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

Property Management and Operation

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**.

Property Management and Operation

Section Overview:

This section describes a series of practices related to property management and operations that provide examples of how some organizations are advancing housing equity.

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

Introduction

Property operations create the vehicle for sustaining efforts to advance housing equity in the long-term. Revisiting current practice through a housing equity lens can actually make on-site jobs easier by creating opportunities to adapt to the realities communities face and providing more options that support the success of both residents and staff.

The COVID-19 pandemic showed how crises across the country show up in the daily lives of residents, particularly lower income and BIPOC communities, and proved that adapting property management practices to address the changing dynamic can generate innovation and improve outcomes. Adopting a housing equity lens and some of the strategies described here is a meaningful way to empower staff to deliver on the organization's goals and mission.

Success can be achieved when perspectives from people of different identities are integrated in all aspects of property operations. Many organizations are already having these conversations by allocating resources to engage partners that can provide meaningful input and ideas.

There are many ways a housing equity lens can apply to property management practices, across the range of duties property managers hold – from finding residents and executing leases, to collecting rent, maintaining units, and providing related services. The examples contained here highlight adaptations to some of these functions, but residents and staff will be able to identify what practices are most needed within the specific organizational context.

The following examples present creative solutions that can support better outcomes for residents across the Housing Bundle (Learn more about the Housing Bundle at **https://housingequityguide.nmhc.org/what-housing-equity-definitions-frameworks-applications/#bk_25**)

- Expanding utilization of Housing Choice Vouchers to improve housing quality and affordability outcomes for households with low incomes.
- Revisiting marketing practices to ensure housing is serving as a platform for belonging for all residents.
- Offering multi-year leases to support housing stability.
- Offering opportunities for rent reporting to build credit history and long-term assets.
- Providing services that ensure housing stability and broader access to resources.

Expanding Utilization of Housing Choice Vouchers

What is this action?

The Housing Choice Voucher (HCV) program is the largest federal program providing rental assistance to low-income households, supporting nearly 2.2 million households across the country.[i] Households pay 30 percent of their income towards rent and the local public housing authority (PHA) pays the property owner the remainder of their rent, up to the amount the federal government calculates to be a "Fair Market Rent" (FMR) for the area where the unit is located.[ii]

The efficacy of this program relies on the private sector because it is designed to be a voluntary program rooted in a public-private partnership. Specifically, government provides a subsidy to qualified residents to pay part of the rent for a privately-owned apartment.

However, property owners have faced challenges participating in the program. Common barriers property owners may face include difficulties with inspection processes (duration and delay, requiring the owner to hold the unit uncompensated while waiting for the PHA to inspect the unit, inconsistency of processes, and costs of repairs), lack of PHA support when resident issues arise, compliance burden (extra paperwork and bureaucracy to navigate), and inadequate rents to offset these challenges (particularly in certain markets). While some progress has been made in updating the program and policies that guide it, challenges remain. This action will require an investment of resources and time to achieve benefits through this program and advance housing equity.

Property operations create the vehicle for sustaining efforts to advance housing equity in the long-term.

Why might this be relevant to an organization's efforts to advance housing equity?

Expanding access to stable, quality housing. Accepting HCVs expands access to stable housing for many people who are often excluded from the housing market. Research shows that vouchers are effective in allowing households to find stable, less crowded housing while also reducing their rent-burden – when they can find property owners willing to accept the voucher.[53] By accepting HCVs, property owners can help reduce the housing inequities experienced by BIPOC (who accounted for 69 percent of voucher-holders in 2017), female-headed households (79 percent of voucher-holders in 2017), and people with a disability (23 percent of voucher-holders in 2017), among others.[54]

Reducing residential segregation. The limited supply of housing affordable to low-income households and the limited number of property owners willing to accept HCVs can contribute to concentrations of poverty and residential segregation. HUD-sponsored research on landlords and the role they play in the HCV program from 2019 shows that only about 20 percent of voucher-holders are able to rent in a low-poverty neighborhood.[55] However, the Moving to Opportunity Demonstration showed this is often driven by barriers encountered in the housing search process, rather than preferences of the voucher-holder.[56] More property owner participation in the HCV program, along with more support for prospective residents in the housing search process, can reduce these barriers and offer more housing options across neighborhoods.

Supporting upward mobility. When voucher-holders can use their vouchers to move into stable housing, particularly in a low-poverty neighborhood, the entire household experiences "significant mental and physical health benefits."[57] The impacts are particularly pronounced among children and can be observed in long-term economic success indicators like college attendance rates and future earnings.[58]

[i] It is important to note that, despite its scale, the HCV program only reaches about 1 in 5 eligible households based on available resources. https://www.enterprisecommunity.org/blog/02/21/utilizing-hcvs-to-address-racial-inequities-in-rental-housing

[ii] Fair Market Rents are payment standards for each unit type (by number of bedrooms), calculated annually by HUD based on market data for the jurisdiction. Some PHAs, particularly in large metropolitan areas, set multiple payment standards – i.e., Small Area Fair Market Rents (SAFMRs) – to account for variation in the rental market within a jurisdiction. More information is available here: https://www.hud.gov/program_offices/public_indian_housing/programs/hcv/landlord/fmr

How can this action yield other positive outcomes for an organization?

Stable rental income. PHAs guarantee a portion of rent will be paid each month, even if a resident's financial circumstances change. The pandemic has shown the impact of this kind of stable income – a survey conducted in February 2021 showed that residents participating in the Housing Choice Voucher program owed less back-rent and property owners reported positive experiences with these residents.[59]

Reduced resident turnover. Research shows that voucher-holders move less frequently than other residents, which can increase their sense of ownership and care for the building and their unit.[60] This can also reduce operating expenses from reduced turnover costs.

Increased demand for units. Accepting HCVs will expand the number of renters with resources to afford rental units in a portfolio, increasing demand. This may become increasingly relevant, given increasing support at the federal level towards expanding the number of Housing Choice Vouchers available.[61]

Keys to success

There are several steps an organization can take to ensure the positive outcomes noted above for itself and for residents, while mitigating potential risks:

- *Clarify the role of the local PHA.* After a resident's application has been approved, the PHA will inspect the unit to ensure it meets Housing Quality Standards. After that inspection is completed and approved, the housing operator and the resident will sign their lease; at the same time, the provider and the PHA sign a housing assistance payments contract that runs for the same term as the lease. From there, the PHA's main role will be providing direct housing assistance payments on behalf of the family and monitoring compliance with the program – this includes inspecting the unit on an annual or biennial basis to ensure housing quality standards are met.[62] The PHA typically does not conduct repairs or maintenance on the unit and does not mediate property owner/resident disputes.
- *Build a relationship with the local PHA.* This will not only improve understanding of the program but will also make it easier to access necessary resources and approvals and more quickly resolve any issues that arise down the line. Some PHAs have designated staff (e.g., property owner liaisons) or processes (e.g., HCV landlord hotlines) for this purpose. PHAs can also provide other resources like training or continuing education programs for participating property managers.[63]
- *Become familiar with Housing Quality Standards.* Uncertainty around inspections, which PHAs are required to conduct annually (or, in some cases, biennially), is a commonly cited property owner concern with the HCV program. Some PHAs are actively working to make the process easier on owners, so keep in mind the process may be different than common understanding suggests. Familiarity with the Housing Quality Standards (HQS) PHA inspectors use will improve understanding of what they are looking for and make it easier for the operator to advocate if there are concerns in question.
- *Ask about available support and incentives.* In some jurisdictions, property owners that participate in the HCV program can access special incentives (e.g., a vacancy and damage loss protection fund, reduced building and planning fees, streamlined inspections or approvals).[64] There may also be community-based organizations willing to provide services or counseling to residents participating in the HCV program.

Where to Learn More

Housing Choice Voucher Program Fact Sheet (HUD):

https://www.hud.gov/program_offices/public_indian_housing/programs/hcv/about/fact_sheet

Property owners: Critical Participants in the Housing Choice Voucher Program (HUD):

https://www.huduser.gov/portal/periodicals/em/winter19/highlight1.html

The Role of Housing Choice Vouchers in Addressing America's Rental Housing Crisis (Housing Matters, The Urban Institute):

https://housingmatters.urban.org/articles/role-housing-choice-vouchers-addressing-americas-rental-housing-crisis

NMHC's Section 8 Housing Choice Program Fact Sheet:

https://www.nmhc.org/advocacy/issue-fact-sheet/section-8-housing-choice-program-fact-sheet/

Examining Marketing Practices to Ensure Alignment with Housing Equity Goals

What is this action?

Marketing and resident selection practices can have a significant impact on who feels welcome to apply to live at a particular property and how the property is perceived in the broader community. Research conducted by the Furman Center in 2011 shows that communities with substantial diversity are viewed as more welcoming.[65]

Historically, real estate marketing and resident selection practices were sometimes used in harmful ways– e.g., the practice of steering households of different races to different neighborhoods to maintain segregation.

While discriminating advertising and resident selection practices are unlawful and much less common today, organizations may want to consider ways to improve their marketing practices to align with housing equity goals – doing more than is legally required to align with housing equity goals.

This starts from a point of reflection: who are the current or typical marketing practices reaching and who are they not reaching? Are there certain demographic groups represented in the broader community that rarely apply to live in the building? Are there groups that apply but are rarely selected for a unit? It may be necessary to develop more robust tracking to have data that adequately answers these questions.

After identifying the potential gaps in current practices, the organization can work with staff and community members to unpack why they exist. Direct engagement (via interviews, focus groups, or surveys) can improve understanding of a wider range of experiences with current marketing materials, outreach methods, and application process. A review of current materials used, including internal policies that guide marketing and resident selection, can also illuminate barriers to address.

With this information in hand, the organization can develop a new strategy to address the gaps and barriers identified, grounded in its housing equity goals. These may take the form of "affirmative marketing plans"[iii] or they may become internal strategy documents that outline targeted approaches to reach groups previous marketing was missing or excluding. When undertaking these efforts, consider using clear, measurable targets to track the impact of these efforts over time and adjust as needed.

Example strategies may include building relationships with community leaders that can help spread the word in their communities, expanding the organization's network of real estate agents, updating the content of marketing materials, changing office hours, hosting events in different geographic locations or at different times of day, or even reconsidering what type of events will be held.

Why might this be relevant to an organization's efforts to advance housing equity?

Reducing residential segregation. BIPOC populations have faced explicit and socially enforced discrimination in the housing search process, which contributes to lasting patterns of residential segregation we observe today.[66] Even though it is now illegal, racial steering practices in real estate marketing have persisted over time, from practices of real estate agents to digital advertising, intentional and unintentional.[67]

This makes it important to tackle concerns about potential discrimination or racial hostility head-on. Marketing materials and practices can do this by making clear the prioritization of experience and well-being of people with different identities, across race, ethnicity, gender, disability status, and beyond.

Expanding housing access. Resident selection processes must also be considered as an extension of prospective residents' experience with building management before they choose to live in a community. While resident screening is designed to identify residents' likelihood of paying rent on time and ensuring the overall viability and success of the community, consider whether there are alternative ways to make this assessment.

[iii] Affirmative marketing is the practice of conducting "both broad and targeted outreach to contact those least likely to apply for available housing units." Some federal funding for housing development requires the development of Affirmative Marketing Plans to demonstrate how these practices will be deployed.

How can this action yield other positive outcomes for an organization?

Community interest and support. Re-examining marketing and resident selection practices can broaden the organization's base of potential residents, while also establishing a positive reputation in the community. This not only can increase demand for units but can also help accelerate community-based approval processes (for permits, etc.).

Reduce regulatory burden. Affirmative marketing designed with housing equity goals in mind helps ensure compliance with the Fair Housing Act, and any applicable local fair housing laws. Having these strategies documented and in-place will make it easier to demonstrate compliance. If the organization is concerned that studying the problem and revealing shortcomings may lead to increased liability or vulnerability to litigation, consult an attorney with expertise in fair housing law.

Resident and employee recruitment and retention. Residents who feel valued in their community are more likely to stay for longer periods of time, reducing resident turnover. This also has a positive impact on staff, who can develop closer relationships with residents and can see the broader value and impact of their work when centered on practices to advance housing equity.

Keys to success

Consider ways to be more inclusive in marketing. The following are ways an organization can approach this:

- *Audit existing marketing materials.* This audit can consider how current marketing tactics are deployed in different neighborhoods/for different properties, who is currently featured in marketing materials, whether the organization is explicit and consistent in its communications about housing equity goals, and whether any dominant narratives or stereotypes are reproduced through these communications.[68] If the organization identifies potential issues, create and implement a plan to address them.
- *Rethink priorities for resident selection.* Evaluate resident criteria: This may mean avoiding local residency preferences, adding preferences for families moving from high-poverty areas, using lotteries (instead of chronological preferences), avoiding in-person application procedures and considering applications holistically. Not all of these will be possible for every organization, but consider evaluating whether the application process can more inclusive.
- *Take lessons from human-centered design.* It is hard to predict how practices will impact a wide variety of people, particularly people with different experiences and identities. Instead of trying to predict, bring more people into the decision-making process to help unearth potential unintended consequences sooner. Importantly, bring people most impacted into these processes – residents, community members, and staff. This can reinforce a positive resident experience, build up resident and staff stewardship of the process, and build stronger community connections.

Implementation spotlight: Spark Living

One of Spark Living's five core values is to "spark equity" – defined as supporting an inclusive culture where all people are heard, seen and feel valued, and where business practices are fair and transparent.[69] They live those values through their marketing practices with meticulous imagery selection to ensure materials reflect their constituency across race, age, learning profile, and beyond. These practices are codified in their brand guidelines, which establish standards like using general neutral language and avoiding common microaggressions (e.g., stopping use of the term "master bedroom" or "master bathroom"). The brand guidelines also start with several pages of grounding in the "why" behind their practices, to support employee engagement.

Where to Learn More

Accessing Opportunity: Affirmative Marketing and Resident Selection in LIHTC and Other Housing Programs (PRRAC):

https://www.prrac.org/pdf/affirmativemarketing.pdf

Creating Cultures and Practices for Racial Equity (Race Forward):

https://www.raceforward.org/system/files/Creating%20Cultures%20and%20Practices%20For%20Racial%20Equity_7.pdf

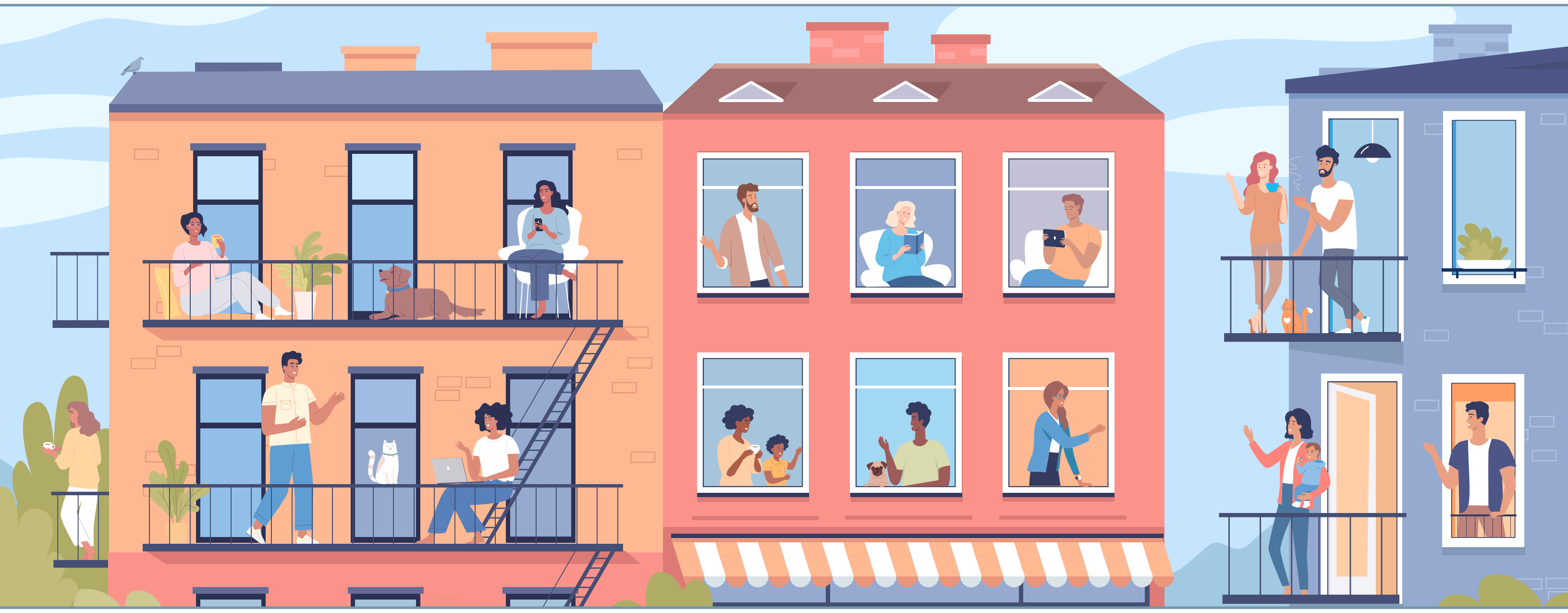
Using Multi-year Leases with Predictable Rent Increases

What is this action?

Multi-year leases are leases with terms lasting beyond one year. This is a common practice in commercial real estate for retail and office contracts and in residential markets in other countries (e.g., France, where the minimum lease length is three years for leases by individual owners and six years for institutional owners[70], or Germany, where the leases are typically open-ended.[71]

Although multi-year leases are prohibited in Federally assisted housing programs, they can be used in affordable housing that is not subsidized. The benefits and risks of multi-year leases for both resident and owner vary depending on market context. In weaker or depreciating markets, multi-year leases are particularly beneficial for owners who may face longer vacancy periods between residents and may only be able to charge lower rents in the future. In this instance, residents may lose out because they forgo the opportunity to relocate to a comparable unit that may offer lower rent. In rapidly appreciating markets, on the other hand, multi-year leases can offer great benefits for residents who lock-in a lower rent before appreciation occurs, but this creates risk for owners who may lose out on higher rents they could have commanded in subsequent years.

To balance these risks while providing stability for both owners and residents, multi-year leases can embed clauses for predictable rent increases.



Why might this be relevant to an organization's efforts to advance housing equity?

Increase housing stability. Renters can be more vulnerable to housing insecurity because, on average, they have lower incomes and savings, less access to credit, and lower job stability, compared to homeowners.[72] Multi-year leases can extend some of the stability associated with homeownership to renters, by providing more certainty about future payments and extending the length of their residence. This can be particularly helpful for some groups of renters that may face more risks of housing insecurity, including older adults on fixed incomes and households with children.

Supporting upward mobility through community. Feeling a sense of belonging in the community and the ability to form social networks are critical ingredients of upward mobility.[73] Longer-term residence in one place gives people the time to make these connections and alleviates the stress of frequent moves, which can have negative long-term outcomes on well-being, particularly for children.[74]

Expand access to housing in underserved markets. Multi-year leases can provide some assurance to property owners in softer markets, making it more feasible to own/operate apartments in these areas, which may otherwise be underserved by the current market.[75]

How can this action yield other positive outcomes for an organization?

Attracting renters. The 2020 NMHC/Kingsley Associates Renter Preferences Survey showed that approximately one-third of renters would prefer a multi-year lease (particularly between 2 and 5 years).[76] This is a rising trend in the apartment industry, with more renters staying in their units for at least two years in 2018 compared to 2008 according to a 2020 report written by the Joint Center for Housing Studies at Harvard University.[77] In fact, research shows that nearly half of all renters stay in their homes for three years or more.[78]

Minimizing vacancy. Research shows that households who expect to rent for a long time often search in rental markets with low-vacancy rates; long-term leases can help attract these residents to different areas that may have higher vacancy and would benefit from more resident stability. This can be especially important in smaller-scale apartment buildings where there are fewer additional units to offset vacancies.

Protection against potential lost income. The benefit of multi-year leases for property owners is particularly pronounced in "softer" markets where rents are unlikely to increase rapidly from year to year and empty units may stay vacant for longer.[79]

Reduced turnover costs. With fewer units turning over year-to-year, the organization will not need to spend as much time and resources on marketing, resident recruitment, or resident screening.[80]

Keys to success

- As mentioned above, it is important to balance any risks of multi-year leases between property owners and residents so neither bears the entire risk of rising or declining markets. This can be accomplished by setting predictable rent increases or benchmarking any rent changes in the lease to market conditions.[81]
- Transparent lease terms are particularly important with longer-term leases since they will apply for longer. Clarity around terms for early termination (how much notice is required, financial penalties, what constitutes cause for early termination by the property owner, etc.) become even more important in multi-year leases.
- Create processes and/or incentives for regular maintenance during the lease period to ensure units under multi-year leases do not develop a backlog of deferred maintenance that turn into larger, expensive issues to remediate down the line.

Implementation spotlight: Multi-year Leases in Germany

In Germany, leases are typically open-ended rather than set on a yearly basis. Property owners must ensure that the unit remains in good condition and the renter has to notify the property owner of any deficiencies not commensurate with reasonable wear and tear, so the property owner can remedy these deficiencies quickly. Otherwise, the renter can achieve rent reduction or, in severe cases, termination without notice. The property owner, in turn, can pass certain costs and property taxes on to the renter but cannot raise the rent arbitrarily.[82]

Where to Learn More

Offering renters longer leases could improve their financial health and happiness (The Brookings Institution):

https://www.brookings.edu/blog/up-front/2020/02/19/offering-renters-longer-leases-could-improve-their-financial-health-and-happiness/

2020 NMHC Kingsley Apartment Resident Preferences Report:

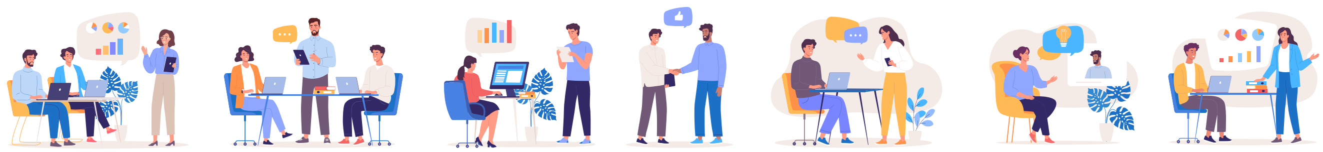
https://www.NMHC.org

Rent Reporting to Build Credit Histiory

What is this action?

Rent reporting offers an opportunity for residents to use good payment practices to build credit without taking on debt. For many individuals, low or nonexistent credit scores can become a contributing barrier to closing the racial wealth gap – creating barriers to homeownership, job opportunities, and contributing to higher automobile and home or renters insurance premiums and higher costs for other consumer products.[83] Currently, credit reports and credit scores do not recognize on-time rental payments as creditworthy behavior, which creates an incomplete and negatively skewed assessment of the credit risk many renters pose, particularly for low- and very-low income residents living in subsidized housing according to a Prosperity Now blog.[84]

While all manners of nonfinancial business entities are entitled to, and do, report late payment data to nationwide CRAs, relatively few report on-time and other "positive" data. Energy utilities, media companies, and property managers typically report credit transgressions but not "good" credit behavior.[85] One way that consumers can build their credit profile without taking on debt is to have their monthly rent payments reported to the three credit bureaus — Equifax, Experian and TransUnion. Using alternative data, such as rent payment, could improve the accuracy and fairness of credit scoring.



Why might this be relevant to an organization's efforts to advance housing equity?

Rent reporting, whether independently or offered by housing providers, is a unique opportunity to advance racial equity and give renters a competitive advantage for future lending and financial opportunities. Collaborations like this between property managers and residents can improve outcomes for both parties by:

1. encouraging resident engagement in credit building and credit improvements; and
2. leveraging rent reporting as an incentive for on-time payment.

Resident Engagement in Credit Building and Credit Improvements. Rent reporting is a promising strategy for housing providers seeking to increase resident participation and success. Helping residents translate credit improvements from rent reporting into other financial outcomes (e.g., building assets and refinancing expensive debt like cars and student loans) can directly improve a household's financial situation.

Rent Reporting as an Incentive for On-Time Payment. In one study, practitioners who offered residents the opportunity to opt into rent reporting in combination with financial coaching saw substantial improvements in payment behavior, decreasing late payment rates by 26-50 percent by incentivizing on-time payment.[86]

Keys to success

- For any entity contemplating credit reporting for residents, it is fundamental that staff provide clear communication with residents regarding the impacts and benefits of the opportunity. While late or missed payments are known to result in a negative impact on one's credit score, the various reporting structures offered by third-party service providers can also inaccurately represent one's credit history – possibly showing up as additional credit lines or several short-term loans.[87] However, the benefits of tracking good payment habits often outweigh the potential risk, especially for individuals with little to no credit or a low credit score.
- Adopting a rent reporting program does present some challenges depending on administrative capacity or IT infrastructure. Organizations will need to secure staff time, legal fees, software improvements, and education materials to fully stand-up rent reporting programs.

- Third-party intermediaries may be a worthwhile investment for interested parties, helping to work with nationwide CRAs to ensure reliable, standardized reporting of high-quality data. For a fee, these intermediaries can offer training, templates, quality control, and outcome tracking that often proves more challenging for housing providers to implement on the back end. The Credit Bureaus Alliance developed several examples of costs associated with credit reporting to help nationwide housing providers evaluate their options.
- Owners should understand the full legal and risk landscape surrounding rental reporting and choose the approach that best matches their needs. NMHC's 2022 White Paper - "Renter Payment Reporting: Considerations for Rental Housing Operators," is a great resource to help owners explore the issue and evaluate solutions.[88]

Implementation spotlight: Esusu

Founded in 2018 by Wemimo Abbey and Samir Goel, Esusu [**esusurent.com**] is the leading financial technology platform that leverages data solutions to empower residents and improve property performance. Over 50% of the NMHC Top 50 apartment firms have partnered with Esusu to furnish positive rental payment history to help their residents build a stronger financial profile and access rent relief funds to keep families in their homes. Inspired by their families challenges accessing credit and financial resources as immigrants, the founders built the company with the shared ethos that no matter where you come from, the color of your skin, or your financial identity it should never determine where you end up in life. Esusu has raised over $144 million from leading institutional firms, has grown to over 200 team members, and has partners covering over 4 million rental units representing over $20 Billion in gross lease volume.[89]

Where to Learn More

NMHC White Paper - Renter Payment Reporting: Considerations for Rental Housing Operators:

https://www.nmhc.org/research-insight/analysis-and-guidance/2022/renter-payment-reporting-considerations-for-rental-housing-operators/

Rent Reporting Technical Assistance Center:

https://www.rentreportingcenter.org/

The Power of Rent Reporting Pilot:

https://creditbuildersalliance.org/wp-content/uploads/2019/06/CBA-Power-of-Rent-Reporting-Pilot-White-Paper.pdf

Potential Impacts of Credit Reporting Public Housing Rental Payment Data:

https://www.huduser.gov/portal/sites/default/files/pdf/Potential-Impacts-of-Credit-Reporting.pdf

Credit for Renting: The impact of positive rent reporting on subsidized housing residents:

https://assetfunders.org/resource/credit-renting-impact-positive-rent-reporting-subsidized-housing-residents/

Giving Underserved Consumers Better Access to the Credit System: The Promise of Non-Traditional Data:

https://www.perc.net/wp-content/uploads/2013/09/nontrad.pdf

Give Credit Where Credit is Due: Increasing Access to Affordable Mainstream Credit Using Alternative Data:

https://www.brookings.edu/wp-content/uploads/2016/06/20061218_givecredit.pdf

Providing Services to Improve Resident Outcomes

What is this action?

Many housing providers are expanding beyond their traditional roles to improve the financial stability and opportunity for upward mobility for their residents. Providers are integrating a range of additional services, including case management, healthcare, daycare, educational opportunities, job training, and financial education to meet the multiple, and often complex, needs faced by residents. Planning and implementing this work are challenging and may not be practical for all firms, but many organizations committed to improving resident outcomes have managed to iterate, adapt, and experiment with this approach across various program models.

Support services are typically offered to residents on-site and address needs in health, education, employment, and safety. Depending on the community and program type, engagement on the individual level (e.g., case management or coaching), with groups of residents, or through off-site referrals can produce various results. Within the confines of funding availability, housing providers may achieve the most success in program uptake and achieved outcomes by offering services that[90]:

- Provide payment to residents for training and work.
- Integrate property management and resident services.
- Individualize services and supports to match residents' goals.
- Extend the time frame for services and supports.

Housing providers that want to improve resident outcomes should continue to offer stable, affordable housing to communities of color, but even more progress can be achieved when organizations work with others to improve community supports, including access to health care, high-quality and high-paying jobs, safety, transportation, and internet.

Why might this be relevant to an organization's efforts to advance housing equity?

The combination of housing and coordinated service delivery can help individuals and families maintain stable housing and promote accessibility through on-site service delivery. There are numerous services organizations can offer their residents to advance racial equity objectives, but across the board, property owners, residents, and communities at large, stand to benefit from an investment in support services. A 2011 analysis showed that when interviewed on the potential impacts of social, health, and youth services on resident and property outcomes, resident service coordinators, property managers, and national experts agreed that strategic programming can help youth development, resident stability, and community enrichment.[91]

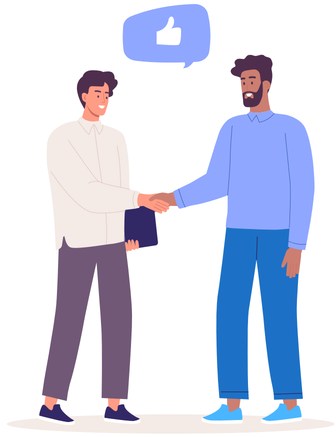
These services also produced positive outcomes for their own organizations and resulted in:

- Improved housing stability of residents, thereby reducing unplanned unit turnover.
- Reduced maintenance costs caused by youth vandalism or adult residents who are not engaged with the property.
- Increased opportunity for property management to engage in operations.
- Reduced conflict between residents and property management.

Keys to success

Any support service opportunity should have clearly defined goals that track achievements and evaluate ongoing performance. The programs should be tailored to residents' self-identified needs and reflect the priorities of those living within that community. Organizations must address key program elements if they are to create a meaningful opportunity to achieve desired outcomes.[92] These include:

- *Goal Setting & Measurement*. Each program will require time, extensive outreach, and marketing to establish interest and legitimacy. Measuring the true impact of resident outcomes requires long time horizons. Initiatives should track interim indicators of client progress alongside long-term goals to standardize data and identify intervention points for course correction or program improvement.
- *Organizational Capacity*. Integrating new offerings into existing operations may require new capacity. In examining how these services will be provided and by who, organizations must determine if they must build internal capacity or engage new nonprofit and private sector partners to serve residents.
- *Consider Community Response*. Implementing a culturally responsive program requires a strong relationship and sense of trust between residents and program administrators. To establish this connection, providers should engage residents as advisors, be strategic in program recruitment and retention, and provide participants with trained coaches and mentors who are representative of a diverse range of experiences and backgrounds.
- *Ongoing Learning and Sharing with the Field*. Making the effort to learn from program participants can elevate program efficiencies and better match services with resident needs. Share successes as well as challenges to inform other practitioners and the broader housing field.



Implementation spotlight: PCY HousED Initiative

Recognizing their residents need more after school learning support, Eden Housing incorporated educational enrichment into their suite of resident services offerings, but until they found the right partners and funders, they had limited staff capacity and funding to truly create pathways out of poverty. Through conversation with the Partnership for Children and Youth (PCY), they were able to access funds from the S.H. Cowell Foundation to train and hire coaches to administer the afterschool programming, create curriculums for the programs, and conduct outreach to local schools. These Eden staff members were also able to help parents understand elements of their children's educational experience such as how to interpret testing scores, the importance of attendance, individualized education programs for children with special needs, and facilitating contact with school staff. Importantly, Eden provides each site in their portfolio with flexibility to shape the program to their specific needs and capacities – each development determines how much it can budget for these services and what programs their residents most need. This kind of innovative partnership not only allows the firm to respond to resident needs more directly, increasing resident satisfaction and reducing likelihood of turnover, but also can help it attract different types of funders and expand staff capacity.[94]

Where to Learn More

How Affordable Housing Providers Can Boost Residents' Economic Mobility:

https://www.urban.org/sites/default/files/publication/99081/how_affordable_housing_providers_can_boost_residents_economic_mobility_2.pdf

Developing the "Support" in Supportive Housing: A Guide to Providing Services in Housing:

https://www.csh.org/wp-content/uploads/2011/12/Tool_DevelopingSupport_Guide.pdf

Housing and Financial Capabilities: Integrating and Enhancing Services for Residents:

https://communitycapital.unc.edu/research/housing-financial-capabilities-report-executive-summary/

CASE STUDY

Camden Property Trust's Rent Repayment Program

Camden Property Trust (Camden) is a publicly traded company structured as a Real Estate Investment Trust (REIT). Camden is involved in the ownership, management, development, redevelopment, acquisition and construction of apartment communities. Camden has headquarters in Houston, Texas and owns and operates over 165 properties in 25 cities across the US. Camden staff contributed to this case study.

In late 2020, right around the holiday season in the midst of the COVID-19 pandemic, **a VP at Camden sent an email about a long-term resident who usually worked two jobs and, due to COVID, had been out of work for a period of time and was unable to pay their rent or catch up with past due obligations. They had called family and sought to live with their elderly parents, but none of the options worked out. The VP emailed Ric Campo, Camden's CEO, who said "it seems this is something we should figure out how to help with. What could we do?"**

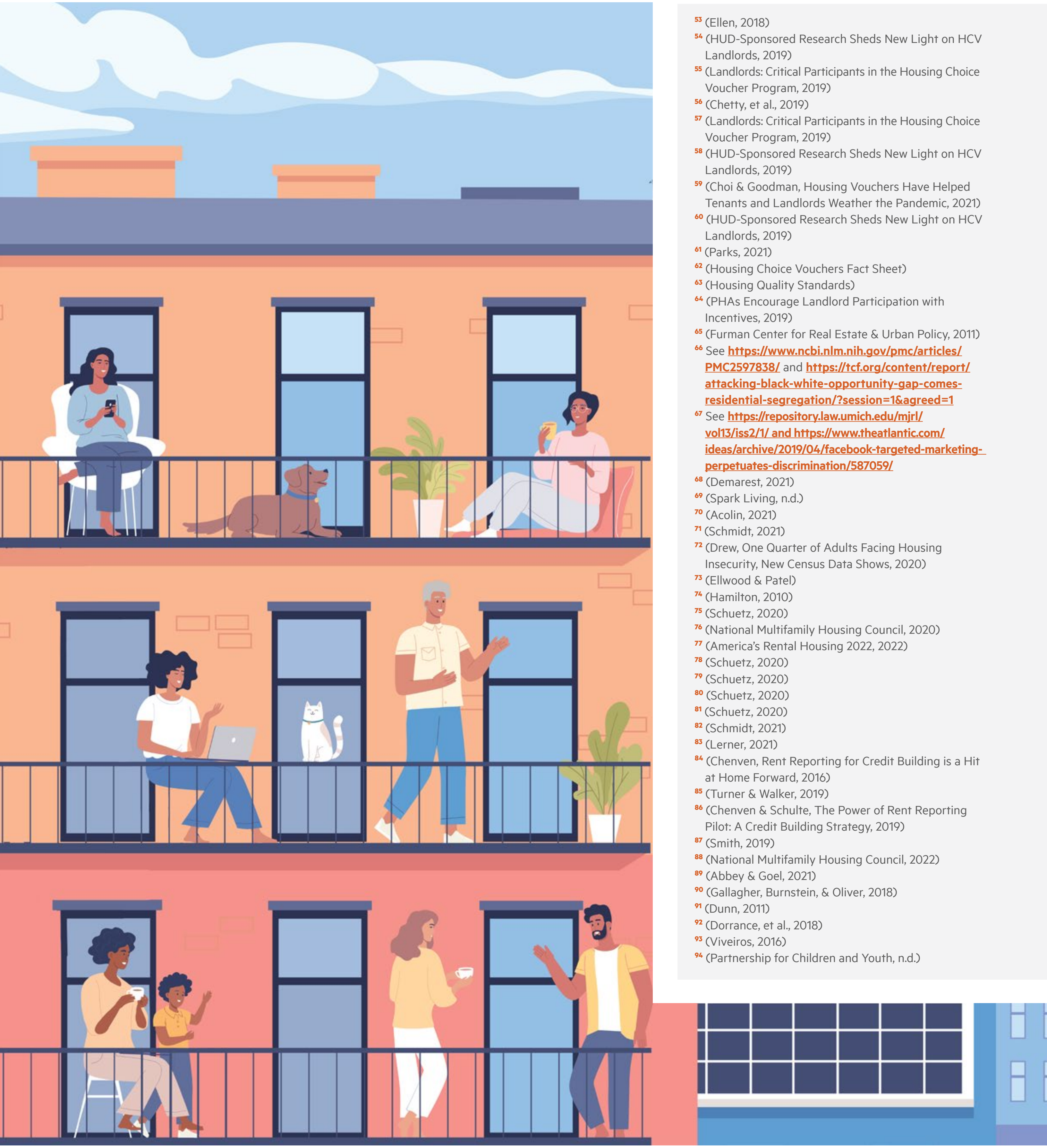
During COVID, leaders at Camden asked themselves, "how could we create a program for residents to stay in their homes, have an affordable repayment plan, in a way that make sense within our legal and financial structures?" First, Camden provided $10 million to residents in need without requiring repayment, before the government funds were distributed. But beyond that, Camden had residents struggling and trying to pay back a debt over 6 months plus pay current rent. The question was raised – "can we take that long-term debt and make it more manageable?"

To support people during a time of financial need, Camden started offering microloans. The renter applies directly to Esusu, a savings and credit building platform that Camden partners with. Renters show their reason for financial distress and Esusu covers 1-3 months' rent, paid directly to Camden. They offer a three-month grace period, so residents can get back on their feet before they need to start paying back the loan. Camden shared this option with all residents who had a delinquent balance and if they were approved, the payments started the following month. There are no fees or interest because Esusu covers that through philanthropic funding, which enables them to provide funds immediately to residents who meet their criteria. Because the rent comes directly to Camden, it makes the process more seamless and guaranteed, and Camden can quickly clear up that resident's account.

This led Camden to adopt a rent reporting program as well, to help residents build credit. Many of Camden's residents have jobs but do not have credit – often because they have moved from another country where credit scores are not commonly used. Camden community managers would frequently provide residents with letters confirming that they pay rent on time, since they don't have credit to be able to buy a car. Esusu reports on-time rental payments to credit companies to build credit scores. Residents pay $5/month to get their rent reported. Esusu also only does positive reporting, gives 30-day leeway to any missed payments and contacts people if they are behind to suggest they opt out of the program before they see a reduction in their credit score. Camden has found that this program makes their communities even more attractive to prospective residents.

Key Lessons from Camden's Rent Repayment program:

- **Internally, it made a difference that leadership set the tone** of reaching out to lend a hand – it rippled out and became a mindset of "How do we help the residents? How do we find solutions?"
- **In seeking out partners, relationships and shared values matter.** Camden works hard to find companies that have the same goals and has supported not only their residents in this process, but also emerging Black-owned businesses.
- **Doing the right thing actually has the highest returns;** Camden employees asked themselves, "what do we want to be known for?" Being guided by this question, rather than guided by a goal of increased returns, led to decisions that increased resident stability and decreased turnover, reduced delinquency, and increased employees' sense of fulfillment and loyalty to Camden.
- **"It's about looking outside the box, and doing that with compassion"** describes Camden VP, Linda Willey. Camden's ultimate goal was to keep residents in their homes if they could. Because of this, they were able to find partners and solutions that would enable them to meet their financial requirements while also staying committed to helping residents.



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