

Exhibit 8-1 Definitions

Turnaround days are one indicator used by HUD and AHFC management to evaluate Multifamily Housing operations and responsibilities. AHFC scores can affect future grants and other sources of funding. Staff are responsible for tracking and filling vacancies within these parameters.

A. LEGAL EXPIRATION DATE/MOVE-OUT DATE

When a tenant vacates, do not immediately post the move out action in the computer. Staff must determine the move-out date for the purposes of possible HUD HAP repayment as well as the tenant's legal responsibility for additional rent charges that may be due under the lease. Hold the file until you are able to determine the HAP move-out date and the legal expiration date or the date the unit is rented, whichever comes first.

The legal expiration date of the lease depends on when the tenant vacated the unit and the reason the tenant moved out. A tenant may:

- Be ordered to vacate by a court;
- Move upon notice by AHFC, but before appearing in court;
- Give a notice to move;
- Become deceased while still in possession of the unit;
- Abandon a unit; or
- Move and leave personal property in the unit.

A.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** the day that the Writ of Assistance is served to the family and they are removed from the unit.

A.2 Non-court Eviction

For both the move-out and legal expiration dates, 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.

A.3 Notice to Move

If a family moves without proper notice, then the move-out date is the day AHFC confirms the family has vacated, or the day that maintenance takes possession of the unit, whichever is first. Often, the legal expiration date of the lease is the same as the expiration of the rental period.

A.4 Deceased Tenant

Refer to the HUD 4350 Handbook, Chapter 9, Section E.1, page 9-16 for guidelines on establishing the move-out date for a deceased tenant.

This assumes there are no adult household members remaining in the unit who can take over the lease.

A.5 Abandoned Unit

If a family moved without proper notice and has failed to pay rent or utilities, they may have abandoned the unit. Do not code a unit as abandoned if a notice to quit was served. Please see section A.2 above. In abandonment cases, the move-out and legal expiration dates are the day that AHFC can confirm that a family has vacated the unit.

A.6 Abandoned Household Items

Personal property may be left behind when a family leaves a unit. The Alaska Landlord/Tenant Act states the landlord must secure the tenant's belongings for 15 days.

If the landlord has no other place to safely store the belongings, the landlord may keep the belongings in the unit and charge the tenant for storage for a maximum of 15 days. Storage fees cannot exceed the tenant rent.

B. CHARGE THROUGH DATE

The tenant may be charged rent after he or she has vacated. Their obligation is either the legal expiration date of the lease or the day the unit is rented, whichever comes first.

C. WORK ORDER DATE

A work order can have many dates associated with it. When entering the Work Order Date, please make sure that you record the first day that maintenance began work in the unit. This may differ from the date of the work order.

D. READY FOR OCCUPANCY

This is the date the unit is turned over to management from maintenance to re-rent. In AHFC's current computer system, this date is also known as the "Actual Ready Date." Ready for occupancy does not mean the date the unit becomes vacant.

E. MOVE-IN DATE

This is the date the new family accepts possession of the unit. This is the same as the day the family begins paying rent for the unit.

F. CALCULATING DAYS

Count the number of days between the move-out date and the date the new lease became effective to calculate turnaround time. For reporting purposes, the turnaround time will include all units reoccupied during the assessment year.

To determine turnaround days, do not count the day the unit was last occupied or the day the new tenant moved-in – only the days in between.

G. DOWN-TIME

This is the number of days between the move-out date and when maintenance first charged renovation time against the unit.

H. MAINTENANCE DAYS

This is also known as "Vacant/Ready." This is the number of days that maintenance worked to make a unit ready for leasing. These days must match the days entered against the renovation work order. These days may include down-time. The move-out date is not counted as part of maintenance's time.

I. MANAGEMENT DAYS

This is also known as "Ready/Leased." This is the number of days that management took to lease a unit. The clock begins when management receives the keys from maintenance and continues until the move-in date. The move-in date is not counted as part of management's time.

J. EXEMPTED DAYS

There are no exemptions for the days a unit is vacant in the Multifamily Housing Program. HUD will only provide subsidy for days that a tenant is residing in the unit.

K. SPECIAL CLAIMS

A property manager may submit a claim to HUD for unpaid rent, other charges, or tenant damages.

K.1 Claims for Unpaid Rent and Tenant Damages

These are monies owed by a vacated tenant due to failure to pay rent or other charges or damages that exceed normal wear and tear caused by the tenant. HUD will pay a maximum amount of:

- The contract rent in effect when the tenant vacated the unit
- MINUS the security deposit
- MINUS any interest earned on the security deposit
- MINUS any payments made by the tenant on the amount due.

Staff must maintain the following documentation for these exemptions.

- a. Staff must have collected the full amount of the security deposit. If the full amount was not collected, HUD will still use the full amount of the security deposit in its calculation above.
- b. Any damage charges must be due to tenant negligence or abuse. Staff may not submit a claim for routine maintenance or normal wear and tear.
- c. Staff must have documentation showing the amount billed to the tenant and all steps taken to collect the amount due.

Please reference your HUD Handbook 4350.3, Chapter 9, Section 9-14C, pages 25 through 27.

K.2 Claims for Vacancy Loss

Staff may submit a claim to HUD for a vacancy loss when there are reasons beyond the staff's control that prevent a unit from being rented. The requirements for a vacancy loss claim are:

- a. The unit must be ready to rent. HUD will not pay for a unit that is being renovated for occupancy.
- b. Staff must advertise the unit vacancy in compliance with their property's Affirmative Fair Housing Marketing Plan.
- c. Staff may not submit a claim for vacancy loss if the rental amount is covered by another source such as an applied security deposit.
- d. Staff may only claim a maximum of 60 days as a vacancy loss.

Staff must maintain the following documentation for these exemptions.

- a. Staff must have transmitted a move-out 50059.
- b. Staff must have documentation from the Work Order system showing when the unit was ready for occupancy.
- c. Staff must have documentation showing the amount billed to the previous tenant.
- d. Staff must keep copies of all advertisements or other marketing activities undertaken to fill the unit.
- e. Staff must keep copies of the waiting lists worked to fill the vacancy.

Please reference your HUD Handbook 4350.3, Chapter 9, Section 9-14D, pages 27 through 30.

L. EXAMPLES

L.1 Scenario One (Court Eviction)

You go to court on November 11. The judge orders possession for AHFC at Noon on November 13. You go to the property on November 13, and the family has left the unit.

- The Move-Out Date is November 13.
- The Legal Expiration Date is November 13.
- Maintenance is on the clock beginning November 14.

L.2 Scenario Two (Court Eviction)

You go to court on November 11. The judge orders possession for AHFC at Noon on November 13. You go to the property on November 13, and the family is still in the unit. The troopers serve the family the Writ of Assistance on November 15 and remove the family.

- The Move-Out Date is November 15.
- The Legal Expiration Date is November 15.
- Maintenance is on the clock beginning November 16.

L.3 Scenario Three (Non-Court Eviction)

You served a Notice of Lease Termination for Nonpayment of Rent on February 7. The deadline to pay is midnight, February 14. You run

your report on the morning of February 15, and the family has not paid. You conduct the move-out inspection on February 25, and the family is not in the unit. The unit does not have any personal property.

- The Move-Out Date is February 25.
- The Legal Expiration Date is February 25.
- Maintenance is on the clock beginning February 26.

L.4 Scenario Four (Non-Court Eviction)

You served a Notice of Lease Termination for Nonpayment of Rent on February 7. The deadline to pay is midnight, February 14. You run your report on the morning of February 15, and the family has not paid. You conduct the move-out inspection on February 20, and the family is not in the unit. The unit is full of personal property.

You must use your prudent, professional judgment to determine if the family has vacated the unit. You cannot post the unit abandoned to store the personal property. In this instance, you may have to proceed with an eviction.

L.5 Scenario Eight (Non-court Eviction)

You post a Notice of Lease Termination for Good Cause on April 7. The tenant calls you on April 11. He states that he has vacated the unit and left the keys on the counter in the unit. You conduct a move-out inspection on April 12; the keys are on the counter; and the unit contains personal property.

- Maintenance and Management must meet to determine if Maintenance can take the unit.
- Maintenance says that they can take the unit on April 15.
- The Move-Out Date is April 12.
- The HAP Move-Out Date is April 12.
- The Legal Expiration Date is April 12.
- Maintenance is on the clock beginning April 13.

Please do not confuse disposition of personal property with legal possession of the unit. If you decide to hold a unit to store personal property, you may have to count those days against your turnaround time.

L.6 Scenario Five (Notice)

The family gives notice on December 1 that they will vacate the unit by December 31. The family comes into the office on December 17, turns in their keys, and says that they are out of the unit.

- Maintenance and Management must meet to determine if Maintenance can take the unit.
- Maintenance agrees to take the unit on December 23.
- The Move-Out Date is December 17.
- The HAP Move-Out Date is December 17.
- The Legal Expiration Date is December 31.
- Maintenance is on the clock beginning December 18.

L.7 Scenario Six (Notice)

The family gives notice on December 1 that they will vacate the unit by December 31. The family comes into the office on December 17, turns in their keys, and says that they are out of the unit.

- Maintenance and Management must meet to determine if Maintenance can take the unit.
- Maintenance says that they cannot take the unit until January 2.
- The Move-Out Date is December 17.
- The HAP Move-Out Date is December 17.
- The Legal Expiration Date is December 31.
- Maintenance is on the clock beginning December 18.

L.8 Scenario Seven (Notice)

The family gives notice on December 8 that they will vacate the unit by January 15. The family calls the office on December 28, states that they are out of the unit, and says that the keys are on the counter in the unit.

- Staff must conduct a move-out inspection to confirm that the unit has been vacated.
- Maintenance and Management must meet to determine if Maintenance can take the unit.

- Maintenance says that they cannot take the unit until January 5.
- The Move-Out Date is the date of the move-out inspection confirming the family has vacated the unit.
- The HAP Move-Out Date is the date of the move-out inspection confirming the family has vacated the unit.
- The Legal Expiration Date is January 31.
- Maintenance is on the clock beginning the day after the move-out inspection.

L.9 Scenario Nine (Deceased Tenant)

The tenant's family calls you on March 3 and states that the tenant is in the hospital. The family calls again on March 10 and tells you that the tenant has passed away.

- The date of the tenant's notice is March 10.
- The maximum Move-Out Date is March 24 (14 days after the move-out notice).
- Your HAP Move-Out Date may be earlier if the family is able to return possession of the unit to AHFC before March 24.
- See the Notices section to determine your move-out and legal expiration dates.

L.10 Scenario Ten (Deceased Tenant)

The tenant's family calls you on March 3 and states that the tenant passed away on February 25 (not a leap year).

- The maximum Move-Out Date is March 11.
- Your HAP Move-Out Date may be earlier if the family is able to return possession of the unit to AHFC before March 11.
- See the Notices section to determine your move-out and legal dates.