

C. Review of Common Agency Goals: How they shape SSR development activity design

Goal	Degree of fit between goal and activity	Required program design emphasis to meet goal	Challenges to implementation
1. To earn a lot of money through rental development.	poor	<ol style="list-style-type: none"> All units exactly the same (this helps to keep development and maintenance costs low). All units together in one place (this helps to keep acquisition, maintenance and management costs low). Build and manage a lot of units, to take advantage of economies of scale. Very little or no permanent debt. 	SSR development by its very nature is scattered, with each unit unique. This adds costs to every phase of development and management. To keep costs low enough to break even, you must make an effort to use uniform components, where possible; cluster units to some extent; and develop units at enough scale to realize some economies (<i>see Program Design IIC for more information</i>).
2. To make the provision of housing easier.	poor	<ol style="list-style-type: none"> All units exactly the same. All units together in one place. Ability to control units and variables by having an on-site presence to see who comes and goes, to quickly check on maintenance and back rent, to monitor tenant behavior, etc. 	More time and effort are required to acquire, develop, manage and maintain scattered site units. These projects must be “managed to death” in order to be successful. Staff must also be well qualified to deal with acquisition, development, asset management, property management and maintenance.
3. To keep agency staff occupied in something useful until the home owner market returns	fair	<ol style="list-style-type: none"> Utilize strengths of existing staff. Develop a long range plan for unloading or managing units. Address gaps in knowledge and experience regarding this type of development and management Note different skill sets required of agency staff and of organizational orientation. 	As one very experienced person in SSR development told us “It is a lot more difficult than anybody thinks it is. This is so much harder based on the nature of it, the construction, management, maintenance are all more difficult.” Hire the appropriate staff and get the necessary education required to be successful. Also recognize that this is not a short term commitment. This type of development generally requires a commitment to manage, maintain and keep units occupied for a minimum of 15 years.
4. To provide attractive, desirable, well maintained, structurally safe, affordable housing to low and moderate income households	good to excellent	<ol style="list-style-type: none"> Careful property selection Good management Good maintenance Control of costs 	Here scattered site development has both advantages and disadvantages over project based rental development. The advantages are that scattered site properties can be more desirable to would-be renters because they may have larger yards, more privacy, a garage, more character and/or meet the preference for a single family house over a multi-unit building. This can make vacancies lower for well-managed, well-maintained units. The disadvantages, as above, are the increased costs and time associated with managing and maintaining units. Careful property selection can both help to mitigate some of these costs and make units more desirable.

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5. To provide housing for low and moderate income people in low-crime, racially and economically integrated neighborhoods.	good 1	<ul style="list-style-type: none"> 1. A low concentration of units highly dispersed across a variety of upper and middle class neighborhoods. 2. Additional consideration given to lease purchase. 3. Good management of units. 4. Good screening of tenants. 	<p>Challenges come primarily from two fronts. First, there will likely be challenges based upon “Not In My BackYard” (NIMBY) attitude of current residents opposing your development work for one of two reasons: a). they are concerned about the lowering of property values because you are bringing rental units into neighborhoods that are primarily homeownership in current make-up; or b). they are prejudiced against either people of a particular race or ethnic group, or against low-income people in general and may have fear of increasing crime, poorly kept units, etc.. Keeping the concentration of units low, making the units lease purchase, careful screening of tenants and good management to keep units well maintained, lawns mowed, trash cleaned up, etc. can sometimes alleviate some of their fears, but be prepared for a fight. (See Program Design IIA, IIB and III for more information)</p> <p>The second challenge comes from the fact that you are keeping concentrations low, making development, management and maintenance more expensive.</p>
6. To revitalize a community or neighborhood	good/excellent in some neighborhoods	<ul style="list-style-type: none"> 1. A clear vision of the neighborhood and its needs. 2. Recognition that it will likely take a variety of activities and a certain scale to make a real difference in a community. 3. Willingness to work with other partners. 4. An ability, either directly or through partners, to pump large sums of money and effort into a community over the course of several years. 	<p>Every neighborhood is unique and what works one place may not work in another. It takes careful, thoughtful planning, partnerships, money and a commitment to seeing it through to make a real difference in a community. When undertaken with other activities, SSR development can be a very useful activity and very successful in some neighborhoods, if well planned and managed.</p> <p>This is often a viable activity in tipping point neighborhoods, though there may be some opposition due to a desire for more homeownership.</p> <p>In revitalization neighborhoods, SSR development is not very effective as a stand-alone strategy. However, if planned as part of a concentrated and targeted larger strategy it can be very effective. (See Program Design IIA and IIB for more information)</p>
7. To make good use of existing housing stock	excellent 1	<ul style="list-style-type: none"> 1. A focus on rehabilitation rather than new construction. 2. Good initial property inspections. 3. A recognition that unit component uniformity will be more challenging to achieve. 4. A willingness to work through historic preservation, lead-based paint and other issues raised by many federal funding sources. 	<p>Rehabilitation of housing units for SSR development can be a great way to preserve older housing stock, though it is not without its challenges. An effort will have to be made to use uniform components, where possible, to reduce maintenance costs, but this is more difficult than with new construction. Also, federal funding requirements will add to the development cost and complexity, in addition to the normal unknowns when undertaking rehabilitation.</p>