



Property Management and Operation of Permanent Supportive Housing

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Florida Department of
Economic Opportunity

May 22, 2018

Permanent Supportive Housing Webinar Series

Today: Part 2: Managing a PSH project

Upcoming Webinar:

June 19, 2018: Part 3: PSH Support Services

Register:

(<https://attendee.gotowebinar.com/register/4959108987538946819>)

Past Webinars:

Part 1 Developing PSH

View recording: (<https://vimeo.com/266352666>)

Other Recorded Webinars of interest:

Successful Joint Venture Series:

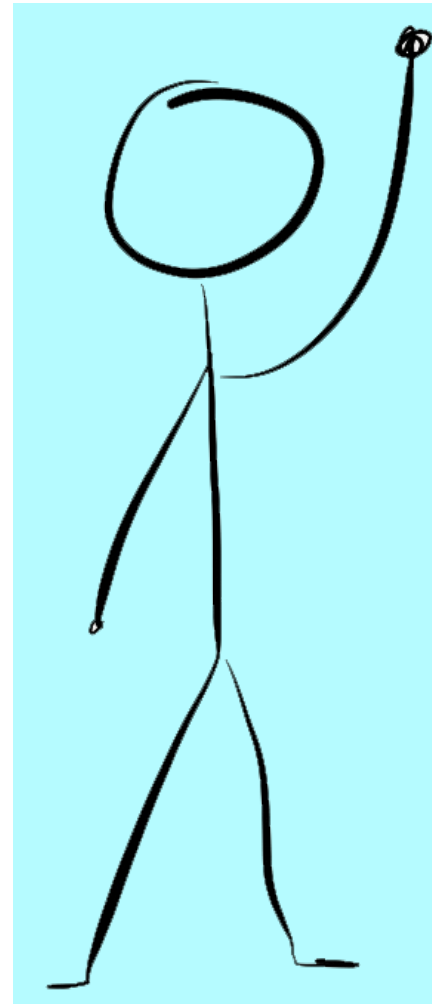
<https://vimeo.com/267291348> and
<https://vimeo.com/270495575>.

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Questions for Us?

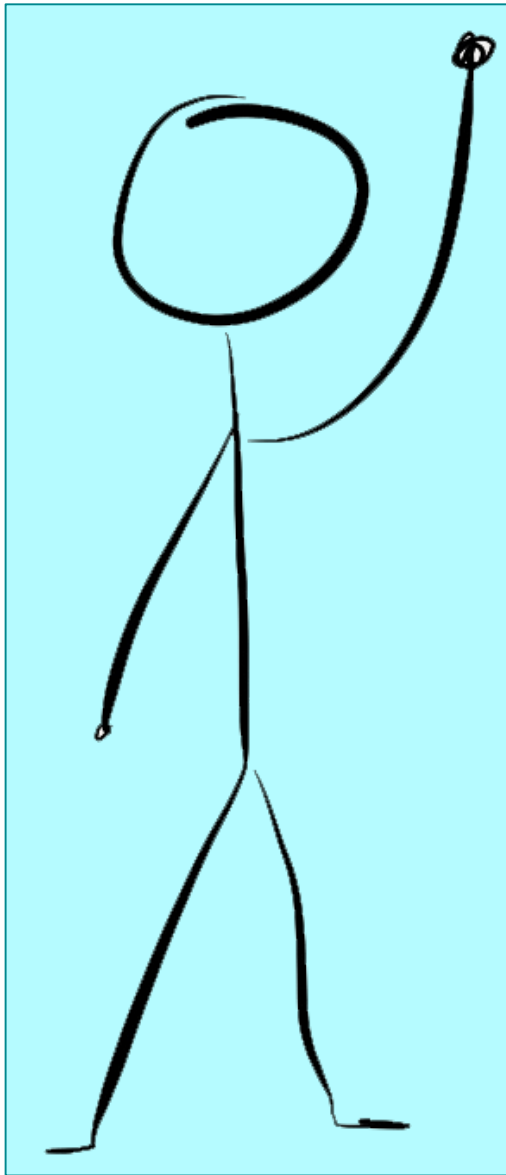
- You're muted – write questions or comments in the control panel question area
- Yes – the PPT and recording will be available on our website later this week
- Contact me at pourciau@flhousing.org if you have additional questions



Webinar Objectives

- Continue from Part 1: Developing a Permanent Supportive Housing Project (<https://vimeo.com/266352666>)
- Understand PSH property management complexities





Question
for YOU

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Please Describe Yourself?

#1 I represent an organization that already owns and operates permanent supportive housing and I want to learn more about management

#2 I represent an organization that would like to own and operate permanent supportive housing

#3 I am a funder or advocate for permanent supportive housing (not above selections)

Overview

- PSH Program Design
- Property Management Topics
- Considerations for PSH





Permanent Supportive Housing (PSH) Program Design

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BRIEF RECAP FROM PART 1: WHAT IS PSH?



Long-term affordable housing



Voluntary individualized
support services

WHAT IS PSH?

- A combination of **housing** and **services** designed for people with disabilities who need support to live stably in their communities.
- Housing is permanent housing – typically multifamily rental.
- Services provided on a voluntary individualized basis.
- A proven solution for those who have been chronically homeless.
- Best practice, per SAMHSA.

TARGET POPULATION IN PSH?

Most appropriate for those who are chronically homeless – the ~15% of homeless population who are long-term homeless and disabled – those who will require both long-term rent assistance and long-term support services

KEY COMPONENTS OF PSH

1. Choice of housing
2. Separation of housing and services
3. Decent, safe, affordable housing
4. Integration into community
5. Rights of tenancy
 - The same kind of lease anyone would have
 - Landlord-tenant law applies
 - Tenancy not tied to participation in program or services

KEY COMPONENTS OF PSH (CONT.)

6. Access to housing

- Admission must be “low-barrier” (e.g., don’t require income, sobriety, mental health services)
- Housing first philosophy

7. Access to flexible and voluntary services

PSH Property Types

1. Scattered Site Tenant Based
2. Scattered Site Portfolio – may be owned or leased by organization (may include detached single family or multifamily)
3. Multifamily
 - Small Properties (duplex, triplex, quad < 30 units)
 - Large Properties (30+ units single site)



Unit Mix and Setasides- 2 samples

Beds/Baths	No. of Units	Median Income %	Max Rents	Utility Allowance	Max Net Rents	Annual Rents
1/1	3	40%	\$441	\$163	\$278	\$10,008
1/1	5	60%	\$662	\$163	\$499	\$29,940
2/1	2	60%	\$795	\$199	\$596	\$14,304
Totals	10					\$54,252

RFA Required .25 of units 40% AMI

Beds/Baths	No. of Units	Median Income %	Max Rents	Utility Allowance	Max Net Rents	Assumed Rents	Annual Rents
studio	10	33%	332			200	24,000
studio ADA	2	33%	332			200	4,800
studio	41	60%	665			200	98,400
studio ADA	2	60%	665			200	4,800
2BR/1BA	11	33%	\$470	\$139	\$331	\$300	39,600
2BR/1BA ADA	2	33%	\$470	\$139	\$331	\$300	7,200
2BR/1BA	0	60%	\$855	\$164	\$691	\$300	0
2BR/1BA ADA	2	60%	\$855	\$164	\$691	\$300	7,200
Totals	70						\$186,000

RFA required 25% of units 33% AMI

Sample Operating Pro Forma

Sample Utility Allowance*

1 br	2 br	
13	17	heating electric
5	6	cooking electric
11	14	other electric
27	35	Air conditioning electric
28	36	Water heating electric
29	34	Water
50	57	Sewer
163	199	TOTAL
		no trash

*Utility allowances from Public Housing Authority, utility or special study

DESCRIPTION	ANNUAL	PUPY
Revenue		
Gross Potential Rental Revenue	\$186,000	\$2,657
Other Income(grants)	\$473,588	\$6,766
Gross Potential Income	\$659,588	\$9,423
Vacancy Loss @ 10%	\$65,959	\$942
Collection Loss @ 5%	\$32,979	\$471
Total Revenue	\$560,650	\$8,009
Expenses		
Fixed:		
Taxes	\$5,000	71
Insurance	\$24,000	343
Variable:		
Management Fees @ 5%	\$50,000	714
General and Administrative	\$68,400	977
Payroll Expenses	\$85,000	1,500
Utilities	\$137,943	1,971
Marketing and Advertising	\$10,000	143
Maintenance and Repairs	\$13,500	193
Grounds Maintenance	\$40,000	429
Replacement Reserve	\$21,000	300
Total Expenses	\$454,843	6,498
Net Operating Income	\$105,807	1,512
Debt Service Payments		
First Mortgage	\$0	\$0
Second Mortgage	\$0	\$0
Total Debt Service Payments	\$0	\$0
Cash Flow	\$105,807	\$1,512

Sample RFA Setaside Requirement- PSH for chronically homeless households with the greatest needs

Demographic commitment

Applicants that commit to serve the Homeless demographic commitment will be required to make the following set-aside commitments for a minimum of 50 years:

At least 70 percent of the total units for Homeless individuals and families as defined in Section 420.621(5), F.S.; AND

At least 20 percent of the total units for Persons with Special Needs as defined in Section 420.0004(13), F.S., (which may be the same units set aside for Homeless individuals and families).

Income Setaside

20% of the units at 50% or less of the Area Median Income (AMI)

40% of the units at 60% or less of the AMI

All below 60% AMI

Statement: All tenants will be below 60% AMI

50% will serve adults and households with a head of household requiring independent living services in order to maintain housing and who have a disabling condition that impairs or is likely to impair their physical mobility AND persons receiving SSI or veterans disability benefits and disabling conditions such as mental illness. Most of these will be homeless or at risk of homelessness before taking occupancy.

Management Budget Expenses

Year 1 (2018)	
Total Income	453,324
Management	42,000
Management Fee (6%)	27,199
Accounting	12,000
Legal	2,500
Advertising	2,500
Office Supplies	3,500
LIHTC Monitoring Fee	3,500
TOTAL	93,199

Janitorial/ Grounds Payroll	18,000
Supplies	1,500
Exterminating	2,500
Garbage	7,500
Security	0
Ground Expense	8,000
Maintenance Payroll	14,000
Maint. Supplies	1,000
Maint. Contracts	1,000
Elevator Contract	0
Grounds Supplies	1,500
Painting/Decorating	3,000
Owners Association	0
TOTAL	58,000

Fuel Oil	0
Electricity	20,800
Water/Sewer	25,000
Gas	0
Other	0
TOTAL UTILITIES	45,800

Real Estate Taxes	40,000
Payroll Burden	24,000
Other Taxes	0
Property Ins.	40,000
Fidelity Bond	0
Community	0
TOTAL	104,000
Operating Res.	0
Replace Res.	20,400
Total Expenses	321,399
Net Operating Income	131,924



PSH Property Management Considerations

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First Decision: In-house property management or 3rd Party

- Large projects may require experienced 3rd party property management company
- Experienced PSH Developers- in house property management
- Smaller projects can go either way if financing permits

Role of Developer and Nonprofit Principal

Developer/Manager Partner

- Maintain compliance of property with funding requirements
 - Tenant qualifications
 - Physical maintenance
- Ensure property operates to meet financial obligations
- Prepare to transfer ownership to nonprofit, if agreed to

Nonprofit

- Maintain provision of services
- Maintain positive relationship with property management
- Prepare for full ownership of property, if agreed to

Role of Owner and Manager

Manager

- Marketing
- Leasing
- Move-In
- Move-Out
- Maintenance
- Repairs
- Reporting

Owner

- Administration
- Fiscal
- Policies and Procedures
- Coordination of Support Services
- Development

Predevelopment Decisions

- During selection of co-developer or property manager
- Meeting of the minds
 - Amenities
 - Balconies, natural light, community spaces
 - Tenant Eligibility
 - High barrier credit, background

Some fee-based may have different viewpoints on amenities and tenant screening



Funding: Tenant Housing Assistance

HUD CoC PSH leasing, rent assistance, or operating costs

HUD Vouchers from Public Housing Authority

HUD HOME Tenant Based Rental Assistance, HOPWA, etc.

Philanthropy

Local sources vary widely

Funding:
Tenant
Support
Services

HUD CoC PSH or
operating costs

Medicaid

Philanthropy

Local sources vary
widely



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PSH Property Management Considerations

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IN-House vs. OUT-Source

CONSIDER:	IN-HOUSE	OUT-SOURCE
Experience and Capacity	Funders require experience for larger projects	Developer partner or 3 rd party
Project Size and Scale	Organization with staff and resources	Small staff Limited resources
Monitoring and Compliance	Required by funders- capacity needed	Protocols of large management firms
Location	Multifamily or Scattered site	Additional costs per property
Maintenance and Repairs	In-house staff, vehicles, equipment and contracted services	Staff and vendors
Supportive Housing	Separate rental from services/case management	Coordination of services on and off-site

Marketing

Non-PSH Owner	Non-PSH Manager	PSH Owner	PSH Manager
<ul style="list-style-type: none"> • Marketing Plan • Approve materials and media • Tenant surveys • Newsletters 	<ul style="list-style-type: none"> • Geographic, demographic, competition • Curb appeal • Leasing “sale” 	<ul style="list-style-type: none"> • Special Management and outreach plan • Approve materials and media • Services agreements • Tenant surveys • Newsletters 	<ul style="list-style-type: none"> • CoC universal referrals or other referrals • Support service referrals

Fair Housing Logo and Statement

- All staff should receive regular training in Fair Housing
- The Equal Housing Opportunity logo and statement must appear in all marketing material and customer facing documents
- The Fair Housing poster should be ordered from HUD and posted in a visible location where potential tenants may visit



As an equal opportunity housing provider, [*insert name of organization*] provides housing opportunities regardless of race, color, national origin, religion, sex, physical or mental disability, familial status or any other classification protected by applicable federal, state or local law

Leasing Operations

Non-PSH Owner	Non-PSH Manager	PSH Owner	PSH Manager
<ul style="list-style-type: none"> • Management Plan • Fair Housing • ADA 	<ul style="list-style-type: none"> • Intake-screening out • Move-in, Move-out • Reasonable Accommodations • Occupancy Rate • Wait List • Lease up time • Certifications and re-certifications 	<ul style="list-style-type: none"> • Management Plan • Coordination with services • Fair Housing • ADA 	<ul style="list-style-type: none"> • Intake-Screening in • Move in, Move-out • Reasonable Accommodations • Occupancy Rate • Wait List • Lease up time • Certifications and re-certifications

Lease Enforcement

Non-PSH Owner	Non-PSH Manager	PSH Owner	PSH Manager
	Landlord Tenant Act rules for Eviction	Alert Support Coordinator	Alert Owner and Support Coordinator Work to resolve issue

Use Standard Lease Form Florida FAR/BAR

Maintenance

Non-PSH Owner	Non-PSH Manager	PSH Owner	PSH Manager
<ul style="list-style-type: none">• Inspections• Maintenance• Expense review• Capital Needs Assessments	<ul style="list-style-type: none">• Staff and vendors• Tenant responsibilities• Tenant satisfaction	<ul style="list-style-type: none">• Inspections• Maintenance• Expense review• Capital Needs Assessments	<ul style="list-style-type: none">• Staff and vendors• Tenant responsibilities• Tenant satisfaction• Contact support if there are issues

Risk Assessment

Non-PSH Owner	Non-PSH Manager	PSH Owner	PSH Manager
<ul style="list-style-type: none"> • Insurance assessment (property and liability) • Safety and security 	<ul style="list-style-type: none"> • Fire drills • Fire extinguishers • Evacuation Plan 	<ul style="list-style-type: none"> • Insurance assessment (property and liability) • Safety and security • Disaster plan-shelter in place or prepared location 	<ul style="list-style-type: none"> • Fire drills • Fire extinguishers • Evacuation Plan for special needs population

Support Services

Non-PSH Owner	Non-PSH Manager	PSH Owner	PSH Manager
Per RFA/funding	Minimal- play areas, computer room, exercise room	<ul style="list-style-type: none"> • Support Services Plan • Coordination* • Referrals • Jobs • Life skills • Transportation • Recreation • Worship 	<ul style="list-style-type: none"> • Communication and coordination

* Support Coordinator Duties

Reporting and Monitoring

Non-PSH Owner	Non-PSH Manager	PSH Owner	PSH Manager
Funder Reports Audits	<ul style="list-style-type: none"> Basic Tenant, revenue, expenses 	<ul style="list-style-type: none"> Funder Reporting Audits Support Coordination 	<ul style="list-style-type: none"> Basic tenant, revenue, expenses Supports
Compliance Monitoring			
Per Funders	<ul style="list-style-type: none"> As required by schedule in agreements 	<ul style="list-style-type: none"> Support services required for compliance 	<ul style="list-style-type: none"> As required by schedule in agreements

For more information on compliance monitoring visit <http://www.floridahousing.org/owners-and-managers/compliance/compliance-training>

Reports from Property Manager

- Monthly
 - Managers' Report- narrative memo
 - Occupancy Report (Move-out/move-in) with make ready info
 - Availability Report
 - Waitlist/Applicant List
 - Rents as charged report
 - Turnover and Capital Improvement Schedule
 - Work Order Summary
- Quarterly
 - Property Manager's Budget/Actual report
 - Summary Financial Report
- On Request
 - Resident receivables report
 - General Ledger for review of specific accounts

Resident Complaints or Issues

- Clarify how they will be handled
 - Unsanitary living conditions
 - Complaints from neighbors
- First Housing Approach can be challenging
 - Tenants may display overt symptoms, become physically destructive to the property and disruptive to the community
 - Maintenance staff often first to become aware of residents experiencing problems
- Respond with sensitivity to issues regarding the tenants disability and maintain flexible and fair housing rules

Property Manager Review and Expectations

Review

- Financial
- Compliance
- Physical
- Social

Expectations

- Meetings
- Overseeing capital projects
- Reporting, staffing
- Standard and special reports



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Upcoming and past webinars of interest

June 19, 2018: 10:00 am Part 3: PSH Support Services

Register: (<https://attendee.gotowebinar.com/register/4959108987538946819>)

June 12, 2018 2:00 PM - 3:30 Submitting a Successful Application for Florida Housing's RFA

Register: (<https://attendee.gotowebinar.com/register/3653026612632742914>)

Past Webinars:

Part 1 Developing PSH

View recording: (<https://vimeo.com/266352666>)

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Want to know more?

Visit us at www.flhousing.org to find housing workshops, webinars, and publications!

FHC RESOURCES

FLORIDA HOUSING COALITION

Affordable Housing Resources

Available Online 24/7

CREATING AFFORDABLE HOUSING IN FLORIDA

HOME MATTERS

AFFORDABLE HOUSING

AFFORDABLE HOUSING RESOURCE GUIDE

RESIDENTIAL REHABILITATION GUIDE

LANDLORD-COLLABORATION GUIDEBOOK

Affordable Housing: a Strategic Roadmap
A Handbook for Affordable Housing Leaders
Connects the dots and sets the course for all

BUILDING PERMIT EXPEDITE

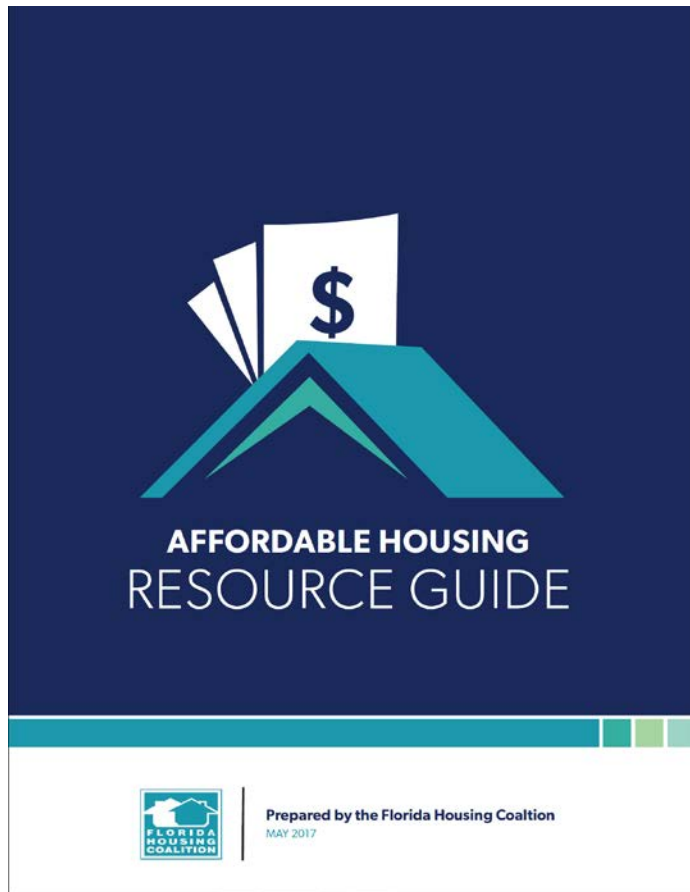
HOW WARE SOUND

CLT PRIMER

Access these valuable resources and more under the publications tab at FLhousing.org

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FHC Resources



COMING SOON:
Guide to Permanent
Supportive Housing
Property Management

REGISTER NOW!

FHC Statewide Annual Conference

AFFORDABLE HOUSING CONFERENCE
HOME **MATTERS**
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