Portland Housing Bureau

Process Update

PHB Requirements of a Property Management Change

The PHB Risk Analysis and Compliance (RAC) team has clarified and strengthened our requirements for notifying us of an imminent change in property management companies affecting our portfolio of regulated housing projects. This action is intended to address information and annual reporting gaps that create delays and complications in compliance activities.

It is imperative that Ownership entities contact the Risk Analysis and Compliance team **prior** to making a change to their Property Management provider (PM) to ensure that regulatory and reporting requirements are clearly understood and consistently applied by the new PM team.

There are three major elements to this updated process.

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1) **Any change in property management providers must be approved by PHB as outlined in the project's executed loan documents.** Send the required documents listed below, to assetmanagement@portlandoregon.gov or your RAC Compliance Coordinator *prior to executing a new Property Management Agreement (PMA).

- A copy of the draft property management agreement
- Ownership completes the PHB Requirements for Property Management Agreements between Project Owners & Property Management Agents.
- New PM completes the PHB Property Management Profile Form for PM Changes
- An Updated AFHMP for projects with more than 5 units. Get the form here and follow the detailed instructions to complete correctly.
- Effective date of the Property Management change

Once submitted, your RAC Compliance Coordinator will review the submissions and work with you toward approval of this change.

**If PHB is being notified after the new PMA has been executed, the forms listed above must still be submitted for review.*

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2) If this PM change takes place before the reporting year is complete, Ownership is responsible to ensure that,

- All tenant data through the date of the PM change has been entered into WCMS by the prior property management team
  - Any hard copy tenant certification files should be transferred to Ownership or the new PM
- All PHB annual reporting submissions through the end date of the current PM's tenure have been submitted. If you aren't sure, send an email to assetmanagement@portlandoregon.gov asking for reporting status
- All financial reporting through the date of the PM change has been submitted to ownership by the prior PM
- It is strongly suggested that ownership require a property wrap up summary from the prior PM that notes any special issues that affected project operations through the end of the their term (e.g. excessive/emergency repair costs, high vacancy, increases in any reportable expenses with the reason for increase, reserve withdrawals taken with reason for withdrawal, proof of reserve deposits if applicable, any outstanding issues affecting the project, etc.).

It is important to note that when PHB sends ACT action items to the listed compliance contacts for annual reporting, we do not accept responses that refer to a lack of information provided by a prior PM. ***Lack of sufficient responses may result in a non-compliance status for the project.***

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3) Once the PM Change has been reviewed and approved by PHB, the new PM team must:

- Sign up for compliance email updates and reminders on our website HERE.
- Register for the PHB WCMS Portal for Tenant Reporting
  - If there are questions related to WCMS please use the WCMS User Guide
  - For technical assistance with WCMS contact Valerie.lee@portlandoregon.gov
- Review the RAC Policies & Guidelines and our Homepage https://www.portland.gov/phb/rac
- Schedule a compliance kick-off meeting with your RAC Compliance Coordinator by sending an email with your PM team's availability, and all email addresses and phone numbers for staff that should be included in the meeting
  - Your RAC Compliance Coordinator will work with you to schedule the meeting

  - This meeting consists of an annual reporting requirements process overview, locations of information and resources, and answers to any specific questions your PM team brings to the meeting
- Throughout the PM's tenure, when compliance contacts change, a Contact Update Form must be submitted

We hope that this updated property management change process will result in smoother transitions when PM's change.

If you don't know who your RAC Compliance Coordinator is and you have questions, please send an email to assetmanagment@portlandoregon.gov with the ownership name and project name, and we will respond with that information.

We appreciate your cooperation with this updated process.

Sincerely,

PHB Risk Analysis and Compliance (RAC) Team