



Preservation Next Colorado Academy

**Property and Asset
Management for Small to
Medium Multifamily
(SMMF) Properties**

October 3, 2023

Today's Agenda

PRESERVATION NEXT OVERVIEW

- Sara Haas, Senior Director, Enterprise Preservation Next

ASSET MANAGEMENT FOR SMMF PRESERVATION

- Harold Nassau, Formerly Senior Director of Asset Management, NeighborWorks America

INCORPORATING RESIDENT SERVICES IN PROPERTY MANAGEMENT: TRI-STAR'S MODEL

- Audrea Rease, Partner, Asset Management, Tri-Star Real Estate

A TRAUMA INFORMED APPROACH TO PROPERTY MANAGEMENT

- Julianna Stuart-Lomax, Vice President of Community Impact, Preservation of Affordable Housing (POAH)

PANEL Q&A AND DISCUSSION

- Moderated by Christi Smith, Director, Enterprise

A Thank You to Our Funders

MacKenzie Scott



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The Colorado
Health Foundation™

JPMORGAN CHASE & CO.



PRESERVATION NEXT

Preservation Next Overview

Preserving Affordability in Small to Medium Multifamily Properties and Protecting Residents from Displacement

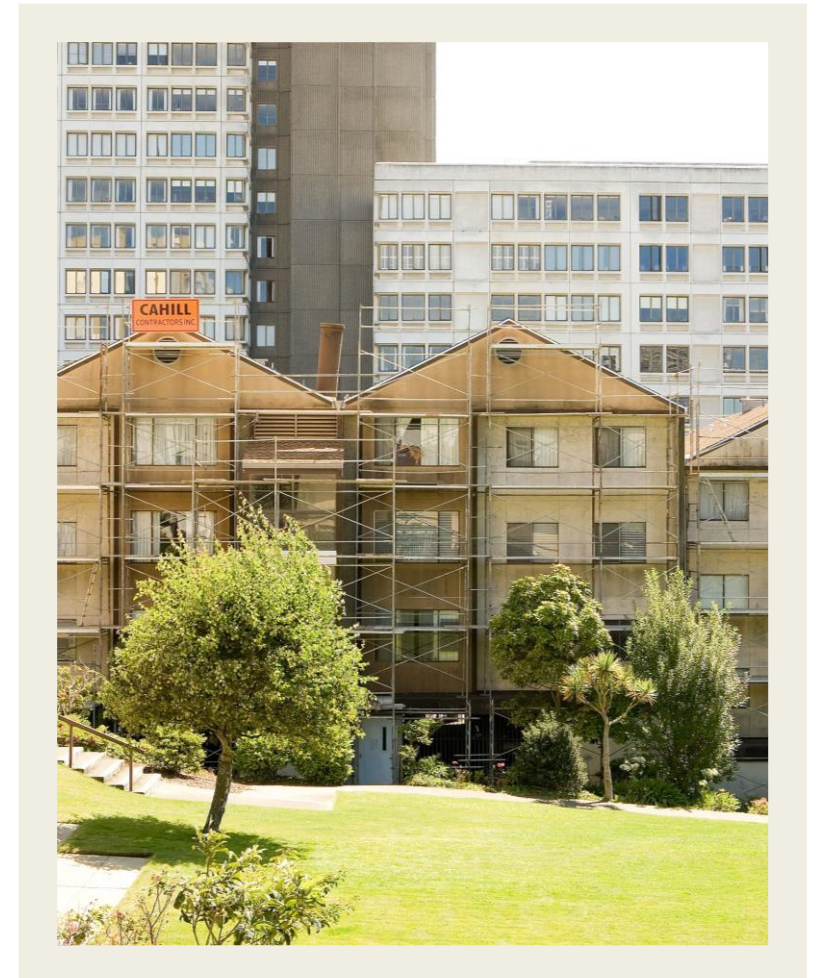
Solutions at the intersection of renter and owner stability to promote an eviction prevention-first approach

Through **Preservation Next**, Enterprise is committed to preserving affordable small to medium multifamily homes and ensuring that residents have access to safe, healthy, and resilient places to live.

To truly preserve these homes and protect affordability for residents now and into the future, we must:

- Protect existing affordability where it currently exists.
- Provide housing stability and prevent displacement of existing residents and families.
- Invest in healthy, sustainable, and resilient homes.
- Foster responsible stewardship by mission-aligned owners.

Small and medium sized properties provide a crucial foundation for affordable housing in this country: 80 percent of homes in these buildings are available to people who earn less than 80 percent of the area median income



Meet Our Preservation Next Team

National Staff



Sara Haas

ENTERPRISE, SENIOR DIRECTOR, SOUTHEAST

At Enterprise, Sara leads affordable housing preservation programming in Miami and Atlanta, the Keep Safe Florida Resilience program, and the National Preservation Next program. Prior to joining Enterprise, Sara developed and managed national AmeriCorps VISTA programs at Habitat for Humanity International and Points of Light. Sara lives in Atlanta with her husband Stew, son Eli and dog Dolly Parton.



Meaghan Vlkovic

ENTERPRISE, VP AND MARKET LEADER, SOUTHEAST

Meaghan leads Enterprise's programmatic work in the Southeast region, focused on providing an array of resources to affordable housing and community development partners. This includes capacity building assistance for proactive preservation and production of housing, and helping communities plan for future development, such as transit-oriented development opportunities.



Jessie Wang

**ENTERPRISE, PRESERVATION FELLOW,
PRESERVATION NEXT**

At Enterprise, Jessie supports program development and delivery for the National Preservation Next program. Prior to joining Enterprise, Jessie conducted applied research and technical assistance to assist a variety of community-based organizations and affordable housing advocates in Chicago, where she resides.

Preservation Next's Colorado Team

Preserving Affordability in Small to Medium Multifamily Properties and Protecting Residents from Displacement



Jennie Rodgers

VP, ROCKY MOUNTAIN, TRIBAL NATIONS, AND RURAL MARKET

Jennie leads Enterprise's work with local partners in Denver to increase and deploy resources for affordable housing, advocate for local and state affordable housing policy, and provide technical assistance and training. She has 30 years of experience in the arenas of affordable housing policy, finance and development, and has worked in the nonprofit, private and government sectors on urban and rural housing initiatives.

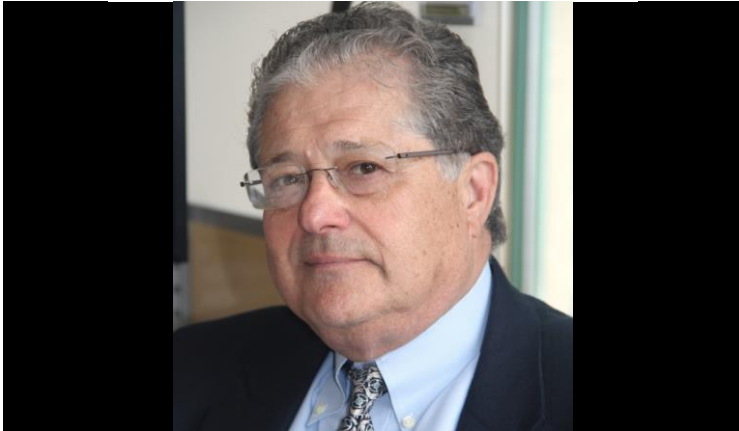


Christi Smith

DIRECTOR, ROCKY MOUNTAIN PROGRAMS

Christi is Director of programs at Enterprise, where she leads Enterprise's programmatic work in Colorado and oversees the Wells Fargo Housing Affordability Breakthrough Challenge, a \$40 million initiative that supports the development and scalability of new ideas and approaches to address the nation's affordable housing crisis. Prior to joining Enterprise, Christi was VP of strategy and communications for Urban Land Conservancy (ULC).

Meet Our Guest Speakers



HAROLD NASSAU

FORMERLY SENIOR DIRECTOR OF ASSET MANAGEMENT, NEIGHBORWORKS®AMERICA

Harold is formerly NeighborWorks®America's Sr Dir. of Asset Management Programs. For the past 19 years, Mr. Nassau has overseen asset management training and TA for 135 local NeighborWorks organizations that own 145,000 units of multifamily housing. In 2005 Mr. Nassau designed and launched Neighborhood Risk Management Corp., and he also serves as President of the Consortium of Housing and Asset Management (CHAM).



AUDREA REASE

PARTNER, ASSET MANAGEMENT, TRISTAR REAL ESTATE

Audrea is a Partner, Asset Management at TriStar Real Estate Investments. Ms. Rease has a background in accounting, real estate investment management and nonprofit management. After beginning her career in public accounting, she transitioned into real estate at Morgan Stanley, where she oversaw asset management for all property types with portfolio values in excess of eight (8) billion dollars.



JULIANNA STUART-LOMAX

VICE PRESIDENT OF COMMUNITY IMPACT, PRESERVATION OF AFFORDABLE HOUSING

Julianna is POAH's Vice President of Community Impact. Julianna's work is focused on POAH's national initiatives, including strategic partnerships, fundraising, best practice development and scaling across POAH's portfolio. Julianna also leads POAH's efforts to promote well-being and equity through the lens of trauma-resilient design, property management and resident services.

Asset Management for Preservation

Working Together for Strong Communities



Some Context from NWA Portfolio

- 38% of all properties have negative CF
- 47% of properties < 35 units - negative
- Avg cash flow > 40 units **\$366/unit**
- Avg cash flow > 80 **\$608/unit**

Working Together for Strong Communities

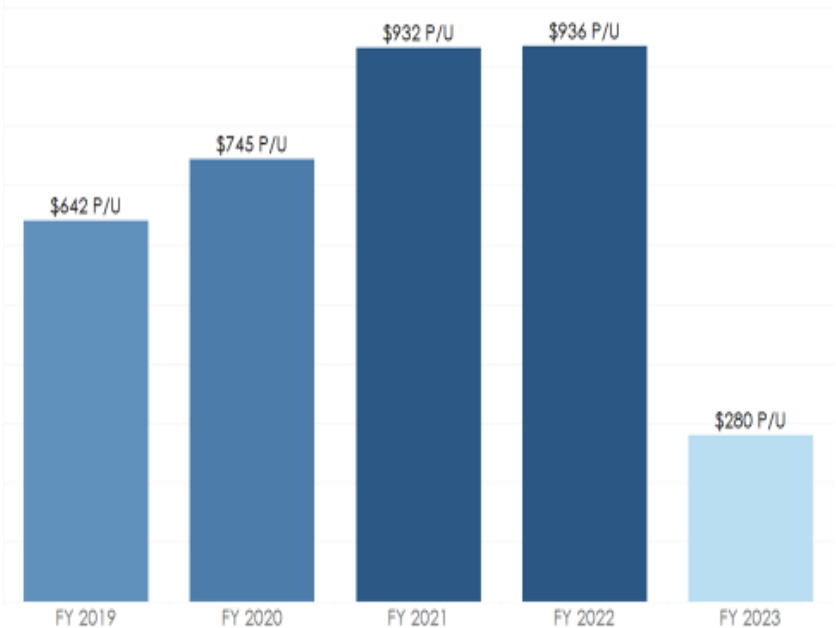


MFI: Net Cash Flow Per Unit

This chart compares Q1 reporting of Net Cash Flow (NCF) per Unit over the last 5 years.

While FY2021 and FY2022 held relatively steady, there is a **70% drop** in NCF per Unit from FY2022 Q1 to FY2023 Q1.

Portfolios with less than 1000 units are seeing the biggest declines, but even portfolios of over 2000 units have reported declines of **over 40%** from FY2022 to FY2023.



Working Together for Strong Communities



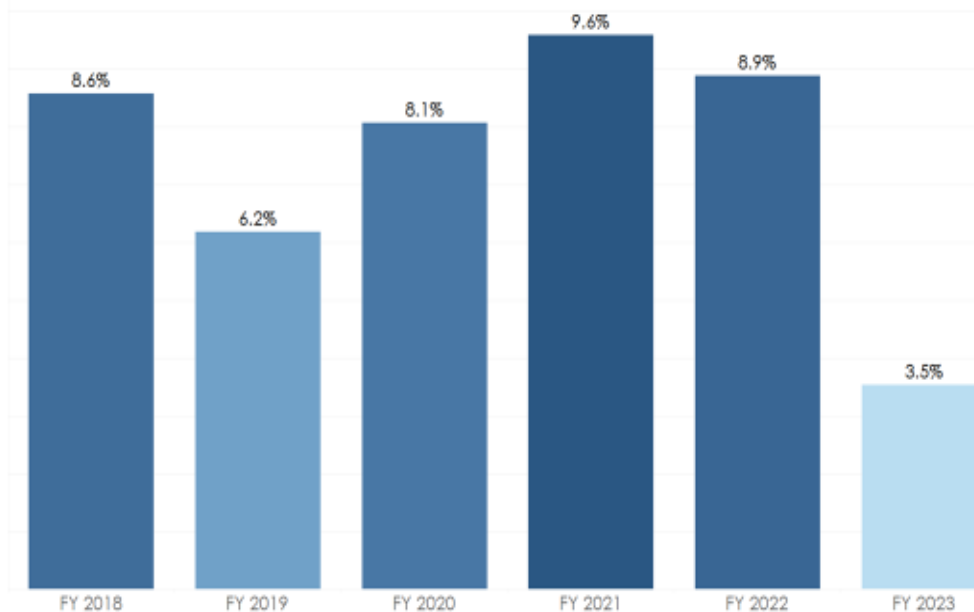
MFI: Net Cash Flow % of Gross Potential Rent

This ratio is less about the number itself than it is about the change from one year to the next.

A change of 3-4% from year to year is something to watch, but a change of 5% or more is a warning sign.

Between FY22 Q1 and FY23 Q1 there has been a drop in 5.4% for organizations that are reporting a full 12 months of data.

Organizations with more than 1000 units are experiencing slightly higher drops in this ratio.

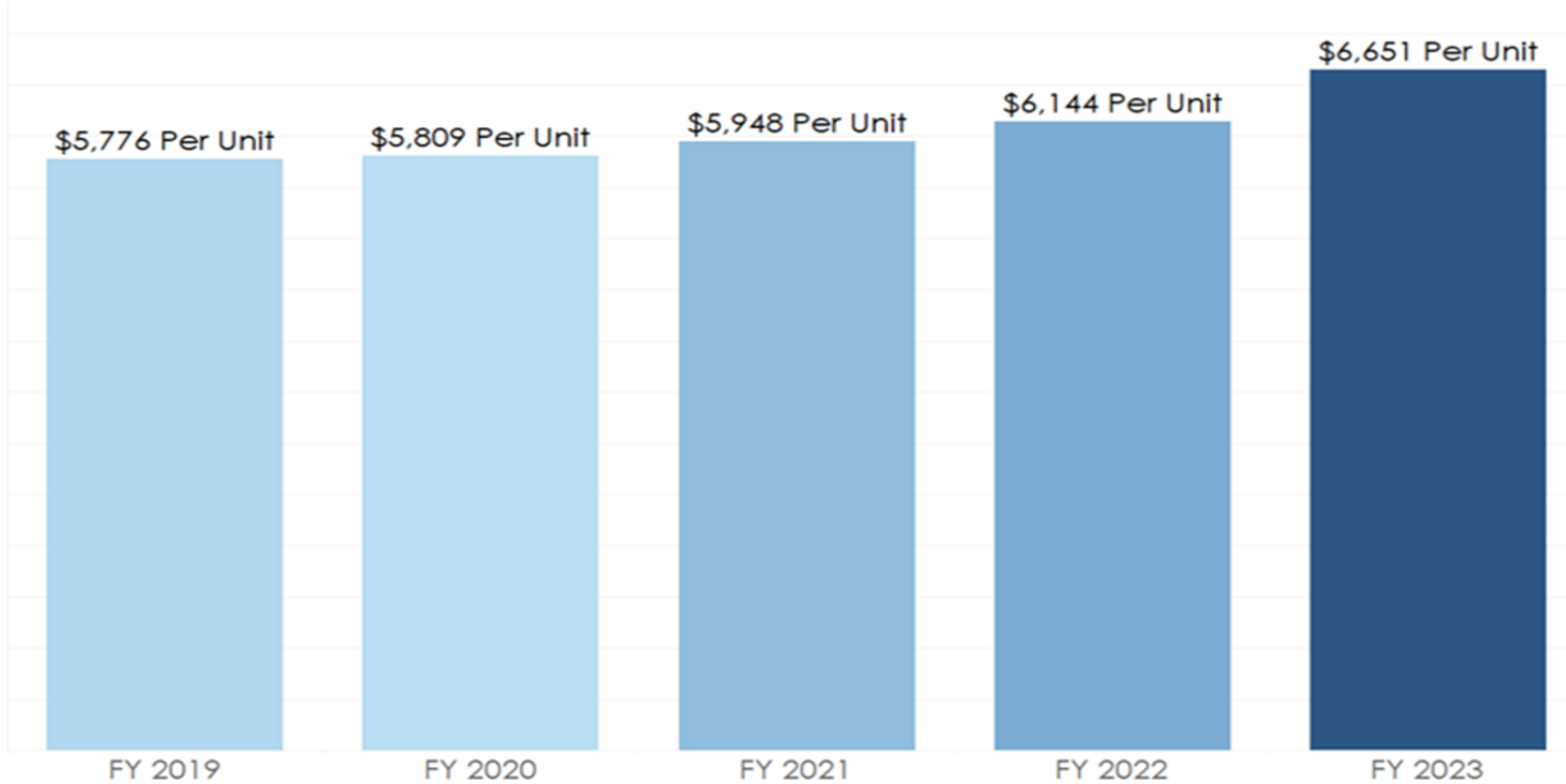


Working Together for Strong Communities



Op Ex

Operating Expenses per Unit - Q1 comparison



Working Together for Strong Communities



Managing Expenses

Manage to Cash Flow: NOT the budget!

Don't Look for Big Wins:

Scratch out small wins

Energy

Water

Bulk Purchase

Working Together for Strong Communities



Managing Revenue

Vacancy Loss

Collection Loss

Average Days Vacant

Tiered Rents.

Working Together for Strong Communities



Don't:

- Obsess about 'bleeders'
- Punt everything to a recapitalization event
- Try to fix a capital problem with operational solutions
 - *You can't manage your way out of a development problem...And you can't develop your way out of a management problem!*

Do:

- Real Comps and amenities
- Marketing
- Energy investment
- Know how many vouchers could float the boat
- Opportunities to bundle
- Build cash cows to subsidize bleeders
- Make your investors your partners

Managing preservation

- Real resident in-put on design
- Early obvious wins for residents
- Clear timelines on improvements
- Great communication on process including delays

Key Tools

- Real Board level information packages
- Focus Property Management on Org. goals
- Set ***shared goals*** for Prop Management AND Resident services
- Make your “watch list” your “Opportunity List”

To explore further

Harold Nassau

Haroldnassau@outlook.com

Working Together for Strong Communities





Mission-based Affordable Housing

www.tristarinvest.com

Example – City of Atlanta NOAH Apartment Deal The Property-Springview & Summerdale Apartments



Units: 244 (1, 2 & 3 Bedrooms)

Built: Phase I – 144 Units 1971
Phase II – 100 Units 1998

Occupied: Phase I – 20%
Phase II – 95%

Condition: Phase I - 92 Down Units
Phase II – 6 Down Units

Amenities: Playground-torn down
(2) Community Centers

Other: 74 Public Housing Units

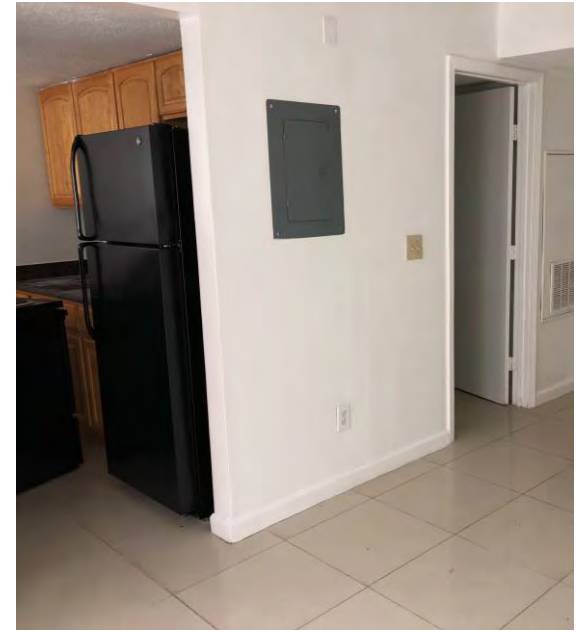
Price: \$5,200,000 (\$21,311/unit)





Right-Sizing Capital

TriStar Impact Fund	\$2,434,661	4.00%
Housing Opportunity Bond	1,500,000	1.00%
EduHousing/Foundation	1,300,000	0.00%
Bank Loan	6,609,026	5.00%
Total Sources	<u>11,843,687</u>	<u>3.74%</u>
Acquisition	5,200,000	43.91%
Renovation	6,143,082	51.87%
Closing Costs	150,000	1.27%
Down Time/Carry	350,605	2.96%
Total Uses	<u>\$11,843,687</u>	<u>100.00%</u>
Cost Per Unit	<u>\$48,540</u>	



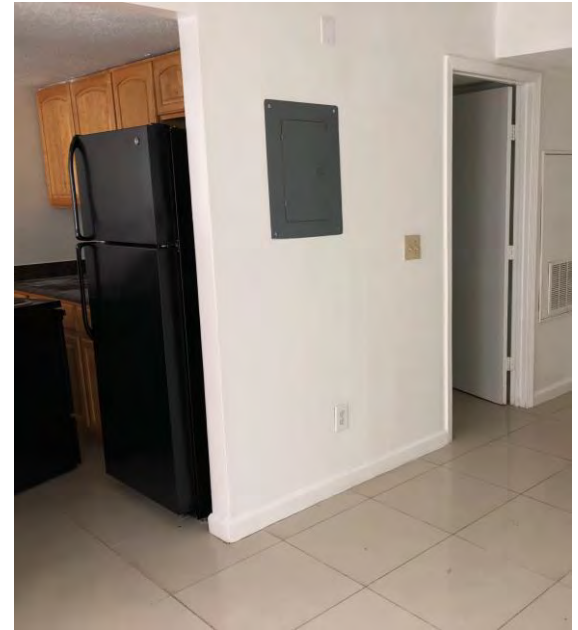
Renovation

Renovation Budget - \$6,143,082



New Roofs	\$ 350,000
Down Units	5,000,000
Landscaping	50,000
Paving	100,000
Community Center	300,000
Contingency	343,082
Total	<u>\$ 6,143,082</u>





Summerdale Today



Safety/Security Plan

Partnership APF/APD Installed 24/7 Security Camera (\$45,000)

Around 11,000 cameras watch over Atlanta

Many residents, business owners value sense of security, but privacy experts raise concerns about loss of civil rights.



Atlanta police Officer Charles Schiffbauer monitors surveillance cameras recently at Loudermilk Video Integration Center in Atlanta, a city with about 15 security cameras for every 1,000 residents, making us the only U.S. city to crack the top 10 in a study of the world's most surveilled places.

HYOSUB SHIN / HYOSUB.SHIN@AJC.COM





Offers wraparound services and partnerships to create affordable communities of choice

- 501c3 nonprofit based in Atlanta region and expanding into other areas
- Partners with landlords committed to affordable housing
- Works to reduce transiency and stabilize affordable housing communities



After School Program & Summer Camp



Healthcare & Wellness Programs

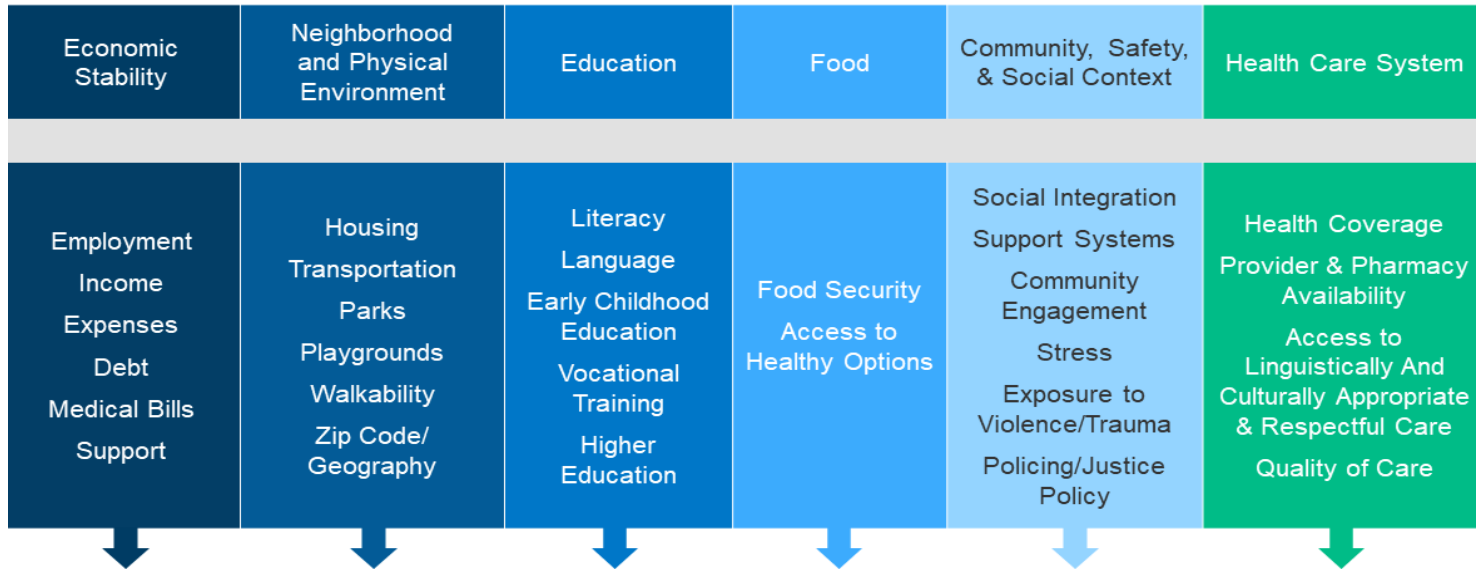


Food Security & Community Gardens



Eviction Relief Fund

Star-C's North Star: the Social Determinants of Health



Star-C Partnerships to Build Social Capital

Cub Scouts



Eviction Relief-Star C



FQHC



Dental Health



Back to School Wellness



Mental Health-Social Emotional



Literacy



KaBOOM Playground Build



Takeaways

Know the resources!

- **Real Estate:**

- Connect with your municipality
- Remain informed about funding programs and opportunities in your area

- **Programming:**

- Allocate some staff hours for this effort
- Do a resource map of what's around/near you
- Know who is already trying to serve your residents
- Get tenant input

Trauma-Informed Housing

Julianna Stuart-Lomax, jstuart@poah.org



Preservation of
Affordable Housing

Trauma-Informed Housing

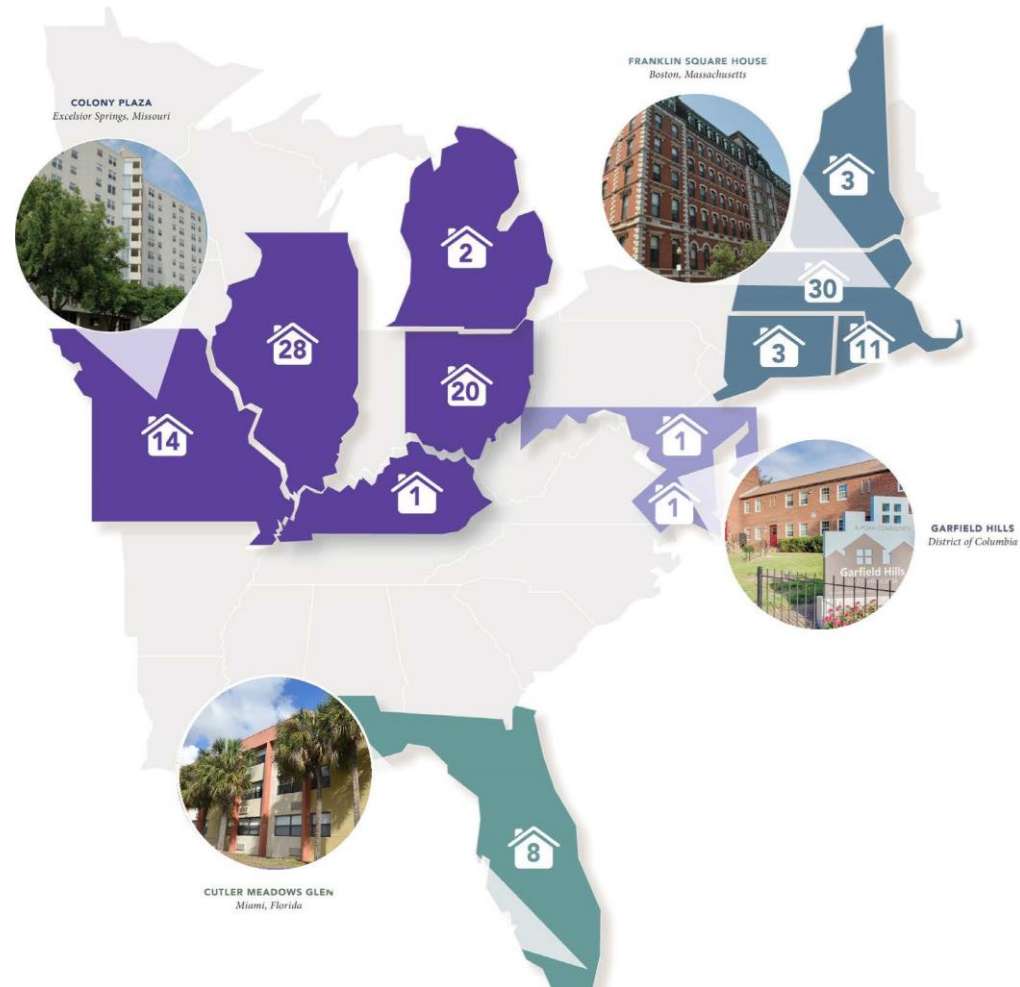
Overview

- About POAH
- Trauma-Informed Housing
- Best Practices



POAH is a national nonprofit organization whose mission is to preserve, create and sustain affordable, healthy homes that support **economic security, racial equity and access to opportunity for all.**

Where We Work



What We Do

- Real Estate Development
- Property Management
- Asset Management
- Design & Building Performance
- Community Impact





PRESERVATION
OF AFFORDABLE
HOUSING

Trauma-Informed Housing

What is Trauma?



At POAH, our definition is:

**A personal, negative experience
that is just too much to handle**



“Trauma is not a flaw or a weakness. It is a highly effective tool of **safety** and **survival**. Trauma is also not an event. Trauma is the body’s protective response to an event – or series of events — that it perceives as potentially dangerous.”

-Resmaa Menakem, MSW, LICWS, SEP
Healer, Trauma specialist and author of *My Grandmother’s Hands*



Principles of Trauma-Informed Housing



**Safety
& Trust**



**Choice
& Empowerment**



**Community
& Collaboration**



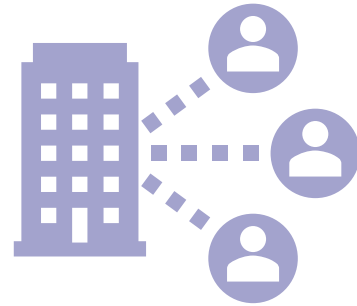
**Beauty
& Joy**

Our Focus Areas



Development & Design

Places & Spaces



Property & Asset Management

Policies & Procedures



Resident Services

Programs & Services



Human Capital

People



PRESERVATION
OF AFFORDABLE
HOUSING

Best Practices: Property Management

Policies & Procedures: Guidelines

- **Simple and clear.** Make rules and policies that residents and frontline staff find clear, concrete, and easy to understand and explain.
- **Positive over punitive.** Identify what people are allowed to do instead of not allowed to do.
- **Accessible language.** Make policies easy-to-understand for people with low English literacy (e.g. incorporate visuals, translate into multiple languages, write at a 3rd-grade reading level).
- **Reinforce safety.** Ensure rule or policy reinforces physical, mental, or emotional safety.
- **Offer choice.** Create rules and policies that offer choices and multiple options to residents and staff.
- **Get feedback first.** Get feedback from residents and staff before finalizing policy or rule.
- **Create slack.** Look for opportunities to loosen unnecessary or overly burdensome requirements.

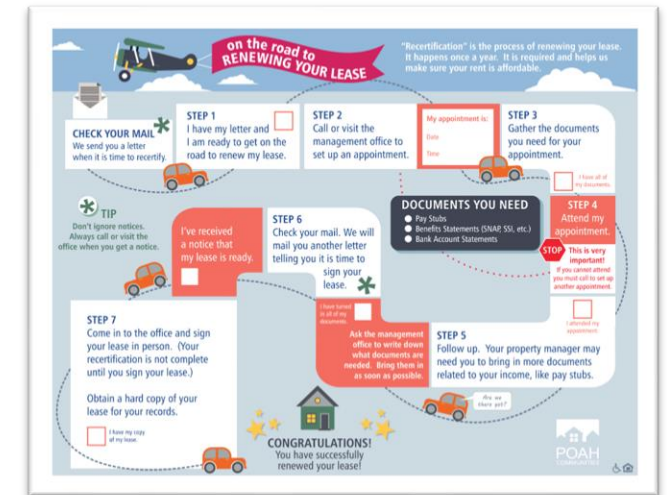
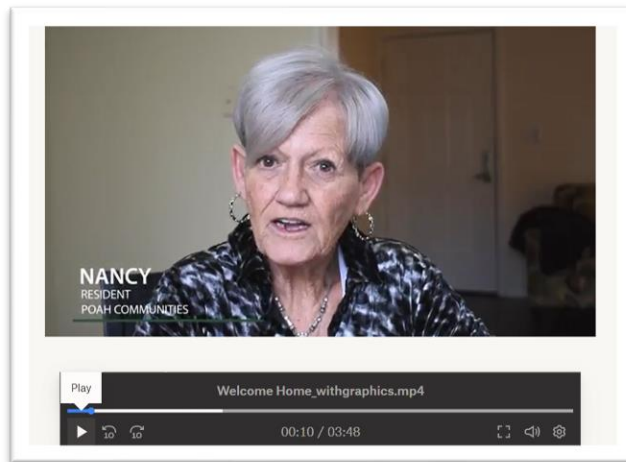
Where To Focus

- Income Certifications
- Leases & House Rules
- Physical Inspections
- Resident Empowerment
- Frontline Staff Wellbeing



Examples

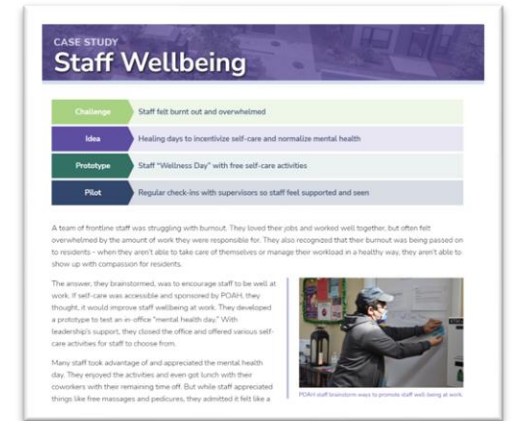
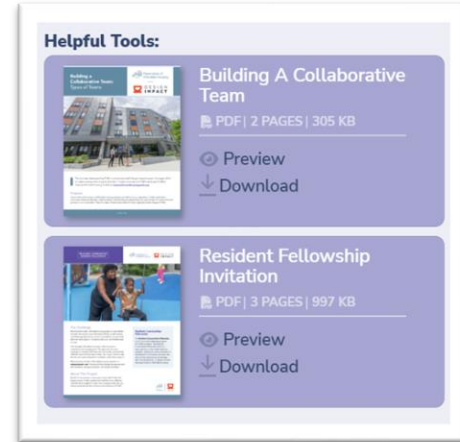
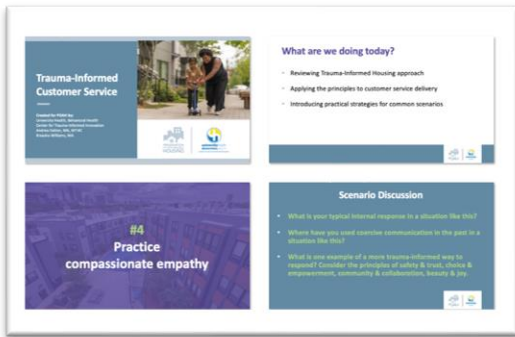
- **Simple and clear:** Reimagine the move-in experience with “Welcome Home”
 - Bite sized, slow release
 - Multiple formats (video, paper, in-person)
 - Prioritize!



Examples

- **Reinforce safety:** Communicate with dignity and belonging, practice transparency
 - No red letters or SHOUTING notices – we use templates
 - Service Coordinators attend inspections
- **Offer choice:** Allow digital signatures, email submission, online lease renewal, flexible office hours
- **Create slack:** Extend timelines when possible
 - Time to report a change in income (10 >> 30)
 - Time to cure a lease violation (30 >> 60)

What's In The Toolkit



Training Tools

Agendas + Activities

Design Guides

Case Studies

TraumaInformedHousing.POAH.org



PRESERVATION
OF AFFORDABLE
HOUSING

Julianna Stuart-Lomax
jstuart@poah.org



**What did you think of
this session?**

Colorado Preservation Next Academy

Thanks for joining
us!

All session recordings and
materials can be found [here](#)

Session resources and tools
will be uploaded to the
[Preservation Next Toolkit](#)

Dates	Sessions
March 28, 2023	Preservation Academy Kickoff
April 11, 2023	Preservation Deals: Organizational Sustainability and Business Planning
May 2, 2023	Acquisition, Property Identification, and Evaluation of SMMF Properties
May 23, 2023	Financing SMMF Preservation
June 13, 2023	Navigating Rehabilitation of SMMF Properties
July 11 & 12, 2023	In-Person Convening: Sustainability, Resilience and Health Considerations for SMMF Preservation
August 8, 2023	Preservation Development Models
August 22, 2023	Community Land Trusts and Preservation: Deep Dive Special Session
September 12, 2023	Policy and Its Impacts on Preservation & Housing Stability
October 3, 2023	Property and Asset Management

Colorado Preservation Next Academy

Thanks to our
many partners!

We've heard from...

Archway Communities

Boulder Housing Partners

Colorado Clean Energy Fund

Colorado Energy Office

Colorado Futures Center

Colorado Housing Finance Authority
(CHFA)

Community Economic Defense Project

Denver Department of Housing Stability

Denver Housing Authority

Douglass Community Land Trust

East Colfax Community Collective

Energy Outreach Colorado

Foundation for Leaders Organizing for
Water and Sustainability

Harold Nassau

Impact Development Fund

Kaiser Permanente

Mission Economic Development Agency

PACE Equity

Preservation of Affordable Housing
(POAH)

Total Concept

Tri-Star Real Estate

Trust Neighborhoods

Rocky Mountain Communities

Urban Land Conservancy

Weave Social Finance

What's Next?

How to Stay Engaged with Enterprise

Continued Preservation Training and Technical Assistance in 2024

Topics focused on...

- *Preservation, SMMF and subsidized*
- *Climate Resilience*
- *LIHTC Year-15 Training*

Thank you

Contact Us:

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Jennie Rodgers

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Resources:

[Preservation Next Colorado Academy Sessions](#): Registrations, recordings, and materials

[Preservation Next Small to Medium Multifamily Toolkit](#)

[Enterprise Preservation Resources](#)