

Tenant Retention Plan for West Park Manor Apartments

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I: Project and Policy Overview

West Park Manor Apartments is a housing project located at 7236 Rutland Street . WPM Investments LLC (“Owner”) seeking approval for Detroit’s Payment In Lieu of Taxes (PILOT) program. As this property has occupied units, a Tenant Retention Plan (TRP) is required to protect existing residents throughout the rehabilitation and/or transition of this property to income-and-rent restrictions.

Legacy Residents are tenants in the property at the time of this Tenant Retention Plan. Residents of restricted units must be compliant once the PILOT is in effect. All Legacy Residents are considered compliant through the term of their active lease, regardless of income, for purposes of PILOT affordability compliance. Legacy Residents must income-qualify by the end of the term of their active lease to remain compliant.

Property details:

- Project type: Occupied Rehab
- Project has 186 residential units. There are # occupied occupied units, all of which will be considered Legacy Residents.
- This is a Government-Aided Housing Project (GAHP): No

Rehabilitation Details

- Construction status: Not Yet Started
- Will the renovation result in relocation of Legacy Residents?: Yes
- Is there a change in affordability pre-rehab to post-rehab?: Yes.
- Is there a change in rent pre-rehab to post-rehab?: Yes.

All elements of project planning and construction will be conducted in full and complete compliance with Federal, State and Municipal laws and regulations.

II. Income verification

All Legacy Residents are considered compliant through the term of their active lease, regardless of income, for purposes of PILOT oversight. Legacy residents must complete income-verification to be considered compliant after the term of their active lease, or after PILOT is in effect, whichever is later.

Income verification includes the collection of income information for all members of the household occupying a restricted Unit who are earning an income, household size, and the signing of a Tenant Authorization Form. Proof of income includes:

1. Paystubs (at least two),
2. social security statement,
3. retirement/pension statement,
4. child support payments,
5. proof of receipt of scholarship grants and student verification forms, and
6. such other documentation used to verify such persons' income such as bank statements or other asset verification
7. Other information, as approved by HRD

Owner/managers may use proof of income already collected is acceptable for purposes of income verification, but the AMI associated with that income should be calculated based on the MSDHA income and rent limits for the year represented by the income data provided.

III: Affordability

Affordability Restrictions-FTHP/SWHP

The Affordability Agreement accompanying this PILOT application outlines the unit affordability restrictions and corresponding rent limits that will be imposed under the PILOT. It also outlines the extend to which Legacy Residents may have incomes exceeding the stated unit restriction. The table below shows the number of households at each affordability restriction level, and the corresponding allowable Legacy Resident household income.

Table: Affordability Restrictions and Corresponding Allowable Legacy Resident Income

# Units	Unit Restriction	Allowable Legacy Resident Income
10	60% AMI	80% AMI
20	80% AMI	100% AMI
10	100% AMI	120% AMI

Proposed Rents

Owner acknowledges that the City policy relating to rent increases for Legacy Residents is as follows:

- Post-Rehab Rent Increase: Rent for Low Income (80% AMI or lower) Legacy Residents will be capped at the greater of a 5% increase from the rental rate prior to the renovation or construction or 30% of household income, up to the maximum allowable rent based on the unit restriction, and
- Subsequent year-to-year rent increase: Ongoing rent increases for Legacy Residents are limited to 3% annually, up to maximum allowable rent based on the unit restriction.

Table. Proposed changes to rent for the Legacy Residents

	Proposed Post-Rehab Rent Increase ("N/A" if construction complete)	Proposed Subsequent year-to-year Rent Increase
Low-Income Legacy Residents (up to 80% AMI)	Enter your projected rent increases for legacy residents	Enter your projected rent increases for legacy residents
Moderate-Income Legacy Residents (>80% AMI)	Enter your projected rent increases for legacy residents	Enter your projected rent increases for legacy residents

Pro Forma Analysis

Income information:

Based on the pro forma provided in the PILOT application, the status of the income and household information for legacy Tenants is as follows:

Income and household information has been provided for only some of the occupied units. For units with this data, we are able to determine if proposed rents are compliant based on tenant retention policy. Note all tenants must be income-qualified, so information provided in the pro forma may not be the same as what is determined through the qualification process.

Proposed Rent Compliance:

Proposed rent for occupied units must be compliant with tenant retention policy based on Legacy Resident income, current rent and household restriction. The pro forma rent roll tab attached to this document should demonstrate that all occupied units show "Y" for Proposed Rents Compliant per Tenant Retention."

Legacy Resident Compliance

Based on the pro forma provided in the PILOT application, Legacy Resident compliance based on income and unit restriction is as follows:

The Legacy Residents in units 1a, 3b, and 10 f are not compliant relative to their unit restriction and cannot remain in their units past the term of their active lease unless their income is certified to a lower value. Owner will work with these households to certify their income to determine if the actual income is different from that portrayed in the pro forma. Note legacy tenants with income over 120% AMI cannot be considered compliant in a restricted unit.

IV. Rehabilitation and Relocation Plan

Construction Schedule

Provide estimates if not known:

- Construction start: [construction start]
- Construction end: [estimated construction end]

Logistics:

Off-Site Relocation

NOTE: Include if work is happening while residents are temporarily relocated out of the building. Please make changes to this section and correct to make accurate for your specific case.

Due to the nature of the renovation, there is no safe and comfortable way for residents to remain in the buildings during construction. Therefore, all work will take place after residents are relocated out of the building.

Pre-Rehab:

- Identifying Housing: [Insert language here for how tenants will be supported to find alternative housing that is affordable to them and meets the needs of their household. All tenants are to receive relocation advising including an interview to determine resident preferences and needs for another unit, explanation of procedures for obtaining assistance, and assistance finding a temporary unit, if needed.]
- Moving: [Owner/Property manager] will provide payment for reasonable moving assistance for all low-income, for all elderly or disabled residents, and for residents who exercise their right to return to the property. Seniors or residents with disabilities who require packing support will be provided with assistance.
- Utilities: All services will be maintained until existing tenants are temporarily relocated during construction.

Post-Rehab

- Right to return: After the renovation, all income-eligible Legacy tenants who are current on rent or are on a payment plan approved by property management will have the right to return to renovated units, and receive a 12-month lease

[Explain how you will handle logistics of rent differential payment, if applicable.]

Special Needs

[Owner/Property manager] will review tenant demographics, identify any special needs of the tenants that require additional assistance and make a plan to accommodate these needs, in accordance with Michigan Fair Housing Act. [Add specific details.]

V: Resident Communication

Non-URA Resident Communication

Tenant communication is an integral part of tenant retention. The following communications may be required depending on the details of the project:

- 1) **Tenant PILOT Notice**: All Legacy Residents must receive a Tenant PILOT Notice, which includes proper notice of the following, if applicable:
 - a. Explanation of rental restrictions and term of PILOT incentive.
 - b. Notice of requirement to income-qualify and to sign a Tenant Authorization form.
 - c. Notice of upcoming changes to rent.
 - d. Notice of upcoming rehab/construction work on the property.
- 2) **Rehab/Relocation Notices**: Notice of in-unit work and relocation is required, if applicable.
 - a. **In-unit work notice**: If relocation is not required but there is work occurring with in the residential unit, notice must be given including date/time of work and brief scope of work to be completed. One- to two-weeks' notice is recommended.
 - b. **Relocation Notices**: If relocation is required, provide information on relocation plan. 90-day and 30-day notices are required for renovation work that requires residents to vacate unit for a period of greater than one workday.
 - i. **Notice of relocation**: information on moving assistance and logistics a minimum of 30 days prior to any requirement to relocate to another unit, on- or off-site.

- ii. **Notice of return:** when a renovated unit is ready to occupy, provide information on moving assistance and logistics.
- 3) **Displacement Notices:** If any tenants refuse to income-certify by the end of their lease date or the start of the PILOT, whichever is later, or whose income is non-compliant based on the affordability restrictions and Tenant Retention Standards, they must be given sufficient notice that their lease cannot be renewed and that they must relocate. At least 30 days notice is required.
- 4) **Resident Meeting:** HRD reserves the right to require an in-person meeting tenant meeting. In this case, notices must be communicated via individual letters to tenants, publicly-posted flyers. A City Representative may be present at the meeting.

Table. Estimated Communication Timeline:

Complete If Applicable	Estimated Date(s)	Notes
1. Tenant PILOT Notice	[Complete if applicable]	[Complete if desired]
2a. In-Unit Work Notice	[Complete if applicable]	[Complete if desired]
2bi. Notice of Relocation	[Complete if applicable]	[Complete if desired]
2bii. Notice of Return	[Complete if applicable]	[Complete if desired]
3. Displacement Notice	[Complete if applicable]	[Complete if desired]
4. Resident Meeting	[Complete if applicable]	[Complete if desired]

VI. Resources

Useful resources are available at Detroitmi.gov/PILOT including:

- Tenant Verification One Pager
- Sample tenant communication
- Tenant Authorization Form
- MSHDA Income and Rent Limit data (current year and past)