



American Association of Service Coordinators, Enterprise Community Partners, The Housing Partnership Network, NeighborWorks America, Stewards of Affordable Housing for the Future

Alamo Area Mutual Housing Association, The Community Builders, Community Preservation and Development Corporation, Mercy Housing, National Church Residences, The Neighborhood Partnership Fund, Preservation of Affordable Housing, REACH Community Development Corporation

## **2008-2010 RESEARCH AND POLICY AGENDA**

### ***INTRODUCTION***

To prevent homelessness and help low-income families in affordable housing build assets to work toward self-sufficiency, several national housing organizations and nonprofit developers formed the National Resident Services Collaborative (NRSC) in 2003. The purpose of NRSC is to advance research, policy, training, best practices and outcomes measurement related to effective resident services in affordable housing for families and individuals (non-elderly). Given the complexities of our social services delivery system, service coordination is needed to connect low-income families to quality services that will help them achieve housing stability and move up and out of poverty. Furthermore, on-site education enrichment for children and youth can help them succeed in school and break the cycle of poverty.

Much progress has been made by NRSC over the past four years in documentation of best practices and new training delivery, as well as adoption of standard outcomes for key service asset building areas such as employment, financial management and children's school success<sup>i</sup>. And NRSC members have contributed to the development of services coordination software called AASC Online Families to track and report on outcomes.<sup>ii</sup> Yet sustainable financing for these housing-based services remains an elusive prospect for most nonprofit property owners.

To contribute to the industry's best thinking on strategies to achieve sustainable funding, in April 2007, 100 affordable housing leaders gathered for a national policy symposium, sponsored by NRSC, and supported by the Freddie Mac Foundation. The outcome is an ambitious research and policy agenda for our nonprofit housing industry as well as for federal, state and local policy makers and diverse affordable housing stakeholders. To advance this agenda, NRSC will establish two working groups that will include NRSC members and outside experts to 1) provide direction on NRSC's research methodology, pursue public and private research funding, and form research partnerships with various affordable housing stakeholders including funders, housing finance agencies and developers (Research Group); and 2) advise NRSC on the most strategic avenues for achieving positive policy change at the national level for housing-based family resident services (Policy Group). Following are the NRSC research and policy change recommendations:

## RECOMMENDATIONS FOR INDUSTRY SOLUTIONS

There is much that affordable housing organizations can undertake individually, and through industry organizations, including the National Resident Services Collaborative (NRSC), that will advance the goal of sustainable funding for all organizations that seek to include effective resident services in affordable housing. NRSC will engage the nonprofit affordable housing industry to work together to:

1. Identify, develop, and share best practices to improve resident services positive impact and efficiency as well as the ability to access resources.
2. Continue to coordinate efforts among industry stakeholders to define core resident services, standardize outcome measurement and reach consensus around a range of unit costs per year for various levels of services that, together, will enable organizations to better plan and implement housing-based services programs.
3. Organize the affordable housing industry around resident services and enhance learning in resident services. Continue to participate and support activities of the National Resident Services Collaborative. Develop relevant training programs for family resident services coordinators and managers. Further professionalize the industry through comprehensive information resources by:
  - Continuing NRSC's work on standardized training and curriculum;
  - Bringing training online to broaden access by practitioners;
  - Developing a training certificate program in cooperation with the American Association of Service Coordinators; and
  - Expanding and distributing practitioner best practices publications online and in print.
4. Establish a standard practice of allowing a basic level of resident services as a line item in project development budgets. Seek industry-wide consensus around a basic level of services definition that includes connections to services that enable families to stabilize their tenancy and improve property financial performance through efforts such as employment services to improve earnings; financial services to improve financial management, credit scores and financial assets; and health services so that lack of primary care does not prevent residents from working, etc. Look at the economics of the project financing and how we blend the services funding and the capital funding in a way that makes sense.
5. Explore national partnerships with education and services organizations that can create new linkages for service delivery with nonprofit housing organizations at the local level.

## FEDERAL FUNDING AND POLICY RECOMMENDATIONS

Current federal programs provide funding for service coordination in senior housing and public housing but do not provide funding for service coordination in housing financed with Low Income Housing Tax Credits<sup>iii</sup>. Existing federal funding for senior affordable housing service coordination has demonstrated significant positive impacts in housing stability for seniors and in savings of public dollars such as reduced hospital emergency room visits and reduced use of nursing homes because seniors are being helped to access home health services and other services so they can age in place. NRSC members believe that similar savings in public dollars can be achieved through federal support for service coordination for families and individuals by reducing expensive emergency room visits through access to primary health care and by preventing homelessness through improved access to employment and financial services that help people maintain housing stability. Furthermore, the success of adults in achieving self-sufficiency and their children succeeding in school has enormous benefits for our society in terms of a better educated workforce and in reduced dependency on public services in the future. Therefore, NRSC recommends the following federal policies:

1. HUD should extend authority to nonprofit owners to use operational funds and recapitalization proceeds to support resident services in all properties with HUD funds.
2. Federal agencies should provide funding for affordable housing to permit services and/or service coordination as an above-the-line expense in their respective project underwriting policies. More specifically, advocate for HUD to allow the eligibility of service coordination as an above-the-line expense for tax credit properties that include HOME and CDBG funds. Some, but not all, HUD field personnel have allowed this best practice that leads to sustainable funding for basic services to achieve housing stability and better outcomes for properties. Furthermore, advocate for the Federal Housing Finance Board to allow the eligibility of services and/or service coordination as an above-the-line expense in their project underwriting policies under the Affordable Housing Program. Advocate for the eligibility of services and service coordination as an above-the-line expense for rural housing programs.
3. Federal resident services funding should be allowed for service coordination in all HUD-assisted family (non-elderly) housing developments and to all LIHTC properties that are coupled with other HUD financial resources such as CDBG and HOME. Ensure that funds for existing service coordination are not reduced in order to fund service coordination in LIHTC housing. Also, require that service coordination is outcomes driven, but not narrowly defined in terms of delivery strategy.
4. Secure \$20 to \$25 million in federal and/or private resources for demonstration program that would compare the impact of housing-based service coordination on families and on properties, by comparing multiple outcomes for properties with and without resident services. This would be an academically-rigorous, multi-year evaluation that would determine which and how property performance indicators are most impacted by effective resident services. These indicators may include legal fees, bad debt, vacancy losses, maintenance costs due to vandalism and security costs due to lack of constructive, after-school activities for children and youth to succeed in and finish school. It would also measure the impact of housing-based services on families and compare those outcomes with outcomes for similar community-based programs.

## STATE AND LOCAL POLICY RECOMMENDATIONS

Recent research on state policies that govern allocation of Low Income Housing Tax Credits shows that 44 states foster some form of housing-enriched with resident services and that 11 states implemented stronger policies over the past two years to encourage housing for families and non-elderly individuals with resident services.<sup>1</sup> In addition, some states are engaged in building stronger partnerships between housing finance agencies and state services agencies to increase resident services, while others are using state agency or state general revenues to support resident services grant programs in housing for low-income families and individuals.

The National Resident Services Collaborative will seek to raise funds to enable it to continue to work collaboratively with state agencies to advance best practices in state policies encouraging resident services for families and individuals in affordable housing. NRSC efforts will include the following:

1. Document the different ways that states and local jurisdictions have supported affordable housing-based resident services for families and individuals through incentives, funding, partnerships, underwriting, monitoring and systems change and share this information with other states. Include documentation of how local service providers and housing developers have worked together to improve service delivery and other best practices.
2. Continue working with NRSC-State Agencies Working Group on advancing state resident services policies (CA, CT, IA, MD, OH, OR, PA, TX). Reach out to industry stakeholders' organizations to enlist their support for policies to encourage and provide financing for resident services in family affordable housing.
3. Work with individual states and local jurisdictions to encourage different approaches to increasing support for resident services and service coordination through systems change by targeting services delivery and services funding to affordable housing communities; permitting the cost of basic resident services in new housing development underwriting; and allocating of new state resources for resident services.

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<sup>1</sup> *State Leadership in Housing Enriched with Resident Services: An Assessment of 2007 Housing Credit Allocation Policies* by Jim Tassos.

## RESEARCH RECOMMENDATIONS

Research on the benefits of resident services in affordable housing, both for people and properties is essential to demonstrate the high value of these services to all affordable housing stakeholders, policy makers, philanthropy, lenders and public and private investors. Many affordable housing owners have separately tracked very successful services outcomes for families and individuals, and in recent years, there have been efforts to standardize outcome measurement by the organizations involved in NeighborWorks America's Learning Center Consortium and by the National Resident Services Collaborative (NRSC). On property performance, data analyses by the Commonwealth of Pennsylvania, Enterprise Community Partners and Mercy Housing has demonstrated the positive impacts of resident services on property financial performance. NRSC's research agenda will include continuing these modest-cost efforts, but is critical to undertake more academically rigorous, comprehensive research, as is outlined in our accompanying federal policy agenda, in order to convince affordable housing stakeholders and policy makers to ensure housing financing systems are more favorable to family resident services. NRSC intends to plan and undertake a multifaceted research agenda on the impact of resident services on people and properties. Elements of the research agenda should include:

1. Expand research on impacts of resident services on property performance.

Consistent and similar positive results from analysis of existing property management databases can be persuasive.

- Focus in the short term on low-cost research methods that utilize existing data maintained by nonprofit housing providers. Most housing organizations use property management software that tracks legal fees, bad debts and vacancy losses, all of which may be reduced with effective services related to helping leaseholders maintain and improve employment and income so they can maintain rent obligations.
- Work with housing organizations and property management software companies to identify or create systems for tracking security costs and expenses for repairs due to vandalism (that might be caused by youth who are not engaged in out-of-school time programs to help them succeed in school).

2. Expand research on the impact of housing-based resident services on families including the impact of basic or core resident services (jobs, financial management, crises assistance, access to health care) on adults – to achieve housing stability and the impact of enhanced services (job training and education) to enable adults to move toward self-sufficiency as well as education enrichment for children and youth -- to provide safe havens and achieve success in school.

- Advance standard outcome success measures developed by NRSC for resident services in affordable family housing.
- Promote use of AASCOline Families service outcomes tracking software that is web-based and aggregates data nationally to support policy advocacy. Compare AASCOline Families services outcomes data to show that housing-based services are more effective than services provided in other settings.

3. Undertake cost benefit analyses on provision of resident services to understand what housing-based services are most impactful per dollar of investment.

4. Develop a model for return-on-investment (ROI) research so that organizations can demonstrate that family resident services produce savings in costs of local public services. Examples are savings in shelter costs avoided when services prevent evictions and homelessness-- or in hospital emergency facility costs avoided when residents are connected to primary health care and wellness programs.

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<sup>i</sup> *Resident Success in Economically Integrated and Socially Diverse Housing* published by The Community Builders; *Creating Opportunities for Families Through Resident Services: A Practitioner's Manual* and *More than Roof and Walls: Why Resident Services Are an Indispensable Part of Affordable Housing* published by Enterprise Community Partners; *Funding Strategies for Sustainable Resident Services* and *Real Investments, Real Results* published by NeighborWorks America.

All resources available on NRSC web site [www.residentservices.org](http://www.residentservices.org).

<sup>ii</sup> AASCOOnline Families was developed by the Pangea Foundation for the American Association of Service Coordinators in cooperation with Enterprise Community Partners and NeighborWorks America and members of their respective networks.