

**PROPERTY MANAGEMENT PRACTICES OF FEDERALLY ASSISTED
MULTIFAMILY HOUSING IN VIRGINIA:
A COMPARISON OF NONPROFIT-OWNED WITH
GOVERNMENT- AND FOR-PROFIT-OWNED HOUSING**

by

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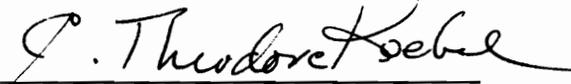
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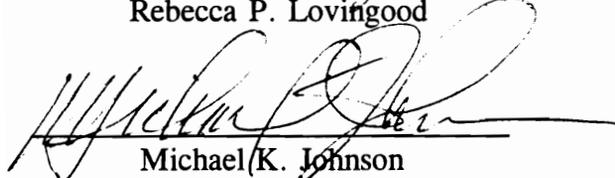
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(ABSTRACT)

Congress continues to prefer nonprofit organizations over government and for-profit investors for participation in federally assisted multifamily housing programs because nonprofit organizations are believed to be more efficient in delivering services than government and more altruistic than for-profit investors. However, empirical information to support these beliefs is limited.

The purpose of this study was twofold: a) to determine if property management practices of federally assisted, nonprofit-owned multifamily housing properties are different from those of comparable government- and for-profit-owned properties with regard to administration practices, financial management practices, maintenance procedures, and services provided to residents and b) to determine how much variance in these management practices is explained by type of owner, owner's goals for property, property manager's qualifications, and neighborhood environment. Independent t-tests and a multiple regression analysis, respectively, were used.

The population consisted of public housing and Section 8 nonprofit- and for-profit-

owned, project-based properties in Virginia (197 properties total). Results were based on 96 property managers' responses to an 81-item mailed questionnaire, which included open- and close-ended responses.

Management practices at the nonprofit-owned properties generally were not significantly different (at .10 alpha level) from those at either the government- or for-profit-owned properties. Nonetheless, some patterns were apparent. These included the nonprofit-owned properties having lower vacancy and unit turnover rates, quicker turnaround times for routine maintenance, and more initiatives to empower residents than the for-profit-owned properties. Also, management at the nonprofit-owned properties tended to conduct their maintenance more frequently and quickly than management at the government-owned properties.

Approximately 42% of the variability in the management practices of the sample was explained by type of owner, owner's goals for property, property manager's qualifications, and neighborhood environment. Moreover, the nonprofit-owned properties, on average, scored higher than the government- and for-profit-owned properties with regard to their overall property management practices. While these findings appear to support Congress' preference of nonprofit organizations over government and for-profit investors for participation in federally assisted multifamily housing programs, concern exists about the financial solvency of the nonprofit-owned properties, particularly since one-third of these properties failed to meet budget goals.

DEDICATION

This dissertation is dedicated to my mother, father, and grandmother in appreciation for ALL that you have done for me over the years.

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While I conducted this research, I am indebted to my committee for all the assistance they provided. Dr. Koebel helped me develop my topic, shared his literature on the nonprofit sector, and always allowed me to "bounce ideas" off of him. Dixon Hanna helped me "paint the broad picture" for the study and worked closely with me in refining the questionnaire. Dr. Lovingood ensured that the conceptualization of the research problem made sense when read by persons whose specialization is not in housing. Dr. Johnson provided the insight about the property management business and was instrumental in explaining some of the findings. And last but not least, Dr. Goss guided and directed the entire process, put relentless hours and energy towards this work, and provided the "glue" by keeping all the pieces together.

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CHAPTER I

INTRODUCTION

Under the Housing Act of 1949, the United States Congress established a goal of a decent home and suitable living environment for every American family, and in 1990, under the Cranston-Gonzalez National Affordable Housing Act, Congress reaffirmed that goal. Today, Congress is still working toward that same goal and subsidizes low-income multifamily rental housing units for this purpose.

A challenge for Congress, however, is determining how to implement these subsidies. Should government or the private sector produce, own, and manage these rental housing units? Moreover, which method(s) ensures the 1949 goal?

Overview

The federal government often assumes the role of producing (or assisting with the production of) goods or services underproduced or not produced at all by the private market system. For example, the conventional, for-profit rental housing sector typically does not produce or manage any housing units specifically targeted for low-income households (unless there are incentives) because by doing so the for-profit sector fails to meet its goal of maximizing returns on investments. Therefore, the federal government intervenes in the free enterprise and competitive market system and either directly makes low-income housing available or indirectly makes low-income housing available by establishing incentives that encourage the private sector's participation (McConnell, 1981).

A much debated subject, however, is the level of involvement, if any, the federal government should have in making low-income rental housing available. Conservatives, who generally espouse a laissez-faire approach, assert the level of involvement by government should be minimal. Conservatives neither want to infringe upon the private sector's enterprise nor do they want the federal government to have permanent ownership of low rent housing. Hence, conservatives contend government should merely encourage the private sector to engage in those activities which are not being met and not assume the role of producing and managing low-income housing. Liberals, on the other hand, disagree, arguing the only way to ensure low-income rental housing does not become a mechanism where profits are allowed to be made at the expense of residents--via the quality of housing provided to residents--is for the federal government to produce, own, and manage such housing (Hays, 1995; Mitchell, 1985b).

These opposing views are observed within the operation of the rental housing market. Data from rental housing market activity supports neither the conservatives' view of minimal involvement nor the liberals' view of complete involvement. Instead, there appears to be a loose compromise--the federal government makes affordable housing available to some (not all) and accomplishes this through both direct and indirect approaches. For instance, in 1989, only 31% of the households eligible to participate in a federally assisted multifamily housing program were housed in such units. The remaining 69% did not receive any federal assistance and obtained housing in the conventional private sector market because there was only a limited amount of federally

assisted multifamily housing available; Congressional appropriations were insufficient to subsidize any additional low-income rental units (Bogdon, Silver, & Turner, 1993). Moreover, in recent years, there has been a reduction in the proportion of low-income rental units owned by government--public housing units (U.S. Department of Commerce & U.S. Department of Housing and Urban Development [HUD], 1991, 1993).

Although conservatives maintain their position of minimal governmental involvement, the liberals' concern with regard to housing providers maximizing their returns should not be dismissed because such motivations can conflict with the provision of "quality" housing as was observed with the private sector's tenement housing (Mitchell, 1985b). Jacob Riis (1957) described these nineteenth century managers as landlords filled with "human greed" (p. 205). The landlords charged excessive rents yet made housing of poor quality available. The units had limited space, inadequate ventilation and lighting, improper sanitation, and shoddy construction (Friedman, 1985; Mitchell, 1985a).

An alternative policy currently being explored is for the federal government to solicit the nonprofit sector for participation in federally assisted multifamily housing programs. Here, the primary goal of a nonprofit organization is the same as that associated with government (i.e., the provision of unmet housing needs) yet different from that associated with for-profit investors. A nonprofit organization's primary goal is to provide a service to its clients, whereas a for-profit investor's primary goal is to maximize returns (Anthony & Young, 1990; Block, 1990).

Both nonprofit organizations and for-profit investors are eligible to participate in the United States' federally assisted multifamily housing programs as they now are structured, and the majority of these participants are for-profit investors. However, based on recent legislation, beginning in 1989, Congress is giving preference to nonprofit organizations for participation in these programs.

Congress has enacted three pieces of legislation to explicitly encourage the nonprofit sector's participation in federally assisted multifamily housing programs. First, the Financial Institutions Reform, Recovery, and Enforcement Act of 1989 allows nonprofit organizations a first right to purchase multifamily housing properties from the Resolution Trust Corporation (RTC), an entity created to dispose of those assets acquired by the federal government as the result of insolvent thrifts. (The RTC no longer exists, but its responsibilities and functions have been transferred to the Federal Deposit Insurance Corporation.) Second, the Low-Income Housing Preservation and Resident Homeownership Act of 1990 grants nonprofit organizations a first right to purchase multifamily housing properties from owners in federally insured interest rate programs, when these owners give notice to either prepay their mortgages or sell their properties. Third, the National Affordable Housing Act of 1990 mandates communities participating in the "HOME" program (a program designed to increase homeownership and affordable housing opportunities for low-income households in the United States) set aside a minimum of 15% of the funds allocated under the program for community development organizations, which are defined in the legislation as nonprofit organizations.

Prompted by these pieces of legislation, the nonprofit sector's participation in federally assisted multifamily housing programs is growing. A logical result of this growth is concern about this sector's ability to efficiently manage federally assisted multifamily housing properties (Koebel, in press).

Interest in the nonprofit sector's ability to manage federally assisted multifamily housing properties stems from two points. First, property management practices directly affect the quality of housing made available to residents of multifamily housing (Community Development Research Center [CDRC], 1992). Second, financial supporters of programs, such as Congress, are often interested in the extent to which the programs they finance are successfully implemented and the degree to which their desired outcomes are realized (Rossi & Freeman, 1985).

Justification of Study

Although nonprofit organizations have participated in federally assisted multifamily housing programs for well over 30 years, studies by Bratt, Keyes, Schwartz, and Vidal (1994) and Isler, Sadacca, and Drury (1974) are the only two pieces of research addressing property management practices of multifamily rental housing properties owned by nonprofit organizations. Thus, the amount of empirical information available on the subject is limited.

Nonetheless, there are a few criticisms commonly associated with property management practices of nonprofit-owned multifamily rental housing properties, most of which are based on the sector's participation in the Section 221(d)(3) program, a federal

mortgage insurance program designed to finance either rental or cooperative multifamily housing for moderate-income households. The predominant criticisms are inefficient business practice and inexperienced managers (Bratt, 1989).

Inefficient business practice is associated with the property management of nonprofit-owned multifamily rental housing properties for two reasons. First, many nonprofit owners were found to be financially unstable when participating in the Section 221(d)(3) program. Second, several nonprofit Section 221(d)(3) participants were more concerned with their residents' welfare than with operating like a business (Bratt, 1989).

Unstable financial situations were common among the nonprofit Section 221(d)(3) participants, particularly since participants did not have to have either preexisting equity or assets to be in the program. The federal government's rationale for not having these two requirements was its emphasis on allowing all those who were interested in making low-income housing available, even those without any financial backing, eligible to participate. As a result, many of the nonprofit properties were foreclosed because there were no financial reserves to protect the properties when financial hardships came about and mortgages could not be paid. In general, the nonprofit-owned properties did not have any contributions for reserves built into their rent structure under HUD's guidelines, making it virtually impossible for the nonprofit participants to build operating reserves (Bratt, 1989).

These lenient reserve policies, therefore, contributed to the nonprofit participants' financial instability. HUD, the contract manager for most of the Section 221(d)(3)

projects, had established minimal reserve requirements. On all projects, only a two percent contingency was required during construction with no requirement for operating reserves, unless a property appeared to be in serious trouble (Bratt, 1989).

Nonprofit Section 221(d)(3) participants were also, as previously stated, more concerned with the welfare of their residents than with operating like a business. To some extent this overwhelming concern for residents is the primary attraction of having nonprofit providers for low-income housing, at least in terms of placing profits above quality. Nonetheless, nonprofit providers must implement sound business practices to maintain the financial viability and quality of their properties (Koebel, in press). However, this was not the case for nonprofit participants in the Section 221 (d)(3) program. These participants typically were less aggressive with their rent collection and evictions and placed less emphasis on maintenance than their for-profit counterparts (Bratt, 1989).

Inexperience is another criticism often associated with property management practices of nonprofit-owned multifamily rental housing properties. The property managers of nonprofit-owned Section 221(d)(3) properties did not have the same or equivalent training and education as the property managers of for-profit-owned Section 221(d)(3) properties. The property managers of the nonprofit-owned properties often reflected the values of the nonprofit participants. The nonprofit participants were primarily well intentioned church, civic, and union groups with minimal experience in owning and managing a multifamily housing property. Similarly, the property managers

of the nonprofit-owned properties were primarily well intentioned individuals, who had minimal training or education in property management (Bratt, 1989).

Despite these criticisms, Congress still gives preference to nonprofit organizations rather than to for-profit investors for participation in federally assisted multifamily housing programs. Reasons for the preference seemingly include (but are not limited to) the following. Nonprofit ownership usually safeguards families from possibly being displaced from their homes, which can occur when participants are no longer obligated to make their units available to low-income households. In general, after meeting original contractual terms, nonprofit organizations, unlike many of their for-profit counterparts, continue to purposefully serve the low-income population. Nonprofit organizations also gained favor with their leadership in responding to homelessness. Moreover, it was for-profit investors who sacrificed housing quality when they built housing for participants in the Section 235 program (a low- and moderate-income homeownership program) and when they participated in the Section 236 program (a low-income rental housing program).

Under the Section 235 program, many for-profit investors engaged in scandalous activities. These investors would purchase run-down and abandoned properties at rock-bottom prices; make cosmetic repairs; and sell the houses to aspiring low-income families with very little knowledge about the responsibilities of homeownership, making huge profits. These investors took the money and ran, leaving residents with housing appearing from the facade to be in good condition but in reality in substandard condition

(Hays, 1995).

This scam not only affected the prospective homeowners but also affected the federal government. The federal government envisioned a program where decent and affordable housing would be made available to low-income households but in reality received a program falling far short from what was envisioned. And, similar shortcomings were experienced with the Section 236 program (Hays, 1995).

In addition to Congress' past experience with for-profit investors in both the Section 235 and Section 236 programs, there is a theoretical argument--contract failure theory--for why nonprofit organizations are preferred over for-profit investors. Under contract failure theory, goods and services are preferred to be purchased from nonprofit organizations rather than from for-profit investors in circumstances where the purchasers of goods and services are different from the consumers. For example, contract failure occurs when an individual obtains nursing home care for another adult. In this instance, the person purchasing the service (i.e., nursing home care) is different from the person receiving the service (i.e., an elderly adult). Since the purchaser can not make any direct assessment regarding the quality of service made available, the purchaser prefers to obtain that service from a nonprofit organization rather than from a for-profit investor because of the belief that nonprofit organizations are more concerned about the welfare of their clients when compared to for-profit investors. Additionally, nonprofit organizations are believed to be more trustworthy than their profit-motivated counterparts (Hansmann, 1980; Salamon, 1992).

For similar reasons, contract failure theory provides an argument for why Congress prefers nonprofit organizations to for-profit investors for participation in federally assisted multifamily housing programs. Here, Congress is not the consumer. Congress is merely the purchaser and, therefore, is limited in its ways of assessing the quality of housing made available (assessments only can be made via inspections). The only individuals who can make the direct assessment are the consumers; the consumers are the low-income households residing in the federally assisted units. Thus, based on contract failure theory, Congress prefers nonprofit organizations rather than for-profit investors for participation in federally assisted multifamily housing programs because of the belief nonprofit organizations are more trustworthy than their for-profit counterparts.

Nonprofit ownership, however, does not necessitate nonprofit management. There are three ways a nonprofit organization can manage a property. First, a nonprofit organization can manage the property itself. Second, a nonprofit organization can have a subsidiary entity manage the property, which could be either a nonprofit or a for-profit organization. Third, a nonprofit organization can contract with a third-party management firm, and again that firm could be either a nonprofit or a for-profit organization.

In fact, based on a recent study examining the trends of 15 nonprofit housing developers (Hebert, Heintz, Baron, Kay, & Wallace, 1993), less than half of those observed in the study managed the completed properties themselves. The majority contracted with a third-party property management firm. Moreover, that firm, more often than not, was a for-profit entity.

The Problem

Over the years, Congress has enacted legislation to encourage the nonprofit sector's participation in federally assisted multifamily housing programs. The impetus for these laws seemingly is based on two beliefs.

First, when compared to the federal government, the nonprofit sector is believed to be able to make housing of better quality available to residents of multifamily housing because nonprofit organizations are thought to be more efficient in their delivery of services (Meehan, 1985). For instance, nonprofit organizations typically do not have to contend with the same level of local and state bureaucracy as do public housing authorities (PHAs)--the entities owning and managing public housing.

Second, when compared to for-profit investors, the nonprofit sector is believed to be more inclined to make housing of better quality available to residents of multifamily housing because nonprofit organizations are thought to be more altruistic (Bratt, 1992). For example, nonprofit organizations are not known to forgo the provisions of quality housing in order to realize monetary gains.

The problem, however, is there is no empirical evidence to support these two points. Furthermore, criticisms associated with the nonprofit sector, such as inefficient business practices and inexperienced managers, seem to oppose Congress' reasons for favoring nonprofit organizations over government and for-profit investors, which respectively are being able to provide more efficient delivery of services and having more altruistic goals.

Purpose of Study

This study has two purposes. The first is to determine if property management practices of federally assisted, nonprofit-owned multifamily housing properties are different from those of comparable government- and for-profit-owned properties. The second is to determine how much of the variance in property management practices of federally assisted multifamily housing properties is explained by type of owner, owner's goals for the property, property manager's qualifications, and neighborhood environment.

Conceptualizing the Problem

Three entities are eligible to participate in the federal government's multifamily housing programs: a) government, b) for-profit investors, and c) nonprofit organizations. Across these entities, property management practices are believed to differ. Similarly, since property management practices directly affect the quality of housing made available to residents of multifamily housing, differences in quality of housing provided also are assumed to exist, depending on the type of entity owning the units (i.e., government, a for-profit investor(s), or a nonprofit organization). Moreover, these differences in property management practices and quality of housing provided are believed to be affected by the property manager's qualifications and neighborhood environment.

To better understand these relationships, in this section, residential property management is defined, and applicable theories are presented. In addition, a conceptual model for residential property management is provided, which also serves as the model for this study.

What Is Residential Property Management?

Management is the process of working with and through people in order to achieve an organization's goal(s) (Kreitner, 1986). The management process includes the functions of planning, controlling, guiding, directing, and coordinating the activities of others in order to accomplish desired goals. Residential property management is the application of these functions by an individual (i.e., a manager) in a residential setting, most commonly a multifamily rental housing community--an apartment community (Johnson, 1989). Residential property managers ensure a successful and rewarding business by using skills and creative ability to direct and control the physical and financial operations of the property (Kelley, 1990).

Property managers are responsible for accomplishing the goals of the owners consistent with the owners' priorities. To accomplish these goals, property managers must possess some basic skills, including accounting skills for rent collection and basic management and communication skills. In addition, a technical understanding of building equipment is required. To facilitate the overall process of managing the housing community, property managers establish policies and procedures congruent with the owners' goals (Johnson, 1989).

Based on findings from previous studies, property management practices also are affected by neighborhood conditions (CDRC, 1992; HUD, 1979; Urban Institute, 1974) and property managers' qualifications (General Accounting Office [GAO], 1988, 1989). Examples include existent levels of crime, abandonment, and poverty with regard to

neighborhood conditions and practical experience and educational background with regard to property managers' qualifications.

Applicable Theories for Residential Property Management

Three theories help explain the relationships existing between a) owner and property manager, b) property manager and quality of housing made available to residents of multifamily housing, c) property management practices and neighborhood environment, and d) property management practices and property manager's qualifications. These theories are *agency theory*, *goal-setting theory*, and *social learning theory*. Agency theory explains the relationship existing between the owner of the property and the owner of the property management firm. Goal-setting theory explains the relationship existing between the property manager and the quality of housing made available to residents. Social learning theory explains the relationships existing between both the property management practices and the neighborhood environment and the property management practices and the property manager's qualifications. The three, together, provide a framework for conceptualizing the research problem.

Agency theory. One of the most basic financial concepts is the goal of the firm is to maximize the shareholder's wealth. Agency theory explains the relationship existing between shareholder and manager (Brigham & Gapenski, 1993).

Agency relationships arise whenever one or more individuals, called principals, hire one or more other individuals, called agents, to perform some service and then delegate the decision-making authority to the agents. Within the financial management

context, the two most important agency relationships are those between a) stockholder (i.e., owner) and manager and those between b) debtholder and stockholder (Brigham & Gapenski, 1993).

In residential property management, the agency relationship is between the owner of the property and the manager. Agency relationships exist only if the managing entity is different from the owner(s). Agency relationships are defined in management agreement contracts, written contracts between owners of properties and management firms.

Goal-setting theory. As conveyed in numerous property management texts, the role of a property manager is to carry out the goal(s) of the owner (e.g., making a profit or making decent and affordable housing available to low-income households). More explicitly, each task the property manager accomplishes should be directly linked to the goal(s) of the owner (Johnson, 1989; Kelley, 1990; King, Langendoen, & Hummel, 1984; Walters, 1979). Hence, goal-setting theory, proposed by Locke (1968), communicates this very idea of pre-established goals affecting the task.

The theory was originally proposed as a motivational theory, but its applications go beyond this scope to explain how a task is accomplished. Goal-setting theory is grounded in two axioms. First, goals clearly established and written result in a higher level of performance than no goals or very general ones. Second, the level of performance is directly linked to the goal itself. Therefore, the by-product of property management (i.e., the quality of housing made available to residents) is the result of how

the goals are carried out.

Social learning theory. Based on social learning theory, Rotter (1966) theorized there is a causal relationship between internal/external controls and behavior (outcomes). Internal controls are characterized by attitudes, beliefs, and knowledge of the individuals. External controls are characterized by things beyond the control of the individual (e.g., some other force, fate, chance, or luck). Thus, a property manager's qualifications (internal controls) and neighborhood environment (external controls) presumably affect property management practices (behavior).

A Conceptual Model for Residential Property Management

Incorporating agency, goal-setting, and social learning theories, a conceptual model for residential property management was developed for this study (see Figure 1). Starting at the far left, there is an owner of property. The owner determines the goal(s) for the property and prioritizes them accordingly. After determining the goals for the property, the owner formally communicates them to the property manager. Property managers attempt to accomplish the owner's goals through their responsibilities--their property management practices. In general, these responsibilities normally include the basic *administration* of employees, property files, and property records; managing the *finances* (including debt payment); *maintenance* of the physical assets; *marketing* the property; and providing special *services* to residents (Kelley, 1990; King, Langendoen, & Hummel, 1984; Lapidés, 1992; Walters, 1979). The above responsibilities are assumed to a) be of equal relative importance to each other, b) be directly affected by

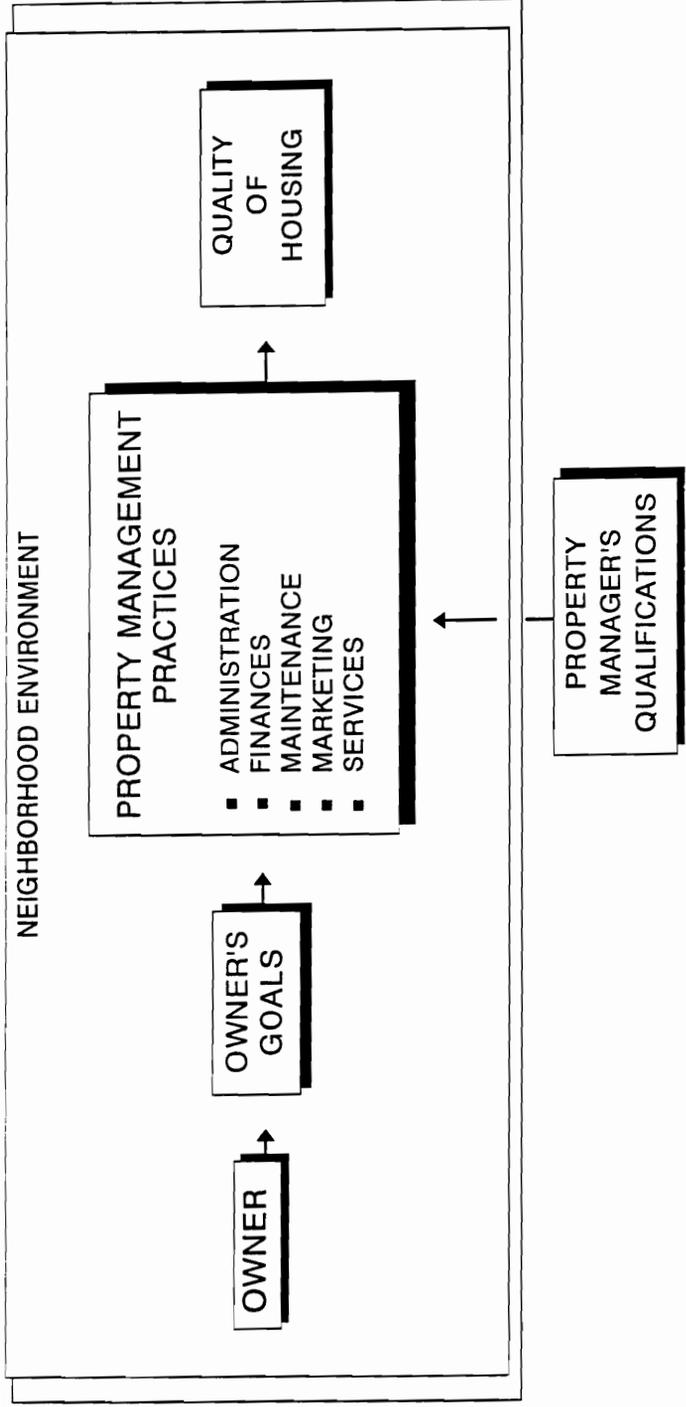


Figure 1. A conceptual model for residential property management.

the property manager's qualifications, and c) directly affect the quality of housing made available to residents of multifamily housing.

The resulting quality of housing varies from excellent to bad. Housing of excellent quality is free from longstanding maintenance and repairs and provides a safe living environment. Housing of bad quality has deplorable housing conditions and unsafe living environments (e.g., peeling paint, broken plaster, ceiling and wall cracks, holes in the floors, vermin, and inoperable heating or plumbing equipment).

Neighborhood conditions (i.e., the neighborhood environment) affect the owner, the owner's goals for the property, property management practices, and quality of housing provided. Therefore, the construct (neighborhood environment) is drawn encompassing them.

Underlying assumption. Property managers carry out their responsibilities in accordance with the owners' goals. Property managers do not use their own goals as a basis for carrying out their delineated contractual responsibilities. However, their own goals could be compatible with those of the owners.

Components unexamined. Only two parts of the conceptual model are not examined in this study. They are the *marketing* component of property management practices and *quality of housing*.

Marketing is not examined since it is not applicable to this study. Property managers generally do not concern themselves with marketing strategies when their target residents are low-income households because the units management makes available are

in high demand. This study is exclusively focused on federally assisted properties (properties for low-income households). Hence, only the administration, finance, maintenance, and services components of property management practices are examined.

Quality of housing also is not examined in this study. Although the quality of housing provided to residents of federally assisted multifamily housing is an important concern, this construct is difficult to measure. Therefore, the emphasis of this study is on property management practices since the latter affects the quality of housing provided. Most housing advocates would agree that excellent housing is a function of excellent management, and poor quality housing is a function of poor management.

Theories Pertaining to Expected Differences

Two theories suggest that the quality of housing made available by the nonprofit sector is different from that by government and for-profit investors. These theories are *government failure theory* and *contract failure theory*. Government failure theory provides an argument for why the nonprofit sector's service of housing is of a different quality from that of government. Contract failure theory provides an argument for why the nonprofit sector's service of housing is of a different quality from that of for-profit investors.

Government failure theory. There are several ways for government failure to occur. The most renowned government failure occurs when government neglects to produce the goods or services underproduced or not produced at all by the market system (Douglas, 1987; Salamon, 1992). For example, government failure occurs when the

federal government does not become involved in the production or management of low-income housing, a type of housing widely needed in the United States but typically not made available by the conventional, for-profit sector.

Another more applicable government failure occurs when government produces the good or service needed but, instead, falls short in the quality or quantity of what is made available. In this instance, according to Douglas (1987), the government fails because democratic governments are subject to a "categorical constraint"--the service or good offered must be consistent to all recipients. As a result, the quality of that good or service is diminished because there is no room for flexibility or diversity, which is often an essential requirement for completely fulfilling a particular good or service (Hammack & Young, 1993).

Hence, even when government can provide the needed good or service, there is a preference to have a nongovernmental agency (e.g., a nonprofit organization) to make it available (Douglas, 1987; Salamon, 1992). Thus, it is expected that the quality of housing made available at the nonprofit-owned multifamily rental housing properties is better than that provided at the government-owned properties.

Contract failure theory. As noted earlier, contract failure occurs when the purchasers of goods and services are different from the consumers, for example, when an individual obtains nursing home care for another adult. Under these circumstances, the purchasers can not make any direct assessment regarding the quality of the good or service made available and, therefore, give preference to nonprofit organizations rather

than for-profit investors, expecting nonprofit organizations to be more trustworthy and concerned about the welfare of their clients (Hansmann, 1980; Salamon, 1992).

As a result of this consumer preference, differences with regard to the quality of service made available are assumed to exist. Thus, the quality of housing made available at the nonprofit-owned multifamily rental housing properties is expected to be higher than that provided at the for-profit-owned properties.

Operational Definitions

Five constructs were measured for this study. They were owner, owner's goals, property manager's qualifications, property management practices (i.e., administration practices, financial management practices, maintenance procedures, and services), and neighborhood environment. The following are the operational definitions for each of the above constructs as used in this study:

- 1) **Owner:** the type of entity owning the property (i.e., government, for-profit investor(s), or a nonprofit organization), based on the property manager's response to a question on ownership of the multifamily rental housing property he/she manages.
- 2) **Owner's Goals:** the property manager's perception of the owner's use of the net operating income from the property (i.e., profit, property development, social services, other, or any combination of the aforementioned).
- 3) **Property Manager's Qualifications**
 - a) **practical experience:** the number of years the manager had been a

property manager.

↓ *minimum value*: 0

↑ *maximum value*: (open-ended)

- b) **professional designations**: the number and type of professional designations the property manager had.

↓ *minimum value*: 0

↑ *maximum value*: (open-ended)

- c) **education**: the highest level of education the manager had attained (i.e., some high school; high school diploma or equivalent; some college, including community college; community college degree; bachelor's degree; or master's degree).

4) **Property Management Practices**

Administration Practices

- a) **staffing levels**: the number of on-site individuals who work for the manager of the property divided by the number of units on the property.
- **administrative workers**: individuals who work in the office performing administrative functions including leasing units and clerical duties.
 - **maintenance workers**: individuals who perform maintenance.
 - **full-time employees**: individuals who work 40 hours per week and who receive wages or salaries for compensation.
 - **part-time employees**: individuals who work under 40 hours per week and who receive wages for compensation.

- **volunteers:** individuals who work but did not receive any compensation.

↓ *minimum value:* 0% ↑ *maximum value:* 100%

- b) **employee professional development rate:** the number of employees who attended a job related workshop or seminar during the 1995 calendar year divided by the total number of employees.

↓ *minimum value:* 0% ↑ *maximum value:* 100%

- c) **employee certification rate:** the number of employees with a given number of certifications divided by the total number of employees.

↓ *minimum value:* 0% ↑ *maximum value:* 100%

- d) **waiting list updating rate:** the number of times during the 1995 calendar year the waiting list was updated (i.e., re-assigned numbers).

↓ *minimum value:* 0 ↑ *maximum value:* 240 (5 days/week)

- e) **fair housing violation:** the number of times the management was found in violation of the fair housing law since 1990.

↓ *minimum value:* 0 ↑ *maximum value:* (open-ended)

- f) **audit rate:** the number of times the management passed an audit since 1990 divided by the number of times the management was audited for the same time period.

- **financial audits:** examination of accounts to check accuracy.
- **program/compliance audits:** examination of management's

activities to check compliance.

- **unconditionally passed:** requiring no corrections.
- **conditionally passed:** requiring either few or major corrections.

↓ *minimum value:* 0%

↑ *maximum value:* 100%

Financial Management Practices

- g) **percentage of uncollected rent:** the amount of rent not collected divided by the total amount of rent due from all residents for a given month on average.

↓ *minimum value:* 0%

↑ *maximum value:* 100%

- h) **vacancy rate:** the average number of rentable units not leased divided by the total number of leasable units.

↓ *minimum value:* 0%

↑ *maximum value:* 100%

- i) **unit turnover rate:** the number of units having changed occupancy within the 12 months prior to data collection divided by the total number of leasable units.

↓ *minimum value:* 0%

↑ *maximum value:* 100%

- j) **budget variance:** the difference between the actual and budgeted net operating incomes (i.e., actual receipts less operating expenses) for the fiscal cycle prior to data collection divided by the budgeted net operating income for the same period.

↓ *minimum value:* 0%

↑ *maximum value:* (open-ended)

k) **use of operating reserves:** the number of times within the 12 months prior to data collection money was used from the operating reserves.

↓ *minimum value:* 0

↑ *maximum value:* (open-ended)

Maintenance Procedures

l) **inspection procedures for buildings and grounds:** the number of times per year management normally inspected and cleared the common areas and grounds from trash and litter, inspected the exterior lighting fixtures for operation, and inspected the fire extinguishers for proper placement.

↓ *minimum value:* 0

↑ *maximum value:* 240 (5 days/week)

m) **turnaround time for routine maintenance:** the average number of days elapsed from when a resident contacts the office with a service request until the job is completed.

↓ *minimum value:* 0

↑ *maximum value:* (open-ended)

n) **outstanding work order rate:** the average number of uncompleted work orders in a given day divided by the average total number of work orders in a given day.

↓ *minimum value:* 0%

↑ *maximum value:* 100%

o) **designated emergency procedures:** the number of requests commonly considered emergencies--needing immediate attention no matter what time of day it happens to be--management recognized (i.e., inoperable toilets, refrigerators, stoves, heating, cooling, sinks or garbage disposals, door

locks, or lights in hallways and stairwells; stopped-up drains; no electricity; or gas leaks).

↓ *minimum value*: 0

↑ *maximum value*: 11

- p) **vacant apartment check procedures**: the number of times in a given month management went into a vacant (un-rented) apartment and inspected to make sure it's still "rent ready" and no vandalism had occurred on the premises.

↓ *minimum value*: 0

↑ *maximum value*: 20 (5 days/week)

- q) **turnaround time for units**: the average number of days elapsed from when a resident vacates a unit because of a terminated lease until the unit again becomes ready to be re-leased.

↓ *minimum value*: 0

↑ *maximum value*: (open-ended)

- r) **extermination procedures**: the number of times in a given year management had a professionally licensed exterminator spray the inside of the units with commercial insecticide.

↓ *minimum value*: 0

↑ *maximum value*: 240 (5 days/week)

- s) **preventive maintenance procedures**: the number of times per year management repaired or replaced equipment or items before a problem occurred.

↓ *minimum value*: 0

↑ *maximum value*: 240 (5 days/week)

- t) **vandalism procedures**: how quickly management usually corrected

property destruction and restored the items to their original condition (i.e., within a day, within two days, within a week, or within some other time period).

↓ *minimum value*: 0

↑ *maximum value*: (open-ended)

Services

- u) **supporting amenities**: the number of facilities and equipment located on the property designed to make the residents' life comfortable and convenient (e.g., laundry rooms, vending machines, pay telephones, and storage facilities).

↓ *minimum value*: 0

↑ *maximum value*: 6

- v) **support services**: the number of programs or activities provided to the residents of the property classified as social services (e.g., day care, youth programs, teen pregnancy programs, job training, and health care).

↓ *minimum value*: 0

↑ *maximum value*: 13

- w) **housing related services**: the number of programs or activities serving to educate residents about homeownership.

↓ *minimum value*: 0

↑ *maximum value*: 1

- x) **resident empowering services**: the number of services or activities allowing residents to have a voice concerning the property (i.e., resident organizations and resident representation on executive boards).

↓ *minimum value*: 0

↑ *maximum value*: 2

5) Neighborhood Environment

- a) **crime level:** the number of times in a given year vandalism, drug trafficking, burglaries/thefts, and violence occurred in the apartment community and surrounding neighborhood.

↓ *minimum value:* 0

↑ *maximum value:* 360 (30 days/mos)

- b) **safety level:** the degree of security in the neighborhood surrounding the subject apartment community (i.e., very safe, somewhat safe, or not safe).

- c) **boarded-up windows:** the amount of homes and buildings in the surrounding neighborhood of the subject apartment community having a window(s) replaced with boards (i.e., none, some, or a lot).

- d) **abandoned buildings:** the amount of homes and buildings in the surrounding neighborhood of the subject apartment community having been abandoned (i.e., none, some, or a lot).

- e) **poverty level:** the percentage of individuals in a given census tract (zip code) categorized by the U.S. Department of Commerce as being below the appropriate poverty threshold. This information was obtained from Summary Tape File 3B, 1990 Census of Population and Housing, U.S. Department of Commerce. Poverty thresholds were calculated on a national basis; regional adjustments were not made (U.S. Department of Commerce, 1991).

↓ *minimum value:* 0%

↑ *maximum value:* 100%

Research Questions

There are two research questions for this study. First, are there significant differences between the property management practices of federally assisted, nonprofit-owned multifamily rental housing properties and those of comparable government- and for-profit-owned multifamily rental housing properties with regard to administration practices, financial management practices, maintenance procedures, and services provided to residents? Second, how much of the variance in the dependent variable, property management practices (i.e., administration practices, financial management practices, maintenance procedures, and services), can be explained by the four independent variables (i.e., type of owner, owner's goals for the property, property manager's qualifications, and neighborhood environment)?

The Hypotheses

Six hypotheses are tested in order to answer the research questions for this study.

The hypotheses are as follows:

H₁: *There is a significant difference between **administration practices** of nonprofit-owned multifamily rental housing properties and those of government- and for-profit-owned multifamily rental housing properties.*

H₂: *There is a significant difference between **financial management practices** of nonprofit-owned multifamily rental housing properties and those of government- and for-profit-owned multifamily rental housing properties.*

H₃: *There is a significant difference between maintenance procedures* of nonprofit-owned multifamily rental housing properties and those of government- and for-profit-owned multifamily rental housing properties.

H₄: *There is a significant difference between services provided to residents* of nonprofit-owned multifamily rental housing properties and those provided to residents of government- and for-profit-owned multifamily rental housing properties.

H₅: *Nonprofit-owned multifamily rental housing properties score higher on their overall management practices* (i.e., when considering all four constructs--administration practices, financial management practices, maintenance procedures, and services provided to residents) than government- and for-profit-owned multifamily rental housing properties.

H₆: *Variance in property management practices is explained by type of owner, owner's goals for the property, property manager's qualifications, and neighborhood environment.*

Rationale for the Hypotheses

As previously presented, government failure theory and contract failure theory, respectively, explain why differences are assumed to exist in the quality of housing made available by a) nonprofit organizations and government and b) nonprofit organizations

and for-profit investors. Thus, since property management directly affects the quality of housing made available to residents of multifamily housing, these two theories also serve as rational explanations for the hypothesized differences between property management practices of nonprofit-owned multifamily rental housing properties and those of government- and for-profit-owned multifamily rental housing properties (i.e., administration practices, financial management practices, maintenance procedures, services provided, and overall management practices).

The speculation regarding differences in services is also supported by a study by Walker (1993). Walker found that nonprofit organizations generally do not limit themselves as for-profit investors to only making the service of housing available but also deliver human services to residents (e.g., day care, job training, and health care).

The independent variables for this study (i.e., owner, owner's goals for the property, property manager's qualifications, and neighborhood environment) are hypothesized to explain the variance in the dependent variable (i.e., property management practices) because the inter-linkings of these variables support the conceptual model of the study. And, as previously presented, three theories serve as framework for the conceptual model of this study--agency, goal-setting, and social learning theories.

Significance of Study

Congress currently favors nonprofit organizations for participation in some of its federally assisted multifamily housing programs; however, as stated earlier, there is no empirical evidence to support the assumptions apparently used to ground Congress'

rationale for the preference. Hence, this study provides empirical information testing Congress' arguments for favoring the nonprofit sector.

A prevalent concern of policy-makers is the long-term livelihood of low-income multifamily rental housing properties. The concern is these properties may become financially insolvent or in serious disrepair. Likewise, it would appear that nonprofit-owned properties would be of particular interest to policy-makers, since nonprofit organizations are generally not thought to be concerned with making a profit, that is, operating like a business. For example, managers of nonprofit-owned multifamily rental housing properties are thought not to be as aggressive in their rent collections as managers of for-profit-owned properties (CDRC, 1992). Moreover, this concern of financial insolvency is further perpetuated because of the volatile history nonprofit housing organizations have had in the past with the management of multifamily rental housing properties (Bratt, 1992).

The study contributes to the current body of knowledge on nonprofit organizations in general, as well as provides specific information on nonprofit housing. To date, few studies have been conducted on nonprofit housing (Hebert et al., 1993; Walker, 1993) and even fewer on management practices of nonprofit-owned multifamily rental housing properties. Bratt et al. (1994) examined management practices of 34 nonprofit-owned properties. Isler et al. (1974) compared management practices across three types of ownership (i.e., nonprofit, limited dividend, and cooperative); 20 properties of each type of ownership were included in the study. This study will add to this literature.

Lastly, this study provides research in the area of residential property management, that is, multifamily rental housing. Very little empirical research has been conducted in this area (Follain, 1994). Subjects previously addressed in the literature published include the cost to an agency for having its management fee based on rental collections rather than on net operating income (Rosenberg, 1989), the effect of management on the satisfaction of elderly residents (Johnson, 1989), and the satisfaction of property managers with their computer systems (Smiley, 1988). Also, there is some literature on cooperative ownership and tenant management. However, most of the current literature is aimed at the multifamily housing industry. For example, the *Journal of Property Management*, a leading property management trade association publication, features articles providing practical information to individuals in the industry (e.g., strategies for effective management, maintenance techniques, tactics for motivating employees, and the effects of enacted legislation). This research provides empirical information on the industry with respect to management practices of property managers of low-income multifamily rental housing properties.

CHAPTER II

LITERATURE REVIEW

For over three quarters of a century, federally assisted multifamily rental housing has been in the United States, and the majority of these initiatives were the result of attempts to solve national housing problems. This chapter is provided to acquaint the reader with a) the history behind the enactment of some of these initiatives (programs), b) the broad bodies of literature related to property management practices of low-income rental housing properties, and c) the variables identified in previous studies for measuring these management practices.

Historical Overview

Beginning as early as 1918, the federal government has been involved with the production of federally assisted multifamily housing. The first initiative was in response to a shortage of housing during World War I for workers in shipyards and defense industries. Prior to this time, the federal government only built housing for certain employees (e.g., military personnel and select civil service workers) and their families (Fisher, 1985).

The federal government's first large scale involvement with the production of federally assisted multifamily housing was in the 1930s as a reaction to the Great Depression. The time was marked with increasing unemployment rates, declining per capita incomes, and falling real estate prices, which ultimately resulted in numerous

foreclosures. In an effort to provide emergency assistance to the "submerged" middle class (working class households who had been displaced from their homes because of foreclosures), Congress, in 1937, enacted the public housing program (Hays, 1995; Mitchell, 1985a, Pozedena, 1988).

Under the public housing program, local housing authorities, chartered under state enabling laws, were to build and administer their own housing projects with financing provided by the federal government. Rents charged to residents were affordable, thereby allowing the possibility of financial recovery and the ability to reacquire housing in the private market. The program was envisioned to be temporary (Hays, 1995; Mitchell 1985b).

Over the years, despite the improved economy, demand for affordable housing persisted. While the first residents of public housing were able to move out of the units, by the mid-fifties, a second wave of residents dominated these developments. The incoming residents were an unforeseen population; they remained in public housing (Hays, 1995; Mitchell, 1985b).

This permanency resulted by virtue of the residents' make-up. Many were migrants from the South, and they lacked the training and education to obtain jobs in the northern urban cities. Their race, Black, also hindered them in securing employment. Thus, many were on welfare (Roske, 1983).

As the character of the public housing residents changed, public support for the program also changed. Communities became more resistant to having public housing in

their neighborhoods, and the very existence of the program was challenged as well (Roske, 1983). For example, Meyerson and Banfield (1955) presented this classic "not in my back yard" (NIMBY) stand as it pertained to the location of public housing in Chicago. The two found that racial issues complicated the decision-making process. While vacant sites were available for the development of public housing, their location was in predominantly middle- and upper-class neighborhoods (white neighborhoods), and both politicians and community activists opposed having any low-income households (minority households) residing in the vicinity.

The potential "high" concentration of minorities in a given geography also probably brought about the NIMBY reaction to public housing. The infamous Pruitt-Igoe in St. Louis was a model public housing development when it was built. However, it was later recognized as a massive failure. Pruitt-Igoe consisted of 2,764 units in 16 high-rises. The density affected maintenance and crime (Rainwater, 1970). As with other public housing developments, concerns voiced included management's inability to keep up with basic maintenance and repair, the increased incidence of physical damage to the properties by residents, and the widespread occurrence of criminal activity on the sites (Hays, 1995; Mitchell, 1985b).

These and other problems continued to plague public housing and the communities in which they existed. For example, problems surfaced as individuals became financially stable and returned to housing in the private sector. Many relocated to the urban fringe (the suburbs), which affected the tax base in the inner cities. When revenues decreased,

cities deteriorated and declined. Reacting to this adverse effect, Congress enacted initiatives towards slum clearance (urban renewal). Countless buildings (homes and businesses) were destroyed. However, little was resolved (Roske, 1983).

So, in 1967, under the directive of President Lyndon Johnson, both the Douglas and Kaiser Commissions were appointed and charged with providing insight towards corrective solutions to the housing and urban problems in the United States (e.g., urban blight, riots, slums, and poor quality housing). The Douglas Commission issued a report entitled *Building the American City*, which included a review of the urban problems in the country and recommendations for housing and urban-related programs (National Commission on Urban Problems, 1972). The Kaiser Commission also issued a report, *A Decent Home*; however, this commission primarily focused on ways to harness the private sector for the production of better and more housing (President's Committee on Urban Housing, 1969). And, as the Kaiser Commission believed private sector involvement was key for remedying the housing problems, the Douglas Commission similarly recommended private sector involvement as an integral part of the cure for the problems with federally assisted multifamily housing (National Commission on Urban Problems, 1972; President's Committee on Urban Housing, 1969).

Based on recommendations from the Kaiser Commission to establish a national goal of producing 26 million new and rehabilitated housing units over a ten year period, 6 million targeting low-income households, Congress, in 1968, enacted the Section 236 program (Roske, 1983). The Section 236 program permitted developers to pay only one

percent of the interest on acquired market-interest-rate loans. The difference was paid by the government, directly to the lender, allowing owners to transfer these savings to the residents by charging low rents (Bratt, 1992; Hays, 1985; Roske, 1983). Additional subsidies were also set aside for households unable to pay the entire rent with 25% of their incomes (Roske, 1983).

However, as previously noted, criticisms were also associated with the Section 236 program. These include irresponsible management and poorly constructed units (Hays, 1995; Roske, 1983).

Not pleased with either the government's or the private sector's initiatives with federally assisted housing, President Richard Nixon ordered a moratorium on all federal housing programs and requested HUD to provide a comprehensive review of the federal government's involvement in housing, focusing particularly on low-income housing (Hays, 1995; Mitchell, 1985a). Responding to this request, a task force, the National Housing Policy Review, was established. The task force produced a report entitled *Housing in the Seventies*. Included in this report were explanations of how programs evolved and assessments of the cost-effectiveness for these programs (HUD, 1974). The task force recommended, as did the Kaiser Commission, that the federal government implement a housing allowance program to solve the low-income housing problems. The belief was residents would live in housing of better quality than what was provided by the federal government via public housing, if allowed to obtain housing in the private market and given cash to apply towards this housing (Hays, 1995; Mitchell 1985b).

The first housing allowance program was authorized in 1970, based on recommendations of the Kaiser Commission to try this approach (housing allowances) on an experimental basis. The Experimental Housing Allowance Program was launched in 12 cities, and under this program, residents received the difference between HUD's fair market rent (the amount of rent HUD determined to be fair for a given housing market) and 25% of the household's income. The program received mixed reactions, yet it generally was viewed as a plausible solution to low-income rental housing problems. The program ended when Nixon ordered the moratorium on all federal housing programs (Hays, 1995; Mitchell 1985b).

When the moratorium was lifted, another housing allowance program was implemented based on recommendations of the National Housing Policy Review--the Section 8 program. Enacted in 1974, the Section 8 program is a direct subsidy program where residents currently pay 30% of the household's income for rent (initially they paid 25% of the household's income for rent), and the difference is paid by the federal government (Hays, 1995; Mitchell 1985b).

Today, both the Section 8 and public housing programs still exist; however, empirical information on management practices conducted on these properties, across sectors (i.e., nonprofit, for-profit, and government), is limited. Similarly, as reported by the General Accounting Office (1994a), the amount of data on Section 8 properties also is limited. The majority of the information available is on public housing, the most criticized federally assisted housing program.

Literature Related to Low-Income Rental Management

While the literature specifically on property management practices is limited, there are a few books on some broader issues including those which influence management practices. Also, there are texts which entail either accountings or reviews of particular federal housing programs.

Factors Influencing Management

Sternlieb and Burchell (1973) dispelled the myth about "slumlords" by contending that poor management generally is not the function of monetary greed by individuals. Instead, they argued that the money normally is not there. In fact, owners/managers of low-income rental properties often struggle with trying to obtain positive cash flows.

Thus, there is a high financial risk associated with low-income rental properties. The bottom line is a function of rent (collected and uncollected), operating costs, and vacancies. Low-income households, by virtue of their economic level, are not huge cash providers. Furthermore, their financial situations may prohibit timely payments of rent, reducing the income stream for the property. And, when expenses exceed income, a common solution (remedy) is forgoing needed repairs, which later can result in poor quality housing (Sternlieb, 1966). Vacancies are affected by abandonment, and demand for housing in such areas is low. Moreover, several low-income housing developments are located in abandoned areas (Sternlieb, 1966; Sternlieb and Burchell, 1973).

Monti (1990) stressed the importance of economically-mixed neighborhoods, using the redevelopment of St. Louis as his example. Like Meyerson and Banfield (1955),

Monti found that race (concentrations of poor) affected the location of low-income housing. Furthermore, he, too, found that community resistance often hindered the placement of these developments in good neighborhoods--areas neither distressed nor blighted. Monti concluded that by striking a balance between individual and broad public interest, sustainable communities could exist.

Reviews of Programs

Both the public housing program and the Experimental Allowance Housing Program have been reviewed in literature. As previously referenced, Rainwater (1970) described the residents, layout and design, and problems faced at Pruitt-Igoe, the well known public housing development in St. Louis. Bradbury and Downs (1981) and Struyk and Bendick (1981) described the Experimental Housing Allowance Program, presented findings from the program, and discussed their implications.

Indicators of Property Management Practices

Empirical studies on property management practices are also limited. The majority of the data available is based on case studies. Studies found to be relevant were based on indicators of either well or poorly managed multifamily rental housing properties. Several variables were identified and measured. Many of the variables are measures of the previously identified components of residential property management (i.e., the basic *administration* of employees, property files, and property records; managing the *finances*; *maintenance* of the physical assets; and providing special *services* to residents). The remainder of the variables are grouped in a category termed as *other*.

Administration

Staffing levels provided one of the most striking pieces of information regarding the administrative practices of managers of multifamily rental housing properties. In a review of the seven most troubled housing authorities, the National Policy Institute (NPI) found staffing percentages ranging from 143% - 271%, based on HUD's recommended levels of one administrative staff person per 65 units and one maintenance staff person per 40 units (NPI, 1991). Moreover, excessive staffing was also noticed for another housing authority experiencing management problems (GAO, 1991).

Policies and procedures described another aspect of the administrative practices of managers of multifamily rental housing properties. Properties not having clearly delineated policies and procedures experienced problems (GAO, 1988, 1989; HUD, 1979; Urban Institute, 1974).

The file maintenance and record keeping systems were also key indicators of property managers' administrative practices. Inability to retrieve information and inaccuracy were two commonly reported problems (CDRC, 1992; GAO, 1988, 1989).

Other indicators of the management practices of multifamily housing managers included the clarity of roles and responsibilities, the existence of operational plans, the logic of the organizational structure, and the ability of the property manager to oversee and control operations. The amount of training the personnel had received, their years of experience, and their educational background were also noted as indicators of the administrative practices of the property managers (GAO, 1988, 1989).

Financial Management

Vacancy rates were a determinant of the financial management practices of managers of multifamily rental housing properties. Vacant units limited properties from realizing their potential gross income. Acceptable vacancy rates ranged from 3% - 5%. The National Association of Housing and Redevelopment Officials (NAHRO) reported that for subsidized properties, vacancy rates in excess of 3% need to be examined and strategies to reduce these rates need to be implemented (NAHRO, 1990). HUD gave housing authorities with vacancies in excess of 8% a failing grade and those with rates between 2% and 3% an average grade (GAO, 1994b). The Community Development Research Center determined from information provided by the private industry that properties with vacancy rates under 5% were well managed (CDRC, 1992). The difference in acceptable vacancy rates by private and public sectors is due to demand.

High vacancy rates were commonly observed on public housing properties with management problems (GAO, 1985, 1988, 1989, 1991, 1994b; NPI, 1991). In 1984, almost half of the public housing authorities (41%) had vacancies exceeding 3% (GAO, 1985). Some distressed Section 8 properties also experienced vacancy problems (GAO, 1994a).

Managers attributed the high vacancies to normal turnover, prior mismanagement, and lack of demand for certain units (GAO, 1985). Pending modernization was noted as a cause for the high vacancies by both managers and researchers (GAO, 1985, 1991). Other reasons for vacancies, GAO reported, included the inability of property managers

to rent units with potential health hazards (e.g., asbestos and lead-based paint) and the rejection of the development by prospective residents because of its undesirable location or layout of units (GAO, 1991).

Rent collection was also an indicator of the financial management practices of managers of multifamily rental housing properties. Rent collection data were reported in two ways: a) tenant accounts receivables (TARs) and b) percentage of collected rent roll. TARs were uniformly available for properties managed by public housing authorities. Rent roll percentages were maintained by conventional private sector managers.

TARs measured the amount of rent not collected and were calculated as percentages of the total amount of rent due from all residents in one month. Standard TARs were 10%. TARs for the most troubled public housing authorities ranged from 12% - 397% (NPI, 1991). [Note: TARs greater than 100% reflected management's inability to collect rent that was past due.]

The collected rent roll percentage measured the proportion of rent that was actually collected to the total amount of rent that was to be received. Properties that were well managed collected 95% or more of the rent roll (CDRC, 1992).

Uncollected rent was a problem found to be commonly faced by troubled public housing authorities (GAO, 1982, 1988, 1989, 1994b; NPI, 1991). Poor record keeping, failure to aggressively collect delinquent rents, and inconsistent collection actions contributed to the rent collection problem (GAO, 1982, 1988, 1989).

Other indicators of the financial management practices included the level of operating reserves, the difference between budgeted and actual expenses, and the mortgage payment history. Well managed properties had operating reserves between 20% - 40% of the annual operating budget; actual expenses equaling the budget expenses, or relatively close; and for the past two years, no instances of mortgage payment default (CDRC, 1992).

Maintenance

Delayed and inadequate routine maintenance were the predominant indicators of poor maintenance management practices. Delayed routine maintenance was recorded in two ways: a) percentage of outstanding work orders and b) turnaround time for routine repairs. Turnaround time referred to the amount of time elapsed from when a resident requested a repair to when the job was satisfactorily completed. Reports on inadequate routine maintenance were based on visual inspections and residents' comments.

Outstanding work orders were found on multifamily rental housing properties managed by the District of Columbia's Department of Public and Assisted Housing (DPAH), a housing authority with a history of management problems. Percentages ranged from 7% - 89%. Residents were reported to have waited up to three and a half months before the completion of a satisfactory repair (GAO, 1994b). Similarly, a resident of a property managed by the Chicago Housing Authority (CHA), another housing authority plagued with management problems, reported that it took CHA five years to repair a broken lock on her front door (NPI, 1991).

Visual inspections of buildings, grounds, and units were also used to assess the overall physical condition of properties, which was another indicator of maintenance management practices. Commonly reported problems among distressed Section 8 properties and troubled public housing authorities included boarded-up units; missing kitchen cabinets; inoperable air conditioners; inoperable or missing smoke detectors; exposed wiring and electrical outlets; evidence of roach and/or rodent infestation; poorly maintained walkways, stairs, laundry rooms, and common areas; inadequate exterior and interior lighting; holes in security fences; and interior ceilings, walls, and floors damaged by water leakage (GAO, 1988, 1989, 1994a). Vandalism and graffiti were also observed (CDRC, 1992). Other problems often found inside and outside the buildings were damaged roofs; loose or broken steps on stairways; loose or missing stair railings; concrete falling from or loose on bricks; asbestos; inoperable elevators, incinerators, or boilers; broken pavement; and damaged or missing playground accessories. Plumbing, heating, and missing or damaged kitchen appliances were problems frequently found within the apartment units (GAO, 1988, 1989).

Regular inspection of buildings, grounds, units, and systems tend to limit the incidence of maintenance problems. The properties inspected annually were considered well managed (CDRC, 1992; GAO, 1988, 1989, 1994b). Properties having at least 95% of the dwelling units inspected annually were considered adequately managed (GAO, 1994b).

For subsidized properties receiving capital improvement (modernization) funds,

researchers reviewed the management's performance in obligating modernization monies, administering contracts, and inspecting modernization projects. The modernization projects effectively conducted by management were considered to be well managed (GAO, 1994b; NPI, 1991).

Unit turnaround was also an indicator of maintenance management practice. Unit turnaround time referred to the days it took management to prepare a vacant unit for rental. According to HUD officials, the average turnaround time for a public housing authority is approximately 30 days, which includes the number of days a unit is vacant (rent ready but without an effective lease). DPAH's average turnaround time for fiscal year 1993 was 223 days (GAO, 1994b). The industry standard for well managed conventional properties is 14 days (CDRC, 1992).

Absentee landlords, low staffing levels for maintenance personnel, and tenant behaviors were noted as some of the contributing causes to properties in poor physical condition. The distance between the public housing authorities in both Detroit and Philadelphia, two housing authorities on the troubled list for more than a decade, and the properties they managed allowed for those who worked for the housing authorities to be completely oblivious to the unsafe and unsanitary housing conditions that were present (NPI, 1991). Low staffing levels of the maintenance personnel reduced the manpower for repairs and maintenance to be conducted by the Chicago Housing Authority. However, even if the Chicago Housing Authority increased its maintenance staff, GAO believed problems would still occur because CHA routinely performed unsatisfactory

work. Tenant abuse and vandalism were also noted to be widespread on CHA properties, which counteracted the benefits of repairs (GAO, 1989).

Services

Two types of services were found to be exclusively provided to residents of multifamily rental housing properties--housing-related services and social services. Tenant counseling was the only housing-related service noted to be provided to residents of multifamily rental housing properties; the counseling was in homeownership. Day care and youth programs were common social services provided to residents of multifamily rental housing properties (Hebert et al., 1993; Walker, 1993). Other social services included job training placement, emergency food assistance, senior citizens programs, anti-drug programs, anti-crime programs, arts/culture programs, health care, and teen pregnancy programs (Walker, 1993). After school programs and counseling/referral programs were also found to be provided to residents of multifamily rental housing properties (Hebert et al., 1993).

Other

Comments from residents on their satisfaction with management provided further insight (CDRC, 1992; NPI, 1991; Urban Institute, 1974). Dissatisfied residents were found to have empowered themselves and employed measures to improve their own living conditions. For example, residents have been found to start their own after school programs (NPI, 1991).

Residents' behavior was another indicator of the management practices.

Properties experiencing numerous incidents of criminal activity on the site were considered poorly managed (CDRC, 1992; HUD, 1979).

Summary

No single indicator provided conclusive information on the management practices conducted by property managers of multifamily rental housing properties. Several indicators were identified, and many are the same as those identified by HUD for assessing a local housing authority's efficiency of managing public housing.

Under the Public Housing Management Assessment Program, a program designed to ensure that public housing is well managed (on a national basis), public housing authorities are required to report their management practices to HUD. The local housing authorities report on 12 indicators: vacancies, use of modernization funds, uncollected rents, energy consumption, unit turnaround, outstanding work orders, annual inspection and condition of units and systems, tenants accounts receivable, operating reserves, routine operating expenses, and resident initiatives.

Generally, for framework purposes, the indicators are divided into broad categories. For example, when HUD researched the problems affecting public housing projects (1979), it divided the factors identified into four categories--physical problems, managerial problems, financial problems, and social problems.

Also, in a study conducted by the Urban Institute (1974), management performance variables for public housing authorities were divided into four categories: a) criterion, b) control, c) income and expense, and d) management. Criterion variables

measured the overall performance of the public housing authority (e.g., residents' satisfaction and evaluation of the buildings and units). Control variables measured the environmental factors and the PHA characteristics the authority had little to no control over but influenced its operation (e.g., neighborhood conditions, age of property, and project density). Income variables measured the actual income and expenses of PHAs. Management variables described management policies, decision-making procedures, and practices of the staff (Urban Institute, 1974).

The review of related research presented in this section was similarly divided into categories (i.e., the basic *administration* of employees, property files, and property records; *maintenance* of the physical assets; *marketing* the property; managing the *net operating income*; providing special *services* to residents; and *other*). Table 1 provides an overview of the previously identified indicators and segregates them according to their respective categories.

Table 1

An Overview of the Variables in the Literature

	CDRC 1992	GAO 1982	GAO 1985	GAO 1988	GAO 1989	GAO 1991	GAO 1994a	GAO 1994b	Hebert et al. 1993	HUD 1979	NPI 1991	Urban Institute 1974	Walker 1993
ADMINISTRATION													
staffing levels						X				X			
policies & procedures		X		X	X					X		X	
record keeping	X			X	X								
roles & responsibilities				X	X								
operational plans				X	X								
organizational structure				X	X								
background of personnel				X	X								
FINANCIAL MANAGEMENT													
vacancy rates	X		X	X	X	X	X	X			X		
rent collection	X			X	X			X			X		
operating reserves	X	X		X	X			X			X		
expenses	X												
mortgage payments	X												
MAINTENANCE													
routine repairs								X			X		
physical conditions	X			X	X		X						
annual inspections	X			X	X			X					
modernization funds								X			X		
unit turnaround		X						X					
SERVICES													
housing related services									X				
social services									X				X
OTHER													
residents' satisfaction	X											X	
residents' behavior	X									X			

CHAPTER III

METHODOLOGY

Property management practices of federally assisted, nonprofit-owned multifamily housing properties are compared and contrasted with those of comparable government- and for-profit-owned properties. Presented in this chapter are details on the population, research design and instrumentation, and data collection process. Also included in this chapter are the limitations identified for this study.

The Population

The population consisted of all public housing and Section 8 project-based properties in Virginia at the beginning of data collection--August 1995. The multifamily properties were divided into three sub-populations based on their type of ownership--government-, nonprofit-, or for-profit-owned. Listings of the public housing properties (government-owned) were provided by HUD's Richmond and Washington, DC, Field Offices. These listings included the mailing addresses of the properties and the names and mailing addresses of the respective executive directors for each of the housing authorities. Listings of the Section 8 properties (nonprofit- and for-profit-owned) were provided by the Virginia Housing Development Authority (VHDA) and HUD's Richmond and Washington, DC, Field Offices. VHDA's listing included both the property's and management firm's addresses as well as denoted if the Section 8 properties were owned by either a nonprofit or for-profit entity. HUD's listings did not

denote the type of ownership but was needed because VHDA's listing was not comprehensive. (VHDA's listing only included the properties it financed.) HUD's listings of the Section 8 properties also included either the telephone number for the office of the property or the telephone and fax numbers of the management firm.

Public housing and Section 8 (for-profit- and nonprofit-owned) properties were selected for analysis in this study for two reasons. First, each group of properties is comprised of low-income "family" households. Second, many of these properties were neither recently built nor recently acquired.

Since both public housing and Section 8 properties are comprised of low-income "family" households, comparisons could be controlled for the type of residents residing in these units (i.e., based on a household's economic status and familial composition). The public housing and Section 8 programs target both low-income households (households with incomes below 80% of the median for the area) and very low-income households (households with incomes below 50% of the median for the area). Moreover, the majority of the properties under these two programs are comprised of "family" households and not elderly households--households where every individual is 65 years of age or older. "Elderly only" properties are believed to be less problematic to manage (Roske, 1983) and, because of this, management practices are most likely different from those at properties targeting "family" households. Therefore, properties exclusively for elderly persons were not included in this study.

Many of the public housing and Section 8 properties also were built prior to 1990.

Properties relatively new (or recently acquired) might exhibit some inconsistencies in management practices because of the newness (Schwartz, 1974) and thereby might create larger sample variances than if these properties were eliminated from the study. Hence, only properties five years of age or older were included in this study.

Attempts were made to survey the entire population (excluding those properties exclusively for elderly persons and those built within the past five years) because the sub-populations were small, particularly the nonprofit-owned properties. The population was comprised of 197 properties--8 nonprofit-owned, 83 for-profit-owned, and 106 government-owned properties. The subjects for data collection were the property managers of the respective sites.

Research Design and Instrumentation

An 81-item mail questionnaire, consisting of both open-ended and close-ended responses, was developed for the study (see Appendix A). The questionnaire obtained most of the information needed to measure the constructs in this study: type of owner, owner's goals for the property, property manager's qualifications, property management practices, and neighborhood environment (see Figure 2). Only data pertaining to poverty level (one of the measures of neighborhood environment) were not included in the questionnaire. (Poverty levels were measured by using data obtained from Summary Tape File 3B, Census of Population and Housing 1990, compiled by the U. S. Department of Commerce.) The questionnaire also collected information on the apartment communities (e.g., age of apartment communities, number of units in the

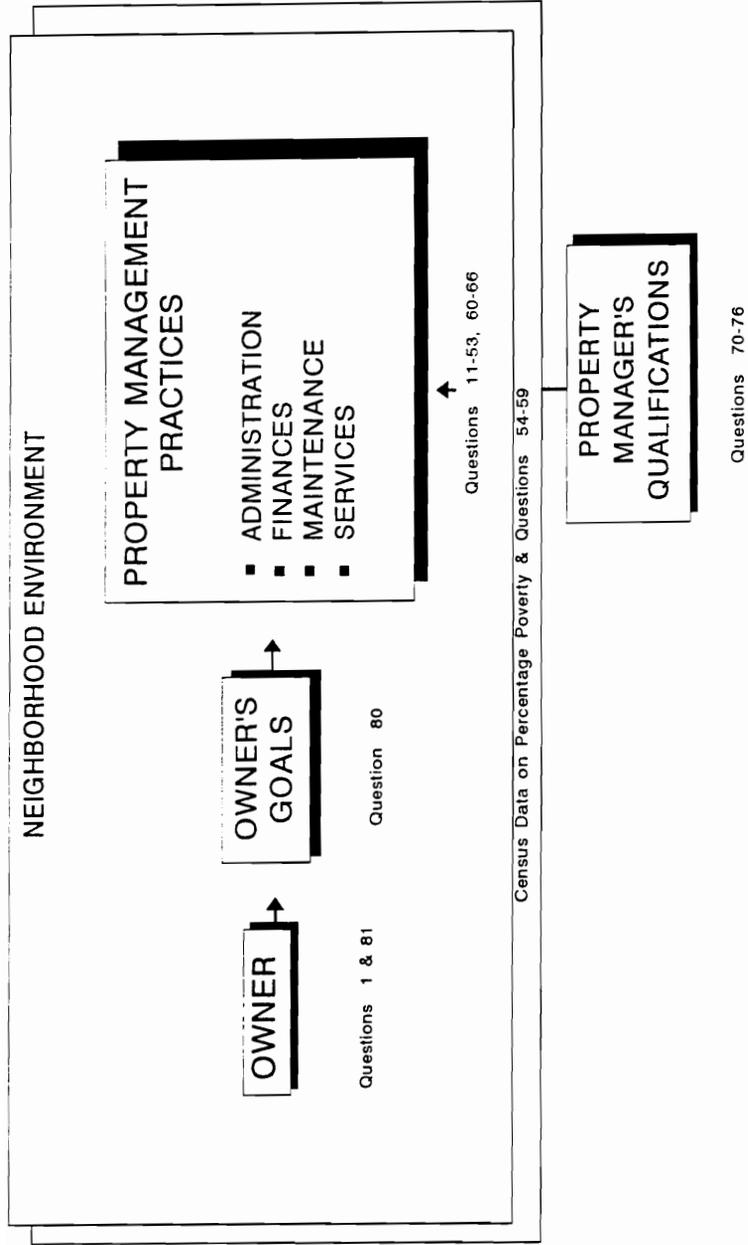


Figure 2. The constructs identified by items on the questionnaire.

apartment communities, and type of buildings making-up the apartment communities-- low-rise, mid-rise, high-rise, or other), the residents (e.g., percentage of households with children and percentage of households who keep their units in good condition), the property managers (e.g., their gender and annual compensations), and the owners (e.g., the number of apartment communities in their portfolio).

The questionnaire was pilot tested with property managers of public housing and Section 8 project-based properties in North Carolina. North Carolina was selected as the geographic location for the pilot test for two reasons: a) there was no potential overlap with the population identified in the study and b) the researcher had a pre-established contact in North Carolina who worked for HUD, was familiar with the properties, and had agreed to assist with the pilot test.

Data Collection Process

The data collection process was conducted in five steps. The following is the chronological order utilized for the study.

First, contact was established with HUD and VHDA to obtain listings of the properties. The listings included the properties' mailing addresses, if known.

Second, mailing addresses not furnished were obtained by telephoning the offices of these properties or their management. Telephone numbers were provided on the listings acquired from HUD.

Third, a cover letter was mailed to the executive directors of the public housing properties and the executive property managers of the Section 8 properties, requesting

permission to mail each property manager a questionnaire (see Appendices B and C). The executive property managers of the Section 8 properties gave permission by completing an enclosed pre-addressed, postage paid post card (see Appendix D). The executive directors of the public housing properties gave permission by completing an enclosed form (see Appendix E). Permission forms were used for the executive directors of PHAs because they generally had several properties under their auspices. A pre-addressed, postage-paid envelope was enclosed for returning the forms. Also, included in this mailing was a letter of support from VHDA (see Appendix F).

Fourth, a cover letter (see Appendices G and H) and questionnaire was mailed to the property managers. Included in this mailing was a pre-addressed, postage paid envelope for the return of the survey. A human subject review consent form was not included in the mailing because the researcher filed for exemption.

Fifth, approximately five weeks after the initial mailing to the managers of the respective properties, the researcher telephoned all who had not responded by that time and reminded them of the urgency and importance of completing and mailing the survey. Upon request, some managers agreed to respond to the survey via telephone.

Limitations

There are four major limitations with this study. First, the results only reflect management practices conducted by property managers of public housing and Section 8 project-based properties. Second, the population of nonprofit-owned Section 8 project-based properties is small, particularly in comparison to the population of public housing

and for-profit-owned Section 8 project-based properties. Third, most of the information collected represents management practices reported during the time of data collection. Fourth, the data are only generalizable to Virginia. (Public housing and Section 8 project-based properties in Virginia have a relatively good reputation; none of these properties are notorious for being either financially or physically distressed; and, in general, these properties are closely monitored.)

CHAPTER IV

RESULTS

Results in this study are based on 96 federally assisted apartment communities in Virginia (nonprofit-, government-, and for-profit-owned). This chapter provides a comparative overview of these apartment communities and the management practices conducted on these properties. In addition, with regard to the management practices, details are included on the amount of variance explained by type of owner, owner's goals for property, property manager's qualifications, and neighborhood environment.

Background Information

Questionnaires were mailed to 216 property managers. Five were undeliverable. Fifty-five percent (115) of the deliverable questionnaires were returned.

Among the returned questionnaires, 19 were omitted from analysis because they were not within the parameters of the study. Omissions included apartment communities exclusively for elderly or handicapped individuals, communities just recently built (built within the past five years), and communities not mutually exclusive based on the type of ownership. Thus, the total number of communities in the final pool was 197.

Almost half (96 or 49%) of the population of 197 apartment communities is included in this study. Moreover, with regard to type of ownership (i.e., nonprofit-, government-, and for-profit-owned), the sample obtained for this study closely represented the population (see Figure 3).

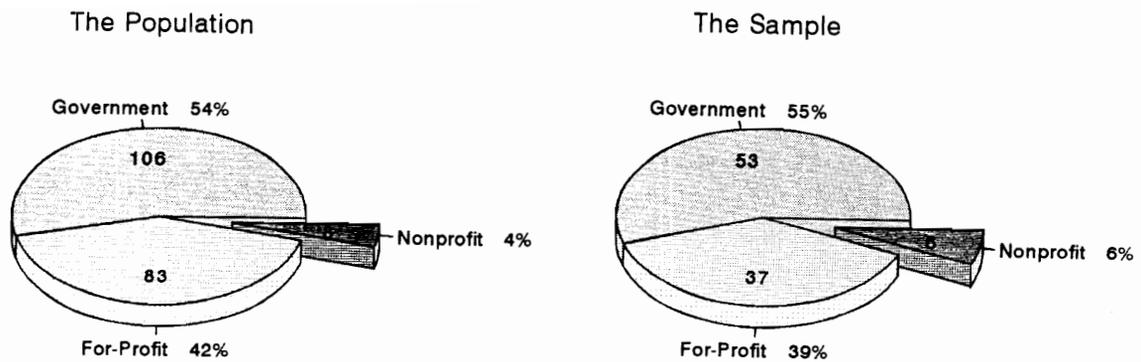


Figure 3. The sample compared with the population.

Profile of the Apartment Communities and Management

The nonprofit-owned apartment communities resembled the government- and for-profit-owned communities in many ways. However, there also were some noticeable differences. Details regarding the similarities and differences of these communities as they pertain to the apartment communities, residents, neighborhoods, owners, and managers are provided in this section.

The Apartment Communities

On average, the nonprofit-owned apartment communities had fewer units than the government- and for-profit-owned communities. Also, the majority of all the units, on average, were in either low-rise buildings (buildings with one to five stories) or other building types, including duplexes, fourplexes, and townhouses (see Table 2). A small percentage of the units, on average, were in mid-rise buildings (buildings with six to nine stories), and no units were in high-rise buildings (buildings with more than nine stories).

Table 2

Units in the Apartment Community

	Nonprofit		Government		For-Profit	
	<i>N</i>	<i>mean</i>	<i>N</i>	<i>mean</i>	<i>N</i>	<i>mean</i>
Number of Units in the Apartment Community	6	104	53	177	37	184
Percentage of Units by Building Type						
low-rise buildings	6	50%	52	54%	37	72%
mid-rise buildings	-	-	52	2%	37	2%
high-rise buildings	-	-	-	-	-	-
other buildings	6	50%	52	44%	37	26%

Note: See Appendix I-1a for minimum and maximum values and standard deviations.

Appendix I-1b includes a listing of each apartment community by ownership and number of units.

The majority of the nonprofit-owned apartment communities (83%) were completed in the 1970s. Only one community was completed prior to the seventies and none later, indicating most of the communities were built shortly after the inception of the Section 8 project-based program. Similarly, the majority of the for-profit-owned communities (53%) were completed in the seventies; however, 42% were completed in the 1980s. As for the government-owned communities, 58% were completed over the past two decades and 42% between the 1940s and the 1960s (see Figure 4).

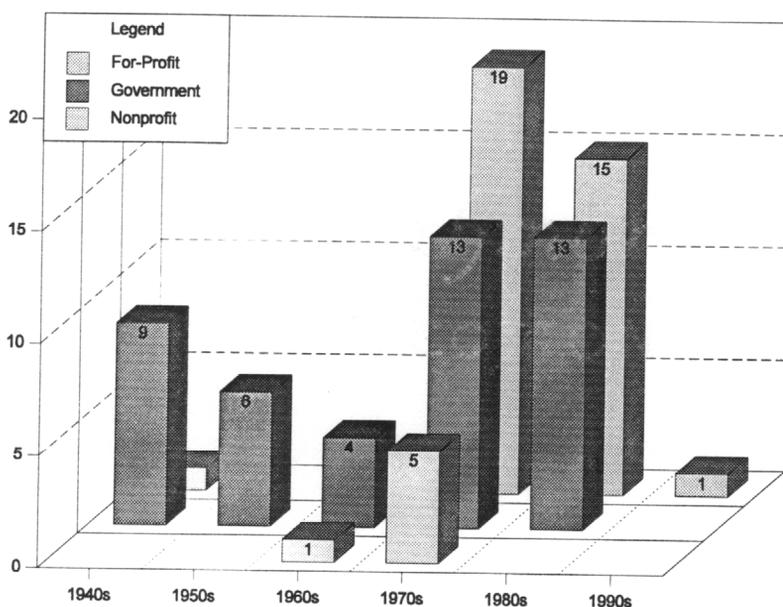


Figure 4. Decade when apartment communities were completed (number of communities by year).

A smaller proportion of the nonprofit-owned apartment communities were under the same management as it was when the apartment community had been completed, when compared to both the government- and for-profit-owned communities. Only half (50%) of the nonprofit-owned communities were under the same management, whereas 91% of the government-owned and 73% of the for-profit-owned communities were under the same management. [Note: This information may not be completely reliable. While all of the government-owned communities were under the same management, some respondents indicated otherwise, implying turnovers probably in individuals (i.e., managers) and not management.]

Among the apartment communities under different management, the nonprofit-owned communities experienced more turnovers in management than the government- and for-profit-owned communities. Approximately 67% of those responding for the nonprofit-owned communities indicated the management had changed three to five times since 1980. Conversely, the majority of those responding for the government-owned communities (67%) and all of those responding for the for-profit-owned communities indicated the management had changed only one to two times since 1980.

On-site management existed for the majority of the apartment communities. Approximately 83% of the nonprofit-owned and 95% of the for-profit-owned communities had on-site managers. As for the government-owned communities, more than half had on-site managers, but 47% had off-site managers, which represents the practices of some housing authorities to centrally manage their communities.

The Residents

Unlike the households residing in the government- and for-profit-owned apartment communities, a smaller proportion of the households residing in the nonprofit-owned communities had children. At the majority of the nonprofit-owned communities, between 25% and 49% of the households included at least one child, whereas at the majority of the government- and for-profit-owned communities, 75% or more of the households included at least one child (see Table 3).

In general, managers perceived that the majority of their resident households kept their respective units in good condition. Approximately 83% of the managers at the nonprofit-owned, 96% of the managers at the government-owned, and 97% of the managers at the for-profit-owned apartment communities perceived that the majority of their resident households kept their units in good condition (see Table 4).

The Neighborhoods

The majority of the respondents felt the neighborhood surrounding their apartment community was somewhat safe. However, a larger percentage of respondents at both the government- and for-profit-owned communities felt safer than those at nonprofit-owned communities. Only 17% of the respondents at the nonprofit-owned communities felt the neighborhood surrounding their apartment community was very safe. In contrast, 36% of the respondents at the government-owned and 41% of the respondents at the for-profit-owned communities reported feeling that the neighborhood surrounding their apartment community was very safe (see Table 5).

Table 3

Percentage of Households with Children

	Nonprofit (n=6)		Government (n=53)		For-Profit (n=37)	
	<i>N</i>	%	<i>N</i>	%	<i>N</i>	%
Less than 25%	-	-	2	4	2	6
25% - 49%	3	60	2	4	2	6
50% - 74%	1	20	11	22	8	24
75% or More	1	20	35	70	22	65

Note: Due to rounding, the percentages may not total 100.

Table 4

Percentage of Households Keeping Their Units in Good Condition

	Nonprofit (n=6)		Government (n=53)		For-Profit (n=37)	
	<i>N</i>	%	<i>N</i>	%	<i>N</i>	%
Less than 25%	-	-	-	-	-	-
25% - 49%	1	17	2	4	1	3
50% - 74%	2	33	8	15	10	28
75% or More	3	50	43	81	25	69

Table 5

Safety of Neighborhood

	Nonprofit (n=6)		Government (n=53)		For-Profit (n=37)	
	<i>N</i>	%	<i>N</i>	%	<i>N</i>	%
Very Safe	1	17	19	36	15	41
Somewhat Safe	5	83	32	60	20	54
Not Safe	-	-	2	4	2	5

The overall feelings of safety were probably related to the incidence of crime in those areas. Vandalism, drug trafficking, burglaries/thefts, and violence occurred more often in the neighborhoods surrounding the nonprofit-owned apartment communities when compared to the frequency of these crimes in the neighborhoods surrounding the government- and for-profit-owned apartment communities (see Table 6). However, respondents of all three types of properties indicated there were few incidents of vandalism, burglaries/theft, and violence in their respective apartment communities. Only drug trafficking was noted by a large percentage to occur on a daily basis within the community itself (see Table 7). Drug trafficking also occurred more often in the neighborhood surrounding the subject apartment communities when compared to the other previously listed crimes. And, since drugs are more prevalent today than in years prior, the findings are not surprising.

A possible explanation for some of the differences presented in Tables 6 and 7, particularly those between the nonprofit- and for-profit-owned apartment communities, is area abandonment. Crimes tend to be more prevalent in abandoned areas than in those areas which have not been abandoned (Heilbrun, 1987).

A larger proportion of the nonprofit-owned apartment communities had at least one abandoned building in the neighborhood surrounding the subject apartment community when compared to what was noted for the for-profit-owned communities. Approximately a third (33%) of the respondents at the nonprofit-owned communities reported there was at least one abandoned building in the neighborhood surrounding their

Table 6

Crimes in the Neighborhood

	Nonprofit (n=6)		Government (n=53)		For-Profit (n=37)	
	<i>N</i>	%	<i>N</i>	%	<i>N</i>	%
Vandalism						
very often	2	33	3	6	6	17
somewhat often	2	33	20	38	8	23
not often	1	17	28	53	21	60
never	1	17	2	4	-	-
Drug Trafficking						
very often	3	50	16	30	9	26
somewhat often	2	33	18	34	8	23
not often	1	17	17	32	16	46
never	-	-	2	4	2	6
Burglaries/Thefts						
very often	1	17	-	-	5	15
somewhat often	3	50	19	37	6	18
not often	1	17	30	59	21	62
never	2	17	2	4	2	6
Violence						
very often	1	17	3	6	7	20
somewhat often	2	33	14	28	5	14
not often	1	17	30	59	20	57
never	2	33	4	8	3	9

Note: Due to rounding, the percentages may not total 100.

Table 7

Crimes in the Apartment Community

	Nonprofit (n=6)		Government (n=53)		For-Profit (n=37)	
	N	%	N	%	N	%
Vandalism						
daily	1	17	1	2	2	6
weekly	-	-	4	8	2	6
bi-weekly	1	17	5	10	2	6
1 to 4 times per year	1	17	26	53	14	41
never	2	33	7	14	8	24
other	1	17	6	12	6	18
Drug Trafficking						
daily	1	20	14	28	5	14
weekly	1	20	4	8	5	14
bi-weekly	1	20	1	2	-	-
1 to 4 times per year	1	20	20	40	8	23
never	1	20	9	18	12	34
other	-	-	3	6	5	15
Burglaries/Thefts						
daily	-	-	1	2	-	-
weekly	-	-	4	8	-	-
bi-weekly	-	-	4	8	1	3
1 to 4 times per year	1	17	25	49	15	47
never	5	83	9	18	13	41
other	-	-	8	16	3	9
Violence						
daily	-	-	2	4	2	6
weekly	-	-	2	4	1	3
bi-weekly	-	-	6	12	3	9
1 to 4 times per year	2	33	26	53	14	41
never	4	67	7	14	10	29
other	-	-	6	12	4	12

Note: Due to rounding, the percentages may not total 100.

apartment community. In comparison, less than a tenth (8%) of the respondents at the for-profit-owned communities noted there was any area abandonment. As for the respondents at the government-owned communities, about a third (32%) reported there was at least one abandoned building in the neighborhood surrounding their apartment community. Similar responses were also noted for buildings in the surrounding neighborhood with windows boarded up (see Table 8).

Poverty levels also varied among these three types of properties. On average, the nonprofit-owned apartment communities were located in areas with lower poverty levels than the government- and for-profit-owned communities. Based on 1990 Census data, an average of 10% of the individuals in the same zip codes as the nonprofit-owned communities (*s.d.* = 3.54), 19% of the individuals in the same zip codes as the government-owned communities (*s.d.* = 16.59), and 13% of the individuals in the same zip codes as the for-profit-owned communities (*s.d.* = 9.26) had incomes below the national poverty threshold.

The Owners

Approximately 40% of the nonprofit owners did not have any other apartment communities in their portfolio besides the subject community, a slightly higher percentage than that reported for the local housing authorities (government) and the for-profit investors. Only 4% of the local housing authorities and 3% of the for-profit investors were in the above category. The majority of these latter two owners had at least five apartment communities in their portfolio, 87% and 93%, respectively (see Table 9).

Table 8

Abandoned and Boarded-Up Buildings in Neighborhood

	Nonprofit (n=6)		Government (n=53)		For-Profit (n=37)	
	<i>N</i>	%	<i>N</i>	%	<i>N</i>	%
Abandoned Buildings						
none	4	67	36	68	34	92
some	2	33	16	30	3	8
a lot	-	-	1	2	-	-
Boarded-Up Buildings						
none	4	67	36	68	34	92
some	1	17	16	30	3	8
a lot	1	17	1	2	-	-

Note: Due to rounding, the percentages may not total 100.

Table 9

Additional Communities in Portfolio

	Nonprofit (n=6)		Government (n=53)		For-Profit (n=37)	
	<i>N</i>	%	<i>N</i>	%	<i>N</i>	%
Zero	2	40	2	4	1	3
1 - 4	1	20	5	9	1	3
5 - 9	-	-	16	30	5	16
10 or More	2	40	30	57	24	77

Note: Due to rounding, the percentages may not total 100.

Based on beliefs by the respondents, most of the owners used the net operating income for property development activities. Approximately 50% of the respondents at the nonprofit-owned, 24% at the government-owned, and 53% at the for-profit-owned apartment communities accordingly responded. Also, several of the respondents at the government-owned communities believed the net operating income was used for both property development and other activities including operations, offsetting the budget, paying utilities, and maintaining the existing level of housing (see Table 10).

The Managers

Most of the managers who responded to the questionnaire were female. Approximately 83% of the managers at the nonprofit-owned apartment communities were females as were 55% of the managers at the government-owned and 78% of the managers at the for-profit-owned communities.

The managers were either employed directly by the owner(s) of the property or employed by a management firm. Half of the managers at the nonprofit-owned apartment communities were employed directly by the owners while the other half were employed by a management firm. In contrast, almost all (98%) of the managers at the government-owned communities were employed directly by the local housing authority (the owner), whereas 76% of the managers at the for-profit-owned communities were employed by a management firm.

Among the managers employed by a management firm, almost all worked for a for-profit entity. Only one was employed by a nonprofit entity (see Table 11).

Table 10

Manager's Perception of Owner's Use of Net Operating Income

	Nonprofit (n=6)		Government (n=53)		For-Profit (n=37)	
	<i>N</i>	%	<i>N</i>	%	<i>N</i>	%
Profit	1	17	-	-	8	22
Property Development (PD)	3	50	11	24	19	53
Social Services (SS)	1	17	5	11	1	3
Other	1	17	9	20	-	-
Profit & PD	-	-	1	2	2	6
PD & SS	-	-	1	2	1	3
PD & Other	-	-	18	40	-	-
Do Not Know	-	-	-	-	5	14

Note: Due to rounding, the percentages may not total 100.

Table 11

Manager's Employer

	Nonprofit (n=6)		Government (n=53)		For-Profit (n=37)	
	<i>N</i>	%	<i>N</i>	%	<i>N</i>	%
Owner of Property	3	50	52	98	9	24
Property Management Firm	3	50	1	2	28	76
nonprofit entity	-	-	-	-	1	4
for-profit entity	3	100	1	100	26	96

Note: One of the respondents at the for-profit-owned apartment communities who was employed by a management firm neglected to indicate if the firm was a nonprofit or for-profit entity.

Professional designations varied across the three types of properties; however, on average, each manager had only one professional designation. The majority of the managers at the nonprofit-owned apartment communities had professional designations different than those listed on the questionnaire (i.e., Accredited Residential Manager [ARM], Certified Apartment Manager [CAM], Registered Apartment Manager [RAM], and Public Housing Manager [PHM]). Instead, these managers' designations included Certified Assisted Housing Manager, Certified Occupancy Specialist, Certified Property Management Candidate, and air condition/refrigeration certification. In contrast, at least one-fifth of the managers at the for-profit-owned communities had the following designations of ARM, CAM, and RAM, whereas most of the managers at the government-owned communities (85%) had the PHM designation (see Table 12).

Most of the managers had attained a high school diploma or equivalent and attended some college (not receiving a degree). Approximately 67% of the managers at the nonprofit-owned apartment communities had accomplished the above. None had received either a community college degree or a baccalaureate. Similarly, only a few (16%) of the managers at the for-profit-owned communities had received a degree. In contrast, 56% of the managers at the government-owned communities had received at least one degree (see Table 13).

Annual compensations (including bonuses) exceeded \$20,000 for most of the managers. Approximately 50% of the managers at the nonprofit-owned apartment communities had annual compensations ranging between \$30,000 - \$39,999; none had

Table 12

Professional Designations of Managers

	Nonprofit (n=6)		Government (n=53)		For-Profit (n=37)	
	<i>N</i>	%	<i>N</i>	%	<i>N</i>	%
Accredited Residential Manager	1	17	1	2	10	27
Certified Apartment Manager	1	17	-	-	9	24
Certified Property Manager	1	17	12	23	2	5
Public Housing Manager	-	-	45	85	1	3
Registered Apartment Manager	2	33	10	19	8	22
Other	3	50	1	2	10	27

Note: Due to multiple responses, percentages do not equal 100.

Table 13

Educational Background of Managers

	Nonprofit (n=6)		Government (n=53)		For-Profit (n=37)	
	<i>N</i>	%	<i>N</i>	%	<i>N</i>	%
Some High School	1	17	-	-	-	-
High School Diploma or GED	1	17	7	13	9	24
Some College (including community college)	4	67	17	32	22	60
Community College Degree	-	-	2	4	1	3
Baccalaureate	-	-	12	23	4	11
Some Post Graduate Courses	-	-	2	4	-	-
Master's Degree	-	-	13	25	1	3

Note: Due to rounding, the percentages may not total 100.

salaries exceeding this amount. Similarly, 51% of the managers at the government-owned communities had annual compensations in the same category. However, unlike the managers at the nonprofit-owned communities, some (20%) of the managers at the government-owned communities did have annual compensations in excess of the presented range. A few of the managers at the for-profit-owned communities (14%) also had annual compensations in excess of the presented range, but the majority (42%) had annual compensations ranging between \$20,000 - \$29,999 (see Table 14).

On average, the annual compensations were reflective of the management of no more than three apartment communities. However, the managers at the nonprofit-owned communities, on average, only managed the subject community. In contrast, the managers at the for-profit- and government-owned communities, on average, managed two and three apartment communities, respectively.

The managers at the nonprofit-owned apartment communities averaged more years of experience managing apartment communities than the managers at the government- and for-profit-owned communities. The managers at the nonprofit-owned communities had been responsible for managing the subject apartment community for an average of seven and a half years, whereas the managers at the government- and for-profit-owned communities averaged about two years less. Also, the managers at the nonprofit-owned communities had a few more years experience as a resident manager when compared to the managers at both the government- and for-profit-owned communities. However, all averaged at least 10 years being a resident manager (see Table 15).

Table 14

Annual Compensations of the Managers

	Nonprofit (n=6)		Government (n=53)		For-Profit (n=37)	
	<i>N</i>	%	<i>N</i>	%	<i>N</i>	%
Under \$20,000	2	33	1	2	8	22
\$20,000 - \$29,999	1	17	14	26	15	42
\$30,000 - \$39,999	3	50	27	51	8	22
\$40,000 - \$49,999	-	-	6	11	2	6
\$50,000 or More	-	-	5	9	3	8

Note: Due to rounding, the percentages may not total 100.

Table 15

Practical Experience of Managers (in Years)

	Nonprofit		Government		For-Profit	
	<i>N</i>	<i>mean</i>	<i>N</i>	<i>mean</i>	<i>N</i>	<i>mean</i>
Managing Current Property	6	7.50	53	5.53	37	5.73
Being A Resident Manager	6	13.00	53	10.66	37	11.16
Managing Previous Properties						
past property #1	3	2.67	31	5.32	26	5.38
past property #2	2	5.50	20	4.50	17	4.47
Conventional Properties	1	5.00	20	5.25	19	7.53

Note: See Appendix I-2 for minimum and maximum values and standard deviations.

Some managers had managed conventional properties. Approximately 17% of the managers at the nonprofit-owned apartment communities had managed a conventional property. In contrast, 38% of the managers at the government-owned and 54% of the managers at the for-profit-owned communities had managed conventional properties. Among those who had managed conventional properties, all had done so for an average of at least five years (again see Table 15).

In general, the majority of the managers at all three types of properties felt they were given an appropriate amount of authority to run their respective apartment community. Approximately 67% of the managers at the nonprofit-owned, 70% at the government-owned, and 72% at the for-profit-owned communities responded accordingly (see Table 16).

Property Management Practices

This section not only includes findings based on descriptive statistics but also provides information relevant to the hypotheses with regard to differences in property management practices of nonprofit-owned properties and those of both government- and for-profit-owned properties. Independent t-tests were run to determine if the differences were significant. All estimates were based on unpooled (separate) variances since the size of the sample was small. Differences were significant if the tail probability was less than .10. Typical levels of significance are .01 and .05, but less stringent levels are acceptable in fields of research where the results are temporal and not exact, such as social science research (Schulman, 1992). This study met the above criteria.

Table 16

Manager's Perception of Autonomy to Run Apartment Community

	Nonprofit (n=6)		Government (n=53)		For-Profit (n=37)	
	<i>N</i>	%	<i>N</i>	%	<i>N</i>	%
A Great Amount	4	67	37	70	26	72
A Moderate Amount	2	33	11	21	8	22
A Little Amount	-	-	5	9	2	6

Administration Practices

The nonprofit-owned apartment communities averaged 1 ¼ full-time administrative employees (not including the manager) per 100 units and 2⅓ full-time maintenance employees per 100 units. In contrast, the for-profit-owned communities averaged only 1 full-time administrative employee (not including the manager) per 100 units but had 2⅓ full-time maintenance employees per 100 units. The government-owned communities averaged 1½ full-time administrative employees (not including the manager) per 100 units and 3 full-time maintenance employees per 100 units. None of the above was significantly different from the nonprofit-owned communities. However, the differences in staffing levels of a) administrative volunteers at the nonprofit- and the government-owned communities and b) part-time maintenance employees at the nonprofit- and both the government- and for-profit-owned communities were significant (see Table 17).

The professional development rates at the nonprofit-owned apartment communities were different from those at both the government- and for-profit-owned communities but not significantly. On average, a larger percentage of the employees at the nonprofit-owned communities attended a professional development workshop and/or conference in the 1995 calendar year when compared to those at the for-profit-owned communities. In contrast, the professional development rates at the government-owned communities were higher than those at the nonprofit-owned communities (see Table 18). Professional development rates are a function of interest by the employees, encouragement from managers and colleagues, and the availability of funds.

Table 17

Staffing Levels (Number of Persons per 100 Units)

	Nonprofit (n=6)		Government (n=53)		For-Profit (n=37)	
	<i>N</i>	<i>mean</i>	<i>N</i>	<i>mean</i>	<i>N</i>	<i>mean</i>
Administrative Volunteers	6	0.00	53	0.00 *	37	0.00
Full-Time Administrative Employees	6	1.27	37	1.57	37	1.06
Part-Time Administrative Employees	6	0.11	38	0.39	35	0.38
Maintenance Volunteers	6	0.00	52	0.02	37	0.05
Full-Time Maintenance Employees	6	2.30	37	2.95	35	2.39
Part-Time Maintenance Employees	6	0.00	37	0.41 *	37	0.14 *

* Indicates significant difference from the nonprofit-owned apartment communities at .10 alpha level.

Note: See Appendix I-3 for minimum and maximum values, standard deviations, and standard errors. The appendix also includes the two-tail probabilities.

Table 18

Rate of Attendance at Professional Development Events

	Nonprofit (n=6)		Government (n=53)		For-Profit (n=37)	
	<i>N</i>	<i>mean</i>	<i>N</i>	<i>mean</i>	<i>N</i>	<i>mean</i>
Administrative Volunteers	-	-	4	12.50%	-	-
Full-Time Administrative Employees	6	66.67%	31	81.08%	28	61.43%
Part-Time Administrative Employees	1	0.00%	11	18.18%	10	46.67%
Maintenance Volunteers	-	-	3	0.00%	-	-
Full-Time Maintenance Employees	6	61.11%	29	69.52%	33	34.20%
Part-Time Maintenance Employees	-	-	7	0.00%	5	20.00%

Note: Means are based on the percentage of individuals who attended a professional development event in 1995.
 See Appendix I-4 for minimum and maximum values, standard deviations, and standard errors.
 The appendix also includes the two-tail probabilities.

Certification rates also differed between the nonprofit-owned apartment communities and the government- and for-profit-owned communities but not significantly. On average, only a third (33%) of the full-time administrative employees (not including the manager) and about two-thirds (60%) of the full-time maintenance employees at the nonprofit-owned communities had at least one certification. In comparison, the for-profit-owned communities averaged about the same certification rate for full-time administrative employees as the nonprofit-owned communities but averaged a lower certification rate than the nonprofit-owned communities for full-time maintenance employees. Whereas, the government-owned communities, when compared to the nonprofit-owned communities, averaged a slightly higher certification rate for full-time administrative employees and averaged a lower certification rate for full-time maintenance employees (see Table 19).

On average, the waiting lists were updated between two and three times per year at the nonprofit-owned apartment communities. In contrast, the waiting lists at the government-owned communities were updated, on average, about every other month (six times per year), a difference significant from that at the nonprofit-owned communities. Likewise, the waiting lists at the for-profit-owned communities were updated, on average, more frequently (almost every month) than those at the nonprofit-owned communities; however, the difference was not significant (see Appendix I-6 for details).

No fair housing violations were noted for any of the subject apartment communities. Thus, the means and standard deviations were zero, and no significant

Table 19

Certification Rates

	Nonprofit (n=6)		Government (n=53)		For-Profit (n=37)	
	<i>N</i>	<i>mean</i>	<i>N</i>	<i>mean</i>	<i>N</i>	<i>mean</i>
One Certification						
administrative volunteers	-	-	4	0.00%	-	-
full-time administrative employees	6	33.33%	25	45.20%	27	30.37%
part-time administrative employees	1	0.00%	11	9.09%	12	6.94%
maintenance volunteers	-	-	3	0.00%	1	0.00%
full-time maintenance employees	5	60.00%	23	44.78%	31	37.65%
part-time maintenance employees	-	-	6	16.67%	4	0.00%
Two Certifications						
administrative volunteers	-	-	4	0.00%	-	-
full-time administrative employees	6	33.33%	26	14.62%	27	2.22%
part-time administrative employees	1	0.00%	11	9.09%	12	4.17%
maintenance volunteers	-	-	4	0.00%	1	0.00%
full-time maintenance employees	6	33.33%	23	33.33%	31	14.25%
part-time maintenance employees	-	-	6	16.67%	4	0.00%
Three or More Certifications						
administrative volunteers	-	-	4	0.00%	-	-
full-time administrative employees	6	16.67%	27	6.67%	27	0.00%
part-time administrative employees	1	0.00%	11	9.09%	12	0.00%
maintenance volunteers	-	-	4	0.00%	1	0.00%
full-time maintenance employees	6	16.67%	24	18.75%	32	8.59%
part-time maintenance employees	-	-	6	16.67%	4	0.00%

Note: Means are based on the percentage of individuals with a professional certification(s).
See Appendix I-5a for minimum and maximum values, standard deviations, and standard errors.
Appendix I-5b includes the two-tail probabilities.

differences existed among the three groups (i.e., nonprofit-, government-, and for-profit-owned communities).

Both financial and program/compliance audits were conducted for the majority of the apartment communities. All of the nonprofit-owned communities had the above two audits conducted. Among the government-owned communities, 83% had financial audits conducted and 87% had program/compliance audits conducted; one respondent did not know if either of the two audits were conducted. As for the for-profit-owned communities, 97% had financial audits conducted (one respondent did not know), and 89% had program/compliance audits conducted.

Among those audited, the majority had both HUD and another entity conducting the audits at the nonprofit- and government-owned apartment communities. In contrast, the majority of the audits at the for-profit-owned communities were conducted by just one entity, usually an independent auditor--an auditor not affiliated with either HUD or VHDA (see Table 20).

On average, the audits were conducted annually, and the majority successfully passed (requiring either few or no corrections). Only one apartment community, which was nonprofit-owned, conditionally passed the audits, thereby requiring major corrections. Nonetheless, the differences between the nonprofit-owned communities and the government- and for-profit-owned communities were not significant (see Table 21).

Financial Management Practices

On average, at the nonprofit-owned apartment communities, all but 4% of the rent

Table 20

Who Conducts the Audits

	Nonprofit (n=6)		Government (n=53)		For-Profit (n=37)	
	<i>N</i>	%	<i>N</i>	%	<i>N</i>	%
Financial Audits						
HUD	5	83	32	73	16	46
VHDA	-	-	-	-	15	43
Other Entity	3	50	37	84	33	94
Program/Compliance Audits						
HUD	5	83	36	82	15	43
VHDA	-	-	-	-	15	43
Other Entity	4	67	37	75	17	49

Table 21

Successfully Passed Audits (in Percentages)

	Nonprofit (n=6)		Government (n=53)		For-Profit (n=37)	
	<i>N</i>	<i>mean</i>	<i>N</i>	<i>mean</i>	<i>N</i>	<i>mean</i>
Financial Audits	6	93.33%	43	100.00%	27	100.00%
Program/Compliance Audits	5	92.00%	45	100.00%	33	100.00%

Note: See Appendix I-7 for minimum and maximum values, standard deviations, and standard errors.
The appendix also includes the two-tail probabilities.

was collected in a given month; vacancy rates, in a given month, were under one percent; and only 11% of the units changed occupancy within the 12 months prior to data collection. The mean for the percentage of uncollected rent at the nonprofit-owned communities was lower than that at the government-owned communities and higher than that at the for-profit-owned communities; however, the differences were not significant. Significant differences were found between a) the vacancy rates of the nonprofit-owned communities and both the government- and for-profit-owned communities and b) the unit turnover rates of the nonprofit- and for-profit-owned communities. In each of the above cases, the rates at the nonprofit-owned communities were lower (see Table 22).

For the majority of the managers, job performance was measured by either uncollected rent or vacancies. Approximately 67% of the managers at the nonprofit-owned, 76% at the government-owned, and 71% at the for-profit-owned apartment communities indicated the above.

In general, budgeting goals were met for the majority of the apartment communities for the last fiscal cycle (see Table 23). However, at the nonprofit-owned communities, on average, the net operating income was short of the budgeted income by approximately 7%. In contrast, the net operating income exceeded the budgeted income at both the government- and for-profit-owned communities by an average of 4% and 5%, respectively. The difference between the nonprofit- and government-owned communities was significant (see Appendix I-8 for details).

Meeting budget was a measure of job performance for half of the managers at the

Table 22

Average Uncollected Rent, Vacancies, and Unit Turnovers (in Percentages)

	Nonprofit (n=6)		Government (n=53)		For-Profit (n=37)	
	<i>N</i>	<i>mean</i>	<i>N</i>	<i>mean</i>	<i>N</i>	<i>mean</i>
Monthly Uncollected Rent	5	4.00%	50	5.62%	35	2.40%
Monthly Vacancy Rate	6	0.83%	51	1.92% *	35	2.69% *
Annual Unit Turnover Rate	6	11.29%	44	13.64%	35	25.41% *

* Indicates significant difference from the nonprofit-owned apartment communities at .10 alpha level.

Note: See Appendix I-9 for minimum and maximum values, standard deviations, and standard errors.
The appendix also includes the two-tail probabilities.

Table 23

Management Met Budgeting Goals

	Nonprofit (n=6)		Government (n=53)		For-Profit (n=37)	
	<i>N</i>	%	<i>N</i>	%	<i>N</i>	%
Yes	4	67	37	71	24	69
No	2	33	-	-	6	17
Do Not Know	-	-	15	29	5	14

nonprofit-owned apartment communities. Similarly, meeting budget was a measure of job performance for 54% of the managers at the for-profit-owned communities. Whereas at the government-owned communities, meeting budget was only a job performance measure for a fifth (19%) of the managers.

Regardless if the manager's job performance was measured by meeting budget or not, the majority felt they had at least some input in planning the annual operating budget. However, a larger percentage of the managers at the nonprofit-owned apartment communities felt they had a lot of input in planning the annual operating budget when compared to those at the government- and for-profit-owned communities (see Table 24).

Operating reserves were maintained for the majority of the apartment communities, and the majority of both the nonprofit and for-profit-owned communities had used some money from the operating reserves within the 12 months prior to data collection (see Table 25). Among the communities where money had been used from the operating reserves, the nonprofit-owned communities had done so, on average, about twice, whereas the government-owned communities had done so about seven times and the for-profit-owned communities about four times. However, only the latter average was significantly different from that for the nonprofit-owned communities (see Appendix I-10 for details).

Maintenance Procedures

For the majority of the apartment communities, the following tasks were normally conducted on a daily basis (five times a week not including weekends): inspecting and

Table 24

Amount of Input Managers Have in Planning Operating Budget

	Nonprofit (n=6)		Government (n=53)		For-Profit (n=37)	
	<i>N</i>	%	<i>N</i>	%	<i>N</i>	%
A Lot	5	83	5	9	17	49
Some	1	17	38	72	18	51
None	-	-	10	19	-	-

Table 25

Operating Reserves

	Nonprofit (n=6)		Government (n=53)		For-Profit (n=37)	
	<i>N</i>	%	<i>N</i>	%	<i>N</i>	%
Operating Reserves Maintained						
yes	6	100	40	76	32	91
no	-	-	2	4	-	-
do not know	-	-	11	21	3	9
Operating Reserves Used (within past year)						
yes	4	67	6	14	14	44
no	1	17	24	57	10	31
do not know	1	17	12	29	8	25

Note: Due to rounding, the percentages may not total 100.

clearing the sidewalks, hallways, and stairwells of trash; inspecting and clearing the parking lot(s) of trash; inspecting the parking lot(s) for abandoned vehicles; inspecting and clearing dumpsters of surrounding trash; inspecting and clearing laundry facilities of trash; and inspecting and clearing storage facilities of trash. However, despite these commonalities, significant differences existed between the nonprofit-owned communities and both the government- and for-profit-owned communities with regard to the inspection and clearance of trash from the sidewalks, hallways, and stairwells; the parking lot(s); and the laundry facilities. A significant difference also existed between the nonprofit- and government-owned communities with regard to the inspection and clearance of trash from the dumpsters (see Table 26). Tests of significance were not run for responses done on an "as needed" basis.

Although the majority of the buildings and grounds procedures were normally conducted on a daily basis, two were noted to be conducted less frequently. For the majority of the apartment communities, fire extinguishers were only checked on a monthly basis by management to ensure proper location. And, at the majority of the nonprofit- and for-profit-owned communities light bulbs and globes were only checked on a weekly basis to ensure operation.

With regard to the performance goal for the turnaround time of routine maintenance, significant differences existed between the nonprofit-owned apartment communities and the government- and for-profit-owned communities. On average, the performance goal for the turnaround time of routine maintenance at the nonprofit-owned

Table 26

Buildings and Grounds Procedures (Days per Year)

	Nonprofit (n=6)		Government (n=53)		For-Profit (n=37)	
	<i>N</i>	<i>mean</i>	<i>N</i>	<i>mean</i>	<i>N</i>	<i>mean</i>
Sidewalks, Hallways, ...	6	240.00	51	207.06 *	37	207.89 *
Parking Lot(s) for Trash	6	240.00	50	198.00 *	37	217.30 *
Parking Lot(s) for Abandoned Vehicles	6	176.00	51	159.06	35	144.69
Areas Near Dumpsters for Trash	6	240.00	39	190.77 *	37	228.65
Light Bulbs and Globes	6	80.00	42	85.24	34	129.53
Laundry Facilities for Trash	6	240.00	18	197.33 *	33	222.55 *
Storage Facilities for Trash	6	132.00	19	126.95	15	140.88
Fire Extinguishers for Proper Location	5	64.80	38	29.37	32	64.87

* Indicates significant difference from the nonprofit-owned apartment communities at .10 alpha level.

Note: The highest possible value is 240 (5 days/week).

See Appendix I-11a for minimum and maximum values, standard deviations, and standard errors.

Appendix I-11b includes the two-tail probabilities.

communities was within the same day. In contrast, the performance goal for the turnaround time of routine maintenance at the government-owned communities, on average, was within two days and at the for-profit-owned communities, within one day (see Table 27).

In general, the performance goals were usually met at the majority of the apartment communities. On average, the performance goal for routine maintenance was usually met 94% of time at the nonprofit-owned, 88% of the time at the government-owned, and 82% of the time at the for-profit-owned communities. Significant difference existed between the nonprofit- and for-profit-owned communities (see Appendix I-13 for details).

On average, approximately 15% of the maintenance requests were typically outstanding at the end of a given workday at the nonprofit-owned apartment communities. At the government- and for-profit-owned communities, 11% and 29% of the maintenance requests, respectively, were typically outstanding at the end of a given workday. Nonetheless, no significant differences existed between the nonprofit-owned communities and either the government- or for-profit-owned communities (see Table 28).

On average, management at the nonprofit-owned communities always recognized 10 of the 11 maintenance requests listed on the questionnaire as emergencies. The maintenance requests included inoperable toilets, refrigerators, stoves, heating in winter, cooling in summer, sinks and garbage disposals; stopped-up drains; no electricity; gas leaks; inoperable door locks; and inoperable lights. In contrast, only seven of the above

Table 27

Performance Goal for Routine Maintenance (in Days)

	Nonprofit (n=6)		Government (n=53)		For-Profit (n=37)	
	<i>N</i>	<i>mean</i>	<i>N</i>	<i>mean</i>	<i>N</i>	<i>mean</i>
Turnaround Time	6	0.50	47	1.83 *	36	1.06 *

* Indicates significant difference from the nonprofit-owned apartment communities at .10 alpha level.

Note: See Appendix I-12 for minimum and maximum values, standard deviations, and standard errors. The appendix also includes the two-tail probabilities.

Table 28

Outstanding Work Orders (in Percentages)

	Nonprofit (n=6)		Government (n=53)		For-Profit (n=37)	
	<i>N</i>	<i>mean</i>	<i>N</i>	<i>mean</i>	<i>N</i>	<i>mean</i>
Outstanding Work Orders	6	14.58%	37	10.84%	34	28.79%

Note: See Appendix I-14 for minimum and maximum values, standard deviations, and standard errors. The appendix also includes the two-tail probabilities.

maintenance requests were always recognized as emergencies at the government-owned communities and only eight at the for-profit-owned communities. The difference between the nonprofit- and government-owned communities was significant (see Table 29). Some of the most common maintenance requests not always considered emergencies included inoperable toilets, assuming there is a second bathroom; inoperable cooling in the summer, though if the unit is inhabited by an elderly person the request is an emergency; inoperable sinks or food waste disposers; stopped-up drains; and inoperable lights in hallways and stairwells.

Vacant units were normally checked at the majority of the apartment communities on a weekly basis. Vacant units at the nonprofit-owned communities, on average, were checked more frequently than at either the government- or for-profit-owned communities; however, these differences were not significant (see Table 30).

Vacant units were usually "rent ready" (ready to be re-leased) within 10 days. On average, vacant units were rent ready in six days at the nonprofit-owned apartment communities, in five days at the for-profit-owned communities, and in nine days at the government-owned communities. Again, neither the difference between the nonprofit- and government-owned communities nor the difference between the nonprofit- and for-profit-owned communities were significant (see Table 31).

Extermination of units were routinely conducted at the majority of the nonprofit- and for-profit-owned apartment communities on a monthly basis. In contrast, at the majority government-owned communities, units were exterminated on a quarterly basis.

Table 29

Requests Considered Emergencies

	Nonprofit (n=6)		Government (n=53)		For-Profit (n=37)	
	<i>N</i>	<i>mean</i>	<i>N</i>	<i>mean</i>	<i>N</i>	<i>mean</i>
Number of Requests (max. 11)	6	9.50	53	8.30 *	37	8.35

* Indicates significant difference from the nonprofit-owned apartment communities at .10 alpha level.

Note: See Appendix I-15 for minimum and maximum values, standard deviations, and standard errors.
The appendix also includes the two-tail probabilities.

Table 30

Number of Times Management Checks Vacant Units (Times per Month)

	Nonprofit (n=6)		Government (n=53)		For-Profit (n=37)	
	<i>N</i>	<i>mean</i>	<i>N</i>	<i>mean</i>	<i>N</i>	<i>mean</i>
Frequency of Checking Units	5	13.00	42	6.79	34	9.09

Note: See Appendix I-16 for minimum and maximum values, standard deviations, and standard errors.
 The appendix also includes the two-tail probabilities.

Table 31

Turnaround Time for Vacant Units (in Days)

	Nonprofit (n=6)		Government (n=53)		For-Profit (n=37)	
	<i>N</i>	<i>mean</i>	<i>N</i>	<i>mean</i>	<i>N</i>	<i>mean</i>
Days to be "Rent Ready"	6	6.17	52	8.56	37	5.27

Note: See Appendix I-17 for minimum and maximum values, standard deviations, and standard errors.
 The appendix also includes the two-tail probabilities.

The difference between the average number of times the units were exterminated at the nonprofit-owned communities and the average number of times extermination was conducted at the government-owned communities was significant (see Table 32).

Filter changes for heating and cooling, efficiency checks of heating, ventilating, and air conditioning (HVAC) units, smoke detector checks, and checks of water supply lines and faucets were each on preventive maintenance schedules at all of the nonprofit-owned apartment communities. Similarly, each of the above tasks was on preventive maintenance schedules at the majority of the government- and for-profit-owned communities (see Table 33), but these tasks were conducted less frequently (on average) than at the nonprofit-owned communities. Significant difference existed between the nonprofit- and government-owned communities with regard to the average number of times the water supply lines and faucets were checked (see Table 34).

On average, broken windows were usually repaired and restored to their original state within two days, broken globes on lighting fixtures within four days, and graffiti removed within eight days. The average number of days for the removal of graffiti at the nonprofit-owned apartment communities was significantly different than that at the government-owned communities (see Table 35). However, the average time frame for removal of graffiti on all three types of properties (nonprofit-, government-, and for-profit-owned) is too long. According to Sergeant Fernandez (personal communication, June 10, 1996), Dallas Police and an expert on gangs, graffiti should be removed within 24 hours. Otherwise, the territory (area) becomes the vandals' "turf" (domain).

Table 32

Routine Pest Extermination (Times per Year)

	Nonprofit (n=6)		Government (n=53)		For-Profit (n=37)	
	<i>N</i>	<i>mean</i>	<i>N</i>	<i>mean</i>	<i>N</i>	<i>mean</i>
Frequency of Extermination	6	9.33	53	4.19	37	7.41

Note: See Appendix I-18 for minimum and maximum values, standard deviations, and standard errors.
 The appendix also includes the two-tail probabilities.

Table 33

Items on Preventive Maintenance Schedules

	Nonprofit (n=6)		Government (n=53)		For-Profit (n=37)	
	<i>N</i>	%	<i>N</i>	%	<i>N</i>	%
Heating/Cooling Filters						
Yes	6	100	50	100	37	100
No	-	-	-	-	-	-
HVAC Units						
Yes	5	100	40	95	23	68
No	-	-	2	5	11	32
Smoke Detectors						
Yes	6	100	53	100	37	100
No	-	-	-	-	-	-
Water Supply Lines & Faucet						
Yes	6	100	32	60	21	58
No	-	-	21	40	15	42

Table 34

Number of Times Items Checked (per Year)

	Nonprofit (n=6)		Government (n=53)		For-Profit (n=37)	
	<i>N</i>	<i>mean</i>	<i>N</i>	<i>mean</i>	<i>N</i>	<i>mean</i>
Heating/Cooling Filters	6	5.33	46	2.91	36	4.11
HVAC Units	5	5.60	39	2.77	21	3.71
Smoke Detectors	6	6.17	50	3.26	36	5.31
Water Supply Lines & Faucets	6	6.17	31	2.26 *	21	4.14

* Indicates significant difference from the nonprofit-owned apartment communities at .10 alpha level.

Note: See Appendix I-19 for minimum and maximum values, standard deviations, and standard errors. The appendix also includes the two-tail probabilities.

Table 35

Managements' Turnaround Time for Correcting and Restoring Vandalism (in Days)

	Nonprofit (n=6)		Government (n=53)		For-Profit (n=37)	
	<i>N</i>	<i>mean</i>	<i>N</i>	<i>mean</i>	<i>N</i>	<i>mean</i>
Broken Windows	6	2.33	46	1.30	37	1.22
Broken Globes on Fixtures	6	2.50	44	3.84	36	2.53
Graffiti	6	2.17	39	7.54 *	32	2.97

* Indicates significant difference from the nonprofit-owned apartment communities at .10 alpha level.

Note: See Appendix I-20 for minimum and maximum values, standard deviations, and standard errors.
The appendix also includes the two-tail probabilities.

Services

On average, two amenities were provided for the residents at the nonprofit-owned apartment communities. Though not significantly different, the nonprofit-owned communities, on average, provided more amenities than the government-owned communities and fewer amenities than the for-profit-owned communities (see Table 36). The table also provides a breakdown of the amenities by the type of apartment community (i.e., nonprofit-, government-, or for-profit-owned). Amenities listed under "other" included washer/dryer hook-ups, pools, playgrounds, recreation/community centers, tennis courts, basketball courts, bike paths, picnic areas, and copy machines.

The nonprofit-owned apartment communities, on average, provided residents with more types of services and programs than the for-profit-owned communities and fewer types of services and programs than the government-owned communities. However, the differences again were not significant (see Table 37). This table also provides a breakdown of the services/programs according to the type of apartment community (i.e., nonprofit-, government-, or for-profit-owned). Services and/or programs listed under "other" included resident budget classes, boys and girls scouts, tutoring, nutrition workshops, financial counseling, and General Education Diploma (GED) programs. And, for the majority of these services and programs, the owner/manger initiated them.

Although the majority of the services and programs were initiated by the owner/manager, a few were initiated by community organizations. In fact, at the nonprofit-owned apartment communities, the majority of the anti-drug, arts/culture, and

Table 36

Amenities

Number of Amenities	Nonprofit		Government		For-Profit	
	mean = 2.33		mean = 1.87		mean = 2.51	
	<i>N</i>	%	<i>N</i>	%	<i>N</i>	%
Laundry Rooms						
Yes	6	100	19	36	33	89
No	-	-	34	64	4	11
Vending Machines						
Yes	-	-	10	19	10	27
No	6	100	43	81	27	73
Pay Telephones						
Yes	4	67	28	54	10	27
No	2	33	24	46	27	73
Storage Facilities						
Yes	-	-	17	32	9	24
No	6	100	36	68	28	76
Other #1						
Yes	4	67	17	32	18	49
No	2	33	36	68	19	51
Other #2						
Yes	-	-	8	15	13	35
No	6	100	45	85	24	65

Note: See Appendix I-21 for minimum and maximum values, standard deviations, and standard errors. The appendix also includes the two-tail probabilities.

Table 37

Services and Programs

Number of Programs	Nonprofit		Government		For-Profit	
	mean = 3.83		mean = 5.00		mean = 2.41	
	<i>N</i>	%	<i>N</i>	%	<i>N</i>	%
Day Care						
yes	1	17	17	32	-	-
no	5	83	36	68	37	100
Job Training/Placement						
yes	-	-	25	47	5	14
no	6	100	28	53	32	87
Senior Citizen Programs						
yes	2	33	26	49	7	19
no	4	67	27	51	30	81
Anti-Drug Programs						
yes	3	50	28	53	12	32
no	3	50	25	47	25	68
Anti-Crime Programs						
yes	4	67	30	57	15	41
no	2	33	23	43	22	60
Arts/Culture Programs						
yes	1	17	25	47	8	22
no	5	83	28	53	29	78
Teen Pregnancy Programs						
yes	1	17	20	38	3	8
no	5	83	33	62	34	92
Other Youth Programs						
yes	4	67	33	62	15	41
no	2	33	20	38	22	60
Health Care						
yes	4	67	22	42	6	16
no	2	33	31	59	31	84
Emergency Food Assistance						
yes	3	50	27	51	8	22
no	3	50	26	49	29	78
Other #1						
yes	-	-	6	11	6	16
no	6	33	47	89	31	84
Other #2						
yes	-	-	4	8	3	8
no	6	100	49	93	34	92
Other #3						
yes	-	-	2	4	1	3
no	6	100	51	96	36	97

Notes: Due to rounding, the percentages may not total 100.

See Appendix I-22 for minimum and maximum values, standard deviations, and standard errors.

The appendix also includes the two-tail probabilities.

teen pregnancy programs were initiated by community organizations and not the owner/manager (see Table 38).

Homeownership counseling was provided to residents at only one of the six nonprofit-owned apartment communities, and the program was initiated by a community organization. Similarly, homeownership counseling was only provided at one of the for-profit-owned communities, representing 3%, but the program was initiated by the owner/manager. In contrast, homeownership counseling was provided at 57% of the government-owned communities, and the majority of the programs were also initiated by the owner/manager (the local housing authority). The difference between the number of homeownership counseling programs at the nonprofit- and government-owned communities was significant (see Table 39).

Resident organizations and resident representation on executive boards existed at the majority of the nonprofit-owned apartment communities. In comparison, only resident organizations existed at the majority of the government-owned communities, and neither resident organizations nor resident representation on executive boards existed at the majority of the for-profit-owned communities. Thus, the means varied, and there was significant difference between the number of initiatives provided to empower residents at the nonprofit-owned communities and those provided to empower residents at the for-profit-owned communities (see Table 40). And, among the existent resident organizations, the majority were generally somewhat active (see Table 41).

Table 38

Services and Programs by Initiator

	Nonprofit (n=6)		Government (n=53)		For-Profit (n=37)	
	N	%	N	%	N	%
Day Care						
owner/manager	1	100	3	18	-	-
community organization	-	-	14	82	-	-
Job Training/Placement						
owner/manager	-	-	17	68	3	60
community organization (c.o.)	-	-	6	24	1	20
law	-	-	1	4	-	-
owner/manager & c.o.	-	-	1	4	-	-
do not know	-	-	-	-	1	20
Senior Citizen Programs						
owner/manager	1	50	17	68	4	57
community organization (c.o.)	1	50	5	20	2	29
owner/manager & c.o.	-	-	2	8	1	14
don not know	-	-	1	4	-	-
Anti-Drug Programs						
owner/manager	1	33	20	71	8	67
community organization (c.o.)	2	67	4	14	1	8
law	-	-	1	4	-	-
owner/manager & c.o.	-	-	3	11	2	17
do not know	-	-	-	-	1	8
Anti-Crime Programs						
owner/manager	2	50	20	69	12	80
community organization (c.o.)	2	50	4	14	-	-
law	-	-	1	3	-	-
owner/manager & c.o.	-	-	4	14	2	13
do not know	-	-	-	-	1	7
Arts/Culture Programs						
owner/manager	-	-	14	61	5	71
community organization (c.o.)	1	100	7	30	1	14
owner/manager & c.o.	-	-	1	4	-	-
do not know	-	-	1	4	1	14
Teen Pregnancy Programs						
owner/manager	-	-	12	60	2	67
community organization (c.o.)	1	100	6	30	-	-
owner/manager & c.o.	-	-	2	10	-	-
do not know	-	-	-	-	1	33

(continued)

Table 38 (continued)

Services and Programs by Initiator

	Nonprofit (n=6)		Government (n=53)		For-Profit (n=37)	
	<i>N</i>	%	<i>N</i>	%	<i>N</i>	%
Other Youth Programs						
owner/manager	2	50	21	64	11	73
community organization (c.o.)	1	25	7	21	2	13
law	-	-	1	3	-	-
owner/manager & c.o.	1	25	4	12	1	7
do not know	-	-	-	-	1	7
Health Care						
owner/manager	3	75	15	68	3	50
community organization (c.o.)	1	25	5	23	2	33
owner/manager & c.o.	-	-	1	5	1	17
do not know	-	-	1	5	-	-
Emergency Food Assistance						
owner/manager	2	67	15	56	4	50
community organization (c.o.)	1	33	10	37	3	38
owner/manager & c.o.	-	-	1	4	1	13
do not know	-	-	1	4	-	-
Other #1						
owner/manager	-	-	2	67	2	50
community organization	-	-	1	33	1	25
do not know	-	-	-	-	1	25
Other #2						
owner/manager	-	-	1	33	1	100
community organization	-	-	2	67	-	-
Other #3						
owner/manager	-	-	1	50	-	-
community organization	-	-	1	50	-	-

Note: Due to rounding, the percentages may not total 100.

Table 39

Homeownership Counseling Programs

Number of Programs	Nonprofit		Government		For-Profit	
	mean = 0.17 *		mean = 0.57		mean = 0.03	
	<i>N</i>	%	<i>N</i>	%	<i>N</i>	%
Programs Exist						
yes	1	17	30	57	1	3
no	5	83	23	43	36	97
Initiator of Program(s)						
owner/manager	-	-	25	86	1	100
community organization (c.o.)	1	100	1	3	-	-
law	-	-	1	3	-	-
owner/manager & c.o.	-	-	2	7	-	-

* Indicates significant difference from the nonprofit-owned apartment communities at .10 alpha level.

Note: See Appendix I-23 for minimum and maximum values, standard deviations, and standard errors. The appendix also includes the two-tail probabilities.

Table 40

Initiatives to Empower Residents

Number of Programs	Nonprofit		Government		For-Profit *	
	mean = 1.50		mean = 1.23		mean = 0.62 *	
	<i>N</i>	%	<i>N</i>	%	<i>N</i>	%
Resident Organizations						
Yes	4	67	36	68	18	49
No	2	33	17	32	19	51
Representation on Board						
Yes	3	60	22	81	5	100
No	2	40	5	19	-	-

* Indicates significant difference from the nonprofit-owned apartment communities at .10 alpha level.

Note: See Appendix I-24 for minimum and maximum values, standard deviations, and standard errors. The appendix also includes the two-tail probabilities.

Table 41

Resident Organization's Level of Activity

	Nonprofit (n=6)		Government (n=53)		For-Profit (n=37)	
	<i>N</i>	%	<i>N</i>	%	<i>N</i>	%
Not Active	-	-	2	6	4	24
Somewhat Active	3	75	18	50	10	59
Active	1	25	8	22	3	18
Very Active	-	-	8	22	-	-

Note: Due to rounding, the percentages may not total 100.

Overall Management Practices

The overall management practice for a given apartment community was based on averaging scores calculated for the administration practices, financial management practices, maintenance procedures, and services at the respective apartment community. Scores ranged from zero (the lowest possible score) to 100 (the highest possible score).

Twenty-two measures were used to calculate the above: professional development rate, certification rate, fair housing rate, financial audit rate, program/compliance rate, percentage of uncollected rent, vacancy rate, unit turnover rate, budget variance, existence of operating reserves, inspection procedures for building and grounds, turnaround time for routine maintenance, outstanding work order rate, constituted emergency procedures, vacant apartment check procedures, turnaround time for units, extermination procedures, preventive maintenance procedures, vandalism procedures, supporting amenities, existence of programs/activities (support and housing related services), and resident empowering services. (See Appendix J for details on the assignment of values.)

Two measures of property management practices were not included in the scoring of the overall management practice (i.e., staffing levels and waiting list updating rate). These measures were omitted because the interpretation of these values is not clearly discernible. For example, a management conducting more frequent updates of the waiting list than another may be the result of either good management or more persons on the list than the other property. Therefore, only those measures with comparative

interpretable values (the previously listed 22) were included in the scoring of overall management practices.

On average, the nonprofit-owned apartment communities scored higher on their overall management practices when compared to both the government- and for-profit-owned communities. However, only the difference between the nonprofit- and for-profit-owned communities was significant (see Table 42).

Testing the model. While one purpose of this study was to determine if property management practices of federally assisted, nonprofit-owned multifamily housing are different from those of comparable government- and for-profit-owned properties, another was to determine how much of the variance in property management practices of federally assisted multifamily housing properties is explained by type of owner, owner's goals for the property, property manager's qualifications, and neighborhood environment. Multiple regression analysis was used to examine this latter purpose.

Since the dependent variable, property management practices, was comprised of several measures, the numeric values used were the scores calculated for the overall management practices. Again, 22 measures were used to calculate the above; two measures of property management practices (staffing levels and waiting list updating rate) were not used because their values were not clearly interpretable.

As for the independent variables, two (property manager's qualifications and neighborhood environment) were comprised of more than one measure. With regard to property manager's qualifications, the numeric value was based on the assignment of one

Table 42

Overall Management Practices

	Nonprofit		Government		For-Profit	
	<i>N</i>	<i>mean</i>	<i>N</i>	<i>mean</i>	<i>N</i>	<i>mean</i>
Scores for Overall Management	6	87.50	53	85.38	37	79.46 *

* Indicates significant difference from the nonprofit-owned apartment communities at .10 alpha level.

Note: See Appendix I-25 for minimum and maximum values, standard deviations, and standard errors.
The appendix also includes the one-tail probabilities.

point for each of the following: years of experience managing multifamily housing properties, number of professional certifications, and highest level of education attained (reference the coding for item 76 on the questionnaire, Appendix A, for the numeric values assigned for educational attainment). With regard to neighborhood environment, poverty level was the most reliable measure for this variable, and only it was used in the multiple regression analysis.

In addition to the previously identified variables, the model included the interactions between type of owner and owner's goals for the property. The following are the observed interactions (only those with one or more cases were observed):

- Nonprofit/Profit (profit and profit/property development [pd])
- Nonprofit/Property Development
- Nonprofit/Social Services (social services [ss] and pd/ss)
- Nonprofit/Other (other and pd/other)
- For-Profit/Profit (profit and profit/property development [pd])
- For-Profit/Property Development
- For-Profit/Social Services (social services [ss] and pd/ss)
- Government/Profit (profit and profit/property development [pd])
- Government/Property Development
- Government/Social Services (social services [ss] and pd/ss)
- Government/Other (other and pd/other)

Based on the findings from this study, the predictability of property management practices of federally assisted multifamily housing properties was significant ($p = .0001$) when considering type of owner, owner's goals for the property, property manager's qualifications, and neighborhood environment. For the sample, approximately 42% of the variance in property management practices was explained by the above variables. When estimating for the population, the above variables explained approximately 33% of the variance in property management practices.

Table 43 provides the regression coefficients (B), beta coefficients (Beta), and the respective significance levels for each of the variables in the equation as computed for the entire model. While type of owner, owner's goals for the property, property manager's qualifications, and neighborhood environment explained some of the variance in property management practices, only one of the above variables (not including any of the aforementioned interactions) was significant when controlling for the other variables (i.e., property manager's qualifications). Moreover, neither type of owner nor owner's goals for the property independently contributed to the model--these two variables fell out of the equation (see Table 44).

The constant (the suppressed variable) in the model is the For-Profit/Profit interaction--apartment communities owned by for-profit investors with profit motivation being their primary goal. Comparisons are made to this group because this combination of ownership and goals for the property is expected to provide the lowest quality of housing to individuals, based on contract failure theory and Congress' apparent beliefs.

Table 43

Variables in the Equation

<u>Variable</u>	<u>B</u>	<u>Beta</u>	<u>Significance Level</u>
Nonprofit/Profit	15.49	0.22	.0287
Nonprofit/Property Development	5.78	0.14	.1826
Nonprofit/Social Services	15.10	0.21	.0299
Nonprofit/Other	2.04	0.03	.7718
For-Profit/Profit (constant)	74.54	-	.0000
For-Profit/Property Development	0.72	0.04	.7788
For-Profit/Social Services	10.09	0.14	.1454
Government/Profit	14.53	0.21	.0397
Government/Property Development	8.02	0.34	.0144
Government/Social Services	- 6.27	- 0.21	.0794
Government/Other	7.38	0.44	.0033
Poverty Level	0.05	0.10	.4076
Property Manager's Qualifications	0.24	0.23	.0322

Table 44

Variables Not in the Equation

<u>Variable</u>	<u>Beta</u>	<u>Significance Level</u>
For-Profit-Owned		suppressed
Government-Owned	0.78	1.00
Nonprofit-Owned	-2.92	1.00
Profit (profit and profit/property development [pd])		suppressed
Property Development	0.61	1.00
Social Services (social services [ss] and pd/ss)	0.76	1.00
Other (other and pd/other)	-1.00	-

As expected, all of the nonprofit-owned apartment communities (irregardless of the owner's primary goal for the property) scored higher than the for-profit/profit communities when controlling for property managers' qualifications and poverty levels (neighborhood environment). Those found to be significant included the nonprofit/profit and nonprofit/social services communities. [Note: This model may have been affected by the few numbers of nonprofit-owned communities in each of the categories. Each category had only one case except the nonprofit/property development category which had three cases.]

The nonprofit/profit and nonprofit/social services apartment communities also scored higher than the government-owned communities. Only one of the government-owned communities (the government/profit community) scored relatively close--within approximately one point. And, this community (the government/profit community) also was significant.

The top scoring interactions were the nonprofit/profit, nonprofit/social services, and government/profit apartment communities. Their scores (rounding to the nearest whole number) were 90, 90, and 89, respectively.

Summary/Discussion

While some trends were apparent, management practices at the nonprofit-owned apartment communities, based on the individual measures, were not always significantly different (at .10 alpha level) from those at either the government- or for-profit-owned communities. Reasons for this include the nonprofit sector becoming more professional

(formal) over the years; public housing properties in Virginia being relatively well managed (not on HUD's troubled list); Section 8 properties financed by VHDA being closely monitored; and, in some cases, large sample variance (outliers). An overview of the significant findings follows; this information is presented by each hypothesis.

Hypothesis 1. With regard to administration practices, there were few significant differences between the nonprofit-owned apartment communities and both the government- and for-profit-owned communities. Thus, the alternative hypothesis is rejected.

Significant differences existed on three measures when comparing nonprofit-owned apartment communities to government- and for-profit-owned communities. Both the government- and for-profit-owned communities had significantly more part-time maintenance employees than the nonprofit-owned communities; the government-owned communities had significantly more administrative volunteers than the nonprofit-owned communities; and management at the nonprofit-owned communities, on average, updated their waiting list less frequently than management at the government-owned communities.

Staffing levels are not clearly interpretable. Management at the government-owned apartment communities may have hired significantly more part-time maintenance employees to ensure there were enough employees to meet HUD's recommended staffing level for maintenance personnel. Similarly, management at the for-profit-owned communities may have needed additional part-time maintenance personnel to supplement their full-time maintenance staff since these communities averaged more units than the

nonprofit-owned communities. In contrast, management at the nonprofit-owned communities, in practicing professional business practices, probably only employed the minimum number to avoid excessive staffing. Moreover, management at the nonprofit-owned communities may not have felt additional staffing was necessary since no more than 15% of the work orders, on average, were still outstanding at the end of a given work day.

Increased professionalism most likely accounted for the lack of volunteers at the nonprofit-owned apartment communities, despite the fact that a nonprofit organization's mission generally parallels the government's mission. Nonprofit service organizations are thought to attract and utilize volunteers. However, with the shift of these organizations from informal (loosely structured with no specialization of tasks) to formal (organized, product oriented, and professional), the staff has also changed (Smith & Lipsky, 1993). Professionals are sought and paid for their work, similar to persons working for for-profit entities. Hence, volunteers are virtually nonexistent in the formal nonprofit sector as was observed for the nonprofit-owned communities in this study.

Management at the nonprofit-owned apartment communities, on average, updated their waiting lists significantly less than management at the government-owned communities. The nonprofit-owned communities might have had fewer people on the waiting lists than the government-owned communities, thereby requiring fewer updates.

Hypothesis 2. With regard to financial management practices, the majority of the differences between the nonprofit-owned apartment communities and the government- and

for-profit-owned communities were significant. Therefore, the alternative hypothesis is accepted.

Significant differences were found between a) the vacancy rates of the nonprofit-owned communities and both the government- and for-profit-owned communities, b) the unit turnover rates of the nonprofit- and for-profit-owned communities, c) the budget variance of the nonprofit- and government-owned communities, and d) the number of times money had been used from the operating reserves within the 12 months prior to data collection at the nonprofit- and for-profit-owned communities. The nonprofit-owned communities averaged significantly lower vacancy rates than the government- and for-profit communities and significantly lower turnover rates than the for-profit-owned communities. However, on average, the nonprofit-owned communities did not meet their budget goals, while the other communities, on average, exceeded their budget goals. And, among the communities where money had been used from the operating reserves within the 12 months prior to data collection, the for-profit-owned communities had done so significantly more than the nonprofit-owned communities.

Nonprofit organizations, based on contract failure theory and societal beliefs, are thought to be more trustworthy and more altruistic than their for-profit counterparts. Therefore individuals may have been willing to reside and remain in nonprofit-owned apartment communities rather than in for-profit-owned communities, resulting in lower vacancy and unit turnover rates.

Provisions of services also could have affected vacancy and unit turnover rates.

At the nonprofit-owned apartment communities, there were significantly more opportunities for residents to become empowered than at the for-profit-owned communities. And, although not significantly different, more support services, on average, were provided for residents at the nonprofit-owned communities than at the for-profit-owned communities.

The efficiency of the nonprofit sector probably accounted for the marked difference in vacancy rates between the nonprofit- and government-owned apartment communities. Although not significant, the nonprofit-owned communities generally had vacant units "rent ready" more quickly than the government-owned communities.

One-third of the nonprofit-owned communities did not meet their budgeted incomes for the last fiscal cycle. In contrast, all the government-owned communities (not including those where respondents were not knowledgeable about the budget) met their budgeted incomes. So, possibly Congress' budget cuts are forcing local housing authorities to be more accountable for their spending, thereby resulting in positive (not negative) cash flows.

While the for-profit-owned apartment communities used money from the operating reserves significantly more times than the nonprofit-owned communities, these findings are not clearly interpretable. Use does not necessarily indicate poor financial management. In fact, in some instances, using monies from the operating reserves would be considered wise management.

Hypothesis 3. With regard to maintenance procedures, the majority of the

differences between the nonprofit-owned apartment communities and the government- and for-profit-owned communities were not significant. Thus, the alternative hypothesis is rejected.

Significant differences existed between the nonprofit- and government-owned apartment communities with regard to the majority of the buildings and grounds procedures, the inspection of water supply lines and faucets, and clearance of graffiti. Also, significant differences existed between the nonprofit- and the for-profit-owned communities with regard to some of the building and grounds procedures, turnaround time for routine maintenance, and percentage of time the performance goal for routine maintenance was met.

Management at the nonprofit-owned apartment communities accomplished the following tasks/procedures significantly more often or more quickly than management at the government-owned communities, despite having fewer maintenance employees. These tasks/procedures included the inspection and clearance of trash from sidewalks, hallways, stairwells, parking lots, areas surrounding dumpsters, and laundry facilities; turnaround time for routine maintenance; number of requests considered emergencies; extermination procedures; regularity of checking water supply lines and faucets; and expediency of clearing graffiti. The differences presumably occurred because government tends to be less efficient in accomplishing things than the private sector.

Nonprofit organizations, due in part to their mission, tend to be more focused on the welfare of their clients than for-profit investors, which is a likely explanation for the

significant differences in turnaround time for routine maintenance and percentage of time the performance goal for routine maintenance was met. At the nonprofit-owned apartment communities, presumably resulting from management trying to be as responsive to the residents' needs as possible, the performance goal for the turnaround time of routine maintenance, on average, was within the same day as the request, and the goals were met, on average, 94% of the time. In contrast, the performance goal for routine maintenance at the for-profit-owned communities, though expedient, was within one day of the request on average, and the goals were met 82% of the time on average.

Possibly for similar reasons, the management at the nonprofit-owned apartment communities generally conducted more frequent buildings and grounds inspections than the management at the for-profit-owned communities. However, this, too, is one of those differences not clearly interpretable. Some would refute the "more is better" philosophy and argue increased frequency may be due to untidy residents and not better management. Nonetheless, management at the nonprofit-owned communities conducted significantly more buildings and grounds inspections and clearance of trash from sidewalks, hallways, stairwells, parking lots, and laundry facilities than management at the for-profit-owned communities.

Hypothesis 4. With regard to services provided to residents, only the provisions of homeownership counseling programs between the nonprofit- and government-owned apartment communities and the number of initiatives to empower residents between the nonprofit- and for-profit-owned communities were found to be significant. Therefore,

the alternative hypothesis is rejected.

Not one nonprofit-owned apartment community had a homeownership counseling program. In contrast, approximately 57% of the government-owned communities had homeownership counseling. This significant difference most likely reflects the initiatives for HUD's Homeownership and Opportunity for People Everywhere (HOPE) program, a program designed to afford homeownership opportunities to public housing residents, because conclusions about government being more service oriented than the nonprofit owners can not be drawn based on the findings of this study.

On average, the nonprofit-owned apartment communities had both resident organizations and resident representation on executive boards. However, at the majority of the for-profit-owned communities, neither of the above initiatives were provided to residents, which supports beliefs that the nonprofit sector is more altruistic.

Hypothesis 5. With regard to overall management practices, the nonprofit-owned apartment communities scored significantly higher than the for-profit-owned communities, but not significantly higher than the government-owned communities. So, the alternative hypothesis as it pertains to the difference between the nonprofit- and government-owned communities is rejected, while the alternative hypothesis, as it pertains to the nonprofit- and for-profit-owned communities, is accepted.

Since the nonprofit-owned apartment communities appear to be professionally managed (managed similarly to the for-profit-owned communities), the significant difference is most likely attributed to the amount of services provided. On average, the

nonprofit-owned communities provided more services than the for-profit-owned communities, thereby increasing the nonprofit-owned communities' overall management scores (assuming the communities were comparable in the other aspects of management).

Hypothesis 6. When estimating for the population, approximately 33% of the variance in property management practices was explained by type of owner, owner's goals for the property, property manager's qualifications, and neighborhood environment (poverty level). And, because this explained variance was significant, the alternative hypothesis is accepted.

CHAPTER V

CONCLUSIONS

Two questions directed this study. First, are there significant differences between the property management practices of federally assisted, nonprofit-owned multifamily rental housing properties and those of comparable government- and for-profit-owned multifamily rental housing properties with regard to administration practices, financial management practices, maintenance procedures, and services provided to residents? Second, how much of the variance in the property management practices (i.e., administration practices, financial management practices, maintenance procedures, and services) can be explained by the type of owner, owner's goals for the property, property manager's qualifications, and neighborhood environment?

Based on findings from this study, differences exist between property management practices of nonprofit-owned apartment communities and those of both government- and for-profit-owned communities. Some of the differences were significant; others demonstrated distinctive patterns. Moreover, approximately 33% of the variance in these management practices is explained by type of owner, owner's goals for the property, property manager's qualifications, and neighborhood environment.

This chapter includes the implications of these findings to housing policy, residential property management, and future research. Also, an overview of the study and findings are included in the chapter.

Summary of Study

Two beliefs served as the basis for this research. The first belief is, when compared to the federal government, nonprofit organizations are able to make housing of better quality available to residents of multifamily housing because they are more efficient in their delivery of services (Meehan, 1985). The second belief is, when compared to for-profit investors, nonprofit organizations are more inclined to make housing of better quality available to residents of multifamily housing because they are more altruistic (Bratt, 1992). However, criticisms such as inefficient business practices and inexperienced managers seemed to be in opposition to the above two reasons for favoring the nonprofit sector over government and for-profit investors. Hence, this study was to provide empirical evidence either strengthening or weakening these arguments.

The population identified for the study was public housing and Section 8 nonprofit- and for-profit-owned project-based properties in Virginia. The unit of analysis was the property manager of the respective site.

Data were based on 96 property managers' responses to an 81-item mail questionnaire. Items on the questionnaire were a combination of open- and close-ended responses.

Highlights of Findings

Findings from this study support the two beliefs. Nonprofit organizations tend to be more efficient in delivering services than government, and nonprofit organizations tend to be more altruistic (service oriented) than for-profit investors.

Nonprofit-Owned vs. For-Profit-Owned Apartment Communities

Nonprofit service organizations, particularly those contracting with government agencies, are more professional today than in the past. Moreover, this change is partially in response to the sector's need to either secure or maintain funds (Smith & Lipsky, 1993). Likewise, it appears the nonprofit owners of Section 8 project-based properties in Virginia are ensuring professional management and business-like practices.

When the nonprofit-owned apartment communities were compared to the for-profit-owned communities, few significant differences existed. And, among the significant differences clearly arguable to be either better or worse than the other (i.e., vacancy rates, unit turnover rates, turnaround time for routine maintenance, percentage of time performance goal for routine maintenance was met, and initiatives to empower residents), the nonprofit-owned communities, on average, were always better than the for-profit-owned communities. The nonprofit-owned communities had lower vacancy and unit turnover rates, quicker turnaround times for routine maintenance, higher percentages for meeting performance goals for routine maintenance, and more initiatives available to empower residents than the for-profit-owned communities. Also, the nonprofit-owned communities scored higher, on average, than the for-profit-owned communities with regard to their overall management practices.

Nonprofit-Owned vs. Government-Owned Apartment Communities

As previously stated, public housing properties in Virginia are relatively well managed. So, when comparing the nonprofit-owned apartment communities to the

government-owned communities, few differences were significant. The majority of the significant differences involved maintenance procedures. In general, regardless if the difference was significant or not, management at the nonprofit-owned communities accomplished their tasks more frequently and quickly than management at the government-owned communities. Significant differences existed with regard to the inspection and clearance of trash from sidewalks, hallways, stairwells, parking lots, areas surrounding dumpsters, and laundry facilities; turnaround time for routine maintenance; the number of requests considered emergencies; extermination procedures; regularity of checking water supply lines and faucets; and the expediency of clearing graffiti. And while not significant, the nonprofit-owned communities scored higher (on average) than the government-owned communities with regard to their overall management practices.

Implications of Findings

The findings from this study provide insightful information with regard to housing policy, residential property management, and research and theory. Implications of these findings as they relate to the above are provided below.

Housing Policy

Again, an issue for Congress with regard to ensuring that decent and affordable housing is provided to low-income households is who should own federally assisted multifamily rental housing (government, for-profit investors, or nonprofit organizations)? Moreover, are nonprofit organizations a plausible alternative to government and for-profit investors for the provision of low-income rental housing?

Answer 1. Ownership by itself does not guarantee quality housing. Based on findings from this study, recalling the assumption that management directly affects the quality of housing provided, different combinations of ownership and goal(s) for the property yield different qualities of housing.

Among the top four scorers (apartment communities categorized by ownership and goals for the property), each type of ownership--nonprofit, government, and for-profit--was represented. These top scorers in descending order were a) a nonprofit-owned community with making a profit as its goal, b) a nonprofit-owned community with providing social services as its goal, c) a government-owned community with making a profit as its goal (an entrepreneurial government), and d) the for-profit-owned communities with providing social services as their goal. The lowest scorer was the government-owned communities with the provisions of social services as their goal.

The top scorers usually were both service oriented and profit driven. Service orientation can be a function of either the assumed mission of the respective type of ownership (i.e., nonprofit or government) or an expressed goal. Similarly, those categorized with motives of profits are a function of the assumed goal for that type of ownership (i.e., for-profit) or an expressed goal.

Thus, all three types of ownership provide quality housing; however, properties focusing on both services and finances provide higher quality housing. So, Congress should provide initiatives encouraging the provision of services and stressing the importance of profits as it relates to maintaining the financial viability and physical

quality of the property.

Answer 2. Although property management practices at the nonprofit-owned apartment communities were generally better than those at both the government- and for-profit-owned communities (the scores were higher), one concern still exists--the financial stability of nonprofit-owned properties. Again, a prevalent concern of policy-makers is the long-term livelihood of low-income multifamily rental housing properties. And, unfortunately, based on criteria for well managed properties (CDRC, 1992), a significant proportion of the nonprofit-owned apartment communities still are neither making their budgeting goals (one-third are not) nor collecting 95% or more of the rent (two-thirds are not), which results in some financial management concerns.

To address the financial solvency issue, Congress should implement initiatives stressing the importance of positive cash flows. Negative cash flow should not be synonymous with nonprofit organizations. Instead, nonprofit organizations should prioritize making profits. The difference is how the money is disbursed; the money should be funneled back into the mission of the agency, for example, property development (Salamon, 1992; Steinberg, 1993).

If negative cash flows were not a problem of the nonprofit-owned apartment communities observed in this study, the findings would support the favoring of nonprofit organizations over government and for-profit investors. Management at the nonprofit-owned communities generally were found to be more efficient in delivering services than management at the government-owned communities and more service oriented than

management at the for-profit-owned communities.

Nonetheless, the financial solvency problem still remains. So, since the major difference between the nonprofit- and for-profit-owned apartment communities concerned the provision of services, maybe another question should be posed. How important is the provision of services? Or, what are the objectives for federally assisted multifamily housing? It is known that poor financial management ultimately affects the quality of housing provided (the physical structure/maintenance) but the provision of services does not. And, if services are important, maybe initiatives should be implemented to encourage for-profit investors to make these provisions, particularly since, based on these findings, the for-profit sector is otherwise a good housing provider.

Residential Property Management

Four factors were identified as affecting property management practices. These included the owner, owner's goal(s) for the property, property manager's qualifications, and neighborhood environment. However, based on findings from this study, neighborhood environment does not appear to affect the management practices of federally assisted multifamily rental housing properties. Whereas property managers' qualifications significantly affect the management practices on the above properties. Thus, owners can significantly improve their management practices by either hiring more qualified managers than those presently managing their properties or sending their current managers to educational classes/training sessions that award either professional certifications or degrees.

Data from this study also confirm that there are some well managed federally assisted multifamily housing properties in this country with regard to administration practices, financial management practices, maintenance procedures, and services provided to residents. The properties observed in this study had staffing levels close to HUD's recommended levels, more than half of the full-time administrative employees and at least one-third of the full-time maintenance employees went to a professional development training the year prior to data collection, waiting lists were checked at least twice a year, no fair housing violations had been found at any of the properties, and both financial and program/compliance audits were generally successfully passed. The majority of the properties had 95% or more of the rent collected in a given month, vacancies accounted for less than 1% of the units, and less than 1/5 of the units had changed occupancy within the year. Buildings and grounds inspections were generally conducted on a daily basis; the performance goal for routine maintenance was usually within a day of the request, and this goal typically was met 95% of the time; less than 14% of the work orders were still outstanding in a given day; 8 of 11 maintenance requests identified as an emergency were recognized as such; vacant units were checked once a week; units were "rent ready" in five days or less; exterminations were done at least quarterly; and property destruction was typically corrected and restored within in two days (broken windows generally were fixed immediately). Furthermore, these properties, on average, provided about two amenities and four social service programs to their residents.

Research and Theory

Since studies on residential property management and nonprofit housing are limited, this study added to these bodies of literature. Also, this study tested theories associated with the nonprofit sector.

This study provides data on subjects with little empirical information. In this study, property management practices across three different types of ownership (nonprofit, government, and for-profit) were examined. Moreover, this study allows for comparisons across two federally assisted multifamily housing programs. Previous studies have generally focused on only one type of ownership or program.

Findings from this study strengthen conclusions previously drawn in other studies. For example, as Bratt et al. (1994) found, many nonprofit-owned properties are well managed, but there still are some with financial management problems. Furthermore, with regard to management practices differing across types of ownership and as found by Isler et al. (1974), there is no one form of ownership that guarantees better management. In fact, all types of ownership can yield good management.

The amount of scholarly work on residential property management is limited. Thus, this study provides a conceptual model for residential property management.

Findings from this study support both contract and government failure theories. While these theories have been used to provide arguments for favoring nonprofit organizations over government and for-profit investors in other studies, this study tested its application to housing (federally assisted multifamily rental housing).

Recommendations for Research

The following four recommendations pertain to future work. One recommendation is to implement a reporting system for the management of Section 8 project-based properties. The other three are intended to be useful to those conducting additional research.

- Since this study is only generalizable to Virginia, another study (or more studies) should be conducted to see if the trends observed are similar in other geographic locations. Again, both the Section 8 and public housing properties in Virginia are relatively well managed and closely monitored. In addition, the study (studies) should include a larger sample, particularly for the nonprofit-owned communities.
- Congress should legislate a reporting system for the management of Section 8 project-based properties. Currently, data are limited and geographic comparisons can not be made. Possibly, a reporting system similar to that under the Public Management Assessment Program, the reporting system for public housing authorities, could be implemented. Then, in addition to conducting geographic comparisons, comparisons between the two programs (Section 8 and public housing) also could be made.
- A study should be conducted where the subjects for the study are the residents of the apartment communities. Such a study would help answer the following questions:

- a) Are residents more satisfied with the housing and services at the nonprofit-owned apartment communities than at the for-profit-owned communities? If so, resident satisfaction could explain why the for-profit-owned communities had higher unit turnover rates.
 - b) Do the provision of services matter to the residents? If so, what type of services? Answers to these questions could help discern if the provision of services is important or not.
 - c) Are residents knowledgeable about who owns the apartment community they reside in (i.e., a nonprofit organization, a for-profit investor, or government)? If so, does ownership matter to them? These questions are particularly important because if the residents are not knowledgeable (or knowledgeable and it does not matter) then most likely there are no adverse effects if they are living in either government- or for-profit-owned communities and no additional benefits if they live in nonprofit-owned communities.
- Lastly, because meeting budget appears to be a problem at a sizable proportion of the nonprofit-owned apartment communities, research examining the cause of these negative cash flows should be conducted. By knowing the cause(s) of this financial problem, remedies can be made so the nonprofit sector is definitively a plausible alternative for federally assisted multifamily housing (low-income rental housing).

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APPENDICES

Appendix A: The Questionnaire

CODE # _____

Multifamily Housing Survey



Instructions

Please answer all items in the questionnaire, unless otherwise indicated. Upon completing the questionnaire, mail it to the address written below. A pre-addressed postage-paid envelope is enclosed for your convenience. Thank you for participating in this survey.

*Multifamily Housing Survey
Department of Housing, Interior Design, and Resource Management
240 Wallace Hall
Virginia Tech
Blacksburg, Virginia 24061-0424*

I. DEMOGRAPHICS ON THE APARTMENT COMMUNITY & RESIDENTS

- 1. What type of entity (or individual) owns the apartment community?
 - 1 GOVERNMENT (e.g., a local housing authority)
 - 2 A FOR-PROFIT INVESTOR(S)—limited-dividends
 - 3 A NONPROFIT ORGANIZATION

- 2. In what year was the apartment community completed? _____

- 3. How many units are in the apartment community? _____

- 4. How many units are in the following building types?
 - LOW-RISE BUILDINGS (buildings with one to five stories) _____
 - MID-RISE BUILDINGS (buildings with six to nine stories) _____
 - HIGH-RISE BUILDINGS (buildings with ten or more stories) _____
 - OTHER (e.g., duplexes, triplexes, fourplexes, or townhouses) _____

- 5. When the apartment community was completed, was it under the same management that it is currently under?
 - 1 YES If yes, go to Question 7.
 - 2 NO
 - 3 DON'T KNOW ... If don't know, go to Question 7.

- 6. Since 1980, approximately how many times has the apartment community been under different management?
 - 1 1 - 2 TIMES
 - 2 3 - 5 TIMES
 - 3 MORE THAN 5 TIMES
 - 4 DON'T KNOW

- 7. Are you the (or does the apartment community have an) on-site manager?
 - 1 YES
 - 2 NO

- 8. Is the apartment community exclusively for elderly and handicapped individuals?
 - 1 YES If yes, go to Question 10.
 - 2 NO

- 9. On average, what percentage of the households, residing in the apartment community, have at least one child in the household (an individual under 18 years of age)?
 - 1 LESS THAN 25%
 - 2 25% - 49%
 - 3 50% - 74%
 - 4 75% OR MORE

- 10. In your opinion, what percentage of residents keep their apartments in good condition?
 - 1 LESS THAN 25%
 - 2 25% - 49%
 - 3 50% - 74%
 - 4 75% OR MORE

II. ADMINISTRATIVE PRACTICES

11. How many of the following types of individuals work for the apartment community? (Do not include yourself.)

ADMINISTRATIVE VOLUNTEERS _____
 FULL-TIME ADMINISTRATIVE EMPLOYEES _____
 PART-TIME ADMINISTRATIVE EMPLOYEES _____
 MAINTENANCE VOLUNTEERS _____
 FULL-TIME MAINTENANCE EMPLOYEES _____
 PART-TIME MAINTENANCE EMPLOYEES _____

12. How many of the aforementioned individuals attended at least one professional development workshop and/or conference in the 1995 calendar year? (Do not include yourself.)

ADMINISTRATIVE VOLUNTEERS _____
 FULL-TIME ADMINISTRATIVE EMPLOYEES _____
 PART-TIME ADMINISTRATIVE EMPLOYEES _____
 MAINTENANCE VOLUNTEERS _____
 FULL-TIME MAINTENANCE EMPLOYEES _____
 PART-TIME MAINTENANCE EMPLOYEES _____

13. How many of the following types of individuals have only one, only two, or three or more professional certifications? (Do not include yourself and circle "N/A" if these individuals hold no certifications.) Examples: Certified Apartment Manager (CAM), Certified Property Manager (CPM), Public Housing Manager (PHM), Registered Apartment Manager (RAM), and other certifications like those for plumbing, electrical work, and heating and cooling.

	only 1 certification	only 2 certifications	3 or more certifications	NOT APPLICABLE
ADMINISTRATIVE VOLUNTEERS	_____	_____	_____	N/A
FULL-TIME ADMINISTRATIVE EMPLOYEES	_____	_____	_____	N/A
PART-TIME ADMINISTRATIVE EMPLOYEES	_____	_____	_____	N/A
MAINTENANCE VOLUNTEERS	_____	_____	_____	N/A
FULL-TIME MAINTENANCE EMPLOYEES	_____	_____	_____	N/A
PART-TIME MAINTENANCE EMPLOYEES	_____	_____	_____	N/A

14. In a given year, how often is the waiting list updated for the apartment community? _____

15. Since 1990, approximately how many times has the management been found in violation of the fair housing law? (Answer to the best of your knowledge if you were not managing the property the entire time.) _____

16. Are independent financial audits conducted for the apartment community?

- 1 YES
- 2 NO If no, go to Question 22.

17. Who conducts and/or reviews the financial audits? (Circle all that apply.)

	CONDUCTS	REVIEWS	NEITHER
HUD	1	2	3
VHDA	1	2	3
ANOTHER ENTITY: _____	1	2	3

18. Since 1990, how many financial audits have been conducted? (Answer to the best of your knowledge if you were not managing the property the entire time.) _____ [99]

19. Since 1990, how many financial audits were successfully passed, requiring either few or no corrections? (Answer to the best of your knowledge if you were not managing the property the entire time.) _____ [99]

20. Since 1990, how many financial audits were conditionally passed, requiring major corrections? (Answer to the best of your knowledge if you were not managing the property the entire time.) _____ [99]

21. Since 1990, how many financial audits were not passed? (Answer to the best of your knowledge if you were not managing the property the entire time.) _____ [99]

22. Are independent program/compliance audits conducted for the apartment community?

- 1 YES
- 2 NO If no, go to Question 28.

23. Who conducts and/or reviews the program/compliance audits? (Circle all that apply.)

	CONDUCTS	REVIEWS	NEITHER
HUD	1	2	3
VHDA	1	2	3
ANOTHER ENTITY: _____	1	2	3

24. Since 1990, how many program/compliance audits have been conducted? (Answer to the best of your knowledge if you were not managing the property the entire time.) _____ [99]

25. Since 1990, how many program/compliance audits were successfully passed, requiring either few or no corrections? (Answer to the best of your knowledge if you were not managing the property the entire time.) _____ [99]

26. Since 1990, how many program/compliance audits were conditionally passed, requiring major corrections? (Answer to the best of your knowledge if you were not managing the property the entire time.) _____ [99]

27. Since 1990, how many program/compliance audits were not passed? (Answer to the best of your knowledge if you were not managing the property the entire time.) _____ [99]

III. FINANCIAL ADMINISTRATIVE PRACTICES

28. On average, what is the percentage of uncollected rent for a given month? _____%

29. On average, what percentage of units are vacant in a given month? _____%

30. Is your job performance measured by either uncollected rent or vacancies?

- 1 YES
- 2 NO

31. Approximately how many units have changed occupancy within the last 12 months? _____

32. In your opinion, how much input do you have in planning the annual operating budget?

- 1 A LOT
- 2 SOME
- 3 NONE If none, go to Question 34.

33. Describe your level of involvement with the annual operating budget?

34. Did you meet the budgeting goals for last cycle?

- 1 YES
- 2 NO If no, go to Question 37.
- 3 DON'T KNOW ... If don't know, go to Question 38.

35. For the last budgeting cycle, did the net operating income (NOI) exceed the budgeted income?

- 1 YES
- 2 NO If no, go to Question 38.

36. For the last budgeting cycle, the net operating income (NOI) exceeded the budgeted income by what percentage?

_____ % [999]
Go to Question 38.

37. For the last budgeting cycle, the net operating income (NOI) was short of the budgeted goal by what percentage?

_____ % [999]

38. Is your job performance measured by meeting budget?

- 1 YES
- 2 NO

39. Are operating reserves maintained for the property?

- 1 YES
- 2 NO If no, go to Question 42.
- 3 DON'T KNOW ... If don't know, go to Question 42.

40. Have you used any money from the operating reserve within the last 12 months?

- 1 YES
- 2 NO If no, go to Question 42.
- 3 DON'T KNOW ... If don't know, go to Question 42.

41. Approximately how many times have you used the operating reserves within the last 12 months? _____ [99]

IV. MAINTENANCE PROCEDURES

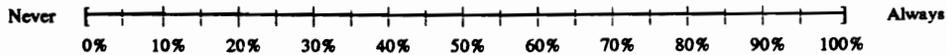
42. How frequently are the following tasks normally conducted on the property?

	DAILY	WEEKLY	MONTHLY	OTHER	NOT APPLICABLE
sidewalks, hallways, and stairwells inspected and cleared of trash	D	W	M	_____	N/A
parking lot(s) inspected and cleared of trash	D	W	M	_____	N/A
parking lot(s) inspected for abandoned vehicles	D	W	M	_____	N/A
dumpsters inspected and cleared of surrounding trash	D	W	M	_____	N/A
light bulbs and globes inspected for operation	D	W	M	_____	N/A
laundry facilities inspected and cleared of trash	D	W	M	_____	N/A
storage facilities inspected and cleared of trash	D	W	M	_____	N/A
fire extinguishers checked for proper location	D	W	M	_____	N/A
	[20]	[04]	[01]		[99]

43. What is the performance goal (in days) for the turnaround time of routine maintenance, after a request has been made?

- 1 WITHIN IN THE SAME BUSINESS DAY [00]
- 2 WITHIN ONE DAY [01]
- 3 WITHIN TWO DAYS [02]
- 4 OTHER TIME PERIOD: GIVE NUMBER OF DAYS _____
- 5 THERE IS NO PERFORMANCE GOAL^{50*} If there is no performance goal, go to Question 45. [99]

44. How often is the above goal met? (Place an "X" on the appropriate percentage.)



45. On average, how many maintenance requests are submitted in a given workday? _____

46. On average, how many maintenance requests are still outstanding on a given workday? _____

47. When are the following maintenance requests considered emergencies?

	ALWAYS	SOMETIMES	NEVER	NOT APPLICABLE
inoperable toilets	A	S	N	N/A
inoperable refrigerators	A	S	N	N/A
inoperable stoves	A	S	N	N/A
inoperable heating in Winter	A	S	N	N/A
inoperable cooling in Summer	A	S	N	N/A
inoperable sinks or garbage disposals	A	S	N	N/A
stopped-up drains	A	S	N	N/A
no electricity	A	S	N	N/A
gas leaks	A	S	N	N/A
inoperable door locks	A	S	N	N/A
inoperable lights in hallways and stairwells	A	S	N	N/A
	[1]	[2]	[3]	[4]

48. In a given month, how often are vacant apartments checked?

- 1 FIVE TIMES A WEEK [20]
- 2 ONCE A WEEK [04]
- 3 TWICE A MONTH [02]
- 4 ONCE A MONTH [01]
- 5 OTHER TIME PERIOD: GIVE NUMBER OF TIMES PER MONTH _____ [00]
- 6 NEVER [00]

49. On average, how many days does it take for a vacant unit to be made "rent ready" for the next resident? _____

50. In a given year, how often is routine pest extermination of the units conducted?

- 1 MONTHLY [12]
- 2 QUARTERLY [04]
- 3 ANNUALLY [01]
- 4 OTHER TIME PERIOD: GIVE NUMBER OF TIMES PER MONTH _____ [00]
- 5 NEVER [00]

51. Which of the following tasks are on preventive maintenance schedules?

	YES	NO	NOT APPLICABLE
filter changes for heating and cooling	1	2	3
efficiency checks of HVAC units	1	2	3
smoke detector checks	1	2	3
water supply lines and faucets	1	2	3

52. How often are the aforementioned tasks conducted? (Circle "N/A" for each task you responded "NO" or "NOT APPLICABLE" to in Question 51.)

	MONTHLY	QUARTERLY	ANNUALLY	OTHER	NOT APPLICABLE
filter changes for heating and cooling	M	Q	A	_____	N/A
efficiency checks of HVAC units	M	Q	A	_____	N/A
smoke detector checks	M	Q	A	_____	N/A
water supply lines and faucets	M	Q	A	_____	N/A
	[12]	[04]	[01]		[99]

53. How quickly are the following situations usually corrected and restored to their original state? (Circle "N/A" if the listed incident has never occurred in the apartment community.)

	IMMEDIATELY (within a day)	SOON (within 2 days)	LATER (within a week)	OTHER (within ___ days)	NOT APPLICABLE
broken windows	I	S	L	_____	N/A
broken globes on lighting fixtures	I	S	L	_____	N/A
graffiti	I	S	L	_____	N/A
	[1]	[2]	[5]		[99]

V. NEIGHBORHOOD ENVIRONMENT

54. In a given month, how often do the following occur in the apartment community?

	DAILY	WEEKLY	BI-WEEKLY	OTHER	NEVER
vandalism	D	W	B-W	_____	N
drug trafficking	D	W	B-W	_____	N
burglaries/thefts	D	W	B-W	_____	N
violence	D	W	B-W	_____	N
	[30]	[04]	[02]		[00]

55. In your opinion, how often do the following occur in the surrounding community (neighborhood)?

	VERY OFTEN	SOMEWHAT OFTEN	NOT OFTEN	NEVER
vandalism	VO	SO	NO	N
drug trafficking	VO	SO	NO	N
burglaries & thefts	VO	SO	NO	N
violence	VO	SO	NO	N
	[1]	[2]	[3]	[4]

56. In your opinion, how safe is the surrounding neighborhood?

- 1 VERY SAFE
- 2 SOMEWHAT SAFE
- 3 NOT SAFE

57. How many homes and buildings in the surrounding neighborhood have boarded-up windows?

- 1 NONE
- 2 SOME
- 3 A LOT

58. How many homes and buildings in the surrounding neighborhood have been abandoned?

- 1 NONE
- 2 SOME
- 3 A LOT

59. What is the zip code for the apartment community? _____

VI. SERVICES

60. What amenities are provided for residents of the apartment community? (Circle all that apply.)

	YES	NO
laundry rooms	1	2
vending machines	1	2
pay telephones	1	2
storage facilities	1	2
other: _____	1	2
_____	1	2

61. What types of services and programs are provided on-site for residents of the apartment community?

	YES	NO
day care	1	2
job training and/or placement services	1	2
senior citizen programs	1	2
anti-drug programs	1	2
anti-crime programs	1	2
arts/culture programs	1	2
teen pregnancy programs	1	2
other youth programs	1	2
health care	1	2
emergency food assistance	1	2
homeownership counseling	1	2
other: _____	1	2
_____	1	2
_____	1	2

62. Were the aforementioned services and programs initiated by the owner/manager of the property, a community organization, or mandated by law? (Circle "N/A" for each service or program you responded "NO" to in Question 61.)

	OWNER/ MANAGER	COMMUNITY ORGANIZATION	LAW	DON'T KNOW	NOT APPLICABLE
day care	O/M	CO	L	DK	N/A
job training and/or placement services	O/M	CO	L	DK	N/A
senior citizen programs	O/M	CO	L	DK	N/A
anti-drug programs	O/M	CO	L	DK	N/A
anti-crime programs	O/M	CO	L	DK	N/A
arts/culture programs	O/M	CO	L	DK	N/A
teen pregnancy programs	O/M	CO	L	DK	N/A
other youth programs	O/M	CO	L	DK	N/A
health care	O/M	CO	L	DK	N/A
emergency food assistance	O/M	CO	L	DK	N/A
homeownership counseling	O/M	CO	L	DK	N/A
other: _____	O/M	CO	L	DK	N/A
_____	O/M	CO	L	DK	N/A
_____	O/M	CO	L	DK	N/A
	[1]	[2]	[3]	[4]	[5]

63. Is there a resident organization within the apartment community?

- 1 YES
- 2 NO If no, go to Question 65.

64. In your opinion, how active is the resident organization?

- 1 NOT ACTIVE
- 2 SOMEWHAT ACTIVE
- 3 ACTIVE
- 4 VERY ACTIVE

65. Is there an executive board for the apartment community?

- 1 YES
- 2 NO If no, go to Question 67.

66. Is there a seat for a resident representative on the executive board?

- 1 YES
- 2 NO

VII. DEMOGRAPHICS OF THE ON-SITE MANAGER

67. Are you directly employed by the owner of the apartment community or are you employed by a management firm?

- 1 DIRECTLY EMPLOYED BY THE OWNER If directly employed by owner, go to Question 69.
- 2 EMPLOYED BY A MANAGEMENT FIRM

68. Is the management firm you are working for a nonprofit or for-profit entity?

- 1 NONPROFIT ENTITY
- 2 FOR-PROFIT ENTITY

69. In your opinion, how much authority is given to you to run the apartment community?

- 1 A GREAT AMOUNT
- 2 A MODERATE AMOUNT
- 3 A LITTLE AMOUNT

70. How many years have you managed this apartment community? _____

71. How many years of experience do you have managing multifamily housing properties? _____

If your years of experience exceed the number of years you have managed this apartment community, answer the next question. If not, go to Question 73.

72. How many years have you managed other apartment communities? Only provide information for the past two properties.

Years Managing on Past Property #1

Years Managing on Past Property #2
(the property prior to past #1)

[99]

(only answer if applicable)

73. Have you ever managed a conventional or non-subsidized property?

- 1 YES
- 2 NO If no, go to Question 75.

74. How many years of experience do you have managing conventional or non-subsidized properties? _____

[99]

75. What professional designations do you have? (Circle all that apply.)

	YES	NO
Accredited Residential Manager (ARM)	1	2
Certified Apartment Manager (CAM)	1	2
Certified Property Manager (CPM)	1	2
Public Housing Manager (PHM)	1	2
Registered Apartment Manager (RAM)	1	2
Other: _____	1	2

76. What is the highest level of education you have attained?

- 1 SOME HIGH SCHOOL
- 2 HIGH SCHOOL DIPLOMA OR EQUIVALENT
- 3 SOME COLLEGE (INCLUDING SOME COMMUNITY COLLEGE)
- 4 COMMUNITY COLLEGE DEGREE
- 5 BACHELOR'S DEGREE IN _____
- 6 SOME POST GRADUATE COURSE WORK
- 7 MASTER'S DEGREE IN _____

77. Are you a male or female?

- 1 MALE
- 2 FEMALE

78. In which of the following categories does your current total annual compensation fall (include bonuses)?
(Note: Your response to this question, as with all of your responses in this questionnaire, is confidential.)

- 1 UNDER \$20,000
- 2 \$20,000 - \$29,999
- 3 \$30,000 - \$39,999
- 4 \$40,000 - \$49,999
- 5 \$50,000 OR MORE

79. Your total annual compensation is reflective of the management of how many apartment communities? _____

VIII. DEMOGRAPHICS OF THE OWNER (the public housing authority, the for-profit investor(s), or the nonprofit organization)

80. In your opinion, what is the owner's primary use of the net operating income (NOI) from this property?

- 1 PROFIT
- 2 PROPERTY DEVELOPMENT
- 3 SOCIAL SERVICES
- 4 OTHER: _____

81. How many other apartment communities does the owner own?

- 1 ZERO
- 2 AT LEAST ONE, BUT FEWER THAN 5
- 3 MORE THAN FIVE, BUT FEWER THAN 10
- 4 MORE THAN 10
- 5 DO NOT KNOW

IX. ADDITIONAL INFORMATION

Please write any additional information you feel will help me understand the management of the apartment community.

Thank You For Participating In This Survey!

Appendix B: Letter to Executive Directors of Public Housing



Department of Housing, Interior Design and
Resource Management

College of Human Resources
Blacksburg, Virginia 24061-0424
(540) 231-6163 Fax: (540) 231-3250

November 3, 1995

2~

Dear 3~:

The Department of Housing and Urban Development's (HUD's) reinvention plan includes a major transformation of public housing. HUD proposes converting operating subsidies for public housing authorities (PHAs) to rental assistance for residents, allowing public housing residents the opportunity to obtain low-cost housing from the private sector. The underlying assumption for this proposal is that the private sector makes a better quality of housing available to low-income households than does the public sector (i.e., PHAs). By implementing such actions, HUD believes that PHAs will provide better quality housing because of resulting competition with the private sector. However, very little research-based information is available about the similarities and differences between these two sectors' property management practices, and the majority of it is based on a few case studies or anecdotal comments. Thus, more research-based information is needed about the property management practices of both public and private sector properties so that policy makers can have a better understanding of these management practices.

Most of the available information is based on a few select properties located outside of Virginia. My focus is on Virginia. As a part of my doctoral program, I am asking each public housing property in Virginia to participate in a study on its property management practices. The Virginia Housing Development Authority (VHDA) supports this endeavor (see enclosed letter).

With your permission, I would like to mail a questionnaire to your on-site managers at the following properties (see enclosed form). **Permission can be given by checking the appropriate response on the enclosed form. Regardless of your response, please complete the form in its entirety and return within the next two days.** For your convenience, a pre-addressed and postage paid envelope is also enclosed.

You may be assured of complete confidentiality. The questionnaire will have identification number for mailing and record keeping purposes only, allowing me to check off the apartment community from the mailing list when the questionnaire is returned. Neither the name of the housing authority, nor the on-site manager, nor the apartment community will ever be associated with the questionnaire or reflected in the results of the study.

I would be very happy to answer any questions you might have. Please write or call. You can reach me directly by calling (540) 231-3993.

Thank you for your cooperation,

Leslie Johnson
Doctoral Candidate

Appendix C: Letter to Executive Property Managers of Section 8 Housing



Department of Housing, Interior Design and
Resource Management

College of Human Resources
Blacksburg, Virginia 24061-0424
(540) 231-6163 Fax: (540) 231-3250

November 3, 1995

2 -

Dear 3 ~ :

Federally assisted multifamily housing properties are under scrutiny by Congress, and often property management practices are questioned. However, very little research-based information is available about the property management practices at these sites, and the majority of it is based on a few case studies or anecdotal comments. Thus, more research-based information is needed about the property management practices of federally assisted multifamily housing properties so that policy makers can have a better understanding of the management practices on these sites.

Most of the available information is based on a few select properties located outside of Virginia. My focus is on Virginia. As a part of my doctoral program at Virginia Tech, I am asking each project-based Section 8 property in Virginia to participate in a study on its property management practices. The Virginia Housing Development Authority (VHDA) supports this endeavor (see enclosed letter).

With your permission, I would like to mail a questionnaire to your on-site manager at 1 ~ . **Permission can be given by checking the appropriate response on the enclosed postcard. Regardless of your response, please complete the postcard in its entirety and return it within the next two days.** For your convenience, the postcard is pre-addressed and postage paid.

You may be assured of complete confidentiality. The questionnaire will have identification number for mailing and record keeping purposes only, allowing me to check off the apartment community from the mailing list when the questionnaire is returned. Neither the name of the management firm, nor the on-site manager, nor the apartment community will ever be associated with the questionnaire or reflected in the results of the study.

I would be very happy to answer any questions you might have. Please write or call. You can reach me directly by calling (540) 231-3993.

Thank you for your cooperation,

Leslie Johnson
Doctoral Candidate

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An Equal Opportunity / Affirmative Action Institution*

Appendix D: Permission Post Card

I give you permission to send a questionnaire to _____, the on-site manager of
Mr./Ms. First and Last Names

Name of Property

Mailing Address

City, State Zip Code

I do not give you permission to send a questionnaire to the on-site manager
of _____
Name of Property

Print Your Name: _____

Sign Your Name: _____

HDM (LYJ)
240 Wallace Hall
Blacksburg, VA 24061-0424

*Permission Request for Multifamily Housing Survey
Department of Housing, Interior Design, and Resource Management
240 Wallace Hall
Virginia Tech
Blacksburg, Virginia 24061-0424*

CODE # _____

Appendix E: Permission Form

Permission Request Form

CODE # _____

Print Your Name: _____

Sign Your Name: _____

- I give you permission to send questionnaires to the on-site managers of the properties listed below.
- I do not give you permission to send questionnaires to the on-site managers of the properties listed below.

Project Name:

Mr./Ms. First and Last Names

Name of Property

Mailing Address

City, _____ State _____ Zip Code _____

Project Name:

Mr./Ms. First and Last Names

Name of Property

Mailing Address

City, _____ State _____ Zip Code _____

Project Name:

Mr./Ms. First and Last Names

Name of Property

Mailing Address

City, _____ State _____ Zip Code _____

Project Name:

Mr./Ms. First and Last Names

Name of Property

Mailing Address

City, _____ State _____ Zip Code _____

Project Name:

Mr./Ms. First and Last Names

Name of Property

Mailing Address

City, _____ State _____ Zip Code _____

Project Name:

Mr./Ms. First and Last Names

Name of Property

Mailing Address

City, _____ State _____ Zip Code _____

Appendix F: Letter of Support from VHDA



October 18, 1995

Ms. Leslie Johnson
Virginia Tech University
Dept. of Housing, Interior Design
and Resource Management
College of Human Resources
Blacksburg, VA 24061-0424

Dear Ms. Johnson:

I appreciate the opportunity which you allowed me to review your proposal for studying the property management practices utilized in federally assisted multi-family housing. I hope that your research efforts are successful and that they provide insights into successful practices for promoting the most efficient and effective delivery of housing services to the populations served.

Please let me know if Virginia Housing can be of any assistance to you in your research.

Very Truly Yours,



Hunter L. Jacobs, CPM
Director of Housing Management

HLJ/dlg

Virginia Housing Development Authority
601 South Bayshore Street, Richmond, VA 23220-9504
804-772-1466
1-800-554-7436 (TDD)

Appendix G: Letter to Property Managers at Public Housing Properties



Department of Housing, Interior Design and
Resource Management

College of Human Resources
Blacksburg, Virginia 24061-0424
(540) 231-6163 Fax: (540) 231-3250

February 5, 1996

4 ~

Dear 5 ~ :

The Department of Housing and Urban Development's (HUD's) reinvention plan includes a major transformation of public housing. HUD proposes converting operating subsidies for public housing authorities (PHAs) to rental assistance for residents, allowing public housing residents the opportunity to obtain low-cost housing from the private sector. The underlying assumption for this proposal is that the private sector makes a better quality of housing available to low-income households than does the public sector (i.e., PHAs). By implementing such actions, HUD believes that PHAs will provide better quality housing because of resulting competition with the private sector. However, very little research-based information is available about the similarities and differences between these two sectors' property management practices, and the majority of it is based on a few case studies or anecdotal comments. Thus, more research-based information is needed about the property management practices of both public and private sector properties so that policy makers can have a better understanding of these management practices.

Most of the available information is based on a few select properties located outside of Virginia. My focus is on Virginia. As a part of my doctoral program, I am asking each public housing property in Virginia to participate in a study on its property management practices.

6 ~ gave me permission to mail you the enclosed questionnaire. Please complete the questionnaire in its entirety, unless otherwise indicated, and return it within the next two days or as soon as possible (but no later than February 28). Your responses are to only reflect the management practices of 1 ~. For your convenience, a pre-addressed and postage paid envelope is also enclosed.

You may be assured of complete confidentiality. The questionnaire has an identification number for mailing and record keeping purposes only, allowing me to check off the apartment community from the mailing list when the questionnaire is returned. Neither your name, nor the name of the housing authority, nor the apartment community will ever be associated with the questionnaire or reflected in the results of the study.

I would be very happy to answer any questions you might have. Please write or call. You can reach me directly by calling (540) 231-3993.

Thank you for your cooperation,

Leslie Johnson
Doctoral Candidate

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Appendix H: Letter to Property Managers at Section 8 Properties



Department of Housing, Interior Design and
Resource Management

College of Human Resources
Blacksburg, Virginia 24061-0424
(540) 231-6163 Fax: (540) 231-3250

February 5, 1996

4~

Dear 5~:

Federally assisted multifamily housing properties are under scrutiny by Congress, and often property management practices are questioned. However, very little research-based information is available about the property management practices at these sites, and the majority of it is based on a few case studies or anecdotal comments. Thus, more research-based information is needed about the property management practices of federally assisted multifamily housing properties so that policy makers can have a better understanding of the management practices on these sites.

Most of the available information is based on a few select properties located outside of Virginia. My focus is on Virginia. As a part of my doctoral program at Virginia Tech, I am asking each project-based Section 8 property in Virginia to participate in a study on its property management practices.

6~ gave me permission to mail you the enclosed questionnaire. Please complete the questionnaire in its entirety, unless otherwise indicated, and return within the next two days or as soon as possible (but no later than February 28). Your responses are only to reflect the management practices of 1~. For your convenience, a pre-addressed and postage paid envelope is also enclosed.

You may be assured of complete confidentiality. The questionnaire has an identification number for mailing and record keeping purposes only, allowing me to check off the apartment community from the mailing list when the questionnaire is returned. Neither your name, nor the name of the management firm, nor the apartment community will ever be associated with the questionnaire or reflected in the results of the study.

I would be very happy to answer any questions you might have. Please write or call. You can reach me directly by calling (540) 231-3993.

Thank you for your cooperation,

Leslie Johnson
Doctoral Candidate

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Supplementary Tables

Appendix I-1a

Units in the Apartment Community

	Nonprofit			Government			For-Profit		
	<i>min</i>	<i>max</i>	<i>s.d.</i>	<i>min</i>	<i>max</i>	<i>s.d.</i>	<i>min</i>	<i>max</i>	<i>s.d.</i>
Number of Units in the Apartment Community	50	147	33	8	752	171	37	2113	338
Percentage of Units by Building Type									
low-rise buildings	0	100	55	0	100	49	0	100	43
mid-rise buildings	-	-	-	0	94	13	0	67	11
high-rise buildings	-	-	-	-	-	-	-	-	-
other buildings	0	100	55	0	100	49	0	100	42

Appendix I-1b

Units in Apartment Community

#	Nonprofit <i>N</i>	Government <i>N</i>	For-Profit <i>N</i>	#	Nonprofit <i>N</i>	Government <i>N</i>	For-Profit <i>N</i>
8	-	+	-	132	-	-	+
16	-	+	-	136	-	+	-
20	-	+	-	138	-	+	-
24	-	++	-	147	+	-	+
32	-	++	-	148	-	-	-
36	-	+	-	150	-	++	+
37	-	+	+	160	-	+	+
40	-	++	++	166	-	-	+
44	-	+	-	178	-	+	-
46	-	+	-	182	-	-	+
50	+	+	++++	200	-	-	+
60	-	+	+	232	-	-	+
61	-	+	-	238	-	+	-
68	-	-	+	252	-	+	-
72	-	-	+	256	-	+	-
77	-	+	-	262	-	+	-
84	-	-	+	265	-	+	-
85	-	+	-	266	-	-	+
88	-	+	++	296	-	-	+
90	+	-	-	300	-	+++	+
96	-	+	-	309	-	+	-
97	-	+	-	340	-	+	-
100	+	+++	+++	352	-	+	-
104	-	++	++	395	-	+	-
105	-	+	-	400	-	+	-
107	-	+	-	450	-	+	-
108	-	-	+	491	-	-	+
110	+	-	-	618	-	+	-
113	-	-	+	687	-	+	-
120	-	+	++	752	-	+	-
126	-	-	+	2113	-	-	+
128	+	-	+				

+ Indicates an apartment community with the corresponding number of units.

Appendix I-2

Practical Experience of Managers (in Years)

	Nonprofit			Government			For-Profit		
	<i>min</i>	<i>max</i>	<i>s.d.</i>	<i>min</i>	<i>max</i>	<i>s.d.</i>	<i>min</i>	<i>max</i>	<i>s.d.</i>
Managing Current Property	2	16	6.66	0	15	4.88	0	25	5.69
Being A Resident Manager	3	26	8.32	0	29	7.55	1	26	6.49
Managing Previous Properties									
past property #1	1	5	2.08	1	14	4.26	1	25	6.48
past property #2	5	6	0.71	2	10	1.70	1	16	4.53
Conventional Properties	5	5	-	1	13	3.37	1	25	6.96

Appendix I-3

Staffing Levels (Number of Persons per 100 Units)

	Nonprofit				Government				For-Profit			
	<i>min</i>	<i>max</i>	<i>s.d.</i>	<i>s.e.</i>	<i>min</i>	<i>max</i>	<i>s.d.</i>	<i>s.e.</i>	<i>min</i>	<i>max</i>	<i>s.d.</i>	<i>s.e.</i>
Administrative Volunteers	0.0	0.0	0.0	0.0	0.0	0.7	0.0	0.0	0.0	0.0	0.0	0.0
Full-Time Administrative Employees	0.7	2.2	0.7	0.0	0.0	15.6	2.9	0.0	0.0	5.0	1.0	0.0
Part-Time Administrative Employees	0.0	0.7	0.3	0.0	0.0	3.1	0.8	0.0	0.0	5.4	1.0	0.0
Maintenance Volunteers	0.0	0.0	0.0	0.0	0.0	0.6	0.1	0.0	0.0	2.0	0.3	0.0
Full-Time Maintenance Employees	1.8	3.4	0.6	0.0	0.0	28.1	5.4	0.0	0.0	6.8	1.3	0.0
Part-Time Maintenance Employees	0.0	0.0	0.0	0.0	0.0	5.6	1.2	0.0	0.0	2.0	0.4	0.0

Independent T-tests on Staffing Levels

	Nonprofit and Government	Nonprofit and For-Profit
	<i>two-tail probability</i>	<i>two-tail probability</i>
Administrative Volunteers	0.06	-
Full-Time Administrative Employees	0.58	0.54
Part-Time Administrative Employees	0.12	0.19
Maintenance Volunteers	0.12	0.32
Full-Time Maintenance Employees	0.48	0.78
Part-Time Maintenance Employees	0.04	0.04

Appendix I-4

Rate of Attendance at Professional Development Events (in Percentages)

	Nonprofit				Government				For-Profit			
	<i>min</i>	<i>max</i>	<i>s.d.</i>	<i>s.e.</i>	<i>min</i>	<i>max</i>	<i>s.d.</i>	<i>s.e.</i>	<i>min</i>	<i>max</i>	<i>s.d.</i>	<i>s.e.</i>
Administrative Volunteers	-	-	-	-	0	50	25	13	-	-	-	-
Full-Time Administrative Employees	0	100	52	21	0	100	33	6	0	100	47	9
Part-Time Administrative Employees	0	0	-	-	0	100	41	12	0	100	50	16
Maintenance Volunteers	-	-	-	-	0	0	0	0	-	-	-	-
Full-Time Maintenance Employees	0	100	49	20	0	100	42	8	0	100	36	6
Part-Time Maintenance Employees	0	0	-	-	0	0	0	0	0	100	45	20

Independent T-tests on Professional Development Rates

	Nonprofit and Government	Nonprofit and For-Profit
	<i>two-tail probability</i>	<i>two-tail probability</i>
Administrative Volunteers	-	-
Full-Time Administrative Employees	0.54	0.83
Part-Time Administrative Employees	-	-
Maintenance Volunteers	-	-
Full-Time Maintenance Employees	0.71	0.25
Part-Time Maintenance Employees	-	-

Appendix I-5a

Certification Rates (in Percentages)

	Nonprofit				Government				For-Profit			
	<i>min</i>	<i>max</i>	<i>s.d.</i>	<i>s.e.</i>	<i>min</i>	<i>max</i>	<i>s.d.</i>	<i>s.e.</i>	<i>min</i>	<i>max</i>	<i>s.d.</i>	<i>s.e.</i>
One Certification												
administrative volunteers	-	-	-	-	0	0	0	0	-	-	-	-
full-time administrative employees	0	100	52	21	0	100	44	9	0	100	42	8
part-time administrative employees	0	0	-	-	0	100	30	9	0	50	17	5
maintenance volunteers	-	-	-	-	0	0	0	0	0	0	-	-
full-time maintenance employees	0	100	42	19	0	100	44	9	0	100	26	5
part-time maintenance employees	-	-	-	-	0	100	41	17	0	0	0	0
Two Certifications												
administrative volunteers	-	-	-	-	0	0	0	0	-	-	-	-
full-time administrative employees	0	100	52	21	0	100	32	6	0	60	12	2
part-time administrative employees	0	0	-	-	0	100	30	9	0	50	14	4
maintenance volunteers	-	-	-	-	0	0	0	0	0	0	-	-
full-time maintenance employees	0	100	52	21	0	100	41	9	0	50	21	4
part-time maintenance employees	-	-	-	-	0	100	41	17	0	0	0	0
Three or More Certifications												
administrative volunteers	-	-	-	-	0	0	0	0	-	-	-	-
full-time administrative employees	0	100	41	17	0	60	19	4	0	0	0	0
part-time administrative employees	0	0	-	-	0	100	30	9	0	0	0	0
maintenance volunteers	-	-	-	-	0	0	0	0	0	0	-	-
full-time maintenance employees	0	100	41	17	0	100	32	7	0	50	19	3
part-time maintenance employees	-	-	-	-	0	100	41	17	0	0	0	0

Appendix I-5b

Independent T-tests on Certification Rates

	<u>Nonprofit and Government</u> <i>two-tail probability</i>	<u>Nonprofit and For-Profit</u> <i>two-tail probability</i>
One Certification		
administrative volunteers	-	-
full-time administrative employees	0.62	0.90
part-time administrative employees	-	-
maintenance volunteers	-	-
full-time maintenance employees	0.49	0.30
part-time maintenance employees	-	-
Two Certifications		
administrative volunteers	-	-
full-time administrative employees	0.43	0.20
part-time administrative employees	-	-
maintenance volunteers	-	-
full-time maintenance employees	0.98	0.41
part-time maintenance employees	-	-
Three or More Certifications		
administrative volunteers	-	-
full-time administrative employees	0.58	0.36
part-time administrative employees	-	-
maintenance volunteers	-	-
full-time maintenance employees	0.91	0.65
part-time maintenance employees	-	-

Appendix I-6

Frequency of Updating Waiting List

	Nonprofit				Government				For-Profit			
	<i>min</i>	<i>max</i>	<i>s.d.</i>	<i>s.e.</i>	<i>min</i>	<i>max</i>	<i>s.d.</i>	<i>s.e.</i>	<i>min</i>	<i>max</i>	<i>s.d.</i>	<i>s.e.</i>
Number of Times Per Year	1	6	2	1	1	12	5	1	1	240	41	7

Independent T-tests on Frequency of Updating Waiting List

	Nonprofit and Government		Nonprofit and For-Profit	
	<i>two-tail probability</i>		<i>two-tail probability</i>	
Number of Times Per Year	0.01		0.24	

Appendix I-7

Successfully Passed Audits (in Percentages)

	Nonprofit				Government				For-Profit			
	<i>min</i>	<i>max</i>	<i>s.d.</i>	<i>s.e.</i>	<i>min</i>	<i>max</i>	<i>s.d.</i>	<i>s.e.</i>	<i>min</i>	<i>max</i>	<i>s.d.</i>	<i>s.e.</i>
Financial Audits	60	100	16	7	100	100	0	0	100	100	0	0
Program/Compliance Audits	60	100	18	8	100	100	0	0	100	100	0	0

Independent T-tests on Successfully Passed Audits

	Nonprofit and Government		Nonprofit and For-Profit	
	<i>two-tail probability</i>		<i>two-tail probability</i>	
Financial Audits	0.36		0.36	
Program/Compliance Audits	0.37		0.37	

Appendix I-8

Budget Variance (in Percentages)

	Nonprofit				Government				For-Profit			
	<i>min</i>	<i>max</i>	<i>s.d.</i>	<i>s.e.</i>	<i>min</i>	<i>max</i>	<i>s.d.</i>	<i>s.e.</i>	<i>min</i>	<i>max</i>	<i>s.d.</i>	<i>s.e.</i>
(actual-budgeted)/actual + 1	85	101	10	4	100	121	9	2	89	363	57	13

Independent T-tests on Budget Variance

	Nonprofit and Government	Nonprofit and For-Profit
	<i>two-tail probability</i>	<i>two-tail probability</i>
(actual-budgeted)/actual + 1	0.06	0.12

Appendix I-9

Uncollected Rent, Vacancies, and Unit Turnovers (in Percentages)

	Nonprofit				Government				For-Profit			
	<i>min</i>	<i>max</i>	<i>s.d.</i>	<i>s.e.</i>	<i>min</i>	<i>max</i>	<i>s.d.</i>	<i>s.e.</i>	<i>min</i>	<i>max</i>	<i>s.d.</i>	<i>s.e.</i>
Monthly Uncollected	0	10	5	2	0	22	5	1	0	15	3	1
Monthly Vacancy Rate	0	2	1	0	0	10	2	0	0	17	4	1
Annual Unit Turnover Rate	1	20	8	3	1	47	9	1	5	65	16	3

Independent T-tests on Uncollected Rent, Vacancies, and Unit Turnovers

	Nonprofit and Government		Nonprofit and For-Profit	
	<i>two-tail probability</i>		<i>two-tail probability</i>	
Monthly Uncollected Rent	0.50		0.50	
Monthly Vacancy Rate	0.02		0.01	
Annual Unit Turnover Rate	0.52		0.00	

Appendix I-10

Used Operating Reserves within Past Year

	Nonprofit				Government				For-Profit			
	<i>min</i>	<i>max</i>	<i>s.d.</i>	<i>s.e.</i>	<i>min</i>	<i>max</i>	<i>s.d.</i>	<i>s.e.</i>	<i>min</i>	<i>max</i>	<i>s.d.</i>	<i>s.e.</i>
Number of Times Used	1	3	1	1	1	12	8	6	1	12	4	1

Independent T-tests on Use of Operating Reserves

	Nonprofit and Government		Nonprofit and For-Profit	
	<i>two-tail probability</i>		<i>two-tail probability</i>	
Number of Times Used	-		0.70	

Appendix I-11a

Buildings and Grounds Procedures (Days per Year)

	Nonprofit				Government				For-Profit			
	<i>min</i>	<i>max</i>	<i>s.d.</i>	<i>s.e.</i>	<i>min</i>	<i>max</i>	<i>s.d.</i>	<i>s.e.</i>	<i>min</i>	<i>max</i>	<i>s.d.</i>	<i>s.e.</i>
Sidewalks, Hallways, ...	240	240	0	0	12	240	77	11	12	240	74	12
Parking Lot(s) for Trash	240	240	0	0	12	240	85	12	12	240	66	11
Parking Lot(s) for Abandoned Vehicles	48	240	99	40	12	240	102	14	12	240	100	17
Area Dumpsters for Trash	240	240	0	0	48	240	85	14	12	240	48	8
Light Bulbs and Globes	48	240	78	32	1	240	95	15	12	240	100	17
Laundry Facilities for Trash	240	240	0	0	48	240	82	19	48	240	56	8
Storage Facilities for Trash	12	240	119	49	12	240	99	23	12	240	110	29
Fire Extinguishers for Proper Location	12	240	99	44	1	240	64	10	12	240	87	15

Appendix I-11b

Independent T-tests on Buildings and Ground Procedures

	Nonprofit and Government <i>two-tail probability</i>	Nonprofit and For-Profit <i>two-tail probability</i>
Sidewalks, Hallways, ...	0.00	0.01
Parking Lot(s) for Trash	0.00	0.83
Parking Lot(s) for Abandoned Vehicles	0.71	0.50
Areas Near Dumpsters for Trash	0.00	0.16
Light Bulbs and Globes	0.89	0.21
Laundry Facilities for Trash	0.04	0.08
Storage Facilities for Trash	0.93	0.88
Fire Extinguishers for Proper Location	0.48	1.00

Appendix I-12

Performance Goal for Routine Maintenance (in Days)

	Nonprofit				Government				For-Profit			
	<i>min</i>	<i>max</i>	<i>s.d.</i>	<i>s.e.</i>	<i>min</i>	<i>max</i>	<i>s.d.</i>	<i>s.e.</i>	<i>min</i>	<i>max</i>	<i>s.d.</i>	<i>s.e.</i>
Turnaround Time	0	1	1	0	0	7	2	0	0	5	1	0

Independent T-tests on Performance Goal for Routine Maintenance

	Nonprofit and Government	Nonprofit and For-Profit
	<i>two-tail probability</i>	<i>two-tail probability</i>
Turnaround Time	0.00	0.09

Appendix I-13

Frequency Performance Goal for Routine Maintenance Met (in Percentages)

	Nonprofit				Government				For-Profit			
	<i>min</i>	<i>max</i>	<i>s.d.</i>	<i>s.e.</i>	<i>min</i>	<i>max</i>	<i>s.d.</i>	<i>s.e.</i>	<i>min</i>	<i>max</i>	<i>s.d.</i>	<i>s.e.</i>
Percentage of Time	85	100	5	2	30	100	17	3	5	100	23	4

Independent T-tests on Frequency Performance Goal for Routine Maintenance Met

	Nonprofit and Government	Nonprofit and For-Profit
	<i>two-tail probability</i>	<i>two-tail probability</i>
Percentage of Time	0.15	0.01

Appendix I-14

Outstanding Work Orders (in Percentages)

	Nonprofit				Government				For-Profit			
	<i>min</i>	<i>max</i>	<i>s.d.</i>	<i>s.e.</i>	<i>min</i>	<i>max</i>	<i>s.d.</i>	<i>s.e.</i>	<i>min</i>	<i>max</i>	<i>s.d.</i>	<i>s.e.</i>
Outstanding Work Orders	0	33	13	6	0	100	23	4	0	400	68	12

Independent T-tests on Outstanding Work Orders

	Nonprofit and Government		Nonprofit and For-Profit	
	<i>two-tail probability</i>		<i>two-tail probability</i>	
Percentage of Time	0.59		0.28	

Appendix I-15

Request Considered Emergencies

	Nonprofit				Government				For-Profit			
	<i>min</i>	<i>max</i>	<i>s.d.</i>	<i>s.e.</i>	<i>min</i>	<i>max</i>	<i>s.d.</i>	<i>s.e.</i>	<i>min</i>	<i>max</i>	<i>s.d.</i>	<i>s.e.</i>
Number of Request	6	11	2	1	0	11	2	0	2	11	2	0

Independent T-tests on Request Considered Emergencies

	Nonprofit and Government		Nonprofit and For-Profit	
	<i>two-tail probability</i>		<i>two-tail probability</i>	
Percentage of Time	0.02		0.21	

Appendix I-16

Number of Times Management Checks Vacant Units (Times per Month)

	Nonprofit				Government				For-Profit			
	<i>min</i>	<i>max</i>	<i>s.d.</i>	<i>s.e.</i>	<i>min</i>	<i>max</i>	<i>s.d.</i>	<i>s.e.</i>	<i>min</i>	<i>max</i>	<i>s.d.</i>	<i>s.e.</i>
Frequency of Checking Units	1	20	10	4	0	20	7	1	1	20	8	1

Independent T-tests on Checking Vacant Units

	Nonprofit and Government		Nonprofit and For-Profit	
	<i>two-tail probability</i>		<i>two-tail probability</i>	
Frequency of Checking Units	0.23		0.43	

Appendix I-17

Turnaround Time for Vacant Units (in Days)

	Nonprofit				Government				For-Profit			
	<i>min</i>	<i>max</i>	<i>s.d.</i>	<i>s.e.</i>	<i>min</i>	<i>max</i>	<i>s.d.</i>	<i>s.e.</i>	<i>min</i>	<i>max</i>	<i>s.d.</i>	<i>s.e.</i>
Days to be "Rent Ready"	2	13	4	2	3	21	5	1	2	16	4	1

Independent T-tests on Turnaround Time for Vacant Units

	Nonprofit and Government	Nonprofit and For-Profit
	<i>two-tail probability</i>	<i>two-tail probability</i>
Days to be "Rent Ready"	0.23	0.63

Appendix I-18

Routine Pest Extermination (Times per Year)

	Nonprofit				Government				For-Profit			
	<i>min</i>	<i>max</i>	<i>s.d.</i>	<i>s.e.</i>	<i>min</i>	<i>max</i>	<i>s.d.</i>	<i>s.e.</i>	<i>min</i>	<i>max</i>	<i>s.d.</i>	<i>s.e.</i>
Frequency of Extermination	4	12	4	2	1	12	3	0	1	48	8	1

Independent T-tests on Routine Pest Extermination

	Nonprofit and Government	Nonprofit and For-Profit
	<i>two-tail probability</i>	<i>two-tail probability</i>
Frequency of Extermination	0.03	0.39

Appendix I-19

Number of Times Items Checked (per Year)

	Nonprofit				Government				For-Profit			
	<i>min</i>	<i>max</i>	<i>s.d.</i>	<i>s.e.</i>	<i>min</i>	<i>max</i>	<i>s.d.</i>	<i>s.e.</i>	<i>min</i>	<i>max</i>	<i>s.d.</i>	<i>s.e.</i>
Heating/Cooling Filters	4	12	3	1	1	12	2	0	1	12	2	0
HVAC Units	4	12	4	2	1	12	2	0	1	12	2	0
Smoke Detectors	1	12	5	2	1	12	3	0	1	12	3	1
Water Supply Lines & Faucets	1	12	5	2	1	12	3	1	1	12	3	1

Independent T-tests on Number of Times Checked

	Nonprofit and Government	Nonprofit and For-Profit
	<i>two-tail probability</i>	<i>two-tail probability</i>
Heating/Cooling Filters	0.13	0.41
HVAC Units	0.13	0.31
Smoke Detectors	0.19	0.68
Water Supply Lines & Faucets	0.10	0.35

Appendix I-20

Turnaround Time for Correcting and Restoring Vandalism (in Days)

	Nonprofit				Government				For-Profit			
	<i>min</i>	<i>max</i>	<i>s.d.</i>	<i>s.e.</i>	<i>min</i>	<i>max</i>	<i>s.d.</i>	<i>s.e.</i>	<i>min</i>	<i>max</i>	<i>s.d.</i>	<i>s.e.</i>
Broken Windows	1	5	1	1	1	5	1	0	1	5	1	1
Broken Globes on Fixtures	1	5	2	1	1	30	6	1	1	30	5	1
Graffiti	1	5	1	1	1	30	10	2	1	30	5	1

Independent T-tests on Correcting and Restoring Vandalism

	Nonprofit and Government	Nonprofit and For-Profit
	<i>two-tail probability</i>	<i>two-tail probability</i>
Broken Windows	0.13	0.10
Broken Globes on Fixtures	0.28	0.98
Graffiti	0.00	0.47

Appendix I-21

Amenities

	Nonprofit				Government				For-Profit			
	n = 6				n = 53				n = 37			
	<i>min</i>	<i>max</i>	<i>s.d.</i>	<i>s.e.</i>	<i>min</i>	<i>max</i>	<i>s.d.</i>	<i>s.e.</i>	<i>min</i>	<i>max</i>	<i>s.d.</i>	<i>s.e.</i>
Number Provided	1	3	1	0	0	5	1	0	1	6	1	0

Independent T-tests on Amenities Provided

	Nonprofit and Government	Nonprofit and For-Profit
	<i>two-tail probability</i>	<i>two-tail probability</i>
Amenities	0.25	0.66

Appendix I-22

Services and Program

	Nonprofit				Government				For-Profit			
	n = 6				n = 53				n = 37			
	<i>min</i>	<i>max</i>	<i>s.d.</i>	<i>s.e.</i>	<i>min</i>	<i>max</i>	<i>s.d.</i>	<i>s.e.</i>	<i>min</i>	<i>max</i>	<i>s.d.</i>	<i>s.e.</i>
Number Provided	0	8	3	1	0	13	4	1	0	10	3	0

Independent T-tests on Services and Programs Provided

	Nonprofit and Government	Nonprofit and For-Profit
	<i>two-tail probability</i>	<i>two-tail probability</i>
Services and Programs	0.42	0.32

Appendix I-23

Homeownership Counseling Programs

	Nonprofit				Government				For-Profit			
	n = 6				n = 53				n = 37			
	<i>min</i>	<i>max</i>	<i>s.d.</i>	<i>s.e.</i>	<i>min</i>	<i>max</i>	<i>s.d.</i>	<i>s.e.</i>	<i>min</i>	<i>max</i>	<i>s.d.</i>	<i>s.e.</i>
Number Provided	0	1	0	0	0	1	1	0	0	1	0	0

Independent T-tests on Homeownership Programs

	Nonprofit and Government	Nonprofit and For-Profit
	<i>two-tail probability</i>	<i>two-tail probability</i>
Existence of Programs	0.06	0.44

Appendix I-24

Initiatives to Empower Residents

	Nonprofit				Government				For-Profit			
	n = 6				n = 53				n = 37			
	<i>min</i>	<i>max</i>	<i>s.d.</i>	<i>s.e.</i>	<i>min</i>	<i>max</i>	<i>s.d.</i>	<i>s.e.</i>	<i>min</i>	<i>max</i>	<i>s.d.</i>	<i>s.e.</i>
Number Provided	0	2	0	0	0	2	1	0	0	2	0	0

Independent T-tests on Initiatives to Empower Residents

	Nonprofit and Government	Nonprofit and For-Profit
	<i>two-tail probability</i>	<i>two-tail probability</i>
Initiatives to Empower	0.48	0.05

Appendix I-25

Overall Management Practices

	Nonprofit				Government				For-Profit			
	n = 6				n = 53				n = 37			
	<i>min</i>	<i>max</i>	<i>s.d.</i>	<i>s.e.</i>	<i>min</i>	<i>max</i>	<i>s.d.</i>	<i>s.e.</i>	<i>min</i>	<i>max</i>	<i>s.d.</i>	<i>s.e.</i>
Scores for Management	75	94	7	3	60	96	8	1	63	92	7	1

Independent T-tests on Overall Management Practices

	Nonprofit and Government	Nonprofit and For-Profit
	<i>one-tail probability</i>	<i>one-tail probability</i>
Scores for Management	0.26	0.02

Appendix J: Assignment of Values for Overall Management Practices

Each apartment community was given a numeric value for its overall management practice. This value was based on averaging scores calculated for the administration practices, financial management practices, maintenance procedures, and services at that respective apartment community. Scores for the above categories were derived by averaging values either calculated or assigned to measures identified under each subset. Values ranged from zero (the lowest possible value) to 100 (the highest possible value). The following details how the values were either calculated or assigned.

I. Administration Practices

- professional development rate:

$$(\text{number of workers who attended conference} / \text{total number of workers}) \times 100$$

- certification rate:

$$(\text{number of workers with one certification} \div \text{total number of workers}) \times 100$$

- fair housing rate:

$$\text{zero violations within 5 years} = 100$$

$$\text{one violation within 5 years} = 90$$

$$\text{two violations within 5 years} = 80$$

- financial audit rate:

$$(\text{number of audits successfully passed} / \text{total number of audits conducted}) \times 100$$

- program/compliance audit rate:

$$(\text{number of audits successfully passed} / \text{total number of audits conducted}) \times 100$$

II. Financial Management Procedures

- percentage of uncollected rent:

$$100 - \text{percentage of uncollected rent}$$

- vacancy rate:

$$100 - \text{percentage of units vacant}$$

- unit turnover rate:

$$100 - [(\text{number of units that changed occupancy} / \text{total number of units}) \times 100]$$

- budget variance:

$$\text{did not meet budgeted income} = 100 - \text{percentage below budgeted income}$$

$$\text{met budget but did not exceed budgeted income} = 100$$

$$\text{exceeded budgeted income} = 100 + \text{percentage exceeded budgeted income}$$

- existence of operating reserves:

$$\text{yes} = 100$$

$$\text{no} = 0$$

III. Maintenance Procedures

- inspection procedures for buildings and grounds:

$$\text{daily} = 100$$

$$\text{weekly} = 90$$

$$\text{monthly} = 80$$

$$\text{other (less frequent than above)} = 70$$

- turnaround time for routine maintenance:

$$\text{within the same day as request} = 100$$

$$\text{within 1 day of request} = 90$$

within 2 days of request = 80

within 3 - 5 days of request = 70

within 6 - 10 days of request = 60

○ outstanding work order rate:

$100 - [(\text{number of outstanding work orders} / \text{total number of work orders}) \times 100]$

* if the number of outstanding work orders exceed the total number of work orders = 0

○ constituted emergency procedures:

total number of points based on assignment below/ total number of applicable requests

always = 1 point

sometimes = 1/2 point

never = 0 points

○ vacant apartment check procedures:

5 times per week = 100

1 time per week = 90

2 times per month = 80

1 time per month or as needed = 70

○ turnaround time for units:

less than 3 days = 100

4 - 5 days = 90

6 - 10 days = 80

11 - 14 days = 70

15 or more days = 60

○ extermination procedures:

4 times per year or more = 100

3 times per year = 90

2 times per year = 80

1 time per year = 70

○ preventive maintenance procedures:

(number of items on preventive maintenance schedules/total number of applicable items) x 100

○ vandalism procedures:

broken windows or broken globes on lighting fixtures

restored in 1 day = 100

restored in 2 days = 90

restored in 5 days = 80

restored in 14 days = 70

restored in 30 or more days = 60

graffiti

restored in 1 - 2 days = 100

restored in 5 days = 90

restored in 15 days = 80

restored in 30 days = 70

restored in 31 or more days = 60

IV. Services

○ supporting amenities:

5 or more amenities = 100

4 amenities = 90

3 amenities = 80

1 - 2 amenities = 70

no amenities = 0

○ existence of programs/activities:

7 or more programs/activities = 100

5 - 6 programs/activities = 90

3 - 4 programs/activities = 80

1 - 2 programs/activities = 70

no programs/activities = 0

○ resident empowering services:

2 empowering services = 100

1 empowering service = 90

no empowering services = 0

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