

CHAPTER 12: Specialized Housing

MATCHING:

Section 202
common elements
condominiums
HUD
manufactured home parks

CC&Rs
PUDs
Section 8
cooperatives
proprietary lease

1. _____ Parts of a property that are necessary to the existence, maintenance and safety of condominium; each condo owner has an undivided ownership interest
2. _____ A set of private restrictions on the use of a specific parcel of real property, especially in condominium development
3. _____ A form of property ownership in which each occupant of a multiunit building owns his or her dwelling unit separately and an undivided interest in the common elements
4. _____ A multiunit building, title is held in trust that is owned and operated for the benefit of the persons who are beneficial owners of the trust or stockholders of the corporation
5. _____ A government agency authorized to construct and provide financial assistance to housing developments for low-income tenants
6. _____ A form of residential living consisting of permanently or semi-permanently situated manufactured homes
7. _____ A planning concept in developing property to produce a high density of dwellings and maximum utilization of open spaces
8. _____ The right of a member of a cooperative to occupy a unit in the building subject to certain conditions
9. _____ A HUD federally subsidized housing program whereby a tenant pays up to 30 percent of adjusted gross income and HUD pays the difference; income requirements vary and rental owners are not obligated to participate
10. _____ Government program providing capital funding for new construction, rehab or acquisition of nonprofit facilities for very low-income elderly

Chapter 12: True/False

1. **T F** A condominium owner holds a proprietary lease.
2. **T F** Managing a multiple-ownership building is usually a simple matter since there are so many owners interested in the outcome.
3. **T F** Condominium ownership is more popular than cooperative ownership because the financial default of one does not jeopardize the rest of the development.
4. **T F** Sorting out insurance liability is one of the pitfalls of condominium ownership.
5. **T F** The PUD property manager is expected to increase fees regularly.
6. **T F** Reserve funds can be useful in preventing surprise special assessments.
7. **T F** A factor against manufactured homes is that they are very expensive.
8. **T F** One challenge of managing subsidized properties is the amount of paperwork involved.
9. **T F** Section 8 is available to help purchase housing for the elderly poor.
10. **T F** Independent managers who work for HUD are called Area Management Brokers.

Chapter 12: Multiple Choice

1. **When someone purchases shares of stock in a corporation that owns title to an entire apartment building, it is properly called a**
 - a. condominium.
 - b. time-share.
 - c. cooperative.
 - d. proprietary lease
2. **Individual ownership in a unit and an undivided interest in the common elements is a**
 - a. condominium.
 - b. cooperative.
 - c. time-share.
 - d. mixed use development
3. **When an individual with a membership certificate is granted the right to occupy a specific unit in a building, the individual obtains a**
 - a. lease.
 - b. rental agreement.
 - c. proprietary lease.
 - d. deed of trust.

- 4. Which of the following establishes condominium ownership?**
 - a. CC&R declaration
 - b. Deed
 - c. Proprietary lease
 - d. All of the above

- 5. The property manager of a condominium has fiduciary responsibilities to the**
 - a. tenants.
 - b. board of directors.
 - c. owners.
 - d. president of the corporation.

- 6. A major benefit to coop and condo owners is**
 - a. many participants in management decisions.
 - b. few confining rules and regulations.
 - c. numerous sources of income to keep down building expenses.
 - d. freedom from maintenance.

- 7. A fee for an unbudgeted capital expenditure is called a(n)**
 - a. condominium fee.
 - b. special assessment.
 - c. fee for common elements.
 - d. ownership fee.

- 8. Managers of coop and condo communities usually determine their fees by using a(n)**
 - a. operating budget.
 - b. income and expense statement.
 - c. five-year forecast of earnings.
 - d. management pricing worksheet.

- 9. Condominium income is derived primarily from**
 - a. special assessments.
 - b. reserve funds left by developers.
 - c. owner's monthly assessments.
 - d. auxiliary services such as laundry facilities and vending machines.

- 10. The federal government has programs that property managers can use to create drug-free climates in the properties they manage. Which statement is correct?**
 - a. HUD has written a model paragraph to include in leases.
 - b. New laws have been written to allow police and housing inspectors to inspect certain units under certain conditions.
 - c. All public housing authorities must certify a drug-free workplace.
 - d. All of the above