



Roles in Supportive Housing Development and Operations

Description of Roles:

The successful development and operation of supportive housing requires the integration of diverse skills and activities - and there are several major roles that nonprofit organizations can play in the development of supportive housing. These roles can be described as follows:

- **Owner:** The owner has the ultimate long-term legal responsibility and control.
- **Developer:** The developer plays the lead role in bringing a project all the way from “idea” to “ready for occupancy.”
- **Property Manager:** The property manager is responsible for day-to-day operations of the project once it is completed, and is key to the financial and physical viability of the project over time.
- **Service Provider:** The service provider leads the delivery of support services to residents – in effect, their work turns *affordable* housing into *supportive* housing.

All four of these roles are critical to the success of a supportive housing project - and all four roles are very different. In some cases a single organization may play all of these roles; more frequently, however, supportive housing projects require partnerships with one or more nonprofit organizations and, in some cases, for-profit corporations. Working together, the partners fulfill all of the necessary roles.

Supportive housing development is a complex, unpredictable, and risky endeavor. An organization needs to make a careful, informed choice regarding the role(s) it will play in the ownership, development and operation of a new supportive housing project. Regardless of whether it is their first or fifteenth project, all organizations should formally examine the role(s) they expect to perform within the project - even the most sophisticated organizations periodically benchmark their development activities against their mission and reevaluate how they are deploying their resources.

Selecting the Appropriate Development Role:

There are key issues that an organization must consider when identifying and selecting the development and operating roles for which it will assume responsibility. This document is designed to identify some of these issues and questions an organization should address prior to initiating new development activities. The *Non-Profit Roles in the Development and Operation of Supportive Housing* table (below) also describes the potential roles and responsibilities that non-profit organizations can play in the development and operation of a project, including:

Note: This document is included within the *Development and Finance* section of CSH's *Toolkit for Developing and Operating Supportive Housing*, which is available at www.csh.org/toolkit2. This document has been adapted from CSH's publication *Not a Solo Act*, which is available at www.csh.org/publications.

The Role of the Owner:

The owner assumes a tremendous amount of responsibility for the long-term success of the development efforts and for the successful operation of the supportive housing project. As the owner, an organization can expect:

- To have the principle long-term interest in seeing the project completed.
- To drive the planning and development process. Even if another entity is serving as the developer for the project, or a development consultant is acting as project manager, the owner must be fully engaged in the development process to ensure that its long-term interests are being addressed.
- To need to dedicate in-house staff capacity to oversee the project, even if partnering with a developer. The staffing patterns and levels required will depend upon the extent of the organization's involvement in the development process, but even when the organization is playing a relatively limited role, the need to dedicate at least one staff member working at least one-quarter to one-half time can be expected – it will not be possible for staff to perform the responsibilities simply in their spare time.

An organization's capacity to act as the Owner of a property is related to its current status as well as to its past experience. Important considerations include:

- An organization that is not currently incorporated may need to consider joint venturing with an organization that shares its mission and interests and that is formally organized to own and manage real estate.
- An organization that is incorporated but does not own property may not have the expertise available on staff to own and manage real estate, and may need to consider joint venturing with an organization that shares its mission and interests, and that is willing to own and manage the property either jointly (under a co-ownership structure) or on its behalf.
- An organization that currently owns property that is in need of rehabilitation, but that has found it difficult to maintain the property due to lack of expertise or funding, may want to reconsider adding additional real estate responsibilities. Potential funders may want to see existing real estate stabilized before supporting the development of new projects and, again, it may be necessary to consider partnering with another entity to own and manage the project.
- Finally, an organization that currently owns and operates supportive housing projects successfully should consider whether owning and managing additional properties could jeopardize the existing properties' long-term stability, require additional staff, or impact the organization's financial health. Again, a joint venture with a compatible partner may be an option to ensure the continued health and stability of the organization.

The Role of the Developer:

The Developer is responsible for bringing the development activities to completion, taking the supportive housing project from “idea” to “ready for occupancy.” There are a variety of options for an organization to ensure that all of these responsibilities are fulfilled, including:

- Being responsible for all project development tasks and the overall management of the project in-house;

- Hiring a development consultant to manage the project based upon the organization's input; or
- Partnering with a non-profit developer or, in some cases, a for-profit developer, to take the lead role in developing the project, based upon the organization's input.

In determining which approach to utilize for filling the Developer role, key considerations include:

- An organization that has not had recent or extensive experience in developing rental housing, or whose current organizational mission limits the dedication of resources to direct supportive service activities, may wish to consider working with others to develop the housing project.
- An organization that does have the capacity to develop housing will also need to review the considerations associated with ownership noted above, to determine if owning the project after its development is an appropriate role for the organization.

The Role of the Property Manager:

The management of the property is vital to the ongoing success of the project once it is completed. Managing a property is a complex endeavor that requires skill, experience, and familiarity with legal issues and funder requirements. It is critical that the property be managed in compliance with all local, state and federal laws that govern fair housing and the landlord-tenant relationship. Further, it is critical that the maintenance of the project will ensure its long-term viability and protect the investments that have been required to create the housing.

In determining how to ensure the professional performance of the property management responsibilities, important considerations include:

- An organization that has not had recent or extensive experience in managing rental housing, or whose current organizational mission limits the dedication of resources to direct service activities, may wish to consider contracting with an organization experienced in providing property management services within affordable housing developments, especially supportive housing developments serving persons with disabilities or other special needs populations.
- An organization whose primary housing operations experience is with emergency shelters or transitional housing may wish to consider whether the organization's staff is prepared for the requirements of providing permanent rental housing, which operates under very different terms and conditions than either shelters or transitional housing.
- An organization that is also planning on being a primary provider of supportive services within the supportive housing development may wish to consider whether performing both the service delivery and the property management functions in-house may produce too much internal conflict for the organization. Such conflict may be easier to manage if the property management services were provided under a contract with an external agency.

The Role of the Service Provider:

The provision of supportive services is an essential component of any supportive housing project. A single service provider may provide the majority of the services, but in most cases there will be

more than one service provider to address the varied need of the residents. A lead service provider is typically needed to ensure the ongoing and effective functioning of the services program, especially if a variety of partner organizations will be involved in the delivery of services to tenants. The lead service organization should serve as the lynchpin for coordinating the delivery of services provided by other organizations, evaluating the outcomes of those services, and ensuring that tenants are receiving the services necessary to achieve and maintain housing stability. Experience in providing coordinated service programs in collaboration with other organizations, and experience in case management or service coordination within housing environments, will be critical to success in this role.

In determining how to ensure the professional and effective performance of the service provider responsibilities, important considerations include:

- An organization that has been primarily involved in either ownership, development or the operation of affordable housing development may need to consider partnering with an external provider that is more experienced in the delivery of supportive services to the target population.
- An organization that has delivered services primarily outside of housing settings may wish to consider partnering with (or receiving training from) an organization that has greater experience with the integration of supportive services with housing operations.
- An organization that has delivered services primarily within emergency shelter or transitional housing environments may wish to consider partnering with (or receiving training from) an organization that has greater experience with the provision of services within permanent supportive housing environments.

The table *Roles in the Development and Operation of Supportive Housing* (below) also describes the important responsibilities of each of these roles during the development and operation of supportive housing projects.

Note: Additional tools in CSH's *Toolkit for the Development and Operation of Supportive Housing* may prove useful to organizations assessing their capacity to perform any of the roles described above. See tools under *Assessing Capacity* and *Building the Development Team* within the *Development and Finance* section of the Toolkit, available at www.csh.org/toolkit2development.

Roles in the Development and Operation of Supportive Housing

	Owner	Developer	Property Manager	Service Provider
Description:	Legally responsible for the property; represents the long-term interests of the project and its residents.	Responsible for delivery of a complete, functional project built to specifications and complying with all codes and regulations. Provides and manages the services necessary to acquire and construct or rehabilitate the project.	Responsible for Providing real estate management services for the completed project.	Responsible for designing and implementing the support services plan and coordinating planning with potential service partners and collaborators.
Short-term focus:	<ul style="list-style-type: none"> • Conduct organizational assessment and identify capacity gaps • Select developer and team leader • Select other potential partners/collaborators • Select property manager and service provider • Manage relationships with key stakeholders including government and the community. • Oversee all legal matters and approve all contractual agreements 	<ul style="list-style-type: none"> • Oversee selection and hiring of all development team members • Lead the development team • Monitor performance of development team members • Manage the project; oversee all predevelopment phase tasks and monitor construction. 	<ul style="list-style-type: none"> • Provide input on projected operating budget; and project design considerations including equipment and materials based on costs of maintenance and operations • Develop relationship with service provider(s); develop joint operating protocols • Manage rent-up, marketing, outreach, and tenant selection 	<ul style="list-style-type: none"> • Design support services plan • Develop projected services budget and assist in securing financing for service delivery • Identify other service provider(s) and establish coordination strategy • Provide input on project design • Engage property manager in development of joint operating protocols, house rules, etc. • Participate in tenant screening and rent-up process
Long-term focus:	<ul style="list-style-type: none"> • Oversee implementation of management and service plans • Monitor performance of property manager and service provider; mediate disagreements • Monitor project finances; oversee compliance • Manage long-term facility planning including repairs and replacement, insurance and liability, and changing tenant/service mix • Monitor tenant satisfaction; adjudicate grievances 	<ul style="list-style-type: none"> • Minimal post-construction tasks, that includes cost certifications, final approvals for certificate of occupancy and any required licenses, assisting with contractor's warranty compliance 	<ul style="list-style-type: none"> • Manage the real estate operation, including collecting rent, filling vacancies, evicting residents, making repairs, hiring/firing staff, and preparing necessary reports • Monitor resident satisfaction and concerns • Assist in addressing tenant grievances 	<ul style="list-style-type: none"> • Implement support services plan, service coordination and evaluation • Monitor quality of services to all individual tenants • Secure ongoing financing for services and report to funders • Participate in resident organizing and community building activities • Participate in tenant screening and rent-up process on ongoing basis

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