

# Corporation for Supportive Housing/Connecticut Program

## PILOTS Housing Development Guide

### Section 4: Putting Together the Development Team

#### Development Team Member Roles

Throughout your project, your organization will add various experts to the team of professionals responsible for the housing development. Each project may involve the following parties:

**Lead project sponsor** (the "**Sponsor**"). This is the nonprofit organization designated as the lead applicant in your Pilots housing development project application. The Sponsor is ultimately responsible, whether in-house or through a consultant, for managing the development team and driving the development process through the leasing up of the completed units. In most cases, the sponsor will continue on to own and operate the project.

**Lead service provider** (the "**Provider**"). This is the nonprofit organization designated in your application as the lead provider or coordinator of supportive services. In some cases this is the Sponsor, in other cases a co-sponsor. The Provider is responsible for development of the annual service plan (in conjunction with the Sponsor) and will be the grantee of supportive service funds for the project from DMHAS. The Provider will receive funding for the provision of on-site supportive services directly from DMHAS. The Provider may subcontract with additional service agencies for the provision of specialized on-site services (for example, for employment services or daily living skills training). The Provider should assure that case management services are available to all residents of the development, not just to those with identified special needs. This will eliminate any stigma associated with using services and will contribute to the overall stability of the project. Services to residents of permanent housing must be voluntary.

The Sponsor, the Provider and DMHAS will enter into an agreement, which lays out the number of units in the project to be leased to individuals and/or families with identified special needs who are homeless or at risk of becoming homeless. The Pilots Initiative requires that at least 25% of the total number of units in your project be designed for this population. In single-site projects that are larger than 20 units, no more than 50% of the total housing units may be reserved for persons with special needs.

**Property manager** (the "**Manager**"): This is the organization responsible for the day-to-day management of the property, including maintenance, tenant screening, leasing, rent collection, fiscal management, etc. In some cases

this is the Sponsor, in other cases a co-sponsor or a professional management agent (nonprofit or for-profit) selected by the Sponsor. In all cases, the Manager must have demonstrated skills and experience in the management of affordable housing. The Pilots Initiative requires that in addition to its normal property management responsibilities, the Manager will also be responsible for preparing tenant income certifications and periodic reports for project funding agencies overseeing project operations. In addition, the Manager will screen and selects tenants for certain units from Sponsor and/or Provider referrals. The Sponsor and/or Provider will develop its referral list from outreach activities and from referrals from shelters and other service agencies. The Manager, often in conjunction with the Sponsor and/or Provider, will select the tenants. They may refuse any individual, provided they do not unlawfully discriminate. The earlier the property manager is identified for the project, the better the sponsor can take advantage of their experience and expertise in project design and operating cost estimates.

**Asset Manager:** The asset manager's responsibilities begin once the property is occupied. The asset manager acts as a financial manager for the completed predevelopment, overseeing the property management to ensure that the tenant occupancy levels remain high and the project performs well financially. The asset manager also reports information about the development to funders, in compliance with regulations associated with housing funding programs. Usually, the property manager assumes the role of asset management in addition to their other duties. Some housing sponsors perform their own asset management, especially if they are also managing the property.

**Accountant:** The project accountant typically provides cost certifications – for the low income housing tax credit program – and other accounting work as required by the difference funding sources in the project. You may already have an accountant either on staff or under contract for your agency finances, but the project accountant is usually an independent professional consultant or firm. When selecting the accounting consultant or firm that will take on this role, make sure that they are familiar with the various requirements of both for-profit and nonprofit accounting practices, as well as the unique requirements of some housing financing, particularly the tax credit program.

**Attorney:** An attorney must be available to provide legal services associated with the real estate (acquisition of property), project financing and organizational issues (i.e. creating a new corporation to own and manage the real estate. The attorney should negotiate the acquisition of your site and prepare related documents, review all contracts with agencies or individuals

associated with the project or development team to assure compliance with all requirements of funders and other stakeholders, and protect you from any errors or omissions which will keep your agency out of legal trouble. The attorney would also handle any closings on property or financing.

**Architect:** The architect works with the development team to determine the feasibility of specific sites, create preliminary and final drawings, develop construction specifications, assist with preliminary cost estimates, work with the developer to secure local site and design approvals, and monitor construction.

**General contractor:** The general contractor is responsible for the actual construction or rehabilitation of the housing. Most housing developers either hire an outside firm through a competitive process after the architect completes the plans and specifications for the development. Sometimes a contractor is selected early in the predevelopment process and is a member of the development team from the beginning. The general contractor is responsible for processing the necessary insurance coverage and building permits, contracting and subcontractors managing the construction, and ensuring wages and labor standards are met for construction workers. The general contractor should have experience in the type of development planned and understand funder requirements, procedures and players

**Consumer representative:** At some point during the predevelopment of your project, you may wish to include a representative of the clients you wish to house. It is essential to hear the concerns and needs of your clients throughout the development process. The representative can be part of the design team and will bring an important perspective to the group.

### **Things to Consider When Hiring Consultants**

Sponsors of projects under the Pilots Initiative will retain professional consultants to perform a variety of specific tasks necessary for successful completion of their projects. As described above, these consultants may include architects, attorneys, general contractors, and other professionals. Beyond these minimum requirements, there are a number of other factors that should be considered before hiring a professional consultant, in particular:

1. The consultant's track record with other housing projects, particularly housing projects of a similar nature and scale as the supportive housing project proposed
2. The qualifications and track record of the consultant's staff and subcontractors (if any) to be assigned to the project

3. The consultant's organizational capacity to deliver the services needed (the size of the staff, other contracts on hand, etc.)
4. The contractor's experience in providing the specific services required for the project
5. The contractor's proposed fee and payment terms
6. Your organization's small business and minority hiring goals

### **Selection Process**

Some funding sources may require a competitive process for all consultants on a project, which helps to ensure that you are getting the best consultant for the best price. A competitive process involves the following:

1. Establish the scope of services you wish the consultant to deliver to the project.
2. Establish a list of questions and information you wish to obtain from the prospective consultants.
3. Interview at least three consultants who are qualified under the attached minimum qualifications.
4. In writing, identify your selected consultant, the reasons for choosing the consultant, and the consultant's proposed fee to deliver the scope of services. Be prepared to submit this documentation and a description of your selection process to funders upon request. For architects and development consultants, submit this documentation to CSH for review prior to contract execution if predevelopment funds are being requested to cover the cost of these services.

### **Selecting an Architect**

Architects must have had experience in similar types of projects and be registered or licensed in the State of Connecticut. Architects must provide at least three letters of reference regarding past performance on projects of similar type and size.

Beyond these minimum requirements, there are a number of things you should know about an architect before making your selection. In addition to many of the specific questions you would ask the development consultant in Section 3, you might also want to ask for some information unique to architects, such as:

1. Ask the architect to describe his or her approach to design. When designing a project for people with special needs, it is important that the architect understands how those needs might influence their design. If they haven't already designed a project for the target population, they should be eager to do the research necessary to understand the population better.

2. What subcontractors, if any, would the architect anticipate using on this project for mechanical and electrical design, landscape design, structural engineering, and site design and engineering? What other services would he/she anticipate providing through a subcontractor?

It is important to remember that it will be equally critical for you to talk to the architect's former clients, as it is with all the consultants you are considering hiring. In addition, in the case of an architect, they will have completed projects that you can tour and see for yourself what they are capable of designing. It is definitely worth the time for you to see other buildings he or she has designed, and it would also be beneficial to talk to people who are now using or living in those projects. Are they happy with the building's design? Are they happy with the finishes that the architect selected? Are there any major maintenance problems due to decisions made by the architect?

Remember, it is your architect's role to represent your interests in regards to the design and technical aspects of the building to the building contractor as well as to any engineering or architectural staff representing the permanent funding agencies during the predevelopment and construction phases of your project. You want to make sure that the architect you're considering will design a building that will provide the best possible environment for its residents and will be relatively easy to maintain over the long term.