

Resident Services in Subsidized Housing for Low-Income Families

An Evaluation of Property, Tenant, and Community Outcomes

Prepared for the Non-Profit Housing Association of Northern California,
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Executive Summary

This report considers the incorporation of resident services for families— a collection of on-site social, youth, and healthcare programs—in affordable housing. This report examines the effectiveness of resident services across a number of outcomes and using a variety of methods, including interviews, case studies, surveys of property owners, and analysis of data on police service calls.

Models of housing with resident services were first evaluated in the academic and evaluation literature in connection with homeless and special needs populations. Research suggests that transitional and supportive housing models can affect positive outcomes for residents and society by reducing the social cost of housing and treatment for these populations. The resident services model in family housing, the category of housing considered here, has been a relatively recent phenomenon. The recent interest in the model appears partially to be driven by program successes in transitional and supportive housing but also by, as one author notes, “hunches or assumptions regarding successful interventions on the continuum to improved well-being.”

Descriptions of the benefits of resident services often focus on the stability of tenant families, drawing a link between family stability and property operations particularly with regard to reduced evictions, on-time rent payments, reduced vandalism, and decreased turnover. In the limited empirical work in this field to date, positive outcomes in improved housing stability and satisfaction, employment and earnings, and asset development have been observed. These results, however, are extrapolated from small studies and in groups with a strongly identified need—formerly homeless families, single mothers, or those with a history of substance abuse. The suggested effects in mainstream (without special needs) family housing are mostly anecdotal. Some recent research, however, has found connections between resident services and improvements in a range of property asset management cost savings, such as vacancy losses, tenant bad debt, unit turnover, and legal fees.

Analysis: Interviews and Case Studies

I conducted interviews with resident services staff, property managers, and national experts working in the affordable housing field to gather more information on outcomes associated with resident services. In addition, I conducted case studies of two properties in the Bay Area with differing funding mechanisms for services, and varying levels of service offerings.

Almost all interviewees were in agreement that resident services can aid youth development, largely through after-school programs, youth-enrichment activities, and community volunteerism. In general, most interviewees reported that services positively affect tenant stability, largely through referrals and case management, and help to stop the eviction process.

Interviewees also report that tenant stability is aided by activities to promote greater self-sufficiency, such as job-skills training, help with employment searches, access to computers and the internet, and financial literacy programs. Most interviewees felt that resident services improve the operating performance of affordable housing by reducing property operating costs or by improving the efficiency of property management. Most interviewees were unsure about resident services' impacts on the community; however, some interviewees connected resident services with building a sense of community engagement among tenants and making them feel more connected to their neighborhoods.

Case studies of Tenderloin Family Apartments in San Francisco and North Point Village Apartments in Santa Rosa suggest that resident services have helped the properties to operate with fewer conflicts, less turnover, and more cultural and ethnic harmony. Events tailored to the property-specific tenant mix have helped tenants to build job and interviewing skills, learn English, and receive referrals to needed social services. These activities have helped to promote housing stability among tenants.

Analysis: Police Calls for Service

In order to evaluate whether resident services affects one category of public-service utilization, I examine rates of police calls for service originating in properties with resident services and a comparison group of properties with no services. Police calls for service originate at the property address and do not include traffic or pedestrian stops tied to the address.

The comparison of properties with and without resident services suggests that their presence in multifamily housing is associated with fewer police service calls (at least 50 percent lower, depending on the method of analysis). This result holds true independently of the size of the property, the median tenant income, or the number of school-aged children on the property. Because I was unable to obtain service calls for neighborhoods surrounding the properties, this result does not control for the possibility that non-service properties are located in neighborhoods that have higher crime rates.

There are a number of reasons why resident services may reduce police calls for service: tenant services staff help to manage conflicts with tenants on the property; services staff may be able to resolve lease violations that may escalate to the need for police on-site; and youth activities may help to redirect youth away from vandalism or other behaviors that raise public safety concerns.

A review of police logs in two properties shows that a large share of police service calls originates from only a few units on the property. Tenant services staff may therefore be able to effectively improve the safety of the property by creating interventions with a small number of tenants.

Analysis: Property Performance and Unit Turnover

The results of the analysis of survey data on properties with and without services show a consistent negative association between the presence of resident services in a property and per unit vacancy losses, maintenance costs, and bad debt—properties with services had lower rates of these negative outcomes. There were no statistically significant differences in security costs or legal fees per unit associated with resident services. The results also suggest a trend toward lower unit turnover and fewer evictions in properties with services. These results are based on an analysis of 13-15 properties with services and 13-15 properties without services.

This analysis indicates a modest annual cost savings with resident services:

- Vacancy losses reduced: \$163 – 238 per unit.
- Maintenance costs reduced: \$381 – 394 per unit.
- Bad debt reduced: \$18 – 63 per unit.
- **Total net cost savings (accounting for the cost of resident services): \$95 – 228 per unit.**

The analysis of cost savings and turnover was done by matching properties with resident services to a comparison group of properties without services of similar size, tenant median income, property age, and geographic location. The association between resident services, improved property performance, and reduced tenant turnover cannot affirmatively be shown to be causal with this study; however, because properties were not randomly assigned to the condition of resident services.

Conclusion and Recommendations

A full evaluation of the evidence suggests clear benefits to offering resident services in low-income, multifamily housing. The typical mix of services studied here, comparable to enhanced or comprehensive services according to the National Resident Services Collaborative, suggests benefits in cost-savings to developers, reduced reliance on public safety resources, promotion of youth development, and a suggestive trend towards improved tenant housing stability. Because few properties in this analysis offered a basic- or core-level of services according to the National Resident Services Collaborative, the appropriate level of services to offer on a specific property should be subjected to more research before definitive recommendations can be made.

Introduction and Overview

This report considers the incorporation of resident services for families— a collection of on-site social, youth, and healthcare programs—in affordable housing. Resident services are co-located with housing in order to increase service utilization and impact in the community of interest. This report uses the terms resident services, service-enriched housing, and housing-plus-services interchangeably. In addition, I use a standard definition of affordable or low-income housing as that which is focused on individuals or families making less than the median income of the metropolitan area in which they reside.¹ The properties of focus in this report typically house families and individuals earning between 15 and 65 percent of the metropolitan-area median income. In addition to conforming to HUD guidelines, family affordable housing differs from other types of low-income housing, including supportive and transitional housing, by its focus on permanent or semi-permanent housing for low-income families, rather than as housing for special needs, disabled, or senior populations.²

The goal of this report is to gather and evaluate evidence about the effectiveness of the resident services model. In the first section, I review the literature on housing-plus-services models for individuals and families to gather impact categories. I then consider likely impact categories from interviews and case studies with practitioners, property managers, and experts. I also gather secondary data on police calls for service in order to provide a test of impact on public safety and public resources. Finally, I gather evidence through a Property Performance and Resident services Survey to project the impacts on property asset management and tenant stability. Considering the evidence, I make recommendations on the use of residential service models and suggest further areas for research.

A Note about Statistical Significance

Throughout this report I will note the statistical significance of group mean differences where appropriate. In addition to reporting estimated differences (for example, whether the average security costs are higher in properties without resident services), an examination of statistical significance allows for a test of whether the observed mean differences might be due to chance alone. These results will be reported as P-values, the probability that the observed mean differences are not representative of actual differences in the population to which the test is meant to generalize. Lower P-values, for example below .10 or .05, indicate that the mean differences are more likely to reflect real, underlying differences between the two groups. Throughout this report, due to small sample sizes, I will note P-values below a threshold of .10, rather than the academic standard of .05.

Because the determination of statistical significance is largely a function of the number of observations under analysis, the lack of statistical significance, where found in this report, should not be interpreted as evidence for a lack of group differences. This is because the analyses in this report rely on small sample sizes.

¹ For example, the HUD guidelines for federal tax credits for low-income rental housing production is available at: <http://www.hud.gov/offices/cpd/affordablehousing/training/web/lihtc/basics/eligibility.cfm> and focuses on housing for individuals or families making less than 60 percent of the area median income.

² Carl Sussman, “Resident Services for Families in Affordable Housing: A Background Paper,” in *National Resident services Collaborative* (presented at the The Resident Services Symposium, Washington, D.C., 2005), <http://www.residentservices.org/documents/ResidentServicesBackgroundPaperMarch29.pdf>.

Literature Review: Resident services in Subsidized Housing

The literature on service-enriched housing for families evolved out of an established empirical literature considering housing for special needs populations with a history of homelessness, substance abuse, mental illness, disability, or a combination thereof. This model of housing is termed supportive or transitional housing. While the low-income housing model considered here applies largely to a non-special needs population, I review the evidence in supportive and transitional housing to show how the choice of impact categories overlaps and to provide examples of the shortfalls in the less robust literature on general-occupancy, service-enriched family housing.

Impacts in Transitional and Supportive Housing for Special Needs Populations

Models of housing with resident services were first evaluated in the academic and evaluation literature in connection with providing services for the formerly homeless and special needs populations. In these models, the defining characteristic is that housing or housing vouchers were added in addition to treatment or case management, and the goals of analysis were to evaluate the incremental benefit of housing rather than the additional benefit of receiving services for those already housed. Importantly, because this report is focused on models where services are added in addition to housing, caution must be taken in applying evidence in this literature to the family resident services model.

A study by researchers at Yale and the Veterans Affairs Program Evaluation Center gathered evidence of treatment and housing efficacy among homeless veterans with mental illness or a history of substance abuse. Participants were randomized to one of three conditions involving case management or case management plus housing vouchers. The study found that the provision of housing vouchers improved housing outcomes, reduced homelessness, and was potentially cost-effective, depending on the shadow price, or intrinsic value, of housing.³ Similarly, another prospective, randomized study by researchers at the University of Illinois and Northwestern University found improved outcomes on addiction, housing, and employment during the first year of follow-up in a residential case management program for homeless veterans with a history of substance abuse. Participants averaged a three-month stay in program housing versus immediate discharge for the control group.⁴ Furthermore, this study found that program benefits are more pronounced when the case management is temporally aligned with the period of housing, with intensive case management absent housing offering less benefit.

In addition to evaluations of tenant outcomes in these models, there is an additional literature examining changing uses of public services among supportive housing residents. The Corporation of Supportive Housing (CPH) in San Francisco created the Health, Housing, and Integrated Services Network in the late 1990s to provide strategies for housing for formerly homeless individuals suffering from mental health, medical, or substance abuse problems. This model focused on delivering residential treatment and social services. An evaluation of the program comparing residents' use of public services a year before and a year after entry into supportive housing found that emergency rooms visits, hospital inpatient stays, outpatient mental health care visits, residential alcohol and drug treatment, and rates of

³ Robert Rosenheck et al., "Cost-effectiveness of Supported Housing for Homeless Persons With Mental Illness," *Arch Gen Psychiatry* 60, no. 9 (September 1, 2003): 940-951.

⁴ Kendon J. Conrad et al., "Case Managed Residential Care for Homeless Addicted Veterans: Results of a True Experiment," *Medical Care* 36, no. 1 (January 1, 1998): 40-53.

incarceration declined dramatically;⁵ however, the use of a pre-post design without a comparison group may falsely peg positive changes to treatment rather than recovery from any economic or health shocks that led them to supportive housing in the first place.

More applicable to the family resident services model, a study of a transitional program for homeless families coupled with social services found that after leaving the temporary supportive-housing situation, use of AFDC (now TANF) and Medicaid declined moderately compared to intake while the use of Section 8 vouchers increased dramatically.⁶ The Homeless Families Program, a research effort to test a model of resident services for formerly homeless families, found that participants who received housing vouchers and had extensive housing instability (frequent moves or homelessness) leading up to program participation had very high degrees of housing stability after the program. More than 85 percent of participants maintained stable housing for at least 18 months, twice the average stability at intake. The research found, however, little impact on use of public services following program participation and only slight gains in employment compared to intake.⁷ Research in this area suggests that housing vouchers enable individuals and families to achieve some degree of housing stability over time; however, the resulting effects on employment and use of public services are unclear.

To further evaluate public-service utilization among supportive housing clients, a number of studies have examined the model in a cost-benefit framework. The seminal study in this field, called the New York-New York Initiative, was carried out by researchers at the University of Pennsylvania. This was a longitudinal, matched-control evaluation design to test the outcomes among formerly homeless individuals with a history of mental illness who were provided permanent supportive housing with social and psychological services. Clients were tracked from two years prior to receiving housing and for two years after, with post-housing outcomes compared to a control group of similar individuals who had not been provided housing. The researchers found reduced hospitalizations and outpatient treatment, improved housing outcomes, and reduced incarceration among the treatment group. The authors reported that the total reduction in social costs were equal to 95 percent of the costs of providing supportive housing—a very strong finding on the benefits of this model.⁸ Because this study did not examine long-term outcomes associated with being housed (for example, gains in earnings and employment) the net social benefit calculation is very conservative. This is a consideration because the economic condition of at least a subgroup of participants can be improved in supportive housing.⁹ Other studies, using agency data on public-service utilization, have confirmed that supportive housing can be cost effective.¹⁰

⁵ Harder Company Community Research, “The Benefits of Supportive Housing: Changes in Residents’ Use of Public Services”, February 2004.

⁶ Robert L. Fischer, “Toward Self-Sufficiency: Evaluating a Transitional Housing Program for Homeless Families,” *Policy Studies Journal* 28, no. 2 (May 2000): 402-420.

⁷ D. J. Rog, “The Evaluation of the Homeless Families Program,” *American Journal of Evaluation* 20, no. 3 (1999): 558.

⁸ Dennis Culhane, Stephen Metraux, and Trevor Hadley, *The Impact of Supportive Housing for Homeless People with Severe Mental Illness on the Utilization of the Public Health, Corrections, and Emergency Shelter Systems: The New York-New York Initiative* (Fannie Mae Foundation, May 2001).

⁹ Laura Granruth and Carla Smith, *Low Income Housing and Services Programs: Towards a New Perspective* (National Low Income Housing Coalition, March 2001).

¹⁰ For a review of studies on cost effectiveness or net social cost, see: Leslie Silletti, *The Costs and Benefits of Supportive Housing* (Center for Urban Initiatives and Research: University of Wisconsin-Milwaukee, June 2005).

In summary, the literature on the effectiveness of subsidized housing coupled with resident services in transitional and supportive models suggests that the addition of housing to a program of social and healthcare services has the potential to achieve positive outcomes for residents as well as society. Supportive housing, in a variety of studies, is associated with positive outcomes on a range of indicators: housing stability, employment, use of inpatient and outpatient health care, and rates of incarceration. Below, I consider research specifically looking at mainstream, service-enriched housing for families.

Applying the Resident Services Model in Mainstream Family Housing

The resident services model in family housing has been a relatively recent phenomenon. As one researcher noted regarding the recent interest in this model: “there are few tested models, and evaluation has not been sufficient.”¹¹ One notable characteristic of research in this field is that the focal point of evaluation is to understand the incremental benefit of resident services on those housed (housing plus services). This stands in contrast to the evaluation research in supportive and transitional housing where the goal was to understand the added benefit of stable housing for special needs populations receiving treatment or social services (services plus housing). The recent growth in the model appears partially to be driven by program successes in transitional and supportive housing but also by, as one author noted, “hunches or assumptions” regarding the applicability and design of successful family interventions.¹²

Tenant Stability and Youth Development

Descriptions of the benefits of resident services often focus on the stability of tenant families. This is taken to mean a number of things: the actual tenure of tenants in a unit, the financial security of families and ability to pay rent and bills, and the ability of tenants to successfully weather family emergencies and other shocks.^{13,14} Analysis often suggests a link between family stability and property operations, particularly in regards to reduced evictions and on-time rent payments, reduced vandalism, and decreased turnover.¹⁵

A study by researchers at the University of Connecticut in collaboration with the Supportive Housing for Families Program (SHF) studied the impacts of a residential-based intensive case-management program on family outcomes. Participants were mostly women, with a history of unemployment and government transfer supports. The average stay in the SHF program was just over one year with participants being discharged typically to permanent housing. Discharge outcomes suggest that case management and referrals were associated with improved housing situations (more discharges to permanent housing), improved tenant housing stability, moderate positive impacts on employment status, and improved access to health care.¹⁶ As the authors note, length of stay in the housing-plus-services demonstration, as well as higher on-site services utilization, was associated with better outcomes for tenants.

¹¹ Anne F. Farrell et al., “Supportive housing for families in child welfare: Client characteristics and their outcomes at discharge,” *Children & Youth Services Review* 32, no. 2 (February 2010): 145-154.

¹² Granruth and Smith, *Low Income Housing and Services Programs: Towards a New Perspective*. Pp. 10.

¹³ Janet Raffel, *Recommendations for a Poway Affordable Housing Framework* (J.E. Raffel & Associates, May 2010).

¹⁴ Tony Proscio, *More Than Roof and Walls: Why Resident Services Are an Indispensable Part of Affordable Housing* (Enterprise Community Partners, May 2008).

¹⁵ Raffel, *Recommendations for a Poway Affordable Housing Framework*.

¹⁶ Farrell et al., “Supportive housing for families in child welfare.”

A study of the permanent supportive housing for families (FPSH) program in San Francisco evaluated resident outcomes for families with a history of homelessness.¹⁷ Program participants realized increased housing stability, with most families living in stable housing for over two years, compared to an average of 3.5 moves in the previous two years, and reported high levels of satisfaction with their housing situations and access to services. This study provided some interview-based evidence that tenants maintain strong barriers to entering the labor force after program participation, suggesting that housing stability is more a function of housing subsidies and overall housing satisfaction than improvements in economic self-sufficiency.

A three-year pilot study of the NeighborWorks America Center for Working Families (CWF) program—focused on providing financial literacy, employment assistance, public benefits referrals and academic programs for youth—reported that of 175 evaluable individuals participating in programs, 30 improved their employment skills and 25 improved their employment or earnings by getting jobs or increasing their income. In addition, 10-23 improved their assets by engaging in debt reduction, opening a savings account, or improving their credit scores.¹⁸ While these findings suggest that housing with services can improve the self-sufficiency and assets of tenant families, the lack of a control group in this study is problematic. These families might have taken part in other interventions or simply improved over time on their own.

There is also an emerging literature on supportive housing's impacts on child welfare driven by research suggesting that unstable housing and frequent moves can have negative repercussions for a child's emotional health and school-day success.^{19,20,21} A focus on improving housing stability may therefore provide benefits to youth emotional development and educational success. In addition, out-of-school-time activities, a mainstay of resident services, are associated with improvements in student outcomes, including grades, scoring on standardized tests, youth adjustment, and other youth development outcomes.^{22,23,24} After-school program outcomes have not been vigorously studied within the framework of resident services; however, a pilot collaboration between an affordable housing developer and an after-school program provider in Austin, Texas, found that over three-quarters of youth participants

¹⁷ Clare Nolan et al., "The Family Permanent Supportive Housing Initiative: Family History and Experiences in Supportive Housing," Text, August 30, 2005, <http://www.urban.org/publications/411220.html>.

¹⁸ Janet Raffel and Frances Ferguson, *The NeighborWorks America Center for Working Families Pilot: A Comprehensive Approach to Family Economic Success in Affordable Housing* (NeighborWorks America, October 2009).

¹⁹ Farrell et al., "Supportive housing for families in child welfare."

²⁰ Cathryne L. Schmitz, Janet D. Wagner, and Edna M. Menke, "Homelessness as one component of housing instability and its impact on the development of children in poverty," *Journal of Social Distress and the Homeless* 4, no. 4 (October 1995): 301-317.

²¹ Tama Leventhal and Sandra Newman, "Housing and child development.," *Children & Youth Services Review* 32, no. 9 (2010): 1165-1174.

²² E. M McComb and C. Scott-Little, "After-school programs: Evaluations and outcomes," *Greensboro, NC: The Regional Educational Laboratory at SERVE. Available at <http://www.serve.org/ELO/research.html>* (2003).

²³ Jill K. Posner and Deborah Lowe Vandell, "Low-Income Children's After-School Care: Are There Beneficial Effects of After-School Programs?," *Child Development* 65, no. 2 (April 1994): 440-456.

²⁴ J. K Posner and D. L Vandell, "After-school activities and the development of low-income urban children: A longitudinal study," *Developmental psychology* 35, no. 3 (1999): 868-879.

improved in reading and math scores after participation in the on-site program.²⁵ Like all pre-post designs, however, it is unclear whether program participation can be separated from other potential causes of improved reading and math ability in these youth.

A report on the state-of-the-art in resident services, undertaken by Enterprise Community Partners and funded by Freddie Mac Foundation in 2008, reviews the accumulated evidence on outcomes in resident services and reports anecdotal evidence of improved outcomes in the housing stability of tenants, in youth development and in tenant community engagement; however, as the report notes anecdotal evidence has not been proven with rigorous evaluation in any of these areas.²⁶ The author notes that few developers have the resources or expertise to mount the necessary research and few outside funders have interest in specifically funding research on this subject.

Societal and Community Impacts

There is a dearth of research on the connections between resident services, social costs, or outcomes in the community. In addition, in the existing literature, a large proportion of the evidence is anecdotal or developed from interviews. The Enterprise report, for example, finds anecdotal evidence from interviews with practitioners that resident services positively affect tenant engagement with the community, largely through improvements in family housing stability and quality of life.²⁷ Anecdotal reports of improved tenant-community engagement as a result of resident services is a common refrain of service advocates with most making the case, rather convincingly, that services help to engender a sense of trust with neighbors, via social events on the property, and improved tenant housing stability. These outcomes translate into more positive interactions with neighbors, property managers, and the larger neighborhood and community.

In the realm of utilization of public services, there is very little concrete information on how the resident services model affects the short- or long-term needs of tenants for government transfers or supports. The San Francisco FPSH study examined employment and governmental transfers of formerly homeless families in permanent supportive housing and found low levels of employment and high levels of public-service utilization, suggesting that it may be difficult to move families to self-sufficiency in the face of physical and emotional barriers to employment.²⁸ The families studied, however, likely face more employment barriers than families in low-income family housing who do not have a history of homelessness.

Additional concerns with low-income, multifamily housing, often from home-owners, surround whether it affects neighborhood crime rates and property values. The only research in this field has evaluated impacts from supportive housing, finding no clear trend with property values and some evidence that close-proximity (within 1,000 feet of property) crime rates may increase modestly when large supportive housing properties are placed in neighborhoods.^{29,30} The evidence on increased crime rates, however, is

²⁵ Raffel and Ferguson, *The NeighborWorks America Center for Working Families Pilot: A Comprehensive Approach to Family Economic Success in Affordable Housing*.

²⁶ Proscio, *More Than Roof and Walls: Why Resident Services Are an Indispensable Part of Affordable Housing*.

²⁷ Ibid.

²⁸ Nolan et al., "The Family Permanent Supportive Housing Initiative."

²⁹ G. Galster et al., "The Impact Of Supportive Housing On Neighborhood Crime Rates.," *Journal of Urban Affairs* 24, no. 3 (July 2002): 289-315.

inconclusive on community-wide effects as the research suggests that it may be the supportive housing tenants as victims, driven by low collective efficacy to repel criminal activity, that are increasing neighborhood crime rates.³¹ The question of whether resident services in general-occupancy family housing can reduce neighborhood or on-property crime rates has not been studied. This question is important as any reductions in crime positively affect the community, increasingly resource-poor police agencies, and the quality of life of tenants and neighbors.

Impacts on Property Performance

A small, non-academic literature examines the relationship between resident services in family housing and property fiscal performance. This literature was motivated by anecdotal evidence from resident managers that services improve property performance. Because most providers of service-enriched family housing are not public agencies or authorities, the intent of this literature is to provide a guide to property developers on the establishment of resident services from property, or corporate, revenues. With few established funding mechanisms, and an inherent tension between creating more units of housing versus higher quality service-enriched units, this literature examines whether properties that provide services have monetary returns to their investments.

The first examination of resident services and property performance was carried out in 2006 by the Pennsylvania Housing Finance Authority (PHFA).³² PHFA evaluated 13 general-occupancy properties with resident services and compared them to 17 properties without services in four asset-management categories: legal expenses, non-sufficient funds, bad debt, and unit turnover. PHFA found that buildings with services performed better in three of the four categories (but not non-sufficient funds). The PHFA investment in services was a modest one, with \$160,000 invested in 13 properties (with a total of 515 units) for an average per unit annual cost of \$330 in 2005 and 2006. Total savings were not reported (as unit turnover was not monetized); therefore, this report did not examine whether services were associated with a net benefit to the agency. The short final report on these findings does not provide detail on how the comparison group was chosen, bringing up the possibility of sampling bias—that properties with and without services were different in other, unobserved ways.

Another study, done by Mercy Housing and Enterprise Community Partners, evaluated a similar research question: whether resident services have a bottom-line impact on property operations.³³ The author analyzed a pool of 36 properties (17 properties with resident services and 19 without) totaling 1,787 units of family housing, finding reduced vacancy losses, tenant bad debt, and legal fees totaling \$225-356 per unit per year in properties with services. The study examined a homogenous pool of properties by reducing the analysis to midsize properties between 30 and 80 units, and a similar number of urban and suburban locations. Importantly, the author notes that units with services tend to be in larger, more affluent buildings, which may bias the results if higher income properties tend to have improved

³⁰ George Galster et al., *The Impacts of Supportive Housing on Neighborhoods and Neighbors* (The Urban Institute: U.S. Department of Housing and Urban Development, October 1999).

³¹ See Galster (2002) for a discussion of the self-efficacy thesis with respect to crime victimization in supportive housing.

³² Pennsylvania Housing Finance Agency, "Pennsylvania Housing Finance Agency Family Research Center Initiative: Asset Management Impact 2004-06", December 2006.

³³ Terry Galpin-Plattner, "Research Demonstrates Positive Impact of Family Resident Services on Property Financial Performance in Selected Mercy Housing Family Properties over Two Years", April 2007.

property performance. In addition, this study did not account for the cost of resident services, which may be higher than these cost-savings.

The final study, by Community Housing Partners (CHP), finds similar results. The author evaluated 12 properties with resident services and nine without on the association between the presence of services and reductions in property vacancy losses, bad debt, and legal fees. The research found positive impacts in each category with additional savings among buildings with eviction prevention counseling.³⁴ The total cost-savings associated with services were \$236 per unit per year, for a net savings, accounting for the cost of resident services, of \$23 per unit per year. Similar to previous studies, however, though the CHP study does attempt to compare similar pools of properties with and without services, it does not entirely control for systematic differences between properties that may bias the results. These factors might include the median household income of tenants, or the specific rental market in which the property is located. In addition, this study does not describe the types of resident services offered on the properties.

In summary, the research designs employed in these property performance studies are not well-described, lack detailed descriptions of the characteristics of the properties being compared, and may suffer from selection biases which may skew the results. These studies also do not describe qualitatively the types of services provided in their treatment groups.

Service Levels and the Planning Framework

The National Resident Services Collaborative (NRSC) has developed guidelines for describing resident service levels, which they describe as basic, enhanced, and comprehensive services.³⁵ This framework has been adopted by a number of organizations as a strategy to create an evidence-based framework to measure tenant outcomes. NRSC is one of the few organizations pioneering development of structured resident services programs, and their examples are also informing services-planning among affordable housing developers.

Basic or core resident services are activities that are designed to directly improve tenant housing stability, and include tenant referrals and counseling, conflict resolution, and activities to improve public safety or building security, such as block watches or police partnerships. NRSC describes these core services as requiring the least investment, as compared to higher service levels, in staffing, planning, and funding.

Enhanced resident services, built upon a foundation of core services, are additional activities to promote tenant personal and financial asset-building. These include youth after-school programs and summer camps, computer access, employment assistance, English as a Second Language (ESL) or GED courses, and financial-literacy programs.

Comprehensive services are activities programmed to promote tenant financial stability and self-sufficiency. Programming, built upon core and enhanced programming, includes pre-school, health and

³⁴ Terry Galpin-Plattner, "Research Shows the Cost Benefits of Resident Services on the Performance of Property Operations: Community Housing Partners Fiscal Years 2006 and 2007", April 2009.

³⁵ Diana Meyer et al., "Creating Opportunities for Families through Resident Services: A Practitioner's Manual" (NeighborWorks America & Enterprise, September 2009), <http://www.residentservices.org/best-practices.asp>.

wellness activities, on-site health care, credit counseling, homebuyer preparation, and community-engagement and leadership activities.

Conclusions

The available evidence from past studies suggests that resident services can have wide ranging positive impacts on tenants as well as property performance. Most evaluations of housing-plus-services, typically in families with a history of homelessness or interactions with child welfare agencies, have found that tenant housing stability is improved. Less is known about outcomes in use of government-supports, asset-development, or employment and earnings. Evaluations of youth development find that activities offered in typical residential service programs are well-grounded in the literature and are associated with positive youth outcomes.

The literature in family housing, however, has relied on research methods which have substantial internal validity concerns, as compared to more robust research methods employed in studies of transitional and supportive housing models. In all, the evidence suggests at least partial support, and strong anecdotal support, for resident services' positive impacts in tenant stability and youth development. The evidence in regards to resident services impacts on asset management is weaker; however, a number of studies have shown similar positive outcomes on property performance.

Overview of Methods

Interviews and Case Studies

I conducted interviews with resident service coordinators, property managers, and national experts to elicit information on the potential impacts of resident services on tenant and property outcomes. In order to explore impacts in-depth, I complete case studies of two properties in the Bay Area to elicit information on how resident services interacts with property management, to explore the decision-making process on which services to offer, and to offer some evidence of direct outcomes in tenants. I also identify likely good practices as a result of interviews, and supported by a review of the literature. This analysis of good-practices is available in the Appendix.

Analysis of Police Calls for Service

In order to compare utilization of public safety resources, and tenant safety, in properties with and without resident services, I examine rates of police calls for service originating from multifamily properties. These data were collected using public records requests to police and sheriffs' agencies in the Bay Area, Sacramento, and the South Bay. The reporting agencies cover 3,006 units of family affordable housing in 31 properties: 17 properties have resident services and 14 properties do not.

I examine total calls for service to 911 or non-emergency numbers originating from units within each property, or from resident managers. In addition, I examine police logs to determine relevant patterns of service calls in select properties.

Property Performance and Resident Services Survey

Six Bay Area nonprofit affordable housing developers participated in a survey project to explore the effects of resident services on turnover and property performance in low-income family housing. This survey was split into two modules: a survey on property operating costs and tenant turnover and a survey on resident services activities and budgets. The survey was designed to capture major cost categories which may be affected by greater tenant stability, reduced tenant wear and tear on units, and reduced youth impacts through vandalism and security concerns. These cost categories are maintenance costs, security costs, legal fees, vacancy losses, and tenant bad debt. Tenant turnover and housing stability was captured by the turnover rate, the eviction rate, the rate of abandoned units, the rate of total move-outs, and the rate of move-outs to homeownership.

The surveys were piloted with two developers, refined, and then sent out to a total of 72 properties in California. Surveys captured total impacts on asset management categories and turnover between 2009 and 2010. Reporting of fiscal impacts is standardized because they are reported yearly in audited financial statements to the federal government. The properties that did not offer services were matched with those that did according to four matching criteria: property size, property percent of Area Median Income (AMI), property rental market, and property age.

Interviews: Tenant Impacts and Outcomes

I conducted 15 interviews with resident service coordinators, property managers, and national experts working in the affordable housing field to elicit information on the potential impacts of these services on tenant and property outcomes. A list of interviewees is available in the Appendix.

Table 1 summarizes the results of these interviews on the theme of outcomes and impacts from resident services in low-income family housing. These interviews were semi-structured, meaning that I specifically asked about impacts in four areas (youth development and education, tenant stability, property performance, and impacts on neighborhood and community) and left the response open-ended. I also allowed interviewees to suggest additional impacts beyond the four mentioned above.

Table 1: Semi-structured interview responses on positive outcomes from resident services

Interview-identified Impact	Number of occurrences (in 15 interviews):	Notes on impacts and outcomes:
Youth development / education	14	Grade improvements in after-school programs, enrichment programs, housing stability helps youth development, English Learner classes, youth leadership activities
Tenant stability	13	Self-sufficiency, prevent homelessness, provide a safety net, stop the eviction process, make referrals, resolve tenant-staff conflicts
Property performance	10	Reduced turnover and evictions, reduced maintenance costs, reduced youth vandalism
Impacts on neighborhood / community	7	More tenant-community engagement, more community connectedness, builds sense of safety and trust, reduces long-term reliance on government transfers
Other	6	Improves tenant quality of life, builds tenant financial security, prevents tenant isolation and depression,

Almost all interviewees were in agreement that resident services can help youth development, largely through out-of-school time activities, enrichment activities like multimedia presentations and training, and community volunteerism. Some interviewees were quick to note that outcome measures in after-school programs are a developing field and that typical outcomes tracked, including grade improvements, showed mostly positive results. Some questioned, though, the lack of controls in evaluating grade improvement and advocated more robust methods of evaluating after-school program impacts. Interviewees noted additional benefits from out-of-school time activities, including providing a safe place for youth to go after school, preventing youth from wandering the halls or getting into trouble, and providing leadership opportunities.

In general, most interviewees responded that resident services positively impact tenant stability, largely through referrals and case management to stop the eviction process. In addition, interviewees reported that services staff help with rental assistance and conflict resolution and by providing negotiated solutions to nonpayment of rent. Tenant stability is also aided by activities to promote greater self-

sufficiency such as job skills training, help with the employment search, access to a computer and internet, and financial literacy programs.

Most interviewees felt that resident services improve property performance by reducing property operating costs or by improving the efficiency of property management. Direct impacts on property performance mentioned by interviewees include (1) improving the housing stability of tenants and thereby reducing unplanned unit turnover (unit turnover estimates can range from \$1,500-3000 based on surveys), (2) reducing maintenance costs caused by youth vandalism or by adult tenants who are not engaged with the property, and (3) by freeing up property management time to engage in operations and by reducing conflict between tenants and property management.

Most interviewees were unsure about resident services' impacts on the community or larger society. Three interviewees connected resident services with building a sense of community engagement among tenants and making them feel more connected to their neighborhoods and community. This, they thought, might impact the performance of the property by making tenants less likely to leave their units in a poor state, or more likely to report crimes or acts of vandalism. Overall, however, most interviewees could not objectively state resident services' benefits in this regard.

Among other stated benefits of resident services, improved tenant quality of life and asset development (through a variety of mechanisms including job skills training, financial literacy courses, and homebuyer preparation) were reported.

Conclusion

Interviewees reported a wide range of positive impacts from resident services. Most interviewees felt there were positive outcomes in youth development and education, tenant stability, and property performance and management. Fewer interviewees supported impacts on neighborhood and community, public services utilization, or public safety.

Case Studies

Based on an evaluation of data from the Property Performance and Resident Services Survey, I identified two properties in the Bay Area with very different funding mechanisms for resident services, service-funding levels, and bundles of services offered. I interviewed tenant services staff, property managers, and supervisory staff in order to gather information on how resident services affect property management, tenants, and youth. Notably, I did not interview residents on these properties due to time constraints; therefore, these results are missing a full evaluation of services' impacts from this key perspective.

Case Study: Tenderloin Family Apartments, San Francisco

Tenderloin Family Apartments is a 175-unit building located in the Tenderloin neighborhood of San Francisco. This property is owned and operated by the Chinatown Community Development Center, a non-profit affordable housing developer that focuses on the dense urban neighborhoods in and around San Francisco's Chinatown. The Tenderloin is a diverse neighborhood, close to San Francisco's wealthy financial district, with a high concentration of poverty, much lower rents as compared to surrounding neighborhoods, and a high density of social service providers.

The property is permanent, low-income housing for families, seniors, and individuals with a diverse tenant mix including Cantonese-speaking Chinese, Latinos, and Arabic-speaking residents. This property houses a diverse tenant mix, with native speakers of at least 12 non-English languages, and over 100 school-aged children. The median household income on the property is about half of the income in the metropolitan area, though exact income figures were not reported.

Family Resident Services

The resident services department on this property is funded at the approximate rate of \$430 per unit per year in 2010, and all services are funded out of property operating costs. This services funding level is about the average for non-profit developers surveyed.

Services offered on the property operate through a non-clinical casework model. Tenants receive assistance with general questions and referrals through drop-in office hours in the tenant services department. The tenant services staff member is not a licensed social worker; however, most conflicts or referrals are non-clinical or do not require specialized clinical training. Tenant services help resolve tenant conflicts by working directly with tenants or by involving property management.

On-site services include eviction prevention assistance for tenants, after-school programs for youth, financial-literacy courses, translation services, ESL courses, job search assistance, health and wellness activities, and family education and life-skills courses. Resident services are advertised through resource booths weekly in the building lobby, outreach at weekly food pantries, leaflets, and quarterly newsletters. In addition, tenant satisfaction with resident services is tracked through a yearly survey. Tenant engagement is strengthened with the services department through a tenant council that has existed since 2009. This council meets twice monthly with tenant services staff on-site to help plan activities. In general, the resident services department is effective in getting 20 to 40 tenants to show up at events, and close to half of tenants at cultural activities.

Connecting with Property Management

Tenant services support property management by improving communication and resolving conflicts with tenants on lease violations and other conflicts. Resident services staff receive copies of tenant lease violations, follow up with tenants on reasons for nonpayment of rent, and create strategies, including referrals, to help tenants get back on their feet and avoid eviction. This helps property management to keep a focus on property operations by reducing their role, often extremely time-intensive in properties without tenant services staff, in dealing with tenant problems that stem from employment or income shocks. While this type of eviction prevention work is only one component of the tenant service staffer's role, it seems to be very effective in helping both properties and tenants prevent unexpected, and unwanted, move-outs. In 2009 and 2010, only one eviction was reported, with no tenants abandoning units to avoid paying rent. This outcome is unexpectedly low for a property of this size.³⁶

Tenant Outcomes and Tracking

Tenant services staff believes that resident services have enabled people from different cultures in this diverse building to move past ethnic differences and get along more harmoniously. Events on the property enable individuals from different cultures to interact, prepare meals for each other, and discuss common property and neighborhood concerns. In addition, according to services staff, tenant services have enabled residents to better manage their finances, avoid eviction by taking part in rental assistance, get referrals to public services, and achieve better stability in their lives. Services staff are moving ahead with plans to more richly capture tenant outcomes as part of a future outcomes-tracking system. In 2009 and 2010, a total of eight tenants moved out to become homeowners, the highest recorded number among properties surveyed. It is unclear, however, whether this was a result of the demographic profile of tenants, interventions by tenant services staffers to encourage stability and asset development, or some combination.

Conclusion

Tenderloin Family Apartments is an example of a well-run property with a diverse mix of on-site services. The tenant services staff believes that services have helped the property to operate with fewer conflicts, less turnover, and more cultural and ethnic harmony. Though the property has not historically tracked tenant outcomes, the services staff is moving in that direction, which should improve their ability to evaluate and revise their mix of resident services as needs arise in the future.

Case Study: North Point Village Apartments, Santa Rosa

North Point Village is a midsized apartment community located in the City of Santa Rosa, about 60 miles north of San Francisco along the Highway 101 corridor. This property is owned and operated by BRIDGE Housing, a non-profit affordable housing developer. The property is a multifamily, low-income building with 110 units and over 160 children. The median tenant household income is \$27,000 which is about

³⁶ The average combined eviction and skip rate from the Property Performance and Resident Services Survey is 5%. Based on this datum, eight or nine evictions or abandoned units per year would be expected in a property of this size.

36% of the surrounding community. The tenant demographic mix is mostly Latino (about 60 percent), with the remainder of the families of European (about 30 percent), or Southeast Asian (about 8 percent) origin.

Family Resident Services

Services on the property are funded at an approximate rate of \$91 per unit per year (as of 2010). Because of the small services budget, most services are organized on-site by the resident manager with support from the BRIDGE Housing resident services coordinator. Therefore, there is no on-site tenant services staff on this property.

BRIDGE discovered through a needs-assessment process that a high proportion of residents could benefit from ESL classes. ESL classes, offered once a week in ten week modules, are offered for both adults and children on the property and have built-in activities around career-readiness, including basic interviewing skills. North Point Village also has after-school activities for youth including a homework club which meets for 10 weeks and is repeated during the school year. BRIDGE also partners with a youth-programs provider in San Francisco, Streetside Stories, to offer writing and multimedia activities during after-school hours. Additional activities for adults include nutritional cooking classes and occasional financial-literacy programs offered through a partnership with a local financial institution.

Connecting with Property Management

Because services are mostly directed by an on-site resident manager, there is no additional support offered by a designated tenant-services staffer; however, having on-site services has reduced some problems around the property which likely has reduced friction in property management, according to the resident manager. The BRIDGE resident services staff, and on-site management, report that community services have helped to engender a sense of respect for the property which has translated into reduced vandalism of the property and grounds and reduced costs for maintenance and upkeep. One interviewee noted that the property had a history of destructive vandalism which has largely disappeared due, at least in part, to the benefits of community events and youth activities.

Tenant Outcomes and Tracking

The main tenant benefits from services include better engagement and reduced cultural barriers with the community engendered by ESL classes and other activities. In addition, targeted ESL classes have helped tenants build résumé and interviewing skills to reduce employment barriers. In interviews with services and property management staff, interviewees reported that community services and events help neighbors to get to know each other and build trust. The property is located in a neighborhood of Santa Rosa which historically has had problems with youth gangs, but these problems are kept off the property by assertive residents and managers.

North Point Village currently does not track tenant outcomes in a formal way. The property does track tenant satisfaction with services through an annual satisfaction survey.

Conclusion

North Point Village is an example of a mid-sized property with a small resident services budget and no on-site tenant services staff. The housing developer, BRIDGE, has been able to narrowly target this small budget to the area in which most tenants saw the greatest need: English language classes and activities for youth. The developer has been further able to leverage this investment by targeting ESL classes to improving the job skills of the tenants and reducing cultural barriers between neighbors.

Utilization of Public-Services: Police Calls for Service

Methods

Reduced utilization of police resources is important to the community because it allows for more efficient use of a scarce resource, police manpower, and allows agencies to be more responsive to calls in true emergencies. Reduced service calls may also be a marker of improved property performance if police service calls are associated with higher property security and maintenance costs. In addition, lower service calls may be associated with higher tenant quality of life and more harmonious tenant interactions.

In order to compare utilization of public safety resources in properties with and without resident services, I sent open records requests for police calls for service to eight police and sheriff's agencies in Northern California. The agencies targeted were those with a high density (at least four properties) of affordable housing properties in the Property Performance and Resident Services Survey:

- Hayward City
- Oakland City
- Santa Cruz City
- Santa Cruz County
- San Francisco City and County
- San Jose City
- Sacramento City
- Sacramento County

I received records back from all agencies except for Sacramento County. The reporting agencies cover 3,006 units of family affordable housing in 31 properties: 17 properties have resident services and 14 properties do not. I received total calls for service to 911 or non-emergency numbers originating from units within each property or from resident managers. Calls for service were screened, where possible, to remove traffic stops, automobile burglary, and traffic accidents.³⁷ In addition, I requested data on the total number of service calls within a ½ mile zone around each property to compare whether properties with or without services were located in zones with more or less criminal activity; however, these data were not available from all agencies and, therefore, not included in this analysis.

The property breakdown is as follows:

- 2 Hayward properties with resident services, 3 without
- 4 Oakland properties with services, 4 without
- 1 Sacramento property with services, 2 without
- 3 San Francisco properties with services, 1 without
- 4 San Jose properties with services, 2 without
- 3 Santa Cruz properties with services, 2 without

³⁷ These types of calls were removed because it was unclear whether tenants were involved, or whether the events were associated with surrounding properties or busy traffic corridors. In this analysis, I am only focusing on events which are tagged specifically to the property, or an individual unit on the property.

Police service calls are expressed as calls per unit within each property (averaged over 2009-2010). Police calls per unit per year ranged from a low of 0 calls in one year in one property to 1.9 calls per unit. The median property experienced 0.5 police service calls per unit per year in this sample.

Service Calls Baseline Comparison

Table 2 below shows the comparison of important characteristics about the property (tenant median income, property size and children per unit) as well as the demographics of the neighborhoods in which these properties are located. There is little difference in the number of school-aged children per unit between properties with and without resident services and little difference in the median household income of tenants. Properties with services tended to be larger; therefore, police calls per unit were used as the comparison. A comparison of census tract demographics between properties suggests that these neighborhoods are fairly similar in terms of area median income, educational attainment, poverty, and the percent of housing renter-occupied.

Because of the small sample size, more attention should be paid to the actual differences in the statistics between the resident services and comparison group, rather than the statistical test of significance reported in the P-value.

Table 2: Comparison of properties with and without resident services in police calls for service analysis

Variable	Resident services group (average value)	Comparison group (average value)	P-value ³⁸
Characteristics of the property:			
Median household income ³⁹	\$28,100 (average)	\$26,900 (average)	.767
Median household income	\$27,831 (median)	\$26,725 (median)	n/a
Property % AMI	32.8%	32.9%	.978
Number of units in property	115	75	.130
School-aged children per unit ⁴⁰	.8	.7	.576
Characteristics of the Census Tracts in which the property is located:⁴¹			
Median household income	\$50,100	\$54,300	.678
High-school graduation rates	77.7%	81.2%	.418
College degree rate	32.1%	33.7%	.791
Families in poverty	13.9%	14.1%	.971
% of housing renter-occupied	61.2%	62.2%	.904
% Blacks	14.4%	12.6%	.722
% Hispanics	25.4%	22.2%	.563

³⁸ The statistical analyses were conducted using two-sided, independent sample t-tests.

³⁹ Data for average and median tenant median household income are available in 24 out of 31 properties.

⁴⁰ Data are available in 16 out of 31 properties.

⁴¹ Census tract data comes from the 2005-2009 American Community Survey (Census Bureau) combined estimates. Census tracts are small geographic subdivisions of around 4,000 people usually smaller than a city neighborhood.

Results of Police Calls for Service Analysis

The rate of calls for service for all properties is as follows (also in Figure 1 below):

- Properties with resident services averaged **0.35** police calls per unit.
- Properties without resident services averaged **0.68** police calls per unit.⁴²

The rate of calls for service for mid-sized properties, between 50 and 150 units, is as follows:

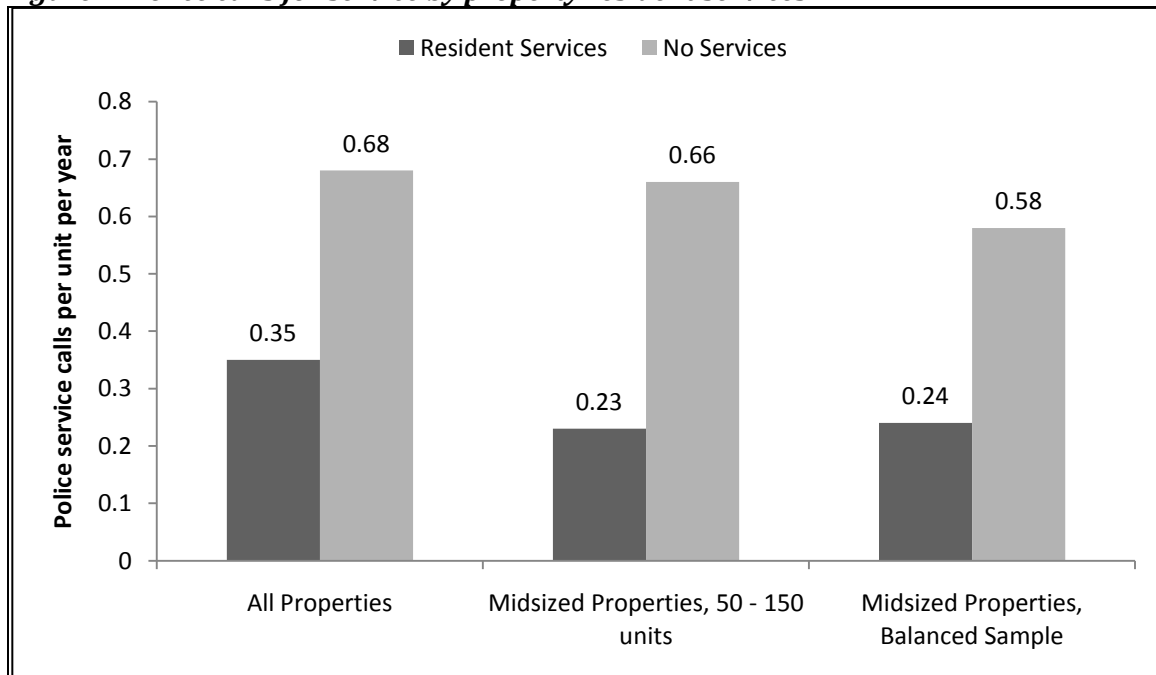
- Mid-sized properties with resident services averaged **0.23** police calls per unit.
- Mid-sized properties without resident services averaged **0.66** police calls per unit.

Finally, just considering mid-sized properties, and restricting the analysis to a balanced number of properties in each city (by keeping properties matched most closely in size), the results are as follows:

- Properties with resident services in the balanced sample averaged **0.24** police calls per unit.
- Properties without resident services in the balanced sample averaged **0.58** police calls per unit.

The comparison of properties with and without resident services suggests that the establishment of resident services in multifamily housing is associated with a reduced number of police emergency calls. This result holds true independently of the size of the property, the median tenant income, or the number of school-aged children on the property.

Figure 1: Police calls for service by property resident services



There are a number of reasons why resident services may reduce police calls for service: tenant services staff may help to manage conflicts between tenants or between tenants and property management, services staff may be able to resolve lease violations that may escalate to a police call on behalf of

⁴² This difference is marginally statistically significant ($p=.07$, two-tailed test, unequal variances).

management or tenants, and youth activities may help to redirect youth energy away from vandalism or other public safety concerns.

A review of property police logs shows that a high volume of service calls can originate from only a few units on the property, a so-called power-law distribution.⁴³ Thus, if it is true that problem tenants are truly a small minority of residents, this is a helpful state of affairs in terms of the effort needed for management to create successful interventions with wide-ranging impacts. In one 190-unit property in San Jose, for example, 32 percent of police calls tied to specific units were associated with only five units on the property. In another large property in San Francisco, with over 200 units, the statistic was 48 percent. Tenant services staff may be able to have a large impact on reducing police interventions by helping resolve conflicts in a small number of units, or, alternately, by identifying problem tenants and inducing them to leave. In these two examples, interventions with the five most problematic units could potentially have reduced service calls by a significant margin. This focused intervention in high-risk units may be more effective, in a sense of reducing police calls, than broad community-safety activities. It should be noted that at least one developer in the Bay Area has started to examine police logs to identify where interventions could be most successful.

Conclusion

Properties with resident services are associated with at least a 50% lower rate of police emergency and non-emergency calls for service tied to the property address. A review of police logs shows that a few problem tenants on the property can be responsible for a large share of calls for service. This suggests that focused interventions in a few units can be successful in reducing a large share of calls for service, which may help to explain the finding that properties with resident services are associated with fewer calls for service. This speculative hypothesis, however, cannot be tested with the available data.

In general, while the association between resident services and police calls for service may be suggestive of the role of services in reducing conflict on site, there may be other, unobserved reasons why these properties have lower service calls, including attracting a more engaged clientele, different population age distributions, or simply being located in areas with lower crime rates. Therefore, causal conclusions from this analysis should be made cautiously.

⁴³ For a general discussion of interventions when social problems follow power-law distributions, see: Malcolm Gladwell, "Million-Dollar Murray: Why Problems Like Homelessness May Be Easier to Solve than to Manage," *The New Yorker*, February 13, 2006, <http://www.gladwell.com/pdf/murray.pdf>.

Property Performance and Resident Services Survey

Methods

Six Bay Area nonprofit affordable housing developers participated in the survey project to explore the impacts of resident services on the performance of low-income family housing, and on resident turnover. In total, this group owned and managed a portfolio of 127 family affordable properties with 10,411 units. All six developers have properties with resident services.

This survey was split into two parts: a survey on property operating costs and tenant turnover and a survey on resident services activities and budgets. Both surveys are available in the Appendix. The survey was designed to capture major cost categories which may be impacted by greater tenant stability, reduced tenant wear and tear on units, and reduced youth impacts through vandalism and security concerns. These cost categories are maintenance costs, security costs, legal fees, vacancy losses, and tenant bad debt. The major impact categories and definitions were taken from the Community Housing Partners study, the most well-defined study in this field to date.⁴⁴ Some of the definitions were modified in conversations with property accountants and resident services staff. Tenant turnover was captured by the turnover rate, the eviction rate, the rate of abandoned units, the rate of total move-outs, and the rate of move-outs to homeownership.

The surveys were piloted with two developers, refined, and then sent out to a total of 72 properties in California. Surveys were completed by property managers, accountants, and resident service managers. All properties in the developer's portfolio that did not offer services, a total of 25 properties, were surveyed. Surveys captured total impacts on asset management categories and turnover in 2009 and 2010. Reporting of fiscal impacts are standardized and reported yearly in audited financial statements to the federal government.

Survey responses were received from properties in the following counties: Alameda (14 surveys), Amador (1), Contra Costa (2), El Dorado (1), Los Angeles (2), Sacramento (3), San Diego (1), San Francisco (14), San Joaquin (1), San Mateo (1), Santa Clara (5), Santa Cruz (3), Sonoma (3), and Sutter (1).

The properties that did not offer resident services were matched with those that did according to four matching criteria:

1. Total units in the property.
2. The percent of AMI corresponding to the median tenant's household income.
3. The broad rental market (city or county) in which the property is located.
4. The age of the structure (due to its association with operating costs).

The combined response rate was 72% (52 surveys were returned). From the original 25 matched-pairs surveyed, 15 were able to be constructed with complete survey information from both serviced and non-serviced properties. Some properties were unable to be included because of incomplete financial information in one, or both, years.

⁴⁴ Galpin-Plattner, "Research Shows the Cost Benefits of Resident Services on the Performance of Property Operations: Community Housing Partners Fiscal Years 2006 and 2007."

Matched Sample Baseline Comparison

Table 3 below shows the average value of the important matching criteria (number of units in property, property % AMI, age of property, and rental market) in the resident services group and the comparison group (properties with no specified resident services). In addition, other property characteristics are shown, such as the number of children in the property. These characteristics may also impact the operating costs of properties. The goal of matching is to make these property characteristics as close as possible, so that any differences in operating costs and turnover, the important outcomes in this analysis, are more likely to be a result of the one differing characteristic: the presence of resident services in the “treatment” group.

The P-value, again, is the result of a statistical test to determine whether the observed differences might be due to chance alone, rather than true differences in the characteristics of properties with and without resident services. Non-significant P-values, those greater than .10, should not be interpreted to suggest there are no true differences in that characteristic, as the small sample size will make it difficult to find significant P-values.

Table 3: Comparison of 15 matched-pairs on property and census tract characteristics

Variable	Resident services group (average value)	Comparison group (average value)	P-value ⁴⁵
Characteristics of the property:			
Median household income	\$30,000	\$30,400	.818
Property % AMI	41.4%	40.5%	.776
Number of units in property	77	71	.064*
Age of property (since rehab)	12.8 years	14.7 years	.400
Children per unit	1.2	.9	.179
School-aged children per unit	.9	.8	.414
Total staff on site	3.1	2.6	.037*
% full- time resident manager	58.8%	70.6%	.164
Pairs matched within county	10/15		
Characteristics of the Census Tracts in which the property is located:			
Median household income	\$58,800	\$47,700	.207
High-school graduation rates	80.4%	76.2%	.339
College degree rate	28.7%	23.9%	.432
Families in poverty	12.3%	13.0%	.831
% of housing renter-occupied	56.4%	65.4%	.258
Vacancy rate (all housing)	8.6%	11.4%	.173
% Blacks	6.5%	8.9%	.459
% Hispanics	28.6%	36.7%	.197
% Asians	21.0%	18.1%	.527

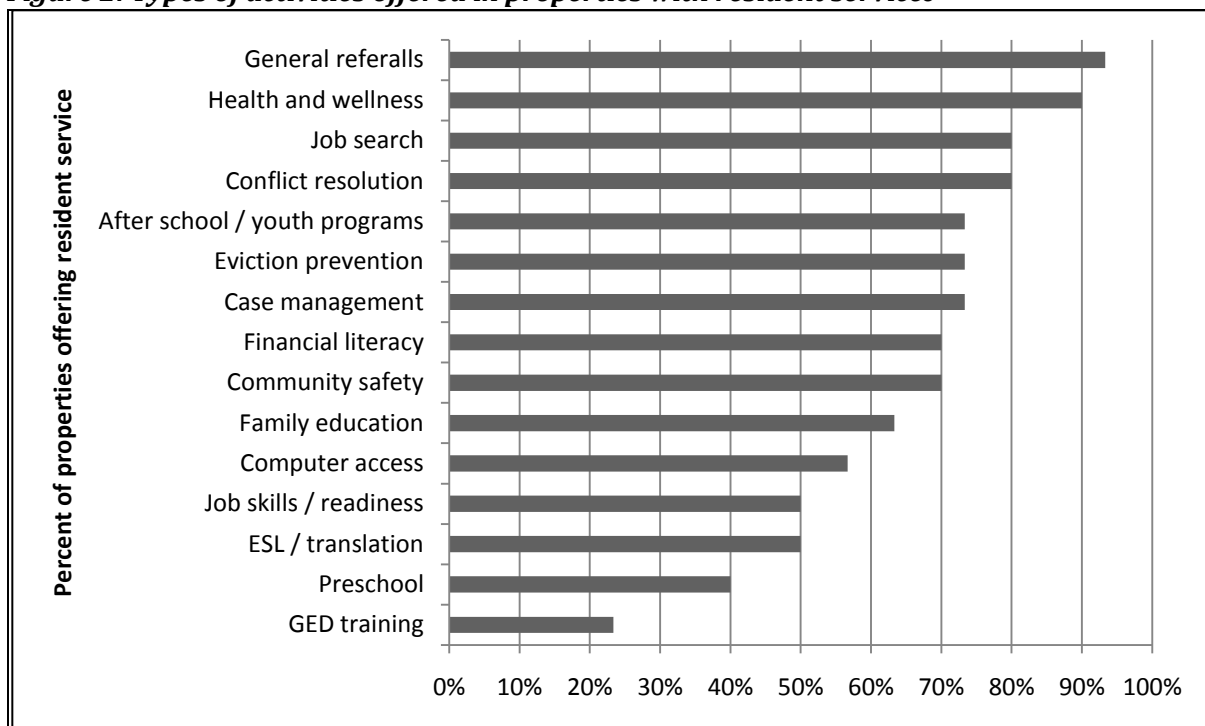
⁴⁵ The statistical analyses were conducted using two-sided, paired t-tests.

Census tract characteristics, the demographics of the neighborhoods surrounding these properties, are shown in the table as well. In order to preserve comparable matching pairs, these neighborhood characteristics should be similar. This is because neighborhood demographics—such as poverty, income, or educational attainment—may reflect characteristics of these neighborhoods, for example the local crime rate, that influence operating costs. These demographic characteristics are reported from the Census Bureau using the combined estimates from the 2005-2009 American Community Surveys.

The results of these baseline comparisons show that on most criteria, the matched properties (resident services and not) look fairly similar. Matched properties have similar tenant household incomes, school-aged children per unit, and were built or rehabilitated at approximately the same time. The only characteristics on which they differ significantly is the number of units (properties with services tend to be slightly larger), and the number of on-site staff, probably reflecting the addition of tenant services staff. This latter finding is positive: it indicates that properties with resident services have more on-site staff, as expected.

In addition, these properties are located in census tracts which differ slightly. The census tracts in which the properties are located have fairly similar educational attainment and poverty rates. Though the differences are not statistically significant, it appears that properties with services tended to be located in areas with fewer non-Asian minorities, a lower rate of rental housing, a slightly lower all-housing vacancy rate, and a moderately higher median household income. This finding is not surprising, however, because the properties were matched on property, not neighborhood, characteristics. None of these census tract differences were statistically significant; however, this is not surprising given the small sample size.

Figure 2: Types of activities offered in properties with resident services



Properties with resident services in this sample are characterized as core or basic services (17%), and enhanced or comprehensive services (83%), according to NRSC criteria. This distribution does not allow for an analysis of service-level outcomes.

Property Performance and Costs per Unit

In two tables below, I present the results of the property comparison on cost-savings. The first table (Table 4) shows the cost impacts in all matched properties. The second table (Table 5) shows the impacts in properties with no on-site construction or rehabilitation during 2009-2010 (stable occupancy properties), which may negatively affect operating costs, especially leasing and vacancy losses.

The results show a consistent negative association between resident services and per unit maintenance costs in all matched properties, and between resident services and per unit maintenance costs, vacancy losses, maintenance costs, and bad debt in the model of stable occupancy properties. There were no significant differences in security costs or legal fees per unit in either model.

Table 4: Association between resident services and per-unit costs in major asset management categories, Fiscal Years 2009-2010, 15 matched pairs⁴⁶

	Vacancy Losses / unit	Vacancy Losses %	Maintenance / unit	Security / unit	Legal Fees / unit	Bad Debt / unit
Resident services	\$186	1.9%	\$1,704	\$39	\$41	\$76
Comparison	\$348	3.6%	\$2,097	\$34	\$36	\$94
P-value (two-sided)	.142	.111	.002*	.788	.798	.683
Difference	-\$163 / unit	-1.7%	-\$394 / unit	+\$5 / unit	+\$5 / unit	-\$18 / unit

Table 5: Association between resident services and per-unit costs in major asset management categories in properties with two years of stable occupancy, Fiscal Years 2009-2010, 13 matched pairs

	Vacancy Losses / unit	Vacancy Losses %	Maintenance / unit	Security / unit	Legal Fees / unit	Bad Debt / unit
Resident services	\$153	1.7%	\$1,673	\$38	\$31	\$47
Comparison	\$390	4.0%	\$2,053	\$25	\$41	\$110
P-value (two-sided)	.034*	.039*	.007*	.380	.578	.068*
Difference	-\$238 / unit	-2.4%	-\$381 / unit	+\$14 / unit	-\$10 / unit	-\$63 / unit

⁴⁶ A separate analysis of matched-pairs within the same county returned similar results with approximately \$100 in cost savings in vacancy losses and \$300 cost savings in maintenance costs per unit. There were no observed differences in bad debt, legal fees, or security costs per unit.

This analysis indicates a modest annual cost-savings associated with resident services (the ranges presented are the low and high estimates from Tables 4 and 5):

- Vacancy losses reduced: \$163 – 238 per unit.
- Maintenance costs reduced: \$381 – 394 per unit.
- Bad debt reduced: \$18 – 63 per unit.
- **Total net cost savings (minus cost of resident services): \$95 – 228 per unit.**⁴⁷

The comparison suggests that in the average case, resident services are associated with a modest net cost savings to developers of between **\$95 – 228** per unit per year. This cost-savings estimate is larger than in previous research largely as a result of the inclusion of maintenance costs per unit, which have not been previously estimated.

Previous research has estimated the following gross, not net, cost savings:^{48, 49, 50}

- Vacancy losses: \$97 – 297 per unit.
- Bad debt: \$28 – 116 per unit.

My estimates of gross savings from resident services in vacancy losses (\$163-238) and bad debt (\$18-63) fall within this range, providing greater confidence in the results; however, my analysis does not support previous estimates of cost-savings from reduced legal fees or security costs.

Unit Turnover and Tenant Housing Stability

Table 6 below shows average unit turnover, evictions, total move-outs, and rates of new homeownership among properties with at least two years of stable occupancy. The results suggest a trend toward lower unit turnover and fewer evictions in properties with services, which both suggest greater tenant stability associated with services. Due to the small sample size, and the difficulty in getting data from all properties, these results do not afford great statistical confidence. In addition, slightly more tenants in the comparison group leave to become homeowners. This slightly increases the total move-out rate among these properties. The data do not reveal the reasons why non-eviction move-outs occur, apart from the small proportion of renters leaving to become new homeowners.

⁴⁷ The net savings calculation takes into account the total, direct and indirect, average cost per-unit of resident services at \$467 per year.

⁴⁸ Galpin-Plattner, "Research Demonstrates Positive Impact of Family Resident Services on Property Financial Performance in Selected Mercy Housing Family Properties over Two Years."

⁴⁹ Galpin-Plattner, "Research Shows the Cost Benefits of Resident Services on the Performance of Property Operations: Community Housing Partners Fiscal Years 2006 and 2007."

⁵⁰ Pennsylvania Housing Finance Agency, "Pennsylvania Housing Finance Agency Family Research Center Initiative: Asset Management Impact 2004-06."

Table 6: Association of resident services and unit turnover in buildings with two years of stable occupancy, Fiscal Years 2009-2010, 13 matched pairs

	Turnover rate (including within property)	Evictions / abandoned units rate	All move-outs rate	New homeowners rate
Resident services	15.6%	4.3%	14.6%	0.4%
Comparison	18.6%	4.7%	16.9%	0.9%
P-value (two-sided)	.413	.889	.538	.602
Difference	-3.1%	-0.4%	-2.3%	+0.4%

Conclusions

In a matched comparison of properties with and without resident services, properties with services performed better, with lower maintenance costs, lower vacancy losses, and less tenant bad debt per unit. No significant differences were observed in security costs or legal fees per unit. In addition, properties with services tended to have fewer turnovers, evictions, and total move-outs. The matched comparison group was similar to the resident services group on property and neighborhood attributes, which helps to rule out alternative explanations for outcome differences between the two groups, and thereby strengthen the inference that services *cause* better outcomes. However, in the absence of random assignment, the association between property services and improved property performance and tenant stability cannot be assumed to be causal.

Reviewing the Evidence: Recommendations on Resident Services

Table 7 below considers the major criteria and alternatives for evaluating family resident services developed in the analysis above. Each alternative option is considered below with regard to the major criteria (cost savings, tenant stability, youth development, public safety resources, and feasibility).

Baseline: Offer No Services

Properties with no on-site resident services are the baseline for comparison. In this option, properties do not offer social or healthcare services on site, or any staff time for tenant referrals to social or healthcare services. This option is historically the norm for multifamily, low-income housing not serving a special needs population.

Alternative 1: Offer Basic or Core Services

Basic or core services, according to NRSC, are focused on promoting the housing stability of tenants by referring tenants to social, employment, healthcare, and financial services in the community. Basic services involve a quasi-case management model with minimal tracking of tenant outcomes. Part of this quasi-case management model is, in addition to referrals, working with individual tenants to address lease violations, conflicts with other tenants, and their general needs. Tenant services staff is typically located at the property on a full- or part-time basis depending on the property size.

Cost-Savings

No information is available to evaluate this criterion. The survey results above did not enable a subgroup analysis of “Basic Services” properties as the pool of analyzed properties with resident services was mostly enhanced- or comprehensive service-properties (over 80 percent). Previous research has not segmented out service levels for cost-savings or cost-benefit analyses.

Tenant Stability

Interviews suggest that tenant housing stability is heightened by basic services, including general resource referrals, tenant-management conflict resolution, and on-site case management. This finding is supported by the analysis of eviction prevention protocols, part of a basic-services package, in the CHP study.⁵¹ This study found that these protocols, interventions with tenants largely experiencing a change of income due to unemployment, reduced operating and non-operating costs, with the effect hypothesized to stem from the improved housing stability of these families. This finding could not be verified by the Property Performance and Resident Services Survey because of the lack of representation of basic-services properties in the survey.

⁵¹ Galpin-Plattner, “Research Shows the Cost Benefits of Resident Services on the Performance of Property Operations: Community Housing Partners Fiscal Years 2006 and 2007.”

Youth Development

Basic services do not include youth programs. Youth development may be positively affected by greater tenant housing stability;^{52,53,54} however, the magnitude of the effect attributable to resident services is unclear, making it difficult to assign value in this regard.

Public Safety Resources

This finding could not be verified by the data on police calls for service due to the lack of representation of basic-services properties in this dataset. No other investigations have been conducted examining the impact of resident services on crime rates or police calls for service. Hypothetically, the effect may be strengthened by properties which offer an on-site tenant services staffer able to guide interventions with problem tenants; however, this cannot be evaluated with the available data.

Feasibility

The main challenge in implementing this alternative is to establish funding for part- or full- time tenant services staff. For most developers in the survey, a majority (on average, between 70 – 79% by year) of funding for core services comes from property revenues. Other costs are covered by general corporate revenues, discounts by service-partners, centralized staffers, or foundation grants.

With funding, this alternative is easily implemented by hiring a staffer familiar with community building or social work in low-income communities. This person does not need to be a licensed social worker. The primary role for the tenant services staffer is to resolve conflicts and help link resident families with existing community resources.

Alternative 2: Offer Enhanced or Comprehensive Services

Enhanced and comprehensive services, according to NRSC, are focused on tenant housing stability, asset development and self-sufficiency. Enhanced and comprehensive services involve a quasi-case management model with more extensive tracking of tenant and youth outcomes.

Tenant services staff is typically located at the property on a full- or part- time basis depending on the property size. Properties offer a number of specialized services, depending on the tenant mix, which may include youth programs, financial literacy programs, health and wellness activities, on-site health care, workforce development, and leadership-building activities for youth and adults.

Cost-Savings

The Property Performance and Resident Services survey suggests that properties that offer resident services are associated with cost savings of between \$95 – 228 per unit per year.

⁵² Leventhal and Newman, "Housing and child development."

⁵³ Schmitz, Wagner, and Menke, "Homelessness as one component of housing instability and its impact on the development of children in poverty."

⁵⁴ Farrell et al., "Supportive housing for families in child welfare."

Evidence from other studies suggests a modest cost benefit of \$225 – 356 per unit (without accounting for the cost of services) or a net cost-savings of \$23 per unit (when accounting for the cost of services but not accounting for maintenance costs).^{55,56}

Tenant Stability

The Property Performance and Resident Services Survey suggests that properties that offer resident services are associated with decreased turnover (by 3.1%), reduced evictions or abandoned units (by 0.4%), and reduced total move-outs (by 2.3%). These estimates are not confirmed by statistical significance tests due to the small sample size.

The only other study to examine the association of resident services with unit turnover found a decreased turnover rate in properties with services (16-18% average turnover in properties with resident services versus 23-33% in properties without services).⁵⁷ This study, however, used a small sample (of about 30 total properties) and did not describe the characteristics of either the resident services or comparison groups.

Interviews suggest that tenant housing stability is heightened by resident services that provide general resource referrals, tenant-management conflict resolution, and on-site case management. Interviewees felt that services help to reduce the tenant risk of homelessness, provides a limited safety net to resolve family shocks which might normally cause housing instability, stop the eviction process, and help to connect tenants to social and employment services.

Youth Development

In staff interviews, most interviewees felt that youth development was positively affected by resident services involving youth programs. Interviewees note grade and educational improvements resulting from participation in after-school programs and ESL classes, and youth development promoted through on-site enrichment programs and youth leadership activities. In addition, interviewees reported that greater housing stability, impacted for example through eviction prevention, helps foster youth development.

Most studies of after-school programs suggest that these programs are associated with student grade improvement, social promotion, and youth development. In addition, these activities can help youth engage with adults and the community and provide a safe place to spend time when adults are at work.^{58,59,60,61}

⁵⁵ Galpin-Plattner, "Research Demonstrates Positive Impact of Family Resident Services on Property Financial Performance in Selected Mercy Housing Family Properties over Two Years."

⁵⁶ Galpin-Plattner, "Research Shows the Cost Benefits of Resident Services on the Performance of Property Operations: Community Housing Partners Fiscal Years 2006 and 2007."

⁵⁷ Pennsylvania Housing Finance Agency, "Pennsylvania Housing Finance Agency Family Research Center Initiative: Asset Management Impact 2004-06."

⁵⁸ Frances Ferguson, *After School Report 2006*, Personal Communication, 2006.

⁵⁹ McComb and Scott-Little, "After-school programs."

⁶⁰ Posner and Vandell, "After-school activities and the development of low-income urban children."

⁶¹ Posner and Vandell, "Low-Income Children's After-School Care."

Public Safety Resources

The analysis of police service calls suggests that properties with resident services are associated with at least a 50% reduction in per unit calls for service. The association between the presence of resident services and the prevalence of police calls for service has not been previously examined. If confirmed, this finding suggests that tenant services staff, and on-site programs, can have a large impact in creating a safer environment in multifamily properties, and in reducing their burden on public safety resources.

Feasibility

Again, the main challenge in implementing this alternative is to establish funding for part- or full- time tenant services staff. For surveyed developers, only a minority (on average, about 31%) of funding for enhanced and comprehensive services comes from property revenues. Other sources of funding are general corporate revenues, foundation and governmental grants, and service-partnerships with local government and community-based organizations.

With funding, this alternative is implemented by hiring a staffer familiar with community building or social work in low-income families. Additional services, such as after-school programs, financial literacy, and health and wellness programs can be supported by internal staff or by contracting for service partnerships with non-profit or local government providers, depending on the size of the property.

Partnering for Resident Services

This option is not considered to be a separate alternative as almost all developers report working with service partners to offer resident services (see Appendix). Most developers appear to approach the problem of what services to offer to a specific tenant mix by using a needs assessment, examining whether other providers already offer the services in close proximity, and then consider whether to provide services internally or to create partnerships.

Recommendations for next steps

There are two major challenges to evaluating the impacts of resident services low-income family housing: finding comparable properties and finding properties with a range of services. This report did not accomplish the latter. There is a promising new research effort around the family resident services model which may over time provide some answers in regards to impacts in a range of service environments. This research and evaluation effort is being led by groups like by NeighborWorks and the National Resident Services Collaborative.

At some point, in order to evaluate holistically the impacts of services on tenants and society, a full cost-benefit analysis would be appropriate. This could take the form of surveys to tenants to engage them on the “shadow price” or their willingness to pay for the services offered, coupled with evaluations of any short- and long-term tenant benefits such as increased employment, reduced use of public services and resources, and youth development. These outcome measures are important because resident services hold out the possibility of not only positively affecting tenants, but also reducing the social cost of low-

income families. These results would also be helpful to evaluate whether the investment in resident services provides a greater return than other uses of capital, such as providing more housing absent services.

Experimental evaluation methods could also be employed with the support of willing developers, with random assignment to properties with varying degrees of services. Because waitlists for low-income housing are long, and potential tenants should have no expectations as to the service-characteristics of housing, this may be an ethical method to understand impacts on tenants if conducted correctly. In cases where developers specifically advertise services to prospective tenants, or where tenants may have expectations as to the service-characteristics of housing, experimental methods should be avoided. In lieu of experimental methods, quasi-experimental methods can be used to exploit non-random assignment of similar individuals to properties, or compare pre- and post-change outcomes for properties that are planning to change to a service-enriched model in the future.

Conclusion

This analysis considers the impacts of providing social, health, and youth services in low-income family housing. Based on a variety of methods, the accumulated evidence indicates that the resident services model offers benefits to property owners, tenants, and the community. Because of the prevalence of enhanced and comprehensive service levels among Bay Area developers, according to NRSC criteria, this analysis was not able to offer a full evaluation of how these impacts may be lesser, or not, in properties with basic or core service-levels.

Because of the strength of the evidence, this report recommends the service-enriched housing model; however, this recommendation only applies to a mix of resident services similar to that offered in the typical property in this study, as appropriate to tenant characteristics. This services mix is similar to the enhanced or comprehensive services framework specified by the NRSC.

Because of the increasing focus being directed at service-enriched housing, this is an ideal time to begin to study direct impacts on tenants (both short- and longer-term), as well as the net social benefit to society. This report suggests a few methods that might be considered in the future.

Table 7: Alternatives and criteria

Alternatives	Criteria				
	Cost-Savings	Tenant Stability	Youth Development	Public Safety / Police Utilization	Feasibility
No services (the baseline)	0	0	0	0	0
Basic services	<p>Unsure</p> <p>Too few analyzable properties with “basic” services to evaluate</p>	<p>+ (small)</p> <p>1. Cannot analyze using survey data. 2. Anecdotal evidence from interviews suggests greater stability.</p>	<p>+ (small)</p> <p>1. Basic service levels usually do not include after-school or other youth programming. 2. Youth may benefit from greater housing stability.</p>	<p>Unsure</p> <p>Cannot analyze using available data.</p>	<p>- (small)</p> <p>This criteria is easily implemented using in-house staff</p>
Enhanced / Comprehensive services	<p>+, \$95 – 228 per unit</p> <p>Savings come from reduced maintenance costs, reduced vacancy losses, and reduced bad debt</p>	<p>+ (medium)</p> <p>1. Some trend to lower turnover in data. 2. Anecdotal evidence from interviews</p>	<p>+ (large)</p> <p>Evidence from interviews and case studies of improved youth behavior, and positive effects of after-school programming.</p>	<p>+, 50% reduction in per unit calls for service</p> <p>Evidence of reduced police calls for service.</p>	<p>- (medium)</p> <p>This alternative is feasible but may involve establishing greater funding and/or service partners.</p>

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Appendix A: Some Notes on Good Practices for Resident Services

In interviews with resident services coordinators, on-site tenant services staff, and experts in resident services, I asked interviewees to consider, in an open-ended interview format (without predetermined response categories), their own good-practices in constructing, and offering, services for tenants. In Table 8 below, I identify responses that were reported by at least four, out of 15, interviewees. Following the table, I provide consideration of each practice.

Importantly, while these views are largely subjective assessments, they are backed up with evidence from the literature where possible. Because this literature is new, and still growing, best practices in family resident services is an evolving field.

Table 8: Good practices for resident services identified in open-ended interviews

Interview-identified Good Practice:	Number of occurrences:
Needs assessments / regular tenant surveys / revise programs according to changing tenant needs	10
Track individual outcomes / keep detailed case notes on impacts	8
Standardized procedures & staff training / standardized relationship with property management	7
Cultural competency / sensitivity in programming	4
Partner with providers in the community	4
Offer after-school activities / educational programs for youth	4

Tenant Needs Assessments

Most interviewees pointed to the need for an evaluation of the baseline and ongoing needs of tenants, with information allowing “mid-course corrections” when needed. Most interviewees reported using a variety of methods to assess the baseline needs of tenants including tenant surveys, focus groups and one-on-one interviews, and engaging tenant leaders. Research in supportive family housing suggests that one key determinant of program success is that programs are tailored to the unique mix of tenants in each property⁶² making the needs-assessment process a crucial determinant of tenant-engagement and program success.

One example of a needs assessment, completed by a nonprofit social-service provider in a multifamily property in Los Angeles, examined tenant demographics and assets, use of public income-support and other social service programs, and unmet social-service needs. This assessment was completed through interviews with property staff, focus groups with tenants, and individual tenant surveys. This process led to a report on the types of services that this provider could offer on-site, as well as a listing of

⁶² Farrell et al., “Supportive housing for families in child welfare.”

community resources, and contact information, for tenant referrals and service-partnerships. In this case, the property had undergone lease-up prior to offering services. In other cases, providers can examine service needs in similar populations to determine effective service packages prior to lease-up.

Evidence-based Services and Tracking Tenant Outcomes

Most interviewees reported that outcomes-tracking is a key feature of a successful services model; however, many interviewees noted that existing systems are inadequate or do not track the full range of useful impacts and outcomes. The NeighborWorks America report on the CWF pilot argues that an “outcomes-driven culture” is a key determinant of success in multifamily resident services.⁶³ The benefit of an outcomes-driven service model is that corrections to service models can be made when program evidence is lacking. Outcomes tracking may also be helpful to show program success to future funders.

One large multifamily developer with an active measurement initiative recently completed a planning evaluation of outcome measures. Through this process, they determined key impact and outcome measures in five areas: youth, health and wellness, housing stability, financial stability, and community participation. These areas match closely with the NRSC resident services logic-model and community development in low-income communities. Outcome metrics chosen include, for example, access to health care, length of stable housing, earned-income tax credits, employment and earnings, job skills, and participation in community activities.

As an adjunct to individual tenant outcomes tracking, most developers identified property-wide tracking of service “outputs” as important in setting property benchmarks. Many properties track, for example, uptake rates in tenant services, numbers of tenants that attend events, and overall tenants’ satisfaction with services. These metrics are important to track, as positive “outputs,” in terms of a theory of action, are required to translate program services into positive tenant outcomes. For this reason, the most important output tracking is tenant-service engagement, in terms of total numbers of tenants reached in individual service areas.

Standardized Procedures and Training

Most interviewees identified tenant services staff training as key to promoting program success. As part of this training, interviewees identified the creation of a set of standardized procedures and relationship with property management as helpful to improving the efficiency and effectiveness of both tenant services and property management.

Corroborating the interviewee’s views, the CWF pilot identified improved communication between tenant services and property management as a positive result of the project and the FPSH study identified communication procedures between departments as a key determinant of improved housing stability of tenants.^{64,65} The CWF pilot also identified specific training of resident services staff in tenant coaching as one intervention that has demonstrated success in improving tenant outcomes.

⁶³ Raffel and Ferguson, *The NeighborWorks America Center for Working Families Pilot: A Comprehensive Approach to Family Economic Success in Affordable Housing*.

⁶⁴ Ibid.

⁶⁵ Nolan et al., “The Family Permanent Supportive Housing Initiative.”

Cultural Competency

Many interviewees identified cultural competency and sensitivity as key determinants of building tenant trust and engagement with services. Most programs operationalize this by providing written materials and flyers in multiple languages, providing translation or interpreting services, and by organizing activities that highlight specific ethnic groups (for example, by organizing tenant activities around Ramadan, or the Chinese New Year). One service coordinator indicated that hosting cultural events and meals enabled tenants to start building relationships with those from other ethnic groups, which promoted greater engagement with services and fewer conflicts across cultures.

Partnering with Community Service Providers

Many interviewees specifically identify partnering with service providers, including community-based organizations and local government, as a key strategy to effectively offer a wide-range of services. In a separate survey (see Appendix) most non-profit developers report service partnerships to offer a range of services and report largely positive satisfaction with the providers.

Most interviewees report that service partnerships allow them to bring in providers with specific expertise in providing the services, and that service partners can offer the services at a lower cost or provide substantial discounts. Not all reported using service partners; however, as service partners may not be able to provide services from year-to-year due to fluctuations in funding. This, one interviewee noted, may cause unmet expectations among tenants as services that are offered in one year may not be offered the next.

Educational and Enrichment Programs for Youth

Though few interviewees spoke about specific programming in the context of good-practices, one commonly reported service category was educational and enrichment programs for youth in properties with a high number of school-aged kids. This programming can take the form of after-school programs, summer programs or summer camps, pre-school and school preparedness, audiovisual programs for older youth, and volunteerism or leadership programs to build self-efficacy and community-engagement.

Interviewees suggested several reasons for why these programs should be offered. They allow working adults to maintain a normal workweek, avoid work disruptions, and reduce parent concerns about the out-of-school time activities of their children. Youth programs also provide opportunities for youth development, for building leadership and community engagement skill, and for providing activities that keep youth engaged, which may reduce property vandalism.

Slightly more than half of developers offering after-school programs or other youth activities partner with community-based organizations or local government to offer youth programming. This suggests that developers that want to offer this programming can reduce costs by finding service partners who are willing to provide services at a discount or in exchange for space to host the services and reach the target population.

Conclusion

In interviews with resident services coordinators, on-site tenant services staff, and experts, interviewees reported six common practices which they associated with successful resident service programs: needs assessments, outcomes tracking, developed staff training and procedures, service-partnerships, cultural competency, and youth programs. These assessments of good practices, though largely subjective, are backed up in some cases with evidence in the emerging literature in family resident services.

Appendix B: List of Interviewees

1. Meredith Chillemi, LifeSTEPS, Orange County, CA
2. Jennifer Covert, Mercy Housing, Denver, CO
3. Frances Ferguson, NeighborWorks America, Austin, TX
4. Grace Gin, Chinatown Community Development Center, San Francisco, CA
5. Kelly Matter, CommonBond Communities, St. Paul, MN
6. Amanda McDade, Mercy Housing, San Francisco, CA
7. Lara Sao Pedro, BRIDGE Housing, San Francisco, CA
8. Janet Raffel, Raffel & Associates, Chicago, IL
9. Jennifer Reed, Eden Housing, Hayward, CA
10. Erin Rehberg, BRIDGE Housing, Santa Rosa, CA
11. Kate Robinson, Chinatown Community Development Center, San Francisco, CA
12. Yvette Robinson, Tenderloin Neighborhood Development Corporation, San Francisco, CA
13. Tejal Shah, East Bay Asian Local Development Corporation, Oakland, CA
14. Beth Southern, LifeSTEPS, Sacramento, CA
15. Lexi Turner, Housing Partnership Network, Boston, MA

Appendix C: Service Partnerships

Survey of 10 Bay Area resident services coordinators or directors providing family and supportive housing services in low-income housing. These coordinators represent nine affordable housing developers and one service provider which does not develop housing. Nine out of 10 surveys were returned anonymously.

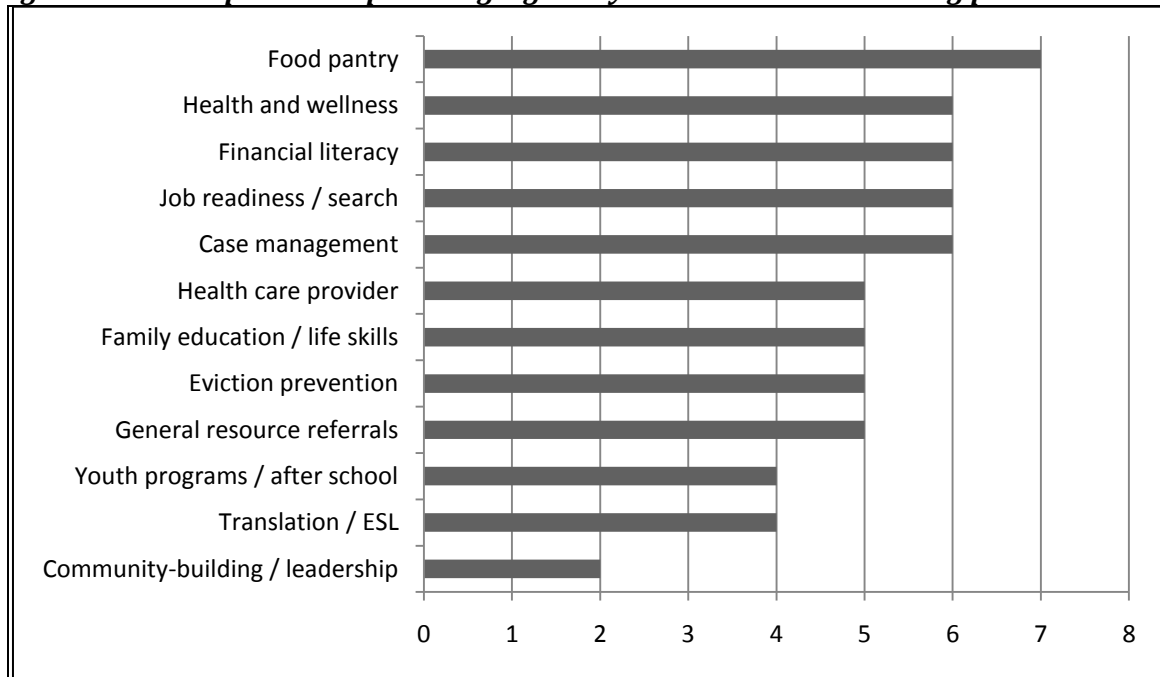
Survey Responses

1. Do you partner with community-based organizations or local government to provide resident services to your tenants?

- Yes: 8
- No: 1

2. What types of resident services do you partner with community-based organizations or local government agencies to provide to your tenants (do not include services provided by your staff and managed internally)?

Figure 4: Service-partnerships among eight Bay Area low-income housing providers

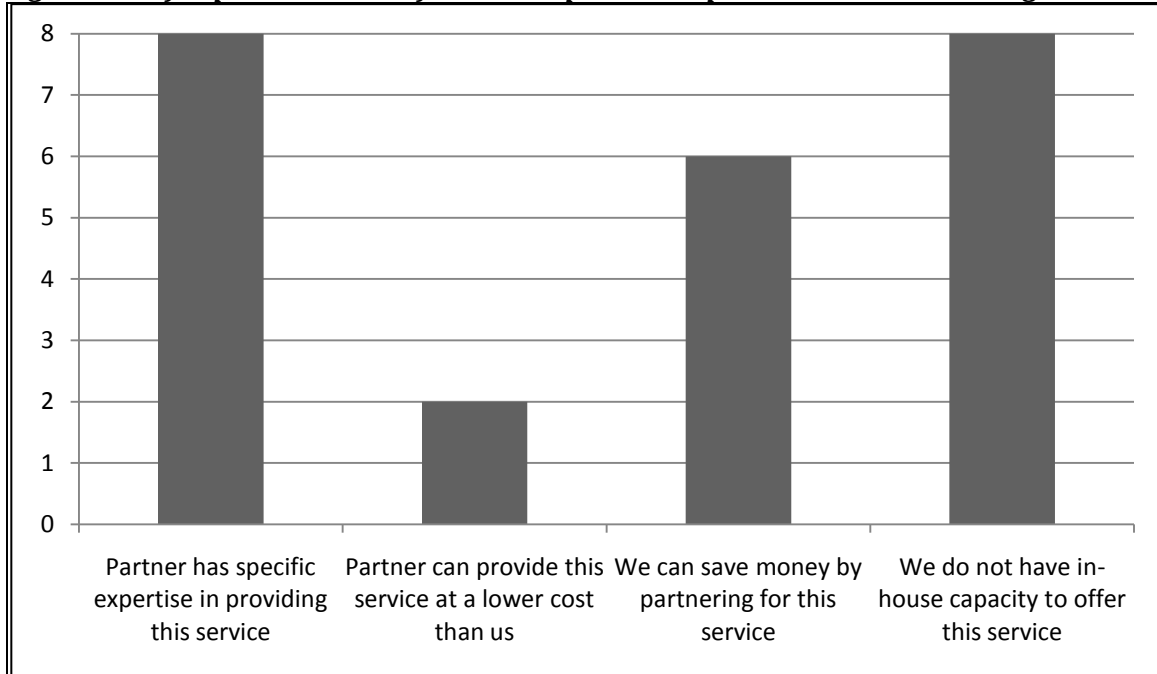


3. Where are partnered services provided?

- Most partnered services provided at residential property: 7
- Some services provided at residential property: 1

4. Why do you partner with community-based organizations or local government to provide services?

Figure 5: Self-reported reasons for service-partnerships in low-income housing



5. My non-profit service-partners provide useful and effective services to my tenants.

- Strongly agree: 6
- Agree: 1
- Neutral: 1

6. My local government service-partners provide useful and effective services to my tenants.

- Strongly agree: 3
- Agree: 5

Appendix D: Regression Analysis of Pooled Property Data

In addition to the matched-pairs analysis of the survey data, I also performed a pooled regression analysis of the unmatched data using Ordinary Least Squares (OLS) regression. A total of 40 properties, 20 with services, with complete data on all regression variables, were included in the regression analysis. Properties with rehabilitation or construction on site in 2009 or 2010 were not included because of impacts on unit occupancy.

In these models, the following variables were controlled for statistically:

- The number of units in the property.
- The number of children (ages 0-17) per unit.
- The tenant median household income.
- The location of the property in a Bay Area county.
- In the model of maintenance cost, the age of the property or the time since the last major rehabilitation.

The following impacts on asset management were observed:⁶⁶

Table 9: Association of resident services and per-unit costs in major asset management categories in pooled OLS model, Fiscal Years 2009-2010, controlling for property characteristics

	Vacancy Losses / unit	Maintenance / unit	Security / unit	Legal Fees / unit	Bad Debt / unit
Resident services	-\$155	-\$451	-\$1	+\$3	-\$41
P-value (two-sided)	.071*	.001*	.970	.818	.172

Table 10: Association of resident services and unit turnover in buildings with two years of stable occupancy in pooled OLS model, Fiscal Years 2009-2010, controlling for property characteristics

	Turnover rate (including within property)	Evictions / abandoned units rate	All move-outs rate	New homeowners rate
Resident services	-3.5%	+1.8%	-2.8%	-0.4%
P-value (two-sided)	.259	.448	.381	.569

⁶⁶ The outcomes (for example, -\$155 on vacancy losses) are the values of the regression coefficients on the resident services binary indicator variable. This is in the model including the other controls (for example, property size) as continuous or binary variables, where appropriate. Because the outcome variables were not transformed, the results are in actual units.

Conclusion

In these models, the observed associations between vacancy losses per unit and maintenance costs per unit are similar to the matched-pairs models. Turnover and move-out rates are lower in properties with services; however, these results again are not confirmed with the statistical tests. The eviction rate is higher, though not significantly so, in properties with services. This differs from the results obtained in the matched-pairs analysis.

Appendix E: Property Performance and Resident Services Survey

Operational Costs Survey			
Date form completed:			
Name:			
Contact Address:			
City / State / ZIP:			
Contact Info:	Tele:	Email:	
Title / Management Company:			
Property and staffing information			
Property name:			
Property address:			
City/State/ZIP:			
Property setting (check appropriate):	Urban:	Suburban:	Rural:
Construction info:	Year built:	Year major rehab (if done):	
Number of units in building:			
Number of children in building:	Aged 0-17:	Aged 5-17:	
Was there rehabilitation or construction on site which impacted unit vacancy (check)?	No:	Yes, in 2009:	Yes, in 2010:
Total staff on-site:	FTE:		
On-site Leasing staff:	FTE:		
On-site Recertification staff:	FTE:		
Is there a full-time resident manager for this property (check appropriate)?	Yes:	No:	
Tenant median household income:	\$		
Approximate tenant AMI:	%		
Operating expenses (see definitions below)	2009 financials	2010 financials	
Did you use audited financials? (check appropriate)	For 2009:	For 2010:	
Total general operating / administrative costs (<u>do not</u> include resident services costs):	\$	\$	
Maintenance costs (incl. in gen. operating):	\$	\$	
Security costs (incl. in gen. operating):	\$	\$	
Total legal fees (incl. in gen. operating):	\$	\$	
Insurance costs (not incl. in gen. operating):	\$	\$	
Vacancy losses (not incl. in gen. operating):	\$	\$	
Vacancy loss percentage:	%	%	
Net bad debt (not incl. in gen. operating):	\$	\$	
Turnover (see definitions below)	2009 calendar year	2010 calendar year	
Number of units vacated:			
Turnover rate:	%	%	
Number of delinquent accounts (year-end):			
Number of unlawful detainer filings:			

Number of evictions:		
Number of skips / abandoned units:		
Total number of move outs, not including transfers to other units in the building (including skips and evictions):		
Average unit turnover cost:	\$	\$
Number of tenant units that moved out to become homeowners (if tracked):		
Internet broadband connectivity		
Building connected to broadband internet:	Yes:	No: (skip rest of section)
When was the building connected?	Year:	
Is it a wireless or wired network?	Wireless:	Wired:
What were the hard costs for Internet access in the units (installation costs)?	\$	
What is the ongoing Internet Service Provider (ISP) cost (or approximate anticipated cost):	\$ (note if cost is anticipated)	
What is the annual maintenance cost (or approximate anticipated cost)?	\$ (note if cost is anticipated)	
Additional Comments:		

Operational Costs Survey Definitions:

Total General Operating / Administrative costs: Do not include resident services costs (these will be reported directly from the resident services coordinator). The following expense categories are included: general administrative; property management; maintenance; security costs; legal fees; accounting fees; office payroll; audit expenses; leasing expenses; and utilities. Costs excluded are taxes, insurance, vacancy loss, bad debt, capital expenses, debt service, and reserve deposits.

Maintenance costs: These costs are included in total general operating expenses. Costs include grounds/landscaping payroll, supplies, contracts; repair / janitorial payroll and supplies; decorating supplies; extermination; trash removal.

Security costs: These costs are included in total general operating expenses. Costs include security contracted out to third-party providers and includes 24-hour desk clerks.

Total Legal Fees: These costs are included in total general operating expenses. Costs include attorney fees for eviction as well as other non-routine (i.e., not credit and background checks) legal fees.

Insurance costs: These costs are not included in general operating expenses and include property, liability and earthquake.

Vacancy loss: These costs are not included in general operating expenses . Days units were vacant translated into lost potential revenue.

Vacancy loss percentage: $\text{Vacancy Loss} / \text{Gross Potential Rent Revenue}$ (the maximum amount of rent a building can get if the property was 100% occupied for the whole year). If a building's GPR is \$100,000 and the Vacancy Loss is \$5,000, the Vacancy Loss Percentage is 5%.

Net bad debt: Any uncollectible rent, damages, late fees, and so on owed by the tenant that have been written off and turned over to collections.

Turnover rate: Over the whole year, the number of people who moved into units plus the number of units that were removed from the inventory divided by the total number of units in the building.

Average Unit Turnover cost: What is the average cost to turnover a unit in your building in each year? If you have units of various sizes, average across the different sizes based on the number of those units in the building. Include decorating, painting, repair, advertising, miscellaneous renting expense (i.e. credit check expenses etc.), and repairs materials and contracts. Include costs even if they are recouped via security deposits.

Resident Services Survey			
Name:			
Date:			
Contact Address:			
City / State / ZIP:			
Telephone:			
Email:			
Title / Management Company:			
Property and staffing information			
Property name:			
Property address:			
City/State/ZIP:			
Resident services were offered at this property for at least 11 of 12 months in the following years:	2009:	2010:	Neither:
Resident services expenses	2009		2010
Direct Costs:	\$		\$
Indirect Costs:	\$		\$
Estimated Range of Overhead:	% to		% to
All services paid for out of operating costs?	Yes:	No:	
If no, % of Services paid for out of operating costs:	%	%	
Additional service budget provided by:			
Residential service activities	Yes	No	
Basic / Core Services:			
Case management			
Eviction prevention counseling / assistance			
Translation / interpreting			
Conflict resolution			
General resource referrals (welfare, etc)			
Community safety activities (block watches, etc)			
Enhanced Services:			
Job-readiness skill building			
After-school programs			
Financial literacy			
ESL courses			
GED courses			
Job search / employment assistance			
Computer access (space with internet access)			
Summer camps or part-time jobs for youth			

Family education / life skills courses		
Individual development accounts		
Comprehensive Services:		
Health and wellness activities		
Pre-school on site or adjacent to property		
Youth programs focused on higher education or employment		
On-site health care provider		
Credit counseling, mortgage readiness or homebuyer preparation		
Community-building activities (leadership training, volunteerism and civic engagement activities)		
Other activities (describe):		
Additional Comments:		