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There's no 'PR' in LIHTC – But There Should Be

By Evelyn Danowitz, Simpson Housing Solutions LLC

Developers and operators of low-income housing tax credit (LIHTC) housing face a gauntlet of challenges and obstacles with which we are all familiar. One might think that maintaining a positive public image shouldn't be one of them. After all, we're addressing one of America's most pressing socioeconomic needs, revitalizing neighborhoods, providing decent shelter and hope to millions of low-income, hard-working families. We're the good guys, right?

But anyone who thinks that creating, protecting and broadening their company's and their properties' image isn't a major priority — or who fails to recognize the vital importance of proactive communications with key audiences, whether the news is good or bad, is making a critical mistake. Building a good product, leasing it up quickly, staying in compliance and keeping up the maintenance are merely the beginning. As any seasoned property manager knows, many things can go wrong, and sooner or later they usually do.

What we're talking about here goes by several names — public relations, publicity, marketing communications, etc. What do we as an industry, and as individual operators, need to know about it, and what are some of the ways we can put these disciplines to work for us?

What PR Entails

Probably the biggest mistake companies in all kinds of businesses make is to take a piecemeal approach to their PR needs. Creating and enhancing a public image requires a consistent and sustained effort over time. It also requires an experienced professional communicator who understands how to take a strategic approach to PR planning, craft the right messages and get those messages to the right audiences. In other words, we're not talking about placing an ad in For Rent or the local paper, or updating information on the project web site. It takes

someone who understands how the media work and what their expectations are, as well as an understanding of how public opinion can be influenced. Finally, it requires a willingness to stand up for a company or property even when things go wrong, which in turn implies the ability to defend decisions and actions have been taken or are planned for action.

Depending on the size and geographic scope of a portfolio, these functions should be overseen either by a full-time staff member who, if not a member of senior management, at least reports to it; or in the alternative, an outside PR firm or consultant with demonstrated experience and knowledge of our industry and the media that cover it.

PR's Role in Crisis Situations

One of the most critical areas in which PR can play a major role is when it comes to defusing crisis situations that have attracted the media's attention to a property, or are likely to. These can include anything from fires, crimes or accidents to natural disasters, something all of us have been made more keenly aware of in recent months.

To begin with, plans for how a company — in close cooperation with a property management firm and on-site staff — will deal with such situations should, ideally, be developed, reviewed and rehearsed in advance, not only so everyone understands their proper roles, but also follows approved procedures. For example, if the situation is serious, a regional executive, senior officer or designated company spokesperson may need to get on the ground before responding to media requests for interviews or quotes. It's also a good idea to develop and agree on approved "talking points" — making sure a spokesperson conveys the appropriate messages — before speaking to reporters. Also, it's up to the owner to decide whether

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to allow the media onto a property, although that owner can not prevent residents from speaking to or inviting them to cover whatever has happened. There are numerous other rules to be aware of in extraordinary situations, such as never speculating as to the cause(s) of the problem until determined by competent authorities; and always expressing the utmost concern for the care, safety and well-being of residents.

It's also important for the owner and its PR team to be able to gauge the seriousness of a given situation quickly and how residents, the media, local officials and other key audiences are going to respond to it, because that in turn will determine how aggressively a response should be. A low-level crisis, such as a fire confined to a single unit, would not warrant the same type of media coverage that one would likely expect if the entire complex burned down. In addition, some situations can be addressed primarily by the management company and would not require the general partner or owner to get involved; one exception would be if there are questions surrounding alleged design or construction defects or structural integrity issues.

An excellent case study would be how our company dealt with a build-up of carbon monoxide at a multifamily community we assumed control of (but did not construct) last year. Because of the potential seriousness of the situation, local authorities evacuated the complex until the gas could be shut off. Although residents were allowed to return after a few days, the situation worsened when we realized that until the source of the problem was identified and repairs made – a process that required city approval and eventually took several months – the gas had to remain off, meaning residents had no heating or central air conditioning and could not use their appliances. Needless to say, residents were not very happy, and several were more than willing to alert the media. Because the property is located in a small city, it attracted extensive local as well as regional coverage, including TV and radio news.

As part of our response, we sent several asset managers from our headquarters in Long Beach, Calif. to the site, where they held a series of "town hall" meetings with residents to keep them apprised of how we planned to solve the problem. We also issued regular updates to local news outlets to keep them informed, and conducted interviews both at the scene and by phone. Our primary objectives were to let residents and the public know that we were dealing with the situation quickly and competently, that the community was safe to occupy and to control the spread of unfounded rumors.

We also took a number of steps to reduce the inconvenience caused to our residents, including more than 200 new electric window-

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mounted air conditioners (the existing system was a "split" system using both gas and electricity); installation of carbon monoxide detectors in all units; back-up laundry facilities; partial rent rebates, etc. We also provided a lot of free hot meals and — with the help of a local church — hot showers. Through meetings, letters to residents and news releases to the media, we made sure each of these actions was well-publicized while the repair process ran its course.

Make no mistake, several of our residents remained unhappy and some moved out. And when it was all over, the entire effort, including repairs to prevent a recurrence of the problem, cost more than \$1 million for a project we didn't even build. But the results included extensive media coverage that was balanced for the most part, communicating our compassion and concern for our residents, as well as our desire to resolve the situation as quickly as possible.

PR's Role in Project Approval

Another important objective PR can help achieve is winning approval of new projects, especially when it comes to countering the negative stereotypes many people still harbor regarding affordable housing. Unfortunately, the political reality is that elected leaders and housing officials who might otherwise embrace development plans still often succumb to NIMBYism or other forms of organized opposition. They and their constituents need to be given good reasons why affordable housing will be a positive asset to their community and, just as important, who will benefit from it. In many cases, people who oppose the presence of affordable housing — either because they fear a negative impact on property values or an increase in crime, or simply because they don't want "those people" living down the street — change their views when they learn that those who qualify work just as hard as they do, pay their taxes and, depending on the median area income, can include teachers, nurses, and even firefighters and police officers.

Public attitudes and stereotypes can be changed through any number of proven PR strategies, including initiating and maintaining contact with the neighborhood through mailings, a web site, community meetings, guest columns in local papers, or appearances on local radio programs.

Always be sure to promote awareness of on-site programs and services that will be offered, such as after-school tutoring. If applicable, make sure to note that the project will contribute to a broader redevelopment or revitalization effort. Offer to make the clubhouse available for non-resident functions (such as serving as a polling place) and community events that bring in neighbors and others. Ideally, a property should be viewed as an active part of the surrounding community. If it is, neighbors

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will have greater confidence in management, and will be far more understanding if and when problems arise.

In addition, make sure people know that future residents will need to verify income, agree to criminal background checks and pass a credit check as part of the qualification process, to help counter the still prevalent misconception that affordable housing equals "welfare" housing.

There are numerous other ways in which to use publicity to help improve public acceptance and approval of an LIHTC project. For more ideas, contact The Campaign for Affordable Housing at (323) 330-0540, or on the web at www.tcah.org.

As we all know, developers and property owners are answerable to many different constituencies, and in some people's eyes we wear the "black hat," whether rightly or wrongly. That's why developing a PR/publicity plan is essential, as are having the right people in place to execute it, following through by doing everything as promised, and being proactive with the media (and, by extension, local officials and the public at large) in order to get a message out. At the end of the day, a company's most precious asset is its image and reputation, regardless of what business it's in. Having the right public relations capabilities, and knowing how and when to use them, are indispensable when it comes to protecting, enhancing and, when necessary, correcting or repairing that image. ❖

Evelyn Danowitz is vice president of asset management with Simpson Housing Solutions LLC. SHS currently provides asset management services to more than 265 partnerships representing more than 25,000 residential units in 36 states.

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