

Executive Summary

April 1, 2009



Supportive Housing Property Management

Business Practices and Resident Employment

Prepared by: VIVA Consulting

Commissioned by: Corporation for Supportive Housing
Enterprise Community Partners
REDF

Executive Summary

There has been growing demand for the production of permanent supportive housing in communities across the country. This housing is designed to provide a stable and supportive living environment for the formerly homeless, for those who suffer from mental illness, and for those with developmental disabilities. As the national portfolio of supportive housing begins to mature, there is growing interest in understanding what makes these properties succeed over the long term as a permanent feature of the housing and service delivery system for some of our most vulnerable citizens.

This study analyzes the results of a survey of and a series of interviews with well-regarded property managers of permanent supportive housing from across the country. The study explores best practices on a variety of day-to-day operational strategies including policies and procedures, organizational design, staffing, employee orientation/training/retention, as well as the relationship between property management and resident services that is critical in supportive housing. An area of special focus is the creation of job opportunities in property management for supportive housing residents. The study's key findings are as follows:

Get the Development Right in the First Place

Survey respondents were asked to provide detailed information on a typical supportive housing property in their portfolio. 85% of the respondents described a property that has sufficient revenue to cover its costs. Since supportive housing can cost more to operate than typical affordable housing (particularly in urban environments where the need for 24/7 desk clerk staffing is considered indispensable), its developers have created a number of strategies to mitigate these high expenses and the low tenant rents. These include rent subsidies from Section 8 and other sources; supportive service funding from sources other than rent; a capital structure that minimizes or eliminates must-pay mortgage debt; and a project of sufficient scale to cover full-time staff coverage if the project needs it.

Key findings:

Financially successful supportive housing projects tend to have:

- *No hard debt*
- *Rent subsidies for tenants and funding for third-party supportive services*
- *Sufficient scale to amortize the costs of front desk staffing*

Property Management Business Practices

Successful property managers of supportive housing are passionate about their work. They are committed to helping their tenants achieve stable tenancy. Evictions are often considered failures. The key, as a first step, is the development of clearly defined and strictly enforced policies and procedures for residents and staff. These range from traditional property management practices such as rent collection to challenges this particular population often faces, such as housekeeping, hoarding and cluttering.

Whether functions are centralized or decentralized varies. However, functions that involve interaction with residents such as rent collection, work orders and income re-certifications are overwhelmingly assigned to the site level. Property managers are not ambivalent about their choices in how their property management services are arranged, but many have made modifications one way or the other over time based on their experiences.

Another distinguishing characteristic of managers of supportive housing is their strong emphasis on a fairly extensive orientation and training of their employees. Training offered in the first three months is largely on-the-job and internal, with greater focus on a combination of internal and external training thereafter.

Retaining staff is challenging enough for affordable housing managers, but perhaps even more so in supportive housing. Not surprisingly, the more highly skilled and highly paid employees have the highest tenure. Some best practices in keeping staff include flexibility with hours, leave, transfers,

internal promotions as well as paying competitive or slightly above market wages. Perhaps the most significant strategy is hiring correctly in the beginning. Many organizations reported particular long-term success, for example, in hiring and retaining property managers with resident services backgrounds or interests.

Key findings:

Successful managers of supportive housing properties:

- *Have genuine zeal for serving the population as a critical component of organizational culture, and emphasize that passion in their hiring practices*
- *Establish and enforce clear rules, policies and procedures*
- *Devote resources to training and orientation of employees*

Relationship Between Property Management and Resident Services

While organizations vary in who provides social services (in-house vs outsourced) and how they are funded, they exhibit a number of common practices: resident services coordinators and case managers report to a separate resident services department or function and not to property management; they have separate offices and/or program space; property management and resident services functions are clearly separated which about half memorialized in a formal memorandum of agreement.

Communication is key and respondents describe a variety of regular, frequent, scheduled meetings between property

management and resident services staff to maintain a healthy balance between the two perspectives, with the success of the resident the ultimate objective. Staff collaboration is part of the culture of the survey participants. Some even have joint accountability of property management and resident services staff to achieve property performance goals. These range from vacancy control and minimizing resident turnover to achieving specific housing quality standards.

Key findings:

Best practices in property management and resident services interaction include:

- *Clear separation of functions, often memorialized in a formal document*
- *Strong communications with regularly scheduled meetings*
- *Clearly-articulated goals for both property performance and resident success for which both functions are held accountable*

Employing Residents of Supportive Housing

Over half of the respondents (62%) make it a practice to employ residents of supportive housing or other individuals with special needs in property management or resident services positions. The positions most frequently filled by residents are those for entry-level desk clerks and custodians. Most organizations that employ residents have a strict practice of not employing a resident at a property where s/he lives.

Respondents were quite ardent in their opinions about hiring or not hiring residents. For proponents it was a stated part of their mission or culture. They actively sought the resources and staff necessary to support these employees. They also had a number of strict rules surrounding their interaction with residents. For opponents, their reasons for not hiring residents were compelling. They wanted to avoid the conflicts related to being both an employer and the landlord of a resident. They lacked the organizational structure and/or funding to train and supervise resident employees. They were concerned about the ability of resident employees to enforce rules and boundaries.

Key findings:

Supportive housing managers who employ residents:

- *Have the employment of residents as a central component of their organization's mission and culture*
- *Employ residents most often as desk clerks and custodians, and sometimes as peer counselors*
- *Generally do not allow residents to work in the same buildings in which they live*
- *Have very specific and strict rules regarding resident employees interaction with other residents*