

**PENNSYLVANIA HOUSING FINANCE AGENCY
FAMILY RESOURCE CENTER INITIATIVE IMPACT 2004-05**

The Pennsylvania Housing Finance Agency introduced the Family Resource Center Initiative (FRCI) in 1998 to provide on-site family supportive services to eligible Agency-financed properties in Philadelphia. Since that time PHFA has set aside more than \$2.4 million dollars to link residents with supportive services and resource networks to improve their quality of life, and to preserve the Agency's stock of affordable rental housing. During the 2004-2005 program year, more than \$191,000 of Agency funds were invested to reach approximately 600 families living in 14 developments.

Participating developments either contracted with community based service providers or used their own supportive service departments to achieve progress toward the FRCI goals of:

1. Increasing the ability of tenants to uphold the lease. As a whole, residents in these developments have increased their ability to uphold lease requirements. This is reflected in the improved asset management indicators identified below (rental delinquency, housekeeping and evictions) and in the increased resident participation achieved by FRCI developments. These services include case management, resident employment initiatives, life skills counseling, translation services, emergency food assistance, domestic relationship counseling, transportation assistance, and aggressive job search and interview preparation. Overall, those developments that used resident leadership programs, regular resident surveys, and an aggressive approach to interacting with the residents were able to impact residents' participation and abilities.
2. Supporting efforts that enhance a resident's quality of life, build healthy communities and stabilize families in need. Through service coordination and partnerships with community service providers the FRCI has been successful in increasing residents' access to significant services that include after school and summer lunch programs and assistance with employment and basic life skills.
3. Developing management systems that contribute to the effective operation and preservation of affordable housing. All FRCI participating developments integrate services and referral systems into their management systems. Institutionalizing the written referral system has been essential to the success of the service programs. This referral system between the management agent and the service provider is the basis for information exchange, service delivery, and documentation of program responsiveness and performance. Referral activity is included in the FRCI quarterly reports and is a leading indicator of program effectiveness.
4. Promoting effective partnerships among housing providers, property managers, and service providers that positively impact the development's financial viability and/or stability. From computer equipment and resources for a beautification project, to after school and summer lunch programs, these partnerships bring valuable resources with real impact – on families and on the development.

Program success is also measured by examining a specific data set related to asset management. Two thirds of this year's FRCI developments reported a reduction in rental delinquency, housekeeping citations, and evictions.

- **Rental Delinquency:** Service providers and management agents continue to explore new strategies for addressing and preventing rental delinquency. These include establishing repayment agreements, providing reminder letters for families during holiday seasons, identifying and reaching out to vulnerable or chronically delinquent families, providing budget counseling workshops, and accessing emergency financial assistance.
- **Unit Maintenance:** All participating developments focused on improving the ability of residents to maintain their units. Housekeeping problems were addressed through home visits, random unit inspections, mandatory training sessions for cited residents, and counseling sessions for new residents. Several developments used professional cleaning services for situations beyond the scope of routine housekeeping interventions.
- **Evictions:** Although all participating developments are not likely to achieve zero evictions, and periodic spikes may interrupt a downward trend, the numbers of evictions at these developments from the start of FRCI participation has decreased over time. This can be attributed to timely interventions by the service provider to address non-compliant resident behaviors and prevent eviction actions.

The aggregate performance of FRCI developments was also compared with a similar group of PHFA developments without aggressive service programs. Four asset management indicators that are related to service delivery and resident behaviors were examined: legal expenses, non-sufficient funds/late fees, bad debts, and unit turnover. Three of the four service-related indicators were better for FRCI developments than for the comparison group.

Per Unit Costs	Legal Expenses	NSF and Late Fees	Bad Debts	Unit Turnover
FRCI Developments	\$31*	\$44	\$90*	18%*
Comparison Group	\$60	\$31	\$134	33%

**Asset management indicator is better for FRCI Developments than for Comparison Group.*

Legal Expenses and Bad Debts may indicate the effectiveness of services in preventing legal costs associated with evictions and debts related to rental delinquency. These are both expressed as per unit costs for purposes of this comparison. The FRCI developments had legal expenses that were just over one half of legal costs reported by the non-FRCI comparison group. Bad Debts were reduced by one third in the FRCI group.

One goal of this Initiative is to help stabilize families in need. In addition to reducing the number of evictions, the FRCI developments experienced just over half of the rate of resident turnover as the non-FRCI comparison group. This stabilizing effect of the FRCI impacts the development's bottom line through reduced turnover costs, but also has an enormous impact on families. It is costly to move. By lengthening the period of tenancy, evidence is strong that a resident saves money and children's academic performance in school is vastly improved.

PHFA can be proud of its effort to change lives while protecting its investment in affordable housing in Philadelphia. Much has been accomplished in seven years of FRCI programming and the opportunity exists for continued improvement to make this investment in services a wise choice for the Agency, for property owners, and for families.