

B.5 MANAGEMENT PLAN – THE WOODS COOPERATIVE ASSOCIATION

Address: 43300 Little River Airport Road, Little River, California 95456

Effective: October 15, 2025 – Next Review October 2026

HCD Loan #: 23-MORE-18094

Total Units: 109 mobilehome spaces

County: Mendocino

A. PROJECT OVERVIEW AND PURPOSE

The Woods Cooperative Association (WCA) is a 55+ resident-owned manufactured home community in Little River, Mendocino County, California. WCA was incorporated in 2021 as a California mutual benefit nonprofit corporation. The community contains 109 homesites and approximately 150 residents. Members own their homes and hold one share entitling them to occupy a designated lot.

Management Structure

- **Evans Management Services (Evans)** provides operational management, accounting, and maintenance coordination
- **California Center for Cooperative Development (CCCD)** serves as fiscal sponsor and compliance partner for the HCD Manufactured Housing Opportunities for Residents and Entities (MORE) Program
- **WCA Board of Directors** (five members) governs the cooperative and approves budgets, vendor contracts, and policies

This plan outlines policies for governance, occupancy, maintenance, and compliance to ensure affordability, accountability, and long-term sustainability.

B. ORGANIZATIONAL STRUCTURE AND RESPONSIBILITIES

Sponsor (CCCD) Responsibilities

- Acts as borrower for HCD MORE Program loan
- Overall policy direction and regulatory compliance oversight
- Approval of annual operating budgets and submission to HCD
- Approval of major expenditures exceeding \$5,000
- Primary liaison with HCD on regulatory and compliance matters

Owner/Resident Organization (WCA) Responsibilities

- Owns the property in fee title
- Cooperative governance and member participation
- Reviews and provides input on annual budgets
- Represents resident interests in property operations

- Board oversight of management performance

Management Agent (Evans Management Services) Responsibilities

- Day-to-day operations of the 109-space mobilehome park
- Tenant selection, lease administration, and enforcement
- Rent collection and accounts receivable management
- Financial management using Yardi property management system
- Property maintenance coordination and repairs
- Compliance with fair housing laws and HCD requirements
- Staff supervision and HR administration
- Preparation of monthly, quarterly, and annual financial reports
- Emergency response and 24/7 property coverage

Important: Any change in Management Agent must be approved by HCD in writing prior to implementation. Current management contract term runs through September 23, 2030.

C. PERSONNEL AND STAFFING PLAN

On-Site Office Manager (1 FTE) - Annual Budget: \$58,128

- Tenant relations and resident services
- Rent collection and lease administration
- Application processing and tenant screening
- Record keeping and file management
- Office operations and correspondence
- Computer billing system management

Maintenance Staff (Approximately 2.0 FTE) - Annual Budget: \$122,484

- Preventive maintenance program implementation
- Emergency repairs and service requests
- Unit turnover preparation
- Grounds maintenance and landscaping support
- Utility system monitoring and basic repairs
- Work order management and tracking
- Pool maintenance and water chemistry
- Common area upkeep
- Equipment and tool maintenance

Payroll Taxes and Benefits

- Payroll Taxes: \$12,987
- Workers Compensation Insurance: \$8,900
- Health Insurance: \$27,204
- **Total Payroll Taxes/Benefits: \$49,091**

Total Direct Payroll (2025): \$180,612

Total Payroll Costs: \$229,703

Management Agent Services - Annual Fee: \$54,000 (\$4,500/month)

Services covered by management fee include:

- Overhead and supervision
- Financial statement preparation and HCD reporting
- Payroll processing and tax compliance
- Yardi property management software
- Project bookkeeping
- Budget preparation
- Regulatory compliance monitoring
- Management consulting

Services NOT covered:

- On-site telephone service (\$17,112)
- Internet service (\$5,244)
- Direct payroll costs
- Professional services (legal, audit, engineering)

Contract Services (2025 Budget)

- Landscaping/tree services: \$6,000
- Garbage collection: \$25,668 (pass-through to residents)
- Pool maintenance: \$13,200
- Professional services: \$5,181
- Legal services: \$9,500
- Audit services: \$15,000
- License & permits: \$7,775

Total Annual Staffing & Management Costs: \$283,703

All staff are trained in fair housing, Davis-Stirling compliance, and cooperative governance.

D. ACCOUNTING AND FINANCIAL CONTROLS

Financial Management System: The project maintains accounting records in accordance with Generally Accepted Accounting Principles (GAAP) using Yardi property management software, managed by Evans Management Services.

Required Separate Accounts

General Operating Account:

- All operating receipts and routine disbursements
- 2025 Projected Revenue: \$1,888,270
- 2025 Projected Operating Expenses: \$880,363 (before debt service)
- Monthly deposits of all rent and utility collections

Replacement Reserve Account:

- Monthly deposits: \$22,000/year (\$1,833/month)
- Subject to HCD approval for all disbursements
- 2025 Planned Special Projects: \$239,250

- Accumulated reserves for capital replacements per 20-year schedule

Operating Reserve Account:

- For seasonal fluctuations and emergency repairs
- Withdrawals require HCD approval

Security Deposit Account:

- Separate trust account per California Civil Code §1950.5
- Must equal total tenant deposits held
- Interest provisions per Management Plan
- No interest accrues to Agent

Insurance Escrow Account:

- New for 2025: \$100,000 annual escrow for insurance reserves
- Ensures adequate funding for property and liability insurance

All accounts maintained in federally insured financial institutions.

2025 Budget Financial Performance Summary

- **Gross Revenue:** \$1,888,270
- **Cost of Sales (Utilities/Systems):** \$392,368
- **Gross Profit:** \$1,495,902
- **Operating Expenses:** \$446,802
- **Maintenance Expenses:** \$41,193
- **Net Operating Income (before debt):** \$1,007,907
- **Debt Service (Interest):** \$546,916
- **Total Mortgage Payments:** \$839,138
- **Debt Service Coverage Ratio:** 1.10
- **Replacement Reserve Contributions:** \$22,000
- **Tiering Subsidy:** \$36,061

Financial records are retained for five years, and annual reserve allocations follow the Reserve Study.

E. PLAN UPDATES AND HCD APPROVALS

This Management Plan is reviewed annually by the WCA Board during the budget cycle. The updated plan will be submitted to HCD for approval by November 1 of each year, 60 days prior to the fiscal year beginning January 1.

Updates will include:

- Staffing changes and salary adjustments
- Maintenance schedule modifications based on completed work
- Budget revisions and financial projections
- Policy updates required by regulatory changes
- Capital improvement planning updates
- Completion status of special projects
- Reserve study updates

Any material changes to policies, procedures, staffing levels, or management structure will

require HCD approval before implementation. Minor administrative updates may be submitted as part of the annual review.

F. OCCUPANCY MANAGEMENT AND AFFIRMATIVE MARKETING

Marketing Strategy

The cooperative provides equal housing opportunities in compliance with Fair Housing laws. Vacancies and resales are marketed through:

1. **Official Website:** www.thewoodscooperative.com
2. **Cooperative Housing Network Listings:** ROC USA, CCCD listings, national cooperative directories
3. **Social Media:** Facebook and Instagram with regular community updates
4. **Real Estate Listing Services:** Multiple listing service (MLS) presence through Realtor.com, local real estate agents
5. **Local Community Engagement:** Fort Bragg/Mendocino Chamber of Commerce, community bulletin boards
6. **Media Coverage:** The Mendocino Voice, Mendo Fever, SF Gate
7. **Marketing Materials:** Professional tri-fold brochures, photography, current listings

Advertising/Communications Budget: \$450 (2025)

Affirmative Marketing Actions

- Equal access regardless of race, color, ancestry, religion, national origin, sex, marital status, familial status, disability, sexual orientation, source of income, or other protected categories
- Reasonable accommodations and modifications for persons with disabilities
- Compliance with all federal, state, and local fair housing laws

Tenant Selection Method: Eligible applicants selected based on order of application date and time stamp. Based on historical data, approximately 6-10 spaces turn over annually (7-9% turnover rate).

G. MEMBER ELIGIBILITY, SELECTION, AND INCOME VERIFICATION

Application Requirements

Minimum Income Standard:

- Applicants must demonstrate gross monthly income greater than three times the base carrying charge
- Calculation (2025): Base carrying charge \$1,247/month = Required minimum income \$3,741/month (\$44,892/year)
- NO maximum income limit
- NO co-signers permitted

Credit Requirements:

- Minimum credit score: 600
- Maximum collection accounts: 3

- Credit report review: \$150 budgeted for 2025

Documentation Required

- Pay stubs (most recent 90 days)
- Benefit verification: Award letters and statements (Social Security, SSI, pensions)
- Self-employment: Tax returns or 1099s (if voluntarily provided)
- Financial information: Bank account information, net worth statement
- Other income: Documentation for all income sources

Note: Per California Civil Code §798.74

H. CARRYING CHARGES, RENT COLLECTION, AND DELINQUENCY

Rent Due Date and Grace Period

Carrying charges (space rent) shall be due on the **first (1st)** day of each month and shall be considered late after the **fifteenth (15th)** day of the month. Management shall maintain accurate records of all payments and provide receipts upon request.

Late Fees

- A **\$20.00 late fee** shall be assessed on the sixteenth (16th) day of the month for any unpaid balance
- Late fees shall not exceed ten percent (10%) of the monthly carrying charge
- No additional daily penalties shall apply

Payment Methods

- Check or money order payable to *The Woods Cooperative Association, Inc.*
- Automatic bank draft (ACH) or electronic payment through the resident portal (preferred)
- **Cash payments are not accepted**
- Returned check fee shall be **\$5.00 plus the current bank fee** per occurrence
- No re-deposits shall be made for returned items

Collection Policy

- Members shall pay all carrying charges, utilities, and authorized fees on time in accordance with their Occupancy Agreement and the WCA Operating Rules
- Members who have not paid by the fifteenth (15th) day shall receive a written Notice of Late Payment from management
- Continued non-payment beyond thirty (30) days shall constitute default and may result in issuance of a Three-Day Notice to Pay or Quit pursuant to California Civil Code § 798.56(e)
- All reasonable legal or administrative costs incurred by the Corporation to collect past-due charges shall be added to the member's account as additional rent due upon demand

Delinquency Schedule

1. **Day 1 – 15:** Regular payment period without penalty
2. **Day 16:** Late fee assessed and Notice of Late Payment issued
3. **Day 17 – 30:** Management contact attempts by phone, email, or in-person
4. **Day 31+:** Three-Day Notice to Pay or Quit served in accordance with Civil Code § 798.56
5. If payment remains unresolved, management shall refer the matter to legal counsel for collection or eviction proceedings

Special Provisions

- Temporary hardship payment plans may be approved in writing by management or the Board
- Members receiving subsidies (e.g., Founders Fund participants) shall remain current on any portion not covered by assistance
- All legal and court fees incurred to collect rent or enforce compliance are recoverable as additional rent
- Failure to comply with payment obligations shall constitute grounds for termination of membership and removal from the cooperative per Civil Code and WCA Bylaws

2025 Projected Revenue Collection

Source	Amount
Space Rent Revenue	\$1,631,076
Utility Revenue (Electric)	\$144,000
Utility Revenue (Sewer)	\$108,144
Interest Income	\$5,000
Returned Check Fees	\$50
Total Projected Revenue	\$1,888,270
Bad Debt Allowance (0.16%)	\$3,000

Legal Budget (2025): \$9,500 allocated for legal services, including eviction actions if necessary.

I. GRIEVANCE AND APPEAL PROCEDURES

Tenants have the right to appeal any adverse decision including application rejection, lease termination, rent calculation, maintenance issues, rule violations, and security deposit deductions.

Appeal Procedure

1. Informal Resolution (Encouraged as first step)

- Resident contacts on-site manager
- Issue discussed and resolution attempted

- Documentation of discussion and outcome

2. Formal Written Appeal

- Submitted within 10 days of adverse decision
- Must be in writing with specific grounds
- Submitted to management agent

3. Hearing Scheduled

- Informal hearing within 15 days of written appeal
- Resident may bring representative or advocate
- Management agent representative conducts hearing
- Evidence and testimony presented by both parties

4. Initial Decision

- Written decision issued within 5 business days
- Decision includes findings and rationale
- Notice of right to request sponsor review included

5. Sponsor Review (If requested)

- Request must be submitted within 10 days of initial decision
- Sponsor (CCCD) reviews complete record
- Additional hearing may be scheduled if needed
- Final decision issued within 15 days

6. Final Resolution

- Sponsor decision is final
- Implementation timeline specified
- Follow-up monitoring if required

Special Considerations

- Language assistance provided for non-English speakers
- Disability accommodations provided as needed
- Legal aid referrals provided upon request
- Confidentiality maintained throughout process

Members first seek informal resolution through management. Formal grievances must be submitted in writing. The Board reviews grievances at the next meeting and provides a written decision within 30 days.

J. RESIDENT RELATIONS AND COOPERATIVE GOVERNANCE

WCA fosters community involvement through open meetings, newsletters, and committees. The Communications Committee circulates updates, while the Development Committee assists with planning and projects. Member engagement ensures transparency, cooperation, and long-term stability.

Core Documents Provided at Lease Signing

- House Rules and Regulations
- MHP Lease Addendum (HCD required)
- Grievance and Appeal Procedure

- Maintenance Request Procedures
- Emergency Contact Information
- Utility Billing and Payment Information

Key House Rules

- Quiet hours: 10:00 PM - 7:00 AM daily
- Speed limit: 10 MPH throughout park
- Pet restrictions (as specified)
- Guest parking limitations
- Common area reservation procedures
- Rent payment requirements and late fees
- Maintenance request procedures
- Emergency contact requirements
- Move-in/move-out procedures

All house rules comply with federal, state, and local fair housing laws and HCD requirements.

Rules are reviewed annually and updated as needed with HCD approval.

The Management Plan is available for review at the on-site office during normal business hours and will be provided to prospective tenants upon request.

L. SUPPORTIVE AND AUXILIARY PROGRAMS

Current Programs

Founders Fund Program: The Founders Fund provides limited-income support to seventeen (17) original members. The average subsidy is \$500/month. This program is available **ONLY** to residents in good standing as of December 2, 2021, and is **NOT** available to new members.

CCCD Support: The California Center for Cooperative Development offers ongoing cooperative leadership training and fiscal guidance. These programs sustain affordability and empower residents.

Future Considerations

If auxiliary programs are developed in the future, the following framework will be used:

- Identified need and target population
- Service delivery plan and providers
- Funding sources for services
- Staffing requirements and costs
- Eligibility requirements
- Program budget and financial sustainability
- HCD approval process

Any future auxiliary programs will require amendment to this Management Plan and HCD approval prior to implementation.

M. MAINTENANCE AND CAPITAL IMPROVEMENT PLAN

2025 Budget Maintenance Costs

Preventive Maintenance Schedule:

Monthly:

- Exterior lighting inspection and bulb replacement
- Water system leak checks and meter readings
- Electric pedestal inspection (rotating schedule - 9 per month)
- Gas system visual inspections
- Sewer system monitoring and pump checks
- Common area cleaning and restroom service
- Pool water chemistry testing (3x per week during season)
- Fire extinguisher visual inspection
- Emergency lighting test

Quarterly:

- HVAC filter replacement
- Gutter cleaning
- Irrigation system inspection
- Tree hazard assessment
- Insurance coverage review

Semi-Annual:

- HVAC system professional servicing
- Roof inspections
- Exterior building painting touch-up
- Fence and gate inspection and repair

Annual:

- Unit/space inspections during tenant recertification
- Fire alarm system testing and certification
- Backflow preventer testing
- Pool heater and pump professional service
- Comprehensive property walk-through
- Reserve study update
- Professional tree assessment: \$6,000 budget
- ADA accessibility audit
- Annual audit: \$15,000 budgeted

2025 Major Projects (Replacement Reserve Funded - \$239,250)

N. HCD MORE CAPITAL IMPROVEMENTS PROJECT

Total MORE Grant Amount: \$754,161

Project Completion Timeline: 180 calendar days from fund disbursement

Prevailing Wage Compliance: All work performed under California prevailing wage rates

PROJECT BUDGET BREAKDOWN

Budget Category	Amount
REHABILITATION COSTS	
Asphalt (Sidewalks, drainage repairs, pavement)	\$155,220
Electrical System Repair/Replacement (Includes upgrade pedestals)	\$205,381
Gas System Repair/Replacement (Production meter, gas line)	\$72,000
Sewer Main Repairs/Replacement (Includes sewer main repairs, WWTP)	\$105,000
ADA Improvements (Poolhouse, Clubhouse)	\$90,000
Hard Cost Contingency (10% of rehabilitation costs)	\$68,560
Total Rehabilitation Costs	\$696,161
PROJECT ADMINISTRATION	
Project Administration/Management (Administrative Costs)	\$58,000
TOTAL PROJECT COST	\$754,161

FIRST DRAW DISBURSEMENT

Project 1: Electrical System Upgrades and Pedestal Replacement

- **Board Approval Date:** October 21, 2025
- **Budget Allocation:** \$149,913 (approved contractor bid)
- **Original HCD Approved Amount:** \$205,381
- **Scope:** Upgrade electrical pedestals and meters, repair/replace electrical distribution systems, lighting control system modernization
- **Contractor:** See attached board-approved bid with prevailing wage compliance

Project 2: Asphalt Repairs and Paving

- **Board Approval Date:** October 21, 2025
- **Budget Allocation:** \$122,069.80 (approved contractor bid)
- **Original HCD Approved Amount:** \$155,220
- **Scope:** Sidewalk repairs, drainage improvements, pavement resurfacing to address insurance-mandated priority areas
- **Contractor:** See attached board-approved bid with prevailing wage compliance
- **Timeline:** Scheduled to commence after completion of electrical work
- **Note:** Sequencing after electrical work ensures any underground utility issues are resolved before final paving and prevents damage to new asphalt surfaces. Budget

savings provide additional contingency funds for addressing any subsurface conditions discovered during excavation.

First Draw Total: \$271,982.80

Total First Draw Savings: \$88,618.20

SECOND DRAW DISBURSEMENT

Project 3: ADA Improvements/Clubhouse

- **Budget Allocation:** \$100,000
 - ADA compliance upgrades to Clubhouse facilities: \$90,000
 - Clubhouse electrical upgrades: \$10,000
- **Scope:** ADA compliance upgrades to ensure full accessibility at Clubhouse common facilities, including accessible entrances, restrooms, and electrical system improvements
- **Contractor:** Bidding process in progress with prevailing wage compliance
- **Status:** Approved scope and budget allocation

Project 4: Additional Capital Improvements

- **Budget Allocation:** \$324,178.20
- **Scope:** Priority capital improvements identified in Reserve Study, to be determined based on community needs assessment and technical evaluation
- **Potential Project Areas:**
 - Gas system repairs/upgrades (production meter, gas lines)
 - Sewer main repairs/replacement (WWTP improvements)
 - Additional ADA improvements (- Infrastructure repairs identified during electrical and paving work)
 - Other critical capital needs per Reserve Study priorities
- **Contractor:** Bidding process with prevailing wage compliance
- **Status:** Scope to be finalized in coordination with HCD and based on findings from First Draw projects

Second Draw Total: \$424,178.20

CONTINGENCY ALLOCATION

Hard Cost Contingency: \$68,560 (10% of total rehabilitation costs)

The contingency fund provides financial flexibility to address:

- Unforeseen conditions discovered during construction
- Necessary scope adjustments based on field conditions
- Cost overruns on approved projects
- Additional code compliance requirements identified during permitting
- Emergency repairs discovered during infrastructure work

Contingency Access: All contingency expenditures require prior written approval from HCD and CCCD (fiscal sponsor) before funds are committed.

DISBURSEMENT SCHEDULE

HCD MORE Program funds will be disbursed according to the following schedule:

Timeline	Work Description	Disbursement
January 1, 2026	Draw #1: Projects 1 and 2 (Electrical and Paving) Rehabilitation Costs: \$271,982.80 Project Administration: \$22,660.60	\$294,643.40
March 31, 2026	Draw #2: Projects 3 and 4 (ADA Improvements and Additional Capital Projects, Sewer, Gas) Rehabilitation Costs: \$424,178.20 Project Administration: \$35,339.40	\$459,517.60
TOTAL	Total Rehabilitation: \$696,161.00 Total Administration: \$58,000.00	\$754,161.00

GRANT COMPLIANCE CERTIFICATIONS

The Woods Cooperative Association certifies and commits to:

- All work performed in full compliance with California prevailing wage laws
- All required permits obtained prior to commencement of work
- All contractors maintain required licenses and insurance
- Project completed within 180 calendar days of MORE grant fund disbursement
- MORE grant funds used solely for outlined purposes
- Detailed project records maintained for HCD audit
- All work complies with applicable building and safety codes
- Progress reports submitted to HCD as required
- Board approval obtained for all contractor selections and project scopes
- Competitive bidding process followed for all projects
- Final project completion report and financial accounting submitted upon closeout

BUDGET REALIGNMENT NOTES

This revised budget reflects realignment of the original HCD-approved allocations based on competitive bidding results and updated infrastructure priorities:

Key Changes:

- Electrical System allocation reduced from \$205,381 to \$149,913 based on board-approved contractor bid (savings: \$55,468)
- Asphalt/Paving allocation reduced from \$155,220 to \$122,069.80 based on board-approved contractor bid (savings: \$33,150.20)
- Total savings of \$88,618.20 reallocated to Project 4 for additional capital improvements
- ADA Improvements allocation maintained at \$100,000 (\$90,000 ADA compliance + \$10,000 Clubhouse electrical)
- Gas System and Sewer Main projects incorporated into flexible Project 4 allocation
- Project sequencing optimized: electrical work completed before paving to minimize rework and protect new infrastructure
- Contingency maintained at 10% (\$68,560) to address unforeseen conditions

All reallocations maintain compliance with HCD MORE Program guidelines and continue to address critical health, safety, and infrastructure needs as originally intended. The competitive bidding process resulted in cost savings while maintaining project scope and quality standards.

P. CONCLUSION AND ATTACHMENTS

The Woods Cooperative maintains its mission of providing safe, affordable senior housing.

Attachments

- **Exhibit A** – Membership/Occupancy Agreement
- **Exhibit B** – Operating Rules
- **Exhibit C** – Bylaws
- **Exhibit D** – Application for Cooperative Membership
- **Exhibit E** – HCD Lease Addendum (09/25/2024)
- **Exhibit F** – 2025 Approved Budget & Reserve Study Summary
- **Exhibit G** – Maintenance & Capital Improvement Plan
- **Exhibit H** – Founders Fund Income Verification Summary

Version 3: October 27, 2025

Samara Smith