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Opening Doors of Opportunity:
A Guide for Advancing Housing Equity in the Multifamily Industry

Why Should the Apartment Industry Work to Advance Housing Equity?

About this Resource

This Guide is for NMHC members and other stakeholders that seek to leverage housing as a primary vehicle for more equitable and just communities. NMHC contracted Enterprise Community Partners to support the creation of this Guide. Enterprise conducted interviews and focus groups with NMHC members and staff, reviewed relevant literature, developed case studies and drafted select content for the Guide. NMHC staff worked closely with Enterprise throughout the development process and edited the final version of the Guide.

Learn more about NMHC's Diversity, Equity and Inclusion commitment at **www.NMHC.org/DEI**.

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About NMHC

Based in Washington, D.C., the National Multifamily Housing Council (NMHC) is a national association representing the interests of the largest and most prominent apartment firms in the United States. The NMHC's members are the principal officers of firms engaged in all aspects of the apartment industry, including ownership, development, management and financing. The NMHC advocates on behalf of rental housing, conducts apartment-related research, encourages the exchange of strategic business information and promotes the desirability of apartment living. Nearly one-third of Americans rent their housing, and almost 15 percent live in apartments (defined here as buildings with five or more units). For more information, contact the NMHC at 202/974-2300, email the NMHC at **info@nmhc.org** or visit the NMHC's website at **www.nmhc.org**.

Enterprise®

About Enterprise Community Partners

Enterprise is a national nonprofit that exists to make a good home possible for the millions of families without one. We support community development organizations on the ground, aggregate and invest capital for impact, advance housing policy at every level of government, and build and manage communities ourselves. Since 1982, we have invested $64 billion and created 951,000 homes across all 50 states, the District of Columbia, Puerto Rico and the U.S. Virgin Islands – all to make home and community places of pride, power and belonging. Join us at **www.enterprisecommunity.org**.

Why Should the Apartment Industry Work to Advance Housing Equity?

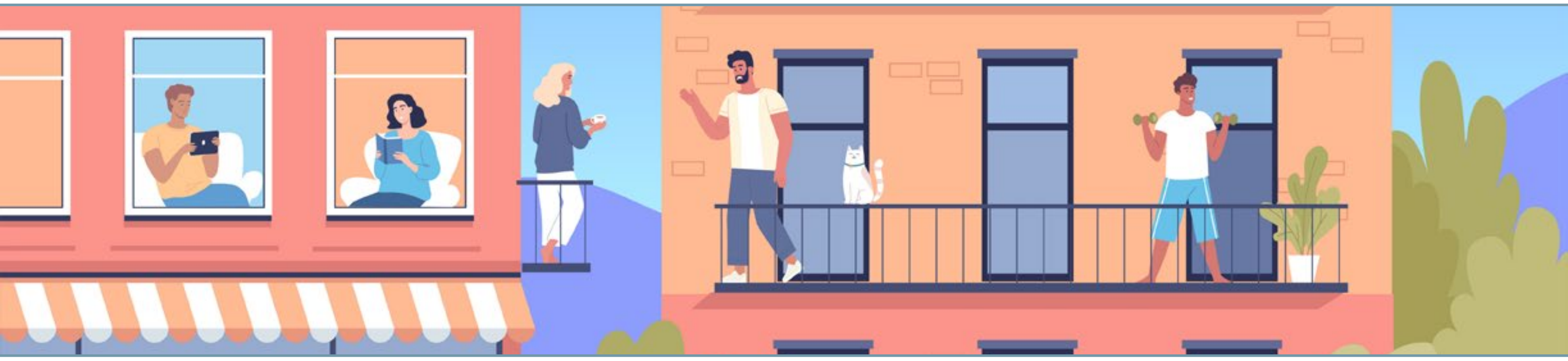
Section Overview:

This section outlines the many reasons that individuals and organizations across the apartment industry should integrate a housing equity lens into their practice, including benefits and considerations for actors in the apartment industry, policymakers and communities as a whole.

Scan this QR code to access the full contents of this section of the Guide.

Organizational Benefits of Advancing Equity

This section explores why an organization should consider the use of data and other tools to advance equity in its work. Clarifying the rationale for engaging in equitable practices is important to securing buy-in across the organization. Individuals tasked with developing and executing changes in approach should have a clear sense of their purpose and desired outcomes. The discussion below offers a broad view of the multiple ways that integrating racial equity perspectives can bring benefits to an organization, the apartment industry, as well as the residents and communities they serve. The potential benefits listed below illustrate how an organization can advance operational priorities and equitable practices simultaneously. Realizing these benefits, however, requires a long-term commitment to this work with organizational-wide effort and continual assessment. This will likely require the upfront investment of time and resources before financial and equity outcomes are achieved.



Operating Costs

Among the most common arguments made against incorporating more equity-focused strategies is cost. While there are likely to be some upfront expenses associated with any change in business practice, there are also costs attributable to not taking action to address inequities. By taking steps to remove barriers to economic mobility and by bolstering the strength and economic resilience of BIPOC residents, over time, the industry could reduce rent delinquency and resident turnover. In addition, multifamily investment in distressed communities can lead to additional investments, thereby increasing property values and more opportunities for financially viable investment down the road. This, in turn, contributes to strong renters and better outcomes for residents, housing providers and the community.

Engagement with Partners

Increasingly, actors in the financial services sector have sought to target investments that promote racial equity. The money pledged between Citigroup, JPMorgan Chase, Bank of America, Fifth Third Bank, and U.S. Bank alone toward this effort is nearly $35 billion, with approximately $16 billion of that total targeting the housing and community development sectors.[5, 6, 7, 8, 9] In addition, more than 200 philanthropic and institutional investors, representing more than $2 trillion in assets, have signed commitments to invest with an intentional focus on racial equity. The apartment industry is uniquely positioned to partner with these and other investors.

Regulatory Compliance

In addition to private sector efforts to advance racial equity, parallel movements are also gaining ground within government entities. For instance, Fannie Mae and Freddie Mac (the GSEs) are now required by the Federal Housing Finance Agency to develop and refine 3-year Equitable Housing Finance Plans that will help narrow racial and ethnic disparities in housing outcomes and encourage investment in formerly redlined neighborhoods that remain underserved by private housing development.[10]

Reputational Advantages

Changing consumer and employee expectations about corporate social responsibility point to a growing demand for businesses to have an explicit and thoughtful approach to advancing equity.[i]

[i] For example, see the following media coverage:

- https://www.businesswire.com/news/home/20191002005697/en/Consumers-Expect-the-Brands-they-Support-to-be-Socially-Responsible
- https://csic.georgetown.edu/magazine/corporate-social-responsibility-matters-ignore-millennials-peril/
- https://www.forbes.com/sites/forbesagencycouncil/2020/07/31/corporate-social-responsibility-consumers-will-remember-companies-that-led-in-2020/

CASE STUDY

How Market Shapers Fannie Mae and Freddie Mac are Advancing Housing Equity

Staff from Fannie Mae and Freddie Mac contributed to this case study.

The GSEs have significant influence on practices and perceptions in the apartment industry. In addition to their broader roles promoting affordability and liquidity in the market, both also have pilot programs and can scale new models that create greater housing equity for renters. Both of these powerful market actors are increasingly focused on models and approaches for advancing housing equity beyond improving affordability. These initiatives may create new opportunities for apartment participants to advance racial and economic equity through their work.

Each GSE has played an important role to date and expanded their existing efforts in a number of ways. For example, over the last two years, Fannie Mae has conducted extensive research into the Black housing experience. This research has been distilled to represent the Black Housing Journey, which views housing obstacles from the Black consumer's perspective during all phases of their housing journey. Fannie Mae is actively pursuing activities to promote equitable housing for both homeowners and renters. For renters, Fannie Mae is focused on three areas of opportunity to help tackle housing equity:

1. Affordable Supply - Create, preserve, and increase access to rentals for low- and moderate-income renters.
2. Renter Empowerment - Reduce systemic barriers in the rental ecosystem.
3. Renter Education - Develop innovative programs and information tools.

Freddie Mac is also building on its track record of advancing equity in the housing market and has made significant new commitments under its Equitable Housing Finance Plan. In 2021, the agency created new leadership roles and dedicated teams focused on advancing equitable housing and serving its mission more broadly in both its Single-Family and Apartment businesses. The Apartment Division is actively working to create and scale impact-focused initiatives, categorizing its Equitable Housing Finance Plan and other mission-focused work under three primary themes:

- Support the creation, preservation and rehabilitation of affordable and workforce housing,
- Increase opportunities for renters; and,
- Increase opportunities for emerging and diverse borrowers and lenders.

While these efforts by both organizations are still nascent, they are nevertheless promising demonstrations of an emerging commitment to advancing housing equity in the broader apartment industry.

CASE STUDY

Jonathan Rose Companies' Communities of Opportunity

Jonathan Rose Companies is a mission-based real estate firm recognized for achieving visionary goals through practical strategies and cost-effective green solutions.[11] The firm has nationally recognized experience in the investment and development of green mixed-use housing and office projects. Staff from Jonathan Rose contributed to this case study.

Jonathan Rose Companies

Jonathan Rose Companies is one of the country's leading owners, developers, and operators of green affordable and mixed-income communities.[12] Founded in 1989, the firm's mission is to create a more environmentally thriving, socially just world through the development, preservation, renovation and management of green, affordable and mixed income housing. JRCo strives to achieve positive environmental impact by investing in energy efficiency, decarbonization, and water conservation to reduce the use of natural resources and toxins. Their social impact is achieved by preserving and expanding housing affordability, and connecting residents to health, education, financial, cultural and social services. And they aim to achieve these impacts in a co-creative process with governments, residents, and staff.

Acknowledging that the poor distribution of opportunity, environmental quality and health that we witness in the US, is a fundamental misallocation of justice, Jonathan Rose Companies launched its *Communities of Opportunity* program.[13] The vision for Communities of Opportunity is to empower residents, through the co-creation of programming and interventions, improving health and wellbeing, resulting in better life outcomes, with great housing communities as the platform.

JRCo uses an Asset Based Community Development model that encourages active community participation, empowering residents and achieving community-driven, sustainable solutions. Implementing the vision for Communities of Opportunity requires purposeful outreach and connection with residents and their networks. Each property has its own culture, its own strengths and its own wants and needs. JRCo's ABCD approach encourages partnership and leadership from residents, collaborating to implement positive change and contributing to their neighborhoods, making their properties beacons radiating wellbeing.

Through the strategic development and implementation of the Communities of Opportunity program, JRCo works to restore social and racial equity in their communities through an integrated set of interventions, grouped into 10 Categories of Impact:

Safety | Community Building and Recreation | Food Security | Healthy Living | Financial Security | Lifelong Learning Civic Engagement | Green Education | Transportation | Communication, Information and Technology

Our CORES Certification (Certified Organization for Resident Engagement and Services) recognizes the robust and integrated approach the firm has adopted for the delivery of resident services. JRCo is committed to achieving the highest standards for resident services, has a deep commitment to resident health and wellbeing, and uses data and performance metrics to measure impact and inform the future direction of their Communities of Opportunity programming.

Establishing innovative partnerships has increased resident access to resources for physical, financial, and social wellbeing. Jonathan Rose Companies partners with community based and national organizations to bring health screenings, vaccine clinics, food banks, arts programming, computer skills training, and many other offerings to their properties.

Essential elements of their approach include:

- **Bringing a holistic mindset to development** that extends beyond developing units to investing in the wellbeing and success of residents in terms of physical, mental, and financial wellness.
- **Testing and scaling innovative strategies** for connecting residents to opportunity, with the spirit of trying out ideas and expanding on those that work.
- **Creating Resident Advisory Councils** to bring in resources and programs that are tailored to community priorities and needs.

[5] (Citigroup Inc., 2021)
[6] (U.S. Bank, 2021)
[7] (Fifth Third Bank, 2020)
[8] (Bank of America, 2020)
[9] (JPMorgan Chase, 2022)
[10] (Federal Housing Finance Agency, 2023)
[11, 12, 13] (Jonathan Rose Companies, 2023)

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