

Managing Affordable Housing (MAH201)

Learning objectives

Part I: Introduction

1. Course overview

The goal of this course is to provide residential managers with the tools and expertise necessary to professionally manage the day-to-day aspects of affordable housing residential properties. It's a comprehensive resource that will serve as an ongoing reference tool, and provides many forms and checklists for immediate, on-the-job application.

In this lesson, you will learn how to:

- Describe various affordable housing programs, including specific assistance program requirements and funding source information
- Understand what owners expect of the property manager, and assist in meeting owners' goals and reporting to various affordable housing stakeholders such as ownership entities, HUD, etc.
- Assist in all areas of managing the residential property, including relations with the team, contractors, and residents; budgeting and accounting; maintenance and inspections, compliance; and marketing and leasing.
- Determine what tasks need to be prioritized and completed.
- Above all, lead, motivate, support, and manage the team as appropriate.

2. What is residential property management in the context of affordable housing?

There is never a dull moment in the life of a residential property manager. From balancing the budget to overseeing construction projects and keeping the apartments leased, every day brings new challenges and problems to solve. For almost 60 years, a variety of federal, state and local programs have provided options to make housing more affordable for certain populations. Some of these programs focus on the properties; some focus on individuals. These programs are each unique in how they are funded and administered, so, in practice, are not exclusive of one another. Properties often have several forms, or layers, of subsidies and funding that require those properties to comply with the rules of each program. There is no doubt that residential property management is a complex and rewarding field.

In this lesson, you will learn about:

- Various affordable housing programs
- Characteristics of affordable housing developers, owners, and investors
- Demographics of affordable housing
- Property management company structures and staffing models

- Owner goals and objectives, and the relationship between ownership entities and various regulatory bodies.

Part II: The team

3. Managing and leading the team

An effective property manager is one that understands the various dynamics on the property and creates an environment where all team members are encouraged to do their best work. A property manager must create an intentional strategy for managing and leading the team.

In this lesson, you will learn how to:

- Determine the property manager's role on the property team
- Describe approaches to management, leadership, and emotional intelligence
- Identify key components of diversity, equity, and inclusion (DEI)
- Take advantage of the skills and mindsets of the five generations of workers in the market today
- Determine what motivates employees
- Create effective job descriptions, in particular related to affordable housing, for roles on property management teams
- Identify certifications that are key to certain affordable housing job roles
- Find, hire, train, and evaluate the right talent for your organization

Part III: The property management office

4. Record keeping

Proper record keeping is essential to the operation of the property and to help minimize risk and liability. Property managers must maintain relevant records in a manner that ensures their safekeeping and ease of retrieval.

In this lesson, you will learn how to:

- Establish and maintain a property record keeping system
- Comply with affordable housing requirements related to record keeping
- Identify best practices for document management

5. Measures of performance

Accurate information is the foundation of decision making, and reports to the owner should be comprehensive and accurate. Property managers must be familiar with the type of reports necessary and how to prepare them.

In this lesson, you will learn how to:

- Describe the importance of performance metric tools such as business intelligence, dashboards, and data analytics
- Recognize the importance of reporting to the owner
- Identify and develop financial reports to gauge progress towards meeting owner goals and objectives
- Identify and develop marketing reports to determine the effectiveness of marketing efforts

Part IV: Accounting and budgeting

6. Accounting

Overseeing and executing accurate and efficient accounting procedures ensures the financial health of the property. A property manager must be able to identify and understand accounting skills needed to meet the owner's objectives for the property's performance and to provide a foundation for making day-to-day operating decisions.

In this lesson, you will learn how to:

- Describe the importance of accounting and budgeting
- Differentiate between accounting and budgeting
- Recognize ethical accounting and budgeting practices
- Describe the accounting function
- Define key accounting terms
- Classify cash, full accrual, and modified accounting practices
- Design a chart of accounts, including the HUD chart of accounts for affordable housing properties
- Define assets and liabilities
- Summarize the purchase order process
- Identify the functionalities of accounting software
- Manage required third-party audits for affordable housing

7. Budgeting

Establishing and monitoring budgets is the road map to achieving the owner's goals and objectives for the property. A property manager needs the skills to prepare budgets, forecast, and analyze variances to help meet the owner's objectives for the property.

In this lesson, you will learn how to:

- Define a budget and describe its purposes
- Describe the key elements of a budget
- Characterize the different types of budgets
- Explain key components of the annual operating budget
- Manage special considerations when completing budgets for affordable housing, including development of operating cost adjustment factors (OCAFs) for annual rent adjustments
- Describe ways to forecast income and expenses
- Analyze budget variances

8. Statement of cash flow

Making sound decisions about a property that positively impact the property's cash flow and stay within the owner's objectives is a core requirement of the property manager and team. A property manager must be able to identify the components of cash flow and understand how the property management team impacts the property's net operating income.

In this lesson, you will learn how to:

- Understand components of the cash flow statement
- Calculate the components of the cash flow statement
- Differences in cash flow between affordable housing development and market rate development

9. Creating value

Understanding how value is determined and how daily decisions impact the NOI, and therefore the value of the property, enables property managers to meet the owner's goals and objectives. A property manager must be able to apply capitalization techniques to project the market value of a property.

In this lesson, you will learn how to:

- Describe capitalization and the usage of single-year valuation

10. Working with capital

Budgeting capital for major expenditures ensures the future of the property. A property manager must budget capital for major expenditures so that the owner's objectives for the property are met.

In this lesson, you will learn how to:

- Define capital and describe its uses
- Explore concepts of how capital is used
- Describe the purpose and process of preparing a capital budget
- Prepare a capital needs assessment for affordable housing properties
- Follow replacement reserve requirements for affordable housing properties

Part V: The physical property

11. Importance of maintenance

A well-managed maintenance and risk management plan increases maintenance efficiency, controls costs, extends the life of equipment, ensures the safety of residents and the team, and increases satisfaction levels. A property manager must be able to understand the importance of developing a sound maintenance and risk management plan, as well as the factors to consider when developing the plan.

In this lesson, you will learn how to:

- Explain the definition and importance of maintenance and risk management
- Identify the components of a comprehensive maintenance program
- Recognize the benefits of a well-managed maintenance program
- Describe the differences between the various types of maintenance
- Follow prevailing wage requirements for affordable housing maintenance
- Take advantage of tax incentives for maintenance and rehabilitation of affordable housing
- Educate affordable housing residents about maintenance and sustainability

12. Inspecting the property

Regular inspection ensures a well-kept building and eliminates reactive maintenance. Also, identifying, controlling, and reducing risk protects the owner's asset, the property's residents and guests, and the management company. A property manager must inspect all parts of the property on a regular basis to ensure proactive maintenance, reduce risk, and identify risks to be managed. Continued compliance with various affordable housing programs is dependent on part in following specific federal inspection regulations.

In this lesson, you will learn how to:

- Explain the purpose and importance of property inspections
- Describe the types and frequency of property inspections
- Follow the National Standards for the Physical Inspection of Real Estate (NSPIRE) related to affordable housing properties
- Recognize the importance of an inspection checklist
- Determine the property manager's role with inspections
- Explain how to effectively use inspection results

13. Protecting the property

Identifying, controlling, and reducing risk protects the owner's asset, the property's residents and guests, and the management company. The property manager must inspect the property on a regular basis to identify and manage risks.

In this lesson, you will learn how to:

- Explain the importance of risk management
- Determine strategies for managing specific risks
- Explain the importance of emergency and disaster planning, and identify the components of an effective plan, in particular HUD disaster response requirements
- Describe key insurance concepts for property managers, including unique affordable housing property insurance requirements

14. Components and systems

Understanding the maintenance of major components and systems allows the property manager to effectively maintain them, supervise the team, and oversee contracted work. A property manager must be able to identify key maintenance considerations for the major building mechanicals and systems.

In this lesson, you will learn how to:

- Recognize general guidelines for good property maintenance

- Explain key maintenance issues related to roofs, HVAC systems, plumbing, and pavement systems in order to effectively maintain the property

15. Working with contractors

Selecting and overseeing the work of contractors helps to control costs and ensures the work is performed to specifications. A property manager must understand when to use contract labor, and how to develop an effective bidding process, including well-written contract specifications.

In this lesson, you will learn how to:

- Determine when to use contractors
- Create detailed job specifications
- Understand the bidding process and how to evaluate bids
- Use HUD's Procurement Handbook for Public Housing Agencies
- Describe standard components of the maintenance contract
- Identify factors to consider when monitoring a contractor's work

16. Sustainability

Market demand, the bottom line, government regulations, and personal voluntary awareness is driving the demand for sustainability. Implementing sustainability measures can have a positive impact on natural resources and the owner's profit, as well as a marketing impact for potential residents. A property manager must be able to identify ways to implement conservation techniques to improve sustainability and efficiency while reducing operating expenses.

In this lesson, you will learn how to:

- Describe various sustainability programs
- Analyze and develop energy conservation efforts
- Analyze and develop water conservation efforts
- Explain key components of an effective recycling and composting program
- Implement an integrated pest management program

17. Planning and prioritizing maintenance work

The property manager must work in conjunction with the maintenance team to plan and prioritize maintenance work in order to leverage the team, resources, and budget most effectively.

In this lesson, you will learn how to:

- Identify types of maintenance required on the property
- Prioritize maintenance requests

- Describe key factors of an effective service request system
- Identify best practices for making inventory purchasing decisions and for inventory control and storage

Part VI: The residents and surrounding community

18. Attracting residents

Securing and retaining residents are key factors in the profitability of a property and meeting the owner's goals and objectives. The property manager must understand the property's target market and position in the market in order to set appropriate rental rates and occupy the building.

In this lesson, you will learn how to:

- Conduct a market analysis, including those unique to affordable housing properties
- Conduct a property analysis, identifying strengths and weaknesses of the property
- Determine competitive rents for residential properties, and rent restrictions for affordable housing properties
- Explain key considerations when using revenue management systems
- Identify elements of a marketing plan and list key marketing tactics
- Explain best practices related to reputation management

19. Showing the property

Knowledge of effective leasing tactics leads to more signed leases and directly impacts the success of the building. Property managers need to establish effective leasing practices and follow Fair Housing Laws in order to successfully lease apartments to potential residents.

In this lesson, you will learn how to:

- Describe components of the leasing plan and how it is used
- Apply effective residential leasing tactics, and customize the leasing process for affordable housing properties
- Explain guidelines related to Fair Housing and the Americans with Disabilities Act
- Properly establish waiting list procedures for affordable housing properties
- Describe the process of prospect qualification, including eligibility criteria for specific affordable housing programs
- Follow income verification guidelines for affordable housing

20. Executing the lease

Property managers must be familiar with landlord-tenant law and the lease document in order to effectively meet both resident and owner needs, and protect the owner's investment.

In this lesson, you will learn how to:

- Describe the landlord's and tenant's corresponding obligations under landlord-tenant law
- Explain leases and HUD-specific requirements related to affordable housing
- Follow provisions of the Violence Against Women Act as they related to affordable housing residents
- Identify policies and procedures related to delinquencies, evictions, and collections

21. Increasing resident retention

The property manager can reduce turnover, maintain occupancy, improve NOI, and meet the owner's goals by implementing a resident retention program. A manager must explore resident retention strategies to increase lease renewals.

In this lesson, you will learn how to:

- Explain the importance of resident retention
- Establish and execute move-in policies and procedures
- Identify ways to increase retention
- Establish and execute move-out policies and procedures

Required self-study module

Lesson 1A. What is residential property management?

While some property management companies manage all residential assets, others may focus on specialty types. This lesson looks at unique considerations property managers need to know for specific residential property types.

In this lesson you will:

- Be introduced to different residential property types
- Learn different types of property owners

Lesson 2A. Employment law and regulations

Understanding and abiding by employment laws ensures ethical behavior at the property and minimizes potential liability. A manager must identify the legal issues that impact the employee life cycle.

In this lesson, you will learn how to:

- Explain key legal issues related to employment

Lesson 3A. Communication and conflict resolution

Managing employees involves an understanding of communication skills as well as the various styles of conflict resolution. A manager must develop active listening and nonverbal communication skills to break down communication barriers and enable more effective problem solving among employees, ownership entities, and regulatory bodies.

In this lesson, you will learn how to:

- Recognize common communication barriers
- Identify communication touch points between ownership entities and regulatory bodies
- Demonstrate active listening
- Interpret nonverbal behavior
- Compare conflict resolution styles
- Recognize problem-solving strategies

22. The life cycle of an employee

Finding, hiring, training, and evaluating the right talent will add to the bottom line by decreasing turnover and increasing the quality of work. The property manager must understand the life cycle of an employee and the related legal considerations throughout the process to attract and retain an effective property team.

In this lesson, you will learn how to:

- Identify and describe key components in the recruitment and hiring process, including unique considerations for affordable housing properties, i.e., tax credit certified, Sec. 8 experience, etc.
- Determine strategies for onboarding and training new employees, including an overview of the affordable housing ownership entities and funding programs at the federal and state level.
- Execute the performance management process
- Manage employee retention and turnover

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