 TURNAROUND DATES**

As a unit advances through each of the turnaround stages, various milestones occur that help AHFC track the progress of the unit. Tenant files must clearly document the first step, Tenant Move-Out.

#### **8-1.2.A Legal Expiration Date/Move-Out Date**

The move-out and legal expiration dates often depend on the reason the tenant left the unit and under what circumstances the tenant vacated the unit. Each of the vacancy

types is listed below with instructions on how to determine the move-out and legal expiration date of the lease.

**1. Court Eviction**

For both the move-out and legal expiration dates, this is the day the court orders possession for AHFC and the family vacates, **OR** this is the day the Writ of Assistance is served on the family, and they are removed from the unit.

**2. Non-Court Eviction**

For both the move-out and legal expiration date, this is the day that AHFC can confirm that a family has vacated the unit. Usually, this day is the same as the move-out inspection date.

Please see the section below on Abandoned Property in the unit.

**3. Notice to Move**

If the tenant gives proper notice and leaves (i.e., turns in the keys) before the end of the notice period, the move-out date is the date the tenant vacates. The legal expiration date is still the end of the rental period.

If the tenant moves without proper notice (not an abandonment), the move-out date is the date the tenant vacates or the vacancy is discovered. The legal expiration date is the end of the rental period for which notice was due.

If a tenant gives proper notice to vacate on any day other than the last day of the rental period, staff may not establish a legal expiration date beyond the date cited in the notice. For example, if a tenant gives notice on September 1 to vacate October 7, the legal expiration date is October 7.

**4. Transfers**

When transferring a tenant from one assisted unit to another, staff must take care when assigning move-out and move-in dates. A family can only be responsible for the rent for one assisted housing unit at a time. A family cannot be charged rent for their old unit and their new unit at the same time. The time a family needs to move their personal belongings must be factored into the move-out and new move-in dates.

In these cases, the move-out date and legal expiration date are the same. The move-in date for the new unit is the day the tenant takes possession (receives the keys) of the new unit. The move-out date for the old unit is the day before the new unit move-in date.

## 5. Deceased Tenant

This guidance only applies if there are no remaining family members in the unit who can assume the lease. In accordance with HUD PIH Notice 2010-9, the move-out date is the date of death or the date AHFC confirms the death. The legal expiration date is the end of the rental period in which the death occurred.

Please see **Abandoned Personal Property** for information on tenant's belongings left in the unit. Please see Exhibit 8-3 for further guidance on deceased tenant procedures.

## 6. Abandoned Unit

If a family does not give a notice to move and fails to pay rent or utilities, they may have abandoned the unit. The move-out date is the date that AHFC becomes aware of the vacancy. The legal expiration date is the end of the rental period.

If AHFC serves a Notice to Quit and the family moves, this is not abandonment (see Non-Court Eviction). In most cases, abandonment occurs when AHFC is paying a monthly Utility Allowance Payment (UAP) to the family.

Please see **Abandoned Personal Property** for information on tenant's belongings left in the unit.

## 7. Abandoned Personal Property

When a tenant vacates (with or without proper notice) a unit, the tenant may leave personal property in the unit. A landlord is required to secure a tenant's personal property and give the tenant notice before disposing of any items. The tenant has 15 days to contact the landlord and arrange to remove the personal property. See the State of Alaska Uniform Residential Landlord and Tenant Act (Alaska Statute 34.03).

If a landlord does not have a place to safely store tenant belongings, the personal property may be kept in the unit. The landlord may charge storage fees for this period. The storage fees cannot exceed the tenant rent.

### 8-1.2.B Charge-Through Date

Tenants may still be responsible for the rent for a unit even after they have vacated. When establishing the legal expiration date (or Charge-Through Date), please remember that AHFC may not collect rent for a unit from more than one family. If you move a new tenant family into a unit, the previous tenant is no longer responsible for the rent for the unit.

AHFC receives its operating subsidy from HUD based on the number of units occupied on the first day of each month. If a unit is in 'charge-through' status on the first of the month, it is considered occupied for the purpose of calculating HUD subsidy.

#### **8-1.2.C Work Order Date**

Unit renovations are a priority item, and the unit renovation work order should be initiated at the earliest possible date after move-out. The work order date is the date that maintenance takes possession of the unit and begins working. If a tenant does not leave personal property in the unit or the personal property is secured, maintenance may take possession of the unit on the move-out date and begin working in the unit. The Work Order Date and the Move-Out Date can be the same day.

#### **8-1.2.D Ready for Occupancy**

This is the date that the unit is ready to be rented. On this date, management becomes responsible for the unit. This date is also known as the "Actual Ready Date."

#### **8-1.2.E Move-In Date**

This is the date a new family accepts possession of the unit and begins paying rent. The Ready for Occupancy Date and the Move-In Date can be the same day. A move-out and move-in cannot occur on the same day. AHFC may only charge rent for a unit to one tenant at a time.

### **8-1.3 CALCULATING DAYS FOR TURNAROUND TIME**

Turnaround time is the number of days between a Move-Out and a Move-In. HUD only counts those turns that have completed the process during the fiscal year. If a turn is partially complete, it is carried over to the next fiscal year.

Average turnaround time is calculated by dividing the total number of turn days by the number of completed turns. Turnaround time does not include days that may be "exempted." See the Exempted Days section below for a discussion of exemption reasons and methods.

When reporting turnaround time to HUD, AHFC divides the days into these categories: Down Time, Maintenance, Management, and Total. A discussion of each follows.

#### **8-1.3.A Down Time**

This is the number of days between the move-out date and the date when maintenance first charges renovation time against the unit. When calculating down time, the move-

out date is not included, because the tenant pays rent on that day. Ideally, down time should be zero days.

### **8-1.3.B Maintenance Days**

This is the number of days that maintenance worked to make a unit ready for occupancy. The first day assigned to maintenance is the day work is first charged against the unit renovation work order. If maintenance begins working in a unit on the move-out date, that day is not charged to maintenance as the tenant paid rent for that day.

### **8-1.3.C Management Days**

This is the number of days that management took to lease a unit. The time begins on the ready for occupancy date and continues until the move-in date. The move-in date is not counted as a management day as a new tenant pays rent on that day. Ideally, AHFC would like new tenants to take possession of units on the ready for occupancy date.

## **8-1.4 EXEMPTED DAYS**

Although AHFC is a Moving to Work agency, we will still use PHAS parameters as a guideline for monitoring AMP productivity (i.e., turnaround times, vacancy rate, inspections, tenant account receivables, etc.). Because we no longer report to HUD under PHAS, AHFC is currently following the rules under the Public Housing Operating Fund Program. AHFC submits a request to HUD annually for subsidy to operate each AMP. The subsidy is calculated, in part:

- on the number of units occupied on the first day of each month (24 CFR 990.135)
- on an annual limited vacancy rate of three (3) percent or less (24 CFR 990.150)

The exemptions listed below are the only exemptions allowed by HUD under the Public Housing Operating Fund Program.

### **8-1.4.A Units Undergoing Modernization**

As defined in 24 CFR 990.145(a)(1), these are vacancies resulting from approved project or unit modernization.

#### **1. Project Modernization**

In order to exempt vacancy days in this category, the unit must be part of a current or pending approved modernization plan. Funds used in the modernization may not come from the Operating Budget.

## **2. Unit Modernization**

In order to exempt vacancy days in this category, the unit must be renovated with funds from a source other than the Operating Budget and:

- a. Vacant due to structural deficiencies requiring a long-term remedy, often developed in conjunction with the Construction Department; **OR**
- b. Extensively damaged by a tenant, requiring more than 20 maintenance days to turn.

## **3. Documentation Requirements**

Units being renovated under A.1 above do not require additional documentation from the field office as these will appear on the Physical Needs Assessment list for the property.

If a unit is vacant due to A.2 above, staff must obtain and retain additional documentation.

- a. For structural deficiencies, A.2.a, the supporting documentation can include communications (emails, memos, etc.) between Maintenance, Management, and Construction Department staff documenting the issue, discussion, and plans for modernization/resolution.
- b. For tenant damages, A.2.b, the supporting documentation can include photographs of damage, estimates for cost and time to complete repairs, approval of the Asset Supervisor, and determination of source of funds for repairs. Please use form PM660 *Request for MOD Funds Due to Extensive Damages*.

### **8-1.4.B Units Approved for Special Use**

These are units approved by HUD for long-term 'non-dwelling' use. Resident self-sufficiency, computer labs, and training activities, as well as community rooms and after-school programs are eligible non-dwelling uses.

Field office staff should have documentation in their general project file regarding any subsidized units approved for non-dwelling use.

### **8-1.4.C Units Vacant for Reasons Beyond the HA's Control**

These units are eligible for operating subsidy and have been approved by HUD for exemption.

## **1. Litigation or Legal Reasons**

These types of vacant units include:

- a. Units ordered vacant by a court order or settlement agreement
- b. Units ordered vacant to avoid potential litigation due to regulatory or statutory requirements
- c. Units vacant due to a voluntary compliance agreement to make them accessible

If staff receives a court order to keep a unit vacant, staff will send a copy of that order to Central Office. Staff will keep a copy of the court order with their monthly report documentation. Central Office will track changes on an AMP's vacancy analysis report for units that are being modernized to make them accessible under a voluntary compliance agreement.

## **2. Disasters**

Units that may be vacant due to a disaster declared by a federal, state, or local agent.

Central Office will track these changes. If staff receives any documentation regarding declared disasters, please send that documentation to Central Office.

## **3. Casualty Loss**

Units that are damaged and remain vacant due to delays in settling insurance claims. Once the claim is settled, the days may no longer be exempted as Casualty Loss. If the unit remains vacant pending completion of repairs, recode the unit to modernization.

Central Office will track these changes. If staff receives any documentation regarding declared casualty loss, please send that documentation to Central Office.

## **4. Changing Market Conditions**

A PHA may appeal to HUD to continue to receive subsidy when a unit remains vacant due to changing market conditions. Exemptions in this category include lengthy or repeated vacancies due to conditions in the local community, often evidenced by an insufficient waiting list.

- a. Documentation for "Changing Market Conditions"

HUD expects that the PHA has taken "aggressive marketing and outreach efforts [24 CFR 990.245(d)]" before categorizing a unit vacant due to this condition.

Staff must maintain the following documentation for this exemption.

- 1) A description of changes in the local community that are affecting the project's waiting list (i.e., loss of industry, unusual rise in cost of living, population loss, etc.);
  - 2) The steps taken to increase the number of applicants, such as advertising and networking in the community;
  - 3) Statistics on the overall rental market in that community;
- b. Documentation for Units
- Once the market conditions have been documented, staff must maintain the following information for each unit.
- 1) The unit must be turned quickly by maintenance to ensure the unit is in ready to rent condition;
  - 2) The date the unit met the vacancy conditions for reasons beyond the development's control;
  - 3) Determinations of ineligibility during the time of the vacancies; and
  - 4) The date the unit no longer met the special conditions and was available for occupancy.

#### **8-1.4.D Addition and Deletion of Units**

PHAs are required to report these changes quarterly. Once a unit has been approved for an asset repositioning fee, it is no longer eligible for subsidy.

##### **1. Additions**

Central Office will be responsible for tracking this information on AMP vacancy analysis reports.

##### **2. Deletions**

If a unit has been approved by HUD for demolition or disposition, AHFC will exempt those days a unit is vacant until it is approved by HUD for an asset repositioning fee. Because staff is often not aware when this fee is granted, Central Office will track this exemption.