



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

Decision Making for 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.



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.



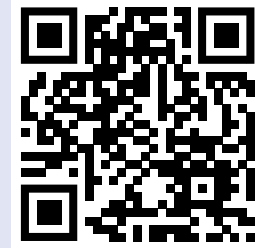
About Enterprise Community Partners

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.

Decision Making for Housing Equity

Section Overview:

This section provides guidance, frameworks and tools to help organizations and individuals understand what adopting an equity lens means in practice and where they can begin. This includes collecting data and engaging community residents to better understand the opportunities for organizational change.



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

Introduction

Every day, apartment owners, developers and managers make decisions that shape communities, e.g., where to break ground on a new development, where to invest in new opportunities, and what services to provide to residents. Every apartment organization is different – they have different business models, operate in different markets, and have different organizational values and roles in the industry. There is no one-size-fits-all approach to advancing housing equity. Instead, each organization should decide for itself how best to do so given the model, relationships, values and capacities it has available. Some organizations will find ways to innovate within their current business model. Opportunities for employing these practices will vary widely property by property within the same portfolio depending on the segment of the market the property serves, the location and other factors. For example, an owner/operator might decide to modify existing marketing practices to improve the diversity of their resident base. Other organizations will decide to adopt or invent new practices that go beyond their current model.

Some of the questions an organization can ask itself as it considers the opportunities that work best for their business include:

- How can we as an organization (and as a broader industry) embed an equity lens in how we do business?
- What are the opportunities to advance equity when designing and building properties, managing properties, making investments in apartment communities, or using our platform to advance more equitable local, state, and federal policies?

- What are the policies or other initiatives we can leverage or encourage that will support these efforts?
- What impact might these efforts have on our bottom line? Visit <https://housingequityguide.nmhc.org/working-advance-housing-equity> to access the *Making the Case: Why Should the Apartment Industry Work to Advance Housing Equity* feature of the Guide for more discussion on this question

There are three core elements individuals and organizations should consider when they are exploring bringing an equity lens to everyday decisions in the apartment context:

1. Community and resident engagement.
2. Data related to resident and community needs.
3. Organizational change.

This section concludes with a self-assessment tool that an organization may use to assess opportunities to adopt more equitable practices to the business decision-making process. The tool is intentionally broad to accommodate various types of organizations and business models. Access the tool at <https://housingequityguide.nmhc.org/working-advance-housing-equity>.

Community and Resident Engagement

What it is & why it matters

In its broadest sense, community engagement “seeks to better engage the community to achieve long-term and sustainable outcomes, processes, relationships, discourse, decision-making, or implementation.”¹⁴ The term “community” can encompass a variety of definitions—it can represent an individual organization’s property (and its residents) as well as the surrounding residents and stakeholders that make up the neighborhood where the existing or proposed rental property is located.



Community engagement is often associated with requirements that have to be met when seeking funding or approvals – initially for the development of a new project and on an on-going basis once the property is operational, particularly if issues arise. These requirements are often intended to ensure the people most affected by a new development, decision, or policy are part of the decision-making process.

In practice, community engagement takes many different forms.

- For a developer, community engagement may mean a design charette with community residents or a public meeting with stakeholders.
- For an owner-operator, engagement may mean direct communications with residents and maintaining ongoing relationships with representatives of the community where their property is located such as local schools, businesses, churches, neighborhood organizations, and elected officials.

The vast majority of multifamily housing providers engage on an ongoing basis with their residents and the communities they serve as it is good business practice. The type and appropriateness of community engagement efforts will vary depending on multiple factors, including the population served by a particular property, the location and community norms. Communication and coordination with individual residents regarding payment plans, accommodations for income interruptions, and applying for emergency rental relief became even more frequent during the pandemic and many have continued as the pandemic subsides.

Getting started

Defining the purpose of engagement activities

Part of defining the purpose of community engagement is choosing the level of participation the organization is seeking and how that participation will influence the decision being made. A chart produced by the International Association for Public Participation (IAP2) shows different levels of participation and examples of related community engagement tactics that correspond to each level.¹⁵ Depending on the level of participation, community engagement could range from limited, one-way communication to more sustained two-way dialogue, to sharing decision making power with community members or residents. Not all of these strategies may be applicable and can depend on the circumstances and the goals that the organization is trying to achieve.

Striving for inclusivity

Part of undertaking community engagement also involves identifying who to engage. Consider who will be most affected by the decision that motivated the engagement. In identifying who to engage, it is important to be as specific as possible. The Collective Impact's Table Setting for Equity framework can help organizations think about the relevance of those to include from four dimensions:¹

1. Issue experience - those directly affected by the issue being addressed.
2. Demographic relevance – those who reflect the intended residents or community being served.
3. Direct engagement – those who work or have worked directly or indirectly with the intended residents or community being served.
4. Geographic relevance – those who live or have lived in the community being served.

Organizations likely already have data that can be used to assess who to engage through resident records or commonly used development data, such as market studies and community housing needs assessments that rely on publicly available data or documents. If the benefits to the community members whose input is desired are small, indirect, or unlikely, consider alternative ways to gain the desired understanding.¹⁶ Alternative tactics can include: using findings from past plans or studies where community engagement was conducted (particularly in communities that are studied frequently); working with professional staff at community-based organization or service providers to learn more indirectly about the needs and assets affecting residents; or assessing the community's willingness to engage directly.

Communicating frequently and transparently promotes greater inclusivity during the community engagement process. Communications encompasses any information shared about the specific decision and about the engagement process itself. It is important to tailor communication to the audience. Consider things like language access; overall ease of understanding, such as writing in plain language and avoiding use of jargon; dissemination medium; and who will deliver the message or information to the audience. Working with groups where information will need to be provided in multiple languages is another important consideration.

Inclusivity also extends to removing barriers for community members and residents to participate in community engagement activities. Asking community members or residents what they need to be part of this effort and aligning the approach and resources to meet those needs is a good first step. No one-size-fits-all approach will work for every group.

Beyond the physical accessibility of the meeting space, it's important to consider how comfortable participants will be in the meeting space. Is it a place associated with real or perceived exclusion or racism? In contrast, it's also important to understand the use of community-controlled spaces, including being invited to use them for outside purposes. It is helpful to work with residents and community members in advance to build an understanding of the organization and the norms that govern these spaces.

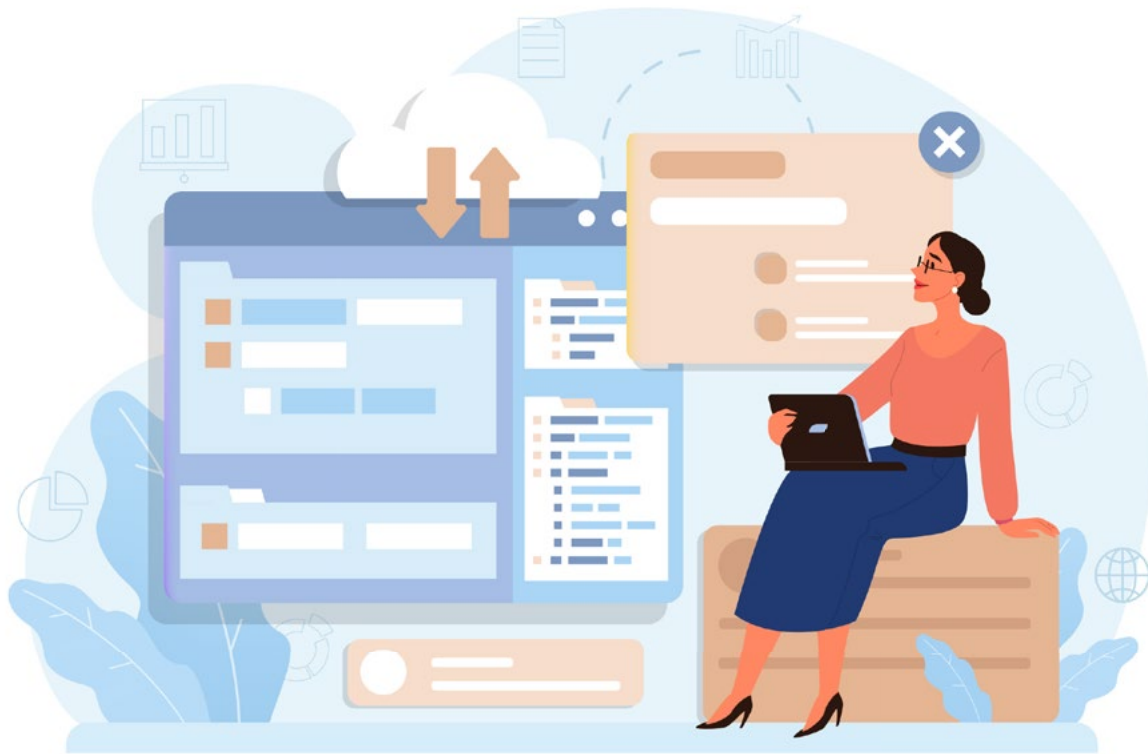


¹ For more information about assessing who is at the table, see The Collective Impact Forum, "Equity – Who is At Our Tables?" Available at www.collectiveimpactforum.org.

Using Data to Understand Resident and Community Housing Needs

What it is & why it matters

Apartment housing in the United States is a business predominantly fueled by private market capital. As such, the success of apartment housing is most often measured in dollars – e.g., monthly operating expenses, net operating income, internal return on investment, cost per unit. What is measured – and how it is measured – drive the business decisions.



Similarly, being able to define and measure resident outcomes offers an opportunity to advance housing equity, set organizational goals for resident outcomes, assess and prioritize community needs, and measure progress toward resident and community outcomes over time. This will allow apartment owners and operators to track the impact of the investments made in incorporating housing equity practices into their businesses. Measuring these types of outcomes is more common in housing with public or impact-oriented capital, but the increasing importance of Environmental, Social and Governance (ESG) frameworks points to the need for a broader range of apartment owners, developers, and managers to consider this as well (visit <https://housingequityguide.nmhc.org/apartment-investment-and-financing> to access the full *Example Practices: Apartment Investing and Financing* section of the Guide for more information). Measuring these outcomes is likely more relevant in

developments that serve lower income households. Organizations should decide for themselves what type of data collection efforts they seek to engage in and how they will go about it, and if they seek to use the information as a tool to measure the success of their efforts in equitable housing practices.

Quantitative data, especially when it comes to understanding residents and community members' experiences, has its limits as is described in a 2018 Collective Impact Forum blog post.¹⁷ Numbers can obscure more qualitative outcomes, such as quality of life or resident needs. Numbers also suggest a certain objectivity or neutrality about the issue being measured, though there may be subjectivity in their choice and application. There are also important privacy considerations to collecting such data.

Getting started

Strive for transparency

Transparency is “the most basic element necessary for an inclusive process.”¹⁸ Transparency in data relates to being open about the decisions to define, analyze and share data as part of the decision-making process. Part of transparency means acknowledging the limits of data. For instance, if proprietary data is used, acknowledging and explaining the limitations on what proprietary data can be shared is important to building credibility. Transparency will be limited by data privacy issues, as well.

Make data meaningful

Each organization needs to decide for itself what data is meaningful to them, then how to collect and analyze it. Making data meaningful means identifying the utility for organization and for residents. It also refers to how to relay the findings from data analysis and for what purposes. The need or desire to collect resident outcome data may be more relevant for developments that receive government incentives or philanthropic funds to target certain underserved populations.

A starting point for data analysis should be understanding the groups most impacted by a decision under consideration, or more broadly, the disparities that exist among the clientele the property is designed to serve or in the community it serves, as well as the outcomes that practices seek to achieve. From a practical perspective, most organizations already use marketing and other data that can be used for this purpose. In other cases, organizations may consider collecting additional data (see below for more on how to avoid undue harm); disaggregate data by demographics such as race and ethnicity, income, household type, and gender; or seek out additional data that provides more information on racial and housing equity, such as the National Equity Atlas.¹⁹

Note that the goal here is not to use demographic data as the sole basis of decision-making: Rather, it is to use disaggregated data to address any blind spots an organization might have. If an organization recognizes that a policy may have disparate impact on a particular community, it should consider those implications and work to address them.

Avoid undue burdens in ongoing data collection

Avoiding undue burden of data collection on residents and communities is especially important for BIPOC groups that have been overstudied in the past. Households who need to provide personal information to access housing assistance through local, state and federal housing programs have already provided a significant amount of data which takes significant effort. As such, it is important not to duplicate efforts by starting from data already available. Data collection should strike a balance between the information that needs to be collected for regulatory purposes, investors, to build the organization’s understanding of its residents, and resident inconvenience and privacy.

Evaluating the Need for Organizational Change

What it is & why it matters

Improving resident and community outcomes for BIPOC and low-income households may require changing certain practices and incorporating new ones.

There is no one-size-fits-all approach or model for evaluating an organization's need, but this section describes some key considerations for undertaking this process.

Getting started

Prioritize organization-wide change, as needed

Each organization is in a different place in evaluating opportunities for using their work to enhance housing equity. Some have already identified and are pursuing various opportunities in this space. Others are just beginning to consider new approaches. A key starting point for evaluating the approach that might work best for an organization is to prioritize and integrate a housing equity lens across teams and departments. In other words, a focus on housing equity will be less effective if it is something that a specific department takes on independent of the work of the rest of the organization. Instead, improving resident outcomes for BIPOC and low-income households served by the organization's business should be something that everyone in the organization understands, connects with, and thinks about how to address within their own work or business unit.

Create safe spaces for open dialogue

Conversations about advancing housing equity and improving resident outcomes can involve topics that may not be comfortable for everyone to discuss in a work setting. Staff and community stakeholder perspectives about the consequences of being open and honest are among the challenges every organization faces in identifying barriers to equity and developing responsive approaches that meet the needs of a given business. Some of these issues might overlap with internal diversity, equity and inclusion efforts, however, evaluating the opportunities to advance housing equity broadly will require a different lens.

Integrate a resident-centered lens into decision-making processes

Organizations seeking to direct more of their work in underserved communities and/or on serving BIPOC or low-income households in an effort to further housing equity should consider prioritizing it as a lens within decision-making processes, both at the organization level and at the business unit or project level.

Expand the organization's opportunity to learn

Identifying the possibilities for advancing housing equity is a long-term outcome and there is a need for continuous evaluation and improvement through learning. The organization should identify opportunities for learning about residents, communities and the organization's potential to advance equity as new processes are introduced and new information is gathered. Many apartment organizations have already engaged in robust diversity, equity and inclusion learnings which can inform and compliment racial equity work. The NMHC DEI Toolkit provides information that may be useful to multifamily organizations at different stages of their DEI journey.²⁰

Tying It All Together: Promising Practices for Advancing Housing Equity

This introduction to decision making for housing equity concludes with a *self-assessment tool* to promote reflection as an organization undertakes these topics. Visit <https://housingequityguide.nmhc.org/apartment-investment-and-financing> to complete the self-assessment.

CASE STUDY

Enterprise Community Partners' Equitable Path Forward



In 2020, Enterprise Community Partners (Enterprise) launched Equitable Path Forward (EPF), a five-year, \$3.5 billion nationwide initiative to help dismantle the deeply-rooted legacy of racism in housing— from the types of homes that are built, to where they're built, who builds them, and the wealth that is generated from them.²¹ The initiative was seeded with \$10 million of Enterprise's own capital, in an aim to support BIPOC and other historically marginalized housing providers through three complementary programs.

EPF provides BIPOC-led housing organizations with both entity-level and project-level capital to grow their businesses and pipelines of affordable homes, through the Equitable Path Forward Growth Fund. The \$350 million fund will attract an additional \$3.1 billion of debt, equity and grants.

EPF builds a pipeline of future leaders across the real estate development sector through the Equitable Path Forward Leadership Program, a \$10 million, two-year rotational program in real estate for BIPOC and other historically marginalized future leaders. This program builds upon Enterprise's core competency in managing and growing the award-winning Enterprise Rose Fellowship program.

EPF commits to collaborating across the organization's areas of strength in an unprecedented manner, including by providing comprehensive consulting, networking facilitation, business services and evaluation support to help local development organizations and small businesses expand their capacity. The \$15 million Advisory Services component will enable partners to be better prepared to deploy and leverage capital to preserve and create affordable homes.

Two key features amplify the impact of the Equitable Path Forward initiative:

- **To maximize the leverage of EPF Growth Fund capital, Enterprise incorporated a Standby Guaranty Facility** for housing providers to compete for institutional capital on a level playing field. This enables larger, lower-cost and longer-term investments in affordable homes developed and preserved by providers who have historically lacked the balance sheet required to attract this capital in the first place or only at costly terms that dilute the ability to scale their pipeline and build wealth.
- **The leadership program will train participants in the fields of real estate finance, development, asset management and private equity.** Upon completion, participants will receive support for placement with jobs in the real estate development sector. The program is positioned for expansion with other corporate partners to build the bench of BIPOC professionals in the real estate industry.

¹⁴ (Alter, et al., 2017)

¹⁵ (IAP2 International Federation, 2018)

¹⁶ (Gaddy & Scott, 2020)

¹⁷ (Collective Impact Forum, 2018)

¹⁸ (Crowder, et al., 2020)

¹⁹ (PolicyLink, 2023)

²⁰ (National Multifamily Housing Council, 2023)

²¹ (Enterprise Community Partners, 2020)

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