

Best Practices

This is a list of best practices that have been observed by management agents that work with PHFA. Please note that the list is not all inclusive or in order of importance. This should be used as a tool to assist management agents to maintain a quality property and to keep units fully occupied.

1. **Establish a preventative maintenance program.** Good tenants want to live in a building that is properly maintained. Contact PHFA's Technical Services Representative if you require assistance in establishing a program for your property.
2. **Establish a plan to manage the property's capital repairs and replacement needs.** PHFA maintains a reserve for replacement spreadsheet for portfolio properties that identifies what items are eligible for replacement and when they should be replaced. Ask for a copy of this from your property's Technical Services Representative and utilize it to budget for capital improvements. The plan should also include upgrades that encourage investing in technology that will lead to future energy savings.
3. **Train staff.** All staff should be properly trained and receive periodic continuing education. Numerous organizations provide training including PHFA, Quadel, NAMA, PAHMA, PennDelAHMA, etc. The training of on-site staff is an allowable project operating expense. PHFA conferences, PennDelAHMA (in the east), and PAHMA (in the west) offer excellent training opportunities throughout the year at very reasonable costs. Attendance at the trainings and membership in PAHMA and PennDelAHMA are strongly encouraged. Support staff, such as the property's accounting staff and regional managers/ regional maintenance personnel, should also receive training. These costs are not permitted operating expenses and should be paid from the management fee collected.
4. **Pay staff an appropriate wage.** It is extremely difficult to obtain quality staff so once you do, it pays to try to keep them. Staff turnover can be very costly and time consuming for a management company. If you are unable to provide pay increases to your staff, work with them to provide compensation in other ways, such as paying more of their benefits or offering incentives for reaching certain goals.
5. **Have a written policy in place to manage the turnover of vacant units.** A typical vacant unit can be turned over in 3-5 days with a plan of action in place. Schedule a unit inspection once the notice of lease termination has been received so the work required upon move-out can be determined. Once the scope of work is determined, coordinate with the maintenance personnel, painters, carpet installers, and any other necessary repair persons, installers, and janitorial staff to get the work done timely and quickly upon move-out. Follow-up and inspect each phase of the work. Make sure to bill residents for damages.
6. **Have a policy in place to keep the property fully occupied.** Establish and maintain a waiting list. Review the list and purge those that are no longer interested every six months. Evaluate and update your marketing plan regularly. If excessive turnover is a problem, conduct exit interviews to determine why people are moving out. Revisit your screening criteria if applicant rejections appear excessive. Finally, any vacancy should be listed on the PAHousingSearch.com website as soon as you know you will have a vacant unit.
7. **Maximize Revenue.** Rent collection policy should be aggressive and consistently enforced. Late fees and legal fees should be charged without exception. A bad debt collection policy should also be established and followed.
8. **Establish written eviction procedures.** Ensure that evictions are filed in a timely manner. Have an attorney review your policy before putting it in place and make sure that all property managers are aware of the policy and follow it.
9. **Create a physical environment that supports a sense of community within the development.** If possible, establish a computer center that the residents can use. Create common areas within buildings that tenants can utilize for meetings. Provide landscaping and recreational areas that tenants can enjoy and utilize.

10. **Provide resident services that foster a sense of community.** Establish services that will improve day-to-day life such as offering a meals program and/or van service in an elderly building. A general occupancy building could provide after school programs, job training, and/or life skills training. Provide recreational activities. Identify the types of services needed and work to fill those needs. Contact PHFA's Housing Services department for assistance.
11. **Integrate the property with the surrounding community through partnerships with other organizations and agencies.** An elderly building can have a direct relationship with the local senior center or a local hospital to provide blood pressure screenings and other medical services. Both elderly and general occupancy properties can often form partnerships with local colleges.
12. **Secure the property.** Develop effective relationships with the local police department. Make improvements to the physical appearance of the site to improve security by keeping bushes trimmed, adding lighting and motion sensors, and installing security cameras. Contact your PHFA Technical Services or your HUD Representative for assistance with paying for security, especially capital upgrades.
13. **Set and manage an annual budget.** Evaluate income and spending throughout the year to ensure you stay on budget.
14. **Work to obtain yearly rent increases.** Check rent limits every year to see if the site qualifies for rent increases. Increase rents annually as long as rents stay below the applicable maximum rent limits. Tenants should get used to the concept of increasing rents each year. Section 8 properties may be limited in their ability to increase rents. Currently, only those properties with total housing expense less than fair market rents can request and obtain a yearly rent increase if they obtain an AAF rent increase. All other Section 8 AAF rent increase properties are required to obtain a rent comparability study to determine if a rent increase is warranted. Check annually with neighboring market rate properties to try to determine if the property's rents are comparable. If rents are close to the neighboring market rate properties, then a rent comparability study may be warranted. Please contact your property's PHFA financial analyst if you have any questions regarding a rent increase on a Section 8 property that receives an AAF rent increase.
15. **Review real estate taxes on an annual basis for appropriate assessment.** State legislation was passed to assist tax credit properties. The value of the tax credits may not be considered in the assessment of these properties. Please contact your PHFA Financial Analyst if you need help in evaluating your current taxes.
16. **Review your vendor contracts and insurance bills annually.** Put your insurance out for bid each year to ensure you obtain the best price for your property. Contact the PHFA Insurance Officer II if you have any concerns that you are getting the best price or if you need the names of insurance carriers to obtain quotes. Obtain bids from service vendors each year. Many times vendors will offer discounted rates if you provide lower quotes from other companies.
17. **Ancillary Income.** Search for ways to bring in income from outside sources, i.e... cell towers on the roof, selling old toner cartridges (www.tonerbuyer.com), etc.
18. **Become as energy efficient as possible.** Energy star appliances, efficient light bulbs, etc. should be strongly considered when replacement is warranted. Please contact your PHFA Technical Services Representative for suggestions for energy efficiency. They will also be able to advise if specific energy efficiencies are eligible for reserve for replacement reimbursement.