

***Rental Housing: Multifamily Management
Cost- and Time-Efficient Compliance Monitoring Through the Effective Application of
Computer and Wireless Technologies
Pennsylvania Housing Finance Agency (PHFA)***

Overview and Responding to a Challenge (or Opportunity)

Pennsylvania is a vast state which has 67 counties encompassing 2,000 square miles. While the state has urban areas such as Philadelphia, Pittsburgh, and Harrisburg, much of the state is rural in nature. With 12 full-time Housing Management Representatives (HMR) monitoring Tax Credit, HOME, and Section 8 program compliance at almost 600 Agency funded properties, our challenge was to find a way to perform these reviews in a time- and cost-efficient manner while sustaining or enhancing a high level of quality customer service. Our goals were to:

1. Become more efficient by reducing HMR staff time in the field and support staff time in the office
2. Eliminate replication of documents
3. Reduce the time and costs associated with compliance reviews
4. Reduce wastefulness (going “green” by supporting paperless work processes)
5. Enhance customer service

Through the use of technology, the Pennsylvania Housing Finance Agency (PHFA) has been able to accomplish these goals. By going paperless as much as possible, and making it easy for staff in the field to securely access critical documents using wireless technology, our investment is bringing solid returns in time and money saved, while also helping our staff work more productively.

Innovative

For PHFA, program compliance monitoring, in the past, involved paper – a lot of paper. Paper went out with us to the properties, paper came back with us to the Agency, and then we generated more paper to send and store documents. We began to realize how costly and wasteful this process was and decided to evaluate our existing business practices. We threw away the notion of “This is how we’ve always done it” and asked ourselves if there was a more efficient way to do things. We decided to take a look at computer-based technologies to see if there were options available to help us better achieve our goals. Through new-found technological options and the streamlining of our work processes, this has proven to be a viable alternative to our prior way of doing business.

Replicable

Our use of technology in the field may be replicated easily by any Housing Finance Agency. It is simply the investment of easily accessible technology (laptops and air cards) combined with a thorough training of staff to get them interested and allow them to see the benefits of using the new technology.

The PHFA laptops are secured in a variety of ways to ensure that any data that is either located on them, or transmitted from them, is secure. The hard drives of the laptops are encrypted and if they are removed, the drive will look unformatted and the unauthorized user will be unable to open the files. All communications back to PHFA are encrypted and all messages sent through Outlook Web Access are subject to the same virus and security scanning as messages generated inside the Agency network.

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Computer and Wireless Technologies
PHFA**

To access the Agency network, HMRs are connected through the Internet via an encrypted tunnel for direct entry. Users are presented with a virtual desktop using Citrix Xen technology so that their laptops are never truly directly connected to the Agency network when they are located outside the Agency's buildings.

Provide benefits that outweigh costs

We invested approximately \$15,600 for twelve laptops (which included the docking stations and a five-year warranty for each) and purchased air cards with an annual cost of \$4,800 (\$50 per-card-per-month for eight cards that we rotate among staff) for a total cost of \$20,400 the first year.

We estimate that the HMRs save 1 hour and our support staff saves half-an-hour for our portfolio reviews, plus they save 3 hours and half-an-hour, respectively, for our Section 8 Management and Occupancy Reviews. Using an average salary for both the HMRs and the support staff and taking that times the hours saved times the number of properties (we only used the number of properties where full on-site visits were done), we estimate a staff labor savings of \$28,540. This gives us an initial annual savings of \$8,140, when the cost savings are subtracted from the first-year expenses.

The second year (not including salary increases and the addition of properties to our portfolio) we realize a staff labor savings of \$23,740! And this excludes the cost savings from all the paper and ink we are no longer using. We are also saving on mileage costs, as we are at times able to perform additional audits during a single excursion.

Achieve measureable improvements in Agency operations

The HMRs now save a significant amount of time at project sites, and at times we are now able to accomplish several compliance reviews per each excursion. A significant amount of time is also saved upon return to the office. In almost every case, a majority of the work has been completed in the field using our new business process, so there is no need to come back to the office to write reports or perform other related compliance monitoring tasks.

There has also been a significant reduction in the use of paper and ink as we are not making copies of documents both pre- and post-visit. Everything now is done electronically. We are not purchasing more filing cabinets – in fact, we are getting rid of them!

Our level of customer service and streamlining of Agency operations have also improved significantly, as HMRs now can respond to urgent e-mails in the field. No longer are clients and co-workers waiting two-to-three days for a response to an e-mail because an HMR is out of the office at a remote site.

Demonstrate effective use of resources

Using Housing and Development Software, we download Form HUD-9834: Management Review for Multifamily Housing Projects to the laptops, and we now perform our Section 8 reviews electronically. Historically, these reports were printed at the office, carried to the property, completed by hand, brought back to the office, and then manually entered into the computer to finally be stored electronically. This process was both extremely cumbersome and time-consuming. Now the report forms are downloaded to the laptop at the office, filled out completely at the site, and then uploaded and stored on the server upon return to the office (a 30 –second process).

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Computer and Wireless Technologies
PHFA***

Next, we populated the laptops with other necessary documents to be completed during site visits so those documents can be saved electronically while traveling. From the field, a HMR now is able to complete management review reports, file audit sheets, and site findings -- and then, using an air card, can send it all to our support staff at the Agency.

The support staff is then able to format the documents as needed and send audit findings to the owner/agent electronically -- all being completed on the same day (these are also sent in a paper format in some cases). The staff then can scan the documents into the appropriate property file. In most cases, all work related to these compliance reviews can be accomplished in one day under our new business processes. No additional work now needs to be completed when the HMR returns to the office. Because of this new level of efficiency, HMRs can complete several site visits during a single trip without being overwhelmed with the associated paperwork, as they were in the past.

The use of air cards also serves other purposes. As mentioned previously, it allows for the rapid submission of documents to our support staff so they can format, distribute, and scan documents; it also supports the ability to handle important e-mails while the HMRs are out of the office, thereby preventing backlogs upon return to the office.

Additionally, the staff is able to use the air cards to access the Agency's server to retrieve any information they traditionally would have easily available while sitting at their desk. This eliminates the need to carry multiple documents and manuals to the site that would be needed during an audit, such as the Restrictive Covenant Agreement, Regulatory Agreement, utility allowance chart, funding source documents, Owner/Agent information, and more. Anybody who has lugged around the HUD 4350.3 can truly appreciate this!

The server may also be accessed to perform all management review functions, if the staff does not wish to download the documents to the laptop. They can be completed and saved in real time. And property contact information also can be updated directly into the server so it is accessible to all staff as soon as a change is noted.

Achievement of strategic objectives

Through the business-driven application of computer and wireless technologies, we have been able to meet all of our strategic goals. We have reduced staff work time, both in the field and back at the office. We have eliminated the needless replication of documents and reduced wastefulness, plus we have taken aggressive steps to eliminate paper storage files by scanning our work to be used as electronic files. Finally, we have been able to enhance our delivery of quality customer service. Instead of spending our site visits completing paper reports, PHFA employees now have more time to talk with and assist property managers. This has brought a higher level of professionalism to our agency and enhanced the work being done by our HMRs.

The ability to work anytime, anywhere has been invaluable for our asset management and compliance monitoring practices. We are now able to work smarter, and harder, thanks to our business-focused use of technology.





