Past Due: Practical Strategies For Managing Rent Arrears in Supportive Housing

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Objectives

- **Tenant engagement strategies**
- **Internal departments to involve** (Property Management, Social Services, Compliance, Leadership, Finance, Legal, etc.)
- **External partners to engage** (HASA, DOHMH, OMH, HRA, HPD, Section 8, APS, hospitals, family supports, etc.)
- **A rent collection plan**
- **Risks to agency/program with action/no action is taken**

Scenario 1: The Budgeting Problem

A tenant in a HASA-funded apartment is 6 months behind on rent and owes $1,800. He has been housed for 4 years with no lease violations, attends medical appointments, and is generally cooperative.

The issue appears to be budgeting. Every month he receives benefits but spends heavily during the first week on clothing, electronics, food delivery, and entertainment. By the end of the month, he cannot pay his rent contribution.

The case manager requested a HASA case conference 3 months ago but has not received a date.

Additional Challenges

Tenant acknowledges the arrears but minimizes the issue.

HASA worker is difficult to reach.

Tenant refuses representative payee services.

Arrears continue to increase monthly.

Scenario 2: The Isolated Young Adult

A 23-year-old tenant in a DOHMH-funded program has accumulated $2,400 in arrears.

The tenant has severe depression, paranoia, and social anxiety. He rarely answers his door and often misses appointments. Staff have seen food deliveries outside the apartment for days.

The tenant receives income and should be able to pay rent but has become increasingly disengaged from services.

Additional Challenges

Multiple wellness checks have been conducted.

Family support is nonexistent.

Tenant is not currently connected to psychiatric care.

Property management is requesting immediate action due to the growing balance.

Scenario 3: The Family Facing a Subsidy Cliff

Background

A father with two school-aged children lives in a DOHMH-funded apartment.

For over a year, he has not signed his annual lease renewal despite repeated outreach. During that time, his Section 8 subsidy was terminated because required paperwork was never submitted.

The tenant currently owes approximately $1,500 in arrears based on his former tenant share of $150 per month.

However, if the subsidy is not restored, the full contract rent of $2,500 per month becomes his responsibility.

Additional Challenges

HPD recertification deadlines were missed.

Tenant says he is overwhelmed and avoids paperwork.

Children are stable in school.

Property management wants to begin legal action.

Tenant insists he thought the subsidy was "still active."

Scenario 4: High Arrears and Serious Behavioral Incidents

Background

A HASA-funded tenant owes $1,300 in arrears.

A Level 1 case conference occurred 11 months ago. Staff requested a Level 2 conference 4 months ago but have received no response from HASA.

Recently, the tenant attempted to set fire to a trash can in the lobby and smashed the glass of a case manager's office door during an argument.

Additional Challenges

Tenant's behavior has become increasingly erratic.

Property management is requesting immediate intervention.

Staff feel unsafe.

HASA communication has stalled.

Tenant still has some income and could potentially pay arrears.

Scenario 5: The Program-Wide Arrears Crisis

Background

A NYSSHP-funded supportive housing program has 45 tenants.

Due to staffing shortages, there is:

1 Program Director

1 Case Manager

2 vacant Case Manager positions

Over 50% of tenants are currently in arrears.

The total arrears balance exceeds $85,000 and continues to grow.

Additional Challenges

Most tenants have not received annual rent reviews.

Many tenants have outdated income documentation.

Property management and social services blame each other.

Staff are overwhelmed and working in crisis mode.

Scenario 6: The "Someone Else Will Pay" Tenant

Background

A 20-year-old OMH-funded tenant aged out of foster care and moved directly into supportive housing.

He has never lived independently and has never paid rent since moving in one year ago.

He receives regular income but spends most of it on food, clothing, gaming, and marijuana.

When confronted about the $3,600 in arrears, he says:

"I just wait until it gets high enough and then somebody gives me a One Shot Deal."

He believes ACS, HRA, OMH, or the housing provider should ultimately pay the balance.

Additional Challenges

Previous One Shot Deal applications have been approved.

Tenant has no understanding of lease obligations.

He attends services inconsistently.

Staff worry that repeated bailouts reinforce the behavior.

Scenario 7: The Hospitalization Loop

Background

An OMH-funded tenant with schizophrenia has accumulated $4,800 in arrears.

Over the last year, he has had four psychiatric hospitalizations lasting several weeks each. During hospital stays he misses recertifications, ignores mail, and fails to submit rent documentation.

Each time he returns, staff focus on stabilization and rent issues are pushed aside.

Additional Challenges

Benefits have been interrupted twice.

Hospital social workers rarely communicate with housing staff.

Tenant is at risk of losing a subsidy.

Property management is demanding a repayment plan.

Scenario 8: "It's Their Job, Not Ours"

- A supportive housing program has a tenant who is 14 months in arrears with a balance of $4,200. The tenant has multiple challenges, including untreated mental health symptoms, sporadic employment, and difficulty maintaining appointments.
- The situation has become increasingly tense—Property Management believes Social Services has failed to address the arrears for over a year and has not held the tenant accountable. They want legal action started immediately.
- Social Services believes Property Management only focuses on rent collection and does not understand the tenant's vulnerabilities. They argue that pursuing legal action could destabilize the tenant and lead to homelessness.
- Property Management has stopped inviting Social Services to monthly arrears meetings because they feel "nothing ever gets done."
- Social Services has stopped sharing case updates because they feel Property Management uses the information to push for eviction.
- The tenant receives conflicting messages from staff:
- Property Management says rent must be paid immediately.
- Social Services tells the tenant they are "working on resources."
- No unified repayment plan exists.
- Leadership has recently learned that neither department has documented a coordinated arrears strategy.
- The tenant was approved for a new source of income 3 months ago, but nobody followed up regarding a rent repayment agreement.
- At the same time, the tenant has received three lease violation notices for housekeeping concerns and unauthorized guests.
- Property Management wants to proceed with legal action.

How To Improve Your Policies:

- Generate a clear picture of the arrears at your agency
- Collect Arrears/Rent Collection Policies
- Review & stress test these policies
- Include everyone in updating and implementing the new policies

Engagement Should Be:

- ✓ Harm Reduction
- ✓ Client-Centered
- ✓ Affirming
- ✓ Knowledgeable
- ✓ Uniquely Tailored
- ✓ Authentic; Ethical; Relatable – Engagement

You do not need a degree or fancy letters behind your name to do this

On The Program Side:

- ✓ Consistent, planned and structure meetings with property management/operations and clinical/program staff
- ✓ Create documents or use reports that give you the information you need and centralize this information
- ✓ Accountability for everyone is a must
- ✓ Progress notes that specify service offered
- ✓ Entering details into the property management software that captures efforts
- ✓ Beware of the Good Cop/Bad Cop routine

On The Tenant's Side

- ✓ It starts before move-in! Be clear about rent expectations
- ✓ Every structured CM interaction should include budgeting/rent conversation with those in arrears.
- ✓ Be upfront about challenges with policies around entitlements. Stress that they should not rely on OSD.
- ✓ Consider incentives wherever possible.

Best Practices for Rent Collection in Supportive Housing

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