

HomeFirst Atlanta

Your Experience with Supportive Housing

Welcome! Grab a post-it and place it on the flip chart that corresponds with your experience developing and operating supportive housing.

- Getting my feet wet (0-2 years)
- Some experience (2-5 years)
- Seasoned (5+ years)

HomeFirst Atlanta Developing and Operating Quality Supportive Housing

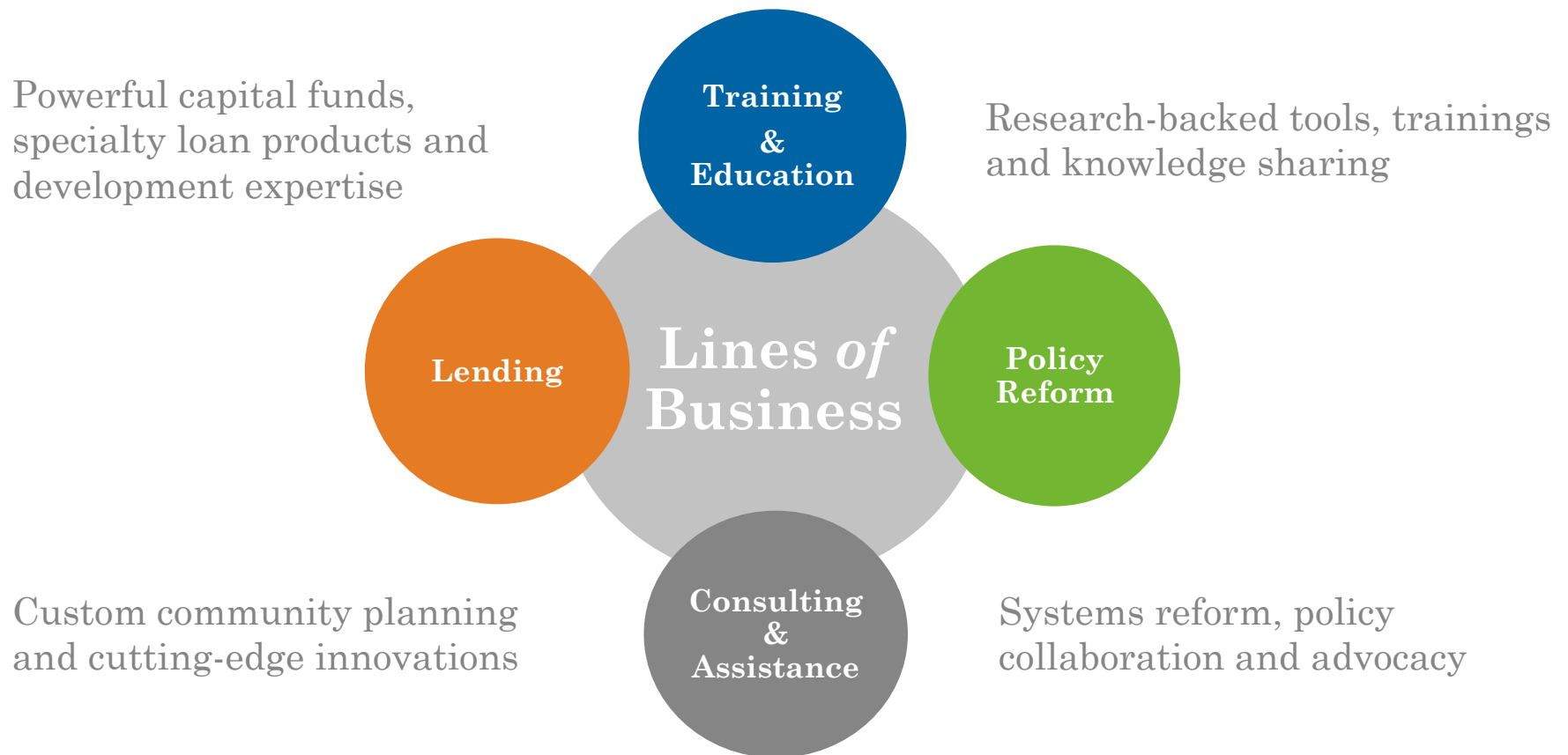
Morning Session

December 7, 2018

Presented by: Robyn Andrews, Jane Bilger, Regina Cannon

Introducing CSH: What We Do

CSH is a touchstone for new ideas and best practices, a collaborative and pragmatic community partner, and an influential advocate for supported housing and supportive housing.



\$700 Million In Loans & Grants



207,000
Homes
Created



40,500
Families
Housed



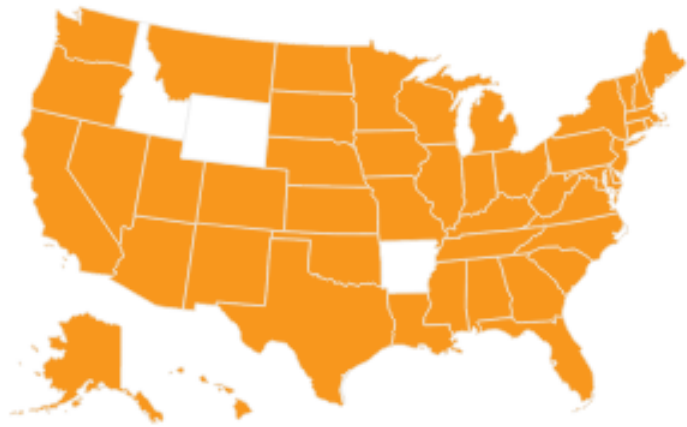
124,000
Jobs
Created



Lowered costs &
improved health
outcomes for fragile
individuals & families

Economic Impact

\$46B



1225 Loans
3030 Grants
300 Communities

Learning Objectives



- Introduce HomeFirst Permanent Supportive Housing Initiative and Resources



- Expand capacity to develop Quality Permanent Supportive Housing



- Advance best practices for partnership building and coordination of housing and services



- Understand service plan development and delivery



AGENDA

MORNING:

- HomeFirst Background and Notice of Funding
- Key Elements of Quality PSH
- Supportive Housing Models

AFTERNOON:

- Networking Lunch
- PSH Roles and Partnerships
- Coordinating Property Management and Services
- Service Plan and Budgeting



Introductions

Your Name

Your Organization

Your Role

What you hope to gain from the
Developing and Operating Quality
Supportive Housing Training



***HomeFirst Permanent
Supportive Housing
Development***

PARTNERS FOR
HOME

HomeFirst Partners

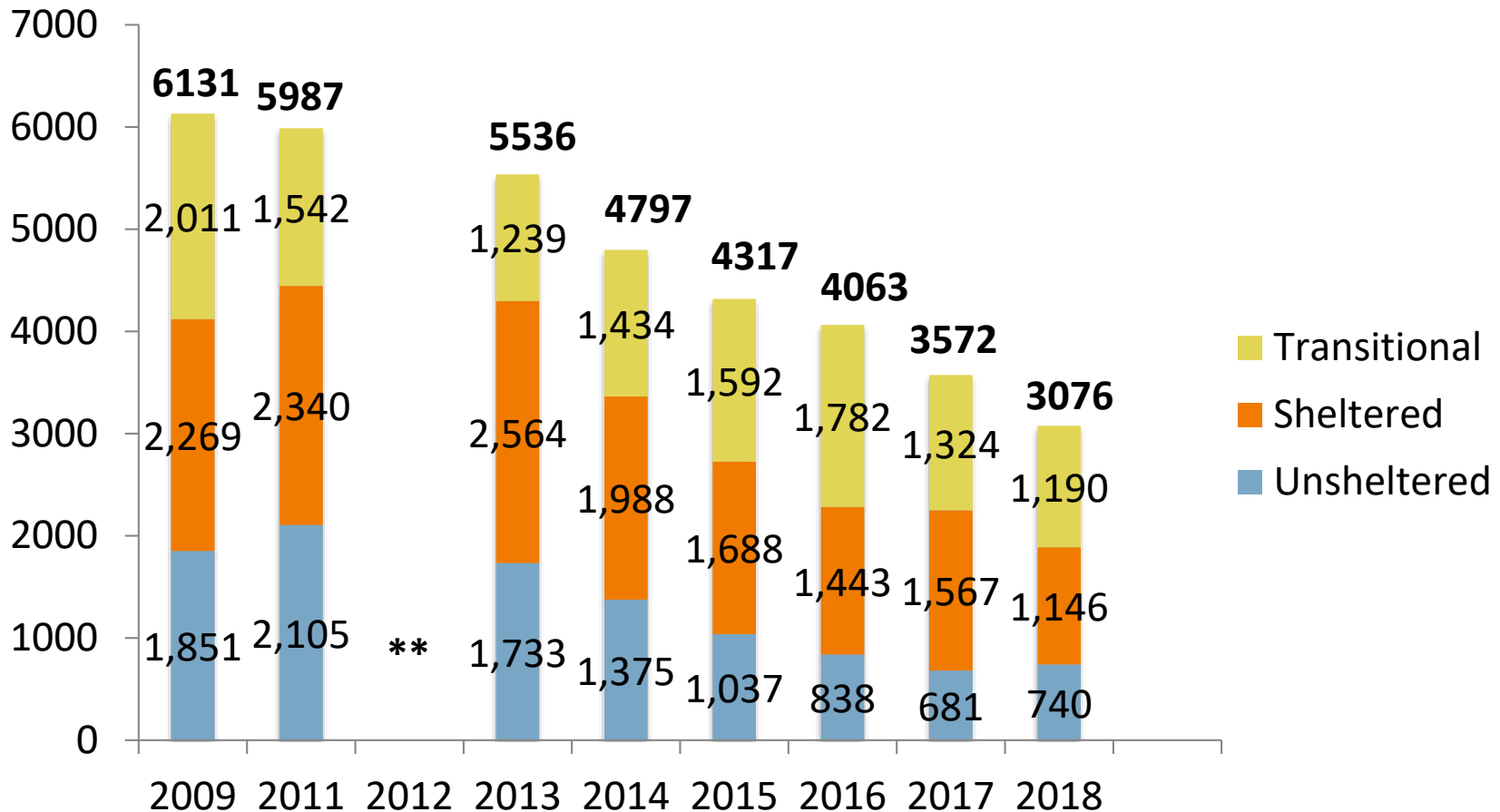


- Partnership between the **City of Atlanta acting through Invest Atlanta (IA)** and the **United Way Regional Commission on Homelessness (RCOH)** to capitalize on the community's success in reducing homelessness counts in Atlanta.
- The City committed \$25 million in funds to match private contributions to the **HomeFirst** initiative. A total investment of \$50 million in city and private funds, and leveraged state and federal funds, to make homelessness in Atlanta rare, brief, and nonrecurring.
- **The Housing Authority of the City of Atlanta** commits rental assistance to support the creation of permanent supportive housing



Historical HUD Homeless Count

Atlanta's unsheltered count has been reduced by 60%
Total count has decreased by 50%



**No HUD Count was Conducted in 2012

ClearPath's Goals:



Atlanta's Five Year Plan to make homelessness rare, brief and non-recurring.
Achieved by the new system design and collective impact model

Goal: Rare, brief and nonrecurring	Timeline
End Veteran Homelessness	2017 –Done!
End Chronic Homelessness	2019
End Youth Homelessness	2020
End Family Homelessness	2020
Leverage, align and strategically allocate resources	Ongoing

HomeFirst Atlanta Organizational Chart

Public Funds

Fiscal Agent:
Invest Atlanta
(IA)

HomeFirst Community Oversight Board

- Review funding decisions
- Receive reports and performance results
- Offer guidance.
- Retain a third party evaluator for annual reporting.



Allocation Committee

This five-person committee is selected jointly by IA and the RCOH to determine project-by-project investments and funding through a traditional RFP process.

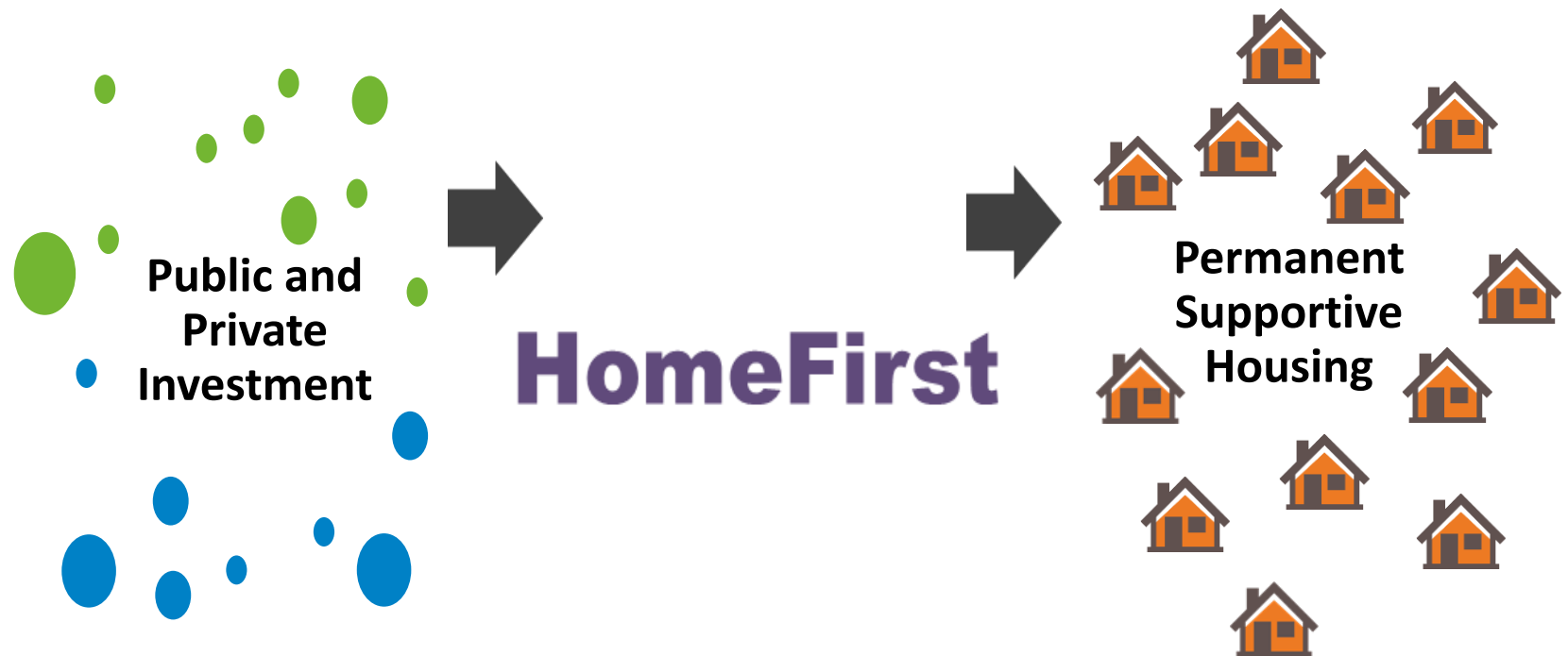
Private Funds

Fiscal Agent:
United Way
of Greater
Atlanta

Staffing Support

Partners for Home (PfH) will be the primary project staff and United Way of Greater Atlanta's Regional Commission on Homelessness (RCOH) will provide secondary support.

Building a Pipeline of Permanent Supportive Housing



What HomeFirst Funding is Available?

Capital

- Acquisition, construction, and associated development costs
- Up to \$40,000/PSH unit
- Leveraging of other funding

Operating

- Rental Assistance awarded for PSH units only
- Multi-year initial term of rental assistance with options for additional renewals.
- Tenants pay no more than 30% of income for rent
- Market study Rental study

Services

- Staff, service delivery, program costs, admin, transportation
- Case management, tenant supports, service coordination BH and MH
- Direct or outside provider
- Up to \$6,100/PSH unit
- Initial funding for 2 years of services

HomeFirst: Key Definitions

Permanent Supportive Housing (PSH):	<p>Combines affordable housing with wrap around services targeted for people who face the most complex challenges to live with stability, autonomy and dignity.</p> <ul style="list-style-type: none">• Balance 3 distinct components – housing, supportive services, and property and housing management.• Not time limited; lease terms similar to market and affordable housing
HomeFlex:	<p>Atlanta Housing’s project-based rental subsidy assistance program.</p> <ul style="list-style-type: none">• 10 year commitment of rental assistance coordinated with committed services• Multi-year initial terms with extensions based on evidence of services and compliance with HomeFlex requirements.
Development Models:	<ul style="list-style-type: none">• 100% PSH• Integrated PSH – between 10-99% PSH – in affordable and market properties• A minimum commitment of at least 10% PSH units within the development*

HomeFirst: Key Definitions

Target Populations	<ul style="list-style-type: none">• Individuals experiencing chronic homelessness including veterans and seniors• Families experiencing homelessness• Transition Age Youth facing homelessness
Quality Supportive Housing	Tenant focused to meet needs; provides choice for residents, coordinates services, and promotes connections to community
Supportive Service Plan	Comprehensive written plan to describe available services, providers, connections to residents and proposed funding.
Low Barrier Admissions	Admission policies are designed to ‘screen-in’ by reducing barriers such as income minimums, poor rental history, or criminal background.
Coordinated Entry System (CES)	Standardized system used by homeless service and housing providers to assess, prioritize and connect to right housing intervention based on vulnerabilities and needs.

Expanding PSH in Atlanta

Increase the PSH in communities:

- Increase the availability of PSH in a range of communities throughout the City of Atlanta.
- Expand PSH by five (5) or more housing units in communities without readily available PSH housing can receive bonus scoring consideration.

Supportive Housing Ordinance

- *The Supportive Housing Ordinance* (SHO) adopted June 1, 2009, amends the Zoning Code for the City of Atlanta for the purpose of clarifying and/or defining certain terms related to supportive housing and shelters.
- Applicants must be familiar with the requirements and present information related to the compliance with the relevant SHO Ordinance requirements.
- If applicants believe their site location or development plan does not meet the requirements of the SHO Ordinance, present information on strategies to bring the proposal and site location into conformance.
- Design and implement a community engagement strategy to inform, seek support and address feedback or concerns that may be identified by community stakeholders with the proposed PSH development.

- **Create New PSH Units:** Rehabilitation or new construction
- **Single and integrated development models:**
 - Minimum 10% PSH
 - Maximum 100% PSH
- **Mixed-use:** residential and complementary commercial uses
- **Unit Size:**
 - Studios, 1, 2, 3+ bedrooms
 - Private bathroom and kitchen facilities
- **AH HomeFlex:** 5% of total units must be UFAS accessible and 2% designed/constructed for persons facing visual and hearing impairment

Housing First is a Foundation

Typical "Housing Readiness"



Housing First



Source: How's Nashville, Housing to End Homelessness,
<http://howsnashville.org/2016/05/31/housing-first/>

Coordinated Entry and Fair Housing



Referral
Protocols

Standardized
Assessment

Inclusive

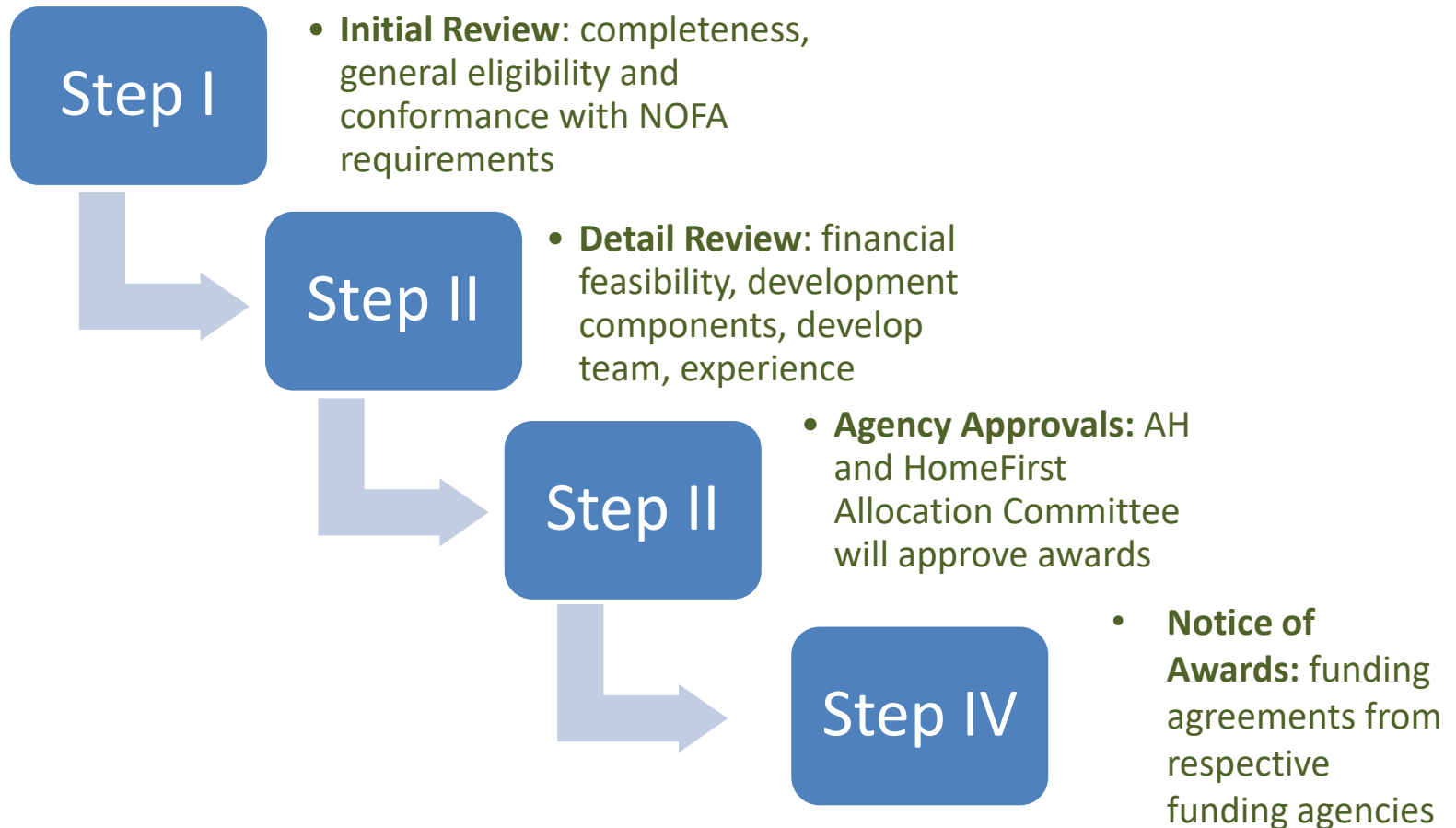
- ✓ Participating projects accept referrals uniformly
- ✓ Any rejections are justified and rare

Coordinated Entry: It's About Better Performance



HomeFirst Applications

Accepted on a rolling basis until available funding is committed.



HomeFirst Application Review Criteria

Organizational Expertise

- Development Team has qualifications and expertise to carry out the development as proposed
- Financial condition of the Applicant Entity(s)
- Experience using government funding

Support Services and Property Management

- Service provider(s) have expertise to carry out the service plan as proposed
- Evidence of quality service plan
- Property management prior experience operating supportive housing and/or working with vulnerable populations and service providers
- Experience implementing Housing First, Harm Reduction and other evidence based interventions
- Commitment to Coordinated Entry System

HomeFirst Application Review Criteria

Location Information

- Site Control and Zoning
- Compliance with SHO ordinance
- Access amenities and services
- Community engagement strategies
- Expands PSH in the neighborhood (Bonus)

Development Information

- Quality of the development plan including unit mix and income targeting
- Cost estimates
- Energy efficiency
- Project Readiness

Financial Feasibility and Leveraging

- Complete development and operating budgets/proforma
- Evidence of leveraging other funding sources
- Reasonable construction and development costs

Third Party Reports: Appraisal, Phase I/II, Survey, Market Study

HomeFirst Questions





Supportive Housing:
*A Critical Part of the
Affordable Housing Pipeline*



What is Supportive Housing?



Supportive housing combines affordable housing with services that help people who face the most complex challenges to live with stability, autonomy and dignity.

What is Supportive Housing?



**Permanent, Affordable, Independent,
Tenant-Centered, Flexible, Voluntary**

Supportive Housing is the Solution



Housing:
Affordable
Permanent
Independent

Support:
Flexible
Voluntary
Tenant-centered
Coordinated Services

Supportive housing combines affordable housing with services that help people who face the most complex challenges to live with stability, autonomy and dignity.

Supportive Housing is for People Who:

Are chronically homeless.

Cycle through institutional and emergency systems and are at risk of long-term homelessness.

Have intellectual and developmental disabilities

Have chronic health conditions

Are being discharged from institutions and systems of care.

Without housing, cannot access and make effective use of treatment and supportive services.



What is Quality Supportive Housing?



Quality Supportive Housing brings together key partners who work together to help tenants achieve their goals of housing stability and wellness and recovery



Quality Supportive Housing Standards

Learn more at:
www.csh.org/quality



Dimensions of Quality Supportive Housing Guidebook

PROJECT COMPONENTS				
	Project Design and Administration	Property and Housing Management	Supportive Services	Community
Tenant-Centered	Tenants play an active role in planning the supportive housing project, and all partners share a common commitment to helping tenants thrive.	Staff educate tenants on their rights and responsibilities as leaseholders, actively soliciting tenant feedback.	Services are voluntary, customized and comprehensive, reflecting the needs of all household members.	Tenants have meaningful opportunities for leadership through avenues such as tenant associations and board positions.
Accessible	The housing is affordable, in a location that meets tenants' needs and accommodates persons with special needs.	Tenants move into housing quickly, and the process accommodates their varying backgrounds and cultural needs.	Staff actively works to ensure that tenants are aware of available services, which are at convenient hours and locations.	The housing application and screening process is part of a larger community strategy to coordinate access to housing.
Coordinated	Roles, responsibilities and communication strategies are clearly established among the supportive housing partners, codified in written agreements and revisited regularly.	Staff works closely with service providers and landlords to ensure stable housing.	The primary service provider has established connections to mainstream and community-based resources.	Tenants who have high service needs or who are high utilizers of existing systems are given priority for available units.
Integrated	The supportive housing project meets or exceeds community standards, and the partners actively engage in community dialogue.	All tenants are offered a choice of housing unit and have a lease identical to tenants not in supportive housing.	Staff supports tenants in developing and strengthening connections to their community.	There is an overall strategy promoting the ability of tenants to choose from a variety of housing models and neighborhoods.
Sustainable	The supportive housing project has funding that is adequate for its ongoing operations and allows it to target its intended tenants.	While respecting tenant rights and privacy, staff regularly checks to ensure that the unit remains in good condition and receive any needed maintenance.	The supportive housing project has funding that is sufficient to provide services to tenants on an ongoing basis and flexible enough to address changing tenant needs.	Goals outlined in community planning efforts, such as 10-year plans to end homelessness and coordinated plans, are fulfilled as a result of this supportive housing.

Page 5
summary
matrix

Dimensions of Quality Supportive Housing

Learn about a particular dimension.



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DIMENSIONS OF QUALITY



Learn how the dimensions apply to a particular component (like supportive services).

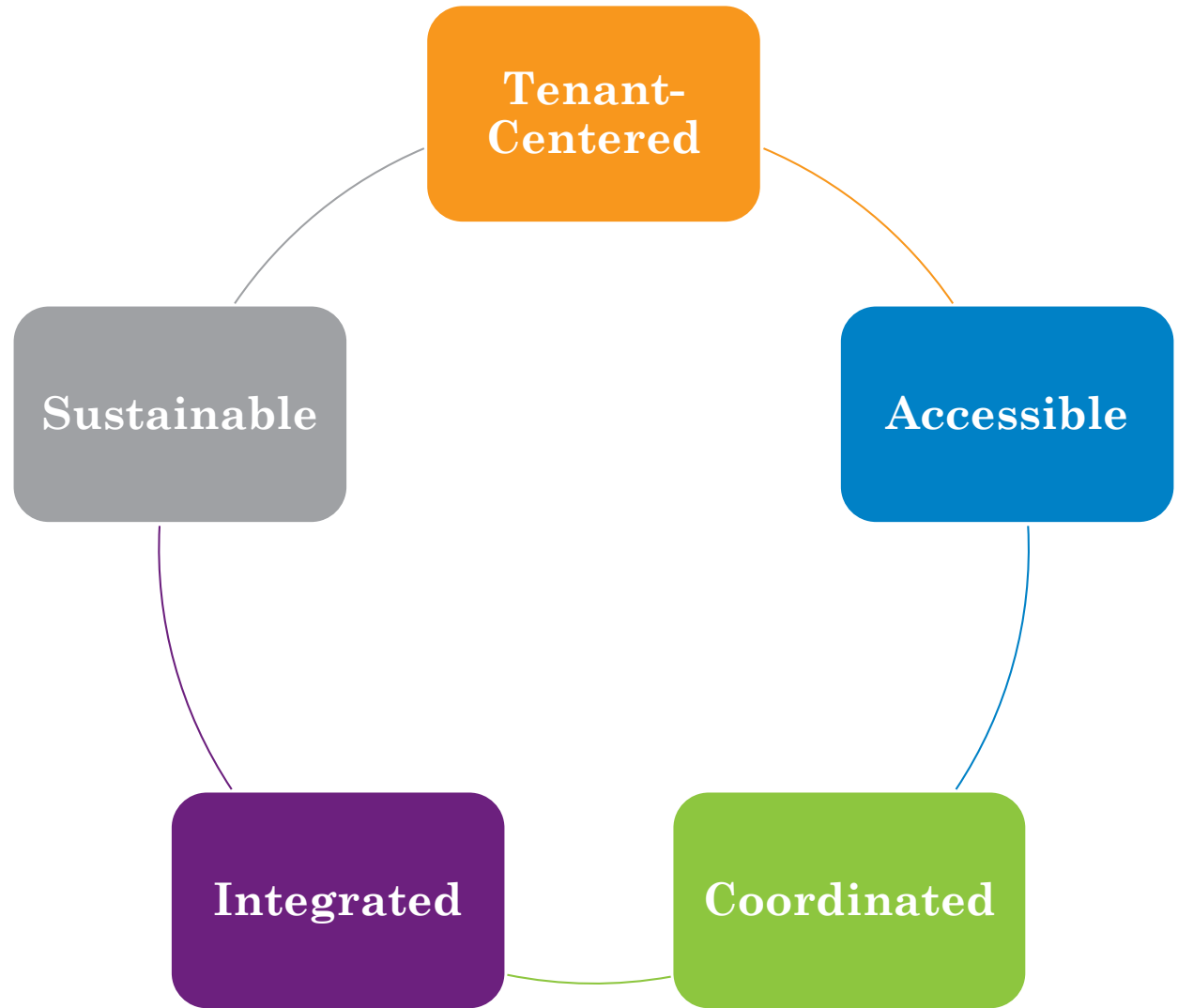
Quality Supportive Housing

Project
Components



What is Quality Supportive Housing?

Dimensions of Quality



Tenant-Centered



Tenant input in planning and project design

Staff educate tenants on rights and responsibilities, seek tenant feedback

Voluntary, customized, comprehensive & flexible services

Tenants have meaningful leadership opportunities

Accessible

Housing is affordable & accommodating to special needs

Housed quickly in culturally competent way

Services are promoted, convenient & accessible

Housing application & screening is part of community strategy

Coordinated



Clearly established roles, with formal written agreements

Coordination with property management, landlords and community service providers

Established formal connections to mainstream and community-based resources

Prioritization of tenants with high service needs at community level

Integrated

Meets community standards, engages community dialogue

Choice in unit, with full rights as standard lease

Tenants develop & strengthen community connections with staff support

Community strategy promotes choice from multiple housing models and neighborhoods

Sustainable



Project funding is adequate for ongoing operations

Unit is regularly checked and it remains in good condition and receives needed maintenance

Service funding is sustainable & flexible to meet changing needs

Community planning efforts are furthered by this supportive housing program



Key Components of Quality Supportive Housing

Targets
households with
multiple barriers

Provides unit
with lease

Housing is
affordable

Engages tenants
in flexible,
voluntary
services

Coordinates
among key
partners

Supports
connecting with
community

1. Targets Households with Multiple Barriers

Persons with chronic mental health challenges and substance use disorders

Child-welfare involved families

Criminal justice involved persons

Frequent or high utilizers of emergency services

Persons with intellectual and developmental disabilities

Seniors


Transition Age Youth

Veterans

Others?

2. Housing is Affordable

FOR RENT



"Yes - affordable housing is available"

Rent levels are set based on area median income

Residents pay no more than 30% of income

Rental assistance supports property operations

3. Provides Tenants with Leases



Leases in Supportive Housing



Housing Unit Choice

Screen in vs. Screen Out

Identical to tenants in non supportive housing

Tenants have clear understanding of their rights and responsibilities

Voluntary services - no service participation requirements

The Application Process in Supportive Housing



**House
tenants first -
without
preconditions**



**Keep them
housed**

**Form
effective
service
relationships**

**The application process
should be as barrier-free as
possible.**

4. Engages tenants in flexible, voluntary services



Health/Mental Health Services



Child Care



Community Building Activities



Independent Living Skills



Employment Services and Support



Substance Use Recovery and Support



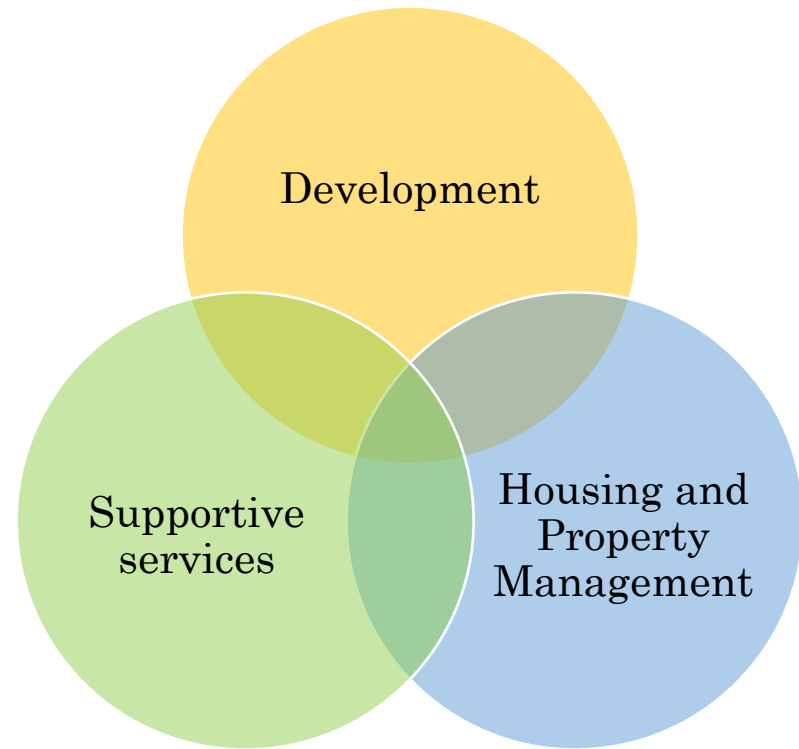
Budgeting and Financial Management Support



5. Coordinates among key partners



Supportive housing brings together three very different disciplines:



Goal: collectively bring all of the skills, expertise, knowledge, and experience to bear on the development and operations

6. Connects tenants with community

Units are located within safe neighborhoods that are in close proximity to:

- Transportation
- Employment opportunities
- Services
- Shopping, recreation and socialization



Staff supports tenants in developing and strengthening connections to their community.



BUT DOES IT WORK?



Yes!



SUPPORTIVE HOUSING WORKS

99% savings in shelter cost

14% savings @ ER

**32% savings
ambulance**

**6 month total:
\$219,791 savings**

Benefits: Cost Savings



Cost Savings

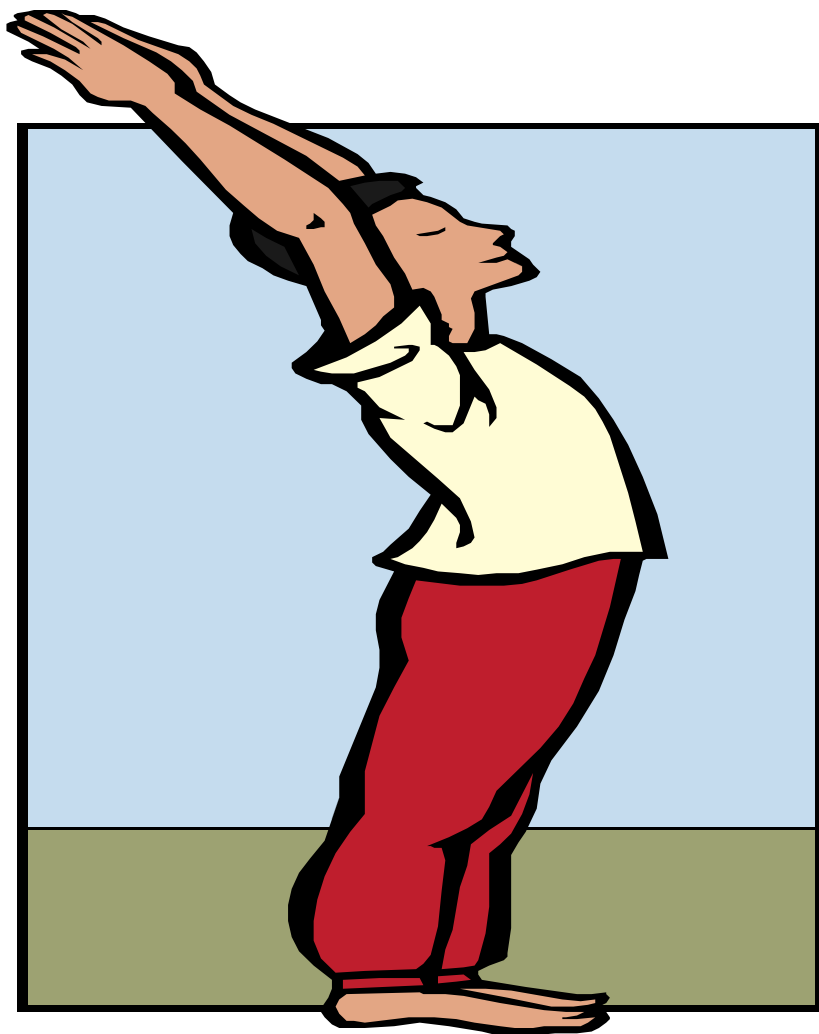
Direct Access to Housing in San Francisco found that supportive housing reduced nursing home costs by \$24,000.

Chicago – Permanent supportive housing saved almost \$25,000 per person, per year

Downtown Emergency Shelter Center in Seattle showed 41 percent in Medicaid savings by reducing ER visits and hospital inpatient stays.

Portland, Maine - Medicaid costs were reduced by almost \$6,000

BREAK



Models of Supportive Housing (SH)

Models of Supportive Housing

Single Site

Mixed
Tenancy

Integrated
SH Housing

SH &
Affordable

SH &
Market

Scattered
Site

Leased

Ownership

Single Site – Mixed Population Model

Single Property or Building with all units for target SH populations

Provides housing for range of SH populations including Olmstead, SMI, SUD, chronic homeless and at-risk populations

Provides opportunity for independent living for SH populations combined with services and operating support to ensure housing stability

Assessing a Build Strategy

Advantages

- Permanently expands the housing stock available to the targeted population
- Ongoing control over the operations and maintenance of the building
- Units are affordable on a long-term basis
- The building and units can be designed to meet the needs of the tenants
- Efficient access to on-site services and case management



Disadvantages

- Lengthy period of time before units will be available to target population
- Requires significant upfront funding and technical expertise
- The community may oppose the project and its intended site
- Tenant choice of units may be restricted to one building or neighborhood

Assessing a Mixed Income Build Strategy



Advantages

- Permanently expands the housing stock available to the targeted population
- Leverage housing stock and real estate development
- The building and units can be designed to meet the needs of the tenants
- Design on-site services and case management



Disadvantages

- Lengthy period of time before units will be available to target population
- Requires significant upfront funding and technical expertise
- Tenant choice of units may be restricted to one building or neighborhood
- Share operations and maintenance of the building

Integrated Supportive Housing-

Supportive Housing is used to Create Mixed Income and Tenancy in building.

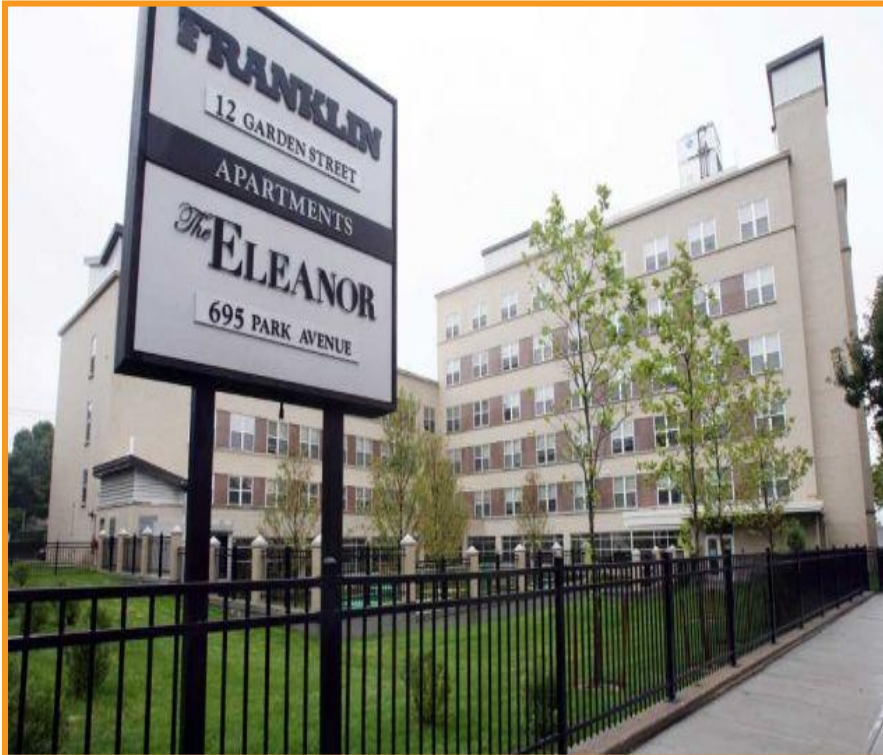
SH & Affordable Housing Model:

SH units and Affordable units are combined in a single development.

SH & Market Rate Housing Model:

SH Units are set within new market rate housing.

Mixed Affordability – SH & Affordable Housing Model



**The Franklin & Eleanor
Apartments,
Bridgeport CT**

- Rehab of vacant hospital
- Mixed income and tenancy
- Design features promote integration
- Common area used for shared and targeted activities
- Seniors can age in place with access to increased services
- Resident councils engage resident input

Scattered Site SH Models

Units are scattered throughout the community in a variety of properties i.e. condos, apartments, single family homes. May be clustered in neighborhood.

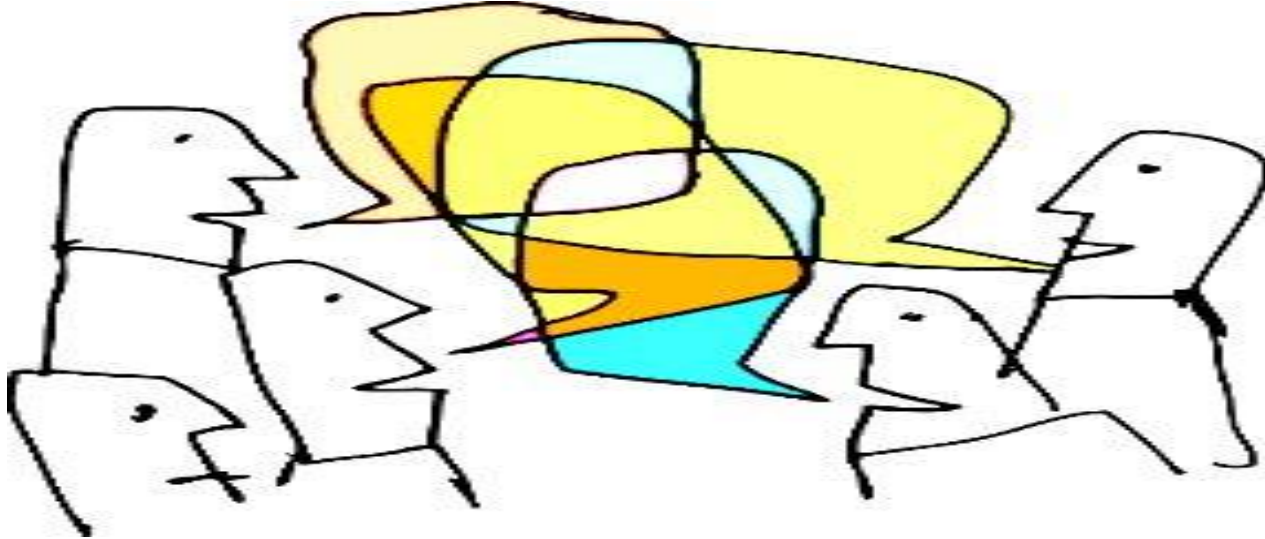
Leasing Model

SH Units leased with subsidies from non-profit organizations, PHAs, etc. and disbursed among properties or buildings. Private market landlord and SH tenant enter lease agreement for unit.

Ownership Model

SH owned by non-profit organization or other development entity and are disbursed among properties or buildings. The entity owning the units, enter into lease agreement with SH tenants.

Questions



Supportive Housing Model Question

Q. What are best strategies for serving mixed tenancy populations?



Services to address the needs of a mixed tenancy



Connect residents to building and community activities: tenant councils, clean-up & volunteer



Regular meetings with property management, case managers, and service partners

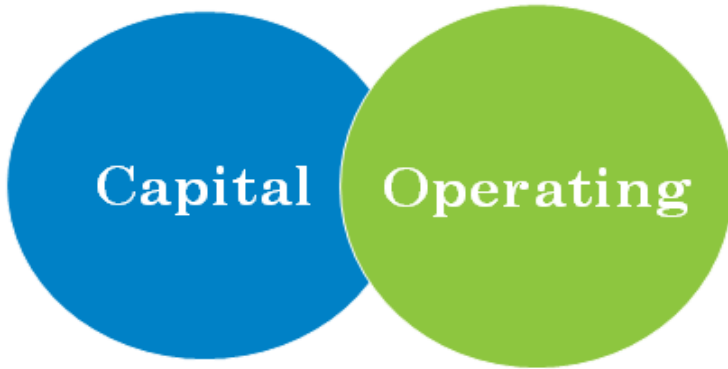
Supportive Housing Model Question

Q. What Supportive Housing models are you considering?

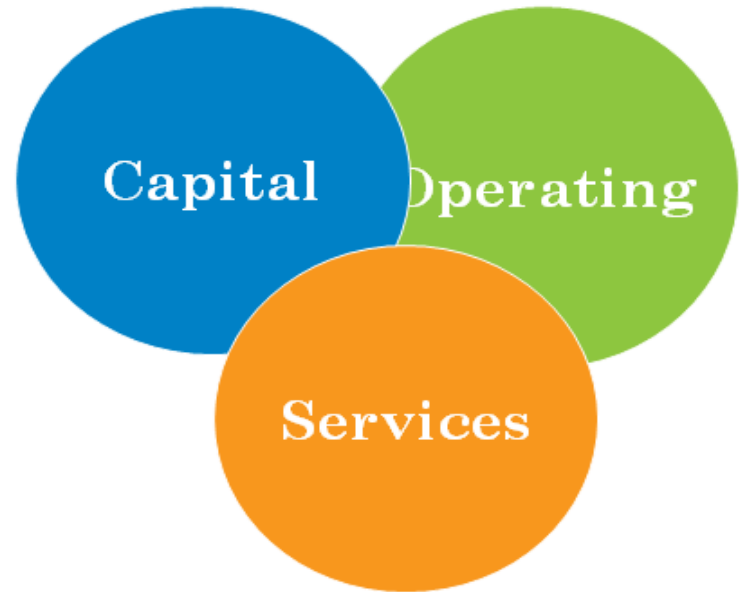
Supportive Housing Development Financing

Development as a Three-Legged Stool

Traditional Affordable Housing



Supportive Housing



Capital Development Phases

Acquisition &
Predevelopment Financing

Construction or
Rehabilitation Financing

Permanent Financing

Acquisition Costs

- Approximately 10% of Total Development Costs
- Acquisition costs are calculated at lower rate under the Low Income Housing Tax Credit Program (LIHTC)

Be sure to factor in:

- Purchase Price
- Transaction Fees
- Holding Costs



Site Selection and Design



- Site is selected based on size, location, cost, and environmental conditions.
- Analysis of regulatory restraints (zoning, etc.)
- Schematic design – space allocations consistent with income projections.
- Cost estimates

- Project siting (access to services and amenities)
- Unit size
- Accessibility features
- Green and durable materials
- Front desk and security
- Service delivery and community space
- Parking needs for staff and tenants

Predevelopment Financing

- **Pays predevelopment costs incurred prior to the availability of construction or permanent financing**
 - Architectural fees
 - Environmental tests
 - Acquisition or Real Estate Options
- **Terms on predevelopment loans vary significantly**
 - Interest rate: 0% - 7%
 - Secured vs. unsecured
- **Sources of Predevelopment Financing**
 - CDFI
 - Public Sources
 - Philanthropic Grants

Construction Financing

Type of Costs

- Demolition and Site Preparation
- Construction
- Other Costs

Source

- Traditional bank loans
- Bond financing
- Some pre-development loans



Types of Permanent Financing

Permanent Financing is sometimes referred to as 'take-out' financing because it replaces the predevelopment and construction financing

Hard Debt

Conventional or
Bank Loans

Bonds

Soft Loans/Grants

Government
loans/grants

Philanthropy

Equity

Tax Credits
4%,9%, Historic,
State

Deferred
Developer Fee

Capital Funding Sources

- Low Income Housing Tax Credits (LIHTC)
- Tax-Exempt Bond Financing
- Housing Trust Fund (State)
- HomeFirst (Local)
- Community Development Financial Institutions (CDFI)
- Private Banks and Investors
- Federal Home Loan Bank Affordable Housing Program (AHP)
- CDBG, HOME, ESG

Social Impact Investing
New Markets Tax Credits

Housing Tax Credits

Federal Low Income Housing
Tax Credit Program (IRS)

Allocated on a per-capita bases to each state (and some cities directly).

Georgia Department of
Community Affairs

Awarded to projects per guidelines in State's Qualified Allocation Plan (QAP).

Project

Project works with a syndicator to identify investors to purchase the tax credits. Proceeds from the sale of the credits go to the project in form of equity.

Syndicator

Investor

Sources & Uses

Uses

Acquisition (land and/or buildings)

+ **Construction**

+ **Soft costs** (legal fees, developer fee, architect, etc.)

+ **Other capital costs**

= **Total Development Cost (TDC)**

Sources

Bank Loan

+ **Equity**

+ **Public Funding**

= **Total Sources**

Sources and Uses must match!

Sample Development Budget

Total Units	79
Total Development Cost	\$11,830,807
Development Cost/Unit	\$149,757

ACQUISITION COSTS	\$410,000
PREDEVELOPMENT HOLDING PERIOD	\$27,500
CONSTRUCTION/REHAB	\$8,625,180
PROFESSIONAL FEES	\$634,500
CONSTRUCTION PERIOD	\$87,000
PERMANENT FINANCING COSTS	\$83,500
OTHER COSTS	\$36,296
SYNDICATION COSTS	\$80,776
DEVELOPER	\$1,194,525
PROJECT RESERVES	\$651,530

TOTAL PROJECT DEVELOPMENT COST	\$11,830,807
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Source of Funds	Amount of Loan or Investment
HOME Loans	\$927,758
HomeFirst	\$790,000
Equity from LIHTC	\$9,518,376
Deferred Developer Fee	\$94,673
Federal Home Loan Bank AHP	\$500,000
TOTAL	\$11,830,807

Financial Budgets

Development Budget

- “Schedule of Sources and Uses of Funds”
- Capital Financing / Development Sources

Operating Budget

- “Schedule of Income and Expenses”
- Operating Subsidy / Operating Sources

Supportive Services Budget

- Source and term of funding streams

Operating Budget

Subsidies to cover the gap between the costs of operating the building (e.g., utilities, maintenance, etc.) and what the tenants can afford to pay in rent.



Operating Budget

Operating Proforma:

- a tool used to analyze expenses and revenue of project during operations
- term often used to refer to the budget.
- Forecast out 10, 15, or 30 years

Definition: It is Latin for “a matter of form” and generally refers to a budget that is based on estimates rather than real numbers.

Sample Operating ProForma

OPERATING PRO FORMA

	Year 1
REVENUE	
Rent	\$279,420
Vacancy @ 5%	(\$13,971)
HUD	\$55,000
Post HUD Tenant rents	\$0
Operating Deficit Reserve Fund	\$0
Commercial	\$34,896
Commercial vacancy @25%	(\$8,724)
Laundry	\$10,800
Total Effective Gross Rents	\$357,421

OPERATING EXPENSES	
Management Fee	\$27,000
Maintenance & Janitor Supplies	\$4,000
Repair & Maint.	\$16,000
2 Security	\$43,805
Janitor & Maint. labor	\$24,000
Grounds maintenance	\$4,000
Site manager	\$24,000
P. Tax & Benefits	\$14,400
Decorating	\$4,000
Scavenger	\$8,000
Exterminator	\$4,000
Elevators	\$2,600
Insurance	\$20,000
Gas	\$43,500
Electric	\$40,000
Water/Sewer	\$20,500
Prop. Taxes	\$0
Replacement Reserve	\$23,700
Legal/Account.	\$7,500
Investor Service Fee	\$2,500
HFA Monitoring	\$2,000
Parking lease	\$12,000
TOTAL EXPENSES	\$347,505
TOTAL EXPENSES/UNIT	\$4,399

Equals: Net Operating Income	\$9,916
Debt service	\$1,200
After Debt Service	\$8,716
Debt coverage ratio	8.26
Operating Deficit Reserve Fund Balance	\$562,038
Assumptions:	
Income Increase	3.00%
Expense Increase	4.00%
Reserve Interest	2.00%
Tax increase	5.00%

Key Things to Know in the Operating Budget

Critical to understanding financial feasibility (revenues cover expenses) over time

Income > Expenses =
Safety net

Don't include services/program costs

Available subsidies will impact residency and occupancy

- Who you can serve
- Who can afford your unit
- Restrictions

Affordability and Rent Subsidies

Whenever possible, funding is secured to allow tenant's payment for rent and utilities to be no more than 30% of tenant income.

Serving highly vulnerable people may mean serving people with no income

Rent subsidies from federal or local sources (and sometimes private)*

**HomeFirst rental assistance provided by HomeFlex Housing Authority of City of Atlanta*

Break for
Lunch

