

“Model of technical assistance to condominiums by an example of the Gyumri Yerevanian 155 Condominium”, Yerevan, 2004

Brief Review of the Booklet in English

NGO “Third Nature”

Model of Technical Assistance to Condominiums

By an example of the
Gyumri Yerevanian 155 Condominium

Provided by
“Third Nature” NGO

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The brochure has been published in the framework of the project of which is implemented with the assistance of the Eurasia Foundation from the means allocated by US Agency for International Development (USAID).

The brochure represents technical assistance which is comprised of 6 components provided to the Yerevanian 155 condominium by 'Third Nature' NGO.

The brochure has been prepared during the year of 2003, thus does not discuss recent developments of 'Yerevanian 155' condominium and this sector. It includes the RoA laws 'On condominium' and 'On management of multi-apartment building', Government of Armenia decision 'On Specifying Mandatory Norms for Maintenance of Common Shared Property of a Multi-Family Building ', English version of the model of technical assistance.

It is designed for members of condominiums, residents and technical assistance providers to management bodies of multi-apartment buildings.

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Introduction

The “Yerevanian 155” Condominium of Gyumri has a unique biography. During two years of its existence the Condominium has implemented two big projects with international organizations in field of substantial building renovation and installing of autonomous heating systems. Simultaneously, the Condominium has not been able to carry out a full-scale activity because of the lack of experience of condominium members in the area of housing management; also the volume of technical assistance received so far was insufficient.

This technical assistance has been provided by the Third Nature NGO from January to June 2003 by using its specialists in the areas of housing management, accounting, operation of metering and regulating equipment of utility systems.

This brochure has been prepared in accordance with the results of provided technical assistance and comprises 6 following sections:

1. Providing consultancy for the Board members of Yerevanian 155 Condominium;
2. Preparing documentation;
3. Explanatory meetings, sessions, and joint discussions;
4. Mediation, negotiations joint discussions with administrative bodies, and with the heads and employees of service provision and specialized structures;
5. Providing legislative and methodological materials, exemplary forms of necessary documents to the Condominium;
6. Activities aimed at involving international and donor organizations.

In terms of this technical assistance, the NGO expresses its gratitude to Arsen Karapetyan, the Urban Institute and Yervand Hakobyan, the head of Yervanyan 155 Condominium for their assistance and support.

A. Providing consultancy to the Board members of Yerevanian 155 Condominium

Members of the Condominium Board are mostly interested in the following issues:

1. *Taking into account the fact that the share of the Condominium members are still much below of 50 percent in the common shared ownership, is the existence of Yerevanian 155 Condominium considered legal?*

Clarification has been provided on this question that since the Condominium has been established and registered in 2001, that is, before the Law of RA on Condominium entered into force (June 20, 2002), the requirement according to which the owners of structure should have 50 or more percent of share out of common shared property in order to become the member of condominium. (Paragraph 1, article 3, RA Law on Condominium), will not affect it by January 1, 2004.

By January 1, 2004 there will not be a risk of liquidation, if the total share of owners submitted applications before that date to the president of Condominium about the membership of Condominium (a document certifying the fact of ownership should be attached to the application) and that of existing members of the Condominium make 50 or more percent of common shared property. The necessity for registration of applications and keeping of register of the members has also been clarified.

2. *The issue of relationship of housing management unit (BShT) and the Condominium*

To date, the residents of the Yervanian 155 building pay apartment's maintenance bills to BShT. They also receive necessary information (Degheganks) from BShT. With regard to these issues BShT's reasoning is that maintenance bills for not privatized apartments should be collected by them.

Regarding the issue it was clarified that, firstly the law requires that, in terms of carrying out mandatory norms, the management of the common shared property of one building can be carried out by one management body (in this case this is the Condominium established in the building and having a state registration). Afterwards, except the issue of keeping mandatory norms, the authority to resolve other issues can be reserved to other persons or organizations through preparing adequate agreements or powers of attorneys (paragraphs 3, 4; article 17, RA Law on the Management of the Multi-apartment buildings).

Thus, since the owners of the Yervanian 155 do not have such Agreements with and have not provided powers of attorneys to the BShT, the latter is not eligible to carry out the management of the common shared property and provide degheganks. Therefore, the collections of bills by them, is also illegal.

3. *Signing Agreement with Water and Sewerage Company, operation of water pump.*

It was clarified that there are 2 options to sign Agreements with Water and Sewerage Company on using potable water:

- a) signing individual agreements;
- b) signing one Agreement between Water and Sewerage Company and the Condominium.

It was advised to choose version b), because in that case if the Water and Sewerage Company collects 100% of revenue from the condominium, it will leave 10 percent of revenue to the Condominium, which will promote the reinforcement of the Condominium funds.

2 options have been suggested as to the operation of the pump:

- a) operate it through Water and Sewerage Company on contractual basis;
- b) operate by own resources.

It was advised that if there is a separate specialist to choose the option b). As a reminder it should be added that those issues do not belong to the exclusive authorities of the Condominium (besides the Condominium, the owners of structures can authorize those issues to other persons and organizations).

4. Procedure for revenue collection and keeping the sum

It was clarified that the owners of the privatized apartments and the tenants of non-privatized apartments pay maintenance bills, make payments aimed at carrying out of the mandatory norms, money is paid either directly to the account of the Condominium or by the decision of General Meeting funds collected in the Condominium is paid to the Condominium account by the Condominium Board Member.

It was informed that beyond bills collected for the maintenance an additional bill is paid by the condominium member for using common property or a land plot for individual purposes. Besides, tenants of non-privatized apartments pay tenancy fee (apartment fee) to the local government.

It was clarified the procedure of providing receipts during the collection of bills, the content of the receipt, explanation of content of the form and how to fill out the form for bill payment.

5. Procedures of operation, maintenance and repairs activities; the procedure of keeping full-time and other employees.

In regard of this issue an explanation has been provided first of all about maintaining the mandatory norms of the common shared property proposed to the Condominium. For that purpose the RA Government Decision # 1625 as of October 10, 2002 about Specifying Mandatory Norms for Maintenance of Common Shared Property of a Multi-Family Building was introduced, which are compulsory measures and activities aimed at ensuring mandatory implementation of urban development, sanitary and fire-prevention requirements.

It was informed that taking into account the importance of the issue: a) in the annual budget and in the annual financial report of the Condominium the expenses foreseen for the maintenance of mandatory norms should be separated from the General expenses; b) in accordance with the article 30 of the law of the Republic of Armenia on the Management of the Multi-family Buildings, the monitoring of implementation of mandatory norms is carried out in a way specified by the Law, that is, by the authorized bodies. Paragraph 7 of the article 10 of the same law defines that the general supervision over the maintaining mandatory norms is carried out by the head of a given community.

Besides carrying out mandatory norms, the building maintenance activities have also other purposes: keeping, defending and multiplying the ownership so that it meets the requirements of residents.

It was informed that in order to prepare operation projects first of all it's needed to have the inventory data of factual availability and status of common shared ownership of the building. Those data give an opportunity to program an adequate form of maintenance for each type of property (preventive maintenance, day to day maintenance, planned or unplanned repairs). The inventory of the common shared property is carried out by the Inventory Commission selected by the Board or General Meeting. Maintenance, operation and repairs activities can be carried out by the voluntary residents, Condominium employees or by individuals or organizations (contractors) hired on contractual basis. There should be selection between those options and the main criterion should be provision of high quality service with relatively cheaper prices.

Besides the mandatory norms of the building maintenance, for carrying out other operation, maintenance and repairs activities of the building the owners can authorize not the Condominium but other individuals or organizations or carry out those activities by themselves.

Regarding keeping of full-time employees, it was informed that the General Meeting has an authority to determine the number of employees in the Condominium and their salary rates, if by the Bylaws of the Condominium those authorities are not reserved to the Board.

The members of the Condominium Board were interested in the methods of calculation of the maintenance fees, calculation of the share of an owner within the shared ownership, the content of owners' shares register, the tax

obligations and tax privileges of the condominium, entrepreneurship, provision of paid services and many other issues.

January, 2003

6 To whom the owners or tenants of the Condominium buildings, who are not members of the Condominium, should pay bills: to the Condominium, local government or local BShT?

The owners or tenants of the Condominium buildings, who are not members of the Condominium, should pay bills for carrying out mandatory norms and other mandatory bills to the Condominium as set out by the Law and Bylaws of the Condominium.

Those obligations are spelled out in the following articles of the laws regarding Condominiums.

1. The paragraph (a) of the Article 28 of the Law of RA on Condominium states that funds of the condominium is generated from the payments directed to keeping mandatory norms and from other payments made by the Condominium members and the owners of the other structures of the building.
2. Sub-paragraph (b) of the paragraph 1 of the Article 22 of the Law of the RA on the Management of multi-apartment buildings state that the management body of the building (in our case this is the Condominium) as it is set out by this law, is collected the mandatory payments as well as other specified bills from the owners of the structure.

2 paragraph of the same article states that the mentioned authority of the building management body is considered the exclusive authority of the management body and cannot be transferred to other persons.

Thus, the legislation defines that all owners including those who are not members of the Condominium should make payments for maintaining mandatory norms and other set out payments to the Condominium only. The tenants of non-privatized apartments also should make payments for maintaining mandatory norms and other set out payments to the Condominium, and the tenancy fee to the local government.

In addition, it's worth reminding "that each owner of the common shared property is obliged to proportionally participate in paying expenses aimed to carry out the requirements of mandatory norms, taxes and other payments, as well as make payments for maintenance and operation."

"Not using the structure by the owner or refusal of making use of the common shared property cannot be considered as a basis for the owner to give up fully or partially its participation in making payments aiming to carry out mandatory norms." (Paragraphs 2 and 4, article 9 of the Law of RA on the Management of the Multi-family Buildings).

7. How should the documentation of the building be handed over from BShT to the Condominium?

Next day after informing the Community Head about establishing a management body in the building, the authorities of the community head connected with the management of the building is terminated and he/she is obliged within three days hand over the documents of management to the new management based on Handover Documents.

This process is long and multi-phase, since BShT are not independent units, yet and are under supervision of Housing management department, which is why only after the adequate instruction of the local government the housing management department instructs BShT to carry out handover/turnover to the condominium.

February, 2003

8. Is the Condominium responsible for removing all damages of the equipment of utility systems?

First of all it was clarified that only part of the utility systems is considered as an inventory of the common shared property of the multi-apartment building. These are equipment of the utility systems, which are foreseen for the unified complete service of the building, or for one or more structures.

The management of the individual owners' properties is not the responsibility of the Condominium, and therefore, removing the damages of utility systems is not considered the responsibility of the Condominium, this is the responsibility of a given owner.

Removing damages of the utility systems which are considered as common property is an important responsibility of the Condominium, since in practice all of those damages directly relate to requirements of the mandatory maintenance norms of the building, which is considered as an exclusive authority of the Condominium.

Damages of utility systems which are properties of the individual owners can be removed by the Condominium, if the latter received authority to provide such services by the owners of the structures. Usually those are paid services and the owner should pay for them.

9. If because of the resident's fault the common sewer line is jammed who is responsible to deal with the problem?

The Law has a clear-cut formulation with regard to this issue. Article 16 of the RA Law on the Management of Multi-family buildings is all about this. Particularly the paragraph 2 of this article sets that "if the owner, people living with him/her, individuals who rented owner's apartment or to whom the owner otherwise gave the rights to reside in his/her apartment cause damages to the other structures or to the common property, the owner is responsible to remove caused damages at his/her own expenses."

March, 2003

10. What are legal consequences if the Condominium does not meet the requirements of mandatory norms for building maintenance?

It's the priority responsibility of the Condominium to carry out mandatory norms (fire-protection, sanitary, urban development, utility services and other measures). In accordance with the Law of the RA on the Management of the Multi-family Buildings, it's the exclusive authority of the building management body (in this case the Condominium) to carry out mandatory norms of the common shared property and that authority cannot be transferred to the third persons (physical or legal). The head of a given community carries out the supervision over the implementation of the building maintenance mandatory norms.

If there is direct threat to the people life, health or environment because the owners or the management body did not carry out the maintenance mandatory norms, the head of a given community during checking or receiving a alarm is responsible to deal with the damages at the community expenses notifying the owners and the building management body beforehand about that. The expenses for implementing all of these activities should be compensated by the owners of the structure.

11. Except of the collection of fees for carrying out mandatory norms, what other bills the Condominium has the right to collect?

The Condominium has the right to collect bills within the framework of authorities given to it by the owners of the structure, meeting the requirement rates of the Condominiums annual budget line items.

The Condominium has exclusive authorities (for instance, meeting mandatory norms of building maintenance and recording of the technical status of the building, etc.) that cannot be transferred to other persons.

The Condominium can also carry out functions that are not its exclusive authorities, if the owners of the Condominium gave such authorities to it.

Thus, the Condominium has the right to collect bills within the conditions and in the amount foreseen in the Condominium's budget for carrying activities which are its exclusive authorities or for carrying out functions which are not its exclusive authorities but are delegated by the owners of the structures.

12. Does the Condominium have the right to provide services for the residents living outside the Condominium building?

It does if the owners of the structures gave such authorities to it. The list of such authorities as well as main directions of the Condominium activities is approved by the General Meeting of the Condominium. Additionally, the decisions referring to the authorities which are beyond the exclusive authorities of the Condominium, are adopted by the number of owners' votes specified in the Law and in the Bylaws of the Condominium foreseen for carrying out such functions. Providing such services not only for residents outside the building but also for the resident of the Condominium building require authorities by the owners of the structures.

Service provision for the residents outside the Condominium buildings except paid services requires also contractual relationship with the corresponding structures physical and legal entities.

13. When setting the amount of the bill, in order to simplify calculations, can the Condominium set fixed fees (say, amount (a) for 1 room apartment, amount (b) for 2 room apartment, etc.) instead of setting fees based on square meters?

The procedure of collection of fees and the amount of fees are set out in the line items of the Condominium annual budget and by the decision of the General Meeting of the Condominium. However, on the other hand, paragraph 2, article 9 of the Law of the RA on the Management of the Multi-family Buildings sets out that "each owner having a share in the common shared ownership is obliged to proportionally is responsible for the expenses connected with the implementation of the requirements of the mandatory norms, taxes, duties and other fees, as well as is responsible for the expenses connected with operation and maintenance of the property."

In order to avoid breaking this requirement of the law it is advised refrain from setting fixed fees, when setting the amount of fees. It's necessary to define an adequate amount of fee for 1 square meter and calculate a corresponding amount of fee for each structure.

14. If the former management body of the building, that is Housing Management Department do not handover the passport on the technical status of the building to the new management body of the building, that is the Condominium, is the Condominium responsible for obtaining the Technical passport of the building and at whose expenses should it be done?

Yes, in this case also the Condominium bears a responsibility for carrying out a survey on technical status of the building at its own expenses. In accordance with the Decision #1625 of the RA on "Defining Mandatory Norms for the Maintenance of the Property in the Multi-family Building" dated October 10, 2002, "Surveys on technical status of the multi-family buildings are carried out periodically, but no later than once in every 10 years."

Technical surveys for the buildings built more than 10 years ago is carried out within 3 years after this Decision enters into force.

Technical surveys for the newly constructed buildings and the buildings built less than 10 years ago are carried out within 1 year after those buildings become 10 years old.

In this case the Condominium is responsible for carrying out a survey on the technical status of the building within 3 years after the mentioned Decision enters into force (November 16, 2003).

In accordance with article 22 of the law of the RA on the Management of the Multi-family Buildings, preparing a passport for the building is an exclusive authority of the building management body and cannot be transferred to other persons.

15. What's the amount of the property tax to be paid by the owner of the Yerevanian 155 building apartments?

Let's carry out calculation of property tax for the most valuable apartment of the building.

In accordance with the Appendix of the RA Law on Property Tax, the value of the apartments is determined based on the following formula,

$$V = V_s * S * C_l * C_c * C_h * C_f * C_{dam} * C_{dep} * C_{com}$$

where:

V – Value

V_s - Value of 1 square meter.

S - total square of the apartment in square meters

C_l - Location coefficient

C_c - coefficient connected with the roof cover of the structure

C_h - coefficient connected with the height of the floor

C_f - coefficient connected with the floor

C_{dam} - coefficient characterizing damaged category of the structure

C_{dep} - coefficient characterizing depreciation of the structure

C_{com} - coefficient characterizing the completeness of the structure

For this building particularly, the coefficient for the building apartments are as follows

V_s – For stone structures is AMD 120000

S – 82,5 square meters

C_l – 0,2 for Yerevanian avenue

C_c – is 1 for reinforced concrete cover

C_h – is 1,1 for the floors having 3 or more meters height

C_f – is 1 for the floors starting from 2 to 5

C_{dam} – is 0,85 for category II damaged buildings

C_{dep} – is 0,68 for the buildings which have lives from 31 to 40 years

C_{com} – is 1 for the buildings having 80 or more percent completeness.

Hence,

$$V = 12000 * 82,5 * 0,2 * 1 * 1,1 * 1 * 0,85 * 0,68 * 1 = \text{AMD}1258884$$

According to the paragraph c), Article 7 of the RA Law on Property Tax, the structure, which has value below 3 million AMD, has 0 percent property tax rate.

Therefore, even the most valuable apartment of the Yerevanian 155 building will not pay a property tax.

April, 2003

16. How to calculate the amount of service fee? What issues are taken into consideration in the Condominium budget?

Below the calculation of fees directed to the implementation of mandatory norms and other fees are presented for Yerevanian 155 building.

According to the legislation, each owner should pay for the common property proportionally to its share in the common property. From this consideration it should be calculated that proportionally how much should be paid for each square meter of the building. By multiplying the received number with square meters of the squares occupied by each owner we will receive the amount of fee to be collected from each owner.

Taking into account the fact that affordability of population is low and unemployment rate is high, calculation should be made with the minimum rates necessary for the maintenance of the building. Calculations made on this basis show that the amount of money necessary for the maintenance, carrying out the requirements of mandatory norms of the building will make AMD 281664 (this number does not include garbage removal fee, it is collected separately charging AMD 70 per person).

Since the Condominium does not other sources of income but fees, the calculated number is divided into 12 (months) , then is divided into the sum of the common squares of all structures (2934 square meters) of the Condominium (in Yerevanian 155 those structures are only apartments).

As a result we will receive the annual size of amount expected from each square meter

$$281664 \text{ AMD} : 12 \text{ (months)} : 2934 \text{ (square meter)} = 8 \text{ AMD}$$

Therefore, the amount of proportional payment for 1 square meter/month makes 8 AMD (without garbage removal fee).

According to the RA Law on Condominiums, during preparing and approving the annual budget for the multi-family buildings the necessity for operation, maintenance and repairs of the common property as well as the issues ensuring activity of the Condominium are taken into consideration.

Draft Annual Budget of the Yerevanian 155 Condominium:

Incomes

1. Balances from previous years	-
2. Payments directed to the implementation of mandatory norms, and other payments	281664
3. Garbage removal fee	A
4. Other incomes	-
Total	281664+A

Expenditures

Expenditures for implementing mandatory norms

1. Cleaning the Condominium area	25000
2. Garbage removal	A
3. De-ratization and desinsectia	48000
4. Cleaning smoke containing channels	72000
5. Urgent repairs	14000
6. Day to day and preventive repairs	31000

Other expenditures

7. Salary and taxes	63600
8. Office expenses	5000
9. Bad debt	15000
10. Reserve fund	4064
11. Greening of surrounding area	4000

Total 281664+A

Money paid for the garbage equals number of population X AMD 70 X12 months.

Difference between incomes and expenditure should be 0.

17. Not considering application to the law enforcement bodies, can condominium have any leverage to deal with the people who are breaking public order and are there any document allowing it.

Each condominium according to its Bylaws can develop its internal rules, which is approved by General Meeting of the Condominium. While developing internal rules of the Condominium, the characteristics of population and the building should be taken into account. Characteristics of the location and national thinking also are taken into account.

However it should be strongly followed up so that internal rules of the Condominium do not contradict the requirements of mandatory norms of building maintenance.

Keeping internal rules is obligatory not only for owners, but also for tenant, for all residents, for waiters, for guests and for invited people.

Internal rules of the Condominium can have the following sub-sections:

1. Rules for condominium members (and other people) on how to use common property,
2. Rules on keeping public order and coexistence
3. Rules for keeping pets,
4. Cars parking lot and keeping a guard
5. Entry in the areas of condominium
6. Rules of using the structures foreseen for having rest and other public buildings
7. Moving (during the sale of apartment)
8. Management of Condominium,
9. General safety regulations
10. Etc.

It is expedient to make copies of the written document about the Rule of Condominium and deliver among the owners and tenants, who will sign up for receiving the document. The issue of undisciplined residents, who break the rules of coexistence, can be included in the Agenda of General Meeting and discussed in the meeting.

18. The procedures of making changes in the Board.

As a reminder, the number of members in the Board cannot be less than 3 and it is mandatory for the member of Board to be member of Condominium.

The Board is selected and formed by the General Meeting. Changes in the Board also are the authority of the General Meeting. This decision is adopted based on the simple majority of votes of total number of condominium members, if Bylaws of condominium does not require more votes for adopting this decision:

19. Which management body of the Condominium is eligible to distribute roles and responsibilities among the Board members?

The Board of the Condominium has that authority, if of course, based on the Condominium Bylaws, those authorities have not been reserved to the General Meeting.

Such distribution of roles and responsibilities is a right approach, because it makes clearness in obligations and responsibilities of the Condominium members. Besides, due to the distribution of roles, the work of the Board member will be more productive, because this distribution takes into account the capabilities, opportunities and wishes of everybody in regard of working in a given area.

20. Is there any legal document according to which the Condominium can be provide with non-refundable office premises.

Yes, there is such legal basis. This is the RA Government Decision # 1384 on the Reforms in Armenian Regions in the Sphere of Heating dated September 5, 2002. Paragraph 10 of that Article states: "Assign to Yerevan and RA Marzbeds (in cooperation with the Community Heads) within 6 month period provide office premises for the multi-family building management bodies which have state registration and are acting and submit information every quarter to the Minister of Territorial Administration and Coordination of Activities of Infrastructure."

21. In Yerevanian Avenue district due to the removal of many domic households, like the other sites in the city Yerevanian 155 building also appeared in the huge garbage. The local government does not have such capacity to resolve this issue. What other organizations can be helpful in this?

This issue probably will be resolved through the collaboration Subsidy for Work Program and Local Government.

However, Condominiums can take initiative instead of waiting, within their capacities support and participate in those activities, for instance through Saturday Work Campaigns.

22. What are legal bases for allocation of land to the Condominium?

There are legal bases for allocation land to the Condominium. Particularly, paragraph, 2, Article 32 of the RA Law on the Management of Multi-family Buildings specifies that "After this Law enters into force (June 20, 2002) within 2 years the state or community owned land plots on which a multi-family building is constructed and which is necessary for the operation of the building is transferred as an ownership to the owners of the apartments and/or other owners (owners of non residential part) of a given building with the common shared ownership rights."

Besides, the Government of Armenia undertakes steps through marzbeds (in cooperation with the Community Heads) to draw boundaries and provide certificates of ownership with the aim of outright transfer of land plots (including yards), boilers, water supply networks and the areas of common use in multi-family buildings to the management body of the management bodies of the multi-family buildings. The Government assigned this task to the Real Estate Cadastre State Committee within the Government of Armenia.

Through the measures, which ensure the implementation of the RA Government Decision #86-A on Supporting the Management of the Multi-family Buildings dated January 9, 2003, it's foreseen also to support the owners of the multi-family buildings in the process of providing the land with the ownership rights. Deadline for those measures is 2003-2004.

The Content Paragraph 3, Article 32 of the RA Law on the Management of Multi-family Buildings is also supportive for Condominiums. It states that "for carrying out state registration of the property rights over the property of common use of the building, the owners of the structures are exempted from state duties."

23. How can a new building (where a management body does not exist) be included in the Condominium, what kind of documentation is required?

In order to include a multi-family building in the Condominium which already exists, it's necessary the agreement at least 50 and more percent of owners of structures who have their share in the common shared ownership of the

building. A general meeting the building adopts a decision to apply in writing to the Board of the existing Condominium with the request to be included in it. To include a new building in the existing Condominium it is required also the Decision of the General Meeting of the existing Condominium and that Decision should be adopted at least by two third of the Condominium members votes, if Bylaws of the Condominium does not foresee the necessity of more votes for adopting such Decision.

The Condominium should, within 2 days, inform the Community Head about the inclusion of a new building in the Condominium. Attached to this notification also copies of the Decision of a meeting of new building about applying to the Condominium and Decision of the Condominium's General Meeting about inclusion of a new building are sent. Besides, the President of the Condominium should immediately inform about the inclusion of a new building in the Condominium to the body, which registers legal entities.

May, 2003

24. Is the requirement to the Condominium by Pension Foundation and Tax bodies regarding having full time paid employees on mandatory basis justified?

No, it is not justified. The Condominium independently, by the Decision of its General Meeting (and if it is foreseen by Bylaws by the Decision of the Board) decides whether or not it needs full time paid employees. The Condominium decides independently also on the number of employees and on the amount of salaries. The Condominium can also carry out its activities with the uncompensated assistance of its members and residents as well as volunteers.

This selection, prescribed by the Law, is based on the logic that the Condominium is not a commercial organization, the purpose of the Condominium activities is not getting a profit, but the management of common shared property of the multi-family building and resolving the issues connected with the operation and maintenance of the building.

25. Are there any legal requirements with respect to the office administration?

The legislation does not speak specifically about that issue, however some of the articles partially cover that issue.

For instance, Article 18, RA Law on Condominium

Paragraph (G) states that the President is recording the membership register of the Condominium

The last paragraph of the Article 16 states: the minutes of General Meeting are filed in a separate folder, which should be provided to each member of the Condominium at any time for their information. By the request of the Condominium member he/she is provided with the excerpts from the folder of the minutes, which should be certified by the President of the Condominium.

26. Which types of management body the Government tends to mostly support?

The Government of the Republic of Armenia currently carries out various programs in support to the management of the multi-family buildings. In those competitive programs where buildings are selected, it is not taken into consideration that of 3 form of management which is spelled out in the law, which for particularly has been chosen by the Condominium. That is to say, the Government supports all 3 forms of management.

The differences among form of management are another issue. The status of legal entity provides the Condominium with serious privileges to carry out larger activities, to have separate sub-divisions and in other issues. We agree with the opinion that management forms such as authorized management and credential management actually are only the gradual steps aimed to the final formation of the Condominium. The Condominium is a comprehensive structure of the ownership management with all of its necessary components.

27. Are there any projects in the Republic supporting the issues of landscaping and greening of the Condominium's yard sites?

The second section of the measures, which ensure the implementation of the RA Government Decision #86-A on Supporting the Management of the Multi-family Buildings dated January 9, 2003, foresees financial support to the management bodies of the multi-family buildings. The financial assistance is targeted and is intended for the

following processes:

- a) repairing the common property of the building,
- b) installing metering and regulating equipment,
- c) carrying out heating insulation measures for the building,
- d) providing an opportunity to make use of credit or grant funds.

Although the issue of landscaping is not specifically mentioned in the intended activities, the opportunity mentioned in the point (d) will provide a n access to resolve that issue.

28. Are there any programs in the Government's social policy aimed at assisting the vulnerable layer of population for housing and utility services?

Yes, there is. In future, it is foreseen to introduce housing and utility subsidy system within the existing family subsidy system.

June, 2003

When providing consultancy, also clarifications has been given on running an accounting system, signing contracts with service providing enterprises, authorities of management bodies, exclusive authorities of the Condominium, training opportunities for the Condominium accountant, changing the bounders of the real estate, on rights and responsibilities of the owners to the common shared ownership, involving volunteers, in exclusive cases by the decision of Assembly discounting fees and on other issues.

B. Preparation of Documentation

During the day to day activities of the Condominium a need arises to prepare documents, standardized forms and official letters, which should meet to the required criteria. The existing exemplary forms are not sufficient and not all of the meet the required criteria. This work has been done along with managing staff of the Condominium. The presidents and the Board members have their direct participation in this work, their comments and recommendations have been taken into consideration.

The list of prepared materials is as follows:

1. The official blank for of the Condominium with a logo;
2. Information sheet of the Condominium;
3. Internal rules and regulations of the Condominium;
4. Minutes of General Meeting of the Condominium;
5. Minutes of Board of the Condominium;
6. Notifications and Agendas of General Meeting;
7. Announcements to the members of Condominium;
8. Annual budget of the Condominium;
9. Exemplary forms of documentation:
 - a) receipts,
 - b) information about members;
 - c) teghanks;
 - d) membership register
10. official letters:
 - a) for registration in the Municipality;
 - b) for turnover/handover of the building from Housing Management Department;
 - c) for obtaining an office;
 - d) for allocating land to the Condominium;
 - e) for testing and sealing water-meters;
 - f) for inventorying water-meters;
 - g) for getting permission for electric supply of pumps;
 - h) for the issue on assignments to the vacant apartments of the building
 - i) for other issues.

C. Explanatory meetings, sessions, and joint discussions

During day to day activities of the Condominium there is a need in explanatory meetings on the questions arisen by the residents or by the Board members. Also there is a need to provide information about the Agendas of General Assemblies, Board meetings.

1. The following meetings have been conducted with the condominium members and residents:
 - a) explanatory meetings on the program Condominium Building Stabilization/ Urban Housing Improvement Grants;
 - b) explanatory meetings on the program Restarting Heating Supply;
 - c) explanatory meeting on the management of the multi-family building through the Condominiums to clarify the essence and specificity of that form of management;
 - d) Speeches in the General Meeting (26 April, 2003) in the status of guest speaker on the following issues:
 - The amount of service fees, fees aiming to the implementation of the mandatory norms of building maintenance and other mandatory fees;
 - Discussing and approving internal rules and regulations of the Condominium;
 - Making changes in the Board.
 - e) During the General Meetings of the Condominium providing clarification on the issues raised by participants.
2. The following meetings have been conducted with the Board members:
 - a) participation in the Board sessions in the status of invitee (January 19, 2003; April 11, 2003; April 22, 2003; April 25, 2003; and May 1; 2003) and clarifications on the issues in the Agendas;
 - b) other activities together with the board members:
 - calculation the amounts of bills;
 - coordinating administrative activities of the Condominium.

D. Mediation, negotiations joint discussions with administrative bodies, and with the heads and employees of service provision and specialized structures;

Together with the President of Condominium, Board members and accountant there were visits and meetings in the following organizations:

1. The Urban Development Department of Marzbedaran;
2. The Urban Development and Architectural Department of Municipality;
3. Department on Communal economy and environmental protection of Municipality;
4. Housing Management Department;
5. Water and Sewerage Company;
6. HayPedStandard Gyumri Branch;
7. Fire Protection Department.

E. Providing legislative and methodological materials, exemplary forms of necessary documents to the Condominium;

Without the legislative and methodological materials and the exemplary forms of relevant documents, the Condominium will not be able to arrange any of its activities.

The Condominium was provided with:

1. RA Law on Condominium;
2. RA Law on the Management of Multi-family buildings;
3. RA Law on the Legal Status of the Illegally Constructed Buildings, Structures and Illegally Occupied land Plots;
4. RA Government Decisions:
 - a) RA Government Decision # 1625 about Specifying Mandatory Norms for Maintenance of Common Shared

Property of the Multi-Family Building as of October 10, 2002;

- b) RA Government Decision #86-A on Supporting the Management of the Multi-family Buildings dated January 9, 2003;
 - c) RA Government Decision # 1384 on the Reforms in Armenian Regions in the Sphere of Heating dated September 5, 2002;
5. Exemplary forms of documents:
- a) Sample Agreement on provision of paid services;
 - b) Sample annual budget for the management of the common shared property of the multi-family building;
 - c) Sample form of decision on conduction inventory of the common shared property of the multi-family building;
 - d) The stamp of the building management body, documents, the financial means generated during the management of the building, form of the hand over/take over acts needed for transferring the property to the new management body;
 - e) Notification form for the meeting of the owners of the building;
 - f) Notification form for the canceling meeting of the owners of the building;
 - g) A form for notifying the Community Head on selection of the management body for the building;
 - h) A form of Decision about selection of management body for the building;
 - i) A form of Draft Decision on building owners' meeting;
 - j) A notification form on not paying by the owners mandatory or other fees;
 - k) A form of the owners' meetings minutes;
 - l) A form of teghegank (information) provided by the management body
 - m) A form making owners' meetings decision through survey;
 - n) A form of Report of the Multi-family building management body;
 - o) A form of register for registering shares of the owners;
 - p) A notification form for paying bills;
 - q) A form of internal regulations of the Condominium.
6. Written Methodological clarifications:
- a) on the procedures of paying mandatory or other fees by the owners of the multi-family building;
 - b) on the procedures of conducting inventory of the common shared property of the multi-family building;
 - c) on the procedures of transferring the property the stamp of the building management body, documents, the financial means generated during the management of the building, form of the hand over/take over to the new management body;
 - d) on the procedures of providing state statistical report.
7. Materials/Handouts of Seminars
- a) The Urban Institute, Local Government Assistance Program- seminar "Fundraising or how to write proposals to submit to international financial organizations and how to involve investments," July 2002
 - b) The Urban Institute, Local Government Assistance Program and The World Bank Municipal Development program- seminar "Development of Condominiums," April 2003.
8. Other materials/Handouts.

F. Activities aimed at involving international and donor organizations.

Together with the Condominium staff efforts have been undertaken to involve international and financial organizations in resolving the issues of condominium. Proposals have been developed to submit to those organizations. The purpose of those proposals were landscaping and greening of the surrounding yard site of the Condominium, the construction of play grounds, as well as construction of new condominium office, obtaining office furniture and equipment, carrying out enterprise activities by the condominium.

Technical assistance through other measures

During all period of technical assistance partner relationship has been established among condominium staff, members of the Condominium and us, due to which the technical assistance became more often and larger by including also communication and written correspondence forms.

Tangible results, development potential of the Condominium and prospective programs

During the existence of the Condominium and especially in 2003, when there was large technical assistance, the progress of the Condominium is incomparable and unprecedented. The structure which did not function for years, did not carry out hand over/take over with the Housing Management Department for a long time, did not collect bills, did not carry out any operation and maintenance activities and did not provide any services to the population, currently resolved all these problems. Moreover, currently the Condominium does not have any serious problem with regard to building management, maintenance and in operation of engineering and technical systems.

However, the main achievement is the change occurred in the psychology of the residents. Indifference towards common property gave its way to the consciousness of the management through Condominium, the increase of responsibility for maintaining common property, respectful attitude to the Condominium and its President. This is perhaps the biggest potential for development and progress. People believed in the Condominium, they connect the improvement of their housing conditions and services with the Condominium. It is necessary to encourage them and continue the assistance. There are still many unresolved problems starting with obtaining of the office, removing huge garbage from the surrounding sites, landscaping, reinforcing of the Condominium funds and other problems.

Besides resolving those problems the Condominium has long term projects connected with establishing green zones, children play grounds, recreation center as well as start business activities.

Conclusion

Final formation and functioning of the Condominium is a difficult, labor intensive and long process. In all cases, just being involved in the Condominium by chance, people found themselves in completely new area, which is multifaceted and is not understandable at once. The management of the Condominium implies work with population, preparing reports and budgets, developing management plans, building operation and maintenance activities, relation ship with service providing enterprises, tax authorities, local government, arrangement of general meetings and the Board meetings and many other components. Each of them requires certain knowledge and experience.

However, regardless of difficulties the full functioning of the for resolving housing and utility problems as well as problems of population in the social and economic spheres.

For the normal functioning of the Condominium, which is the issue of State importance, it's needed day to day, long term and full-scale technical assistance. The complex technical assistance provided by us and presented in this brochure can be useful in developing strategies for providing technical assistance to the management bodies of the multi-family buildings.

The purpose of this brochure is with the example of Yerevanian 155 Condominium demonstrate a model of providing a technical assistance to the condominiums, which can be useful for others who are engaged in such activities.