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Evaluation of Resident Management in Public Housing

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EXECUTIVE SUMMARY

Section 20(g) of the U S Housing Act of 1937, as amended by Section 122 of the Housing and Community Development Act of 1987, states that the Secretary shall conduct an evaluation and assessment of resident management, and particularly of the effect of resident management on living conditions in public housing. This evaluation of resident management was conducted in response to this Congressional mandate.

OVERVIEW

In 1971, brought together by frustration with poor management and maintenance, the residents of the Bromley-Heath public housing development in Boston formally incorporated the nation's first resident management corporation. That same year, St. Louis' public housing residents waged a rent strike against their housing authority to protest poor maintenance and rising rents. In the wake of the strike settlement, the authority eventually delegated control over a number of management functions to newly-formed resident organizations at several sites, including Carr Square and Cochran Gardens. These events marked the beginning of the resident management movement, which today is viewed by resident advocates and policy makers as a potential solution to many of the problems facing America's public housing stock and the people who live in it.

This report evaluates the experiences of these pioneering resident management corporations (RMCs)¹ and their early successors. A number of RMCs have formed and dissolved since 1971, but a total of 11 active RMCs have been managing their developments before 1988. These 11 RMCs, which are listed in Exhibit 1, are the subject of this report.

This evaluation has several key purposes:

- to provide a detailed description of the types of activities undertaken by the RMCs;
- to document the impact of resident management on development operations at these 11 sites;
- to describe the social and economic programs under the auspices of the resident management groups, and
- to assess the impact of the RMCs on the quality of life in their developments.

¹ Resident management groups have a variety of names, including Resident Management Corporations (RMCs), Tenant Management Corporations (TMCs), and Resident Management Firms (RMFs). The term RMC will be used here to denote all of these groups, except when referring to the title of a specific organization.

Exhibit 1

RMC DEVELOPMENTS INCLUDED IN EVALUATION

RMC Organization	Location	Year of Incorporation
Full-Service RMCs		
Bromley-Heath TMC	Boston, MA	1971
Carr Square TMC	St Louis, MO	1973
Cochran Gardens TMC	St Louis, MO	1976
Kenilworth-Parkside RMC	Washington, DC	1982
Lakeview Terrace RMF	Cleveland, OH	1987
Le Claire Courts TMC	Chicago, IL	1987
Managing-Agent RMCs		
A. Harry Moore TMC	Jersey City, NJ	1978
Booker T. Washington TMC	Jersey City, NJ	1986
Clarksdale RC	Louisville, KY	1983
Montgomery Gardens TMC	Jersey City, NJ	1979
Stella Wright TMC	Newark, NJ	1975

The evaluation employed a range of methodologies to gather information to address the varied purposes of the study. Looking at RMC performance in isolation cannot take into account the conditions of the communities in which the groups operated. In order to have a basis for comparison, the evaluation team collected data not only on the RMCs, but also on their respective PHAs, and on a comparison site within the PHA that was selected to be as similar as possible to the RMC in terms of building type, age, neighborhood, and population.² The principal data collection methods employed included collecting traditional management data from the RMCs, their comparison sites, and their PHAs; administrative interviews with the RMC and PHA staff at each site, in-person interviews with a sample of residents at each RMC and its comparison site, and focus group sessions with a small group of residents at each RMC development.

² In Jersey City, two of the RMC sites are high rises, but there are only three high rises in the entire PHA. It was decided that having the type of building match was crucial, so the two RMCs have been assigned the same comparison site.

HISTORY OF RESIDENT MANAGEMENT

The pioneering efforts of the Boston and St. Louis RMCs sparked the interest of foundations concerned with promoting resident empowerment efforts and set the stage for several national demonstrations of the resident management idea.

In 1975 the Ford Foundation and the Department of Housing and Urban Development (HUD) began collaboration on the National Resident Management Demonstration. This program tried to foster the establishment of new resident management corporations and to evaluate their potential for improving the management of public housing. It supported the three original RMCs and helped establish seven new ones, only one of which, A. Harry Moore in Jersey City, is still in operation today.

Ten years later the Amoco Foundation provided a grant to the National Center for Neighborhood Enterprise (NCNE) to conduct a new demonstration. NCNE designed this program to show that -- with proper training and technical assistance -- residents can perform as effectively as PHAs in areas such as property management. NCNE worked with 12 sites -- six established groups and six new ones. Nine of these 12 groups are now functioning as RMCs and are included in this evaluation. Of the RMCs considered here, only Clarksdale and Stella Wright did not participate in the NCNE demonstration.

In 1987, Congress amended the U.S. Housing Act of 1937 to encourage resident management in public housing. The act permitted RMCs to retain funds they were able to save through efficient operation to use for additional improvements or services at the development. It also provided funding for technical assistance to promote the formation and development of resident management organizations. Between 1988 and 1992 the Federal government provided assistance to almost 300 resident organizations.

PROFILE OF THE RMCs

The 11 RMC developments considered in this study share several characteristics. For example, all are located in predominantly family developments, although two of the sites contain elderly buildings as well. Similarly, all but one of the developments are relatively old, dating from before 1960.

The RMCs also differ in several important respects. While all of the developments can be considered large, some are much larger than others, ranging from 300 to 1,200 units. The types of buildings also vary, with some sites consisting of low rise family structures, and others made up of high rises, or a mixture of the two. It is important to note that the condition of the properties under RMC management also differs widely. While all have received some modernization monies over the years, some have substantial renovation needs remaining while others are in relatively good condition.

MODELS OF RESIDENT MANAGEMENT

The RMCs included in the study fell into two distinct categories, as noted in Exhibit 1. The first group -- *full-service RMCs* -- took responsibility for the majority of the management functions at their sites, including maintenance, rent collection, and financial control. These RMCs included Bromley-Heath, Carr Square, Cochran Gardens, Kenilworth-Parkside, Lakeview Terrace and Le Claire Courts. The second group -- *managing-agent RMCs* -- took responsibility for only some functions at their sites, generally for maintenance, but not for

financial management. These RMCs included A Harry Moore, Booker T. Washington, Clarksdale, Montgomery Gardens and Stella Wright

In addition to this distinction in the types of activities undertaken, full-service and managing-agent organizations tended to have distinct types of backgrounds. In particular, most of the full-service groups originated from grass roots movements and from an adversarial relationship with their PHAs (although many of these PHAs have new executive directors who are supportive of the resident groups). In contrast, managing-agent groups tended to originate with encouragement from their PHAs, and have historically had more collaborative relationships. In addition, all of the full-service RMCs are located in PHAs designated as troubled^a by HUD, while all but one of the managing-agent RMCs are located in authorities that were troubled when the RMC groups formed, but are no longer considered troubled.

Another trait that distinguishes the two RMC models can be found in the condition of the developments. Nearly all of the sites with full-service RMCs still need extensive modernization. Bromley-Heath and Cochran Gardens have received some modernization but still need additional work. Kenilworth-Parkside is currently undergoing major renovations.

In contrast, the properties at most of the managing-agent RMC sites are in fairly good condition. However, this was not necessarily true when these RMCs first formed. Clarksdale was completely rehabilitated in the 1980s and is in good condition today. The Jersey City sites have been fairly well maintained and have received substantial amounts of modernization funding over the years the RMCs have been in existence. Although they could still benefit from additional modernization, these sites are in better shape than most of the full-service RMC sites. Of the managing-agent RMC sites, only Stella Wright is in need of substantial rehabilitation.

Not all of the full-service RMCs began with extensive management responsibilities. For example, Carr Square and Cochran Gardens originally signed contracts that gave them control over only a few management functions, and have negotiated for more control in subsequent contracts. In contrast, two of the Jersey City managing-agent sites have expressed some interest in taking on additional management responsibilities, such as financial management, but perceive a need for additional training before they pursue such a goal. This suggests that there is insufficient evidence to conclude that historical and physical conditions at a site cause an RMC to undertake a particular model of management. However, the close correlation between these conditions and the types of RMCs that have evolved suggests that the RMCs' origins and relationships with their PHAs may have had a significant effect on the models of management under which they now work.

TRADITIONAL MANAGEMENT INDICATORS

Overall, RMCs performed well relative to their PHAs and comparison sites in terms of most management performance indicators – particularly annual inspections, resident move-outs, resident recertifications, and, for full-service RMCs, maintenance and maintenance

^a Prior to the Public Housing Management Assessment Program (PHMAP) in January, 1992, HUD designated PHAs as troubled on the basis of their performance on seven performance standards. Normally, a PHA failing a majority of the seven performance standards was designated as troubled.

staffing. They generally performed less well with respect to tenant accounts receivable and, for full-service RMCs only, vacancy rates

RMCs Compared to PHAs

Full-service RMCs outperformed their PHAs on most of the indicators examined. Their work order processing (including both completion rates and backlog of outstanding work orders) was superior. They may also utilize their maintenance staffs more effectively than their PHAs do; most have smaller staffs in proportion to the number of units. Move-out rates were generally lower in full-service RMCs than in their PHAs, and they do as well or better than their PHAs with respect to recertifications. The exceptions are vacancy rates and tenant accounts receivable. Most of the full-service RMCs had higher vacancy rates and larger amounts delinquent than did their PHAs

Managing-agent RMCs performed better than their PHAs according to several of the management performance indicators: unit inspections, recertifications, and vacancy rates. In other cases, such as work order backlog, resident move-outs, and tenant accounts receivable, there were no significant differences in performance between managing-agent RMCs and their PHAs; a few RMCs performed better than their PHAs and a few performed worse.

RMCs Compared to Comparison Sites

Full-service RMCs showed a similar pattern of performance with respect to their comparison developments as they did to their PHAs, except that their performance in completing recertifications was about the same as that of their comparison sites. Also, there were a few more cases where individual RMCs do not perform as well as their comparison developments

Managing-agent RMCs generally outperformed their comparison sites with respect to unit inspections, resident recertifications, move-outs, vacancies, and tenant accounts receivable, and performed about as well with respect to work order completions and backlogs. In each comparison, there were some RMCs whose performance was about the same as, or worse than, that of their comparison development.

Overall Performance

While full-service RMCs typically outperformed their comparison sites and their PHAs, they generally did not perform as well as the managing-agent RMCs, their comparison sites, or their PHAs. This may reflect the fact that the full-service RMCs are located in troubled PHAs, while most of the managing-agent RMCs are not.

Thus in comparing full-service and managing-agent RMCs to their PHAs and their comparison sites, it is important to keep in mind the substantial differences between the PHAs themselves. The fact that managing-agent RMCs in many cases do not perform significantly better than their PHAs does not mean that the RMCs have poor management performance. Rather, it means that they accomplish their management functions quite effectively, although their performance does not differ significantly from that of their PHA.

A further implication is that, if a PHA performs poorly in a particular area, the RMC also is not likely to perform well, although it will often perform better than the PHA. For example,

in PHAs that inspected close to 100 percent of their units, the RMCs also inspected nearly 100 percent; in PHAs that inspected only a few units, the RMC similarly inspected only a few, although it may have inspected significantly more units than the PHA.

MAINTENANCE QUALITY

The study also used a second methodology to examine the quality of the maintenance performed. This assessment involved examining the condition of the service and mechanical systems, the buildings and grounds, and the living units. Reviewers gave ratings with regard to the job RMCs did maintaining the properties they had to work with given the condition of the property. Thus, RMCs were not penalized in the scoring system simply because they managed a deteriorated property. Overall, RMCs maintained their developments about as well as or better than their comparison sites. All of the full-service sites performed about the same as their PHAs, while three of the five managing-agent RMCs performed better than their PHAs.

OPERATING COSTS

The analysis of the effect of RMC management on operating costs was limited by the quality of the available data. Few sites could provide development-based accounting, so many of the figures used in the analysis are derived through pro-rating or estimates. In addition, even in full-service RMCs, PHAs perform some functions. While costs have been allocated for these services, they are only estimates. Further, most RMCs were unable to provide information about the technical assistance and training costs associated with their developments. Thus, all conclusions about the use of resources in RMCs and their PHAs and comparison sites must be interpreted with caution.

Given these caveats, managing-agent RMCs appeared to spend less than their PHAs in virtually every area, including ordinary maintenance, non-routine maintenance, utilities and administration -- about \$85 per occupied bedroom per month less for non-utility expenses. They also spent less than their comparison sites in all of these areas except ordinary maintenance, where the results were mixed; this resulted in average RMC non-utility expenditures per occupied bedroom of about \$57 per month less than their comparison sites. Similarly, most full-service RMCs had lower administrative expenditures and ordinary and non-routine maintenance expenditures than did their PHAs -- on average about \$27 less per occupied bedroom per month for non-utility expenditures. Data were not available to compare full-service RMCs to their comparison sites consistently.

When maintenance costs are compared with management performance, the results indicate that full-service RMCs not only do a better job on routine maintenance than their PHAs, but at a lower cost. Similarly, while managing-agent RMCs perform about the same as their PHAs on routine maintenance, they also do this work at a lower cost. Managing-agent RMCs and their comparison sites appear to do about the same in terms of routine maintenance cost and performance. Again, no comparison is possible between full-service RMCs and their comparison sites.

The one area in which RMCs outspent their comparison sites was in the area of resident services, with RMCs spending an average of \$6 per occupied bedroom per month compared with \$4 for the PHAs, and \$3 for their comparison sites. This is consistent with the idea that RMCs focused more time and effort on providing services for their residents than did PHAs.

The analysis was limited to costs covered under the conventional Public Housing Program and funded in each PHA's operating budget through the Performance Funding System. This data source excludes some relevant financial information, including CIAP (modernization) costs, management improvement expenses, and TAG grant expenses, among others. Modernization funds and TAG grants have been sources of technical assistance support to facilitate the formation and development of RMCs, but most of the activities analyzed in this report are funded by operating subsidies and tenant rent contributions.

It is also important to note that the analysis does not consider differences in modernization activities or accomplishments, or compare modernization costs between RMCs and other developments. Some of the differences in costs may be due to differences in physical conditions attributable to variations in the level of modernization received by RMCs, comparison sites, and PHAs.

While the review is based on the cost components most relevant for the purposes of this analysis, it is important to recognize the financial data are not comprehensive.

SOCIAL SERVICES AND ECONOMIC DEVELOPMENT

Most RMC organizations worked not only to improve the way their developments were managed, but also to provide social services for residents, and opportunities for jobs and economic development. The social services RMCs undertook varied widely, and included programs for infants and children, youths, and seniors, as well as supportive services such as substance abuse treatment and health care. Economic development activities and job creation and placement efforts also varied widely, ranging from reverse commute programs, to convenience stores, to laundries.

The extent of the social service and economic development activities at the sites can be used to examine the assertion that RMCs do more in this area than their PHAs. This claim appeared to hold true for full-service sites, which provided about twice as many social service programs as their comparison sites. However, the number of services provided was about the same for the managing-agents, their comparison sites, and the full-service comparison sites. This suggests that PHAs provided some basic level of social services, but that the full-service RMC emphasis on providing additional services has set them apart from their PHAs.

Economic development activities were almost exclusively the domain of full-service RMCs. While managing-agent RMCs had begun to plan economic development activities for the future and a few PHAs had looked into some possible programs, it was only the full-service sites that had taken an active role in providing economic development options for their residents. The one area of economic development in which both full-service and managing-agent RMCs were active was hiring residents to fill staff positions. While smaller percentages of RMC employees were residents than might have been expected, with as few as 17 percent at Clarksdale, the percentages were consistently higher than for the PHAs and comparison sites. On average, 55 percent of RMC employees were residents, compared with about 20 percent of PHA employees, and 28 percent of comparison site employees.

RESIDENT PERCEPTIONS

To explore the extent to which resident management affects the attitudes and behaviors of residents living in public housing, over 1,200 residents at RMC sites and comparison sites were surveyed. The survey focused on a wide range of issues and produced a number of important findings.

Overall, survey results showed that residents at full-service RMC sites had significantly more positive perceptions of the quality of life at their developments than did their comparison site counterparts. Moreover, these more positive perceptions occurred across a wide range of factors, including:

- general housing satisfaction;
- assessments of maintenance services,
- assessments of management performance;
- sense of security;
- satisfaction with support services, and
- sense of personal responsibility for conditions at the development.

In contrast, results for the managing-agent RMC sites were generally no more or less positive on these dimensions than for their comparison sites (particularly after controlling for differences in the characteristics of the residents and the developments)

Nevertheless, residents of managing-agent RMCs still gave generally positive assessments of their living environments in absolute terms. In fact, the levels of resident satisfaction on various measures were similar for managing-agent RMCs and full-service RMCs. This suggests that full-service RMCs performed significantly better because their comparison sites performed rather poorly. In contrast, managing-agent RMCs performed about as well as full-service RMCs, but the managing-agent comparison sites also performed fairly well, resulting in few significant differences.

Security is the one area in which both full-service and managing-agent RMCs did better than their comparison sites. After controlling for selected development and household characteristics, residents of both full-service and managing-agent RMCs perceived a significantly lower threat from crime than their comparison site counterparts. This result suggests that both models of resident management can have important impacts on the sense of safety and security among public housing residents. Resident initiatives such as security patrols and drug prevention efforts may have contributed to the RMCs' high marks in this area.

KEYS TO SUCCESS

The RMC groups were able to share several thoughts about aspects of their past and future development that have proven important. These factors should be kept in mind in determining how best to assist these groups and emerging resident groups in the future.

RMC leaders generally agreed that it was essential to build strong PHA and community support. This involved both support for the RMC organization and volunteers to participate in RMC activities, but more importantly, establishing a community that sets and enforces its own standards for behavior. RMC and PHA leaders agreed that no manager, no matter how dedicated, could single-handedly keep a development in good condition. The residents must play an active role in contributing to the upkeep of the property, and discouraging those who act in ways that are detrimental to the community.

Many of the RMCs had strong, charismatic leaders. Some RMCs recognized that they lacked the depth required to ensure that the organization would survive in the absence of those individuals. To enhance their capability, many of the groups were actively seeking or had secured and trained new recruits for board and management positions. At some sites the original leaders had become involved in other activities, and board and staff members

were managing the day-to-day affairs of the development. This gradual withdrawal of the original leader may encourage a gradual transition of power to a new group of residents.

Ongoing training is important in any organization, and was mentioned by many of the RMC leaders as a key to success for their organizations. While residents bring a wide range of skills to resident management, many need training in the basic business and management skills that are crucial for running a housing development effectively. Residents expressed a need for leadership training, and training in the nuts and bolts of managing a public housing development. While some of the pioneering resident management groups have proven that residents can teach themselves what they need to know to make resident management succeed, residents could function in these positions more effectively and sooner if more training were provided in areas such as property management, community organizing, financial management, and organizational development. A variety of sources are available for obtaining such training, including tapping into ongoing PHA training sessions for staff members, hiring consultants to train residents in particular areas of weakness, and attending courses designed for property managers in general. In addition, five of the six full-service RMCs have received resources through HOPE I grants, which can be used to help plan or implement a transition to ownership of the developments.

Maintaining a positive relationship with the PHA was also cited often as a crucial element in successful resident management. Even for full-service RMCs that operate relatively independently, PHAs retained ultimate responsibility for the property. This means that RMCs and their PHAs must be in regular contact and must work together. It appeared that in general, the stronger those working relationships were, the better the RMCs tended to perform.

Finally, empowerment was understood to be one of the strongest benefits of resident management. In many cases it was the opportunity for personal empowerment that kept active participants in the RMC movement involved and pushing their organizations to succeed. As these leaders grow, they reach out to help other residents and serve as role models and mentors in their communities. The immediate objective of most of the resident management corporations was to manage properties -- an objective that they have largely met. However, the larger goal of empowering residents will require an ongoing commitment to achieve success over the long term.

IMPLICATIONS FOR FUTURE RESIDENT INITIATIVES

This evaluation has shown that overall, RMCs performed quite well in terms of most of the management performance indicators. Further, full-service RMCs in particular have been able to provide more social services and economic development opportunities than either their comparison sites or the managing-agent RMCs. In addition, the survey data reveal that full-service RMCs in troubled authorities can significantly improve resident perceptions of their quality of life, and that in some important areas such as crime, managing-agent RMCs also had a significant impact. The evaluation has also shown that many of the RMCs achieved these levels of performance with lower operating costs than their PHAs.

Unfortunately, the analysis that is possible from the available data is limited because of the small size of the sample. Among the RMCs studied here, there were none that undertook full-service responsibilities in an untroubled authority, and only one managing-agent RMC was located in a troubled authority. Thus, it is only possible to speculate as to the probable outcomes of the models of resident management in these settings.

For example, it is clear that a full-service RMC can improve resident perceptions of their quality of life in a troubled authority to about the level of resident satisfaction within a well-run PHA, but it is not possible to evaluate the potential for improvement above that level, based on the available data. Likewise, while full-service RMCs generally performed as well as or better than their PHAs according to most management indicators, they often failed to match the achievements of the managing-agent RMCs and their PHAs. Unfortunately, it is not possible to assess what these full-service RMCs might have been able to achieve had they been located in well-run authorities.

This evaluation also suggests that managing-agent sites had an impact on resident quality of life only in the area of crime. However, it is unclear whether a managing-agent site could have a more significant impact on resident satisfaction if it operated in a troubled site with vast room for improvement, rather than in the relatively well-run authorities in which most of the managing-agent groups in this study were located. Similarly, while managing-agent RMC performance on traditional management indicators was about the same as or better than their PHAs' on most indicators, it is not clear what the outcome might have been if these RMCs had operated in troubled authorities.

In recent years, HUD's efforts to support the concept of resident management have brought approximately 300 new resident organizations funding and support. These groups will operate in both troubled and untroubled authorities, and will take on varying amounts of responsibility within their communities. Close observation of these groups will be required in order to determine whether managing-agent groups can realize the same types of significant gains in resident satisfaction accomplished by the full-service groups, and to determine what effect full-service groups might have in well-run authorities.

Whatever the success of these new resident organizations, however, it is clear that the individuals involved in managing them will learn and grow from their experiences. At a minimum, the personal empowerment these individuals gain will be achieving one of the primary goals of resident management.

CHAPTER 1

INTRODUCTION

In 1971, brought together by frustration with poor management and maintenance, the residents of the Bromley-Heath development in Boston formally incorporated the nation's first resident management corporation. That same year, St. Louis' public housing residents waged a rent strike against their housing authority to protest poor maintenance and rising rents. In the wake of the strike settlement, the authority eventually delegated control over a number of management functions to newly-formed resident organizations at several sites, including Carr Square and Cochran Gardens. These events marked the beginning of the resident management movement, which today is viewed by resident advocates and policy makers as a potential solution to many of the problems facing America's public housing stock and the people who live in it.

This report evaluates the experiences of these pioneering resident management corporations (RMCs)¹ and their early successors. A number of RMCs have formed and dissolved since 1971, but a total of 11 active RMCs have been managing their developments before 1988. The experiences of these 11 RMCs are increasingly critical to an understanding of the potentials and limitations of resident management as a general approach to curing America's public housing ills. This report has several key purposes:

- to provide a detailed description of both the nature and the extent of resident management in public housing;
- to document the impact of resident management on development operations;
- to describe the social and economic programs under the auspices of resident management groups, and
- to assess the impact of RMCs on the quality of life in public housing.

The methods employed to investigate these issues are described at the end of this chapter, while the specific findings are the subject of later chapters of the report. The following section presents an overview of the resident management movement and the private and public support that promoted its evolution.

1.1 THE RESIDENT MANAGEMENT MOVEMENT

The nation's public housing has long suffered from a variety of problems, particularly in large, inner-city Public Housing Authorities (PHAs). Some of these authorities face a large inventory of aging properties that have not received sufficient maintenance or modernization

¹ Resident management groups have a variety of names, including Resident Management Corporations (RMCs), Tenant Management Corporations (TMCs), and Resident Management Firms (RMFs). The phrase RMC will be used here to denote all of these groups, except when referring to the title of a specific organization.

Public housing has also been plagued by social problems over the years. The post-war flight of people and jobs from America's cities has turned many public housing developments into islands of poor families in a sea of blight. Moreover, the lack of services, education and job opportunities has destroyed the traditional bridges that lead from poverty to prosperity. More recently, the drug epidemic has threatened the lives of young people and the security of many families in public housing.

In important ways, the resident management movement represents a response to these conditions. First, resident management gives the people directly affected by the problems of public housing a voice and a stake in the resolution of those problems. Second, resident management offers leadership positions and job opportunities in communities often lacking both. Finally, resident management corporations have demonstrated an ability to confront the difficult social and economic problems that public housing officials often seem unable or unwilling to cope with.

1.1.1 The Pioneers

The resident management movement emerged with the resident initiatives begun in the early 1970s in Boston and St. Louis. The Bromley-Heath Tenant Management Corporation in Boston garnered support for a pilot project sponsored by the Office of Economic Opportunity (OEO). The pilot program began in a limited way, with the newly-incorporated RMC managing several of the buildings. However, within a short time the RMC signed a contract with the Boston Housing Authority to manage the entire development for a five-year period. The RMC took on virtually all of the responsibilities connected with managing the property, including financial management, procurement, maintenance and rent collection. The PHA retained the ultimate responsibility for the development, but the residents were responsible for all of the day-to-day operations of the site.

At about the same time, residents in St. Louis were holding their rent strike to call attention to the poor maintenance of their buildings and to protest the PHA's plan to raise rents. As part of the settlement of the rent strike, the St. Louis PHA agreed to establish a Tenant Affairs Board to be involved in guiding the PHA's policies. This board, with the help of the PHA, developed resident associations, the strongest of which evolved into resident management corporations. These new RMCs went on to receive support from the Ford Foundation, including funding for training, salaries and technical assistance. The first resident management contract in St. Louis was signed by Carr Square in 1973. Unlike the Boston PHA, the St. Louis PHA did not relinquish responsibility for financial management, purchasing, rent collection, or setting personnel policies and wage rates. The St. Louis RMCs had responsibility only for supervising routine maintenance work, renting units, and providing social services.

It was the pioneering efforts of the Boston and St. Louis RMCs that sparked the interest of foundations concerned with promoting resident empowerment efforts, setting the stage for several national demonstrations of the resident management idea.

1.1.2 National Demonstrations

National Tenant Management Demonstration

In 1975, the inspiration and early successes produced by the efforts of public housing residents in Boston and St. Louis led the Ford Foundation and the Department of Housing and Urban Development (HUD) to collaborate on the National Tenant Management

Demonstration. This program was designed to foster the establishment of new resident management corporations and to evaluate their potential for improving the management of public housing. HUD's role was to provide funds to modernize the properties, and to provide Target Projects Program (TPP) funds to support the operation of the RMC organizations. HUD also provided funding to help evaluate the outcome of the demonstration. The Ford Foundation provided funds to support a contractor, the Manpower Demonstration Research Corporation (MDRC), to manage the demonstration program. MDRC assessed the feasibility of the program, selected the sites, designed training programs for RMC leaders, provided ongoing technical assistance to the organizations, monitored their progress and evaluated the program's outcomes.

In addition to supporting the existing RMCs in Boston and St. Louis, the MDRC demonstration helped establish a number of new RMCs. The additional sites that participated in the demonstration project included seven sites in six different cities: A. Harry Moore and Curries Woods in Jersey City, Iroquois Homes in Louisville, Que-View in New Haven, Calliope in New Orleans, Sunrise Acres in Oklahoma City, and Ashanti in Rochester. Of these, only one, A. Harry Moore in Jersey City, is still an active RMC today.²

National Center for Neighborhood Enterprise

In 1985 the Amoco Foundation provided a \$1.9 million grant to the National Center for Neighborhood Enterprise (NCNE) to conduct a three year demonstration of the feasibility of the resident management idea. In particular, this demonstration was intended to show that -- with proper training and technical assistance -- residents can perform as effectively as PHAs in areas such as property management, business development, economic development and home ownership conversion.

The Amoco demonstration worked with residents at 12 developments in seven authorities. Six developments with established RMCs received funds to provide additional training for their resident leaders. These included Bromley-Heath in Boston, Kenilworth-Parkside in Washington D.C., Carr Square and Cochran Gardens in St. Louis, and A. Harry Moore and Montgomery Gardens in Jersey City. In addition, six new sites received grants to establish resident management corporations. These included Le Claire Courts in Chicago, Lakeview Terrace in Cleveland, Booker T. Washington in Jersey City, and B.W. Cooper, St. Bernard and St. Thomas in New Orleans.

Of the twelve NCNE sites, nine are now fully-operating RMCs, while the three in New Orleans are in earlier stages of development.³

1.1.3 Federal Policy and Programs

Beginning with the National Tenant Management Demonstration in 1975, the Department of Housing and Urban Development has been closely involved in the development of resident management corporations in public housing. However, it was not until the late 1980s that resident management was formally embodied as a federal program.

² For more information about this demonstration, see the Manpower Demonstration Research Corporation's Final Report on the National Tenant Management Demonstration (1980).

³ For more information about the NCNE demonstration, see Robert B. Hill's Public Housing Resident Management Demonstration: An Evaluatory Assessment (1988).

Amendments to the U.S. Housing Act of 1937

In 1987, Congress amended the U.S. Housing Act of 1937 to encourage increased resident management of public housing developments. The amendments permit RMCs to retain funds they are able to save through efficient operation of the site to use for additional improvements or services at the development. It also provides funding for technical assistance to promote the formation and development of resident management organizations.

Section 122 of the 1987 amendments provide that RMCs may only be established through an elected resident council, or through a vote in which all residents can participate. It requires the RMC to select a public housing management specialist to help determine the feasibility of using a resident management corporation, to help establish the RMC, to provide training and to oversee daily operations. The law requires contractual agreements with the PHAs and places RMCs under the same collective bargaining restrictions that apply to other contractors to the PHA. In addition, the law authorizes RMCs to receive CIAP funding for rehabilitation and requires them to undergo an annual audit.

Section 123 of the 1987 amendment laid out the basis for selling public housing units to residents. The law required that resident groups interested in such home ownership conversion first form a resident management corporation to demonstrate their ability to manage the development effectively. After three years of successful resident management, the development would be eligible for CIAP and the Secretary would provide grants for technical assistance. This home ownership program for residents of public housing has now been replaced by the Homeownership and Opportunity for People Everywhere (HOPE 1) initiative, created by the National Affordable Housing Act of 1990.

Several of the RMCs examined in this report are already pursuing homeownership opportunities. This report focuses only on the issues of resident management, and does not examine RMCs' homeownership efforts outside of this context. However, given the importance of resident management to low-income, multifamily homeownership programs more generally, the results of this report may prove useful in analyzing other homeownership programs. In particular, evaluation of the success of the HOPE 1 planning and implementation grants to help families purchase public housing units may be enhanced by the findings of this report.

Office of Resident Initiatives

In June of 1989, HUD's Office of Public and Indian Housing (PIH) established an Office of Resident Initiatives (ORI). This office has four divisions responsible for priority initiatives in the areas of resident management, homeownership, drug free neighborhoods, and economic development and supportive services.

To provide ongoing support for RMCs, PIH established a system of Resident Initiatives Coordinators (RICs) through the Public Housing Division in local HUD Field Offices. RICs manage ORI's grant programs, support resident initiatives within the existing regional and field office structure, and help coordinate efforts and resources to enhance resident initiatives. The roles RICs play include disseminating information, communicating department policy, developing resource information, identifying resident initiative opportunities, facilitating cooperation between PHAs and resident groups, coordinating federal and state resources, and overseeing resident initiatives grant programs including resident management.

Funding Sources

There have been three primary sources of federal funds to support resident management initiatives -- the Comprehensive Improvement Assistance Program (CIAP), the Comprehensive Grant Program (CGP) and the Technical Assistance Grants (TAG). CIAP funds, which have been replaced by CGP funds in authorities with 250 or more units, have traditionally provided assistance to improve the physical condition, management and operations of public housing properties. However, CIAP funds have been used to help RMC organizations develop and improve their management skills, and resident management training is also an eligible activity under CGP. Since 1989, TAG funds have been available to support RMC and resident council (RC) efforts to obtain technical assistance for activities such as management, identification of social service needs and provision of such services.

In 1988 there were 27 TAG grants awarded through the CIAP program. After 1988, TAG grants were awarded separately from CIAP. In 1989 TAG grants were awarded to 35 resident organizations, and in 1990, to 37 resident organizations. In 1991 the number of TAG grants awarded jumped to 96, and an additional 94 were awarded in 1992, thereby exceeding the Department's goal of 250 resident groups in training by 1992.

Funding for RMC training has come from a range of other sources as well, including Community Development Block Grants (CDBG), HOPE grants and other state and local sources. Other operating funds may come from sources such as the Public and Indian Housing Early Childhood Demonstration Program and the Economic Empowerment Demonstration Program.

Housing Policy Debate

Resident management has recently become an established HUD program and a national housing priority as a way of improving public housing. At the same time, despite the success stories, some attempts to establish RMCs have not succeeded. This has sparked a sometimes-heated policy debate. (Appendix J provides a list of books and articles dealing with the resident management issue.)

Supporters of resident management claim that RMCs substantially improve property management, lower vacancy rates, increase rent collection and improve maintenance. Some detractors have disputed these claims. Even when they acknowledge successes, moreover, detractors argue that these benefits of resident management accrue at a much higher cost than more traditional management strategies. However, supporters counter that many of the most important benefits -- including increased job opportunities, entrepreneurship, supportive services, community empowerment and resident satisfaction -- are too often left out of the equation.

This report provides some empirical evidence to address the issues raised by both sides of this debate. The report carefully examines traditional, objective indicators of management performance. However, it also includes a systematic evaluation of the broader scope of activities undertaken by RMCs and the potential impacts of resident management on the lives of public housing residents.

1.2 OVERVIEW OF THE STUDY

All 11 RMCs that were incorporated before 1988 and are still active today participated in the evaluation. A list of this group is provided in Exhibit 1-1.

Exhibit 1-1

RMCs INCLUDED IN THIS EVALUATION

A Harry Moore	Jersey City
Booker T. Washington	Jersey City
Bromley-Heath	Boston
Carr Square	St Louis
Clarksdale	Louisville
Cochran Gardens	St Louis
Kenilworth-Parkside	Washington D C
Lakeview Terrace	Cleveland
Le Claire Courts	Chicago
Montgomery Gardens	Jersey City
Stella Wright	Newark

A number of the objectives set forth at the beginning of this chapter require information about the performance of RMCs relative to a standard. As an initial basis of comparison, we collected data for each RMC's PHA. However, information about entire PHAs can be misleading, since conditions at various sites within a PHA can vary so widely. To compensate for this problem, a matched comparison site, or control site was also selected for each RMC from within its PHA. Each site was chosen based on its similarity to its respective RMC development with regard to factors such as building structure, type and age, and neighborhood characteristics.⁴ The remainder of the report makes regular use of comparisons between RMCs and their PHAs and control sites.

1.2.1 Data Collection

To meet the objectives of the evaluation, the evaluation team relied on four principal data sources:

- Mail requests;
- Site visits;
- Resident surveys, and
- Focus groups.

This multi-method approach was needed both to describe the range of activities undertaken by RMCs, and to assess the breadth of the effects of resident management.

Mail Requests

The data collection effort began in September, 1990, with written requests to each RMC and its PHA for information about various aspects of management performance over the previous five years. Telephone follow-ups were used to solicit missing information and to

⁴ The control sites that were used in the evaluation are described in Appendix A. Note that in Jersey City, two of the RMC sites are high rises, but there are only three high rises in the entire PHA. It was decided that having the type of building match was crucial, so the two RMCs have been assigned the same comparison site.

clarify ambiguities in the data provided. Each RMC was asked to provide information for its site, while PHAs were asked to provide information for the PHA as a whole and also separately for the control site. Very few of the RMCs and PHAs were able to provide consistent information for previous years. Thus, this report evaluates information from each site only for the most recent fiscal year -- generally FY 1990.

Site Visits

Following the mail requests and telephone follow-ups, a team of investigators visited each site to conduct interviews with staff of the PHAs and RMCs and to observe RMC and control property conditions. These site visits occurred between January and June of 1991 and involved two team members. One member worked with PHA and RMC staff to determine the site's operating costs and conducted a physical inspection of the properties. The other team member interviewed administrative staff at both the RMC and the PHA to determine what functions the PHA and RMC perform in managing the site, to talk with those in the field about the strengths and weaknesses of RMCs, to collect data not received through the mail and phone efforts described above, and to gather information about the social service and economic development projects underway at the sites.

Resident Surveys

Resident surveys were used to gather information about the effect of RMCs on resident attitudes and the quality of life in public housing. The evaluation team conducted in-person surveys of a sample of residents at both RMC and control sites between December of 1991 and February of 1992. The survey instrument contained questions related to resident perceptions of RMC performance, and examined respondent attitudes about their homes and the quality of their lives.

Focus Groups

Finally, focus group sessions were conducted with residents at the RMC sites during February and March of 1992. These small group discussion sessions allowed the evaluation team to explore in depth some residents' perceptions of the advantages and disadvantages of resident management, and the effectiveness of RMCs at improving the quality of life in public housing.

1.2.2 Limitations of the Study

This study uses a variety of data-collection techniques to cover a broad array of factors that can be used to assess the relative performance of RMCs. However, there are several important areas that the study was unable to address

- The best approach to answering the question of whether RMCs have been able to substantially improve management at their developments would be to examine longitudinal data. Because consistent longitudinal data were not available, however, this analysis has been limited to an assessment of each RMC's performance relative to its PHA as a whole and its control site in particular.
- Ideally, this analysis would compare two sites -- one with resident management, the other without, but otherwise identical. Since no two sites are identical, we conferred with both the PHAs and the RMCs to select control sites

that match the RMC sites as closely as possible. Nonetheless, we recognize the limitations of this approach and address these limitations when necessary throughout our analyses

- An important question that we were unable to answer in this report is how much technical assistance for RMCs costs. While we were able to gather some information on this topic, the RMCs were not able to provide consistent information about the grants, loans or other types of technical assistance they had received over time
- The subject of this evaluation is the universe of RMCs established before 1988 that are still operating. By definition, this excludes RMCs that were established and failed. Thus, this report provides no information about factors that may contribute to the failure of RMC organizations

1.2.3 Analytic Approach

Our approach to analyzing the data collected under this evaluation focuses on comparing RMC performance with the performance of its PHA and control site. Using this framework for comparison, we undertook four types of analysis.

- **Comparing Traditional Management Indicators** -- We compared the indicators for the RMCs to those for the PHAs and control developments to assess the quality of the RMC's performance relative to the PHA's as a whole, and specifically relative to the PHA's performance at the control site
- **Examining RMC Operating Costs** -- We examined the costs involved in operating an RMC site, and how they compare with the costs for operating the control site or an average PHA site. In order to assess these costs we determined an adjusted cost per unit, which included allocating to the RMC development any costs for overhead and other expenses paid for by the PHA but attributable to the RMC
- **Determining What Types of Social Services and Economic Development Activities Are Available** -- We examined the social services and economic development activities available at RMCs. We describe the available services, and compare the services available at the RMCs with those available at their control sites. This section is largely descriptive and uses case studies to illustrate RMC activities.
- **Examining Resident Attitudes Toward Their Homes and the RMC** -- We used the resident survey to examine residents' attitudes toward a variety of factors, such as how well they like their homes, how good a job they believe management is doing, and how optimistic they are about their futures. Survey results from the control developments were used as a benchmark against which to assess the impact of RMCs on resident perceptions of their lives.

The evaluation does not consider differences in modernization activities or accomplishments and does not compare modernization funds and outside support⁵ received by RMCs and other developments. Because most of the activities reviewed in this report are funded by operating subsidies and resident rent contributions, the results are based on the cost components most relevant for the purposes of this evaluation. However, it is important to recognize that the financial data used are not comprehensive.

1.3 STRUCTURE OF THE REPORT

This chapter has provided a broad overview of this report. The remainder of the report is divided into eight chapters:

- Chapter 2: describes the 11 sites included in this analysis;
- Chapter 3: discusses the models of resident management,
- Chapter 4: analyzes RMC performance on a variety of traditional management indicators;
- Chapter 5: describes the maintenance procedures followed at the sites and observable performance measures;
- Chapter 6: reviews the costs involved in operating the sites;
- Chapter 7: discusses the social services, economic development activities and job creation efforts at the sites,
- Chapter 8: analyzes the findings of the in-person resident surveys, and
- Chapter 9: summarizes findings.

⁵ RMCs and PHAs were unable to provide consistent information about the grants, loans, and other non-HUD assistance received over time.

CHAPTER 2

PROFILES OF THE ELEVEN RMCS

This chapter profiles the characteristics and histories of the 11 RMCs that are the subject of this evaluation. It begins with a general description of the basic attributes of the sites. The bulk of the chapter, however, is devoted to site-specific descriptions of the RMCs, their histories and their current activities. Because of the relatively small number of RMCs nationwide and the varied paths their development followed, an understanding of such site-specific information provides a critical framework for the interpretation of performance indicators, resident attitudes and other key evaluation outcomes presented in later chapters.

2.1 OVERVIEW OF THE RMC SITES

This section highlights the important similarities among and critical differences between RMC sites. These similarities and differences involve the characteristics of the developments, housing authorities, residents and RMCs themselves.

2.1.1 Developments

The developments of the 11 sites share a number of commonalities (as Exhibit 2-1 shows). First, almost all of the RMCs are located in predominantly family developments, although two of the sites do contain elderly buildings as well. Second, all but one of the developments are relatively old, dating from before 1960. Finally, all of the developments managed by the RMCs can be considered large, with eight of the 11 containing over 500 units.¹

But the developments managed by RMCs differ in important respects as well. While all of the developments can be considered large, some are much larger than others. For example, the number of units being managed ranges from 313 units at Booker T. Washington to over 1,200 units at Stella Wright. As a result, the annual operating expenses of the RMCs also vary significantly, ranging from a low of \$0.8 million at Booker T. Washington to a high of \$3.9 million at Stella Wright. Because RMCs generally receive their funding through Performance Funding System (PFS) allocations, the size of RMC budgets is largely driven by the number of units and the types of buildings in which those units are located.

Finally, it is important to point out that the physical condition of the properties under RMC management also differ widely. While all have received some modernization monies over the years, most still require substantial renovation. Clarksdale was modernized in the late 1980s and the three Jersey City sites have received significant modernization funds over the years. Some of the developments -- namely, Kenilworth-Parkside, Bromley-Heath, and Stella Wright -- were under renovation at the time of the study. However, in general the RMCs have had to cope with the problems of managing deteriorated and aging structures.

¹ It is interesting to note that these single developments are as large as many medium-sized PHAs.

EXHIBIT 2-1

PROFILE OF RMC DEVELOPMENTS

	Location	Type of Development	Size of PHA	Number of Units ¹	Year Built ¹	Type of Building	Units per Acre ¹	Year RMC Formed
A Harry Moore	Jersey City	Family	3,730	661	1954	High Rise	85	1978
Booker T Washington	Jersey City	Family	3,730	313	1943	Low Rise	54	1986
Bromley-Heath	Boston	Family	12,364	986	1942	High/Low	49	1971
Carr Square	St. Louis	Family	6,970	658	1942	Low Rise	27	1973
Clarksdale	Louisville	Family	5,948	728	1940	Low Rise	25	1983
Cochran Gardens	St. Louis	Family/Elderly	6,970	761	1953	High/Low Rise	42	1976
Kenilworth-Parkside	Washington, D.C.	Family	11,928	464	1959	Low Rise	NA	1982
Lakeview Terrace	Cleveland	Family/Elderly	12,514	826	1937/1973	High/Low	22	1987
Le Claire Courts	Chicago	Family	39,586	614	1954	Low Rise	14	1987
Montgomery Gardens	Jersey City	Family	3,730	452	1953	High Rise	80	1979
Stella Wright	Newark	Family	14,750	1,204	1959	High Rise	85	1975

¹ Source. PHA data.

2.1.2 Housing Authorities

There are also important similarities and differences in the PHAs considered in this study. In terms of similarities, all of the PHAs are located in older, declining central cities and manage an aging stock of housing units. Further, all of the PHAs can be classified as very large PHAs (more than 2,500 units). However, while all of the PHAs are very large, some are much larger than the others. In particular, the Chicago PHA -- which is the second largest in the country -- has about 10 times as many units as the Jersey City PHA.

The most important distinction between the PHAs lies in their level of management performance. At the time of this writing, two PHAs -- Jersey City and Louisville -- were considered non-troubled housing authorities.² The remaining six are classified as troubled PHAs. Troubled PHAs are typically characterized by a large inventory of vacant units, a high level of delinquent resident accounts, and poor maintenance conditions. The performance of the PHA can affect RMC performance in several ways. To begin with, troubled authorities are often unable to provide the kinds of institutional, management and financial support than better-run authorities. While RMCs can receive assistance from other sources, the lack of accessible and skilled assistance from the PHA can make their tasks more difficult. In addition, many of the factors that underlie the problems of the housing authority can readily spill over to the RMC.

2.1.3 Residents

Exhibit 2-2 presents characteristics of the residents at the RMC sites. Because of income limits in public housing and the fact that the PHAs in this study all operate housing in older, inner-city neighborhoods, the residents share similar characteristics. First, the vast majority of residents in the RMC developments are Black, although Bromley-Heath and two of the Jersey City sites have sizeable Hispanic populations as well. Second, a large proportion of the households are headed by single parents. Finally, average incomes in the developments managed by RMCs are for the most part well below the eligibility threshold for public housing and are below the poverty level.

But the composition of the residents of the various RMC sites also differ in several respects. To begin with, the percent of households that have income from employment ranges from a low of seven percent at Lakeview Terrace to a high of 51 percent at Montgomery Gardens. In addition, while all of the developments are principally family developments, the proportion of elderly people also varies widely. For example, at Carr Square, which does not have any units set aside for elderly people, fully 36 percent of household heads are 62 or older. In contrast, at A. Harry Moore only six percent of household heads are 62 or older.

² Prior to the Public Housing Management Assessment Program (PHMAP) in January, 1992, HUD designated PHAs as troubled on the basis of their performance on seven performance standards. Normally, a PHA failing a majority of the seven performance standards was designated as troubled.

EXHIBIT 2-2

PROFILE OF RMC RESIDENTS

	Percent Minority ¹	Percent 62 and Over ¹	Percent Employed	Percent Single Parent Families ¹	Average Income ¹
A. Harry Moore	100% ⁷	6% ²	38% ⁷	73% ²	11,155 ⁷
Booker T. Washington	100% ⁷	19% ²	50% ⁷	63% ²	15,666 ⁷
Bromley-Heath	98%	8%	NA	60%	11,706
Carr Square	100%	36%	31% ⁵	37%	7,217
Clarksdale	97%	14%	26% ⁶	55%	4,721
Cochran Gardens	99%	22%	28% ⁵	56%	5,705
Kenilworth-Parkside	NA	NA	NA	NA	18,000 ³
Lakeview Terrace	93%	36%	7% ⁵	50% ⁴	4,548
Le Claire Courts	100%	19%	23% ⁷	66%	NA
Montgomery Gardens	97% ⁷	14% ²	51% ⁷	65% ²	15,143 ⁷
Stella Wright	100%	10%	33% ⁷	69%	8,644

¹ Source: MTCS data, 1991 except where otherwise noted.

² Source: PHA data, 1985.

³ Source: RMC estimate.

⁴ Data represent family units only.

⁵ Source: PHA data, 1989.

⁶ Source: PHA data, 1988.

⁷ Source: PHA data, 1990.

2.1.4 RMCs

Beyond the characteristics of developments, housing authorities and residents, the RMCs in this study are themselves different in significant ways. The next section of this chapter examines these differences in some detail, but it is useful here to briefly sketch an overview of those findings.

To begin with, RMCs differ with respect to the age of the RMC organizations and their experience as property managers. As mentioned in Chapter 1, all of the RMCs considered in this analysis have been fully-functioning RMCs since at least 1988. However, two of the sites -- Bromley-Heath and Carr Square -- are 20-year veterans of the resident management movement. Others developed in the late 1970s and early 1980s and are in their comparative middle age. Three of the sites -- Le Claire Courts, Lakeview Terrace and Booker T. Washington -- were incorporated in the mid 1980s and thus can be considered relative newcomers.

The RMCs have also received varying levels of technical assistance and support. While the RMCs were unable to provide a full accounting of the various grants and technical assistance that they have received over the years, it is clear that the support available from their PHAs and outside organizations has varied considerably. For example, in Chicago, the RMC went through a period of dual management³ with the PHA, in Louisville the RMC operated through a dual management contract with a private firm; and in Cleveland the residents took over management with no dual management and with virtually no management skills training.⁴

The following section explores the origins and development of the RMCs in more detail.

2.2 PROFILES OF THE RMCs

This section profiles the individual RMCs, including the types of properties that they manage, their budgets and staffing levels⁵, their basic roles and responsibilities as property managers, and the other types of services that they provide. The discussion also describes the origin and development of each RMC as well as any emerging issues that may affect its operation today and in the future. This site-specific information is important to an understanding of performance indicators, resident attitudes and other key outcomes presented in later chapters. These profiles are largely based on information collected during site visits conducted in 1991 and on FY 1990 file data.

³ Dual management involves having resident employees work along side experienced workers to learn the skills they need on the job.

⁴ The Lakeview Terrace RMC is in a period of dual management, but for many years operated without the benefit of that experience.

⁵ To provide a consistent basis for describing staffing levels, RMC staffing figures reflect the number of full-time equivalent (FTE) staff positions, rather than the total number of employees. In determining staffing levels, all regular employees were counted based on the proportion of time they work during a week. For example, full-time employees were counted as full staff position, while half-time employees were counted as one-half staff position.

BROMLEY-HEATH TENANT MANAGEMENT CORPORATION

HIGHLIGHTS

Location	Boston, MA
Year RMC Established	1971
Number of Units	986
Type of Buildings	High and Low Rise
Year Built	1942
Non-Utility Operating Expenses:	\$2.5 million (FY 90)
Number of Staff	51 (1991)

THE PHA

The Boston Housing Authority (BHA) manages nearly 13,000 units of public housing. While the BHA is classified as a troubled authority, the current administration has made many recent improvements in the authority's operation. In fact, the BHA was under court-ordered receivership, and control has since been returned to the city. The BHA is still under a court ordered desegregation order, which restricts its resident selection process substantially.

The country's first RMC, Bromley-Heath, was formed in 1971 with assistance from the BHA. Over the RMC's history, changes in the BHA's leadership have resulted in varying levels of support for the RMC. The current BHA administration strongly supports resident involvement and has a positive working relationship with Bromley-Heath.

THE SITE

Bromley-Heath is located in a residential area southwest of downtown Boston and contains a total of 986 units of public housing. The site actually consists of three developments: Heath Street, Bromley Park, and Bickford Street. The first two are family developments and comprise the majority of units. The third, Bickford Street contains 64 elderly units, all of which are currently vacant pending HUD approval to convert the units for occupancy by families.

The site has undergone several modernization efforts. However, most of the rehabilitation has focused on correcting major structural problems, such as leaking roofs and failing boilers, and fixing up vacated units. It was only recently that Bromley-Heath received funds to begin comprehensive modernization work on the units in the Heath Street development. The RMC is currently seeking funds to enable them to fully modernize the buildings in Bromley Park.

The residents at Bromley-Heath reflect a diverse community. Although Bromley is essentially a family site, eight percent of its residents are age 62 or older. Approximately 76 percent of Bromley's residents are Black, while 22 percent are Hispanic, and three percent represent other ethnic groups. The average income at Bromley-Heath is about \$11,700.

about 25 percent higher than the average BHA income of \$9,200. Roughly two-thirds of the residents head single parent families.

HISTORY

The Bromley-Heath Tenant Management Corporation was formed in 1971. At that time, the Bromley-Heath development was considered one of the worst public housing sites in the city. Physical conditions at the development were extremely poor and security was a major concern for residents. The BHA had received a grant from the Office of Economic Opportunity (OEO) to fund a demonstration in resident management and the residents of Bromley-Heath applied to participate as the demonstration site. Bromley-Heath was selected because of their extensive organizing efforts and strong resident interest in the idea of participating in the management of the site.

Bromley-Heath residents actually began their first organizing efforts in the 1960s to help bring needed services into the community. The opportunity to take an active role in managing the development was a natural step for this organized group of residents. Bromley-Heath leaders say that the strength of their early organizing efforts is a key factor contributing to the accomplishments and longevity of the organization.

In preparation for assuming management responsibilities at Bromley-Heath, residents received training in site management and community organizing from a former administrator of the BHA who had recently resigned. In 1972, after the initial training period, the BHA approved a management contract for Bromley-Heath. The RMC began by managing just a few buildings, with assistance from BHA staff, and has gradually assumed responsibility for the entire development.

THE RMC TODAY

Budget and Staffing

Bromley-Heath is one of the largest resident-managed sites and has operating expenditures of over \$2.5 million exclusive of utilities. The RMC operates with a total staff of 51 people, including nine administrative, 31 maintenance, 10 security, and one special programs staff. Over half of the RMC staff are Bromley-Heath residents.

Management Roles

The RMC handles all of the major management functions at the site, including occupancy, maintenance, procurement and financial management. The BHA conducts resident selection for all sites, including Bromley-Heath, in order to comply with the requirements of the court-ordered desegregation decision.

The RMC maintains its own security patrol, which coordinates with BHA security and the Boston Police. Like many cities and communities across the country, Boston has experienced a significant rise in drug-related crime. RMC leaders report that the presence of an on-site security team that knows the development well serves as an important deterrent to those who might view Bromley-Heath as a potential area to expand their drug operation.

Social Services and Economic Development

The RMC has been very successful in expanding the social services available to residents. In most cases the RMC tries to attract existing services to the site, rather than attempting to provide services themselves. A range of services is available to Bromley-Heath residents. Families can obtain health care at the Martha Eliot Health Center and attend GED classes at the Oficina Learning Center. Other services include child care for infants and children, youth activities, assistance for seniors, and after school tutoring. The RMC has recently become involved in economic development activities, and currently operates its own reverse commute service.

The RMC works to ensure that service providers continue to respond to the needs of residents by establishing advisory boards that include Bromley residents. When problems or issues arise, the advisory groups work with the providers to find solutions that address the community's concerns as well as those of the provider. The providers regularly hire Bromley-Heath residents, which provides an another link with the community.

CARR SQUARE TENANT MANAGEMENT CORPORATION

HIGHLIGHTS

Location:	St Louis, MO
Year RMC Established:	1973
Number of Units:	658
Type of Buildings:	Low Rise
Year Built	1942
Non-Utility Operating Expenses.	\$1.7 million (FY 90)
Number of Staff:	62 (1991)

THE PHA

The St. Louis Housing Authority (SLHA) operates nearly 7,000 units of public housing, much of which is in need of substantial modernization. The SLHA is a troubled authority, and has had six executive directors in the past eight years. The Pruitt-Igoe development, which attracted national attention when it was demolished in 1973, was located in St. Louis, and the SLHA has recently received approval to demolish other properties that have deteriorated substantially.

Some of the first RMCs in the country were established in St. Louis. The SLHA's support for resident management has risen and fallen with its various executive directors, but in recent years the relationship between the SLHA and the RMCs has been relatively good. At one time St. Louis had five RMCs, but only two have survived. These two, Carr Square and Cochran Gardens, are both included in this study.

THE SITE

Built in 1942, Carr Square is one of the oldest public housing developments in St. Louis. The 658 family units are located in close proximity to a number of other public housing developments, some light industries, and some vacant lots. The development consists of a series of four-family walk-ups, with yards separated by pole-and-chain fences designed to deter foot traffic.

Overall, the Carr Square development is in relatively poor physical condition. Many of the units are boarded up, and the gutters and windows badly need paint. Despite the fact that the development is 50 years old, it has undergone virtually no modernization work and is in need of major rehabilitation, including new plumbing, wiring, and roofing. Funds have been allocated for modernizing and reconfiguring the Carr Square site, and work is expected to begin soon. During the modernization the RMC expects to play the important role of providing on-site oversight.

A major issue that has been facing the RMC as a result of planned modernization is high vacancy rates. Until rehabilitation occurs the RMC has decided to allow units that are

vacated to remain empty, in an effort to minimize the number of households that will need to be relocated as units are rehabilitated. This explicit policy, which has been challenged by the PHA, has resulted in vacancy rates in excess of 40 percent

Most of the residents of Carr Square, like those at most of the public housing developments in St. Louis, are Black. Single parents head about 37 percent of the households at Carr Square. About 31 percent of the residents have income from working and the average annual household income is about \$7,200, compared with about \$6,300 for an average PHA resident. None of the units at Carr Square are reserved for elderly households. However, 36 percent of the residents are 62 or older. About 27 percent of the Carr Square residents have lived there for 5 years or less, while 26 percent have lived there for over 20 years.

HISTORY

The roots of resident management first took hold in St. Louis in 1971, when Carr Square residents joined with those in other public housing developments across the city to wage a rent strike against the SLHA in protest of deteriorating physical conditions and rising rental costs. As part of the settlement to the rent strike, a city-wide resident affairs board was formed to help make policy and to give the SLHA input from the residents.

In addition to gaining an opportunity for input through the resident affairs board, the residents at several of the developments, including Carr Square, began to work toward establishing resident management. These residents hoped to improve their sites' maintenance and reduce drug problems through resident management of day-to-day operations.

The residents at Carr Square received funding for their initial efforts to become self-managing from the Ford Foundation. Ultimately the RMC became a model for the Ford Foundation's National Tenant Management Demonstration. Between September and December of 1972, about 20 residents who were to become RMC employees at Carr went through training, learning about issues ranging from PHA forms and manuals, to accounting, to how to do long range planning. Carr also received a grant through the Amoco Foundation during its participation in the NCNE study, and received a Technical Assistance Grant of \$100,000 from HUD in 1988.

When the Carr Square Tenant Management Corporation was incorporated in 1973 it became one of the first RMCs in the country. At first the RMC had limited responsibilities. Although it had a management contract with the SLHA, the contract covered only "soft" management items, such as cleaning buildings, doing minor repair work, and screening potential residents. The SLHA remained responsible for major repairs, financial decisions, and rent collection. Over the years, however, responsibility has gradually shifted from the PHA to the residents. The RMC never went through dual management with the PHA or an outside consultant. Instead, the staff learned by doing, and took on new responsibilities gradually.

Residents report that after the rent strike was over the PHA was supportive of resident initiatives. The PHA not only helped the new RMC employees learn about how the PHA system works, but also helped them initiate social programs. During the mid-1980s residents saw that support wane. During this period three of the five RMCs in St. Louis folded. RMC leaders at Carr Square attribute their own survival to the fact that they had developed outside funding resources by investing funds and seeking grants from outside sources. Residents

say that in recent years the PHA has again begun to support the idea of resident initiatives, and the relationship between Carr Square and the SLHA has improved substantially.

THE RMC TODAY

Budget and Staffing

Today the Carr Square TMC has annual operating expenditures of about \$1.7 million (excluding utilities) and employs 62 people, all of whom are residents. Eleven of the staff members work in administrative or financial management capacities, twelve are maintenance workers, and nine provide security. The remaining 30 workers, half of the site's employees, are involved in providing social services for residents.

Management Roles

The Carr Square TMC signed a new management contract in 1990, which gives it responsibility for most management functions at the development. The SLHA is still responsible for boiler maintenance and rents are collected through a lock box (sealed rent deposit box) system, but the RMC is now responsible for all other activities at the site. This includes providing maintenance, managing the site's budget, and organizing social services and economic development opportunities for residents.

Carr Square is about to undergo modernization. During this process the RMC will play a major role in overseeing construction activities. In addition, the RMC will be working to create jobs through the modernization process, including originating a moving company to provide relocation services and persuading contractors to hire residents whenever possible.

One of Carr Square's long-term goals has been to secure resident ownership of the site. The RMC has attempted to purchase the site several times, first in 1982, and then in 1985. To date, they have been unable to arrange the financing needed for such a purchase. However, they have not given up their efforts, and continue to try to arrange financing for a resident acquisition.

Social Services and Economic Development

Carr Square is very involved in providing both economic development opportunities and social services for the community. The RMC views job creation as an important aspect of economic development for its residents and has a strict policy of employing only residents of the site for staff positions. If employees choose to move out of the development, they are dismissed, and replaced with current residents. Although other RMCs emphasize the need to hire residents, Carr Square is the only one that hires residents exclusively.

The RMC has sought out grants to support its social service activities. Unlike many other RMCs, which bring in outside agencies to operate existing programs whenever it is feasible to do so, Carr Square provides its own services whenever possible. This allows it to employ many of its residents in the process. The social services available at Carr Square include infant and child care, after school and summer tutoring programs, in-home services and personal care for elderly residents, senior activities and hot lunches, and a near-by health clinic.

The RMC has also undertaken several economic development ventures that have helped support its operating costs when other funds ran short. For example, the RMC has been involved in joint affordable housing real estate ventures with Cochran Gardens and private real estate developers in St. Louis. The syndication fees they received supported them when the funds received through the PHA were not sufficient to meet the development's needs.

COCHRAN GARDENS TENANT MANAGEMENT CORPORATION

HIGHLIGHTS

Location	St. Louis, MO
Year RMC Established	1976
Number of Units	761
Type of Buildings	High Rise/Low Rise
Year Built	1953
Non-Utility Operating Expenses:	\$1.8 million (FY 90)
Number of Staff	48.5 (1991)

THE PHA

The St. Louis Housing Authority (SLHA) operates nearly 7,000 units of public housing, much of which is in need of substantial modernization. The SLHA is a troubled authority, and has had six executive directors in the past eight years. The Pruitt-Igoe development, which attracted national attention when it was demolished in 1973, was located in St. Louis, and the SLHA has recently received approval to demolish other properties that have deteriorated substantially.

Some of the first RMCs in the country were established in St. Louis. The SLHA's support for resident management has risen and fallen with its various executive directors, but in recent years the relationship between the SLHA and the RMCs has been relatively good. At one time St. Louis had five RMCs, but only two have survived. These two, Carr Square and Cochran Gardens, are both included in this study.

THE SITE

The Cochran Gardens Tenant Management Corporation (CGTMC) consists of 761 units in 12 buildings -- four high rises, the rest low-rises or town houses. The older sections of the development were built in 1953. The town house section was constructed much more recently by the RMC. One of the high rise buildings is reserved for seniors. It is air conditioned and has a private patio and walking area where children are not allowed to play. In the family buildings there are protected playgrounds for children under 12, and a recreation center sponsors a variety of supervised activities for older children.

Overall the development is in moderately good shape. The site underwent substantial modernization in the early 1980s, including reconfiguring units to accommodate larger families and overhauling elevators. However, the modernization funds ran out before some of the buildings received all planned renovations. Modernization work is now needed for those buildings that were not completed the first time, as well as for additional work for those that received only some of the planned modernization. Resident leaders also reported that some of the modernization work carried out without RMC supervision was not properly completed and that additional funds would be needed to correct these problems. For example, the

elevators in buildings that were modernized are often out of service and need to be overhauled again

Most of the residents of Cochran Gardens are Black and over half of the households are headed by single parents. About 17 percent of the units are reserved for elderly people, and 22 percent of the households are headed by elderly people. Some 28 percent have income from working, and the average annual household income is about \$5,700 compared with about \$6,300 for an average PHA resident. About 57 percent of Cochran's residents have lived at the development for five years or less

History

Cochran Gardens was once considered one of the worst public housing developments in the country. It was nicknamed "Little 'Nam", drugs were sold in the open, violence was rampant, and the buildings had deteriorated significantly

In 1969 Cochran residents participated in a city-wide rent strike against the SLHA to protest maintenance conditions, crime, and rising rents. From 1969 to 1975 a private community-based management corporation worked to train Cochran residents in areas such as rent collection, resident selection, lease and grievance procedures, maintenance and custodial requirements and security. Thus, when a management contract was negotiated in 1976, the residents were already trained to manage the development. More recent training for residents has been provided through a grant from Amoco during the NCNE demonstration, and through a \$100,000 Technical Assistance Grant from HUD in 1989.

The management contract initially made the RMC responsible for "soft" management functions, such as cleaning the buildings, doing minor repair work, and further screening residents. The SLHA took care of any major repairs and collected the rents.

The CGTMC took over a development with about a third of its units vacant and many vandalized. In its first year of operation, the RMC tapped youth job programs to get young residents to rehabilitate 150 of the 250 vandalized and vacant apartments they inherited with their management contract.

CGTMC management activities appear to have been underfunded for a number of years. An October, 1989 HUD OIG report indicated that the RMC's contract with the PHA may not provide the operating funds necessary to properly manage the development. In response to this finding, RMC, PHA, and HUD representatives met to review the provisions of the management contract and discuss the level of operating funds for the development. The issues surrounding the RMC's management contract and the level of operating funds for the development were not fully resolved at the time of the study's data collection efforts.

The CGTMC has not had the unanimous support of its residents, and there have been factional arguments. Despite these internal tensions, however, the RMC has been able to improve the appearance of the development dramatically, and to enforce rules of behavior. While some residents may disagree with the RMC and its policies, buildings and grounds are kept cleaner and maintenance is much better than before resident management.

THE RMC TODAY

Budget and Staffing

At the time of site visits, the RMC's annual operating expenditures totaled approximately \$1.8 million, excluding utility costs. There were 48.5 staff members, 13 of which, or about a quarter, are residents¹. Of these, 9 staff members held financial or administrative jobs, 29 worked on the maintenance staff, 4.5 provided security, and six provided special services.

Management Roles

In 1986 the RMC signed a new management agreement with the SLHA. This contract gave them responsibility for most management functions at the site. The PHA still collects rent, and is still responsible for major repairs, such as boilers or elevators. The RMC is working to obtain control over these major maintenance functions as well, because they believe that they will be more successful than the PHA at controlling costs and improving services. The site also makes intensive use of volunteer floor and building captains. These residents are responsible for keeping tabs on the maintenance in their areas and reporting problems to maintenance staff immediately.

Social Services and Economic Development

A variety of social service programs is available on site. These include an on-site health care center, a community center with child care, after-school and summer activities, a family literacy program, and senior programs, such as congregate dining and a senior social worker.

The RMC has also participated in a number of economic development activities. Real estate and related activities have enabled residents to generate additional affordable housing in the city and to provide funds for the RMC. CGTMC joined forces with the Carr Square TMC and a private developer to develop several public housing properties and has received substantial distributions and management fees on them over the years.

¹ Since the study's data collection efforts, the RMC has hired additional staff members as the issues regarding operating funds and the management contract have been addressed. Additions to the administrative and security staff have resulted in an increase of 37 percent in overall staffing with residents now accounting for over 40 percent of RMC staff.

STELLA WRIGHT TENANT MANAGEMENT CORPORATION

HIGHLIGHTS

Location	Newark, NJ
Year RMC Established	1975
Number of Units	1,204
Type of Buildings	High Rise
Year Built	1959
Non-Utility Operating Expenses	\$3.9 million (FY 90)
Number of Staff	36.5 (1991)

THE PHA

The Newark Redevelopment and Housing Authority (NRHA) manages more than 14,000 units of public housing. The NRHA is a troubled authority and is plagued with a large number of vacant high-rise buildings. The agency's financial problems and continued weak management performance have led to frequent turnover in executive directors.

The NRHA's vacancy problem was caused by its efforts to reduce the high population density of its high rise developments in the early 1980s. The authority actively depopulated the high rise sites and planned to replace these buildings with less dense low rise structures and townhouses. However, the NRHA was forced to stop this strategy in the mid-1980s due to a court order requiring one-for-one replacement of the units to be demolished.

NRHA support for resident management has varied as the authority's leadership has changed. Previous administrations held less favorable views of resident management, and provided little support for the Stella Wright RMC. However, the most recent executive director (who has since left the NRHA) viewed resident involvement as a positive factor and hired an experienced resident organizer to work as a liaison between the RMC and the PHA.

THE SITE

Stella Wright, a very dense family high rise with over 1,200 units, is the largest site included in this study. The property consists of seven high rise buildings all located on a two-block parcel of land just southwest of Newark's downtown area. A number of other public housing developments are located in the immediate area, and there are several vacant lots adjacent to the site.

Although the Newark police department maintains a mini-precinct at the Stella Wright development, crime is a major problem. In 1989 NRHA and Stella Wright received federal funding to conduct police sweeps to clear out illegal residents and drug dealers in each of the buildings and to improve security. About half of the buildings have been swept, and sweeps have been followed by intensive efforts to fill vacant units and to recruit floor captains to help maintain the newly secured conditions.

The site received nearly \$4.5 million of modernization work in the mid-1970s as part of a court settlement following a rent strike. Modernization work included putting in new lobbies, elevators, roofs, boilers, and a security system, as well as renovating many units. However, physical conditions at the site have deteriorated substantially since 1980 due to inadequate maintenance and the problems associated with a high vacancy rate. The site's current modernization needs include preparing vacant units for occupancy, repairing vandalized areas of buildings, and additional grounds work to improve security and enhance the appearance of the development.

The majority of the households at Stella Wright are headed by single parents. Elderly residents head just over 10 percent of the households. About 96 percent of the households are Black, and most of the rest are Hispanic. The average annual income at Stella Wright is about \$8,600, slightly higher than the PHA average of \$8,400. Roughly 30 percent of households at the site earn income from employment, and about half of the families receive public assistance. About 40 percent of the residents have lived at the development for less than five years.

HISTORY

The RMC originated in 1975 as part of a court decision to resolve a rent strike that had started over the poor physical conditions at the site. As part of the settlement, NRHA and HUD agreed to assist the residents in establishing the RMC by providing extensive modernization and funds for management training. During the rent strike the physical condition of the development had continued to deteriorate and by the time of the settlement well over half of the units at Stella Wright were vacant.

Following the court decision, residents completed a period of initial training and entered into dual management with the PHA. Gradually the RMC took over responsibility for occupancy and maintenance, while the PHA continued to handle most of the financial management functions for the site. After the dual management period, several PHA staff stayed on to help the RMC address the large number of vacancies at Stella Wright. Resident leaders report they had a good working relationship with the PHA during this time. By the end of the 1970s, Stella Wright was almost fully occupied.

Conditions at Stella Wright began to change as the NRHA switched from a site-based management structure to a more centralized management system under the leadership of a new executive director. This move reduced the RMC's control over on-site maintenance and eliminated funding for several RMC staff positions. Physical conditions and security deteriorated rapidly during the 1980s and tensions between the RMC and PHA rose. Turnover among residents during this period was high, and by the late 1980s, high vacancy rates and crime had again become serious problems.

THE RMC TODAY

Budget and Staffing

The RMC has operating expenditures of nearly \$4 million annually, exclusive of utilities. The staff of 36.5 consists of a manager, two assistant managers, 6 administrative staff, 27 building workers who clean the buildings and care for the grounds, and a half-time person to provide special services. A PHA staff person also devotes part of her time to coordinating special programs at the site. The managers, administrative staff, and one of the building workers are residents of Stella Wright.

Management Roles

Under the PHA's current centralized management structure, the RMC has less responsibility for site operations than it did when it first took over the site. The RMC has substantial responsibility only for occupancy functions, while maintenance, financial operations, and other management responsibilities are all handled by the PHA. The RMC can provide input about the maintenance needed at Stella Wright, but it has no control over what maintenance is actually performed and when the work gets done.

Resident leaders indicated that they do not view the current management structure at Stella Wright as true resident management. Because the RMC has very limited authority under the existing system, residents have very little say over how the site is run. Resident leaders would like to assume more management responsibility, but indicated that they want to begin to address the problems of high vacancies and crime at the site before the RMC asks for more management control.

Social Services and Economic Development

Although the RMC's efforts in the area of social services have not been extensive, the PHA has arranged for a number of social services at Stella Wright, including a Headstart program, day care, health screening for children, and drug counseling. The RMC's own efforts to develop special programs have focused primarily on providing activities for the youth of Stella Wright, such as sports leagues, social gatherings, and the Stella Wright Teen Pageant.

The RMC has not undertaken any economic development activities. Resident leaders indicated that they hope to pursue several ventures at some point in the future, but improving the physical conditions at the site is their top priority. The city-wide Newark Tenants Council has been awarded contracts with the PHA to provide several types of services for various public housing developments, such as maintenance work, grounds keeping and child care. RMC leaders believe that this approach represents a useful model for getting started in economic development.

A. HARRY MOORE TENANT MANAGEMENT CORPORATION

HIGHLIGHTS

Location:	Jersey City, NJ
Year RMC Established	1978
Number of Units:	661
Type of Buildings	High Rise
Year Built	1954
Non-Utility Operating Expenses	\$2.0 million (FY 90)
Number of Staff	32 (1991)

THE PHA

The Jersey City Housing Authority (JCHA), located within the New York City metropolitan area, operates approximately 3,700 units of public housing. Although smaller than many PHAs found in very large cities, the JCHA faces the same challenges as other urban PHAs. Most of the developments in the authority have already received modernization. One site, Curries Woods, is currently undergoing an extensive modernization effort.

In the early 1970s, the JCHA was classified as a troubled authority. However, it has developed into a well-run PHA under the leadership of its current executive director who took over in 1974. During his tenure, the PHA has supported resident involvement and helped establish an authority-wide Tenant Affairs Board (TAB) to address issues facing residents.

Residents currently manage three developments within Jersey City: A. Harry Moore; Montgomery Gardens, and Booker T. Washington. Each of these sites is included in this study. A fourth RMC, Curries Woods, lost its management contract shortly after it began and the development is now run by the PHA.

THE SITE

A. Harry Moore, the largest development in Jersey City, consists of 661 family units in seven high-rise buildings. The development is bounded by a residential area to the east, a cemetery to the north, a major highway to the west, and a large urban park to the south. Insufficient parking is a major problem for the site.

Built in 1954, the site had deteriorated so badly by the early 1970s that it was considered a prime candidate for demolition. The development has since received extensive modernization of its major systems, however, resident leaders indicated that the grounds and individual units still need additional improvements.

Roughly 85 percent of the residents are Black and the remaining families are predominantly Hispanic. A large share of the households are headed by single parents. Nearly 40 percent of the residents are employed, while approximately the same number

receive AFDC. The average household income for A. Harry Moore residents is \$11,200 per year, which is slightly lower than the average for the PHA.

HISTORY

The RMC arose from an effort by residents and the PHA in the early 1970s to save the development from demolition. Many repairs were long overdue and physical improvements that were made at the site were generally short-lived due to vandalism. Concerned about poor conditions and the future of the site, the residents organized and approached the new PHA director in an effort to save A. Harry Moore. The director saw strong resident involvement as the only way to turn around a site that had high vacancy rates and extremely deteriorated physical conditions. As a first step the PHA agreed to make a number of physical improvements and the residents formed resident patrols to monitor the improvements to the buildings. The partnership worked, and the PHA began making further improvements to the site.

When the National Tenant Management Demonstration was announced, the A. Harry Moore resident organization applied to participate with the help of the PHA and was selected as one of the first sites. Funds from the demonstration were used to train residents in property management and strengthen resident organizing efforts. The A. Harry Moore Tenant Management Corporation was formally established in 1978. In the election to select the board members, many of the original resident leaders were chosen to direct the RMC.

The RMC started out under a dual management structure working with staff from the PHA. The RMC gradually assumed increasing responsibility for occupancy and routine maintenance functions. Unfortunately, the first two resident managers turned over quickly, which hurt continuity and slowed its early efforts. In an emergency move, the board chair stepped in as the temporary manager. With encouragement from residents and the PHA, the chair eventually accepted the job as a permanent position and continues to manage A. Harry Moore today.

The RMC board obtained additional training in property management and organizational development during the mid-1980s with the support of a grant from the Amoco Foundation. RMC staff continue to receive periodic training from the PHA on various property management functions.

THE RMC TODAY

Budget and Staffing

The RMC has annual operating expenditures, exclusive of utilities, of roughly \$2.0 million. It is run by a staff of 32, of whom 24 are residents. In addition to the manager, the RMC has seven staff who perform occupancy and administrative duties, 22 maintenance workers, and two special programs staff.

Management Roles

The RMC is responsible for overseeing ordinary maintenance efforts, but uses PHA maintenance staff to perform the work. The PHA is responsible for extraordinary maintenance, such as elevator repairs, and manages most of the site's financial operations. The RMC anticipates taking greater responsibility in the future for the development's finances.

The manager relies on the housing unit of the Jersey City police for security and can hire additional off-duty police to provide additional coverage

Social Services and Economic Development

The RMC, with support from the PHA, has worked to establish a number of social services at the development. The services available include after school tutoring, youth activities, headstart, a drug awareness program and a summer lunch program. The RMC has also been working with Headstart to set up a child care center that is scheduled to open in the fall of 1992

The RMC has been less active in economic development. However, resident leaders are presently completing plans for opening a community convenience store at the site and are also considering the possibility of opening a laundry.

MONTGOMERY GARDENS TENANT MANAGEMENT CORPORATION

HIGHLIGHTS

Location	Jersey City, NJ
Year RMC Established	1979
Number of Units	452
Type of Buildings	High Rise
Year Built	1953
Non-Utility Operating Expenses.	\$1.5 million (FY 90)
Number of Staff	28.5 (1991)

THE PHA

The Jersey City Housing Authority (JCHA), located within the New York City metropolitan area, operates approximately 3,700 units of public housing. Although smaller than many PHAs found in very large cities, the JCHA faces the same challenges as other urban PHAs. Most of the developments in the authority have already received modernization. One site, Curries Woods, is currently undergoing an extensive modernization effort.

In the early 1970s, the JCHA was classified as a troubled authority. However, it has developed into a well-run PHA under the leadership of its current executive director who took over in 1974. During his tenure, the PHA has supported resident involvement and helped establish an authority-wide Tenant Affairs Board (TAB) to address issues facing residents.

Residents currently manage three developments within Jersey City: A Harry Moore; Montgomery Gardens, and Booker T. Washington. Each of these sites is included in this study. A fourth RMC, Curries Woods, lost its management contract shortly after it began and the development is now run by the PHA.

THE SITE

Montgomery Gardens is the smallest of the Jersey City high rise sites with 452 units located in six buildings. While open space at the development is limited, it does offer an outdoor play area for children and a large community room for resident activities.

Overall the development is in good condition. The site received extensive modernization during the 1980s, which included overhauling the elevators, putting on new roofs, tuck pointing the exterior faces, and replacing damaged stairways and windows. The kitchens in many units were also redone and a number of hallways received new floor tile. Additional work is needed on some units and the grounds could benefit from further landscaping, but the development is not in need of significant modernization.

Approximately 80 percent of Montgomery Gardens residents are Black, while the remaining households are mostly Hispanic. Nearly two-thirds of the households are headed

by single parents. A large share of the residents -- over 51 percent -- are employed, while only 21 percent receive AFDC assistance. The average income for Montgomery Gardens residents is \$15,143, nearly \$4,000 higher than the average income for the PHA.

HISTORY

The Montgomery Gardens Tenant Management Corporation was formed in 1979 in response to the improvements taking place at A. Harry Moore. While Montgomery Gardens had not deteriorated to the point that residents were facing the possible loss of their development, conditions at the site were very poor and had the physical decline continued, the site might have faced demolition.

The site's residents believed that they could achieve improvements comparable to those at A. Harry Moore, and they formed a resident liaison committee to approach the PHA with the idea of establishing an RMC at their site. Although the now-defunct Curries Woods RMC was experiencing serious problems, the strong interest demonstrated by Montgomery residents and the progress at A. Harry Moore led the PHA to agree to help the residents establish an RMC at the site. The PHA had to draw on federal Target Projects Program (TPP) funds it had received to cover the training and start-up costs for Montgomery Gardens, because the national demonstration was no longer accepting proposals for new RMC sites.

Elected resident leaders attended board training during 1978 and 1979. The RMC then established itself as a formal organization and entered into a dual management arrangement with the PHA for nine months. By the end of this period, RMC staff had assumed responsibility for occupancy and routine maintenance functions at the development. During the 1980s, the RMC board and staff were also involved in planning the site's modernization.

RMC leaders noted that some residents initially opposed the idea of resident management. These residents were afraid that the site's leaders would use their positions of authority against other residents. The leaders recalled that the RMC went to great lengths in the early years to ensure confidentiality and fairness. Resident leaders believe that establishing the RMC's credibility with residents was a very important first step and has been vital to the accomplishments they have achieved.

The board received the same training as the A. Harry Moore board did during the mid-1980s. The leaders felt this training came at an important time because it taught new board members the basics of property management and how a board operates. It also served as a valuable review for those who had attended the initial training nearly seven years earlier.

THE RMC TODAY

Budget and Staffing

Montgomery Gardens' operating expenditures total nearly \$1,520,000 annually, exclusive of utilities. The RMC staff consists of a manager, two building managers, three administrative staff, 20 maintenance workers, and 2.5 special programs employees. Nearly two-thirds of the RMC's total staff are residents of the development.

Management Roles

The Montgomery Gardens TMC handles occupancy and routine maintenance functions for the site while the PHA takes care of extraordinary maintenance and many of the site's financial operations. The RMC is beginning to assume some financial and budgetary responsibilities, and RMC leaders are interested in taking greater responsibility for the site's budget because they would like greater flexibility in making spending decisions.

Security is a growing concern for the Montgomery Gardens RMC. Resident leaders reported that the rise in drugs and crime in Jersey City has now spread to the development, creating new concerns about resident safety. The presence of the housing police unit helps control the problem, but coverage is limited to a few days a week. Incidents generally occur when there is no one on duty. The RMC has considered establishing resident security patrols but is reluctant to do so out of concern for residents' safety. As an alternative, resident leaders indicated they are working to identify security measures, such as additional lighting and limiting access to buildings, that will make the site less attractive to drug dealers.

Social Services and Economic Development

The RMC has taken a very active role in expanding the social services available to residents at the site. For children, Montgomery Gardens offers Headstart, child care, pre-school, after-school tutoring, youth activities, summer lunch programs, and teen parenting programs. The RMC has used its TAG grant and focused a great deal of energy on setting up and operating the child care center itself.

The board is interested in pursuing economic development activities, but is still in the planning stages because preparations for the recently-opened child care center consumed much of their time and energy. One of the ideas the board has considered is setting up a recycling business.

BOOKER T. WASHINGTON TENANT MANAGEMENT CORPORATION

HIGHLIGHTS

Location:	Jersey City, NJ
Year RMC Established	1986
Number of Units	313
Type of Buildings	Low Rise
Year Built:	1943
Non-Utility Operating Expenses.	\$0.8 million (FY 90)
Number of Staff:	13 (1991)

THE PHA

The Jersey City Housing Authority (JCHA), located within the New York City metropolitan area, operates approximately 3,700 units of public housing. Although smaller in size than many PHAs found in very large cities, the JCHA faces the same challenges as other urban PHAs. Most of the developments in the authority have already received modernization. One site, Curries Woods, is currently undergoing an extensive modernization effort.

In the early 1970s, the JCHA was classified as a troubled authority. However, it has developed into a well-run PHA under the leadership of its current executive director who took over in 1974. During his tenure, the PHA has supported resident involvement and helped establish an authority-wide Tenant Affairs Board (TAB) to address issues facing residents.

Residents currently manage three developments within Jersey City: A. Harry Moore, Montgomery Gardens, and Booker T. Washington. Each of these sites is included in this study. A fourth RMC, Curries Woods, lost its management contract shortly after it began and the development is now run by the PHA.

THE SITE

Booker T. Washington (BTW) is a low rise development consisting of 313 family units in nine three-story buildings. The development is located only two blocks from Montgomery Gardens.

The site is currently in very good condition and is one of the older developments in the city. However, in the early 1980s Booker T. Washington suffered from significant levels of deferred maintenance. An extensive modernization effort was initiated in 1985 and much of the work was completed in 1989. By the end of the rehabilitation, the buildings had new gable roofs, the exteriors were freshly tuck pointed, kitchens and bathrooms were redone, new tile was installed throughout, and the site's grounds had been revamped and freshly landscaped. One important item that still requires attention is the development's electrical system, which needs to be refurbished and upgraded.

Although Booker T. Washington is designated as a family site, more than 19 percent of the residents are over age 62. One of the reasons for the relatively larger share of seniors is that residents tend to remain at the development for many years. The manager estimates that at least two-thirds of the residents have lived at the site for 10 years or more. The majority of Booker T. Washington residents are Black -- 96 percent -- while nearly all of the remaining families are Hispanic. Roughly 63 percent of the residents head single parent families. More than half of the residents are employed and 19 percent receive AFDC support. The site's comparatively strong employment rate contributes to the average annual income among residents of \$15,666, the highest in the PHA.

HISTORY

In 1983 the Booker T. Washington Resident Council, already active for six years, approached the PHA about establishing an RMC at the development. The movement to form an RMC arose out of the residents' view that the PHA had neglected the site rather than out of the near-crisis conditions that led to the creation of the other two RMCs in Jersey City. The development's many long term residents remembered how good the site once looked and wanted to take steps to restore it. For example, safety was a major concern for Booker T. Washington residents, and residents believed that better maintenance would improve security. The history of strong resident involvement at the site and the successes at A. Harry Moore and Montgomery Gardens led the PHA to support the resident's efforts.

RMC board members participated extensively in the PHA's modernization planning efforts and attended more than 20 meetings with the site's architect. Residents were very concerned about personal safety and provided a number of suggestions for changes that would improve security at the site. Designing suitable play areas for children was another priority. Residents pressed the PHA to build two play areas for children, one for older kids and another for small children. This layout gave the older kids plenty of space for more rough and tumble activities, and provided a safe area for the small ones. Once modernization began, the RMC assumed responsibility for overseeing the day-to-day work, with technical support from the PHA.

Resident leaders observed that the timing of the modernization was very beneficial for the RMC. Because the work started about the same time the RMC took over management of the site, many residents equated the improvements with rise of resident management. This helped build broader resident support for the RMC.

Another issue the RMC addressed during modernization was resident overcrowding. Up to that time very little attention had been given to whether residents' units were still appropriate for the size of their households. As work on the units took place, residents living in over- or under-sized apartments were shifted into units appropriate for the size of their families. Resident leaders emphasized that this effort alleviated a great deal of resident dissatisfaction and made their job as the new manager much easier.

THE RMC TODAY

Budget and Staffing

Booker T. Washington is one of the smaller sites in the study. Its annual expenditures, exclusive of utilities, total approximately \$0.8 million. The site's staff of 12.5 consists of the manager, an assistant manager, an occupancy clerk, eight maintenance workers, and 1.5 special programs staff. Almost half of the staff are residents.

Management Roles

Like the other Jersey City resident-run sites, the Booker T. Washington TMC is responsible for occupancy functions, collecting delinquent rents, overseeing maintenance, and coordinating security for the development. The PHA handles extraordinary maintenance and most of the financial operations. The RMC would like to assume greater responsibility for the development's finances, but the leaders are not sure that they ever want to have complete control over this function.

Social Services and Economic Development

Now that much of the site's modernization work is complete, the RMC is becoming more active in establishing services at the development. RMC leaders emphasize that while Booker T. Washington does not offer the same range of services that the other RMCs do, programs to assist residents and economic development activities are a priority for them.

Current programs for children at Booker T. Washington include after-school tutoring, youth activities, and a scholarship fund. Other programs such as Headstart and child care are available through programs at neighboring RMC sites. Booker T. Washington's leaders also place a high priority on providing services for elderly residents at the site. The RMC helps coordinate monthly social gatherings for seniors and assists with transportation for shopping and other errands. Residents also hold an annual dinner to honor their seniors and sponsors several trips during the year.

In the area of economic development, RMC leaders report that their efforts are still in the planning stages. They anticipate that the RMC's first enterprise will be either a reverse commute transportation service or a laundromat at the site. The board is exploring the idea of setting up a business, possibly in conjunction with local companies, that would enable residents who work for the enterprise to gain work skills on the job.

KENILWORTH-PARKSIDE RESIDENT MANAGEMENT CORPORATION

HIGHLIGHTS

Location.	Washington, D C
Year RMC Established	1982
Number of Units	464
Type of Buildings	Low Rise
Year Built	1959
Non-Utility Operating Expenses:	\$1.3 million (FY 90)
Number of Staff.	48 (1991)

THE PHA

Washington D.C.'s Department of Public and Assisted Housing (DPAH) operates nearly 12,000 units of public housing. DPAH is a troubled authority, and much of its stock is in need of substantial modernization.

DPAH has had high turnover in its leadership in recent years, and those leaders have supported resident management efforts at the Kenilworth-Parkside development. The Kenilworth-Parkside RMC is purchasing its property, however, so soon the PHA will no longer have responsibility for its operation.

THE SITE

Kenilworth-Parkside's 464 family units are located in north east Washington, and are located in a series of low-rise buildings. The Kenilworth-Parkside units are currently undergoing major rehabilitation, and much of the site is fenced off and under construction. Until this rehabilitation effort, the development had received little modernization in its 30 years.

Most of the residents of Kenilworth-Parkside are Black, and single parents head many of the households. The RMC reports that all but 4 of its 130 households have income from working, compared with about 26 percent for the PHA as a whole. The RMC also reports that Kenilworth-Parkside's average annual household income is about \$18,000,² compared with about \$9,300 for an average PHA resident. None of the units at Kenilworth-Parkside are reserved for elderly households.

HISTORY

Residents at Kenilworth-Parkside first began to organize in 1974 with the College Here We Come program, which helped place students in college programs across the country.

² RMC estimate

The leadership skills developed through that project helped the residents launch their effort to take over management of the development.

The resident management movement at Kenilworth-Parkside was set in motion by resident disgust with conditions at the site. Crime and drug problems were running rampant and maintenance conditions were poor -- including an intermittent lack of heat and hot water that lasted for three years. Faced with these conditions and with no sign of change coming from the PHA, a group of resident leaders went to the mayor with their complaints. He offered his support for the idea of forming an RMC at Kenilworth-Parkside.

In 1982 the RMC formally incorporated and began working toward its first management contract. The Kenilworth-Parkside RMC participated in the NCNE demonstration and so received funds for staff training from the Amoco foundation in its early years.

Initially, a number of residents opposed the idea of resident management. However, the RMC leaders report that as residents saw the RMC make concrete changes for the better and experienced the benefits, most became supporters.

The residents at Kenilworth-Parkside were the first to successfully purchase, through an RMC, their public housing development. The first 132 units that were completely rehabilitated have been sold to the RMC for \$1.00. The remaining units will be turned over as modernization work is finished. Later resales will occur to residents based upon affordable purchase prices.

THE RMC TODAY

Budget and Staffing

In 1988 the Kenilworth-Parkside RMC had annual operating expenditures of about \$1.3 million exclusive of utilities. The RMC employs 48 people, 37 of whom (77 percent) are residents. Six of the staff members work in administrative or financial management capacities, 13 are maintenance workers, and the remainder are involved in providing social services or generating economic development opportunities for the residents.

Management Roles

The Kenilworth-Parkside RMC has complete responsibility for managing the 132 units for which ownership has been transferred to the RMC. It will have complete responsibility for the others as rehabilitation is completed and ownership is transferred. DPAH will continue to be involved with the property as the administrator of the Section 8 Certificates being used there, but will have no responsibility for day-to-day operations.

Social Services and Economic Development

The RMC focuses a great deal of attention on creating jobs for residents whenever possible. While it does hire non-residents to fill some key staff positions, the offices are generally structured so that resident staff members receive on-the-job training from these outside professionals, with the expectation that they will be able to move up someday. Kenilworth-Parkside also works hard to ensure that outside contractors hire its residents for work on-site whenever possible.

Kenilworth-Parkside offers a wide range of social services for its residents and those from the neighboring community. Children's programs include child care, latch key, after school tutoring, and activities for older children sponsored by the Teen Council. Health programs include a substance abuse program, AIDS and STD prevention programs, and Community Health Corners. The RMC also organizes GED training, coordinates voter registration, and offers courses on life skills topics such as budgeting, housekeeping, pest management and unit maintenance.

The social services staff at Kenilworth-Parkside prides itself on not being proactive. The staff works with individual families and each family member to answer the needs of the entire household. The major focus is the Family Comprehensive Program (FCP), which matches individuals with service delivery systems to meet their needs. FCP staff work closely with other programs within Kenilworth-Parkside, as well as programs outside of the development. Follow-up service is done on a regular basis to keep track of each individual's progress and referrals.

Economic development is also a major focus at Kenilworth-Parkside. Much of the RMC's economic development energy goes into real estate development. The spinoff corporation the RMC has formed is involved in rehabilitating a number of units in the neighborhood, and has begun efforts to develop a strip mall in the area. The RMC also takes every possible opportunity to develop jobs and to provide training for its residents.

CLARKSDALE RESIDENT CORPORATION

HIGHLIGHTS

Location	Louisville, KY
Year RMC Established.	1983
Number of Units.	728
Type of Buildings	Low Rise
Year Built:	1940
Non-Utility Operating Expenses:	\$1.2 million (FY 90)
Number of Staff	20.5 (1991)

THE PHA

The Housing Authority of Louisville (HAL) has about 6,000 units of public housing, very few of which have received substantial rehabilitation over the years. The RMC is the only development that has had substantial modernization completed, and the control site is currently under construction. Nonetheless, the public housing stock is in better condition than much of the low-cost privately-owned rental housing in the area.

The HAL is one of the few PHAs in this study that is relatively well run. The HAL considers resident involvement important to its success, and in order to encourage active resident participation at all of its sites, the authority has hired a community organizer to work with the Resident Councils. The organizer works with residents to help them become organized enough to take on responsibilities such as implementing a federally-funded drug prevention program, and promoting social service and economic development programs.

The HAL has had two RMCs in its history. The first, Iroquois Homes, was one of the early RMCs developed as part of the Manpower Demonstration. The Iroquois RMC was active from the late 1970s through 1987, but has since been dissolved. The Clarksdale Resident Corporation (CRC), formed in 1983, was the second. The HAL has been supportive of the concept of resident management and works closely with the resident group at Clarksdale. However, it maintains tight control and oversight over the RMC's operations.

THE SITE

Clarksdale consists of 728 units in 58 low rise apartment buildings. Much of the surrounding neighborhood consists of dilapidated residential properties. However, there are also several large medical complexes nearby, as well as some newly-built and attractive townhomes.

Originally constructed in 1940, Clarksdale was modernized during the 1980s. This work included adding pitched roofs, and making electrical and plumbing improvements. At the same time, some units were reconfigured to accommodate larger families, reducing the

total number of units at the site by nearly 60. The development is now in fairly good physical condition and has no major modernization needs.

About 93 percent of the residents at Clarksdale are Black, and single parents head about 55 percent of the households. There are no units reserved for elderly people at Clarksdale, but about 14 percent of the residents are elderly. About 26 percent of the households have some income from working, and the average annual household income is about \$4,700, not substantially different from the PHA-wide figure of \$4,900. About 65 percent of the households have lived at Clarksdale for 5 years or less.

HISTORY

The Clarksdale resident group first became active in 1980 over the issue of deteriorating physical conditions at the site. When the resident group raised their concerns with the mayor and the PHA executive director, they were encouraged to contact RMC leaders in St. Louis to find out more about resident management. When the group decided to give resident management a try, a CDBG grant was awarded to fund the resident leaders' initial training.

In 1982 Clarksdale received training to develop basic documents for incorporation. Iroquois Homes was still an RMC at that time, but there was little collaboration between Iroquois and the emerging Clarksdale group.

The Clarksdale Resident Corporation (CRC) was formed on April 1, 1983. It managed the property jointly with Urban Strategies, a nonprofit organization that helped train the resident board members so that they would be able to manage on their own eventually. The CRC's responsibilities were largely the same as for any other public housing manager in Louisville. However, at Clarksdale, unlike at non-resident-managed sites, a resident board oversaw on-site operations. In 1989 the CRC signed a two-year management contract that did not call for Urban Strategies' participation.

The resident leaders reported that the PHA is quite supportive of resident initiatives at Clarksdale. They also reported that resident participation in the CRC is fairly low and that recruiting new board members and building captains has been difficult. In the focus group session, nearly all residents indicated that the board shows a great deal of favoritism, and some alleged corruption. Many indicated that they would like to be involved in resident management, but refuse to have anything to do with the CRC as it currently exists.

THE RMC TODAY

Budget and Staffing

The Clarksdale Resident Corporation has annual operating expenditures of about \$1.2 million, exclusive of utilities. These funds are managed by the PHA, however, with only minimal input from the RMC. The Clarksdale staff consists of 3 administrative, 12 maintenance and 5.5 special programs staff people. The manager and most of the staff are non-resident professionals. In fact, only 3.5 of Clarksdale's 20.5 full-time staff positions (17 percent) are filled by residents.

Management Roles

The RMC sees its role largely as a supervisory one. The residents on the board indicate that they are not concerned with actually running the day-to-day operations of the site, as long as they are in control of the overall direction in which things are moving. They feel that they have obtained the basic level of control they want to have, because the board supervises all activities at the site, and is composed entirely of residents.

The CRC is responsible for the same basic management functions at the site as any on-site manager for any HAL property, including rent collection, occupancy, and unit turn over. However, while the PHA has a centralized maintenance staff for most of its properties, the Clarksdale RMC supervises its own on-site maintenance staff.

Social Services and Economic Development

The Clarksdale RMC is involved in some social service and economic development activities, but not to the extent that many of the other RMCs are. Residents sometimes supervise evening activities for youths at a community center operated by the city, and a board member provides transportation for senior residents. The CRC has also been involved in operating a laundry facility, and residents have worked with a local nonprofit organization to beautify the property with plantings.

LAKEVIEW TERRACE RESIDENT MANAGEMENT FIRM

HIGHLIGHTS

Location	Cleveland, OH
Year RMC Established.	1987
Number of Units	826
Type of Buildings	Low Rise Family, High Rise Elderly
Year Built	1937/1973
Non-Utility Operating Expenses	\$2.2 million (FY 90)
Number of Staff	52 (1991)

THE PHA

The Lakeview Terrace development is owned by the Cuyahoga Metropolitan Housing Authority (CMHA), which operates about 12,500 units of public housing in Cleveland and the surrounding county. Much of the CMHA's public housing stock has deteriorated over the years and is now in need of substantial modernization. The low-cost housing market in Cleveland is relatively soft, and unsubsidized housing prices are somewhat lower than in other parts of the country.

The CMHA is a troubled housing authority and in 1990 a HUD official was cited in The Cleveland Plain Dealer as judging the CMHA to be the second worst PHA in the country, behind Chicago. The CMHA has been confronted with a host of difficulties in recent years, ranging from the indictment of two high-ranking administrators for theft in office and tampering with payroll records, to a rapid turnover in directors.

The CMHA initially opposed the efforts of the Lakeview Terrace resident group to establish resident management. This resulted in minimal levels of PHA support in the RMC's early days -- residents viewed it as outright opposition. The CMHA is now working with three additional emerging RMCs. While the PHA is now playing a more active role in Lakeview Terrace's management through its role in the dual management process currently underway at the site, substantial tension remains in its relationship with the Lakeview Terrace Resident Management Firm (LTRMF).

THE SITE

LTRMF is composed of two adjoining properties situated on the hilly terrain of the bluffs of the Cuyahoga River. Lakeview Terrace is a series of low rise family structures totaling 612 units. The high rise, Lakeview Tower, contains 214 elderly units. The development is isolated from adjoining neighborhoods by a cement company located next to the site and major freeway immediately adjacent to the property.

Overall the development is in relatively poor condition -- particularly the family units. Fully a third of the units are vacant, and many cannot be occupied without substantial

rehabilitation. Large portions of the development are now completely boarded up pending renovations. New roofs were put on in 1989, and windows are scheduled to be replaced this year.

About 88 percent of the residents at Lakeview are Black, seven percent are White and four percent are Hispanic. Elderly people head 36 percent of the households, although only 26 percent of the units are located in the elderly high rise. About 50 percent of the families are headed by single parents. Only 9.5 percent of the Lakeview residents report income from working, and the average annual household income is about \$4,500, about four-fifths of the PHA average of \$5,400. About 80 percent of non-elderly families have lived at Lakeview for five years or less.

HISTORY

The movement toward resident management began at Lakeview in 1983, spurred on by resident dissatisfaction with maintenance and rampant drug problems. A group of residents, tired of conditions at Lakeview, began by seeking PHA assistance to overcome their problems. When they did not receive satisfactory answers from the PHA, the local politicians they turned to for advice suggested that they consider the concept of resident management. The Lakeview residents sponsored a number of events, such as a fish dinner, a car wash and a cabaret party to earn money to send a group of residents to visit the Cochran Gardens TMC in St. Louis.

Once the residents determined that they wanted to pursue resident management, they again approached the PHA. The PHA was not supportive of the idea, however, and did not cooperate with the residents' efforts to establish resident management until both the mayor and HUD headquarters intervened on the residents' behalf. After the PHA agreed to cooperate, the RMF received a \$46,000 grant from the Amoco Foundation to set up a demonstration program. In November 1985, one year after starting negotiations with the CMHA, the RMF signed a management contract.

Lakeview Terrace's initial management contract gave the RMC full responsibility for virtually all management tasks for 18 months. At many other RMCs residents began their management efforts under dual management or received on-the-job training. At Lakeview the residents simply took on managing the property without that type of support from the PHA. The residents noted that because their development is in the midst of a revitalizing area, developers want to acquire the property. Some suggested that CMHA's lack of support may have been due in part to pressure to sell the property to a private developer.

After the period of the initial contract the CMHA was not satisfied with the RMC's performance. In particular there were areas of record keeping and performance on several key management indicators that CMHA did not find satisfactory. In addition, residents had raised a number of ethics issues, such as nepotism and favoritism, which concerned the CMHA. In response to these concerns, the CMHA moved the RMC to a month-to-month management contract in 1987.

THE RMC TODAY

Budget and Staffing

Today the LTRMF has operating expenditures of about \$2.2 million, excluding utilities. There is a staff of 52, 30 of whom (58 percent) are residents. Nine and a half staff positions

are devoted to administrative or financial management tasks, 24.5 to maintenance, 11 to security and 7 to other special programs. The property manager is a non-resident professional who used to work for the CMHA.

Management Roles

Although the RMC is operating under a month-to-month contract, it continues to be responsible for nearly all operations at the site, including maintenance and financial management. However, the CMHA reviews all expenditures carefully to assure that they are legitimate expenses for a public housing development. In 1992, still unsatisfied with the RMC's performance, HUD required and the PHA arranged for staff development for Lakeview's employees, as well as for a period of dual management with a professional management firm. While the RMC will remain under contract with the CMHA under this plan, it shares responsibility for the site's operation with the professional firm.

Social Services and Economic Development

There are a number of social service and economic development projects underway at Lakeview. The social services are largely brought in from outside agencies, rather than operated by the LTRMF. They include a van to get children to kindergarten, Headstart, child care, and a food van. There is also a metro outreach worker stationed at the site.

The board is also extremely interested in economic development activities. They have hired a consultant to work with them on exploring options, and have hired a consulting firm to help them develop several activities. There is a resident-run hair salon on site, a resident-developed and -run convenience store, a moving company, and a construction company. In addition, a number of projects are in the planning stage, including a cable business in which the RMF will have 15 percent ownership.

LE CLAIRE COURTS TENANT MANAGEMENT CORPORATION

HIGHLIGHTS

Location	Chicago, IL
Year RMC Established	1987
Number of Units:	614
Type of Buildings	Low Rise
Year Built:	1954
Non-Utility Operating Expenses	\$1.8 million (FY 90)
Number of Staff	35 (1991)

THE PHA

The Chicago Housing Authority (CHA) is a troubled authority, and at one point was called the worst PHA in the country. It manages 40,000 units, a large proportion of which are in boarded up high rises and in need of major rehabilitation work.

Before the previous executive director took office in June of 1988 (he is still chairman of the board), the CHA went through eight executive directors and five board chairs in seven years, and the organization was said to have been full of corruption. By all accounts he did a good job in a tough situation, and conditions gradually improved during his tenure.

The CHA is actively supportive of the concept of resident management, and is working with six newly-emerging RMCs, as well as with the full-fledged operation at Le Claire Courts. Because of its heavy involvement with resident initiatives, the CHA has organized a team to work with residents groups. This team is comprised of representatives of each CHA department. It ensures that departments remain aware of the needs of the resident groups, and that there is a clear channel for communication with the residents.

THE SITE

Le Claire Courts is a low rise family development on the Southwest side of Chicago near Midway Airport. It consists of 298 federally-funded public housing units and 316 units funded through state and city funds and the Section 8 Moderate Rehabilitation Program. Because the funding sources for the units are different, the budgets for the two parts of the development must be kept separately. However, the RMC manages all of the units jointly.

When it was completed in 1954, the Le Claire site was considered to be one of the nicest in Chicago. Although the development and the surrounding neighborhood have declined substantially since then, many properties around the development have recently undergone renovations, giving a broader community feel to the improvements underway at Le Claire.

Overall, the development is in relatively poor physical shape. The RMC has been making gradual repairs and replacements, such as replacing front doors and screens. But the buildings are still in need of substantial repair, and funding has not yet been obtained to undertake a complete modernization.

Virtually all of the residents at Le Claire are Black, and 66 percent are single parents. There are no units reserved for elderly residents at the site, but 19 percent of the residents are elderly.

HISTORY

The Le Claire resident group became active in 1973 as the Local Advisory Council (LAC). The initial concerns that brought the residents together were issues of needed physical improvements to the site, and a better quality of life for the residents. In 1983 the residents began working with the Clarence Darrow Center, a branch of Hull House, to begin a process of community organizing. This process included training 20 residents as community organizers. This group began considering the possibility of resident management and did research on what resident initiatives already existed. Eventually they visited Washington, St. Louis and Boston to see functioning RMCs. The Amoco foundation provided the residents with a grant to study the feasibility of resident management at Le Claire Courts.

The LAC began seeking resident management status in 1983, and in 1987 it was granted. This made Le Claire Courts the first resident managed development in Chicago. The 13 member board was appointed with help from the local United Way. Board members received training through a contract supported by the National Center for Neighborhood Enterprise. The residents believe that this training was crucial to the development of their management skills, and the group has set ongoing training for new members as a high-priority goal.

In 1987 the PHA provided the RMC with over \$900,000 for repairs and additional management training. That same year the Le Claire RMC signed a dual-management agreement with the CHA, in which the RMC hired six employees to work with PHA staff to obtain on-the-job training. The Le Claire RMC also received a grant through the Amoco Foundation during the NCNE study, and in 1988 received a Technical Assistance Grant of \$100,000 from HUD.

In May of 1989, the RMC began operating the development on its own. While the RMC still reports to the CHA and can call on the CHA for assistance if a problem is beyond their skills, this contract made the RMC responsible for virtually all management functions. They retained several PHA employees with particular skills that the residents did not yet have themselves, but these workers were under the supervision of the RMC.

THE RMC TODAY

Budget and Staffing

Today the RMC has annual operating expenditures of about \$1,800,000 exclusive of utilities. They have a staff of 35, of whom 23 are residents. Ten of their staff members are involved with administrative and financial tasks, 21 do maintenance, and four work on special projects. The manager is a resident who has been trained to manage public housing properties.

Management Roles

The RMC is responsible for virtually all management functions at the site, including financial management and all maintenance work including major systems and capital improvements. The RMC still has five skilled CHA employees on its staff, and they will remain at Le Claire until residents have developed the skills they need to manage on their own. These individuals are paid and supervised by the RMC like all other RMC employees.

Social Service and Economic Development

In addition to fulfilling its management functions, the RMC has begun to address economic development and social service issues. It has committees to deal with education, community development, job readiness and direct placement, and renovation of community areas. The RMC has also begun collaborating with an adjoining middle class Black neighborhood on social service and economic projects.

The RMC has pursued social service and economic development activities largely through cooperation with the Clarence Darrow Center (CDC) (now known as the Le Claire Hearst Community Center). The CDC is a nonprofit social service agency that has been working in the community for 34 years -- long before resident management began there. Because the CDC has expertise in providing social services, the RMC has chosen not to undertake social services and economic development initiatives on its own, but to work with the already-established CDC to assure that the social and economic needs of the community are met.

The CDC board determines what types of initiative are needed for residents, as well as assessing what it is feasible for the corporation to undertake. In order to be responsive to residents, the CDC actively encourages residents to sit on the CDC board. The CDC currently provides a wide range of social services to meet the needs of residents at the Le Claire site. These include Headstart, latchkey and day care programs, counseling and support programs for youths and adults, food assistance, and employment assistance.

The Le Claire Courts RMC is also involved in several economic development activities in collaboration with the CDC. These include a reverse commute transportation service and laundry facilities.

CHAPTER 3

MODELS OF RESIDENT MANAGEMENT

This chapter examines the organization and management functions of RMCs. Our analysis revealed that the 11 RMCs fall into two distinct categories. The first group, which we call *full-service RMCs*, has responsibility for the majority of the sites' management functions. The second group, which we call *managing-agent RMCs*, has responsibility for a much smaller portion of the sites' management functions. In addition to dividing along these functional lines, the managing-agent and full-service RMCs differed with respect to their roots, and their patterns of development. In each component of our analysis we have compared the outcomes for the two groups, which has often revealed striking patterns. As a result, the two models not only help describe the RMCs, but help explain critical evaluation outcomes.

This chapter begins with a description of these two models and explains some of the historical and contextual reasons for the emergence of two distinct types of resident management in public housing. The chapter then describes the organization of the RMCs and differences in staffing levels between the two models. The chapter concludes with an examination of the differences between the specific management functions that are carried out by full-service and managing-agent RMCs.

3.1 FULL-SERVICE AND MANAGING-AGENT RMCs

Full-service and managing-agent RMCs can be distinguished most clearly by differences in the number and types of management functions they carry out. Full-service RMCs operate with a great deal of autonomy and tend to have control over most management functions, including budgeting, procurement and hiring maintenance staff. RMCs that can be classified under this full-service model include:

- Bromley-Heath
- Carr Square
- Cochran Gardens
- Kenilworth-Parkside
- Lakeview Terrace
- Le Claire Courts

In contrast, managing-agent RMCs have responsibility for a narrower range of functions and most often do not have control over financial decisions or hiring maintenance staff. RMCs that can be classified under the managing-agent model include:

A Harry Moore
Booker T. Washington
Clarksdale
Montgomery Gardens
Stella Wright¹

While individual RMCs lie on a continuum between the two poles of this categorization, the RMCs in each group do share a distinct cluster of characteristics

Although full-service and managing-agent RMCs can be most clearly distinguished by the functions they perform, the two groups also tend to differ with respect to the history of their developments and the contexts in which they formed. Moreover, an understanding of these differences provides a basis for interpreting the current structural and functional differences that are discussed in the following sections of this chapter.

The following historical and contextual factors tend to differentiate the two types of resident management corporations.

- Full-service RMCs arose out of grassroots movements, often with little PHA support, while managing-agent RMCs tended to develop with impetus and support from the PHA,
- Full-service RMCs are located mostly in troubled authorities, while managing-agent RMCs tend to be located in better-managed authorities; and
- Full-service RMCs often operate developments that need extensive rehabilitation, while managing-agent RMCs tend to operate developments that are in better physical condition.

Within the full-service and managing-agent categorizations, the RMCs tend to share commonalities with respect to these factors. These categorizations, however, are not completely consistent. In particular, Stella Wright, which is classified as a managing-agent RMC based on its level of responsibility for management functions, shares a history that is more typical of full-service RMCs. This suggests that while certain events in an RMC's formative stages may tend to lead to a particular management model, other factors come into play that may cause unexpected results.

3.1.1 Grassroots Origins

As described in Chapter 2, the movement that established the first resident management corporations grew from the bottom up. Residents united in their demand for change and worked together to convince PHA management and HUD authorities that they could make resident management work. The common dissatisfaction residents felt not only brought them together but provided the drive needed to form the new RMC organizations. Good examples of this phenomenon are Carr Square and Cochran Gardens in St. Louis where, as discussed in Chapter 2, residents began their movement toward self-

¹ Stella Wright is classified as a managing-agent RMC, although it performs fewer functions than the rest of the managing-agent RMCs. It has responsibility for most of the occupancy functions, but is not involved in the site's maintenance functions.

management through a prolonged rent strike. In fact, all of the full-service RMCs developed through similar sorts of grassroots processes.

In contrast, all of the managing-agent RMCs (with the exception of Stella Wright) developed out of a more institutional, top-down process. While the resident groups had to show an active interest in resident management, it was the PHA that solicited the funds in the first place. Once the experiences and successes of the pioneering RMCs became well-known, PHA directors and local political figures in other cities joined the cause of resident management and began efforts to encourage their public housing residents to organize. While the residents of these developments expressed genuine interest in the concept of resident management, faced conditions they were eager to remedy, and participated actively in the process of establishing their RMCs, much of the impetus toward resident management came from the PHA. A good example of this top-down approach is the experience of the RMCs in Jersey City. Officials of the Jersey City PHA succeeded in obtaining funding to promote resident management in several of its developments.

3.1.2 Troubled Authorities

All of the full-service RMCs developed in troubled authorities that have remained troubled, while the managing-agent RMCs (again except for Stella Wright) developed in PHAs that may have been troubled, but were improving and are now fairly well run. As described in Chapter 2, one of the main reasons the early RMCs formed was to remedy poor housing conditions. Thus, it is not surprising that such organizations would have tended to develop in troubled authorities, where developments were likely to be in poor physical condition.

All of the full-service RMCs are located in PHAs that were troubled and have remained so, and whose executive directors at the time the RMC originated did not embrace the concept of resident management. In contrast, most of the managing-agent RMCs are located in authorities that were troubled, but have been able to improve conditions for all of their residents, including those at RMC sites. In addition, these PHAs tended to have more supportive executive directors. At the same time, PHA officials at the better-run authorities often had somewhat less serious financial constraints and fewer crises to manage. As a result, they may have been able to devote more time to promoting resident involvement in management.

3.1.3 Condition of the Development

Another trait that distinguishes the two RMC models can be found in the condition of the developments. The RMC sites that have followed the full-service management model are generally in poor physical condition. Nearly all of the full-service RMCs need extensive modernization. Cochran Gardens received some modernization in the early 1980s but needs additional work. Kenilworth-Parkside is currently undergoing major renovations; however, the rest of the full-service RMCs are in need of extensive modernization.

In contrast, the properties at most of the managing-agent RMC sites are in fairly good condition. Again, this was not necessarily true when these RMCs first formed. Clarksdale was completely rehabilitated in the 1980s and is in good condition today. The Jersey City sites have been fairly well maintained and have received substantial amounts of modernization funding over the years the RMCs have been in existence. Although they could still benefit from additional modernization, these sites are in better shape than most of the full-service RMC sites. Of the managing-agent RMC sites, only Stella Wright is in need of substantial rehabilitation.

3.1.4 Implications

The models of development outlined here are based on observations of the history of the 11 resident groups included in this evaluation. It does not imply that all resident groups in a troubled PHA must begin with an adversarial relationship with the PHA, nor does it imply that a group in an untroubled PHA cannot form a full-service RMC. With the development of so many new resident organizations under the TAG program and a new emphasis on PHA support of resident initiatives, new models may well emerge. However, the relatively striking differences between the histories of the two models of management observed here is worth noting and may prove useful in assessing the reasons for differing rates of progress toward full management in newer RMCs.

3.2 ORGANIZATIONAL STRUCTURE OF AN RMC

Full-service and managing-agent RMCs share a core organizational structure. As Exhibit 3-1 indicates, the RMC organizations are typically led by a volunteer board. This board oversees all operations at the site, including the activities of the:

- paid staff;
- volunteers;
- social service providers; and
- consultants.

The remainder of this section describes the roles of each of the players in the RMC structures that is similar to the structure for PHAs and many other public and private organizations.

3.2.1 Boards

The RMC board is responsible for seeing that the site is managed according to the management contract negotiated with the PHA. In some cases the board appoints a Chief Executive Officer (CEO) to oversee management operations, and in some cases the board supervises the manager directly. In a few cases the same person has served as the board chair and the CEO, although HUD has taken action to eliminate this practice.

Boards are structured in a variety of ways at the different RMCs. As Exhibit 3-2 indicates, boards range in size from four members at Carr Square to 18 members at Bromley-Heath and Booker T. Washington. While there are several exceptions, full-service RMCs tend to have smaller boards than do managing-agent RMCs. At most sites, board members are elected. At some, representatives are selected geographically, with equal representation from each building or area. At others, there is a general election with all residents choosing from among a slate of candidates. At Le Claire Courts the initial board was not elected, but appointed with the help of the local United Way.² At Bromley-Heath, 12 of the 18 board members are elected, but the remaining six are chosen by the elected members. They are often non-residents who bring particular skills to the board, such as architectural or financial knowledge.³

² The first general election will be held in 1992.

³ Regulations issued recently stipulate that board members must be residents, and HUD is notifying the RMC that it must correct this situation.

Exhibit 3-1
TYPICAL RMC ORGANIZATIONAL STRUCTURE

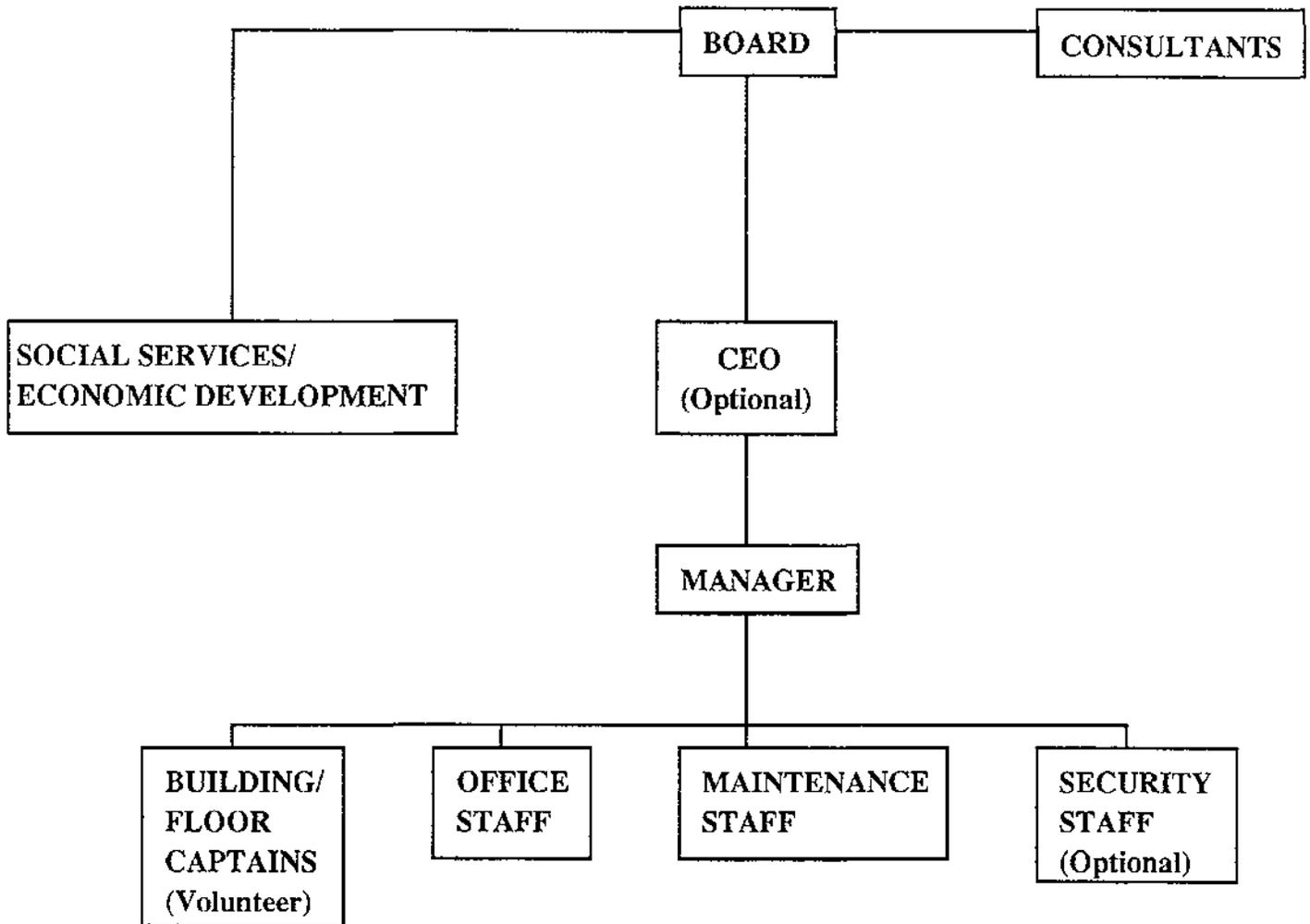


Exhibit 3-2

BOARD CHARACTERISTICS

	Number of Board Positions	Number of Vacant Board Positions	Non-Resident Board Members	Stipends	Elections
FULL-SERVICE RMCS					
Bromley-Heath	18	0	Yes ¹	No	12 residents elected every 2 years; 6 non-residents appointed by board elections every 2 years; staggered terms
Carr Square	4	0	No	No	Staggered terms; every 2 years
Cochran Gardens	5	0	No	No	Every 3 years
Kenilworth-Parkside	5	0	No	No	Every 4 years ²
Lakeview Terrace	8	3	No	No	No regular schedule. Last election held in 1992.
Le Claire Courts	13	3	No	No	Yes, not on a regular schedule. Original board appointed At the time of site interviews, the first elections were expected in 1992
MANAGING-AGENT					
A Harry Moore	14	7	No	No	Every 2 years to fill vacant seats
Booker T. Washington	18	0	No	No	Every 3 years
Clarksdale	5	1	No	Yes	Yes, theoretically, although most recent members were recruited by board
Montgomery Gardens	12	0	No	No	Every 2 years to fill vacant seats
Stella Wright	14	7	No	No	Every 3 years to fill vacant seats

¹ HUD is following up to ensure that only residents hold board positions to comply with regulations.

² HUD is following up to ensure that elections will be held every 3 years to comply with regulations.

The RMCs differ in terms of how often elections are held and who is eligible to vote. At most of the sites, elections are held every two to four years. A few of the sites have rotating terms to stagger the impact of turnover should there be significant competition for board positions. The definition of who is eligible to vote ranges from all leaseholders, to residents 16 years and over, to leaseholders in good standing.

All of the boards have committees that cover areas such as.

- maintenance,
- personnel and grievances,
- social services and economic development,
- financing and fund raising;
- redevelopment and rehabilitation;
- training, and
- planning.

At most of the RMCs, the committees are made up of board members. At some, such as Bromley-Heath, the committees are chaired by board members and interested residents may serve as a voting member of committees. RMC board meetings at most of the sites are open to all residents, but as a general rule, non-board members do not take the opportunity to sit in on those meetings. Board members generally do not receive financial compensation for their time, but those at Clarksdale receive stipends of up to \$350 per month, depending on their level of experience and their tenure with the board. Other sites have had stipends for board members in the past and have since eliminated them.

At all of the sites, board membership has been extremely stable. In general, new members join the RMC boards only to replace a former member who has died or left the development. RMCs reported very little competition for board positions during elections. A few RMCs reported that some board members had resigned under pressure. At Le Claire Courts this was due to significant differences of opinion with the board chair, while at Clarksdale it was due to suspected corruption.

3.2.2 Paid Staff

The day-to-day work of the RMCs is carried out by paid staff members and a certified property manager. While the manager often participates in PHA reporting activities and meetings (as would any other PHA property manager), the manager is ultimately responsible to the RMC board. The property manager, in turn, supervises the office and maintenance staff. The maintenance staff usually has a maintenance supervisor who reports to the manager, while the admissions and occupancy staff generally report directly to the manager. In sites that have a paid security staff, the security chief usually reports to the manager as well.

Exhibit 3-3 presents information about RMC staffing patterns. It reveals that staffing ratios vary widely, from 45 per 100 occupied units at Kenilworth-Parkside to less than three

Exhibit 3-3

RMC STAFFING PER 100 OCCUPIED UNITS

	Administration	Financial	Maintenance	Security	Special	Total ¹
FULL-SERVICE RMCs						
Bromley-Heath	1.4	0.2	5.4	1.7	0.2	8.9
Carr Square	2.5	0.5	3.3	2.5	8.2	16.9
Cochran Gardens	1.3	0.2	4.7	0.7	1.0	7.9
Kenilworth-Parkside	4.7	0.9	12.3	0.0	27.4	45.3
Lakeview Terrace	1.3	0.5	4.5	2.0	1.3	9.6
Le Claire Courts	1.5	0.2	3.5	0.0	0.7	5.8
MANAGING-AGENT RMCs						
A Harry Moore	1.2	0.0	3.4	0.0	0.3	4.9
Booker T Washington	1.0	0.0	2.6	0.0	0.5	4.0
Clarksdale	0.4	0.0	1.7	0.0	0.8	2.8
Montgomery Gardens	1.4	0.0	4.6	0.0	0.6	6.5
Stella Wright	1.2	0.0	3.6	0.0	0.1	4.8

¹ Columns do not add to totals due to rounding.

per 100 occupied units at Clarksdale ⁴ In general, full-service RMCs have more staff per occupied unit than do managing-agent RMCs.

One of the principal reasons for the difference between full-service and managing-agent ratios is the number of functions for which their staffs are responsible For example, the full-service RMCs with the highest overall ratios also have high ratios in the "special" category These are generally employees involved in providing social services, a function taken on to a far greater extent by full-service than by managing-agent RMCs Full-service RMCs also have more maintenance staff per occupied unit, which is consistent with the greater degree of responsibility for maintenance functions they have undertaken.

Other factors that may affect staff sizes include the number of vacant units at the development For example, because Kenilworth-Parkside is being modernized, only a small portion of its units are occupied Because they have kept on as many of their pre-modernization staff as possible, this raises their per occupied ratios far above their normal rates A more detailed examination of staffing ratios is presented in Chapter 4.

To some, "resident management" may seem to be synonymous with "resident staffing." However, as shown in Exhibit 3-4, most RMCs rely on both resident and non-resident workers As described in Chapter 2, the Carr Square RMC has an explicit policy against hiring non-resident staff, workers who wish to leave the Carr Square developments are required to forfeit their jobs At the remaining sites, however, RMCs use a mix of both resident and non-resident labor, ranging from a low of 17 percent at Clarksdale to a high of 77 percent at Kenilworth-Parkside

In most RMCs, the property manager -- who reports directly to the Board chair -- is a resident of the development, however, Lakeview Terrace recently replaced its resident manager with a non-resident (a former employee of the PHA) in an effort to address perceived management problems at the development. Another site -- the Clarksdale RMC -- has always employed a non-resident manager

RMCs generally view the issue of resident employment in fairly pragmatic terms. While most would prefer to hire residents, their first priority is to ensure that the development is well run Non-residents are often used in positions which require relatively specialized technical skills or expertise Thus, for example, Kenilworth-Parkside recently hired a non-resident to run their substance abuse program, however, residents have been hired to work with the specialist and receive on-the-job training.

3.2.3 Floor and Building Captains

As described in Chapter 2, several of the earliest RMCs used floor captains (also known as building captains, lane captains, or block captains) and lobby monitors as one of the keystones for restoring order at the properties This system is still in place today at most RMC sites Only the Lakeview Terrace family development and Le Claire Courts have no building captain systems.

⁴

$$\text{Maintenance Staff Per 100 Occupied Units} = \frac{\text{Number of Maintenance Staff at End of FY90}}{\text{Number of Occupied Units at End of FY90}} * 100$$

Exhibit 3-4

RESIDENT STAFF

	Total Staff	Resident Staff	Percent Residents
FULL-SERVICE RMCs			
Bromley-Heath	51	28	55%
Carr Square	62	62	100%
Cochran Gardens	48.5	13	27%
Kenilworth-Parkside	48	37	77%
Lakeview Terrace	52	30	58%
Le Claire Courts	35	23	66%
MANAGING-AGENTS RMCs			
A Harry Moore	32	24	75%
Booker T. Washington	12.5	5.5	44%
Clarksdale	20.5	3.5	17%
Montgomery Gardens	28.5	18	63%
Stella Wright	36.5	10	27%

The responsibilities of floor and building captains vary among the sites. Generally they are responsible for being an easily accessible point of contact for residents with complaints or comments. Often they help distribute flyers, get the word out if there are meetings to attend, provide information about new rules, and generally serve as information sources. In many cases they also watch for problems in common spaces, report problems to the maintenance staff, and serve as voices for input to the RMC about ongoing resident concerns. At some sites, such as Cochran gardens, the floor captains are also expected to help keep halls clean and graffiti washed down.

These positions are unpaid today in many sites. At some sites such volunteers receive rent reductions. At others, drug elimination grant money is being used at RMC sites and, as part of that funding, building and floor captains are now receiving a stipend. It is often difficult to find people to volunteer for the captain positions, particularly in sites without stipends. Many residents perceive the volunteer positions as too much work to take on without some compensation.

3.2.4 Social Service Providers

Social service and economic development providers generally operate outside of the core management structure. While at some sites the manager oversees these activities, more often it is the board that helps structure or bring in the activity, and then takes responsibility for overseeing its operation on site. Social service and economic development staff may be paid by the RMC, may be volunteers, or may be paid through outside organizations. Those that work for other organizations do not answer to the RMC, but generally spend time coordinating with the board on programming issues. The provision of social services at RMC sites is discussed in more detail in Chapter 7.

3.2.5 Consultants

Finally, the board may hire consultants to provide expertise the RMC does not have in-house. Most often consultants are hired to provide training of some kind, and most of the training to date has been for board members. In some cases, however, consultants have been hired to perform specific tasks for the organization, for example, helping the RMC develop plans for economic development activities. In almost all cases the consultants report to the board.

Like a number of PHAs, the RMCs have also hired consultants to provide training and technical assistance. RMCs have most commonly used consultants to provide training on organizational development, community organizing, and running effective meetings. Some received assistance from consultants as part of a demonstration project, where the consultants and topics were chosen by an outside organization. Others have hired consultants to assist with tasks or training on an ongoing basis. Still others have hired consultants to help with single topic areas for a discreet training period. Funds to hire consultants have come from sponsoring organizations, grants, or from the PHA or RMC operating budgets.

3.3 FUNCTIONS OF AN RMC

While the core organizational structures of the RMCs are quite similar, the activities they carry out on a daily basis vary widely. Therefore, it is critical to examine the concrete management functions RMCs perform. This section describes these management functions and the significant differences that exist between full-service and managing-agent RMCs in the number of these functions that they carry out.

For purposes of this analysis, individual management functions have been classified into seven broad categories, including:

- personnel,
- resident screening;
- lease enforcement,
- financial management;
- security;
- property maintenance; and
- procurement

Within each of these broad categories, we have identified specific responsibilities or tasks associated with the performance of that function. We have also determined the extent to which the RMC bore primary responsibility for each of the identified functions. Such determinations were based on interviews with both PHA and RMC staff, as well as reviews of the RMCs' management contracts. Exhibit 3-5 summarizes these findings.

Exhibit 3-5 also presents the average number of functions full-service and managing-agent RMCs perform in each function area. Resident screening is the only area in which the two groups have the same average level of responsibility. The function areas in which the average number of functions performed differ most include financial management and procurement, where managing-agent RMCs have substantially less responsibility than do full-service RMCs. Managing-agent RMCs also have a lower average level of responsibility for security and maintenance functions.

Exhibit 3-5

PRIMARY RESPONSIBILITY FOR PROPERTY MANAGEMENT FUNCTIONS

	Managing-Agent Sites						Full Service Sites						
	A Harry Moore	Booker T Washington	Clarksdale	Montgomery Gardens	Stella Wright	Avg ^d	Bromley-Heath	Carr Square	Cochran Gardens	Kenilworth-Parkside	Lakeview Terrace	Le Claire Courts	Avg ^d
A. PERSONNEL													
Hire and Supervise Management Staff	X	X	X	X	X	20	X	X	X	X	X	X	30
Hire Maintenance Staff			X				X	X	X	X	X	X	
Supervise Maintenance Staff	X	X	X	X			X	X	X	X	X	X	
B. RESIDENT SCREENING													
Take applications ^b													
Screen applicants	X	X	X	X	X	38	X ^c	X	X	X	X	X	38
Make unit assignments	X	X	X	X	X		X	X	X	X	X	X	
Resident certifications													
Resident recertifications	X ^d	X ^d		X ^d	X		X	X	X	X	X	X	
Resident orientation ^e	X	X	X	X	X		X	X	X	X	X	X	
C. LEASE ENFORCEMENT													
Rent collection	f	f	X	f	f		X			X		X	
Billing							X		N/A				
Monitor TARs	X	X	X	X	X	30	X	X	X	X	X	X	38
Enforce rules	X	X	X	X	X		X	X	X	X	X	X	
Evictions	X	X	X	X	g		X	X	X	X	X	X	
Legal work							X						
D. FINANCIAL MANAGEMENT													
Prepare operating budget ^h			X			02	X	X	X	X	X	X	30
Payroll							X	X	X	X	X	X	
Accounts payable							X	X	X	X	X	X	
E. SECURITY													
Provide personnel			i		i	10	X	X	X	X		X	20
Coordinate with police	X	X	X	X	X		X	X	X	X	X	X	
F. MAINTENANCE													
Annual unit inspections	X	X	j	X	X	22	X	X	X	X	X	X	35
Take work order	X	X		X			X	X	X	X	X	X	
Regular maintenance	X	X	X	X			X	X	X	X	X	X	
Extraordinary maintenance							X		X		X	X	
G. PROCUREMENT													
Maintain inventory	X	X	X	X		08	X	X	X	X	X	X	30
Purchase supplies							X	X	X	X	X	X	
Solicit bids							X	X	X	X	X	X	
TOTAL	14	14	14	14	9	130	25	21	21	23	20	22	220

X = RMC, Blank = PHA

^a Average number of functions performed by RMCs

^b Some RMCs can accept an application on site, but the PHAs have primary responsibility for processing applications

^c The criteria Bromley-Heath can use to reject applicants are extremely limited

^d Recertification performed by PHA employee, but supervised by RMC

^e RMCs are assumed to have primary responsibility if they conduct an orientation session, even if the PHA conducts one separately

^f Rents may be collected by the RMC under certain circumstances (e.g., residents in arrears)

^g May help with lock outs and presenting evidence at court proceedings

^h RMC sites without primary responsibility provide input in the budgeting process

ⁱ Primary police protection provided by local police

^j Clarksdale does a housekeeping inspection, but the PHA performs an HQS inspection

Full-service sites take on a wide variety of functions. All of these sites have responsibility for financial management and for procurement, but there are some differences between sites

- Bromley-Heath has control of most management functions at the site. The only area in which it does not have control is screening applicants.
- Carr Square and Cochran Gardens do not handle rent collection or billing, and do not do their own extraordinary (emergency) maintenance or systems maintenance, but otherwise take responsibility for all of the sites' management functions.
- Kenilworth-Parkside has been responsible for all functions except for extraordinary maintenance, and is taking on that responsibility as well, as its units convert to homeownership.
- Lakeview Terrace takes care of all management functions except for billing, rent collection, and extraordinary maintenance.
- Le Claire Courts takes responsibility for most management functions, but is not responsible for billing or resident income recertifications

In contrast, the managing-agent sites take on fewer responsibilities, particularly in the area of financial management. The main responsibilities they take on are in the areas of resident screening, lease enforcement and maintenance. Stella Wright has the fewest responsibilities, taking on only some resident selection and lease enforcement functions, such as resident screening, orientation, rule enforcement, and follow-up on tenant accounts receivable (TARs).

The following sections briefly describe the various functions we examined, and provide additional details on the ways in which these functions were performed at the sites.

3.3.1 Personnel

Hire Management and Maintenance Staff

All of the RMCs are responsible for hiring and supervising their own administrative staffs. In contrast, only seven have maintenance workers on their payrolls. Six of the seven are full-service RMCs. All of the managing-agent sites except for Clarksdale use maintenance staff hired by the PHA. While the Clarksdale RMC hires its own staff members, the number of maintenance staff it may hire is determined by the PHA, and its hiring decisions are subject to PHA approval.

Supervise Staff

The seven RMC sites that hire their own maintenance staffs also supervise them. All of the sites that use PHA staff for maintenance are also responsible for supervision, with the exception of Stella Wright. At Stella Wright, the maintenance workers, who are employees of the PHA, report to the PHA maintenance supervisor.

3.3.2 Resident Screening and Selection

Take Applications

HUD regulations require PHAs to have centralized waiting lists. In general, this means that all applications are taken by the PHA. Occasionally an RMC may physically accept an application, but it is immediately added to the PHA's list and processed centrally. Thus, none of the RMCs are responsible for maintaining waiting lists and processing applications.

Screen Applicants

Applicant screening tasks are generally divided between the PHA and the RMC, and nearly all of the RMCs have some role in the process. At all of the sites the PHA does an initial screening to assure that applicants qualify for the public housing program in terms of income and household size. Most PHAs also do additional screening to verify rent payment history, criminal records, or previous residency in a PHA development. Once this basic screening is completed, the applicant file is sent to a site with a vacancy of the appropriate size for placement. At most non-RMC sites, managers do little additional screening, and simply notify the household that a unit is available.

In contrast, most RMCs do additional screening when they receive a file from the PHA. This screening generally takes the form of home visits, which are designed to assess the prospective resident's housekeeping habits, control over children, and personal habits. The RMCs are not permitted to develop screening rules that differ from the PHAs'. However, they are permitted to enforce the existing rules vigorously. RMCs also use the home visit as an opportunity to tell prospective residents about the RMC concept and to convey their expectations for resident behavior and participation at the RMC site.

Bromley-Heath is able to do only minimal resident screening because the entire Boston Housing Authority is under court order to remove any potential for bias from its resident selection and assignment process. To comply with this order, the selection and screening process in Boston has been highly centralized, although Bromley-Heath retains the authority to reject applicants approved by the PHA if they find good cause to do so.

Resident Certifications

HUD regulations require PHAs to certify that all applicants for public housing meet certain income guidelines before they are accepted. None of the RMCs have responsibility for this management function. Because the applicant pools are centralized, the PHAs must do the same income certification procedure for all applicants, regardless of whether they are eventually referred to an RMC or a traditionally-managed development. Thus, PHAs do not send a file to any site, including the RMCs, unless they have verified that the household's income qualifies it to live in public housing.

Resident Recertifications

Once households live in public housing, they must have their incomes recertified annually to assure that their rent payments have been adjusted to reflect any change in resources over the course of the year. All of the RMCs except Le Claire Courts and Clarksdale have responsibility for annual income recertifications. The three Jersey City sites -- A Harry Moore, Booker T. Washington, and Montgomery Gardens -- have PHA employees

who conduct the recertifications, but the RMC director retains the ultimate responsibility for seeing that the recertifications are completed and for reviewing the accuracy of that work.

At Clarksdale, the PHA has retained control over this function because of its fear of the legal implications if the RMC were to make any errors in this function. In contrast, the Le Claire Courts RMC has asked the PHA to take responsibility for recertifications because it does not want to put its resident staff in the position of having to police friends' and neighbors' incomes.

Orientation

All of the RMCs do some orientation for new residents. Although the PHAs have standard orientation sessions, RMCs add their own orientations to the process. Most RMCs go over the resident lease in detail with the residents to be sure they understand all of its clauses, discuss house rules, talk about resources available through the RMC, and discuss the concept of resident management at their own orientation sessions.

3.3.3 Lease Enforcement

Billing

Most of the PHAs have automated rent billing systems. Residents receive monthly bills to reflect rent charges that vary with changes in household income, excess utility charges, and charges for damage to the units. Only the PHA in Washington D.C. reports no system for billing residents on a regular basis. Because the PHAs generally have automated billing systems, most of the RMC sites leave billing to the PHAs. Bromley-Heath, which has hired a financial service to oversee its rent collection, is the only RMC that takes responsibility for this function.

Rent Collection

Four of the RMCs -- Bromley-Heath, Clarksdale, Kenilworth-Parkside and Le Claire Courts -- have responsibility for collecting rents from their residents, usually by having the manager collect the rents to deposit with the PHA. The remaining sites are not involved in the normal rent payment process. Residents at these sites either pay their rents at a public location, such as a bank or supermarket, or send their payments to a lock box established by the PHA. Whether or not the RMC is responsible for collecting the rents, payments are deposited directly to a bank account that is not accessible to the RMC, and the PHA provides the RMC with the agreed upon monthly payment.

Monitor Tenant Accounts Receivable

All of the RMCs are responsible for following up with households that are delinquent in paying their rent. The PHAs send lists of those recorded as delinquent on their rents to the RMCs on a regular basis. RMCs then use property managers, board members or both, to call in residents who are delinquent to provide counseling. Resident managers and board members often know their residents well enough to assess the reason for the late payment, and to work with the households to get them over a temporary financial crisis, to improve their ongoing budgeting skills, or to face issues such as drug abuse that may interfere with timely rent payment. Managers at non-resident managed sites may also try to work with residents who are behind in rent payment. However, this is one of the functions often considered most beneficial for an RMC to carry out because fellow residents are viewed as

better able than non-resident managers to talk to those who are behind in their rents and to find ways to work out repayment agreements.

Enforce Rules

RMCs all have the primary responsibility for enforcing their developments' rules. At many of the sites, residents have developed their own rules in addition to the standard PHA regulations. Many of them have fines for noncompliance and enforce them vigorously. For example, at Clarksdale residents are required to maintain their own yards. If a resident does not do so, RMC leaders point out the problem to the resident, and if it is still not taken care of, levy a \$25 fine. In some cities, RMCs are not permitted to add rules beyond those determined to hold for all public housing residents. For example, the Cochran Gardens RMC attempted to establish fines for verbally harassing management staff, but were overruled by the PHA, which determined that the criteria were too subjective, and not consistent with the practice at other sites.

Evictions

All RMCs except Stella Wright initiate evictions and help gather evidence to present in court. Most are also available to assist law enforcement authorities with the physical eviction of the household, should that become necessary.

Evictions can be initiated for failure to pay rent or for lease violations. In cases of lease violations, the RMC is in a position to document the infraction and to begin proceedings. In most cases, RMCs are responsible for documenting the problem and the attempted solutions, and providing support for PHA lawyers, who actually prosecute the case. Resident testimony is reportedly extremely convincing, since those testifying are neighbors who have to live with the inappropriate behavior.

In the case of failure to pay rent, PHA practices vary. In some PHAs, clear rules determine when to start eviction proceedings for nonpayment of rent. For example, Louisville has a well-enforced policy that any household that is late with their rent payments four times within a twelve month period will be evicted. At other PHAs, the decision to start eviction proceedings is left to the discretion of the site manager, whether it be an RMC or a traditional manager. In still others, such as the Department of Public and Assisted Housing in Washington D.C., the PHA's legal staff has such a large backlog of cases that eviction proceedings are rarely begun.

3.3.4 Financial Management

Prepare Operating Budget

All but four of the RMCs prepare an operating budget to submit to their PHAs. Only the Jersey City sites -- A Harry Moore, Booker T Washington and Montgomery Gardens -- and Stella Wright do not prepare an operating budget, and even at these sites residents are able to have some input to the PHA about how the operating budget should be structured.

Payroll

All of the full-service sites have their own payrolls, with staffs working directly for the RMC. The payroll for the rest of the RMCs is paid for through the PHAs, and although supervised by the RMC, staff members are technically PHA employees.

Accounts Payable

While all RMCs are required to document their expenditures to assure that federal funds are used only for legitimate expenses, some have the authority to make routine expenditures on their own, some need PHA approval for all expenses but pay their own bills, and some have the PHA manage their accounts payable for them

All of the full-service sites except for Lakeview Terrace pay their own bills with no regular item-by-item approval from the PHA. At Lakeview Terrace the RMC submits purchase orders to the PHA, which reviews the charges to assure that they are acceptable, and then provides the RMC with a lump-sum check for the amount needed to pay its bills. In the remaining sites the RMC submits vouchers to the PHA and the PHA actually pays the bills.

3.3.5 Security

Provide Personnel

All of the full-service sites except Kenilworth-Parkside provide their own security personnel. The rest of the sites rely on the PHA's security systems, or have no regular security outside of the police protection provided by the city.

Coordinate with Police

All of the RMC organizations coordinate directly with their local police precincts. This can involve simply making regular contact with the precinct, holding meetings with residents, or providing police with information -- for example to help with drug busts.

3.3.6 Maintenance

Annual HQS Unit Inspections

All of the RMCs except for Clarksdale are responsible for performing annual Housing Quality Standards (HQS) unit inspections. These inspections are required by the PHAs to assure that all of the units in the development meet minimum code requirements. Many RMCs also perform a Housekeeping Inspection, which is designed to help keep unsanitary housekeeping practices from getting out of hand and having an impact on neighboring units. Clarksdale does only a housekeeping inspection, and the PHA is responsible for the HQS inspection.

Process Work Orders

All of the RMCs except for Clarksdale and Stella Wright process work order requests for their properties. At Clarksdale the requests are received at a central work order center used for the entire PHA, but orders for Clarksdale are separated out and provided to the RMC maintenance staff to perform. At Stella Wright PHA staff take care of maintenance, so the work orders are not passed on to the RMC.

Regular Maintenance

Regular maintenance includes a range of functions such as filling work orders, preparing vacant units, maintaining the grounds and performing janitorial duties. All of the

RMCs except Stella Wright perform these functions, although as noted earlier, most of the managing agent sites use staff who are technically employees of the PHA.

Extraordinary Maintenance

Three of the full-service RMCs -- Bromley-Heath, Kenilworth-Parkside, and Le Claire Courts -- are responsible for their own extraordinary maintenance. Carr Square and Cochran Gardens are working to obtain control over these functions in the near future. All of the managing-agent RMCs have contracts that provide that the PHA will perform extraordinary maintenance as needed, usually at some cost to the RMC.

3.3.7 Procurement

Maintain Inventory

Managing and maintaining a large rental property efficiently requires that some basic supplies be kept on hand, but that the storerooms not be overstocked. This function involves determining what is needed and when, while the actual purchasing is analyzed as a separate function. All of the RMCs except for Stella Wright are responsible for maintaining their own inventory of supplies.

Purchasing

Once RMCs determine what supplies are needed, those supplies must be purchased. All of the full-service RMCs are responsible for purchasing items themselves, including determining what items to purchase, where, and at what price. The managing-agent RMCs that maintain their own inventories report the items they need to the PHA, which does the actual purchasing and charges the costs to the RMC budget.

Soliciting Bids

For larger purchases, federal regulations require a formal bidding process. The full-service RMCs, which are all responsible for their own purchasing, solicit bids on their own as well. The managing-agent RMCs depend on the PHA for their bid solicitations.

3.4 SUMMARY

This chapter has described how the RMCs included in the study fell into two relatively distinct categories. The first group -- *full-service RMCs* -- took responsibility for the majority of the management functions at their sites, including maintenance, rent collection, and financial comparison. These RMCs included Bromley-Heath, Carr Square, Cochran Gardens, Kenilworth-Parkside, Lakeview Terrace and Le Claire Courts. The second group -- *managing-agent RMCs* -- took responsibility for only some functions at their sites, generally for maintenance, but not for financial management. These RMCs included A. Harry Moore, Booker T Washington, Clarksdale, Montgomery Gardens and Stella Wright.

In addition to this distinction in the types of activities undertaken, full-service and managing-agent organizations tended to have distinct types of backgrounds. In particular, most of the full-service groups originated from grass roots movements and from an adversarial relationship with their PHAs (although many of these PHAs have new executive directors who are supportive of the resident groups). In contrast, managing-agent groups tended to originate with substantial encouragement from their PHAs, and have historically had

more collaborative relationships. In addition, all of the full-service RMCs are located in PHAs designated as troubled by HUD, while most of the managing-agent RMCs are located in authorities that were troubled when the RMC groups formed, but are now relatively well-run. Finally, the full-service RMC developments tend to need extensive modernization and rehabilitation, while most of the managing-agent RMCs are located in sites that have been restored to relatively good repair.

Not all of the full-service RMCs began with extensive management responsibilities. For example, Carr Square and Cochran Gardens originally signed contracts that gave them control over only a few management functions, and have negotiated for more control in subsequent contracts. In contrast, several of the Jersey City managing-agent sites have expressed some interest in taking on additional management responsibilities, such as financial management, but perceive a need for additional training before they pursue such a goal. This suggests that there is insufficient evidence to conclude that historic conditions at a site cause an RMC to undertake a particular model of management. However, the close correlation between these conditions and the types of RMCs that have evolved suggests that the RMCs' origins and relationships with their PHAs may have had a significant effect on the models of management under which they now work.

This chapter has also outlined the typical organizational structure of most RMCs, and their staffing levels. While organizational structures did vary somewhat, in general boards, paid staff, volunteers, outside organizations and consultants played similar roles in sustaining each of the RMCs. Surprisingly, the percent of the paid staff made up of residents varied widely, from as low as 17 percent at Clarksdale to as high as 100 percent at Carr Square.

This chapter concluded with an examination of the specific management functions carried out by the RMCs, and the ways those functions varied between full-service and managing-agent RMCs. In particular, it examined RMC roles in seven broad categories, including personnel, resident screening, lease enforcement, financial management, security, property maintenance and procurement. The findings of this section support the classification system of RMC groups into full-service and managing-agent categories.

CHAPTER 4

MANAGEMENT PERFORMANCE INDICATORS

This chapter examines the effectiveness of RMCs as property managers based on a series of traditional management performance indicators. These indicators, most of which are used by HUD as part of its on-going efforts to monitor PHAs, reflect the performance of RMCs with respect to:

- work-order processing;
- maintenance staffing;
- annual HQS inspections;
- resident turnover;
- vacancy rates,
- resident recertifications, and
- tenant accounts receivable (TARs).

Although we requested information for the last five fiscal years in order to examine trends over time, only a few of the sites were able to provide these data. As a result, data presented in this chapter describe performance in FY 1990 only, the most recent year available when the data were collected.

For the two newest RMCs -- Lakeview Terrace and Le Claire Courts -- management performance may have been affected somewhat by PHA performance before the RMC took over. This is particularly true for indicators such as work order backlog, vacancy rates, and possibly Tenant Accounts Receivable. For most sites and indicators, however, the historical management of the site should not affect current performance. Particularly for those sites that have been managing for some time, the PHA performance legacy should no longer be relevant, except in terms of the condition of the property the RMC had to work with. In addition, many of the indicators -- specifically work order processing, inspections, recertifications, and turnovers -- reflect performance within a given year and are independent of previous years' performances.

For each performance indicator considered in this section, the outcome achieved at each RMC is compared to two different standards: (1) the outcome achieved at the PHA at large excluding the RMC, and (2) the outcome achieved at the control development. Differences that are statistically significant with a 10 percent confidence interval are identified by a plus (+) or a minus (-) in the accompanying charts.¹ A positive rating indicates superior

¹ Statistical significance tests could be performed for all performance measures except amounts delinquent. We defined each unit (for vacancy rates), occupied unit (for inspections, moveouts, and work order backlog), household (for recertifications and delinquent accounts), or work order submitted (for work order completions) as a separate observation in a sample from that development (RMC, control, or PHA). We then performed a standard test of statistical significance to determine whether the observed difference between each RMC and its control or PHA could be considered statistically significant.

performance on the part of the RMC while a negative rating indicates that the RMC is not performing as well as the PHA or the control. Differences that are not statistically significant are identified by a zero.

4.1 WORK ORDER PROCESSING

The first two performance indicators attempt to measure the effectiveness of RMCs in performing routine maintenance and repairs. The first indicator, work order progress, is computed as the number of work orders completed during FY 1990 divided by the number of work orders received over that same period of time:²

$$\text{Work Order Progress} = \frac{\text{number of work orders completed during FY90}}{\text{number of work orders received during FY90}}$$

A ratio close to 100 reflects an ability to respond to current work order requests, while lower values reflect a growing backlog of needed repairs. The second indicator, work order backlog, measures the number of outstanding work orders at the end of the fiscal year, expressed as a percent of all occupied units:

$$\text{Work Order Backlog} = \frac{\text{number of work orders outstanding at end of FY90}}{\text{number of occupied units at end of FY90}}$$

For example, at the Cochran Garden RMC, there were 1,874 work orders submitted, and 1,744 completed, resulting in a completion rate of 93 percent. For the remainder of the St. Louis PHA, the comparable figures were 27,719 submitted and 22,116 completed, for a completion rate of 80 percent. If work orders submitted at the RMC are considered Sample 1 and those submitted at the rest of the PHA are considered Sample 2, then the significance test for the difference between two sample proportions is:

$$Z = (p_1 - p_2) / s_{p_1 - p_2}$$

where $s_{p_1 - p_2} = \sqrt{p(1-p)(1/n_1 + 1/n_2)}$

and where $p = (p_1 n_1 + p_2 n_2) / (n_1 + n_2)$

For this example, the test is as follows:

$$p = [(0.93 * 1,874) + (0.80 * 27,719)] / [1,874 + 27,719] = 0.81$$

$$s_{p_1 - p_2} = \sqrt{0.81(0.19)(1/1,874 + 1/27,719)} = 0.009$$

$$Z = (0.93 - 0.80) / 0.009 = 14.07$$

Since any Z-statistic greater than 1.645 in absolute value can be considered statistically significant at a 90% level of confidence, the observed difference between the work order completion rates at Cochran Gardens and its PHA was considered statistically significant.

² Annual figures were not available for Kenilworth-Parkside. Figures in the chart reflect performance in February, 1991

A ratio close to zero on this measure indicates timely maintenance, while a higher ratio reflects a backlog of unfinished maintenance and repairs. Both of these measures of maintenance and repair performance are shown in Exhibit 4-1.

Several patterns are immediately apparent from the chart. To begin with, most of the full-service RMCs appear to out-perform their PHAs with respect to both their work order completion rates and their backlog of outstanding work orders. The only exceptions were Le Claire Courts, where the PHA and control site had exceptionally high work order progress, and Bromley-Heath, where the PHA and control had an exceptionally low work order backlog.³ The strong performances of full-service RMCs are more typically combined with a relatively poor performance on the part of their PHAs. Note that all of the full-service RMCs are located in troubled authorities. While the Boston and Chicago PHAs nevertheless have relatively high performance indicators, the remaining PHAs have large backlogs and low completion rates. In contrast, the full-service RMCs all seem to be doing a relatively good job in keeping up with work order requests.

The performance of managing-agent RMCs is generally about the same as their PHAs and their controls. While some do worse and some do better, depending on the standard of comparison and the particular indicator examined, no systematic patterns emerge. With the exception of Stella Wright (which is not included in the chart), all of the managing-agent RMCs are located in non-troubled authorities. According to our data, all of these authorities do a relatively good job in processing work order requests and, with the exception of Louisville (Clarksdale's PHA), all keep their backlogs relatively low. The fact that managing-agents RMCs are for the most part able to match this outcome should thus be viewed as a positive outcome.

In sum, with respect to work order processing, full-service RMCs tended to perform better than their PHAs or controls. The performance of full-service RMCs was on par with that of managing-agent RMCs and their PHAs and controls.

4.2 MAINTENANCE STAFFING

While work order processing measures reflect the effectiveness of RMCs in performing routing maintenance and repairs, they do not indicate how efficiently the RMCs perform these functions. One indication of maintenance efficiency is the number of maintenance staff employed by each RMC, relative to the number of units for which they are responsible.⁴

Exhibit 4-2 presents two measures of maintenance staffing for each RMC included in the study. The first three columns of this exhibit show maintenance staff per 100 units, defined as the number of maintenance staff employed by each RMC as of the end of the fiscal year (FY 1990) divided by the total number of dwelling units, multiplied by 100.

³ The control site associated with Bromley-Heath is the target of a special enhanced maintenance effort to improve conditions in a number of the buildings.

⁴ Whether RMCs had high or low staffing ratios is often not within the control of the RMC. At all of the managing-agent sites, the PHAs determine the number of staff to be hired for maintenance positions, even at sites where the RMCs actually do the hiring. Only at the full-service sites do the RMCs have control over the number of staff they hire.

Exhibit 4-1

WORK ORDER COMPLETION RATE AND OUTSTANDING BACKLOG: FY90

	Work Order Completion Rate (%) ¹						Outstanding Work Orders per Occupied Unit ²					
	RMC		PHA		CTRL		RMC		PHA		CTRL	
<u>Full-Service RMCs</u>												
Bromley-Heath	100%		97%	+	97%	+	0.20	0.05	-	0.02	-	
Carr Square	105%		80%	+	76%	+	0.09	0.81	+	2.00	+	
Cochran Gardens	93%		80%	+	82%	+	0.16	0.81	+	0.60	+	
Kenilworth-Parkside	100% ³		89%	+	89%	+	0.00 ³	1.33	+	0.52	+	
Lakeview Terrace	97%		93%	+	102%	-	0.43	0.95	+	0.69	+	
Le Claire Courts	100%		118%	o	116%	o	0.58	0.64	+	0.29	-	
<u>Managing Agent RMCs</u>												
A. Harry Moore	99%		101%	o	102%	o	0.03	0.02	-	0.01	-	
Booker T. Washington	100%		101%	o	101%	o	0.00	0.02	+	0.00	o	
Clarksdale	97%		95%	+	97%	o	0.26	0.57	+	0.30	+	
Montgomery Gardens	104%		101%	o	102%	o	0.20	0.02	-	0.01	-	
Stella Wright	na		na		na		na	na		na		

¹ Number of work orders completed during FY90 divided by number of new work orders received during FY90.

² Number of work orders outstanding as of end of FY90 divided by number of units occupied as of end of FY90.

³ Data from February 1991 only.

Legend:

- + RMC work order progress (backlog) rate is significantly higher (lower) than PHA or control rate.
- RMC work order progress (backlog) rate is significantly lower (higher) than PHA or control rate.
- o RMC work order progress (backlog) rate is not significantly different from PHA or control rate.
- na PHA staff perform all maintenance, so work orders are not passed on to the RMC

Source: PHA and RMC reports, FY90.

Exhibit 4-2

MAINTENANCE STAFF RATIOS: FY90

	Maintenance Staff Per 100 Units ¹			Maintenance Staff Per 100 Occupied Units ²		
	RMC	PHA		RMC	PHA	
Full-Service RMCs						
Bromley-Heath	3.1	6.0	+	5.4	6.6	+
Carr Square	1.8	2.4	+	3.3	3.7	+
Cochran Gardens	3.8	2.4	-	4.7	3.7	-
Kenilworth-Parkside	2.8	4.4	+	12.3	5.5	-
Lakeview Terrace	3.0	4.1	+	4.5	6.4	+
Le Claire Courts	3.4	3.4	o	3.5	4.0	+
Managing-Agent RMCs						
A. Harry Moore	3.3	9.2	+	3.4	10.0	+
Booker T. Washington	2.6	9.2	+	2.6	10.0	+
Clarksdale	1.6	2.8	+	1.7	3.1	+
Montgomery Gardens	4.4	9.2	+	4.6	10.0	+
Stella Wright	2.2	3.0	+	3.6	5.7	+
¹ Number of maintenance staff employed as of end of FY90 divided by total number of dwelling units, multiplied by 100 ² Number of maintenance staff employed as of end of FY90 divided by number of units occupied as of end of FY90, multiplied by 100 Legend: + RMC maintenance staffing ratio is significantly lower than PHA ratio - RMC maintenance staffing ratio is significantly higher than PHA ratio o RMC maintenance staffing ratio is not significantly different from PHA ratio Source PHA and RMC reports, FY90						

$$\text{Maintenance Staff Per 100 units} = \frac{\text{number of maintenance staff at end of FY90} * 100}{\text{total number of units}}$$

Routine maintenance and repairs, however, should be related more closely to the number of occupied units than to the total number of dwellings including vacant units. For this reason the last three columns of Exhibit 4-2 presents maintenance staff per 100 occupied units:

$$\text{Maintenance Staff Per 100 Occupied Units} = \frac{\text{number of maintenance staff at end of FY90} * 100}{\text{number of occupied units at end of FY90}}$$

Staffing ratios provide an indication of the total level of human resources available to accomplish work at each of the sites, and the efficiency with which the staffs work. A drawback to the use of staffing ratios in general is that at all PHAs some amount of staff time – in some cases a substantial amount – is dedicated to working with RMCs, but those staff members are still recorded as PHA staff. Because of this, staffing ratios may underestimate the staff time devoted to the RMC and overstate the staffing time for PHA-managed developments.

However, maintenance staff have a fairly discrete set of tasks, and may be more easily compared. At sites where the PHA is responsible for a substantial portion of the maintenance work, this measure is subject to the problems of understating RMC resources and overstating the staffing ratios at the PHAs. However, at sites where the RMC staff is responsible for most maintenance, the measure can give a good indication of the level of staff resources dedicated to the maintenance function at both the PHA and RMC.

At control sites the number of maintenance staff assigned to the site is generally extremely small, and much of the work for these properties is centralized. Thus, comparing maintenance staffing ratios for RMCs and controls did not prove useful.

Exhibit 4-2 shows that in general, maintenance staffing ratios for managing-agent sites were about half those of their PHAs. Given the substantial role that managing-agent PHAs continue to play in maintenance for the RMC sites, this distribution is not surprising. Maintenance staffing ratios at full-service sites also tended to be lower than at their PHAs, although the RMC ratios tended to be closer to those of their PHAs than was the case for managing-agent RMCs. However, the full-service sites varied more, with two -- Cochran Gardens and Kenilworth-Parkside -- showing significantly higher ratios than their PHAs per 100 occupied units. Given that the full-service sites tended to outperform their PHAs in terms of maintenance and that most were responsible for the majority of the maintenance functions at the site, these lower staffing ratios suggest that the full-service RMCs may tend to utilize their maintenance staffs more effectively than their PHAs do.

4.3 ANNUAL INSPECTIONS

Another performance indicator associated with the upkeep of the property is the extent to which RMCs keep up-to-date in conducting annual unit inspections. HUD regulations require that each dwelling unit be inspected at least once each year, and most of those included in this evaluation used the basic Section 8 Housing Quality Standards (HQS) as the basis for their inspections. These annual inspections provide an opportunity to identify existing or potential maintenance problems that residents fail to report, and to correct those problems before they cause significant damage.

Exhibit 4-3 presents information on annual inspection rates for the seven RMCs for which adequate data were available. The inspection rate was derived by dividing the total number of inspections completed during FY90 by the total number of occupied units at the end of the fiscal year:

$$\text{Inspection Rate} = \frac{\text{number of inspections completed during FY90}}{\text{number of occupied units at end of FY90}}$$

A ratio close to 100 indicates that management is able to handle current inspection workloads, while a figure less than 100 indicates that some of the required inspections are overdue.

According to our estimates, RMCs generally performed well at conducting annual dwelling unit inspections. All of the RMCs completed at least 75 percent of their annual inspections on time, and four of the seven were completely up-to-date. (Two of the sites that reported that they were completely up-to-date could not document their performance.) In contrast, among PHAs and control sites, inspection rates were as low as 34 percent and were completely up-to-date at only two PHAs. The three Jersey City RMCs (A. Harry Moore,

Exhibit 4-3

ANNUAL UNIT INSPECTION RATE: FY90

	Percent of Units Inspected ¹				
	RMC	PHA		CTRL	
<u>Full-Service RMCs</u>					
Bromley-Heath ²	100%	100%	o	100%	o
Carr Square	na	na		na	
Cochran Gardens	na	na		na	
Kenilworth-Parkside	na	na		na	
Lakeview Terrace	81%	65%	+	81%	o
Le Claire Courts	77%	34%	+	93%	-
<u>Managing-Agent RMCs</u>					
A. Harry Moore	91%	71%	+	51%	+
Booker T Washington	100%	71%	+	99%	+
Clarksdale ²	100%	100%	o	100%	o
Montgomery Gardens	100%	71%	+	51%	+
Stella Wright	na	na		na	
<p>¹ Number of inspections completed during FY90 divided by number of units occupied as of end of FY90</p> <p>² Actual data were not available; figures based on statements by PHA and RMC staff that all inspections were completed.</p> <p>Legend. + RMC annual inspection rate is significantly higher than PHA or control rate. - RMC annual inspection rate is significantly lower than PHA or control rate. o RMC annual inspection rate is not significantly different from PHA or control rate. na Data were not available.</p> <p>Source. PHA and RMC reports, FY90.</p>					

Booker T. Washington, and Montgomery Gardens) had significantly higher annual inspection rates than either their PHA or their controls.

4.4 MOVEOUT RATES

Exhibit 4-4 presents information on resident turnover, defined as the total number of moveouts during FY 1990 divided by the total number of occupied units at the end of the fiscal year:

$$\text{Resident Move-Out Rate} = \frac{\text{number of move-outs during FY90}}{\text{number of occupied units at end of FY90}}$$

While households move into or out of dwelling units for a variety of reasons, the moveout rate can be indicative of several aspects of management performance. For example, residents

may be more likely to remain at well-managed developments with prompt maintenance and repair performance and effective lease enforcement; conversely, residents at poorly-managed developments may be more likely to seek other housing.

Exhibit 4-4

RESIDENT MOVE-OUT RATE: FY90

	Resident Turnover Rate (%) ¹				
	RMC	PHA		CTRL	
<u>Full-Service RMCs</u>					
Bromley-Heath	3%	8%	+	15%	+
Carr Square	31%	40%	+	35%	o
Cochran Gardens	22%	40%	+	32%	+
Kenilworth-Parkside	na	na		6%	
Lakeview Terrace	23%	25%	o	29%	+
Le Claire Courts	11%	14%	+	13%	o
<u>Managing-Agent RMCs</u>					
A Harry Moore	13%	9%	-	14%	o
Booker T. Washington	11%	9%	o	1%	-
Clarksdale	11%	23%	+	44%	+
Montgomery Gardens	9%	9%	o	14%	+
Stella Wright	2%	na		32%	+
¹ Number of move-outs during FY90 divided by number of units occupied as of end of FY90. Legend: + RMC resident turnover rate is significantly lower than PHA or control rate. - RMC resident turnover rate is significantly higher than PHA or control rate o RMC resident turnover rate is not significantly different from PHA or control rate na Data were not available. Source PHA and RMC reports, FY90.					

In general, moveout rates are either lower or about the same in RMC developments when compared to PHAs or the controls. Only one RMC (A. Harry Moore) had a higher moveout rate than its PHA, and only one (Booker T. Washington) had a higher moveout rate than its control. In the latter case, the difference in moveout rates reflects the exceptionally low rates at the control development (one percent) rather than a relatively high moveout rate at the RMC. While turnover rates in three of the full-service RMCs (Carr Square, Cochran Gardens, Lakeview Terrace) are in excess of 20 percent, these rates are below or about the same as those observed in their PHAs and their controls. In fact, there was a high degree of correlation between the moveout rates at RMCs and their PHAs. RMC resident moveout rates

tended to be high where PHA moveout rates were also high, and lower where PHA rates were also low.⁵

4.5 VACANCY RATES

Exhibit 4-5 presents information on vacancy rates. RMCs and PHAs report that many factors affecting vacancies may be beyond the control of the RMC or PHA. For example, RMC and PHA staff in approximately half the sites indicated that the lack of sufficient modernization funding to prepare vacated units for re-occupancy contributed to vacancy rates at their developments. However, vacancy rates may at least in part reflect management effectiveness in preparing vacant units for occupancy, as well as screening prospective occupants and processing applications. Vacancy rates may also reflect the underlying demand for the development which, again, may be partially dependent on the quality of property management. And because vacant units provide shelter for drug transactions and other illicit activity, high vacancy rates are often symptomatic of a broader range of undesirable conditions -- such as crime and vandalism -- that adversely affect the quality of life in many developments.

Two vacancy rate measures have been used in this analysis. The first measure, the unadjusted vacancy rate, is simply the total number of vacant units at the end of FY 1990 divided by the total number of dwelling units.

$$\text{Vacancy Rate} = \frac{\text{number of units vacant at end of FY90}}{\text{total number of units}}$$

Many vacant units may not be available for occupancy, either because they are uninhabitable (e.g., due to fire or vandalism) or because they have been scheduled for modernization. As a result, we computed a second vacancy indicator, the adjusted vacancy rate, defined as the number of vacant units available for occupancy divided by the total number of dwelling units occupied or available for occupancy.

$$\text{Adjusted Vacancy Rate} = \frac{\text{number of units available for occupancy at end of FY90}}{\text{number of units occupied or available at end of FY90}}$$

Estimates of the current number of vacant units that are uninhabitable or scheduled for modernization were obtained from both the RMC and the PHA. Where opinions differed, we present adjusted vacancy rates based on both the RMC and PHA estimates.

Although vacancy rates varied substantially at the housing developments included in the study, clear patterns emerge when comparing vacancy rates at RMCs with PHAs and control properties. As Exhibit 4-5 shows, full-service RMCs generally have higher vacancy rates than both their PHAs and their controls, particularly in terms of the adjusted rate reflecting units available for occupancy. Managing-agent RMCs, in contrast, generally have lower vacancy rates than both PHAs and controls. The only exception to this pattern was Le Claire Courts, a full-service RMC, where vacancy rates were significantly lower than in the rest of the PHA and not significantly different from vacancy rates at the control site.⁶

⁵ The correlation coefficient between moveout rates at RMCs and PHAs was 0.87.

⁶ The adjusted vacancy rate for Kenilworth Parkside is also comparable to the PHA's when the RMC's estimates are used; however, it is still well above the rate in the control. The RMC attributes its high vacancy rate to problems in renting three-bedroom units.

Exhibit 4-5

SIMPLE AND ADJUSTED VACANCY RATE: FY90

	Vacancy Rate (%) ¹			Adjusted Vacancy Rate (%) ²		
	RMC	PHA	CTRL	RMC	PHA	CTRL
Full-Service RMCs						
Bromley-Heath	42%	9% -	16% -	14%	2% -	1% -
Carr Square	44%	35% -	41% ○	48/33% ³	18% -	26% -
Cochran Gardens	20%	35% +	55% +	21%	18% -	14% -
Kenilworth-Parkside	77%	19% -	4% -	42/20% ³	21% -/○	4% -
Lakeview Terrace ⁴	34%	36% ○	19% -	35%	32% -	17% -
Le Claire Courts	1%	16% +	1% ○	1%	15% +	1% ○
Managing-Agent RMCs						
A. Harry Moore	2%	8% +	22% +	2%	4% +	9% +
Booker T. Washington	1%	8% +	1% ○	1%	4% +	1% ○
Clarksdale	1%	10% +	29% +	1%	4% +	0% -
Montgomery Gardens	3%	8% +	22% +	1%	4% +	9% +
Stella Wright	48%	47% -	52% +	0%	28% +	3% +

¹ Number of units vacant as of end of FY90 divided by total number of dwelling units.

² Number of units vacant and available for occupancy as of end of FY90 divided by total number of dwelling units occupied or available for occupancy as of end of FY90.

³ Managers at Carr Square and Kenilworth-Parkside disagreed with PHA officials regarding the number of units that were available for occupancy. The adjusted vacancy rate given by the PHA is shown first, followed by the rate given by the RMC. For the purposes of this analysis the only difference was that the adjusted vacancy rate given by Kenilworth-Parkside was not significantly different from the rate for the rest of the Washington PHA.

⁴ Data from PHA occupancy report.

Legend:

- + RMC vacancy rate is significantly lower than PHA or control rate.
- RMC vacancy rate is significantly higher than PHA or control rate.
- RMC vacancy rate is not significantly different from PHA or control rate.

Source: TARs reports, FY90, and reports by PHAs and RMCs on units available for occupancy.

These results suggest that full-service RMCs may be less successful in minimizing development vacancies, despite moveout rates that are typically below the PHA and the control. Several arguments have been raised, however, to suggest that even adjusted vacancy rates may be misleading as a measure of management performance. To begin with, one RMC -- Carr Square in St. Louis -- has an explicit policy to hold units vacant pending modernization. Other sites indicated that they lacked the funds necessary to make units available for occupancy and required modernization funding before the situation could be addressed. While PHAs are undoubtedly subject to similar budgetary constraints, these same RMCs generally outperformed their PHAs in processing work orders from existing residents (see Exhibit 4-1). While no one mentioned an explicit strategy to this effect, it is possible that the full-service RMCs tend to place a higher priority on the maintenance and repair of occupied (as opposed to vacant) units.

In sum, vacancy rates at full-service RMCs were generally higher than at their PHAs or controls (and higher than those of managing-agent RMCs, PHAs, and controls). In contrast, vacancy rates at managing-agent RMCs were generally lower than at their PHAs and controls.

4.6 ANNUAL RESIDENT RECERTIFICATIONS

Another of the primary responsibilities of public housing managers is to conduct annual resident recertifications or reexaminations to ensure that residents continue to meet the public housing eligibility requirements and to adjust rents to reflect changes in annual income.⁷ Recertifications are important to the financial status of the development, since rents cannot be adjusted without conducting recertifications. Recertifications may also be important in ensuring equitable treatment of all residents by property managers. This consideration may be particularly important at RMCs, since failure to adjust rents of some residents to reflect changes in income might be perceived as favoritism on the part of resident managers.

Exhibit 4-6 presents data on resident recertification rates, defined as the total number of recertifications completed during FY 1990 divided by the total number of occupied dwelling units at the end of the fiscal year:

$$\text{Recertification Rate} = \frac{\text{number of recertifications completed during FY90}}{\text{number of units occupied at end of FY90}}$$

A ratio close to one indicates success in keeping up with current recertification requirements, while a lower figure represents a growing backlog of overdue recertifications. Note that these data are at best a crude approximation of the proportion of recertifications *completed on time*. While we attempted to collect such information from the sites, only a few were able to provide the necessary data.

With this caveat in mind, most of the RMCs appear to be relatively successful in conducting annual resident recertifications; four (Bromley-Heath, Clarksdale, Montgomery Gardens, and Stella Wright) appeared to be completely up-to-date, and another three had completed more than 95 percent. Only Lakeview Terrace showed a very low resident recertification rate, but this appears to reflect strongly the situation at that troubled PHA. In fact, there was a high degree of correlation between recertification rates at RMCs and rates at

⁷ Rent payments are set at 30 percent of each household's annual income. Rents are adjusted to reflect changes in household income at the time of recertification. HUD regulations require that tenant recertifications occur at least once each year.

Exhibit 4-6

RECERTIFICATION RATE: FY90

	Recertification Rate (%) ¹				
	RMC	PHA		CTRL	
<u>Full-Service RMCs</u>					
Bromley-Heath ²	100%	100%	o	100%	o
Carr Square ₃	86%	71%	+	78%	+
Cochran Gardens ³	71%	71%	o	78%	-
Kenilworth-Parkside	na	na		56%	
Lakeview Terrace	27%	11%	+	82%	-
Le Claire Courts	96/98% ⁴	93%	+	87%	+
<u>Managing-Agent RMCs</u>					
A Harry Moore	99%	98%	+	92%	+
Booker T. Washington	99%	98%	+	100%	-
Clarksdale ²	100%	100%	o	100%	o
Montgomery Gardens	100%	98%	+	92%	+
Stella Wright	100%	75%	+	73%	+

¹ Number of resident recertifications completed during FY90 divided by number of units occupied as of end of FY90.

² Actual data were not available; figures based on statements by PHA and RMC staff that all recertifications had been completed.

³ Figures based on nine months of data prorated for the full year.

⁴ Managers at Le Claire Courts disagreed with PHA officials regarding the number of resident recertifications completed during FY90. The PHA-reported resident recertification rate is given first, followed by the RMC-reported rate. The different reported rates had no effect on this analysis.

Legend:

- + RMC resident recertification rate is significantly higher than PHA or control rate.
- RMC resident recertification rate is significantly lower than PHA or control rate.
- o RMC resident recertification rate is not significantly different from PHA or control rate.
- na Data were not available.

Source: PHA and RMC reports, FY90.

their PHAs: RMC recertification rates tended to be highest where PHA recertification rates were also high, and lower where (as at Lakeview Terrace) PHA rates were also low.⁶

In general, recertification rates at the RMCs exceeded the overall rates at the PHA. Seven of the ten RMCs showed significantly higher resident recertification rates than their PHAs, while the other three were about the same. However, RMCs were neither consistently better nor consistently worse than the control sites, which generally showed higher recertification rates than the PHA as a whole. Such patterns suggest that RMCs generally performed well in conducting annual resident recertifications, although the factors that affect resident recertification performance appear to be largely determined by the PHA

4.7 TENANT ACCOUNTS RECEIVABLE

The final series of management indicators, which are based on the incidence and amount of Tenant Accounts Receivable (TARs), measure the performance of the RMC in collecting rents, tracking delinquencies, developing and monitoring payment plans for delinquent households, and evicting nonpaying residents. Success in minimizing rent delinquencies and maximizing rent collections can have a very substantial impact on the financial status of a development, as well as on its ability to meet maintenance and repair requirements and to make vacant units available for occupancy. For one or two of the newest RMCs, these rates could be affected by previous PHA performance. However, since such losses are written off regularly, previous PHA performance should not have a significant effect on TARs for most RMCs.

HUD requires PHAs to submit regular rent delinquency, or TARs, reports indicating the number of households with delinquent payments, the dollar value of delinquencies, the length of time that payments have been delinquent, and whether delinquent residents have vacated their units. While these reports are required only for the PHA as a whole, most PHAs collect the data for individual developments and thus have been able to provide TARs information for each of the RMCs and their control. Data presented in this section pertain to the end of FY 1990.

Although TARs can be compared in several meaningful ways, the discussion in this section is based on the total amount of delinquent or unrecoverable rents at the end of the fiscal year (FY 1990) expressed as a percent of the annual rent roll. This indicator reflects both the number of households with rent delinquencies and the amounts delinquent. Appendix B presents a number of alternative indicators of TARs performance at each of the RMCs included in this study:

- Amount Due From Households Delinquent and in Possession
- Amount Lost or Due From Households Delinquent and Vacated
- Total Delinquent Accounts
- Households Delinquent and in Possession
- Households Delinquent and Vacated
- Amounts Delinquent 30 Days or Less From Households in Possession
- Amounts Delinquent More Than 30 Days From Households in Possession
- Households Delinquent 30 Days or Less and in Possession
- Households Delinquent More Than 30 Days and in Possession

⁶ The correlation coefficient between RMC and PHA recertification rates was 0.97.

As Appendix B describes, the different measures of TARs performance are largely interdependent, and efforts by a property manager to reduce one category of delinquencies is likely to increase another. For example, a property manager that consistently evicts households with payments that are more than 30 days overdue may have a low number of households delinquent more than 30 days and in possession (that is, still occupying their units), but a correspondingly high rate of delinquent accounts for vacated units. While the best overall measure of TARs collection, then, may be the total dollar amount of payments delinquent, each of the other measures is useful in understanding the effectiveness of different management strategies to reduce total delinquencies.

As noted earlier, most of the data in the chart were obtained from the PHA's TARs reports, which are typically available at the development level. Managers at Kenilworth-Parkside, however, provided an alternative set of estimates, claiming that the PHA's TARs reports were highly inaccurate because of long delays in entering rent payments into the PHA's accounting system. Unfortunately, since this same lag would presumably affect statistics for the rest of the PHA and the control as well, assessments of the relative performance of Kenilworth-Parkside are problematic and have largely been excluded from the following discussion.

Total Amount Due From Delinquent Accounts

Exhibit 4-7 shows the total dollar amount of payments due from delinquent accounts, as a percentage of total annual charges to residents:

$$\text{Delinquency Rate} = \frac{\text{amount of payments due from delinquent accounts at end of FY90}}{\text{total charges to residents during FY90}}$$

Total amount delinquent at the RMCs ranges widely from just 0.6 percent of total annual charges at Clarksdale to 19.1 percent at Cochran Gardens. (As with households delinquent, the Washington, D.C. PHA and the Kenilworth-Parkside RMC disagreed as to the total amount delinquent, with the PHA citing a figure of 60 percent of total annual charges and the RMC giving an estimate of just 19 percent, excluding any FY90 rent loss. However, the Kenilworth-Parkside RMC did not provide an estimate of its FY90 rent loss. As a result, we could not derive an estimate of the total amount of delinquent or unrecoverable rents as reported by the RMC.)

There is a sharp difference in the performance of full-service and managing-agent RMCs relative to their PHAs and control sites on total amount delinquent. Three of the four full-service RMCs for which adequate data were available performed worse than both their PHA and their control site, with Carr Square the only exception. In contrast, three of the five managing-agent RMCs performed better than their PHA, and four of the five performed better than their control site. The only exception among the managing-agent RMCs was Stella Wright, which has less control over lease enforcement than any of the other RMCs

Summary of TARs Performance

The results reviewed here and in Appendix B suggest that the most significant indicator of RMC performance on tenant accounts receivable is the performance of the PHA on the same indicator. Full-service RMCs appear to perform worse, overall, than their PHAs, and worse than their control sites in terms of the amount due from delinquent accounts. Managing-agent RMCs, on the other hand, perform better than their control sites. In comparison with their PHAs, managing-agent RMCs seem to perform slightly worse in terms

Exhibit 4-7

PERCENT OF TOTAL RENT ROLL DELINQUENT OR UNRECOVERABLE: FY90

	Total Amount of Payments Lost or Delinquent as a Percent of Total Rent Roll ¹					
	RMC		PHA		CTRL	
<u>Full-Service RMCs</u>						
Bromley-Heath	13.0%		5.7%	-	7.8%	-
Carr Square	8.0%		9.3%	+	18.6%	+
Cochran Gardens	19.1%		9.3%	-	11.0%	-
Kenilworth-Parkside	60.1/na ²		45.4%	-/na	10.6%	-/na
Lakeview Terrace	na		na		na	
Le Claire Courts	19.0%		11.9%	-	14.5%	-
<u>Managing-Agent RMCs</u>						
A. Harry Moore	10.4%		5.9%	-	14.4%	+
Booker T Washington	3.3%		5.9%	+	3.8%	+
Clarksdale	0.6%		0.8%	+	0.9%	+
Montgomery Gardens	5.1%		5.9%	+	14.4%	+
Stella Wright ³	7.3%		5.4%	-	2.8%	-
<p>¹ Total dollar amount of payments delinquent as of end of FY90 plus total dollar amount of payments reported as unrecoverable during FY90, divided by total monthly charges to residents as of end of FY90 multiplied by 12.</p> <p>² Managers at Kenilworth-Parkside disagreed with PHA officials regarding the dollar amount of payments delinquent as well as total monthly charges to residents, and gave no figure for unrecoverable delinquent payments. The figure given by the PHA is shown first, but no figure could be computed based on the data given by the RMC.</p> <p>³ Figures based on TARs reports for October 1990. End of fiscal year reports were not available.</p> <p>Legend: + RMC amount delinquent is lower than PHA or control amount delinquent. - RMC amount delinquent is higher than PHA or control amount delinquent. o RMC amount delinquent is not different from PHA or control amount delinquent. na Data were not available.</p> <p>Source: TARs reports, FY90.</p>						

of the number of households delinquent, but slightly better in terms of the amount due from delinquent accounts.

In all cases, RMCs clearly perform better with respect to delinquencies from vacated households than for delinquencies from households in possession of their unit. This suggests that RMCs are less likely than PHAs or control sites to evict residents with delinquent accounts. This management strategy is important, since delinquencies from vacated accounts are virtually impossible to recover while delinquencies from households in possession may be recovered later. On the other hand, since delinquencies from households in possession comprise the greatest share of total delinquencies, the relatively worse performance of RMCs with respect to delinquent households in possession makes their overall performance appear less successful.

4.8 SUMMARY OF MANAGEMENT PERFORMANCE

Exhibits 4-8 and 4-9 summarize the performance of RMCs relative to PHAs and control sites as reflected by several of the management performance indicators presented in this chapter. Although the comparisons are mixed in many cases, the data presented in these two exhibits enables us to draw several general conclusions regarding the effectiveness of management at RMCs.

As Exhibit 4-8 shows, full-service RMCs outperformed their PHAs on most of the indicators examined. Their work order processing (including both completion rates and backlog of outstanding work orders) was superior. They may also utilize their maintenance staffs more effectively than their PHAs do; most have smaller staffs in proportion to the number of units. Move-out rates were generally lower in full-service RMCs than in their PHAs, and they do as well or better than their PHA with respect to recertifications. The exceptions were vacancy rates and tenant accounts receivable. Most of the full-service RMCs had higher vacancy rates and larger amounts delinquent than did their PHAs.

Managing-agent RMCs performed better than their PHAs according to several of the management performance indicators: unit inspections, recertifications, and vacancy rates. In other cases, such as work order backlog, resident move-outs, and tenant accounts receivable, there were no significant differences in performance between managing-agent RMCs and their PHAs; a few RMCs performed significantly better than their PHAs and a few performed significantly worse.

In comparing full-service and managing-agent RMCs to their PHAs, it is important to keep in mind the substantial differences between the PHAs themselves. In general, managing-agent RMCs are located in PHAs with comparatively good management performance. In contrast, several of the full-service PHAs are located in troubled PHAs with comparatively poor management performance. The fact that managing-agent RMCs in many cases do not perform significantly better than their PHAs does not mean, then, that the managing agent RMCs have poor management performance. Rather, it means that they accomplish their management functions quite effectively even where their performance does not differ significantly from that of their PHA.

In Exhibit 4-9, full-service RMCs show a similar pattern of performance with respect to their control sites as they do with respect to their PHAs, except that their performance in completing recertifications was about the same as that of their controls. Also, there were a few more cases where individual RMCs do not perform as well as their control sites.

Managing-agent RMCs generally outperformed their controls with respect to unit inspections, resident recertifications, move-outs, vacancies, and tenant accounts receivable, and performed about as well with respect to work order completions and backlogs. In each comparison, there were some RMCs whose performance was about the same as, or worse than, that of their control.

Overall, RMCs performed well relative to their PHAs and controls in terms of most management performance indicators -- particularly annual inspections, resident move-outs, resident recertifications, and, for full-service RMCs, maintenance and maintenance staffing. They generally performed less well with respect to tenant accounts receivable and, for full-service RMCs only, vacancy rates.

Exhibit 4-8

SUMMARY OF RMC PERFORMANCE RELATIVE TO PHA: FY90

	Work Order Progress	Work Order Backlog	Maintenance Staffing ¹	Annual Inspections	Resident Move-Outs	Vacancy Rates ²	Resident Recertifications	Tenant Accounts Receivable ³
<u>Full-Service RMCs</u>								
Bromley-Heath	+	-	+	o	+	-	o	-
Carr Square	+	+	+	na	+	-	+	+
Cochran Gardens	+	+	-	na	+	-	o	-
Kenilworth-Parkside	+	+	-	na	na	-/o	na	-/na
Lakeview Terrace	+	+	+	+	o	-	+	na
Le Claire Courts	o	+	+	+	+	+	+	-
<u>Managing-Agent RMCs</u>								
A. Harry Moore	o	-	+	+	-	+	+	-
Booker T. Washington	o	+	+	+	o	+	+	+
Clarksdale	+	+	+	o	+	+	o	+
Montgomery Gardens	o	-	+	+	o	+	+	+
Stella Wright	na	na	+	na	na	+	+	-

¹ Maintenance staff per 100 occupied units

² Adjusted vacancy rate, defined as number of units available for occupancy divided by number of units occupied or available.

³ Total amount of payments lost or delinquent as a percent of total rent roll

Legend + RMC performance is significantly better than PHA performance
 - RMC performance is significantly worse than PHA performance
 o RMC performance is not significantly different from PHA performance.
 na Performance at RMC and PHA were not compared, generally because data were not available

Source Shown on Exhibits 4-1 through 4-7

Exhibit 4-9

SUMMARY OF RMC PERFORMANCE RELATIVE TO CONTROL: FY90

	Work Order Progress	Work Order Backlog	Maintenance Staffing ¹	Annual Inspections	Resident Move-Outs	Vacancy Rates ²	Resident Recertifications	Tenant Accounts Receivable ³
<u>Full-Service RMCs</u>								
Bromley-Heath	+	-	na	o	+	-	o	-
Carr Square	+	+	na	na	o	-	+	+
Cochran Gardens	+	+	na	na	+	-	-	-
Kenilworth-Parkside	+	+	na	na	na	-	na	-/na
Lakeview Terrace	-	+	na	o	+	-	-	na
Le Claire Courts	o	-	na	-	o	o	+	-
<u>Managing-Agent RMCs</u>								
A. Harry Moore	o	-	na	+	o	+	+	+
Booker T Washington	o	o	na	+	-	o	-	+
Clarksdale	o	+	na	o	+	-	o	+
Montgomery Gardens	o	-	na	+	+	+	+	+
Stella Wright	na	na	na	na	+	+	+	-
<p>¹ Maintenance staffing was not used to compare RMCs to control sites, because much of the maintenance work at control sites is centralized</p> <p>² Adjusted vacancy rate, defined as number of units available for occupancy divided by number of units occupied or available</p> <p>³ Total amount of payments lost or delinquent as a percent of total rent roll</p> <p>Legend + RMC performance is significantly better than control performance - RMC performance is significantly worse than control performance o RMC performance is not significantly different from control performance. na Performance at RMC and PHA were not compared, generally because data were not available</p> <p>Source Shown on Exhibits 4-1 through 4-7.</p>								

CHAPTER 5

MAINTAINING THE PROPERTY

As described in the previous section, overall, managing-agent RMCs tended to perform about as well as their controls and PHAs with respect to a variety of performance indicators, including those associated with property maintenance. In contrast, full-service RMCs tended to perform better than their PHAs and controls. However, these assessments were based on self-reported records, rather than the reality of conditions on site. To get a better understanding of the actual conditions at every site we sent inspectors to each RMC and control site to observe their physical conditions and to interview staff members about how their maintenance operations were actually run.

The reviewers attempted to answer two questions while on site:

- How good are the maintenance procedures used by the management teams?
- How well do the management teams maintain the development, given the conditions they have to work with?

The reviewers' findings were broadly consistent with the management indicators analyzed in the previous chapters: the reviewers found that the RMCs' maintenance procedures and the quality of the developments' maintenance were about as good as or better than those of their control sites.

This chapter begins by describing the maintenance systems followed by the managers at each RMC and control site. It concludes with an assessment of how well each RMC property is maintained compared with its control.

5.1 MAINTENANCE SYSTEMS

To gather information about the maintenance systems in place at each RMC and its control, staff of OKM Associates conducted interviews with the maintenance staff at each site. The interviews covered five features of the maintenance delivery system, including:

- **Preventive Maintenance**, which was concerned primarily with whether the sites had systems in place to perform preventive maintenance and to track the work being performed, and whether those systems were used;
- **Custodial Inspection**, which investigated the sites' systems for custodial inspections, and whether they followed those systems consistently;
- **Work Orders**, which covered the system in place for generating work orders, tracking their completion, and assessing the cost of the work performed;
- **Annual Unit Inspections**, which determined the extent to which a system was in place to conduct required annual unit inspections and to generate and track work orders based on deficiencies identified; and

- **Quality Control**, which assessed the extent to which the sites had systems in place for overseeing the work performed by the maintenance staff.

Each site was given a score between zero and five for each of the above areas, based on the maintenance staff's responses to questions about their procedures.¹ Exhibit 5-1 presents the scoring system that was used to rate the procedures followed in every site; Exhibit 5-2 presents the results. In some cases the PHA, rather than the RMC, has responsibility for the functions listed. Procedures for which the RMC does not have responsibility are marked with an asterisk.

The summary figures presented in Exhibit 5-2 make it clear that RMCs generally have maintenance procedures that closely parallel those implemented by their PHAs at the control sites. While scores for both RMCs and their controls ranged widely, with a high of 23 at the Boston sites, and a low of 12 at Stella Wright and three of the St. Louis sites, the scores within each PHA are generally quite similar. This similarity is not surprising since most of the RMCs based their procedures on those already in place at the PHA.

5.1.1 Preventive Maintenance

Preventive Maintenance scores were based on whether the site adopted and adhered to a preventive maintenance program, and whether there was a method of tracking to see that the work was actually performed. Scores in this area ranged from zero in several sites, to the highest possible rating of five in others. In none of the sites where there was a score of zero did the RMC have control over the function. All RMCs performed the same as their control sites on this measure, except for Kenilworth-Parkside, which out-performed its control.

All but two of the RMCs -- Le Claire Courts and Stella Wright -- and all but three of the control sites had some type of scheduled preventive maintenance program in use, earning a base score of one. However, the comprehensiveness of these plans varied significantly. Many sites lacked procedures to record problems noted during preventive maintenance activities to assure that those problems would be addressed.

Most of the RMCs did not have control over major systems, such as boilers and elevators, which are the systems most often in need of preventive maintenance. As a result, in all but three sites -- Bromley-Heath, Kenilworth-Parkside and Lakeview Terrace -- the PHA was responsible for major preventive maintenance and the RMC's score reflects the procedures of the PHA. Clarksdale shared responsibility for preventive maintenance with the PHA and performed supplemental preventive maintenance to enhance the effectiveness of the PHA's in-place system.

Two of the three RMCs that were responsible for maintaining major systems used procedures that generally mirrored their PHAs'. In Boston, a full-scale preventive maintenance program was in place at both the RMC and the control site, and so each received a score of five. In contrast, in Cleveland, neither the PHA nor the RMC had fully developed preventive maintenance plans. A plan was in effect for boiler maintenance at the PHA, and was being implemented at the RMC, and so the sites received scores of one.

¹ Because these scores are self-reported, there may be inconsistent scoring in cases where respondents have over- or under-estimated the extent to which they perform a function.

Exhibit 5-1

RATING SYSTEM FOR MAINTENANCE PROCEDURES

	Possible Points
1. Preventive Maintenance Do you have a scheduled preventive maintenance program? Do you use it? Do you have a system of tracking that the work is done? Do you follow that? <p align="right">Maximum Total Points</p>	1 2 1 1 <u>5</u>
2. Custodial Inspection Do you have scheduled custodial inspection programs? Do you use it? Do you have a system of tracking that the work is done? Do you follow that? <p align="right">Maximum Total Points</p>	1 2 1 1 <u>5</u>
4. Work Orders Do you use work orders? How are they generated: Greater than 50% resident generated (2) Greater than 50% inspection generated (1) Do you have a system of tracking that the work is done? Are your work orders costed out and used for planning purposes? <p align="right">Maximum Total Points</p>	1 2 1 1 <u>5</u>
4. Annual Unit Inspections Do you conduct Annual Unit Inspections? Do you have an inspection sheet to record deficiencies found? Are deficiencies found during that inspection written up on work orders? Do you have a system of tracking that the work is done? Do you have a resident charge back system? <p align="right">Maximum Total Points</p>	1 1 1 1 1 <u>5</u>
5. Quality Control (QC) Do you conduct QC on any work done by your maintenance staff? Is it done on a schedule? It is based on percentage of work orders completed? <p align="right">Maximum Total Points</p>	1 2 2 <u>5</u>

Exhibit 5-2

RATINGS FOR MAINTENANCE PROCEDURES

		Preventive Maintenance	Custodial Inspection	Work Orders	Annual Inspections	Quality Control	Total
FULL-SERVICE RMCS							
Bromley-Heath	RMC	5	5	3	5	5	23
	Control	5	5	4	4	5	23
Carr Square	RMC	3*	0	3	5	1	12
	Control	3	0	3	5	1	12
Cochran Gardens	RMC	3*	3	3	5	1	15
	Control	3	0	3	5	1	12
Kenilworth-Parkside	RMC	3	5	5	5	1	19
	Control	0	5	3	5	3	16
Lakeview Terrace	RMC	1	5	3	3	3	15
	Control	1	5	3	5	1	15
Le Claire Courts	RMC	0*	5	3	5	0	13
	Control	0	5	4	5	5	19
MANAGING-AGENT RMCS							
A Harry Moore	RMC	4*	3	3	5	1	16
	Control	4	3	3	5	1	16
Booker T. Washington	RMC	4*	3	3	5	1	16
	Control	4	3	3	5	1	16
Clarksdale	RMC	5**	5	3**	5*	3	21
	Control	5	5	3	5	3	21
Montgomery Gardens	RMC	4*	3	3	5	1	16
	Control	4	3	3	5	1	16
Stella Wright	RMC	0*	4*	2*	5	1*	12
	Control	0	5	2	5	1	13
* The RMC site does not have control over this function ** The RMC shares control over this function with the PHA							

The only RMC that did not receive the same score as its control on this measure was Kenilworth-Parkside. In Washington D.C., the PHA had no preventive maintenance system and so received a score of zero. Kenilworth-Parkside was developing a preventive maintenance system. However, because the property had just been rehabilitated and the systems were largely under warranty, the preventive maintenance system there was not yet in active use, and so received a score of three.

5.1.2 Custodial Inspections

Ratings for Custodial Inspection procedures were based on whether the site had a scheduled custodial inspection plan in use, and whether deficiencies identified during inspections were converted to work orders and tracked to ensure that they were corrected. Scores again ranged from a high of five to a low of zero. Nine of the eleven sites performed about the same as their control sites, and Cochran Gardens performed better than its control. Stella Wright performed worse than its control site, but the PHA was responsible for this function.

Most of the sites reported that they had some type of custodial inspection program in use, which earned a base score of three. Only Carr Square and the control sites in St. Louis had no documented schedule for custodial inspections. In some places, such as the Jersey City sites and Cochran Gardens, custodial inspections were conducted regularly, but by the floor captains, rather than by the maintenance staff. In these cases only some of the work was consistently written up on work orders, and so the sites received reduced ratings of three. This regular floor captain schedule earned Cochran Gardens a higher score than its control. Stella Wright staff reported that they did not use the work order tracking system consistently, and so received a score of four, lower than the control site's rating. However, the RMC at Stella Wright was not responsible for conducting Custodial Inspections.

5.1.3 Work Orders

The scores that sites received for Work Orders were based in part on whether the site used work orders and tracked whether work was accomplished. Additional points were awarded to sites that assessed the cost of completing work orders and used that information for planning purposes. Sites where over 50 percent of work orders were generated from resident requests received one point, while sites where over 50 percent of the work orders were generated from inspections received two points. Scores in this area ranged between two and five. Eight of the RMCs performed about the same as their controls on this measure, two --Bromley-Heath and Le Claire Courts -- performed worse, and one -- Kenilworth-Parkside --performed better.

Most of the sites used work orders that were largely resident-generated, and tracked them to see that they were completed. This basic level of effort earned a score of three. Only at the two Newark sites was no tracking done, but the PHA was responsible for this function at the RMC.

Kenilworth-Parkside and the control for Bromley-Heath were the only two sites to indicate that over 50 percent of the work orders were inspection generated, and thus scored better than their comparison sites. This may be due to the large number of "punch list" items, or repair work noted by staff before residents take possession, remaining from modernization at these sites.

Staff indicated that they assess the cost of completing work orders for planning purposes only at the control for Le Claire Courts and at Kenilworth-Parkside. Thus these two sites scored better than their comparison sites.

5.1.4 Annual Inspections

Scoring for Annual Inspections is based on the extent to which the sites conduct annual inspections, record their findings systematically, write deficiencies up on work orders, track those work orders to see that they are completed, and charge residents for excessive damage. Scores in this area did not vary widely, ranging only from three to five. Nine of the eleven RMCs performed about the same as their controls, Bromley-Heath performed better, and Lakeview Terrace performed worse.

All but one of the RMC sites follow all of these procedures, and received scores of five. Lakeview Terrace, the only RMC to perform worse than its control, does follow all of these procedures to some extent, but records and writes up only some of the deficiencies identified during inspections, and therefore was assigned a reduced rating of three. The control for Bromley-Heath, which reported that it does not charge residents for damage, was the only control site to receive a rating lower than its RMC's.

5.1.5 Quality Control

The review of Quality Control procedures is based on three factors: whether the maintenance supervisor conducts any type of quality control on work done by the maintenance staff; whether quality control that is done is performed on a schedule; and whether the number of work orders checked is based on a percentage of the work orders completed during the period. Scores in this area again ranged from zero to five. Eight of the RMCs performed about the same as their controls, two – Kenilworth-Parkside and Le Claire Courts – performed worse, and one – Lakeview Terrace – performed better.

All of the sites except for Le Claire Courts reported some formal quality control procedures. This lack of quality control left Le Claire Courts with a score of zero, much lower than its control site. At some sites, quality control is done through random spot checks, or is based on resident complaints, rather than being performed on a regular schedule. Those that had scheduled Quality Control procedures included the Louisville and Boston sites, the Lakeview Terrace RMC, and the control site in Chicago. This allowed the Lakeview Terrace RMC to score higher than its control in this area.

Ideally, managers should develop Quality Control procedures that ensure that a given percentage of work orders will be reviewed on a regular basis. The sites that reported performing quality control based on a percentage of the work orders completed included only the Boston sites, and the control sites in Chicago and Washington, D.C.

5.1.6 Overall Rating

RMC scores on the *individual* maintenance procedures described above differed from the control scores in eleven cases. Of these, ten were at Full-Service RMCs. This pattern illustrates the extent to which managing-agent RMCs work closely with their PHAs, and the relatively greater degree of freedom Full-Service RMCs have in determining how to provide maintenance services to their residents. No consistent pattern emerged in the direction of these differences at the Full-Service RMCs, however. Half the time they did better than their controls, and the other half worse.

The *sum* of the scores the sites obtained in each area provides an overall indication of the quality of the maintenance systems in place. The RMC scores closely parallel the scores of their controls, deviating by more than one point in only three cases – Le Claire Courts, Cochran Gardens and Kenilworth-Parkside. The RMC performed better than the control at Cochran Gardens and Kenilworth-Parkside. This left only Le Claire Courts with a score significantly lower than its control, largely due to the informal nature of its reported quality control procedures. Thus, overall, the maintenance procedures used by the RMCs are quite comparable to those in place at the control sites and largely depend on the procedures that are in place at the PHA.

5.2 OBSERVED CONDITIONS

The actual conditions the reviewers observed at the RMC and control sites tended to follow the same pattern. Just as RMC sites generally had maintenance systems in place that were about the same as or better than those at their control sites, RMCs generally maintained their properties about the same as or better than their control sites

The observed conditions compared included:

Service and Mechanical Systems, such as elevators, hot water, heat, ventilation and emergency equipment (fire extinguishers, emergency lighting).

Buildings and Grounds, including parking lots, common areas, stair towers, exterior walls, windows, sidewalks and landscaping.

Living Units, which includes all of the individual dwelling spaces.

A full list of items covered in the inspection protocol is included in Appendix C.

Maintenance staff have no control over some aspects of their properties. No amount of regular upkeep can make a building in need of major rehabilitation or an ancient boiler look good from an objective standard. To deal with this potential problem, the reviewers focused not on the objective condition of the site, but rather on the relative job management has done maintaining whatever physical plant they have to work with.

For example, living units were inspected to determine the RMCs' success in turning around vacated units and making them ready for occupancy. In each case the evaluator inspected a unit that had just been vacated to establish a baseline for comparison. The evaluator then inspected a unit that was ready for occupancy to determine the quality of the unit preparation, given the general quality of the units the RMC or control had to work with.

The reviewer at each site compared the results of the inspection at the RMC and the control and determined for each area whether the sites were maintained in about the same condition, or whether one management team did a better job than the other, given what it had to work with. If the two performed at about the same level, they received a score of zero. A score of "+" indicates that the RMC was kept in better condition, while a score of "-" indicates that the control did better. The reviewer also used this information to make a judgement about the management's overall success in maintaining physical conditions at RMCs compared with the controls. A summary of these findings is presented in Exhibit 5-3.

Exhibit 5-3

RMC MANAGEMENT PERFORMANCE COMPARED TO CONTROLS¹

	Service and Mechanical Systems	Buildings and Grounds	Living Units	Overall
FULL-SERVICE RMCS				
Bromley-Heath	0	0	na ²	0
Carr Square	0	-	0	0
Cochran Gardens	0	0	0	0
Lakeview Terrace	0	+	0	0
Le Claire Courts	0	0	-	0
Kenilworth-Parkside	0	0	0	0
MANAGING-AGENT RMCS				
A. Harry Moore	0	0	+	+
Montgomery Gardens	0	0	+	+
Booker T. Washington	0	0	0	0
Clarksdale	0	+	+	+
Stella Wright	0	0	na ²	0

¹ "+" indicates that the RMC performed better than its control, "-" that the RMC performed worse than its control, and "0" that they performed about the same.

² Comparable units could not be observed at the two sites. At Bromley-Heath the only vacant unit not under modernization at the time of our visit was one vacated at the RMC's request due to water damage, and thus not typical of a vacated unit. At Stella Wright, units are welded shut immediately after being vacated.

In assessing these results, it is important to keep in mind that a variety of factors may affect this kind of "snapshot" analysis, including the season, weather conditions and longer-term modernization plans. For example, the inspection in Cleveland was conducted during a snow storm that buried the grounds under six inches of fresh snow, making assessment of the quality of the grounds extremely difficult. In contrast, the inspection in Louisville was conducted during a warm spell, when much of the winter's accumulated trash was exposed for the first time. Although crews were out cleaning up during the course of the visit, the weather conditions made the trash more evident there than in other cities. Winter inspections also make it nearly impossible to judge aspects of grounds maintenance such as grass and other landscaping.

The longer-term modernization plans for the site may also have an effect on a site's observed conditions. For example, Kenilworth-Parkside was in the midst of major

modernization during our visit. This meant that the parts of the site that were accessible were brand new, and the rest was fenced off and under major construction. In contrast, several sites were expecting to begin major modernization relatively soon, and had made conscious decisions not to bring all aspects of the development to the highest level of maintenance possible. Deferred maintenance pending modernization can be a good way to manage scarce resources, as long as resident health and safety are not affected.

With these caveats in mind, the ratings presented in Exhibit 5-3 suggest that overall, RMCs tend to maintain their developments about as well as or better than do their control sites. Eight of the RMCs were rated as performing about the same overall, while three were rated as performing somewhat better. None were rated as performing worse. All of the full-service RMCs were rated as performing about the same as their respective controls, while three of the five managing-agent RMCs were rated as performing somewhat better.

None of the observed differences were based on the sites' service and mechanical systems, since all of the RMCs were rated the same as their control sites. In contrast, two RMCs were rated as performing better than their controls in the area of buildings and grounds and three in the area of living units. One RMC was rated worse than its control in the areas of buildings and grounds and living units.

The one site that performed worse than its control in the area of buildings and grounds was Carr Square, a site that is anticipating major modernization funding soon. The management staff there has made a conscious decision to minimize maintenance expenditures until that modernization takes place. Conversely, at all of the managing-agent sites where the RMC was rated as performing better than the control on either buildings and grounds or living units, the control site was preparing for additional modernization and so was performing the minimum maintenance required to maintain basic resident health and safety standards.

5.3 SUMMARY

This chapter examined RMC and control site implementation of and adherence to maintenance procedures, including preventive maintenance, custodial inspections, work order processing, annual unit inspections and quality control. In general, the reviewers found that RMCs used maintenance procedures that closely paralleled those of their PHA. Not surprisingly, the full-service RMCs tended to deviate from their PHAs' procedures more often than did the managing agent RMCs.

The chapter also assessed the overall quality of development maintenance, based on the observed conditions of the service and mechanical systems, the buildings and grounds, and the living units. Inspector's ratings were designed to reflect only those situations which were under the control of the RMC; thus, for example, RMCs were not penalized in the scoring system simply because they managed a deteriorated property. According to this rating system, RMCs tended to maintain their developments about as well as or better than their comparison sites. All of the full-service sites performed about the same as their PHAs, while three of the five managing-agent RMCs performed better than their PHAs.

CHAPTER 6

OPERATING COSTS

This chapter compares the operating costs of RMCs with those of their controls and PHAs. Chapters 4 and 5 documented the general ability of RMCs to perform as well as, and in some cases significantly better than, their PHAs and control sites with respect to a wide range of property management functions. This chapter examines the relative costs of delivering those management-related services.¹

This analysis relies on financial data collected from a number of sources for RMCs, PHAs, and control sites included in the study. These data sources are described in detail in Appendix D. Unfortunately, as Appendix D notes, it was extremely difficult to allocate costs accurately between PHAs and individual developments (RMCs and controls), because PHAs are not required to keep detailed records concerning the cost of providing services to each development, and thus did not maintain development-based accounting systems. Because of the difficulty in gathering the appropriate data, a number of important caveats should be kept in mind when considering the findings presented in this section:

- Lack of development-based accounting systems. Only a few of the PHAs included in the study had development-based accounting systems.² Each RMC had its own budget, but these did not generally account for PHA administrative costs for the site. While a number of procedures were used to allocate a portion of each PHA's costs to the RMC and its control, these procedures were approximate at best and could not be performed at all in several instances. In particular, it was impossible to use a consistent method of allocating overhead expenses between PHAs and RMCs (and controls), partly because PHAs are not required to perform accurate cost allocations for overhead expenses. As a result, the estimates presented in this section should be interpreted with caution and viewed only as very rough approximations of relative operating costs.
- Division of responsibilities for management functions. All of the RMCs relied on their PHAs to perform at least some management functions: for example, PHAs were responsible for initial resident certifications at all RMCs included in the study. Again, while the costs to the PHA of performing these management functions were allocated as accurately as possible to the RMCs and control sites, the lack of detailed cost data makes these allocations approximate at best.

¹ Modernization costs are not considered here because they came from a different funding source and are often not within an RMC's control

² Starting in 1993, agencies with 500 or more units will be required to use project-based accounting systems.

- Provision of technical assistance and training. Another difficulty is that it was impossible to collect information that reflects properly the costs of providing technical assistance and training at particular developments. Because of this, for example, PHAs may appear to have higher operating costs, and RMCs or controls may appear to have lower costs, when in fact these figures may reflect merely the provision of technical assistance and training to RMCs that is funded by the PHA
- Interpretation of cost differences. Even in cases where expenditures differ markedly between housing developments, it is difficult to interpret the significance of these findings. For example, if an RMC spends substantially more than its control site on ordinary maintenance, it could indicate that the RMC performs much more ordinary maintenance – an interpretation that suggests successful management of the RMC, since maintenance will tend to improve building conditions and prevent deterioration. Alternatively, high ordinary maintenance expenditures could indicate that the RMC is inefficient and wasteful – an interpretation that reflects poorly on RMC management capabilities.
- Scope of costs included in analysis. Another important caveat is that the analysis was limited to costs covered under the conventional Public Housing program and funded in each PHA's operating budget through the Performance Funding System. This data source excludes some relevant financial information, including CIAP (modernization) costs, management improvement expenses, and TAG grant expenses, among others. Therefore, while the review is based on the cost components most relevant for the purposes of this analysis, it is important to recognize that the financial data presented in this section are not comprehensive.
- Lack of statistical test. While expenditures can be compared visually and relatively large or small differences noted, it is impossible to develop any rigorous statistical test to indicate whether observed differences in costs can be considered statistically significant. Specifically, the cost figures presented in this section are estimates based on generally accepted cost allocation methods and the data provided by PHAs and individual developments. It is impossible to develop tests of statistical significance because the distributions of these estimates are not known.
- Characteristics of housing developments. It is important to take into account the relationship between operating costs and the characteristics of each development. RMCs and controls generally have larger units suitable for families, while other developments in a given PHA may have smaller units suitable for elderly occupants or other small households. Because of these differences in units, it may be misleading to compare operating costs of RMCs, controls, and PHAs solely on a per-unit basis. Instead, this analysis focuses on bedrooms as the most appropriate standard of comparison for financial data
- Impact of vacancy rates. It is equally important to take into account the impact of vacancies on operating costs at RMCs and other developments. While RMCs or other developments will incur some costs regardless of the number of units that are occupied, a large share of total operating and maintenance

expenditure is directly related to the number of people living at the development. Because vacancy rates may vary widely at different developments, it could be misleading to compare costs solely on the basis of the total number of units or bedrooms. Thus expenditures have been compared on the basis only of occupied bedrooms.

While it could be argued that another standard of comparison might be more appropriate for some particular component of cost, the number of occupied bedrooms can be taken as at least a reasonable basis for an overall comparison of RMCs with other developments. To determine whether the findings presented in this chapter would change if a different standard of comparison were used, we conducted our analysis using three alternative standards: (1) total number of units, (2) number of occupied units, and (3) total number of bedrooms. We determined that a different standard would not substantially alter our findings.

With these caveats in mind, it is possible to make a few observations regarding the relative costs of operating and maintaining developments managed by RMCs and controls. The analysis of costs presented in this chapter focuses on five measures of operating costs:

- Total non-utility expenditures
- Ordinary maintenance expenditures
- Non-routine maintenance expenditures
- Resident services expenditures
- Administrative expenditures

These cost components were selected for the analysis because they reflect the most important property management functions, and because relatively reliable data on these types of expenditures were available.³

6.1 EXPENDITURES

6.1.1 Total Non-Utility Expenditures

Exhibit 6-1 compares RMCs to PHAs and control sites on the basis of **total non-utility expenditures** per occupied bedroom per month. The first column shows the dollar amount of total non-utility expenditures per occupied bedroom at each of the RMCs included in this study. Total non-utility expenditures include cost categories such as ordinary maintenance, non-routine maintenance, and resident services as well as administration, utilities labor, protective services, general expenses, overhead allocation, and rent to owners of leased

³ Utility expenses were excluded from the analysis because they can vary quite widely for reasons beyond the control of the managers of housing developments—particularly the type of heating and cooling equipment installed and the cost of the fuel used in that equipment. Thus, utilities expenditures do not generally reflect management practices, and the variations in utilities expenditures that can be attributed to management practices (for example, to energy conservation programs) are relatively insignificant compared to the variations attributable to fuel costs.

Exhibit 6-1

TOTAL NON-UTILITY EXPENDITURES PER OCCUPIED BEDROOM PER MONTH

	Expenditures Per Occupied Unit			RMC Expenditures as a Percent of	
	RMC	PHA	Control	PHA	Control
Full-Service RMCs					
Bromley-Heath	\$197	\$154	\$128	27%	54%
Carr Square	\$203	\$235	na	-13%	na
Cochran Gardens	\$ 94	\$235	na	-60%	na
Kenilworth-Parkside	\$160	\$141	na	13%	na
Lakeview Terrace	\$219	\$157	na	40%	na
Le Claire Courts	\$ 71	\$181	\$ 75	-61%	-5%
Managing-Agent RMCs					
A Harry Moore	\$115	\$204	\$169	-44%	-32%
Booker T. Washington	\$ 93	\$204	\$141	-55%	-34%
Clarksdale	\$ 70	\$106	\$92	-34%	-24%
Montgomery Gardens	\$134	\$204	\$169	-34%	-21%
Stella Wright	\$184	\$304	\$308	-40%	-40%

NOTE: Percentages may not appear exact due to rounding.

dwellings. These cost categories account for an average of about 67 percent of total operating costs at RMCs and control sites included in the study, and a slightly higher share (about 68 percent) at their PHAs.

The second column of Exhibit 6-1 shows the difference in total non-utility expenditures per occupied bedroom per month at each RMC relative to its PHA as a whole (not including the RMCs considered in this study). As this column shows, only three RMCs -- Bromley-Heath, Kenilworth-Parkside, and Lakeview Terrace -- had higher total non-utility expenditures per occupied bedroom per month than their PHAs. The other eight RMCs had lower total non-utility expenditures per occupied bedroom per month than their PHAs, with the differences ranging from 13 percent at Carr Square to 61 percent at Le Claire Courts. All of the managing-agent RMCs had lower total non-utility expenditures per occupied bedroom per month than their PHAs, whereas full-service RMCs showed mixed results relative to their PHAs.⁴

As noted previously, comparisons between RMCs and controls are likely to be more appropriate than comparisons between RMCs and PHAs, since RMCs and controls generally have a similar mix of larger family units while other developments in the PHA may have more small units for elderly occupants. In addition, because of the difficulty of allocating PHA

⁴ As noted in Chapter 3, managing-agent RMCs generally performed fewer functions than did full-service RMCs. Although the cost allocation attempted to allocate costs to RMCs for functions that were performed by the PHA on their behalf, this was not always possible because of the data limitations. Therefore, the difference in costs between managing-agent RMCs and their PHAs may reflect in part the difference in responsibilities.

overhead expenditures, some non-utility expenses properly attributable to RMCs and controls may instead be included in the overhead attributed to their PHAs. Unfortunately, because only a few sites had development-based accounting systems it was impossible to develop adequate cost data for four control sites, making it possible to draw comparisons between RMCs and controls for only two of the full-service RMCs and the five managing-agent RMCs.

The last column of Exhibit 6-1 presents total non-utility expenditures per occupied bedroom per month at these seven RMCs relative to their controls. As this column shows, only Bromley-Heath had higher total non-utility expenditures per occupied bedroom per month than its control. All six other RMCs had lower total non-utility expenditures per occupied bedroom per month than their controls by amounts ranging from as little as five percent at Le Claire Courts to as much as 40 percent at Stella Wright.

In summary, managing-agent RMCs in every case had lower total non-utility expenditures per occupied bedroom per month than both their PHAs and their control sites. Full-service RMCs showed mixed results relative to their PHAs and control sites in terms of cost, although most did a better job of providing maintenance services for their residents. It is important to keep in mind, however, the caveat that the observed differences in total non-utility expenditures per occupied bedroom per month between RMCs and PHAs or controls may reflect simply the difficulties in allocating costs between the different housing developments, rather than any real difference in costs.

6.1.2 Ordinary Maintenance Expenditures

At most RMCs and other housing developments, **ordinary maintenance expenditures** constitute the single largest share of total operating expenses other than utilities. Ordinary maintenance expenditures accounted for an average of about 23 percent of total operating expenditures at the RMCs included in this study; the average share was slightly higher (28 percent) at PHAs, and slightly lower (21 percent) at control sites. Because ordinary maintenance is one of the most important management functions at any housing development, Exhibit 6-2 compares RMCs to PHAs and control sites on the basis of ordinary maintenance expenditures. The first column of this exhibit shows the dollar amount of ordinary maintenance expenditures per occupied bedroom per month at each RMC included in this study.

The second column of Exhibit 6-2 shows the difference in ordinary maintenance expenditures per occupied bedroom per month at each RMC relative to its PHA. As this column shows, only two of the eleven RMCs had higher ordinary maintenance expenditures than their PHAs. Bromley-Heath (34 percent higher than at the PHA) and Lakeview Terrace (three percent higher than at the PHA). The other nine RMCs had lower ordinary maintenance expenditures per occupied bedroom per month than at their PHAs, with the differences ranging from 15 percent at Kenilworth-Parkside to 67 percent at Booker T. Washington and Clarksdale.⁵ As with total non-utility expenditures, all of the managing-agent RMCs had lower ordinary maintenance expenditures per occupied bedroom per month than their PHAs, whereas full-service RMCs showed more mixed results relative to their PHAs.

⁵ Clarksdale is the only development in the Louisville PHA that has undergone recent rehabilitation, so maintenance requirements are expected to be lower at Clarksdale than at the rest of the PHA.

Exhibit 6-2

ORDINARY MAINTENANCE EXPENDITURES PER OCCUPIED BEDROOM PER MONTH

	Expenditures Per Occupied Unit			RMC Expenditures as a Percent of:	
	RMC	PHA	Control	PHA	Control
<u>Full-Service RMCs</u>					
Bromley-Heath	\$ 72	\$54	\$39	34%	86%
Carr Square	\$ 53	\$107	na	-50%	na
Cochran Gardens	\$ 45	\$107	na	-58%	na
Kenilworth-Parkside	\$ 54	\$64	na	-15%	na
Lakeview Terrace	\$ 59	\$57	na	3%	na
Le Claire Courts	\$ 37	\$79	\$41	-53%	-9%
<u>Managing-Agent RMCs</u>					
A. Harry Moore	\$ 36	\$81	\$52	-55%	-30%
Booker T. Washington	\$ 26	\$81	\$38	-67%	-31%
Clarksdale	\$ 14	\$44	\$12	-67%	19%
Montgomery Gardens	\$ 57	\$81	\$52	-30%	10%
Stella Wright	\$ 55	\$95	\$93	-42%	-40%

NOTE: Percentages may not appear exact due to rounding.

Again, comparisons between RMCs and controls are likely to be more appropriate than comparisons between RMCs and PHAs. Thus, the last column of Exhibit 6-2 presents ordinary maintenance expenditures per occupied bedroom per month at RMCs relative to their controls at the seven sites for which reliable data were available. As this column shows, three RMCs – Bromley-Heath, Clarksdale,⁸ and Montgomery Gardens – had higher ordinary maintenance expenditures per occupied bedroom per month than their controls. The four other RMCs had lower ordinary maintenance expenditures per occupied bedroom per month than at their control sites by amounts ranging from nine percent at Le Claire Courts to as much as 40 percent at Stella Wright.

In summary, managing-agent RMCs in every case had lower ordinary maintenance expenditures per occupied bedroom per month than their PHAs, but showed more mixed results relative to their control sites. Full-service RMCs showed mixed results relative to both their PHAs and their control sites. Again, however, it must be kept in mind that the observed differences in costs between RMCs and PHAs or controls may reflect simply the difficulty of allocating costs between the different housing developments rather than any real difference in the volume of ordinary maintenance performed or in the cost of providing ordinary maintenance.

⁸ The control site for the Clarksdale RMC is scheduled to undergo rehabilitation soon. Because of this, only essential maintenance is currently being performed at the control site, so ordinary maintenance expenditures are expected to be unusually low.

6.1.3 Non-Routine Maintenance Expenditures

Non-routine (emergency) maintenance expenditures, such as costs for repairing a burst pipe or replacing a storm-damaged roof, constitute a much smaller share than ordinary maintenance expenditures of total operating expenses. Non-routine maintenance constituted an average of just two percent of total operating expenditures at the RMCs and controls included in this study, and only slightly higher (three percent) at PHAs. Nevertheless, this cost component reflects a critical management function in terms of correcting major maintenance problems both to make units available for occupancy and to prevent more serious damage to the housing units. Because of this, Exhibit 6-3 compares RMCs to PHAs and control sites on the basis of non-routine maintenance expenditures (not including CIAP modernization expenditures)

Exhibit 6-3

NON-ROUTINE MAINTENANCE EXPENDITURES PER OCCUPIED BEDROOM PER MONTH

	Expenditures at RMC	Expenditures at PHA	Expenditures at Control Site
<u>Full-Service RMCs</u>			
Bromley-Heath	\$ 4.48	\$ 4.12	\$ 2.10
Carr Square	\$37.17	\$10.18	na
Cochran Gardens	\$ 2.17	\$10.18	na
Kenilworth-Parkside	\$ 0	\$ 5.42	na
Lakeview Terrace	\$ 0.80	\$ 9.49	na
Le Claire Courts	\$ 0.11	\$ 2.81	\$ 0.20
<u>Managing-Agent RMCs</u>			
A. Harry Moore	\$ 0.10	\$ 2.96	\$ 0.20
Booker T. Washington	\$ 0	\$ 2.96	\$ 4.70
Clarksdale	\$ 0.14	\$17.79	\$ 2.29
Montgomery Gardens	\$ 0.16	\$ 2.96	\$ 0.20
Stella Wright	\$18.60	\$34.97	\$33.34

The first column of this exhibit shows the dollar amount of non-routine maintenance expenditures per occupied bedroom per month at each RMC included in this study, while the second column shows non-routine maintenance expenditures per occupied bedroom per month at the corresponding PHA (percent differences are not shown because the small dollar amounts make percentage comparisons less meaningful). As these columns show, only two of the 11 RMCs had higher non-routine maintenance expenditures than their PHAs: Bromley-Heath and Carr Square⁷. The other nine RMCs had lower non-routine maintenance expenditures per occupied bedroom per month than their PHAs, and no non-routine maintenance expenditures at all were allocated to Kenilworth-Parkside⁸ or Booker T.

⁷ It is particularly strange that non-routine maintenance expenditures should be so large at Carr Square, since the RMC is scheduled to undergo rehabilitation soon.

⁸ Kenilworth-Parkside is currently undergoing modernization.

Washington. As with total non-utility expenditures and ordinary maintenance expenditures, all of the managing-agent RMCs had lower non-routine maintenance expenditures per occupied bedroom per month than their PHAs, whereas full-service RMCs showed more mixed results relative to their PHAs.

As before, the most useful comparisons are likely to be between RMCs and controls, so the last column of Exhibit 6-3 presents non-routine maintenance expenditures per occupied bedroom per month for the seven control sites for which reliable data were available. As this column shows, only Bromley-Heath had higher non-routine maintenance expenditures per occupied bedroom per month than its control; all six other RMCs had lower non-routine maintenance expenditures per occupied bedroom per month than their controls. Of the five managing-agent RMCs, four -- A. Harry Moore, Booker T. Washington, Clarksdale, and Montgomery Gardens -- have relatively low non-routine maintenance expenditures because they are in relatively good physical condition. The fifth, Stella Wright, is in relatively poor physical condition and has much higher non-routine maintenance expenditures as a result.

In summary, managing-agent RMCs in every case had lower non-routine maintenance expenditures per occupied bedroom per month than both their PHAs and their control sites. Most of the full-service RMCs had lower non-routine maintenance expenditures than their PHAs, while there were mixed results relative to the two control sites. As before, the observed differences may reflect the difficulty of cost allocation rather than real differences in the amount of non-routine maintenance performed or in the cost of providing non-routine maintenance.

6.1.4 Resident Service Expenditures

The fourth cost component focused on in this analysis is **resident service expenditures**, for example funds spent to pay for an activity coordinator's salary or to reproduce flyers announcing resident meetings. Like non-routine maintenance expenditures, resident service expenditures account for a relatively small portion of total expenses -- just three percent on average at the RMCs included in the study, and just one percent at PHAs and controls -- but they reflect a particularly important management function. Exhibit 6-4 compares resident service expenditures per occupied bedroom at RMCs relative to their PHAs and control sites.⁹

The first column of this exhibit shows the dollar amount of resident service expenditures per occupied bedroom per month at each RMC included in this study, while the second column shows resident service expenditures per occupied bedroom per month at the nine PHAs for which reliable data were available (again, the small dollar amounts make percentage comparisons less meaningful). As these columns show, five RMCs spent more per occupied bedroom on resident services than their PHAs did, while the other four RMCs had lower resident service expenditures per occupied bedroom per month than their PHAs.

⁹ Carr Square and Kenilworth-Parkside have particularly high expenditures on resident services because, unlike many other housing developments, both RMCs provide virtually all resident services themselves with staff on their own payroll. In contrast, Clarksdale has particularly low resident service expenditures because the RMC provides virtually no resident services itself. Other RMCs, such as Bromley-Heath, focus on outside service providers and thus have relatively low resident service expenditures even though they may provide extensive resident services.

Exhibit 6-4

RESIDENT SERVICE EXPENDITURES PER OCCUPIED BEDROOM PER MONTH

	Expenditures at RMC	Expenditures at PHA	Expenditures at Control Site
<u>Full-Service RMCs</u>			
Bromley-Heath	\$ 1.57	\$ 1.96	\$ 0.06
Carr Square	\$17.84	na	na
Cochran Gardens	\$ 3.28	na	na
Kenilworth-Parkside	\$16.19	\$ 3.40	na
Lakeview Terrace	\$ 8.72	\$ 2.90	na
Le Claire Courts	\$ 0.46	\$ 2.60	\$ 0.05
<u>Managing-Agent RMCs</u>			
A. Harry Moore	\$ 4.93	\$ 3.63	\$ 2.56
Booker T. Washington	\$ 2.98	\$ 3.63	\$ 2.88
Clarksdale	\$ 0.83	\$ 0.20	\$ 0.15
Montgomery Gardens	\$ 7.21	\$ 3.63	\$ 2.56
Stella Wright	\$ 7.37	\$ 9.77	\$10.97

Interestingly, whereas all five managing-agent RMCs had lower expenditures per occupied bedroom per month than their PHAs on ordinary maintenance, non-routine maintenance, and total non-utility expenditures, managing-agent RMCs showed mixed results relative to their PHAs on resident service expenditures.

The last column of Exhibit 6-4 presents resident service expenditures per occupied bedroom per month for the seven control sites for which reliable data were available. As this column shows, all but one RMC spent more per occupied bedroom per month on resident services than their controls did. The only exception was Stella Wright, which spent less per occupied bedroom per month than its control did on resident services.

In summary, in most cases both full-service and managing-agent RMCs had higher resident service expenditures per occupied bedroom per month than either their PHAs or their control sites

6.1.5 Administrative Expenditures

The last cost component examined to assess the performance of housing development managers is **administrative expenditures**, a cost category that includes an average of about 12 percent of total operating expenditures at RMCs, about 17 percent at PHAs, and about 10 percent at control sites. Exhibit 6-5 compares administrative expenditures per occupied bedroom per month at RMCs relative to their PHAs and control sites. The first column of this exhibit shows the dollar amount of administrative expenditures per occupied bedroom per month at each RMC included in this study.

The second column of Exhibit 6-5 shows the difference in administrative expenditures per occupied bedroom per month at each RMC relative to its PHA. As this column shows, ten of the eleven RMCs spent less per occupied bedroom per month on administration than their PHAs did, with differences ranging from 19 percent at Carr Square to 82 percent at

Exhibit 6-5

ADMINISTRATIVE EXPENDITURES PER OCCUPIED BEDROOM PER MONTH

	Expenditures Per Occupied Bedroom			RMC Expenditures as a Percent of:	
	RMC	PHA	Control	PHA	Control
<u>Full-Service RMCs</u>					
Bromley-Heath	\$ 31	\$40	\$12	-24%	148%
Carr Square	\$ 55	\$68	na	-19%	na
Cochran Gardens	\$ 12	\$68	na	-82%	na
Kenilworth-Parkside	\$ 19	\$43	na	-55%	na
Lakeview Terrace	\$ 73	\$42	na	73%	na
Le Claire Courts	\$ 14	\$39	\$14	-64%	-1%
<u>Managing-Agent RMCs</u>					
A. Harry Moore	\$ 17	\$33	\$27	-47%	-36%
Booker T. Washington	\$ 11	\$33	\$20	-67%	-46%
Clarksdale	\$ 9	\$28	\$ 5	-67%	98%
Montgomery Gardens	\$ 7	\$33	\$27	-78%	-73%
Stella Wright	\$ 41	\$73	\$79	-43%	-47%

NOTE: Percentages may not appear exact due to rounding.

Cochran Gardens The only exception was Lakeview Terrace, which spent 73 percent more per occupied bedroom per month than its PHA did on administration.

The last column of Exhibit 6-5 presents administrative expenditures per occupied bedroom per month for RMCs relative to their controls at the seven sites for which reliable data were available. As this column shows, only two RMCs had higher administrative expenditures than their control sites: Bromley-Heath (148 percent higher than its control) and Clarksdale (98 percent higher) The other five RMCs had lower administrative expenditures per occupied bedroom per month than their controls, with the differences ranging from just one percent at Le Claire Courts to 73 percent at Montgomery Gardens.

In summary, in most cases both full-service and managing-agent RMCs had lower administrative expenditures per occupied bedroom per month than either their PHAs or their control sites.

6.2 SUMMARY

Although it is important to keep in mind the caveats described at the beginning of this chapter, the financial data presented in this chapter permit some general comparisons between PHAs or control sites and RMCs regarding the most important components of operating costs. In general, managing-agent RMCs spend less than their PHAs do on ordinary maintenance, non-routine maintenance, and administration. Similarly, managing-agent RMCs spend less than their control sites on non-routine maintenance and administration, but the results are more mixed for ordinary maintenance expenditures. Managing-agent RMCs also generally have lower total non-utility expenditures (and total expenditures) than either their PHAs or their controls.

This pattern generally held, although the results were more mixed, for full-service RMCs relative to their PHAs. (Again, only two full-service RMCs could be compared to their controls because reliable data were not available) Most of the full-service RMCs had lower administrative expenditures and, to a lesser extent, lower ordinary maintenance expenditures and non-routine maintenance expenditures than their PHAs. Total non-utility expenditures (and total expenditures) were mixed for full-service RMCs relative to their PHAs.

The very clear exception to the general trend of lower expenditures at RMCs was resident service expenditures, which were higher for RMCs in most cases than for either their PHAs or their controls. This exception suggests that RMCs tend to provide more resident services than other housing developments do, a conclusion that is supported for full-service sites in Chapter 7.

While three full-service sites – Bromley-Heath, Kenilworth-Parkside and Lakeview Terrace – outspent their PHAs; there did not appear to be a consistent reason for these higher costs. At Bromley-Heath, the principal areas in which the RMC outspent the PHA were overhead and maintenance. But the RMC's performance on traditional maintenance indicators was mixed, as were resident opinions of maintenance quality expressed during the focus group. Bromley-Heath spent less than its PHA on administrative costs, but also performed less well on administrative functions such as vacancy rates and tenant accounts receivable.

Kenilworth-Parkside outspent its PHA in two principal areas. First, Kenilworth-Parkside paid more rent for leased dwellings – a cost that no other group included in this evaluation incurred. Second, Kenilworth-Parkside spent more on resident services. The additional resident services costs seemed well-justified, given the extensive resident services provided at the site. Offsetting lower costs for maintenance were to be expected at Kenilworth-Parkside since all occupied units were newly rehabilitated. Lower administrative costs were again accompanied by poorer performance in areas such as tenant accounts receivable and vacancy rates at Kenilworth-Parkside.

Lakeview Terrace spent more on administrative costs than did its PHA, and performed better in areas such as resident recertification and unit inspections. However, the RMC performed less well in terms of vacancy rates. Lakeview also had higher security costs than the PHA. However, this was money well spent, according to focus group participants, who generally rated Lakeview's security highly.

CHAPTER 7

SOCIAL SERVICES, ECONOMIC DEVELOPMENT PROGRAMS, AND JOB CREATION

Most RMC organizations work not only to improve the way their developments are managed, but also to provide social services for residents and opportunities for jobs and for economic development. Often, resident groups can bring services to their sites that otherwise would not have existed. On-site availability also increases the chance that residents will be aware of the programs and able to take advantage of them. Such programs can provide opportunities for residents to obtain paid staff positions, or to get experience working as volunteers. Finally, an on-site presence can increase the services' responsiveness to resident needs by bringing their staffs into closer touch with the community.

Section 7.1 describes the range of social service programs that are available at the RMCs, examines each site's approach to delivering these services, and compares the programs available at the RMCs with the programs available at their control sites. Section 7.2 describes the economic development opportunities available at the RMCs and estimates the number of jobs that each provides. Section 7.3 addresses one of the primary objectives of resident management, namely, bringing job opportunities to a population increasingly removed from the labor force. The primary objective of this chapter is to provide an overview of the types of activities that are underway at RMCs, rather than to assess the efficiency or overall effectiveness of any given program. However, to provide a better understanding of the reality behind these statistics, Appendices F and G present a series of brief case studies describing a number of representative programs in the areas of social services and economic development activities, respectively.

7.1 SOCIAL SERVICES

7.1.1 Range of Social Services Available at RMCs

Exhibit 7-1 lists the social services that are provided at each RMC. Brief descriptions of the individual programs are provided in Appendix E. As shown in the chart, the specific types of services available vary widely across the sites. However, despite this variation, the individual programs can be grouped into four basic service areas, including:

- **Programs for Infants and Children**, such as infant care, child care, Headstart and after school programs
- **Programs for Youths**, such as after school tutoring, youth activities, summer recreation and employment, summer lunches, and college programs.
- **Programs for Seniors**, such as senior lunches, senior activities, senior transportation, and chore services.
- **Supportive Services**, such as substance abuse education and treatment, health care programs, and life skills training

Exhibit 7-1

SOCIAL SERVICE PROGRAMS AVAILABLE BY SITE

SITE	PROGRAMS FOR INFANTS AND CHILDREN	PROGRAMS FOR YOUTHS	PROGRAMS FOR SENIORS	SUPPORTIVE SERVICE PROGRAMS
FULL-SERVICE RMCS				
Bromley-Heath	Headstart Infant Care ^a Child Care	After School Tutoring ^a Youth Activities ^a Summer Youth Activities ^a Community Recreation Center ^b College Programs	Senior Activities	Health Center Learning Center Food Bank
Carr Square	Infant Care ^a Child Care ^a	After School Tutoring ^a Summer Youth Activities ^a Summer Youth Employment ^b Summer Lunch ^a	Senior Activities ^a Senior Transportation ^a Senior Lunches Chore Service ^a	Health Center
Cochran Gardens	Child Care ^a	Youth Activities ^a Summer Youth Activities ^a Summer Youth Employment ^b Summer Lunch ^a Community Recreation Center ^a	Senior Activities ^a Senior Transportation ^a Senior Lunches ^a Chore Service	Health Center Learning Center Family Literacy ^a
Kenilworth-Parkside	Child Care ^a	After School Tutoring ^a Youth Activities ^a Summer Youth Activities ^a Summer Youth Employment ^b Community Recreation Center ^a College Program ^a		Health Center ^a Learning Center ^a Substance Abuse ^a Employment Assistance ^a Youth Support Group ^a
Lakeview Terrace	Headstart	After School Tutoring ^b Youth Activities ^a Community Recreation Center ^a	Senior Lunches Senior Transportation ^a	Health Center ^a Food Bank
Le Claire Courts	Headstart After School Care	Youth Activities College Program	Senior Activities	Health Center Learning Center Employment Assistance Counseling Young Parents Program Food Bank Counseling and Prevention

Exhibit 7-1 (Continued)

SOCIAL SERVICE PROGRAMS AVAILABLE BY SITE

SITE	PROGRAMS FOR INFANTS AND CHILDREN	PROGRAMS FOR YOUTHS	PROGRAMS FOR SENIORS	SUPPORTIVE SERVICE PROGRAMS
MANAGING-AGENT RMCS				
A. Harry Moore	Headstart Child Care ^b	After School Tutoring ^a Youth Activities ^a Summer Youth Activities ^b Summer Lunch ^b		Drug Counseling Program ^b
Booker T Washington		After School Tutoring ^a Summer Youth Activities ^b Youth Activities ^a Summer Lunch College Programs ^a	Senior Activities ^a	
Clarksdale	Child Care	Youth Activities Community Recreation Center ^b	Senior Transportation ^a	
Montgomery Gardens	Headstart Child Care ^a	After School Tutoring ^a Youth Activities ^a Summer Youth Activities ^b Summer Lunch College Program ^a	Senior Activities ^a	Teen Parenting and Sexuality
Stella Wright	Infant Care Child Care	Youth Activities ^a		Drug Counseling Program

^a Program operated by RMC

^b Program operated by RMC in conjunction with another organization

Programs for Infants and Children

Programs for children perform several vital functions in the community. Most obviously, they provide a healthy and stimulating environment for the children. Programs like Headstart give children from disadvantaged environments an opportunity to start their school years in a more competitive position, and eventually to produce young adults with the skills and education needed to be self-supporting and productive members of society. In addition, however, they free parents who would otherwise have child care responsibilities to pursue job opportunities or to enroll in education or training programs.

The programs available at the RMCs for infants and children fall into four basic categories:

- **Headstart.** Five sites (three full-service, two managing-agent) provide access to federally-funded early education programs. Programs serve anywhere from 20 to 150 children, both from the RMCs and their surrounding communities. Headstart is a federal program, and thus is never operated by the RMCs.
- **Infant Care.** Three sites provide day-time care for infants, generally age three months to two years. The two full-service sites with infant care (Bromley-Heath and Carr Square) run the programs themselves, largely with resident employees. The program at the managing-agent site (Stella Wright) is operated by an outside organization. The programs serve about 20 infants, and are generally open to both residents and the wider community.
- **Child Care.** Eight sites provide day-time care for toddlers and children, generally ages three to kindergarten. Child care programs at full-service sites were nearly always operated by the RMCs, while at managing-agent sites, that responsibility was more often shared or taken on entirely by an outside provider. The programs serve anywhere from 20 to 80 children from the RMC and the surrounding community. Many of the programs are not operating at the full capacity for which they are certified.
- **After-School Care.** One site, Le Claire Courts, provides formal half-day care for kindergartners and after school care for young school children. While after school activities are available at several other sites, the programs are operated on a more informal drop-in basis, and so are listed under Programs for Youths.

Booker T. Washington is the only RMC that does not offer any form of infant or child care program. Such services had been offered on site until recently, but the RMC now shares access to child care programs at the neighboring Montgomery Gardens RMC.

Programs for Youths

Youth activities, particularly after-school tutoring and study time, help students continue their development. However, after-school programs also provide supervised situations that serve as alternatives to gangs and drugs. Such alternatives help youths avoid behaviors that are destructive, both to themselves and to their developments. These activities can serve the added purpose of helping parents stay at work or in school by providing a watchful eye after school hours.

All of the sites have some form of program for youths, which can be classified into seven basic categories.

- **After-School Tutoring.** Seven sites provide tutoring for children and youths, which typically involves helping with homework, enrichment exercises, and remedial assistance. While tutoring is generally organized by the RMC instructors come from a number of sources, including adult residents, fellow students, public school teachers, and college students. The programs serve an average of between 30 and 60 children a day. While some children attend daily, more often they come a few days a week or when they are having trouble with their homework.
- **Youth Activities** Ten sites provide organized activities for their youths, often including sports, arts and crafts, and field trips. These activities are nearly always organized by the RMC, using a combination of paid staff and volunteer chaperons. These programs usually serve between 35 and 75 youths each day. A few sites have youth steering committees to help plan activities.
- **Summer Youth Activities** Seven sites provide additional programs for youths during the summer months. These often involve day-long supervision, including educational activities, recreational activities, and field trips. These programs are often a substitute for child care for older children, and serve anywhere from 80 to 250 youths. They are staffed mostly by paid residents, including older youths on job programs.
- **Summer Youth Employment.** Three sites collaborate with government job programs that provide salaries for youth workers in return for RMC supervision. They hire from 10 to 40 resident youths for jobs ranging from maintenance and groundskeeping to office work and helping out in the recreation centers.
- **Summer Lunches** Five sites provide summer lunches to replace subsidized school lunches for school-age children. Programs range in size from 80 to 200 meals per day. Lunches are often provided in conjunction with summer activity programs, and are generally paid for with government funds.
- **Community Recreation Centers** Five sites have open access to recreation activities. These activities, in contrast to Youth Activities, are relatively unstructured, and include table games, ping pong and pool, and basketball. They are often available in the late evenings to give older youths a supervised place to hang out.
- **College Programs.** Five sites work with their youths to encourage them to consider college, to help with college choice and application, or to help provide scholarship funds. Most hold fundraisers to help provide scholarship funds. Bromley-Heath works with one particular college to encourage students to attend.

In general, there are no noticeable differences in the number or types of programs that are available for youths in full-service and managing-agent RMCs

Programs for Seniors

There are two principal types of programs for seniors: those for enrichment and enjoyment of retired life, and those designed to enable older people to stay in their homes. For example, card clubs and bingo games provide regular gatherings that improve the social life in senior buildings. Hot lunches provide both a source of nutrition for those who cannot cook for themselves on a regular basis and a source of social contact. Chore services and transportation for shopping help residents stay in their homes.

Programs RMCs provide for seniors generally fall into four basic types:

- **Senior Activities.** Six sites have organized activities for seniors, most often cards, bingo, sewing, and field trips. One site has an outside organization that organizes these activities, while in most of the rest seniors organize for themselves. Daily activities may attract 20 to 25 seniors on a daily basis, with larger crowds for events and field trips.
- **Senior Transportation.** Four sites offer van service to transport seniors to shopping centers or doctors' offices. These programs generally use the RMC's van, driven by a staff member, and usually serve 10 to 25 seniors each week. At Clarksdale, the service is on an as-needed basis if residents call and request transportation.
- **Senior Lunches.** Three sites -- Carr Square, Cochran Gardens, and Lakeview Terrace, provide congregate meals or in-home meals for shut-ins. Cochran Gardens uses its own catering services; meals at the other sites are provided by an outside service organization. The programs serve 25 to 50 residents, the majority in a congregate setting. All three of these programs are located in full-service sites.
- **Chore Services.** Two full-service sites -- Carr Square and Cochran Gardens -- also offer chore services through outside organizations to help seniors with household tasks they cannot perform themselves. While the program is funded by an outside organization at Carr Square, most of the service providers are residents of the development.

Because the RMCs are predominantly family sites, there are fewer programs for seniors than for other groups. In fact, three of the sites have no senior programs at all, and an additional four have only senior activities, often organized by the seniors themselves. Only three sites have more than one senior program. Two of these sites -- Cochran Gardens and Lakeview Terrace -- have elderly high-rises. The third site -- Carr Square has a relatively high concentration of elderly residents (36 percent).

Supportive Service Programs

Supportive services help heads of households provide for themselves and their families. For example, education and employment programs help residents develop the skills they need to be responsible, rent-paying residents. Locating a medical clinic at or near the development helps residents get the medical care they need without spending inordinate amounts of time and money travelling to a clinic in another neighborhood. Finally,

emergency assistance and ongoing counselling services help residents cope with crises as well as longer-term problems.

All but two of the RMCs had supportive services available. These programs were extremely varied, and included the following types of services:

- **Health Centers.** Six sites have health care clinics located on or near the site, most of which provide prenatal, well baby, and general health care. They serve both RMC and neighborhood residents, and are almost always operated by outside organizations. In many cases the RMCs have been active in bringing the service to the site. The number of visits to the clinics ranges widely, from a low of 1,400 per year to a high of 10,400.
- **Learning Centers.** Four sites have learning centers that help adults with language, literacy, or work toward a GED. Kenilworth-Parkside operates its own program; the remaining sites -- Bromley-Heath, Cochran Gardens, and Le Claire Courts -- have programs that are operated by outside agencies. The number served varies from 100 per day to 100 per year, depending on the complexity of the services provided.
- **Substance Abuse Programs** Three sites -- Kenilworth-Parkside, A. Harry Moore, and Stella Wright -- have programs that work to discourage alcohol and other drug abuse, and to support residents trying not to use chemicals. With the exception of Kenilworth-Parkside, the programs are operated by outside professionals. All three are funded through government grants.
- **Employment Assistance.** Two full-service sites -- Kenilworth-Parkside and Le Claire Courts -- help residents locate appropriate work, and may help with interviewing skills. Each serves over 100 residents each year.
- **Support Groups and Counseling** Two full-service sites -- Kenilworth-Parkside and Le Claire Courts -- have support groups and counseling opportunities for young residents. These programs are designed to prevent youths from getting into trouble at school or in the community by diverting them to positive activities.
- **Young Parents Groups.** Two sites -- Le Claire Courts and Montgomery Gardens -- have groups designed specifically for teen parents. Montgomery Gardens serves about 15 per year, while Le Claire Courts serves 60. Both programs include children along with their parents, and neither is run by the RMC.
- **Food Banks.** Two sites offer emergency food assistance. At Lakeview Terrace an outside organization sends a food truck to the site daily to help provide for families that run short on food. At Le Claire Courts, the community center operates a food pantry available to keep tide over families with food emergencies and to ensure that food is available for infants.

The supportive services programs are concentrated in full-service RMCs, and operated by outside providers. The only site to provide most of its own supportive services was the Kenilworth-Parkside RMC.

7.1.2 Description of Site Approaches to Providing Social Services

RMCs use four general approaches in providing social services at their sites:

- RMC initiates and provides most services;
- RMC initiates most services but generally uses outside providers;
- RMC and PHA each initiate some services, and generally use outside providers; and
- PHA and outside organizations, not the RMC, initiate most services and generally use outside providers

RMCs that provide social services themselves generally structure the service as a small business, hiring residents or outside staff to fill positions, and managing the operation themselves. Carr Square's child care center, which is managed and staffed entirely by residents, and paid for by user fees and government subsidies, is a good example of how an RMC can become a service provider. When RMCs initiate services using outside providers, their role is quite different. In these cases the RMC generally identifies resident needs, and works with an existing organization to bring services to the site. The RMC role may involve active participation on the provider's board, as in the case of the health care service offered at Bromley-Heath. More often, the resident role is limited to identifying the residents' needs to the provider, and facilitating the use of on-site space, as in the case of the on-site health center at Cochran Gardens.

A site may initiate and provide some of its services, rely on outside providers to implement other programs, and benefit from a PHA-initiative for still other services. However, the sites generally tended to use one of these methods more heavily than the others. Exhibit 7-2 lists the approach used most often by each RMC.

Full-service and managing-agent RMCs tend to handle their social service efforts quite differently. In general, full-service RMCs are very active participants in bringing social services to their sites. Managing-agents may be active in bringing some activities to the site, but the PHA also plays a major role in social service delivery.

Full-Service RMCs

Two of the full-service RMCs -- Carr Square and Kenilworth-Parkside -- place heavy emphasis on the need for the RMC to be an active social service provider, and rely almost exclusively on their own organizations to provide services to their residents. Both have fairly extensive services available, and both view providing the services as a vehicle for job creation and skill building for resident workers, as well as a way to provide needed services in their communities. Carr Square is extremely focused on employing residents in its social service programs, and hires only residents as staff members for its programs. In fact, if resident employees move out of the development, their jobs are given to other residents. Kenilworth-

Exhibit 7-2

PRIMARY DELIVERY MODELS USED BY RMCS

	RMC Initiates and Provides Most Social Services	RMC Initiates Most Services and Mostly Use Outside Providers	RMC and PHA Each Initiate Some Services and Mostly Use Outside Providers	PHA or Other Organization Initiate and Provide Most Services
FULL-SERVICE RMCS				
Bromley-Heath		✓		
Carr Square	✓			
Cochran Gardens		✓		
Kentworth-Parkside	✓			
Lakeview Terrace		✓		
Le Claire Courts		✓		
MANAGING-AGENT RMCS				
A Harry Moore			✓	
Booker T Washington			✓	
Clarksdale				✓
Montgomery Gardens			✓	
Stella Wright				✓

Parkside emphasizes the need for resident employment as well, but hires some nonresidents for many of its programs to allow resident workers to learn from skilled professionals on the job. For example, the RMC's Substance Abuse Prevention program employs nonresidents in key positions. However, the rest of the staff is made up of residents who are learning skills on the job.

The remaining full-service RMCs -- Bromley-Heath, Cochran Gardens, Lakeview Terrace, and Le Claire Courts -- play active roles in bringing social services to their sites, but often rely on outside providers to actually deliver the service. In general these RMCs want to have a strong voice to ensure that appropriate services are brought in and that they remain focused on the needs of the residents. At the same time, many of them believe that relying on outside organizations that have the required expertise is more efficient and effective than initiating an RMC-run program. The roles they have chosen to play -- and hope to play in the future -- range from providing virtually no services themselves to providing virtually all, and somewhere in between.

- The Le Claire Courts RMC works closely with the Clarence Darrow Center (CDC),¹ a nonprofit social service agency located in the midst of the Le Claire development. The RMC ensures that it has a strong voice in how the CDC operates by recruiting resident members for the Center's board and committees. But the RMC relies entirely on the center's expertise for actually operating the social service programs provided to the residents.
- Lakeview Terrace largely relies on outside providers right now, but hopes to move toward providing more services themselves in the future. For the time being the RMC has found good-quality providers and does not have the expertise needed to take on most of these social service activities on their own. For example, the start-up and insurance costs to operate a child care center are beyond the RMC's means for now, so they rely on a Headstart provider located in the RMC's community center facility.
- Bromley-Heath and Cochran Gardens are looking for more of a middle ground. Bromley-Heath staff are extensively involved in bringing in programs needed by the residents, and like Le Claire Courts, recruit residents to serve on the agencies' governing boards. They too take advantage of existing expertise in the community and avoid duplicating services and competing for scarce resources whenever they can. In cases where outside programs do not meet the needs of the residents, however, the Bromley-Heath RMC is willing to take on the task of operating the needed program in-house. For example, the RMC was able to bring in outside providers to meet most of their child care needs, but chose to operate their own infant care center when other alternatives did not suffice. Cochran Gardens also has a mix of programs it operates itself and those it has been involved in bringing in through outside agencies.

Managing-Agent RMCs

None of the managing-agent RMCs play as major a role in bringing social services to their sites as the full-service RMCs do, and none provide a significant number of services themselves. However, some managing-agent RMCs are more involved in bringing services to their sites than others.

- The three Jersey City sites -- A. Harry Moore, Booker T Washington and Montgomery Gardens -- have all played roles in bringing in social services. At the same time, the Jersey City PHA is more active in providing social services to its residents than are many other PHAs. Thus, about half of the services available at these sites were initiated by the PHA, and the other half by the RMCs. The RMCs have been particularly active in bringing after school tutoring programs to their sites. These programs are largely staffed by professionals provided by the board of education, but residents are also involved in ensuring that the program runs smoothly.
- The remaining managing-agent sites -- Clarksdale, and Stella Wright -- play a relatively minor role in bringing social services to their sites. Most of their programs are initiated by their PHAs or by the provider organizations.

¹ The CDC is now known as the Le Claire Hearst Community Center

themselves, although the RMCs may be active in the ongoing operation of the programs. For example, Clarksdale has a community center operated by the city. The residents were not active in bringing the center to the RMC and are not responsible for its day-to-day operations, but they are active in organizing and chaperoning youth events there after-hours.

7.1.3 Number of Social Services Available at RMCs and Control Sites

Not only do the approaches that sites take to social service provision vary, the quantity of services they are able to provide vary as well. To assess the impact of resident management on the availability of social services, we compared the number of different types of services available at the RMCs to the number available at the controls² (Appendix E provides information on the number of people served by each type of social service program.) This information is presented in Exhibit 7-3. The total number of social service programs available ranged from a low of three at the control site for Stella Wright, to a high of 13 at Cochran Gardens and Kenilworth-Parkside.

At managing-agent sites, the number of social services available was not consistently higher at either the RMCs or the controls. In two cases the RMCs had more programs available, in two they had fewer, and in one they had the same number. The typical site -- whether it was managed by the RMC or the PHA -- had six or seven different programs.

In contrast, at the full-service sites, the RMCs consistently had about twice as many programs as their controls. This pattern reflects the large number of programs at the RMCs -- about 11 or 12 per site -- as opposed to a low number of programs at the controls -- which, with about 6 or 7 programs per site, resemble the controls and RMCs in the managing-agent sites. The one exception was Cochran Gardens, where the control had a particularly high number of services available adjacent to the site through a nonprofit organization.

7.1.4 Summary

Overall, managing-agent RMCs do not provide significantly more services than their PHAs. In contrast, full-service sites generally do provide more services. Unlike the situation for other performance indicators, however, in this case the full-service sites perform better than managing-agent RMCs and their controls in absolute terms, rather than simply outperforming their own troubled PHAs.

7.2 ECONOMIC DEVELOPMENT

One of the most devastating characteristics of many public housing developments is their economic isolation. Residents often have minimal educational background. Many have never held significant paying jobs, and have little if any experience in the paid work force. Many do not know how to go about finding a paying job, and lack the confidence to try. To

² We asked RMC staff and board members, PHA staff, and control site managers to describe all of the services available to residents. We included any services that are provided either on site, or immediately adjacent to the site, as long as the respondents indicated that residents benefited from the service. While the total number of activities does not provide an understanding of the quality of the services offered, an assessment of the quality of each service is beyond the scope of this report.

Exhibit 7-3						
NUMBER AND TYPE OF SOCIAL SERVICE PROGRAMS BY SITE						
		Infants and Children	Youths	Seniors	Supportive Services	Total Service Available
FULL-SERVICE RMCS						
Bromley-Heath	RMC	3	5	1	3	12
	Control	1	5	0	1	7
Carr Square	RMC	2	4	4	1	11
	Control	1	1	3	0	5
Cochran Gardens	RMC	1	5	4	3	13
	Control	3	4	4	1	12
Kenilworth-Parkside	RMC	3	6	0	4	13
	Control	2	5	1	1	9
Lakeview Terrace	RMC	1	3	2	2	8
	Control	0	4	1	1	6
Le Claire Courts	RMC	2	2	1	7	12
	Control	0	5	0	1	6
MANAGING-AGENT RMCS						
A Harry Moore	RMC	2	4	0	1	7
	Control	1	4	1	1	7
Booker T Washington	RMC	0	5	1	0	6
	Control	1	5	1	0	7
Clarksdale	RMC	1	2	1	0	4
	Control	1	3	2	0	6
Montgomery Gardens	RMC	2	5	1	1	9
	Control	1	4	1	1	7
Stella Wright	RMC	2	1	0	1	4
	Control	1	0	2	0	3

make a bad situation worse, public housing residents are often housed in developments located in parts of cities where there are few if any opportunities for meaningful employment. Public transportation from the developments to areas of the city with employment opportunities are often poor, and many residents do not own reliable cars.

Despite these impediments, however, public housing developments are full of people with skills that can be useful in the work place, and with a desire to go to work. Many RMCs have recognized this untapped potential in their developments, and have set long-term goals of getting residents into the paid labor force and bringing economic development into their communities. The first way in which most RMCs have approached this issue is by hiring residents to fill jobs at their own developments. But many are beginning to look beyond their own management operations to identify economic development opportunities for their residents. This section examines the efforts that RMCs have made to generate new job opportunities directly or to train their residents to take on jobs outside of the public housing complex.

RMC economic development efforts are by their very nature small-scale. It takes a tremendous amount of planning and effort to create even a few new jobs. In addition, many of the projects that RMCs have undertaken have required finding sponsors willing to invest needed capital in relatively uncertain ventures. Without a track record and without documented business expertise, locating such capital has been a major challenge for RMCs.

Despite the time and effort required, most of the full-service RMCs have begun to implement economic development programs at their sites. Most of the managing-agent RMCs have not undertaken economic development activities, although they have discussed the kinds of initiatives that might be possible for them in the future. The number of new jobs that RMCs have been able to create is still relatively low, but the RMCs are establishing their credentials as small business entrepreneurs and are gaining expertise that will help them in their future ventures.

Although the economic development that has taken place at the RMCs has been fairly limited, it has gone far beyond what is taking place at most non-RMC sites. In fact, most control sites and PHAs have virtually no economic development efforts underway. The Chicago Housing Authority is an exception, and is sponsoring some pilot economic development work at a few of its sites. But in general, only the full-service RMCs have made any significant strides into the realm of economic development.

7.2.1 Economic Development Opportunities Available at RMCs

Exhibit 7-4 lists the economic development efforts that are under way or are being considered at the RMCs included in this study.³ As the exhibit illustrates, full-service RMCs have been far more active in the area of economic development than have managing-agent RMCs. Yet even at full-service RMCs, the number of economic development activities is small compared to the number of social services or the number of management functions that RMCs undertake.

There are three general types of economic development approaches that the RMCs have attempted to date. These are:

- Matching residents with existing jobs in the community;
- Developing small businesses; and
- Developing commercial and residential properties to be sold or rented.

Matching Residents with Existing Jobs

One approach to economic development that some of the RMCs have pursued does not involve developing new jobs, but rather seeks to match residents with existing jobs. Some RMCs work with residents to help them assess their skills, practice interviewing, hone their resume and application writing ability, and locate potential positions. Le Claire Courts

³ The exhibit does not include information about past economic development efforts.

Exhibit 7-4

ECONOMIC DEVELOPMENT AT RMC SITES

	Existing Activities	Activities Under Consideration
FULL-SERVICE RMCS		
Bromley-Heath	Reverse commute	Other businesses
Carr Square		Moving company Hire residents for rehab work on site Property development
Cochran Gardens	Catering	Moving company Cable TV Property development
Kenilworth-Parkside	Various residential and commercial development projects Garbage collection Hire residents for work on site Boiler maintenance training Job placement Reverse commute	Small businesses at mini-mall Credit union Recycling
Lakeview Terrace	Convenience store Beauty salon Hire residents for work on site	Moving company Dry cleaner Cable TV
Le Claire Courts	Reverse commute Job placement Laundry	
MANAGING-AGENT RMCS		
A Harry Moore		Convenience store Laundry
Booker T. Washington		Reverse commute
Clarksdale	Laundry	
Montgomery Gardens		Recycling
Stella Wright		

and Kenilworth-Parkside both make use of this job placement tactic. Many other RMCs have an informal job matching program, where the RMC leaders keep track of job availability in the community and encourage residents to apply whenever appropriate openings come to their attention.

Another important piece of this matching process is ensuring that the residents have physical access to the jobs that are available in the community. In many large urban areas, firms in burgeoning suburban areas have difficulty finding workers to fill their entry-level positions. At the same time, residents in inner-city neighborhoods are anxious to find jobs, but do not have adequate transportation to make the suburban location accessible to them. Many of these residents do not have reliable cars, and most public transportation systems are geared to carry workers from the suburbs to the city in the morning and out again in the evening, not the reverse. Residents who need to commute out in the morning, or at odd hours for shift work, often find that public transportation cannot meet their needs. Bromley-Heath, Kenilworth-Parkside, and Le Claire Courts have all implemented reverse commute programs to help their residents gain access to job opportunities, and Booker T. Washington is considering such a program.

Developing Small Businesses

Another approach to economic development is to try to bring economic opportunities into the community, rather than sending residents out to find jobs. This approach is intended to make more new opportunities available close to home, but also to provide services that residents need. This type of venture often involves entrepreneurship on the part of residents. For example, Cochran Gardens has established a catering company and Lakeview Terrace a hair salon, in both cases because a resident with expertise and entrepreneurship got involved. In other cases the RMCs help residents develop skills that can provide them with good jobs. Kenilworth-Parkside's program to teach residents to perform boiler maintenance is one example of such training.

Some of the RMCs have plans for future economic development that will focus on creating new jobs in their communities. For example, none of the RMC developments actually have moving companies in operation yet, but several (including Carr Square, Cochran Gardens, and Lakeview Terrace) are working on establishing them. These RMCs hope to have their own residents handle moves required by relocations associated with modernization. Because the government pays the cost of relocating families displaced by modernization, the low incomes of the resident families will not limit this type of business. While this source of work is temporary at any given site, it is possible that as PHAs begin modernization efforts at other sites the residents could continue their moving company efforts in other parts of their cities. In addition, it is hoped that the residents involved will learn skills that will enable them to get jobs with professional moving companies.

Installing cable TV is another possibility for several of the developments. In some cases, cable companies are afraid to send their staff members to "the projects." By hiring residents to do the relatively simple installations, the companies can tap a new market; the resident employees will learn a marketable skill; and residents will gain access to cable TV. Cochran Gardens and Lakeview Terrace are both studying this as an economic development program.

Developing Properties

Several of the RMCs -- specifically Carr Square, Cochran Gardens, and Kenilworth-Parkside -- have also been involved in developing low-cost housing in the neighborhoods adjoining their sites. Carr Square and Cochran Gardens joined forces with a private developer to construct a number of units near Cochran Gardens and, as investors, received substantial distributions for a number of years. These efforts are now complete, and Carr and Cochran are not currently involved in development efforts outside of their own properties, although they are considering several new options. At Kenilworth-Parkside, however, efforts to construct and rehabilitate residential units in the neighborhood, as well as to develop a retail strip mall nearby, are ongoing efforts.

7.2.2 Summary

A number of managing-agent RMCs have begun to consider possible economic development programs for their sites. However, only one has actually implemented such an activity. In contrast, all but one of the full-service RMCs have begun economic development activities. This indicates that, as for social services, full-service sites perform better than their PHAs and controls, and better than the managing-agents in this area both in absolute and relative terms.

7.3 JOB CREATION AND RESIDENT EMPLOYMENT

All of the RMCs included in this study have considered ways to enhance economic opportunities for their residents. Most directly, the jobs available to residents as RMC staff are economic opportunities that would probably not have existed for residents without the RMC. These include both jobs on the management and maintenance staff of the RMCs, and jobs helping provide the social services available at each site. RMCs also provide indirect employment assistance, most often by providing child care services that allow parents to join the labor force or enhance their educations. In addition, the social services that RMCs provide can help residents obtain productive employment over the long run. This section describes direct job creation at the RMCs, as well as the programs that have indirectly helped residents go to work.

7.3.1 Direct RMC Employment

The RMCs have hired residents for a number of the positions associated with running the developments. RMCs also hire residents to fill positions associated with their social service programs. For example, many of the child care programs are staffed by residents who are actually on the RMC payroll. Similarly, laundry room monitors may be on the RMC staff. In most cases the jobs associated with running the RMCs are not actually new jobs -- if residents were not in the positions, regular PHA employees would be. But they bring employment openings to a community that traditionally has few job opportunities. In addition, they may help other residents indirectly by demonstrating behaviors that enable workers to keep jobs.

All of the PHAs examined in this study have hired residents for management or maintenance positions. Many have hiring goals aimed at ensuring that their work forces include residents, but the extent to which residents are represented in PHA staffs is generally far lower than their representation in the corresponding RMC staff. Exhibit 7-5 presents the

number of residents hired directly by RMCs and their PHAs, either for work associated with running the properties or as social service employees who are on the RMC or PHA payroll. It also shows the percentage of each work force comprised of residents.

Exhibit 7-5				
DIRECT RESIDENT EMPLOYMENT AT RMCS AND PHAS¹				
	RMCs		PHA Residents as a Percent of FTEs	Control Residents as a Percent of FTEs
	Number of Residents Employed (FTEs)	Residents as a Percent of FTEs		
FULL-SERVICE RMCS				
Bromley-Heath	28	55%	20%	17%
Carr Square	62	100%	5%	0%
Cochran Gardens	13	27%	5%	0%
Kenilworth-Parkside	37	77%	14%	17%
Lakeview Terrace	30	58%	9%	3%
Le Claire Courts	23	66%	N/A	N/A
MANAGING-AGENT RMCS				
A Harry Moore	24	75%	43%	63%
Booker T. Washington	5.5	44%	43%	44%
Clarksdale	3.5	17%	4%	13%
Montgomery Gardens	18	63%	43%	63%
Stella Wright	10	27%	9%	0%
<p>¹ Includes all direct resident employment, such as management and maintenance positions, as well as any residents employed directly by the RMC or PHA for social service activities such as day care. It does not include indirect employment generated through RMC activities such as the number of parents able to go to work if child care is provided</p> <p>Source. PHA and RMC Reports, Spring 1991.</p>				

RMCs employed 254 residents through direct employment, including 193 at full-service sites and 61 at managing-agent sites. The percent of staff made up of residents varies widely among the RMCs, from 100 percent at Carr Square to only 17 percent at Clarksdale. In general, full-service RMCs hire larger percentages of residents than do managing-agent RMCs, although this is not consistently the case.

All of the RMCs hire larger percentages of residents than do either their PHAs or their controls. In general, however, the percentage of resident employees at full-service RMCs was

much higher in relation to the percentage at their PHAs and controls than was the case for managing-agent RMCs.

7.3.2 Indirect-Employment Assistance

Some of the activities undertaken by RMCs enhance employment opportunities for residents by providing services that enable residents to go back to school, or to participate in training or employment opportunities. The most frequent way RMCs provide this type of support is through programs that provide child care. These programs come in many different forms – Headstart, infant care, child care, preschool, and after-school care – but all have the same end result of caring for children while parents pursue work or education opportunities. A few of the sites have also helped residents get jobs that are not on the RMC payroll, either through job training or with support for entrepreneurial ventures.

Exhibit 7-6 provides an estimate of the maximum number of people that may have been enabled to go to school or work in 1990 as a result of the social service and economic development programs that were available at the RMC sites. In calculating the number of people that benefit through child care programs, we have assumed a one-to-one relationship between children in the programs and parents enabled to go to work. If parents have more than one child enrolled, the actual number benefitted will be lower. The number assisted through job training or entrepreneurial assistance applies only to individuals not directly on the RMC payroll.

Exhibit 7-6				
ESTIMATES OF MAXIMUM INDIRECT RMC IMPACT ON EMPLOYMENT				
	Child Care	Job Training	Entrepreneurial Assistance	Total
FULL-SERVICE RMCs				
Bromley-Heath	246			246
Carr Square	45			45
Cochran Gardens	30	18		48
Kenilworth-Parkside	54	23		77
Lakeview Terrace	20		6	26
Le Claire Courts	140			140
Full-Service Total	535	41	6	582
MANAGING-AGENT RMCs				
A Harry Moore	35			35
Booker T. Washington				0
Clarksdale	20			20
Montgomery Gardens	81			81
Stella Wright	55			55
Managing-Agent Total	191	0	0	191

As Exhibit 7-6 indicates, up to 773 residents may have been enabled to go to work through programs offered at the RMCs. Full-service RMCs provided more than twice as many opportunities on average than did the managing-agent RMCs. The vast majority of these opportunities came from child care services. Only two sites provided training intended to lead to job placement, and only one, Lakeview Terrace, supported ongoing entrepreneurial ventures on site. These activities totaled only 41 positions compared with as many as 730 parents enabled to go to work through child care.

Combining the number of direct RMC employees and the potential number of people gaining access to employment indirectly through RMC programs suggests that these 11 RMCs may have provided employment opportunities for more than 1,000 residents.

7.3.3 Long-Term Effects

The social service programs that RMCs support but that do not actually increase employment today may well provide the most important contribution to resident employment in the long term. Many of the social services available at the RMCs are likely to have positive effects on employment in the long term. Because they have not created jobs today either directly or indirectly, however, they are not included in the indirect employment figures presented here. For example, education programs for residents of all ages, from Headstart to GED programs, are likely to improve the residents' chances of finding decent jobs. Residents who stop abusing drugs are much more likely to be able to find and hold regular jobs. Residents whose families get good ongoing health care are less likely to miss extended periods of school or work because of major illnesses. Yet none of these very real long term benefits contribute to resident employment today.

Exhibit 7-7 provides an estimate of the total number of people served by each program that is likely to have such long-term effects on resident employability. The exhibit indicates that more than 800 children and adults receive educational assistance; nearly 2,000 receive counseling; over 300 receive employment assistance, and more than 75 receive college support. In addition, clinics serving RMCs logged more than 33,000 visits in 1991.

7.4 SUMMARY

Most RMC organizations worked to provide social services for residents, and opportunities for jobs and economic development. The social services RMCs undertook varied widely, and included programs for infants and children, youths, and seniors, as well as supportive services such as substance abuse treatment and health care. Economic development activities and job creation and placement efforts also varied widely, ranging from reverse commute programs, to convenience stores, to laundries.

The extent of the social service and economic development activities at the sites can be used to examine the assertion that RMCs do more in this area than their PHAs. This claim appeared to hold true for full-service sites, which provided about twice as many social service programs as their comparison sites. However, the number of services provided was about the same for the managing-agents, their comparison sites, and the full-service comparison sites. This suggests that PHAs provided some basic level of social services, but that the full-service RMC emphasis on providing additional services has set them apart from their PHAs.

Exhibit 7-7

PEOPLE SERVED ANNUALLY THROUGH RMC SOCIAL SERVICES

	Tutoring Programs ^a	College Programs	Health Care Centers ^b	Health Counseling (Drug)	Health Counseling (Other)	Learning Center ^a	Summer Youth Employment	Employment Assistance
FULL-SERVICE RMCs								
Bromley-Heath	20	10	8,848			100		
Carr Square	175		3,600				39	
Cochran Gardens	95		10,400			60	35	
Kenilworth-Parkside	130	20	1,440	1,000		116	31	19
Lakeview Terrace	30							
Le Claire Courts		14	9,204		744	15		190
MANAGING-AGENT RMCs								
A Harry Moore	60			45				
Booker T Washington	35	28						
Clarksdale								
Montgomery Gardens	40	4			15			
Stella Wright				130				
TOTAL	585	76	33,492	1,175	759	291	105	209

^a Assumes same students attend sessions throughout the year.

^b Figures represent annual number of visits, not number of individuals served.

Economic development activities were almost exclusively the domain of full-service RMCs. While managing-agent RMCs had begun to plan economic development activities for the future and a few PHAs had looked into some possible programs, the full-service sites had taken a much more active role in providing economic development options for their residents. The one area of economic development in which both full-service and managing-agent RMCs were active was hiring residents to fill staff positions. While smaller percentages of RMC employees were residents than might have been expected, with as few as 17 percent at Clarksdale, the percentages were consistently higher than for the PHAs and comparison sites. On average, 60 percent of RMC employees were residents, compared with about 12 percent of PHA employees and 21 percent of comparison site employees.

CHAPTER 8

RESIDENT PERCEPTIONS

In order to capture information about resident perceptions of their housing and to assess the impact of RMCs on resident well-being, we conducted an in-person survey of residents at the RMC and control sites. The survey covered a wide range of topic areas, including management performance, maintenance, security, neighbors, social services and economic development opportunities. In addition, we held focus group sessions with residents of the RMC developments. These sessions covered many of the same topics as the survey, but gave residents the freedom to express their concerns in their own terms, rather than being confined to the responses offered in a survey. The chapter begins with an overview of the methods involved in the resident survey. Results of the survey, which are organized by theme, are then presented and highlights of these results are described. Observations from the focus group sessions are also included as appropriate. The chapter concludes with a description of the methods used to account for underlying differences in the respondent populations in the survey data.

8.1 METHODS

This section outlines the procedures used to obtain responses to the survey and describes the response rates obtained. It also presents the hypotheses behind the survey questions and briefly describes our analytic approach. A more detailed description of the analysis methodology is included in Appendix H.

8.1.1 Survey Procedure

The survey instruments were developed after conducting site visits and reviewing previous studies. A substantially similar version of the survey was used at both RMC and control sites. Residents at RMC sites, however, were asked several additional, open-end questions that attempted to capture qualitative descriptions of the advantages and disadvantages of resident management. Each survey contained approximately 70 questions and took about half an hour to administer.

The survey was administered to residents by interviewers from the local community who were trained and supervised by an experienced survey research firm. The survey instrument was pre-tested on a group of residents at the Le Claire Courts RMC and at Wentworth Gardens, both located in Chicago. Residents of the 19 sites included in the surveys (10 RMC sites and nine control sites) were interviewed between December 7, 1991 and February 9, 1992.¹

¹ The Kenilworth-Parkside RMC did not provide a list of occupied units from which to draw a sample. Thus it and its control, Barry Farms/Wade Apartments, were not included in the in-person surveys.

Eligible respondents were randomly selected from lists of occupied units at each site. A systematic random selection procedure was used to give households an equal chance of being selected for an interview. All selected households were notified in advance that the interviewers would be on site. Three attempts were made to contact each selected household; these attempts were made at various times of the day and on different days of the week. Interviewers first asked to speak to the person listed as the lease-holder. If that person was not available, interviewers asked to speak with another adult member of the household.

Overall, 67 percent of those selected were eventually interviewed and a total of 1,236 interviews were completed (about 65 per site). Most of the 33 percent non-response rate is attributable to potential respondents who were not home during the three contact attempts, rather than to refusals. Only seven percent on those actually contacted refused to participate. Appendix H presents a table of the number of survey respondents by site and type of development (RMC or control).

The survey results reported in this chapter represent estimates of the attitudes and level of satisfaction of typical households at the RMCs and their control sites. However, it is important to point out that the findings cannot be generalized to other public housing developments unless their characteristics are similar to those of the developments included in this study.

8.1.2 Hypotheses and Analytic Approach

The questions included in the survey instrument reflect a number of hypotheses about the impact of RMC management on resident well-being. Specifically, the following hypotheses were examined:

- Overall housing satisfaction is higher for RMC residents than for control residents;
- Level of participation is higher for RMC residents than for control residents;
- Assessments of maintenance are higher for RMC residents than for control residents;
- Assessments of management performance are higher for RMC residents than for control residents;
- Perceptions of crime and security are better for RMC residents than for control residents;
- Assessments of supportive services are better for RMC residents than for control residents;
- Attitudes toward neighbors are better for RMC residents than for control residents;
- Sense of responsibility toward property is greater for RMC residents than for control residents;

- Level of employment and self-sufficiency are higher for RMC residents than for control residents; and
- Morale and sense of personal empowerment are higher for RMC residents than for control residents.

An assessment of these hypotheses involves applying appropriate statistical significance tests to the difference in proportions (or for some variables, mean scores) between the RMC and control samples. For example, the proportion of respondents that say they are satisfied with their housing can be compared across RMC and control sites. A statistical significance test in this case would measure the probability that a difference in proportions resulted from chance alone. High statistical significance implies a low probability that the observed difference occurred by chance, which by inference suggests that the difference is real and meaningful.

Two methodological points need to be made before turning to the findings. First, two of the RMC sites shared a control site, resulting in one less control site overall.² As a result, the data were weighted to provide a more balanced sample of respondents. The weighted number of observations per site, along with a description of the weighting procedure, can be found in Appendix H. Second, the RMC and control sites differed somewhat in terms of both household-level and development-level characteristics, despite the effort to match control sites to each RMC. These differences are presented in Section 8.3. Multivariate statistical methods, also described in Appendix H, were employed to control for the effect of the measurable differences between RMC and control sites for both the full-service and managing-agent samples. While the last section of this chapter presents the results of this multivariate analysis in detail, these results are referred to in earlier sections as well.

8.2 FINDINGS

The survey findings are presented in the order of the hypotheses outlined above. For each hypothesis, the survey asked a number of related questions. Therefore, each subsection below begins with a brief explanation of these questions. The responses to each question are then presented in exhibits, which also report the results of the statistical significance tests. The exhibits report comparisons between RMC and control sites separately for full-service and managing-agent RMCs. Because of the large number of individual comparisons that result, not all of the findings can be discussed in detail. Rather, we attempt to draw a picture of the broader patterns that emerge from these data.

8.2.1 Overall Housing Satisfaction

Overall housing satisfaction has been used often as index of housing quality and, particularly in the case of multifamily housing, of management performance. The questions shown in Exhibit 8-1 parallel housing satisfaction measures employed in previous research and provide a basic means of assessing the impact of RMC management on residents' general attitudes toward their housing.

² In Jersey City, two of the RMC sites are high rises, but there are only three high rises in the entire PHA. It was decided that having the type of building match was crucial, so the two RMCs have been assigned the same comparison site.

Exhibit 8-1

OVERALL HOUSING SATISFACTION

Variables	Full Service			Managing Agent		
	RMCs	Controls		RMCs	Controls	
Rate development as an OK or great place to live	90%	75%	***	84%	89%	**
Rate neighborhood as an OK or great place to live	79%	67%	***	83%	87%	
Would recommend to someone looking for a place to live	78%	57%	***	72%	71%	
Rate as an OK or great place to raise children	71%	47%	***	63%	68%	

NOTE Chi square test of significance

* p < .10 ** p < .05 *** p < .01

Residents living in full-service RMCs report significantly higher levels of satisfaction than their control counterparts. This result holds across all four housing satisfaction questions. In addition, the proportion of satisfied full-service RMC residents is quite high in absolute terms.

On the managing-agent side, only one significant difference appears -- and it is not in the predicted direction (RMC residents are less satisfied than controls at this site.) These results suggest that residents of managing-agent RMCs are no more satisfied than their control counterparts. However, the proportion of satisfied residents living in managing-agent RMCs is nevertheless high overall -- for example, 84 percent of residents rated their development as an "OK or great" place to live. The results show that residents of managing-agent RMCs are relatively satisfied with their housing, but not in greater proportion than residents at comparable control sites.

8.2.2 Participation

The level of resident participation was assessed by the variables shown in Exhibit 8-2. These variables include familiarity with the management entity, holding a formal position, attendance at meetings, and a self-assessment of involvement. While RMCs by definition may offer more opportunities for involvement in general, most of the control sites have resident associations or resident councils that also offer some of the same opportunities.

As Exhibit 8-2 reveals, residents of full-service RMCs report more familiarity with their management entity, wider involvement in formal positions, and higher levels of attendance at meetings than do their control counterparts. Whether there are more opportunities to participate at RMCs, or whether residents receive more active encouragement to participate

from RMC leaders, the results indicate that in many respects residents of full-service RMCs are more actively involved than their control counterparts.

Exhibit 8-2

LEVEL OF PARTICIPATION

Variables	Full Service			Managing Agent	
	RMCs	Controls		RMCs	Controls
Familiar with organization managing the development	67%	51%	***	61%	62%
Have ever held a position with residents association or RMC	13%	7%	**	15%	15%
Attend meetings all or most of the time when they are held	46%	34%	**	40%	35%
Degree involved, scale 1=not at all to 4=very much	1.91	1.64	***	1.89	1.79

NOTE: Chi square test of significance applied to proportions, t-test applied to means

* p < .10 ** p < .05 *** p < .01

In the case of managing-agent RMCs, however, there appears to be little difference in participation rates. The general lack of difference in participation rates between managing-agent RMCs and controls suggests that managing-agent RMCs do not generally create roles or incentives for involvement that differ substantially from those already available in comparable developments managed by PHAs.

Thus, while survey results for full-service RMC's are consistent with the hypothesis that RMC residents will report higher levels of participation than control residents, this hypothesis was not supported for the managing-agent RMCs

It is worth noting, however, that the proportion of residents that actually participate does not appear to be especially high in either full-service or managing-agent RMCs. For example, fully one-third or more of RMC residents say they have little or no familiarity with the organization managing their development, and only 13 to 15 percent have ever held a position with the RMC. On one hand, these results suggest that neither type of RMC has involved an especially large proportion of their residents. On the other hand, these results also suggest that direct participation is not necessarily the primary means by which residents experience the benefits of resident management. That is, if RMC management results in better management services, tighter security, enhanced support services, and a heightened sense of community, then these benefits are likely to affect a majority of residents even when that majority remains for the most part uninvolved in the RMC organization as such.

Focus group participants pointed out another type of resident participation not measured in the survey. At many of the sites, participants noted that they felt comfortable going to at least one board member or other resident leader to voice their opinions. They

believed that these leaders wanted resident input and were willing to listen to resident concerns. This meant that residents could have a voice in their RMCs without being active in regular meetings or serving as officers.

8.2.3 Maintenance

Survey questions about maintenance, the results of which are shown in Exhibit 8-3, reflect both the condition of the property and the quality of the maintenance services. Questions in this category probed resident assessments of the condition of their own units, hallways and other common areas, and the grounds of their developments. They also tapped resident perceptions of management's efforts to maintain these areas. As it turns out, these results expose a pattern much like the one observed using the objective management indicators discussed in Chapter 4.

Exhibit 8-3

ASSESSMENT OF MAINTENANCE

Variables	Full Service			Managing Agent		
	RMCs	Controls		RMCs	Controls	
Condition of apartment, scale 1=very poor to 5=excellent	3.31	3.17		3.59	3.67	
Think management tries to keep apartments maintained	58%	52%		79%	79%	
Satisfied with response time for maintenance service	50%	37%	***	61%	69%	*
Satisfied with quality of maintenance service	54%	46%	*	69%	72%	
Condition of hallways, scale 1=very poor to 5=excellent	3.21	2.70	***	3.20	3.31	
Think management tries to keep the building maintained	67%	52%	***	74%	80%	*
Condition of grounds, scale 1=very poor to 5=excellent	3.55	2.83	***	3.41	3.44	
Think management tries to keep the grounds maintained	82%	57%	***	71%	74%	

NOTE: Chi square test of significance applied to proportions, t-test applied to means

* $p < .10$ ** $p < .05$ *** $p < .01$

Consistent with our hypothesis, results show that residents at full-service RMC sites report significantly better conditions and maintenance services than residents at the control sites. For example, residents at the full-service RMC sites express significantly greater satisfaction with both response time for maintenance requests and the quality of the work performed. Moreover, they also rate the condition of hallways and grounds much more favorably than do residents living in the control sites. This is particularly true of common areas. However, there is no significant difference in respondent opinions of their individual units at full-service RMCs and their controls

In contrast, residents at managing-agent RMC sites and their control counterparts showed very similar levels of satisfaction with maintenance in nearly all respects. In fact, the control sites slightly outperformed RMCs both in response time for repairs and in resident perceptions of management's effort at maintaining the property. Nevertheless, residents of managing-agent RMCs did express generally high levels of satisfaction with maintenance in absolute terms -- often higher than the absolute levels of satisfaction at the full-service RMCs.

These results parallel those observed for objective management indicators presented in Chapter 4. For example, full-service RMCs generally outperformed their PHAs in handling maintenance work orders largely because of poor performance by the PHA. While managing-agent RMCs tended to perform as well as or better than the full-service RMCs, their PHAs also performed well and thus relative performance does not appear as strong.

Higher absolute -- as opposed to relative -- satisfaction levels among residents of managing-agent sites were also supported by comments from focus group participants. While personal experiences with maintenance varied, residents in managing-agent sites tended to rate their maintenance as "OK" or "good." In contrast, full-service residents tended to rate maintenance as generally "bad." In particular, full-service residents complained that needed repairs were often left undone unless the key leader got involved. They also noted that things could get spruced up in a big hurry for visiting dignitaries, and resented that management did not show residents this same level of respect on a daily basis.

Despite different levels of satisfaction with maintenance overall, residents from both managing-agent and full-service sites shared two general concerns about maintenance. First, residents of both types of sites noted that repairs were often only half done, or done incorrectly. They attributed this problem both to a shortage of maintenance workers, and to low skill levels in those workers available. Second, residents of both types of sites expressed resentment about the burden put on residents to keep halls clean. They were willing to pitch in, but felt that maintenance should take the major role. For example, at one site floor captains were being asked to learn to use floor buffing machines, which participants felt was clearly a responsibility that should be undertaken by the maintenance staff.

8.2.4 Management Performance

Questions about management performance focused primarily on management's relationship with residents. As noted in Exhibit 8-4, these questions refer to the leadership quality of development managers, management strictness, the extent to which management tries to screen residents moving into the development, management's effectiveness in dealing with problem residents, the fairness of management in hiring staff and enforcing rules, and the responsiveness of management in dealing with resident complaints and concerns.

Exhibit 8-4

ASSESSMENT OF MANAGEMENT PERFORMANCE

Variables	Full Service			Managing Agent		
	RMCs	Controls		RMCs	Controls	
Rate people who run development as leaders, scale 1=very poor to 5=excellent	3.33	2.93	***	3.28	3.42	
Strictness with rent collections and problem residents, scale +1=too strict, 0=about right, -1=not strict enough	+.03	-.05		-.06	-.16	**
Tries to screen problem households out before they move in	45%	26%	***	52%	43%	**
Tries to deal with problem residents	64%	46%	***	61%	66%	
Usually fair in choosing people for staff positions	44%	43%		59%	73%	***
Usually fair in enforcing rules at development	33%	35%		43%	55%	***
Listens and responds to resident concerns, scale 1=hardly ever to 4=all the time	2.44	2.19	***	2.63	2.79	**

NOTE: Chi square test of significance applied to proportions, t-test applied to means

* p < .10 ** p < .05 *** p < .01

Again, the survey results suggest that consistent with our hypothesis, full-service RMCs perform significantly better than their controls in a number of areas, particularly in the area of management-resident relations. Residents view their full-service RMCs as trying harder to screen new residents and as dealing more effectively with existing problem residents. They also view their full-service RMCs as more willing to listen and respond to resident concerns and complaints. However, there was no significant difference in resident perceptions of fairness or strictness between the full-service RMCs and their controls.

Managing-agent RMCs received more mixed reviews. On one hand, managing-agent RMCs perform less well in the areas of fairness and responsiveness. On the other hand, they perform somewhat better in terms of strictness with rent collections and problem residents and in screening new residents.

Again, the meaning of the proportions themselves must be taken into account. For example, while full-service RMCs performed better overall when compared to their controls, still only 44 percent of full-service RMC residents felt management hired staff fairly and only

33 percent felt management enforced rules fairly. In contrast, 59 percent of the residents of managing-agent RMCs felt management hired staff fairly and 43 percent felt management enforced rules fairly. Together, these results suggest that, despite good marks on strictness, RMCs of both types still may have fairness problems in the eyes of their residents.

Focus group participants shared more detailed observations about aspects of management performance that they considered effective or ineffective. RMC management staffs earned nearly universal praise from focus group participants for their willingness and ability to work with residents encountering trouble paying their rents. In many cases, this ability to work with residents carried over to households facing drug problems or other behavior problems, and earned RMCs respect for taking the time to listen to people's problems, working with them, and finding them outside help when needed.

In general, focus group participants also gave their RMCs high marks for enforcing rules. Many noted that this was only possible with strong resident cooperation, and that management alone could not keep track of all behavior problems. At the same time, residents felt that it took much too long to evict chronic offenders, and only a few mentioned the difficulties involved in gathering sufficient evidence to win an eviction case.

Another aspect of management performance that was important to the focus group participants was management's willingness and ability to respond to their concerns. Participant opinions ranged from believing that the RMC staff "really listens" to complaining that they have so little opportunity for input that they wouldn't recognize the resident leaders if they were to walk into the room.

Participants' biggest complaint had to do with inadequate resident screening procedures. Some recognized the limitations under which the RMCs work in terms of screening, but many simply noted that the RMC admitted residents they considered inappropriate.

Focus group participants from managing-agent sites generally viewed their management as fair. Reviews for full-service sites were more mixed. This supports the survey findings that managing-agent sites scored higher on the fairness ratings than did the full-service sites.

8.2.5 Crime and Personal Safety

Perceptions of crime and personal safety represent extremely important indicators of the quality of the residential environment. Moreover, because problems such as drug dealing, theft, assault and vandalism have historically been associated with public housing in urban areas, the issue of security has particular significance in this evaluation. In addition, results from these survey questions about crime are substantially more complete and reliable than available crime statistics for the sites in the study, as described later on in this section. To gauge residents' perceptions of crime and security, therefore, nine questions were included in the survey instrument, the results of which are shown in Exhibit 8-5.

The results strongly demonstrate that residents living in full-service RMCs perceive significantly fewer threats from various crimes and feel substantially safer living in their developments than do residents at the control sites. For example, while 50 percent of control-site residents say theft is a serious problem in their development, only 31 percent of

Exhibit 8-5

Perceptions of Crime and Personal Security

Variables	Full Service			Managing Agent		
	RMCs	Controls		RMCs	Controls	
Say drugs are a fairly serious or very serious problem in their development	80%	83%		81%	62%	***
Think management is trying to deal with the problem of drugs	59%	48%	***	67%	78%	***
Say theft is a fairly serious or very serious problem in their development	31%	50%	***	25%	17%	**
Think management is trying to deal with the problem of theft	63%	46%	***	57%	68%	*
Say assault and rape are fairly serious or very serious problems in their development	28%	38%	***	14%	9%	*
Think management is trying to deal with problem of assault and rape	61%	41%	***	58%	58%	
Say vandalism is a fairly serious or very serious problem in their development	54%	75%	***	61%	49%	***
Think management is trying to deal with the problem of vandalism	74%	52%	***	69%	70%	
Say they feel pretty or completely safe living in their development	75%	50%	***	69%	79%	***

NOTE. Chi square test of significance

* p < .10 ** p < .05 *** p < .01

RMC-site residents report a serious problem with theft. And while 75 percent of control-site residents say vandalism is a serious problem in their developments, only 54 percent of RMC-site residents report a serious problem with vandalism. The only area in which little difference exists between full-service RMCs and their controls is in the area of drug problems. However, in all areas, the full-service RMC is rated as trying harder to deal with crime problems than is the housing authority.

Upon preliminary analysis, the pattern appears nearly reversed for residents of managing-agent RMCs and their controls. Residents at the control sites seem to perceive less of a crime problem and also say they feel safer living in their developments. They also

report that management is trying harder to deal with crime problems. However, statistically controlling for factors such as high-rise versus low-rise building type, an elderly population, and the number of children in the development, all of which are related to resident perceptions of security, actually reverses this pattern. These results show that managing-agent RMCs, like their full-service counterparts, perform significantly better than their controls (See Exhibit 8-12)

Available crime statistics also indicate that RMCs tend to perform better in this area than their controls and PHAs. As described in Appendix I, objective crime statistics from police and housing authority records were neither consistent nor complete across sites. In addition, the number of reported crimes can be affected by factors such as the incidence of crime, the strength of the police presence, or the number of people willing to report crimes. However, given these caveats, in those cities with relatively complete data, RMCs did tend to have lower crime rates

Appendix I provides comparative crime data for four full-service and three managing-agent RMCs. It reveals that at five of the seven sites, RMCs had lower reported crime rates than their controls, and at four they had lower reported crime rates than their PHAs. (Cochran Gardens and Booker T. Washington had higher crime rates than either their control or PHA, while Carr Square had higher rates than its control.) Thus, although Appendix I does not provide complete and reliable crime data, the available objective data support the favorable results obtained from the resident survey.

Focus group participants made it clear that crime and safety concerns had a major impact on their lives. In nearly all sites, drugs were singled out as a key problem area. Most participants agreed that the real drug problems generally came from non-residents who come to the site to do their business. Despite substantial concerns about crime, however, at most sites the participants acknowledged that the RMC was doing all it could to combat the problem. Most believed that better police response was necessary for a greater impact

Participants from sites with resident-operated security had varying opinions on this service. At several of these sites, participants agreed that security was excellent -- far better than at other public housing developments or in the surrounding neighborhood. At others, however, residents were critical of the on-site security. At one site participants felt that security never came out of their office unless the RMC leader was there to oversee things. At another, security had recently begun patrolling in vehicles instead of on foot, and residents felt this reduced security's effectiveness with the youths because there was less direct contact.

In sum, the data from the surveys and focus groups are consistent with the hypothesis that RMC residents have better perceptions of security than their counterparts at the control sites

8.2.6 Support Services

Providing supportive services -- such as job training, job placement, and youth and elderly services -- constitutes a hallmark of the resident management approach, particularly for full-service RMCs. As discussed in Chapter 7, not only are full-service RMCs more likely to provide supportive services, they are more likely to involve residents in the provision of such services. As a result, awareness of support services is likely to be higher at full-service

RMC sites as well. These observations suggest that full-service RMCs are likely to score substantially higher than their controls on the survey questions about support services, while it is less clear how managing-agent RMCs will measure up against their controls.

As Exhibit 8-6 shows, residents of full-service RMCs do indeed provide much higher assessments of the supportive services offered at their developments than do their control counterparts. Moreover, these positive assessments are given across the entire range of variables included in the survey instrument to measure resident attitudes on the subject. These findings lend support to the view held by many advocates of resident management that one of the most important advantages of RMCs lies in their ability to empower residents through enhanced supportive services and economic opportunities. However, managing-agent RMCs do not demonstrate this advantage, likely due in part to the fact that managing-agent RMCs tend to be less involved than full-service RMCs in providing support services, as discussed in Chapter 7.

The focus group sessions offered an interesting alternative view of resident opinions of the social services offered at their sites. While the survey demonstrated higher satisfaction with social services in full-service sites, and while more activities took place at these sites, participants from managing-agent sites seemed to be more aware of the services available to them. These residents could name the programs offered at their sites, and were generally proud of the services available, especially those for youths. In contrast, participants at several full-service sites with extensive lists of available services were unaware of these programs.

8.2.7 Neighbors and Sense of Responsibility

Exhibit 8-7 presents the results of a number of questions about the respondent's own social behavior as well as the perceived social behavior of other residents. To begin with, a series of questions asks respondents to rate the quality of their fellow residents and to estimate the extent of problem residents as well as neighbors who exhibit positive social behaviors. A follow-up set of questions probes residents' own sense of responsibility toward their developments.

The results strongly indicate that, compared to their control counterparts, residents at full-service RMC sites both perceive their fellow residents as behaving more responsibly and express a greater sense of their own responsibility to the development. They perceive their neighbors more favorably in general terms and say their neighbors are more likely to take good care of their apartments, to help stop vandalism, and to have a sense of pride in their community. Residents at the full-service RMC sites also perceive fewer problem residents and express more willingness themselves to help stop vandalism, pick up litter, or notify someone about a stranger in the building. Together, these results portray a more favorable social environment and a more cohesive community life at the full-service RMC sites than at the control sites. Thus, results for full-service RMCs are consistent with our hypotheses that RMC residents will have better attitudes toward site neighbors and a greater sense of responsibility toward the property than control residents.

But again, the advantages RMCs seem to have over controls in the full-service sample do not appear in the managing-agent sample. In fact, residents at the managing-agent control sites report a more favorable general perception of their neighbors, fewer problem residents, and more willingness to help each other than residents at the RMC sites. These

Exhibit 8-6

ASSESSMENT OF SUPPORT SERVICES

Variables	Full Service			Managing Agent		
	RMCs	Controls		RMCs	Controls	
Rating of social services offered, scale 1=very poor to 5=excellent	3.67	3.16	***	3.40	3.68	***
Think management tries to provide needed social services	68%	38%	***	50%	67%	***
Have household member who uses social services at development	29%	17%	***	21%	29%	**
Management has made noticeable or big difference in						
a. Providing economic opportunity	52%	32%	***	21%	26%	*
b. Helping people find jobs	40%	26%	***	19%	21%	
c. Encouraging school attendance	56%	38%	***	46%	44%	
d. Encouraging job training	60%	35%	***	41%	39%	
e. Discouraging teen pregnancy	38%	27%	***	30%	28%	
f. Encouraging self-sufficiency	54%	37%	***	40%	45%	
Difference management has made in improving the lives of residents, scale 1=made things worse to 5=very big improvement	3.42	2.79	***	3.37	3.55	**

NOTE. Chi square test of significance applied to proportions, t-test applied to means.

* p < .10 ** p < .05 *** p < .01

Exhibit 8-7

ASSESSMENT OF NEIGHBORS AND SENSE OF RESPONSIBILITY

Variables	Full Service			Managing Agent		
	RMCs	Controls		RMCs	Controls	
Perceived quality of neighbors, scale 1=very poor to 5=excellent	3.42	3.10	***	3.32	3.49	**
Perceived percentage ¹ of problem residents	35%	43%	***	34%	29%	**
Perceived percentage ¹ of neighbors who . . .						
a Take care of their apartments	57%	49%	***	56%	57%	
b Take care of the building	50%	41%	***	54%	56%	
c. Would help stop vandalism	46%	33%	***	49%	51%	
d. Are proud of their community	53%	41%	***	52%	53%	
e. Have strong families	48%	46%		54%	49%	**
f. Want to work	48%	47%		51%	43%	
g. Try to help each other out	52%	42%	***	51%	56%	**
Would get involved to stop a child from vandalizing property	85%	67%	***	84%	92%	***
Would stop to pick up litter on the property	81%	68%	***	70%	77%	**
Would get involved upon noticing a stranger in the building	77%	57%	***	76%	84%	**

¹ Perceived percentages result from the following transformation of a 5-point scale: 90%=nearly all residents, 70%=more than half, 50%=about half, 30%=fewer than half, and 10%=very few A t-test was then used to compare differences between means. Chi square test of significance was applied to proportions shown in the table

* p < .10 ** p < .05 *** p < .01

control-site residents also indicate a generally higher sense of their own personal responsibility. However, residents of the managing-agent RMCs see each other as having stronger families than do residents of their control sites. (But because of the way the question was phrased, this result could simply reflect the higher percentage of families with children at the RMCs than at the control sites.)

Again, the meaning of the proportions themselves should also be considered. In general, while full-service RMCs produced more positive indicators of social structure and community cohesion than their controls, the proportions are about level with those at both managing-agent sites and their controls. In other words, full-service RMCs -- faced with the conditions of a troubled housing authority -- appear to succeed at restoring the sort of social environment found at better-run PHAs.

Focus group participants generally agreed that one of the best things about their developments was the sense of a strong, dependable community. This was particularly true among older residents. At most sites, participants reported that residents look out for each other, as well as for the development. Many agreed, however, that it is easier to address problems if they are caused by youths or children than if they are caused by adults. They also emphasized the importance of one's approach in dealing with bad behaviors. Simply telling someone not to do what they are doing was viewed as far less effective than confronting them with the question of why they are damaging someone else's (or their own) home.

8.2.8 Employment and Self-Sufficiency

Supporters argue that resident management can increase residents' opportunities for finding employment and achieving self-sufficiency. For this reason, a series of questions regarding household income and the history of public assistance dependency were included in the survey instrument. The results of these questions are shown in Exhibit 8-8.

The results show that residents of both full-service and managing-agent RMCs differ only slightly from their control counterparts in terms of employment and self-sufficiency. The only significant difference between managing-agent RMCs and their controls is that fewer managing-agent RMC residents receive social security, probably a result of the underlying age differences between the two groups. Compared to their control counterparts, residents of full-service RMCs who were on public assistance when the RMC commenced operations were somewhat more likely to have gone off public assistance by the time of the survey. However, this could be attributable to the fact that RMC residents have lived at their sites significantly longer than those at their control sites and thus would have had more time for major life changes that might affect public assistance use. The percent of households receiving public assistance and the percent working at full-service RMC sites and their controls is not significantly different.

Estimates of the number of households that went on public assistance during this same period turned up little difference for either full-service or managing-agent RMCs. Still, across all four groups it can be seen that a greater percentage went on public assistance during the tenure of RMC management than went off it. These results should be viewed with some caution, however. The pattern of public assistance dependency reported here rests on respondents' recollections, not actual before-and-after measures. In addition, the measures here do not account for any changes in the local or regional economy. Moreover, the

Exhibit 8-8

EMPLOYMENT AND SELF-SUFFICIENCY

Variables	Full Service		Managing Agent		
	RMCs	Controls	RMCs	Controls	
Total household income	\$6,119	\$5,785	\$8,332	\$7,578	
Receive salary or wages	23%	21%	35%	34%	
Receive Social Security	30%	29%	17%	26%	**
Currently receive public assistance	61%	63%	60%	55%	
Receive other income such as child support or a pension	10%	13%	8%	5%	
Residents who got off public assistance during their tenure under RMC management ¹	12%	6%	9%	14%	*
Residents who went on public assistance during their tenure under RMC management ¹	44%	47%	46%	51%	

¹ Tenure under RMC management differs for each RMC site and includes the time period between the date the RMC commenced operations and the date of the survey. Results for the control sites are from the same period as the RMC. Proportions include those who moved into their development during this time period but exclude those over 65. A chi square test of significance was applied to proportions and a t-test was applied to means.

* p < .10 ** p < .05 *** p < .01

starting date differed for each RMC site and its control, resulting in a nonuniform test period. To rigorously investigate the impact of RMC management on employment and self-sufficiency, a genuine panel study would be required.

8.2.9 Morale and Sense of Personal Empowerment

Finally, in order to test the potential impact of resident management on more global attitudes, residents were asked about their satisfaction with life in general, their outlook on the future, and their sense of personal empowerment. Exhibit 8-9 presents the results of these three sets of variables.³ As this exhibit shows, there are no significant differences between full-service RMC residents and their control counterparts. However, managing-agent RMC residents seem to score higher on both optimism and personal empowerment than residents at the control sites. These results can be interpreted in two ways.

³ The personal empowerment variable presented here was constructed from a series of questions that were factor analyzed and combined to present a single scale of personal empowerment.

Exhibit 8-9

MORALE AND SENSE OF PERSONAL EMPOWERMENT

Variables	Full Service		Managing Agent		
	RMCs	Controls	RMCs	Controls	
Satisfaction with life in general, scale 1=not at all satisfied to 3=very satisfied	2.39	2.35	1.99	1.94	
Outlook on the future, scale 1=will be much worse off to 5=will be much better off	4.10	4.16	3.90	3.68	***
Sense of personal empowerment, scale 0=low sense of efficacy to 5=high sense of efficacy	4.03	4.00	4.01	3.72	***

NOTE. T-test of significance

* p < .10 ** p < .05 *** p < .01

The first interpretation addresses the significant differences found in the managing-agent sample. In particular, multivariate analysis (not reported here) suggests that optimism and personal empowerment depend primarily on certain characteristics of the person, particularly age, income, and education. Controlling for these personal characteristics reduces the difference between residents of managing-agent RMCs and their control counterparts well below the level of statistical significance. Second, the variables at issue here represent global attitudes that are likely to be affected by a host of conditions and events beyond the scope of the residential environment. For example, life satisfaction depends a great deal on one's health, personality, and life events. That resident management should have little noticeable impact on life satisfaction, therefore, should not be too surprising.

8.3 UNDERLYING POPULATION DIFFERENCES

In cross-sectional quasi-experiments, a comparison of the target group and the control group can be complicated by underlying differences between the two populations. Thus, while full-service RMC residents appear to be more satisfied than residents at the control sites, this does not necessarily mean that RMC management accounts for the difference. Full-service RMC residents may differ from their control counterparts for other reasons. For example, household-level differences such as age, gender, marital status, education, employment, and income may underlie the observed differences between groups. On the other hand, differences at the development-level such as a high proportion of elderly households, a high-rise structure, and a large number of families with children could also lie behind the observed differences. Therefore, before accepting the conclusion that observed

differences likely result from resident management, these other influences must be considered

To test the alternative hypothesis that underlying household-level and development-level differences account for the results reported above, we have employed a series of multivariate data reduction and regression techniques. These techniques are described briefly below.

To begin with, factor analysis was used to create a set of indices representing the basic dimensions of the residential environment about which residents were asked to express their attitudes. (Appendix H describes the factor analysis techniques used.) This step simplified the interpretation and analysis of the data. Mean scores on these indices were compared across sites in the usual manner, as shown in the upper half of Exhibit 8-12. The pattern of differences basically conforms to that of the previous analyses of single-item responses, confirming the validity of these composite indices.

The next step involved adjusting mean scores on these composite indices for possible underlying household-level and development-level differences, a step accomplished with multivariate regression. (Appendix H describes the regression techniques used.) The results of this analysis are reported as *adjusted means* in the lower half of Exhibit 8-12. These adjusted means reflect the differences between groups after controlling for various household-level and development-level characteristics. Household-level control variables included in the equation were age, gender, race, education, income, and single parent status (Exhibit 8-10). Development-level controls employed were mean number of children per household, proportion of elderly households, living in a high-rise family building, and living in an elderly building (Exhibit 8-11).

For the full-service sample, results show that -- even after controlling for these household-level and development-level differences -- residents of the RMC sites remain more positive about their housing conditions than their control counterparts. For the managing agent sample, the results shifted somewhat, but remained mixed as before. After adjustment, the significance of the difference in overall housing satisfaction between managing-agent RMC respondents and their control counterparts disappeared. Most markedly, the sense of security, which was greater among controls when no statistical adjustments were involved, is now greater among RMC residents after statistically controlling for other factors. In contrast, several indicators that did not appear significant before adjustment, namely perception of management commitment and quality of apartment maintenance, shifted in favor of the control sites.

As was the case for a number of the single-item indicators in previous exhibits, the level of full-service RMC responses on the composite indices is often comparable to that of the managing-agent RMC and its control. This pattern provides further evidence for the notion that full-service RMCs improve resident attitudes to a level comparable to that of well-managed PHAs

8.4 SUMMARY

Overall, survey results show that residents at full-service RMC sites had significantly more positive perceptions of the quality of life at their developments than did their control-site counterparts. Moreover, these more positive perceptions occur across a wide domain,

Exhibit 8-10

HOUSEHOLD-LEVEL CHARACTERISTICS

Variables	Full Service		Managing Agent		
	RMCs	Controls	RMCs	Controls	
Have an employed household member	26%	22%	36%	32%	
Age of respondent	47.5	43.8	41.1	47.4	**
Years of education	10.8	10.6	10.9	10.5	**
Annual household income	6,119	5,785	8,332	7,578	
Black, non-Hispanic	89%	85%	84%	92%	***
Female	87%	80%	83%	74%	**

NOTE: Chi square test of significance applied to proportions, t-test applied to means.

* p < .10 ** p < .05 *** p < .01

Exhibit 8-11

DEVELOPMENT-LEVEL CHARACTERISTICS

Variables	Full Service		Managing Agent	
	RMCs	Controls	RMCs	Controls
Percent of single-headed households with children	50%	57%	61%	36%
Percent of units in high-rise structures	8%	11%	60%	42%
Percent of units in elderly buildings	12%	15%	2%	23%
Percent of units occupied by elderly households	19%	16%	11%	21%
Average number of children in each unit	1.35	1.40	1.66	0.94

NOTE: Statistical tests of significant differences were not applied to development-level differences because of limited sample size.

Exhibit 8-12

UNADJUSTED AND ADJUSTED MEANS OF COMPOSITE INDICES

Unadjusted Means

Composite indices	Full Service			Managing Agent		
	RMCs	Controls		RMCs	Controls	
Neighbors	52%	42%	***	53%	55%	
Support services	33%	20%	***	19%	19%	
Management commitment	67%	53%	***	65%	67%	
Quality of apartment maintenance	57%	50%	***	69%	71%	
Overall housing satisfaction	50%	38%	***	45%	49%	*
Security	51%	40%	***	55%	64%	***
Building and grounds maintenance	65%	48%	***	62%	64%	
Sense of personal responsibility	81%	64%	***	77%	84%	***

Adjusted Means

Composite indices	Full Service			Managing Agent		
	RMCs	Controls		RMCs	Controls	
Neighbors	51%	42%	***	52%	56%	
Support services	34%	22%	***	20%	19%	
Management commitment	67%	54%	***	63%	69%	*
Quality of apartment maintenance	57%	51%	**	66%	74%	**
Overall housing satisfaction	49%	39%	***	49%	45%	
Security	52%	39%	***	64%	54%	***
Building and grounds maintenance	65%	48%	***	63%	63%	
Sense of personal responsibility	78%	69%	***	78%	85%	*

NOTE: All composite indices were converted to a scale with a minimum score of 0 and maximum score of 1 and all means are expressed as a percentage along this 0-1 scale. A t-test of significance was applied to the unadjusted means and also to the slope of the treatment dummy variable in the case of the regression-adjusted means.

* p < .10 ** p < .05 *** p < .01

including general housing satisfaction, assessments of maintenance services and management performance, sense of security, satisfaction with support services, and sense of personal responsibility for conditions at the development. In contrast, results for the managing-agent RMC sites were generally no more or less positive on these dimensions when compared to control sites (particularly after controlling for other variables in the analysis).

Nevertheless, residents of managing-agent RMCs still gave generally positive assessments of their living environments in absolute terms. In fact, the levels on various measures were similar to those achieved by full-service RMCs. One way of interpreting this finding is to say that full-service RMCs perform significantly better because their control sites do rather poorly. In turn, managing-agent RMCs perform about as well as full-service RMCs, but the managing-agent control sites also perform fairly well, resulting in few significant differences.

Security is the one area in which both full-service and managing-agent RMCs did better than their controls. After controlling for selected development and household characteristics, residents of both full-service and managing-agent RMCs perceive a significantly lower threat from crime than their control counterparts. This result suggests that both models of residents management can have important impacts on the sense of safety and security among public housing residents.

Finally, it should be pointed out that the findings of the resident survey (as in any cross-sectional survey) are limited. In particular, the lack of baseline (or pre-test) data makes it impossible to rule out the possibility that the residents of RMC-managed developments were simply different from their control counterparts on key measures to begin with. The results of the regression analysis provide some means of accounting for pre-existing household- and development-level differences, but such an analysis cannot take the place of true baseline data. In short, the extent to which the significant differences reported above reflect the effects of resident management or some other (unknown) factor remains uncertain.

CHAPTER 9

CONCLUSIONS

The previous chapters have attempted to provide some key facts and figures about the eleven RMCs that are the focus of this report. In particular, we have documented.

- the events that shaped the evolution of the RMCs and the circumstances in which they currently operate;
- the organizational structure of RMCs, particularly the distinction between full-service and managing-agent RMCs, and the management functions they perform,
- the relative effectiveness of RMCs as property managers, as measured by traditional performance indicators;
- the involvement of RMCs in the delivery of social services and the promotion of job-creation activities, and
- finally, the satisfaction of residents at RMC developments with management performance and the overall quality of their living environment

The first part of this chapter discusses a number of organizational issues that appear to be key to the growth and development of RMCs. The second section reviews the implications of this evaluation for future resident initiatives.

9.1 ORGANIZATIONAL ISSUES

The site visits uncovered a number of organizational issues that RMC leaders and PHA staff believed to be key to the successful growth and development of RMCs. These issues, to a greater or lesser degree, pertain to both full-service and managing-agent RMCs. Some appear to hold true for emerging organizations in general, while others pertain particularly to the public housing environment. They include:

- Building strong communities;
- Nurturing future leaders,
- Equipping residents with necessary skills,
- Handling federal rules and regulations; and
- Developing a solid working relationship with the PHA.

The following sections, which describe these issues in more detail, reflect the observations of both RMC leaders and PHA staff who participated in this study.

9.1.1 Building Strong Communities

Nearly all of the RMCs have made the goal of developing strong and responsible communities a high priority, and have taken a number of steps to ensure that this objective is met. These include:

- setting clear and enforceable community standards;
- holding residents accountable for their own actions and the actions of their children and visitors;
- involving residents in RMC activities in a meaningful and ongoing way; and
- promoting greater community stability.

These activities are closely related and, in an important sense, depend on one another in order to be successful.

Successful RMCs have in common the establishment of clear and enforceable community standards. While resident management offers the advantage of having more building management and maintenance staff members who live on site than a development under typical PHA management, these staff members still cannot be everywhere at all times. Thus, resident management groups have worked to involve their residents in a collective effort to establish and maintain community standards of behavior. By encouraging residents to become involved in monitoring their developments, either by speaking directly with those who violate the standards or by reporting problems to management, RMCs have begun to foster a stronger sense of pride in and responsibility for the residential community.

When public housing residents become the managers of their own developments they often become stricter and less tolerant of problem residents than the public housing officials who preceded them. Successful RMCs in particular attempt to hold residents responsible for their own behavior and that of their children and visitors. In fact, RMC leaders frequently express the desire to have more control over resident selection and lease enforcement than they currently have under federal regulations.

RMCs have also attempted to impart a sense of ownership in residents by providing them with an opportunity to have a voice and an active role in RMC affairs. Most RMCs have found that participation is greatest when the matter at hand is concrete and central to the daily needs and concerns of residents. For that reason, many RMCs had strong resident participation in their formative stages when the need to improve the physical conditions of the developments served as a rallying point. Once the initial battles were won, however, RMCs found it more difficult to keep resident involvement going. Yet without continued resident involvement, an RMC is in danger of becoming almost as remote and removed from resident concerns as the PHA was viewed as being. Therefore, successful RMCs have made a concerted effort to promote continued resident involvement in the affairs of the RMC.

Finally, many RMCs have set establishing stable communities at their developments as one of their primary goals. Many residents at these RMCs are committed to improving their housing and strengthening their community. Moreover, leaders of these RMCs express the hope that when residents get jobs they will stay in the community, serving as role models and bringing both money and hope back to the area. In contrast, PHA officials have tended to view public housing differently, as a transitional place for people who are temporarily in need.

According to this view, people who improve their economic status should be encouraged to leave. This difference in outlook implies that RMC goals often run counter to those of the PHA and that understanding this tension may help RMCs and PHAs work together more effectively

9.1.2 Nurturing Future Leaders

Many of the original RMCs, like other types of organizations, were built by strong, charismatic leaders. Skeptics have speculated that resident management may not be viable on a large scale because the success of an RMC seems to depend so heavily on its founders. Many RMCs have already begun to take a number of steps to nurture future leaders and to make the transition from a start-up organization to an ongoing concern. For example, the Carr Square leadership cited developing future leaders as a specific goal for the organization.

On-site observations confirm that while most sites have staff that can operate the site on a day-to-day basis, even in the absence of the primary leader, many of the RMCs have leadership structures that lack depth. The RMCs have generally been formed with a single strong leader and a key circle of board members who have received training and gained on-the-job experience. These organizations are often preoccupied with everyday issues and the need to increase the skills and expertise of their current staffs and boards. As a result, they often find it difficult to focus on grooming new leadership. This scenario is not unique to RMCs. Many organizations begin with a few strong leaders and must struggle with ways to deepen their leadership pools, and to pass on responsibilities to a new generation of leaders.

RMCs have begun to recognize the need to increase the depth of their leadership pools. Particularly at sites where the primary leader is involved in working with RMCs at other developments or other off-site activities, the need for continuity of management at home has been made clear. Most RMCs have begun making a conscious effort to recruit new people into the process and to prepare the organization for a change in leadership. Importantly, RMCs need ongoing training and technical assistance to support these efforts. For RMCs to succeed over the long run, new leaders must receive training to allow them to continue where more experienced leaders have left off. In addition, many sites have hired non-resident professionals as staff. These individuals can provide some leadership, as can resident staff members.

The requirement that RMCs hold board elections at least once every three years is intended to help increase resident involvement and leadership. However, to date the RMCs report little if any competition during elections. RMCs have also found that resident views of leadership positions can deter potential new leaders from emerging. In some sites, residents expressed an unwillingness to become board members for fear of the opinions of other residents and the potential of conflicts with neighbors and friends. Others understand that in order to enforce the RMC's rules they must themselves be "squeaky clean," and are unwilling to endure the scrutiny that is likely to accompany the position. RMCs trying to increase their leadership depth have found it necessary to seek out residents willing to face these concerns, and to help them find ways to deal with these issues.

9.1.3 Equipping Residents With the Necessary Skills

Residents bring a wide range of skills to resident management, not the least of which is a first-hand understanding of the conditions and problems in public housing. But residents often lack many of the skills they need to run a major business such as a housing

development. The RMCs and PHAs that participated in the study all had ideas about the types of training needed in their particular situations. In general, these needs fell into four areas.

- technical property management skills,
- leadership and board training,
- financial management, and
- community organizing.

PHAs in particular stressed the need for RMCs to develop additional technical expertise. One PHA leader observed that RMC staff members are offered ample training on RMC philosophy but not on the nuts and bolts of property management. Others observed that while RMC managers have received certification for property management, that certification does not teach them specifically about how PHAs operate. Both PHA and RMC representatives observed that it is crucial for RMCs to learn HUD's regulations and to understand exactly how they work. Now PHA employees must learn about many of these same issues. This suggests that PHAs as well as other training organizations might help the training process, as many already do, by including RMC staff in any PHA-offered training.

The need to enhance leadership, discussed above, caused a number of those interviewed at RMC sites to express a need for additional leadership and board training. In several sites people mentioned the need for their board members to learn more about the nuts and bolts of management. But more importantly, they focused on the need for board members to understand how to supervise the paid management staff adequately without micro-managing.

Financial management was also cited as an area in which RMCs would like more training. This issue was raised in particular at sites that do not currently have much financial responsibility. These residents recognize that they do not have the expertise or experience they need to take on these responsibilities, which many view as an important next step.

Finally, community organizing skills were mentioned in several sites as an important area of training need. While most of the sites organized effectively during their early days, many have found it difficult to sustain resident interest and involvement as conditions at the site have improved and as the focus has shifted to more mundane management duties. As discussed above, community participation is crucial for the success of resident management, and continued training and emphasis on this area can help strengthen the RMCs in the long run.

Several general observations about training also came up during our discussions with RMC leaders, residents and PHA officials. One is that the need for training and the amount of time and energy it takes is often many times more than first estimated. For example, it may appear that a board needs assistance to develop articles of incorporation when, in fact, what it really needs is more fundamental literacy training or knowledge about how to run an effective meeting. A second observation comes from PHA officials, several of whom suggested that it requires no less effort to work with an established RMC than to work with a newly-emerging one. In particular, the issues the more developed RMC faces are often more involved and take higher-level PHA staff time to address than the more basic issues facing an emerging RMC. This means that, when planning for the long term, PHAs must not assume that RMCs will somehow cease to place demands on PHA staff. This will only be true in cases where the property is sold and the PHA no longer has any input into the development's

management. Even in these cases, the PHA may retain some responsibility as the administrator of development-based subsidies.

9.1.4 Dealing With Rules and Regulations

Although in many respects RMCs have great latitude in how they run their developments, these developments receive federal support and are owned by the PHA. As a result, developments run by RMCs are subject to the same controls as public housing developments managed directly by PHAs. A number of these federal regulations make it more difficult for both PHAs and RMCs to manage their properties effectively. Some of the areas affected by federal regulation include:

- resident screening,
- resident evictions;
- union pay scales; and
- ceiling rents.

While not all of these areas were issues for each PHA or RMC, they were mentioned frequently as areas where rule changes could have a positive impact on the quality of life in public housing.

Resident screening is an important tool for any residential property manager. At the same time, resident screening is subject to fair housing laws generally, and public housing is subject to additional affirmative marketing rules and other anti-discrimination safeguards. While these regulations are critical to ensure that federally-funded housing programs are open to all without discrimination, they can also pose complications for those administering the programs by limiting the extent to which they can screen potential households.

Some RMCs have made strides toward better screening by using volunteer board members to make home visits to potential new residents in order to fully enforce available screening criteria. This is a step most PHAs report that they have been unable to undertake because they lack the needed staff. Even with home visits, however, RMCs believe that they do not have enough discretion in choosing residents, particularly with regard to drug sales and use, disruptive behaviors and housekeeping habits.

Evictions are another important tool for property managers. Both PHAs and RMCs labor under local laws stipulating what constitutes grounds for eviction. Some of these local laws are very strict and make proving cause for eviction difficult. For some communities, PHAs and RMCs report that the PHA's legal staff, which is also generally responsible for bringing legal actions on behalf of the RMC, is so overburdened that the eviction process may take months, or even years. Both RMCs and PHAs stress the need to streamline the eviction process in order to have an effective enforcement tool.

In PHAs with strong unions, many RMCs have had to agree to pay their workers union wages to help insure against the displacement of union labor. This means that RMCs, like their PHAs, do not have the option of hiring a higher number of less-skilled workers at lower wages, or of lowering operating costs by hiring people willing to work for lower wages.

Finally, several PHAs and their RMCs are interested in implementing ceiling rents in their developments. Such caps require residents to pay 30 percent of their incomes for rent only up to the fair market price. This would encourage working residents to remain in the

community, rather than leaving as soon as their incomes rise. While this is possible, it requires the PHA to justify the need for an exception to allow ceiling rents to be implemented.

9.1.5 Developing Workable Relationships With PHAs

Many RMCs have found it important to establish strong working relationships with their PHAs. As resident management becomes a more established concept, more and more PHA leaders are embracing the idea and working harder to cooperate with resident groups. Despite this emerging interest in forming stronger relationships, however, PHAs that work with RMCs often find themselves in a difficult position for several reasons, including

- ultimate PHA accountability,
- monitoring issues,
- staff fears of job loss or overwork, and
- equity issues.

The PHA role in overseeing resident management is complicated by the fact that, while the RMC has immediate responsibility for management, the PHA bears ultimately liability for the property. This accountability forces the PHAs to retain some control over the RMCs. At the same time, RMCs tend to see the point of resident management as letting residents manage the property themselves, and many resent the lack of trust PHA oversight implies. Recognizing this dynamic, and the limitations under which both RMCs and PHAs must work, can help enhance cooperation between the two groups.

Some PHA staff fear that if the RMC movement becomes well-established, residents will take over and PHA staff will be out of jobs. At the same time, others complain that RMCs generate more work than other developments, and that the staff who work with them are overburdened. These conflicting views may be the result of differing perspectives within the PHA, with maintenance workers worried about losing their jobs and office workers worried about the extra burden of additional oversight. Whatever the reason for the fears, the PHA's role in supporting RMC growth is much more difficult in cases where there is internal resistance to the RMC movement.

9.1.6 Management Issues Facing RMCs

In any attempt to draw generalizations, it is important to remember that each RMC represents a unique story. Each has its own origin, houses a unique group of residents and operates in a specific context. In addition, leaders at each site must make some basic choices about the way in which the sites will operate. Some of these choices involve the following:

- the level of resident involvement;
- areas of responsibility;
- the extent of paid or volunteer jobs;
- the extent to which jobs go to those most in need; and
- the problems of favoritism and nepotism

Exactly what level of involvement residents should strive for is a matter of disagreement among RMC and PHA leaders. Some argue that full resident management with responsibility for virtually all functions should be the goal. Others argue that resident input is the important factor, whether that input occur through resident representation in PHA decision-making or through a full-fledged RMC. As this report documents, different groups

have taken on various functions throughout their lifetimes, depending on the interests and skills of their leaders. This indicates that there can be various appropriate levels of involvement, depending on the organization, and suggests that there should be flexibility in the models resident groups pursue.

RMCs must also make choices about the extent to which they are willing to take on responsibility for various aspects of managing the site. For example, in some sites, the RMCs have focused intensive effort on hiring security patrols to make the neighborhood safe. Others refuse to take on this role, arguing that the residents should organize to demand adequate city police protection and avoid spending the RMC's limited dollars this way. RMCs that decide to hire security staffs face another dilemma -- should they hire residents who know the community and need jobs, or should they hire outside staff who can be more objective? In every functional area RMCs must make similar decisions about what the limits of resident involvement should be in their communities.

Another question RMCs must answer for themselves is whether residents that volunteer for the RMC should receive some type of stipend or rent reduction. Stipends can be a good incentive to get people to start or continue volunteer service. On the other hand, providing stipends may make the sincerity and motives of the volunteers suspect. RMCs must consider these factors in deciding how best to encourage volunteerism within their communities.

RMCs must also make choices about affirmative hiring for residents with criminal records or drug or alcohol problems. RMCs that do make such affirmative choices have found that in some cases providing troubled residents with jobs can help turn the resident around, while in others this strategy can overburden the RMC with problem employees. RMCs that do not hire troubled residents may have more reliable staffs, but fail to provide job opportunities for residents who may be most in need of such support. Each RMC may have somewhat different policies for such hiring decisions, and no single policy is likely to be right for all.

Finally, RMCs are confronted with problems of favoritism and nepotism. All resident board or staff members have neighbors and friends at the site. Many have extended families and well-established, long-term relationships at the site. One of the ongoing challenges facing most RMCs is helping their board and staff members maintain a strict sense of objectivity and fairness. Most of the RMCs have faced such issues and have begun to develop policies to deal with them. The nature of resident management, however, means that these issues are likely to remain close to the surface, and maintaining the trust of their residents over the long term will require confronting these issues on a regular basis.

9.1.7 Resident Empowerment

RMC and PHA leaders agree on the fact that individual empowerment is one of the strongest benefits of resident management. In many cases, it is the opportunity for personal empowerment that keeps active participants in the RMC movement involved and pushing their organizations to succeed. As these leaders grow, they reach out to help other residents and serve as role models and mentors in their communities.

The immediate objective of resident management is to manage properties. However, resident management is a good example of a process in which the means -- empowering residents -- may be even more important than the ends.

9.2 IMPLICATIONS FOR FUTURE RESIDENT INITIATIVES

This evaluation has shown that overall, RMCs performed quite well in terms of most of the management performance indicators. Further, full-service RMCs in particular have been able to provide more social services and economic development opportunities than either their comparison sites or the managing-agent RMCs. In addition, the survey data reveal that full-service RMCs in troubled authorities can significantly improve resident perceptions of their quality of life, and that in some important areas such as crime, managing-agent RMCs also had a significant impact. The evaluation has also shown that many of the RMCs achieved these levels of performance with lower operating costs than their PHAs.

Unfortunately, the analysis that is possible from the available data is limited because of the small size of the sample. Among the RMCs studied here, there were none that undertook full-service responsibilities in an untroubled authority, and only one managing-agent RMC was located in a troubled authority. Thus, it is only possible to speculate as to the probable outcomes of the models of resident management in these settings.

For example, it is clear that a full-service RMC can improve resident perceptions of their quality of life in a troubled authority to about the level of resident satisfaction within a well-run PHA, but it is not possible to evaluate the potential for improvement above that level, based on the available data. Likewise, while full-service RMCs generally performed as well as or better than their PHAs according to most management indicators, they often failed to match the achievements of the managing-agent RMCs and their PHAs. Unfortunately, it is not possible to assess what these full-service RMCs might have been able to achieve had they been located in well-run authorities.

This evaluation also suggests that managing-agent sites had an impact on resident quality of life only in the area of crime. However, it is unclear whether a managing-agent site could have a more significant impact on resident satisfaction if it operated in a troubled site with vast room for improvement, rather than in the relatively well-run authorities in which most of the managing-agent groups in this study were located. Similarly, while managing-agent RMC performance on traditional management indicators was about the same as or better than their PHAs' on most indicators, it is not clear what the outcome might have been if these RMCs had operated in troubled authorities.

In recent years, HUD's efforts to support the concept of resident management have brought almost 300 new resident groups funding and support. These groups will operate in both troubled and untroubled authorities, and will take on varying amounts of responsibility within their communities. Close observation of these groups will be required in order to determine whether managing-agent groups can realize the same types of significant gains in resident satisfaction accomplished by the full-service groups, and to determine what effect full-service groups might have in well-run authorities.

Whatever the success of these new groups, however, it is clear that the individuals involved in managing them will learn and grow from their experiences. At a minimum, the personal empowerment these individuals gain will be achieving one of the primary goals of resident management.

APPENDICES

APPENDIX A

COMPARING RMCS AND THEIR CONTROLS

This appendix compares conditions at RMCs with conditions at their PHAs. In some ways, however, such comparisons may not be valid. For example, a PHA may manage principally elderly developments, while the RMC is charged with responsibility for a much more difficult-to-manage family building. Or an RMC may manage a low rise in a PHA where the PHA is confronted with a stock that consists mainly of harder-to-manage high rises. To help compensate for these differences, we have established "control sites" for each of the RMC sites included in this study.

Control sites were recommended for each site by the PHA and the RMC. The PHAs and RMCs were asked to select control sites that would reflect as closely as possible the characteristics of the RMC sites. Factors such as the size of the developments, their ages, the building structures, neighborhoods and elderly/family status were all considered. No site has a perfect control -- the situation in each control site differs in one or more ways from the RMC. However, for some aspects of the evaluation, even these imperfect control comparisons are superior to a comparison with the PHA as a whole.¹

Several sites with particular control selection issues should be noted here. In Jersey City, two of the RMC sites are high rises, but there are only three high rises in the entire PHA. It was decided that having the type of building match was crucial, so the two RMCs have been assigned the same comparison site.

In Louisville, Clarksdale and its comparison site are very similar in many respects, largely because they were built as sister sites, one for Blacks, one for Whites. However, at the time comparison sites were selected, Clarksdale was the only site in the city to have received comprehensive modernization. The comparison site is now undergoing modernization, but the physical quality of the sites was significantly different during this research.

In Cleveland, the RMC site consists of a high rise and a family low rise development that stand adjacent to each other. The control reflects this population mix by using two developments -- one family low rise and one elderly high rise. However, these two developments are not adjacent to each other. This means that to the extent either type of development may affect the other, this interaction will not be present at the control site, but will be at the RMC.

¹ In the case of the control for Le Claire Courts in Chicago, part way through the evaluation the control site began intensive community organizing to form a new RMC at the site. Because of this, a second control site was selected that was used only for the resident survey portion of the study. The other data were collected prior to the major resident management movement at the site, and so have been retained for the rest of the report.

Exhibit A-1 presents a comparison of some of the key characteristics of RMCs and their respective control sites. As the exhibit indicates, in nearly all cases the relative size of the developments, their ages and their building types are fairly closely matched. Other characteristics match to greater or lesser degrees. These similarities and differences should be kept in mind when considering comparisons between RMCs and their controls throughout this report.

EXHIBIT A-1

RMC AND CONTROL PROPERTY CHARACTERISTICS

	Number of Units ¹	Year Built ¹	Type of Building	Percent Elderly ³	Adjusted Vacancy Rate ⁴	Average Income ³	Units per Acre ¹
A Harry Moore	661	1954	High Rise	6 ⁵	2	\$11,155 ¹	85
Curries Woods	712	1959	High Rise	7 ⁵	9	\$10,130 ¹	67
Booker T. Washington	313	1943	Low Rise	19 ⁵	1	\$15,666 ¹	54
Lafayette Gardens	488	1942	Low Rise	20 ⁵	1	\$11,647 ¹	60
Bromley-Heath	986	1942	High/Low	8	14	11,706	49
Mission Hill/Alice Taylor	1,189	1940/1954	High/Low	9	1	9,913	61
Carr Square	658	1942	Low Rise	36	48/33 ^c	\$ 7,217	27
Clinton Peabody	657	1942	Low Rise	19	26	\$ 6,018	24
Clarksdale	728	1940	Low Rise	14	1	\$ 4,721	25
Beecher Terrace	807	1940	Low Rise	27	0	\$ 4,869	26

¹ Source: PHA information.

² Source: RMC documents.

³ Source: MTCS data, 1991.

⁴ Source: PHA Information. The Adjusted Vacancy Rate is the number of units vacant and available for occupancy divided by the total number of units occupied or available for occupancy.

⁵ Source: PHA information for 1985.

⁶ Source: PHA-reported figure/RMC-reported figure.

⁷ Source: RMC estimate.

EXHIBIT A-1 (Continued)

RMC AND CONTROL PROPERTY CHARACTERISTICS

	Number of Units ¹	Year Built ¹	Type of Building	Percent Elderly ³	Adjusted Vacancy Rate ⁴	Average Income ³	Units per Acre ¹
Cochran Gardens	761	1953	Low/High	22	21	\$ 5,705	42
Darst/Webbe	1,000	1956/61	High Rise	19	14	\$ 5,802	37
Kenilworth-Parkside	464	1959	Low Rise	NA	42/20 ²	\$18,000 ³	NA
Barry Farms/Wade Apts.	444	1943	Low Rise	15	4	\$13,317	16
Lakeview Terrace/Tower	826	1937/73	Low/High	36	35	\$ 4,548 ¹	22
Woodhill Homes/Bohn Tower	809	1940/73	Low/High	27	17	\$ 3,992 ¹	18
Le Claire Courts	614	1954	Low Rise	19	1	NA	14
Wentworth Gardens	422	1947	Low Rise	21	1	NA	26
Montgomery Gardens	452	1953	High Rise	14 ⁵	1	\$15,143 ¹	80
Curries Woods	712	1959	High Rise	7 ⁵	9	\$10,130 ¹	67
Stella Wright	1,204	1959	High Rise	10	0	\$ 8,644	85
Scudder Homes	858	1963	High Rise	50	3	\$ 8,390	97

¹ Source: PHA information.

² Source: RMC documents.

³ Source: MTCS data, 1991.

⁴ Source: PHA Information. The Adjusted Vacancy Rate is the number of units vacant and available for occupancy divided by the total number of units occupied or available for occupancy.

⁵ Source: PHA information for 1985.

⁶ Source: PHA-reported figure/RMC-reported figure.

⁷ Source: RMC estimate.

APPENDIX B

TENANT ACCOUNTS RECEIVABLE

This appendix presents additional detail on Tenant Accounts Receivable (TARs), which reflect the performance of RMCs in collecting rents, tracking delinquencies, developing and monitoring payment plans for delinquent households, and evicting nonpaying tenants. Chapter 5 discussed one overall measure of TARs performance, the total dollar amount of payments delinquent. This Appendix presents similar data for several other measures of TARs performance.

For the first series of indicators, the total amount due from delinquent accounts has been divided into two mutually exclusive categories: amounts due from households that continue to live in the development ("households in possession") and amounts due from households that no longer occupy their units, due to a voluntary move or a forced eviction ("vacated households"). Different sites had different accounting practices regarding delinquencies from vacated households. Some treated them as accounts receivable for a relatively long period of time; others recognized them as a loss at the end of the fiscal year. Thus, to make the statistics as comparable as possible, we added the reported FY 1990 rent loss to the amount of tenant accounts receivable from vacated households and adjusted the total accordingly. Note that the amounts due from households in possession and from vacated households add up to the total amount due from delinquent accounts, presented in Chapter 5.

The second series of indicators measure the proportion of households (or accounts) that were delinquent at the end of the fiscal year (FY 1990). Again, the total number of delinquent households have been divided into two categories, households in possession and vacated households, and the delinquency rates computed for each category of households add up to the delinquency rate on all accounts.

Finally, households delinquent and in possession were separated into two subgroups: those delinquent for 30 days or less, and those delinquent more than 30 days. This enables us to focus on the severity of payment problems among households that continue to live in the development.

As Chapter 5 noted, the different measures of TARs performance are largely interdependent, and efforts by a property manager to reduce one category of delinquencies is likely to increase another. Thus, while the total dollar amount of payments delinquent may be the best overall measure of TARs collection, each of the other measures is useful in understanding the effectiveness of different management strategies to reduce total delinquencies.

AMOUNT DUE FROM HOUSEHOLDS DELINQUENT AND IN POSSESSION

The first three columns of Exhibit B-1 show the dollar amount of payments due from households delinquent and in possession of their units, as a percentage of total annual charges to residents.¹

$$\text{Delinquency Rate} = \frac{\text{amount due from households delinquent in possession, end of FY90}}{\text{total charges to residents during FY90}}$$

Amount due from households delinquent and in possession ranged from a low of just 0.2 percent at Clarksdale to a high of 15.7 percent at Le Claire Courts, and again largely mirrored the experience at PHAs.²

RMCs showed mixed performance relative to their PHAs and controls on amounts due from households delinquent and in possession. Three of the four full-service RMCs performed worse than both their PHAs and their control sites, the only exception being Carr Square. Among the managing-agent RMCs, one performed about the same as both the PHA and the control, while the other performances were mixed.

AMOUNT LOST OR DUE FROM HOUSEHOLDS DELINQUENT AND VACATED

The last three columns of Exhibit B-1 show the dollar amount of payments lost or due from households delinquent and vacated, as a percentage of total annual charges to residents:

$$\text{Delinquency Rate} = \frac{\text{amount lost or due from households delinquent and vacated at end of FY90}}{\text{total charges to residents during FY90}}$$

Amount lost or due from households delinquent and vacated ranged from a low of 0.0 percent at Bromley-Heath to a high of 13.8 percent of total annual charges at Cochran Gardens. RMCs generally seemed to show slightly better performance on amounts lost or due from vacated households than on other measures of TARs performance – particularly the managing-agent sites.

TOTAL DELINQUENT ACCOUNTS

The first three columns in Exhibit B-3 present information on the total number of delinquent households (delinquent accounts) as a percent of the total number of occupied units:

$$\text{Delinquency Rate} = \frac{\text{number of accounts delinquent at end of FY90}}{\text{number of units occupied at end of FY90}}$$

¹ As with number of households delinquent and in possession, we separated accounts delinquent for more than 30 days from those delinquent for less than 30 days; these figures are shown in Exhibit B-2. However, the differences between the two groups of accounts were minor and indicated no consistent pattern.

² The correlation coefficients were 0.94 between RMCs and PHAs, and 0.93 between RMCs and controls.

Exhibit B-1

PERCENT OF TOTAL RENT ROLL DELINQUENT OR UNRECOVERABLE: FY90

	Amounts Delinquent in Possession as a Percent of Total Rent Roll ²			Amounts Lost or Delinquent and Vacated as a Percent of Total Rent Roll ³		
	RMC	PHA	CTRL	RMC	PHA	CTRL
<u>Full-Service RMCs</u>						
Bromley-Heath	13.0%	5.1% -	6.9% -	0.0%	0.7% +	0.9% +
Carr Square	1.2%	2.4% +	3.1% +	6.8%	6.9% o	15.5% +
Cochran Gardens	5.2%	2.4% -	1.8% -	13.8%	6.9% -	9.2% -
Kenilworth-Parkside	48.8/13.2% ⁴	32.9% -/+	6.6% -	11.3/na% ⁴	12.5% -/na	4.0% -/na
Lakeview Terrace	na	na	na	na	na	na
Le Claire Courts	15.7%	9.9% -	12.2% -	3.2%	2.0% -	2.3% -
<u>Managing-Agent RMCs</u>						
A. Harry Moore	1.5%	0.8% -	1.6% o	8.9%	5.1% -	12.8% +
Booker T. Washington	0.7%	0.8% o	0.6% +	2.7%	5.1% +	3.3% +
Clarksdale	0.2%	0.2% o	0.1% o	0.3%	0.7% o	0.8% o
Montgomery Gardens	0.6%	0.8% o	1.6% +	4.4%	5.1% +	12.8% +
Stella Wright ⁵	4.8%	2.4% -	2.3% -	2.5%	3.0% +	0.5% -
<p>¹ Total dollar amount of payments delinquent as of end of FY90 plus total dollar amount of payments reported as unrecoverable during FY90, divided by total monthly charges to residents as of end of FY90 multiplied by 12</p> <p>² Dollar amount of payments delinquent for households in possession of their units as of end of FY90, divided by total monthly charges to residents as of end of FY90 multiplied by 12</p> <p>³ Dollar amount of payments delinquent as of end of FY90 or recorded as unrecoverable during FY90 for vacated households, divided by total monthly charges to residents as of end of FY90 multiplied by 12.</p> <p>⁴ Managers at Kenilworth-Parkside disagreed with PHA officials regarding the dollar amount of payments delinquent, as well as total monthly charges to residents. The figure given by the PHA is shown first, followed by the figure given by the RMC. RMC officials gave no figure for unrecoverable delinquent payments.</p> <p>⁵ Figures based on TARs reports for October 1990. End of fiscal year reports were not available</p> <p>Legend: + RMC amount delinquent is lower than PHA or control amount delinquent - RMC amount delinquent is higher than PHA or control amount delinquent o RMC amount delinquent is not different from PHA or control amount delinquent. na Data were not available</p> <p>Source. TARs reports, FY90</p>						

Exhibit B-2

SHORT- AND LONG-TERM DELINQUENCIES: FY90

	Amounts Delinquent 30 Days or Less (%) ¹			Amounts Delinquent More Than 30 Days (%) ²		
	RMC	PHA	CTRL	RMC	PHA	CTRL
<u>Full-Service RMCs</u>						
Bromley-Heath	1.6%	0.5% -	0.2% -	11.4%	4.5% -	6.7% -
Carr Square	0.2%	0.5% ○	0.7% ○	1.0%	1.9% +	2.4% +
Cochran Gardens	0.5%	0.5% ○	0.4% ○	4.7%	1.9% -	1.3% -
Kenilworth-Parkside	0.3/0.3% ³	0.2% ○	0.6% ○	48.5/12.8% ³	32.6% -/+	6.0% -
Lakeview Terrace	na	na	na	na	na	na
Le Claire Courts	3.9%	2.8% -	3.0% -	11.8%	7.1% -	9.2% -
<u>Managing-Agent RMCs</u>						
A. Harry Moore	0.7%	0.5% ○	1.0% ○	0.8%	0.3% ○	0.6% ○
Booker T. Washington	0.5%	0.5% ○	0.4% ○	0.2%	0.3% ○	0.2% ○
Clarksdale	0.2%	0.1% ○	0.1% ○	0.0%	0.0% ○	0.0% ○
Montgomery Gardens	0.4%	0.5% ○	1.0% +	0.3%	0.3% ○	0.6% ○
Stella Wright	0.6%	0.2% ○	0.6% ○	4.2%	2.3% -	1.9% -

¹ Amount of payments delinquent 30 days or less from households in possession as of end of FY90, divided by total monthly charges to residents as of end of FY90 multiplied by 12.

² Amount of payments delinquent more than 30 days from households in possession as of end of FY90, divided by total monthly charges to residents as of end of FY90 multiplied by 12.

³ Managers at Kenilworth-Parkside disagreed with PHA officials regarding the dollar amount of payments delinquent, as well as total monthly charges to residents. The figure given by the PHA is shown first, followed by the figure given by the RMC.

Legend:

- + RMC amount delinquent is lower than PHA or control amount delinquent.
- RMC amount delinquent is higher than PHA or control amount delinquent.
- RMC amount delinquent is not different from PHA or control amount delinquent.
- na Data were not available.

Source: PHA and RMC reports, FY90.

Exhibit B-3

PERCENT OF HOUSEHOLDS DELINQUENT: FY90

	Total Delinquent Accounts as a Percent of Occupied Units ¹					Households Delinquent in Possession as a Percent of Occupied Units ²					Households Delinquent and Vacated as a Percent of Occupied Units ³				
	RMC		PHA		CTRL	RMC		PHA		CTRL	RMC		PHA		CTRL
Full-Service RMCs															
Bromley-Heath	58%	24%	-	41%	-	58%	23%	-	39%	-	0%	2%	+	2%	+
Carr Square	44%	33%	-	61%	+	13%	12%	o	21%	+	31%	21%	-	41%	+
Cochran Gardens	52%	33%	-	46%	-	21%	12%	-	16%	-	30%	21%	-	31%	o
Kenilworth-Parkside	85/28% ⁴	70%	-/+	36%	-/+	72/28% ⁴	58%	-/+	30%	-/+	13/0% ⁴	13%	o/+	5%	-/+
Lakeview Terrace ⁵	16%	20%	+	34%	+	16%	20%	+	34%	+	5%	2%	-	1%	-
Le Claire Courts	53%	49%	-	59%	+	51%	46%	-	57%	+	2%	3%	o	2%	o
Managing-Agent RMCs															
A. Harry Moore	46%	33%	-	66%	+	11%	8%	-	15%	+	35%	25%	-	51%	+
Booker T Washington	23%	33%	+	24%	o	7%	8%	o	7%	o	15%	25%	+	17%	o
Clarksdale	7%	7%	o	9%	o	5%	3%	-	6%	o	2%	4%	+	3%	o
Montgomery Gardens	24%	33%	+	66%	+	6%	8%	o	15%	+	18%	25%	+	51%	+
Stella Wright ⁶	46%	29%	-	26%	-	41%	22%	-	22%	-	5%	8%	+	4%	o

¹ Total number of households (accounts) delinquent as of end of FY90 divided by number of units occupied as of end of FY90

² Number of households delinquent and in possession of their units as of end of FY90 divided by number of units occupied as of end of FY90

³ Number of households delinquent and vacated during FY90 divided by number of units occupied as of end of FY90.

⁴ Managers at Kenilworth Parkside disagreed with PHA officials regarding the number of households delinquent. The figure given by the PHA is shown first, followed by the figure given by the RMC.

⁵ Data from PHA report

⁶ Figures based on TARs report for October 1990. End of fiscal year data were not available.

Legend:

- + RMC incidence of delinquent accounts is significantly lower than PHA or control rate
- RMC incidence of delinquent accounts is significantly higher than PHA or control rate.
- o RMC incidence of delinquent accounts is not significantly different from PHA or control rate

Source: PHA and RMC reports, FY90.

As shown in the chart, the total incidence of delinquent accounts varied widely, ranging from a low of just 7 percent at Clarksdale to a high of 58 percent at Bromley-Heath. (Although the Washington, D.C. PHA cites a delinquency rate of 85 percent at Kenilworth-Parkside, figures given by managers at Kenilworth-Parkside put delinquent households at only 28 percent of all accounts.)

RMCs generally showed mixed performance relative to their PHAs and controls. Four of the five full-service RMCs for which reliable data were available showed significantly worse performance on total delinquent accounts when compared to their PHAs; among the five managing-agent RMCs, however, two performed significantly worse and two performed significantly better than their PHAs. Control sites typically displayed a higher incidence of delinquent accounts than the PHA at large. As a result, RMCs generally appeared better in comparison to their controls: three of the five full-service RMCs performed significantly better than their controls, and only one of the five managing-agent RMCs performed significantly worse.

Lakeview Terrace was the only full-service RMC that performed better than both its PHA and its control, even though the incidence of delinquent accounts was lower at the Cleveland PHA and control site than at any of the other PHAs or control sites associated with a full-service RMC. Considering the troubles of the Cleveland PHA, its relatively strong performance with respect to rent delinquencies is somewhat unexpected, although it may reflect enforcement throughout the Cleveland PHA of a policy of evicting residents who are repeatedly late in making rent payments. At the other extreme, Stella Wright was the only managing-agent RMC that performed significantly worse than both its PHA and its control site in reducing total delinquent accounts. This may be related to the fact that Stella Wright had less control over lease enforcement than the other RMCs and was the only RMC that did not bear responsibility for initiating evictions.

HOUSEHOLDS DELINQUENT AND IN POSSESSION

Exhibit B-3 also shows the number of households delinquent and in possession, as a percent of the total number of occupied units:³

$$\text{Delinquency Rate} = \frac{\text{number of households delinquent in possession at end of FY90}}{\text{number of units occupied at end of FY90}}$$

³ In addition to total households delinquent and in possession, we separated accounts delinquent for more than 30 days (which generally indicate significant payment problems as well as large delinquent amounts) from those accounts delinquent for less than 30 days (minor payment problems and small delinquent amounts). These figures are shown in Exhibit B-4. As the exhibit indicates, the differences between RMC performance on the two groups of delinquent accounts were small and showed no consistent pattern.

Exhibit B-4

SHORT- AND LONG-TERM DELINQUENCIES: FY90

	Households Delinquent 30 Days or Less (%) ¹			Households Delinquent More Than 30 Days (%) ²		
	RMC	PHA	CTRL	RMC	PHA	CTRL
Full-Service RMCs						
Bromley-Heath	23%	2% -	2% -	36%	21% -	37% o
Carr Square	7%	6% o	12% +	6%	6% o	9% +
Cochran Gardens	9%	6% -	7% -	12%	61% -	8% -
Kenilworth-Parkside	4%	3% o	6% +	68/25% ³	55% -/+	25% -/o
Lakeview Terrace	5%	7% +	8% +	11%	13% +	26% +
Le Claire Courts	13%	15% +	14% o	38%	32% -	43% +
Managing-Agent RMCs						
A. Harry Moore	7%	6% o	11% +	3%	2% o	4% o
Booker T. Washington	6%	6% o	5% o	2%	2% o	2% o
Clarksdale	5%	3% -	4% o	0%	1% o	1% o
Montgomery Gardens	5%	6% o	11% +	1%	2% o	4% +
Stella Wright	16%	10% -	10% -	24%	12% -	12% -

¹ Number of households in possession delinquent 30 days or less as of end of FY90, divided by number of units occupied as of end of FY90.

² Number of households in possession delinquent more than 30 days as of end of FY90, divided by number of units occupied as of end of FY90.

³ Managers at Kenilworth-Parkside disagreed with PHA officials regarding the number of households delinquent. The figure given by the PHA is shown first, followed by the figure given by the RMC.

Legend.

- + RMC delinquent rate is higher than PHA or control rate
- RMC rate is lower than PHA or control rate
- o RMC rate is not different from PHA or control rate.

Source: PHA and RMC reports, FY90.

The number of households delinquent and in possession ranged from a low of just 5 percent at Clarksdale to a high of 58 percent at Bromley-Heath. Households delinquent and in possession at RMCs largely mirrored the number at PHAs and controls, with correlation coefficients of 0.81 between RMC and PHA delinquent households in possession and .80 between RMCs and controls.⁴

In looking at total delinquent accounts, managing-agent RMCs had performed slightly better relative to their PHAs than had full-service RMCs. In looking at households delinquent and in possession, however, there is no such difference: both managing-agent RMCs and full-service RMCs performed about the same as or worse than their PHAs in reducing the number of households delinquent and in possession. Only the Lakeview Terrace RMC performed significantly better than its PHA. As with total delinquent accounts, control sites also had trouble in reducing the number of households delinquent and in possession; thus RMC performance appeared better in comparison with controls. Three of the five full-service RMCs for which reliable data were available performed significantly better than their controls, and of the five managing-agent RMCs, only Stella Wright performed significantly worse than its control.

HOUSEHOLDS DELINQUENT AND VACATED

The last three columns of Exhibit B-3 show the number of households delinquent and vacated, as a percent of the total number of occupied units:

$$\text{Delinquency Rate} = \frac{\text{number of households delinquent and vacated at end of FY90}}{\text{number of units occupied at end of FY90}}$$

The number of households delinquent and vacated ranged from a low of zero at Bromley-Heath to a high of 35 percent at A Harry Moore. Again, the number of delinquent vacated accounts at RMCs largely mirrored the number at PHAs and controls, with correlation coefficients of 0.85 between RMCs and PHAs and 0.89 between RMCs and controls.

Managing-agent RMCs appear to perform better relative to their PHAs than did full-service RMCs in reducing the number of households delinquent and vacated. Three of the six full-service RMCs performed significantly worse than their PHAs on households delinquent and vacated, but four of the five managing-agent RMCs actually performed significantly better than their PHAs on this measure. RMC performance relative to control sites was more mixed.

Interestingly, whereas Lakeview Terrace performed better than both its PHA and its control site in the total number of delinquent accounts, Lakeview Terrace was the only full-service RMC that performed significantly worse than both its PHA and its control site in terms of households delinquent and vacated. This result, however, reflects the extraordinarily low incidence of households delinquent and vacated at the Cleveland PHA and control site rather than any lack of success on the part of the Lakeview Terrace RMC.

⁴ Because of the disagreement between the Kenilworth-Parkside RMC and the Washington, D C. PHA over the number of delinquent households, figures for that RMC were deleted in computing the correlation coefficient.

APPENDIX C
SITE INSPECTION PROTOCOL

BUILDING AND GROUNDS OBSERVED CONDITIONS

Name of Interviewee _____ Building Inspected _____
 Title _____
 No. Years Worked On-Site _____
 Date _____

Item	Number	Deficiency	Comments
Entryway			
Basement/Cellar			
Vacant Structures			
Exterior Walls			
Exterior Lighting			
Stair Towers			
Common Areas			
Fencing			
Parking Lots			
Landscaping			
Areaways			
Windows			
Sidewalks			
Play Area(s)			
Penthouse(s)			
Roof			
Dumpsters			
Laundry Rooms			
Maintenance Areas			
Mechanical Rooms			
Flooring			

SERVICE SYSTEMS OBSERVED CONDITIONS

Name of Interviewee _____
 Title _____
 No. Years Worked On-Site _____
 Date _____

Item	Number	Deficiency	Comments
Catch Basins			
Gutters and Downspouts			
Inner Communication			
Lighted Exit Signs			
Fire Extinguishers			
Fire Hoses			
Sprinklers			
Fire Alarm			
Elevator			
Ventilation			
Transformers			
Domestic Hot Water			
Heating			
Emergency Generator			
Emergency Lighting			
Exterior Lighting			
Compactor			
Sump Pumps			

LIVING UNIT OBSERVED CONDITIONS

Inspected Apt.

Floor/Apt. No.:

Date of Most Recent A U.I.:

Vacant/Occupied:

Item	Number	Deficiency	Security	Comments
Entryway				
Kitchen				
Cabinets				
Windows/Vents				
Sink				
Floor				
Electrical Outlets				
Cover Plates				
Bath				
Toilets				
Sink				
Floor				
Medicine Closet				
Tub				
Appliances				
Refrigerator				
Range/Stove				
Smoke Detectors				
Wall				
Heating Unit				
Closets				
Screens/Storms				
Windows				
Emergency Call				
Flooring				

APPENDIX D

COST DATA

This appendix provides a detailed look at the data used in the cost analysis presented in Chapter 6. It provides an overview of the types of data collected and the methodology used to assemble development-based estimates of operating costs.

Many of the PHAs included in the study did not maintain development-specific expenditure data. Moreover, many PHAs performed at least some management functions for the RMCs. As a result, in order to construct reasonably comparable estimates of operating costs, it was often necessary to estimate the proportion of the PHA's expenditures in a given category that was attributable to the RMC or its control.

As described in more detail below, costs were typically allocated to the RMC or control sites by prorating the PHA's expenditures by the RMC's or control's share of the authority's total number of units or, in some cases, number of bedrooms. OKM was able to assemble reasonably reliable estimates of development-based operating costs for all of the PHAs, eight of the 11 RMCs, and three of the 10 control sites. At the remaining sites, extensive proration was used to develop at least rough estimates of the sites' costs. In all cases, RMCs and PHAs were invited to review OKM's estimates, and to provide any additional information that would improve the quality of the estimates.

1.0 DATA COLLECTION AND ANALYSIS

This section describes the procedures that were used to collect the financial data, the specific sources that were employed, and the cost allocation methodology that was used to construct development-based estimates of operating costs.

1.1 Data Collection Procedures

The data were gathered between January and June of 1991. PHAs and RMCs were asked to mail in basic income and expense information for their most recent fiscal year. Once that information had been reviewed, OKM staff visited each site to interview PHA and RMC officials. While on site, OKM staff examined additional financial statements, operating budgets, and other financial documents as required.

Preliminary income and expense data tables, along with appropriate methodological explanations, were then compiled and forwarded to the PHAs and RMCs for their review. Adjustments were made on the basis of RMC and PHA comments. The final figures used for analysis and included in this Appendix have incorporated all of these changes. **However, while the data used for this analysis are the best available, but may not accurately reflect actual costs incurred.**

In most cases, the RMCs and PHAs have confirmed that the figures presented here are the best available. In addition, they have reviewed the methodological approach used in situations where direct expense data were incomplete or ambiguous, or where overhead

allocations had to be determined. Only the Newark PHA and the Kenilworth-Parkside RMC failed to provide feedback on the figures.

In several cases, insufficient development-level data were available to allow an assessment of the costs for the control sites. In these cases the control sites had to be dropped from the analysis. This meant that controls were dropped in St. Louis, Cleveland and Washington D.C.

1.2 Data Sources

As described in more detail below, the quality and source of available data varied across the sites. In four of the eight cities, we were able to obtain formal financial statements (Form HUD-52599) for the PHA. However, these forms were not available for the Chicago, Cleveland, Newark, and St. Louis PHAs. In these sites, budgets or other financial information were used instead.

Boston, Chicago, Jersey City and Louisville all had development-based accounting procedures that provided the majority of the information needed for the RMC and control sites. In Cleveland, Form HUD-52599 was available for the RMC. In three cities -- Newark, St. Louis and Washington D.C.--operating budget information had to be used instead in order to estimate income and expenditures for the RMCs. In Newark, such budgets were also used to make estimates for the control site. Information was not available for the controls in the remaining sites (Cleveland, St. Louis and Washington D.C.). Section 2.0 of this Appendix provides detail about the quality of the data for each site.

1.3 Cost Allocation Issues

The primary difficulty involved in assembling comparable expense data was the lack of accurate development-level data. Some PHAs have not instituted development-level accounting procedures. Moreover, even those that do have such procedures do not necessarily apply them to all significant operating expenses. Furthermore, some functions may not be performed by the RMC. In these instances, some proportion of the PHA's costs for performing this function had to be allocated to the RMC.

The allocation method employed for a given expenditure category depended on the nature of the cost involved. The methods most regularly used, and typical expenses to which they were applied, included the following:

- Cost Allocation Provided by PHA. In all cases where the PHA already maintained an overhead and central services cost allocation system, that system was used to ascribe costs to the RMCs and controls.
- Cost Allocation by Unit. This method allocates expenses based on the total number of units at the PHA and the development. It is useful for allocating expenses such as administrative expenses, employee benefits, and collection losses.
- Cost Allocation by Bedroom Count. This method allocates expenses between developments in a given site according to the distribution of bedrooms. It is particularly useful for allocating expenses such as maintenance supplies and expendable equipment.

- Cost Allocation by Available Development-Level Data. This method employs available development-level data as a basis for determining the proportion of non-development-level expenses ascribable to a particular building or development. It is particularly useful for allocating non-salary administrative and overhead costs.

1.4 Income and Expense Comparisons

Costs for operating a public housing development can be compared in a variety of ways. For example, it is important to consider the occupancy rate of a development in evaluating the per unit costs of operation. The total size of the development determines certain costs, such as maintenance of building systems or upkeep of common areas, regardless of the number of units that are occupied. On the other hand, the occupancy rate does affect other costs, such as resident services or utility usage. Thus, we examined measures based on total number of units, as well as measures based on the total number of occupied units.

It is also important to consider the number of bedrooms in a development, in addition to the total number of units. PHAs tend to have significantly more efficiency and one-bedroom units, mostly occupied by elderly households, than do the RMCs and controls. Because smaller elderly units tend to be less expensive to operate, this difference will affect a comparison of PHA and RMC operating costs. Thus, we also provide measures based on both the total number of units, and the total number of bedrooms.

In order to account for these factors in comparing the developments' incomes and expenses we examined a range of measures for each line item. These include:

- Income and Expenses per unit month (PUM)
- Income and Expenses per occupied unit month (POUM)
- Income and Expenses per bedroom month (PBRM)
- Income and Expenses per occupied bedroom month (POBRM)
- Total annual Income and Expenses

2.0 DATA QUALITY AND SOURCES

Every effort was made to assure that the financial data collected at each site was both complete and comparable to the information collected at other sites. In many cases the needed documentation was available for the PHA, RMC and control site. However, in other cases full documentation was not available, and OKM staff had to use available information to allocate costs. Exhibit D-1 provides an overview of OKM staff's assessment of the quality of the information gathered from each site. The following paragraphs summarize the primary documents used in assessing the sites' income and expenses.

Exhibit D-1

OVERALL QUALITY OF INCOME AND EXPENSE DATA

City		Good	Fair	Poor	Not Available
Boston:	PHA RMC Control	X X		X	
Chicago:	PHA RMC Control	X		X X	
Cleveland:	PHA RMC Control	X	X		X
Jersey City:	PHA RMC Control	X X X			
Louisville:	PHA RMC Control	X X X			
Newark:	PHA RMC Control		X	X X	
St Louis:	PHA RMC Control		X X		X
Washington	PHA RMC Control	X		X	X

Boston, MA

HUD 52599 for fiscal year 1990 was used to determine all PHA expenses. A development-level 52599 was used to determine all Bromley-Heath line items, and a general overhead allocation was added. Some development level data were available for the control, but prorations based on the PHA's 52599 and internal PHA information were used to construct development-level data when necessary. The financial data for the control are considered poor due to the proration process that was required. The data for Bromley-Heath and the PHA are considered good.

Chicago, IL

All PHA line items were taken from a 1990 internal Chicago Housing Authority (CHA) statement for Fund 100, which includes financial information for all Federal management Program units. Development-level data for Le Claire Courts and Wentworth Gardens were taken from a 1990 internal CHA report that provides property-level financial information. An adjustment for Central Office Overhead has been made to each line item for Le Claire and Wentworth, although the overhead estimates are not based on good information. Unit counts were based on the current available rental inventory, and excluded vacant structures and those awaiting extensive modernization. Only the federally-assisted low-income public housing portion of the RMC's budget was included in the analysis. The data for the PHA are considered good, while the data for the RMC and control are considered poor because of the unreliable overhead allocations.

Cleveland, OH

All line items for the PHA were taken from internal documents containing information equivalent to that included on HUD Form 52599 for fiscal year 1990. The RMC also provided a document with information equivalent to that included on HUD Form 52599 which was used to determine most line items. An overhead allocation was made to the RMC for central office costs. The PHA figures are considered fair because neither the PHA nor the OKM reviewer were confident that these figures were in fact accurate. The RMC figures are considered good. Reliable information was not available for the control site, so it is not included in this comparison.

Jersey City, NJ

All PHA line items were taken from HUD 52599 for fiscal year 1990. The PHA also provided comparative development-level Operating Receipts and Expenditures reports for each property. All RMC and control line items including an overhead allocation figure, were taken from these documents. The overhead allocation, calculated by the JCHA, includes all costs associated with the Executive Director's Office, Accounting and Finance Departments, Technical Services, and Planning and Protective Service. At Curries Woods, vacant structures or units awaiting extensive modernization are excluded from the total unit count. The data for the PHA, RMCs and controls in Jersey City are considered good.

Louisville, KY

All PHA line items were taken from HUD form 52599 for fiscal year 1989. The PHA also provided an internal Operating Receipts and Expenditures report for the RMC and control developments for fiscal year 1989. These reports were used for all RMC and control site line items. The PHA calculated the appropriate overhead allocation to be used for each

site. Vacant structures or units awaiting extensive modernization have been omitted from the total unit count for the PHA. The data for the RMC, the control and the PHA are considered good.

Newark, NJ

Adjusted HUD form 52564, the operating budget for fiscal year 1991, was used as the basis for determining most of the PHA line items. A budget monitoring report and back-up materials were also used as needed. The authority did not have development-level accounting, so much of the information needed to assess income and expenses for individual developments in Newark was not available. The reviewers used extensive calculations and prorations to create the RMC and control comparisons presented here. Because the PHA figures are largely based on budgeted, rather than actual figures, these data are considered fair. Because of the extensive proration process used for the RMC and control, these data are considered poor.

St. Louis, MO

HUD Form 52564, the operating budget for fiscal year 1990, was used to determine all line items for both the PHA and the RMCs. HUD Form 52599 was also obtained, but the PHA and the OKM reviewer agreed that the budget figures would provide a better estimate of the actual costs incurred by the PHA and the RMC sites. These figures are considered fair. Reliable information was not available for the control sites, so they are not included in this comparison.

Washington, DC

HUD form 52599 for fiscal year 1988 was used for all PHA line items. Fiscal year 1988 was selected because Kenilworth-Parkside began its conversion to ownership and operated a nearly-vacant property in more recent fiscal years. An unaudited financial statement for fiscal year 1988 formed the basis of most RMC expense figures. Some line items were missing from this unaudited statement, however, and had to be estimated using a unit-based allocation of the PHA expense for the line items in question. Reliable information was not available for the control site, so it is not included in this comparison. The RMC data are considered poor because of the allocation required, and because the bulk of the information is from an unaudited statement. The PHA data are considered good.

APPENDIX E
SUMMARY OF SOCIAL SERVICES

APPENDIX E

SUMMARY OF SOCIAL SERVICES

ACTIVITY	NUMBER SERVED	WHO RUNS THE ACTIVITY?	DESCRIPTION
<u>FULL-SERVICE RMCS</u>			
BROMLEY-HEATH Headstart	147/day	Other	TMC provides space for Jamaica Plain Headstart program. Run by Headstart, but RMC residents sit on the advisory board for the program. Program serves children in the surrounding community as well as residents.
Infant Care	18/day	RMC	Infant/Toddler day care is available for children age 1 month to 3 years. Started by residents when hospitals stopped offering infant care. Children can move directly from infant care into day care or Headstart. Service is operated by TMC and is open to residents and the community.
Child Care	81/day	Other	Child care is also provided for children ages 3 to 8. The center is operated by a licensed nonprofit provider. It offers both full and half-day care and under a sliding fee scale. Resident input is maintained through an advisory board. The director is a former resident of Bromley Heath.
Child Care	70/day	Other	A family day care program is also operated by the same nonprofit provider. This service increases the availability of day care by using individual providers who care for children in their homes. The program director certifies each provider and approves the home where children are cared for. Program staff supervise providers and offer training where necessary. The advisory board also oversees family day care.
After School Tutoring	20/day	RMC	Part-time teachers offer tutoring for kids age 6 to 16 at the TMC's youth center known as The Cave. Sessions are offered after school 4 days a week.
Youth Activities	75/day	RMC	A range of supervised activities are offered at The Cave after tutoring sessions and on weekends. They include crafts, dances, field trips, and sports leagues. These activities offer kids an alternative to drugs and gangs.
Summer Youth Activities	250/day	RMC	Additional activities are organized by TMC staff and residents during the summer months. The activities include field trips, festivals, and sports.
Community Recreation Center	400/year	RMC/Other	TMC uses local community centers to offer youth activities and events for the Bromley Heath community. TMC raises the funds to support these activities. Centers are maintained by a community nonprofit organization.
College Programs	10/year	Other	Northeastern College has set aside 10 scholarships a year for Bromley-Heath residents.
Senior Activities	40/day	Other	The Area Planning Action Council provides a range of services for Bromley-Heath seniors, including home visits, trips, shopping and social and cultural activities.
Food Bank	700/year	Other	The Area Planning Action Council provides access to emergency food aid for hungry families.
Health Care Center	8,848/year	Other	Martha Eliot Center provides a wide range of health care services to residents and the surrounding community. Operated by a local hospital with a full-time staff of doctors and nurses. Residents and health center staff sit on the center's advisory board.

APPENDIX E (Continued)

SUMMARY OF SOCIAL SERVICES

ACTIVITY	NUMBER SERVED	WHO RUNS THE ACTIVITY?	DESCRIPTION
Learning Center	100/day	Other	Program provides assistance in obtaining a GED and offers both ESL and basic job skill classes. Serves residents and surrounding community. Operated by a local nonprofit organization with an advisory board of residents and community members.
CARR SQUARE Infant Care	18/day	RMC	Serves infants under age 2, and has a capacity of 32. Priority goes to residents, but community members can use the service if space is available. Parents must be in school, working or in job training. Operated by the RMC.
Child Care	27/day	RMC	Serves children ages 2 to 5, and has a capacity of 60. On school holidays and in the summer the center accommodates 6 and 7 year olds. Operated by the RMC.
After School Tutoring	55/day	RMC	Carr Square residents and volunteers from area colleges provide tutoring for 55 boys between the ages of 5 and 16 under the TOOLS program. The students study with their tutors after school two days a week, and on Saturdays the group takes field trips. Some funding for the program has come from area colleges.
After School Tutoring	30/2 weeks	Other	The area YMCA provides its Y-Read program at Carr Square every other Saturday. About 30 children attend these tutoring sessions.
Summer Youth Activities	80/day	RMC	This program for 6 to 12 year olds serves essentially as a summer day care program. Classes in the mornings focus on reading and math skills. Afternoons have organized play time. Older children are hired to serve as tutors through the JTPA program. The RMC provides materials.
Summer Youth Activities	50/summer	RMC	The RMC is sponsoring a national basketball tournament for young people in Las Vegas to coincide with the national meeting of Resident Management Corporations. The team will be made up of 15 to 23 year olds, and a cheerleading squad will accompany them. Practice space and uniforms are being donated by area churches and businesses.
Summer Youth Employment	39/summer	RMC/Other	Resident youths are hired through a government summer jobs program to serve as tutors for younger children in the summer program, to help in the child care and infant care centers, and to supplement RMC grounds, maintenance and office staff. Salaries are paid through government funds and the youths are supervised by the RMC staff.
Summer Lunch	80/day	RMC	Children enrolled in the summer program receive both breakfast and lunch throughout the summer. Some funds for food come from government sources.
Senior Activities	20/day	RMC	Seniors organize social activities for themselves, including cards, bingo and quilting.
Senior Transportation	20/week	RMC	The RMC provides a weekly shopping trip for senior residents. About 20 residents take advantage of the program weekly.

APPENDIX E (Continued)

SUMMARY OF SOCIAL SERVICES

ACTIVITY	NUMBER SERVED	WHO RUNS THE ACTIVITY?	DESCRIPTION
Senior Lunches	40/day	Other	The city-wide resident affairs board arranges for hot lunches at developments with a substantial number of senior residents. Those seniors that attend the senior activities generally also eat lunch at the center. In addition, 20 homebound seniors receive home-delivered meals.
Chore Service	32/week	RMC	The RMC operates part of a city program to serve people 62 and over and those with disabilities, if their incomes fall under the federal guidelines. At Carr Square, 32 residents receive in-home services and personal care from 12 resident workers employed under this program. The resident workers are on the RMC payroll.
Health Center	300/month	Other	A community health care clinic is located adjacent to the Carr Square site. A full-time outreach worker has been working with Carr residents and will be expanding to assist residents at several neighboring developments. Services include assistance scheduling appointments, arranging transportation to the clinic, and arranging child care. She comes in contact with about 300 residents each month. The RMC reports that the clinic will soon have a physician dedicated to serving Carr Square residents.
COCHRAN GARDENS Child Care	30/day	RMC	The Cochran Gardens child care center is licensed to serve 60, but they average about 30 children a day. They serve 2 to 7 year olds, both full and part days, providing after school care for the older children.
Youth Activities	60/day	RMC	The community center is open for supervised free play, crafts, sports and field trips in the after school hours.
Youth Activities	70/day	RMC	The community center is open evenings for a wide variety of activities. Youth activities include and introduction to computers for children 6 to 8 years old, teen aerobics, boxing, Girl Scouts and Galaxy Girls, drum and bugle corps, roller skating, and a self esteem and weekend patrol group.
Summer Youth Activities	95/day	RMC	The summer program is essentially summer child care for children ages 5 to 13. The curriculum includes math and reading work in the mornings, and sports, arts and other activities in the afternoons. Government funds help pay for the children's meals.
Summer Youth Employment	35/summer	RMC/Other	Residents are hired to work with summer youth program through a local summer jobs program. Government funds pay the workers' salaries, but they are supervised by the RMC.
Summer Lunch	125/day	RMC	Lunch and breakfast are provided for the children enrolled in the summer child care program.
Community Recreation Center	130/day	RMC	The recreation center at Cochran is run by paid staff and volunteers, and is open both days and evenings. Besides the youth activities listed above, the center also sponsors a number of activities for adults. For example, the center hosts weekly karate classes and bible study. The center is also sponsoring construction classes, supported by a minority contractors group in St. Louis. The sessions teach carpentry, with a current enrollment of 10, and electricity, with an enrollment of 8. Three of the carpentry students are now employed at Cochran.

APPENDIX E (Continued)

SUMMARY OF SOCIAL SERVICES

ACTIVITY	NUMBER SERVED	WHO RUNS THE ACTIVITY?	DESCRIPTION
Senior Activities	60/week	RMC	A social service coordinator for seniors has an office in the senior high rise. She helps arrange programs and address individual needs of senior residents. Regular activities include ceramics, health screening and wellness programs, and organized trips (e.g. the opera, peach picking).
Senior/Resident Transportation	60/week	RMC	Cochran has a shopping program to help residents living independently in their units. About 60 residents take advantage of this program weekly. Special trips to particular stores can also be arranged.
Senior Lunches	52/day	RMC	Hot congregate lunches are served on site. About 40 seniors attend a congregate meal, and another 12 receive meals in their homes.
Chore Service	60/week	Other	The city-wide Tenant Affairs Board helps coordinate services chore services from nonprofit providers to arrange help for those residents that need it.
Health Center	200/week	Other	On-site clinic operated by outside nonprofit organization and provided on a sliding fee scale.
Learning Center	30/week	Other	The Board of Education will be sponsoring a GED twice a week. Cochran employees who do not have a high school degree or GED will be required to attend these sessions.
Family Literacy	30/week	RMC	Family Literacy addresses the educational needs of both child and parent or adult care giver in the area of parenting skills and education needs.
KENILWORTH-PARKSIDE Child Care	24	RMC	Kenilworth runs its own learning center for children ages 2 to 4 1/2. One non-resident teacher, two resident assistants, three resident aids and one volunteer are responsible for 24 children. The center is open from 7 A.M. to 6 P.M. Children may move on to Head Start or kindergarten programs from the center.
After School Tutoring	30	RMC	An after school latch key program for the development's youths is offered five days a week. This program includes help with homework, as well as a variety of activities, such as discussions of health issues presented by the Community Health Corner staff and cultural activities. About 30 children participate in the program daily. The coordinator is paid through the Substance Abuse Prevention (SAP) program (see below) and the program focuses on including the children in the continuum of healthy behaviors encouraged in adults.
Youth Activities	70/day	RMC	The RMC sponsors a multipurpose center that provides a wide range of activities for the development's youths. While there is no gym facility at the center, it does offer ping pong and pool, outdoor basket ball, football, softball and cheerleading, and a clean safe meeting place for youths. High school students are also available to offer occasional homework help to younger students who are too old for the latch key program. Between 50 and 70 kids participate in these events each day. The center sometimes sponsors trips, for example to Virginia Beach or the New York garment District.

APPENDIX E (Continued)

SUMMARY OF SOCIAL SERVICES

ACTIVITY	NUMBER SERVED	WHO RUNS THE ACTIVITY?	DESCRIPTION
Youth Activities	40/year	RMC	The RMC sponsors a youth entrepreneur program to teach resident youths about business and to encourage entrepreneurial initiatives. The program sponsors events, such as trips to wholesalers, and helps the participants understand concepts such as mark ups and marketing surveys. The program also supports the youths ventures. Activities have included selling snack food at the recreation center, getting contracts to do silk screen work, and providing lawn cutting and snow removal services
Summer Youth Activities	100/summer	RMC	The RMC sponsors a Summer Academy, which provides day-long academic support and activities for children. The program is staffed by resident youths under the summer employment program
Summer Youth Activities	85/summer	RMC	The RMC runs a day camp for children ages 6 to 13. This all-day program offers arts and crafts, field trips, and guest speakers. The camp runs through most of the summer (usually through August 20 or so)
Summer Youth Employment	31/summer	RMC/Other	The RMC works with the Department of Employment Services to sign up resident youths for summer jobs. The RMC supervises about 25 youths every summer to work in a range of management areas, such as maintenance, day care, latch key, relocation, and the recreation center. The city pays for the youths' salaries, but Kenilworth-Parkside provides the supervision
Community Recreation Center	N/A	RMC	The youth activities described above comprise the bulk of the activities that take place at the center. An activities coordinator is involved in organizing the existing activities and bringing in new ones
College Program	20/year	RMC	The College Here We Come program helps teens explore college options. About 20 students are involved with the program at any given time, with about half of those actually in college. The program provides support for those considering college, and helps with filling out applications for admission and financial aid, conducts workshops on SATs and grant applications, provides some money for application fees, and sponsors field trips to nearby colleges. Much of the support is provided through one-on-one work with students. Residents also earn money to help support small loans to students in college, and occasionally for scholarships
Health Center	120/month	RMC	Community Health Corners is made up of five centers housed at public housing developments in Washington D.C. One of the clinics is at Kenilworth-Parkside, and the administrators for the program are on the Kenilworth-Parkside staff. The clinics provide limited types of health screenings (e.g. hypertension, cholesterol, diabetes) and seminars on chronic diseases and leading causes of death among the resident population (nutrition, exercise, heart disease, sickle cell). Seminars also focus on sexually transmitted diseases, AIDS, drugs, and the interactions between the three. An average of 6 seminars a month are led by two resident employees. Two additional employees, one a resident, serve as administrators for the entire city-wide program. Outreach takes place through regular monthly calendars and flyers distributed to residents, as well as special incentive programs. For example, a group of pre-teens was offered a skating party if they first attended four seminars. The workers also do impromptu outreach with kids around the site, distributing condoms at the basketball court, and discussing issues as they arise

APPENDIX E (Continued)

SUMMARY OF SOCIAL SERVICES

ACTIVITY	NUMBER SERVED	WHO RUNS THE ACTIVITY?	DESCRIPTION
Learning Center	116/year ⁵	RMC	All residents heads of household are required to attend life skills classes including budgeting, housekeeping, pest management and basic unit maintenance. The RMC will also arrange for residents interested in getting a GED to be tutored by fellow residents
Learning Center	N/A	RMC/Other	The RMC is working on getting a GED program going. They have held placement exams for 18 residents, and 25 more are on the waiting list. Space has been reserved, and they have been promised a teacher for two days a week, but city funds to support the teacher have not been forthcoming, so the program has not actually begun. The RMC is working on buying a used computer to start doing computerized and personalized instruction, but this is still in the planning stages.
Substance Abuse Program	1,000	RMC	Program operated by RMC staff to address substance abuse prevention in an intergenerational and family-oriented context. The program also has a component focused on youths, including a summer youth leadership program and homework centers.
Employment Assistance	19/month	RMC	RMC staff work with residents to help find meaningful employment either at the RMC or in the community. In March of 1992, the RMC placed 19 residents, 15 at the RMC, 4 in the broader community. The outside placements included secretarial positions at IBM and the D.C. School Board, and a pickup supervisor for Goodwill. The RMC reports that only 8 of the 132 heads of household now living at the development are unemployed. However, the program expects its work to continue at this pace as the next wave of residents begins moving in to fill the second and third phases of the rehabilitation.
Youth Support Group	12/month	RMC	The RMC sponsors a Parents Rallying Around Youth (PRAY) program. This program is focused on providing support to junior high students. One non-resident staff member keeps tabs on what is going on with the resident junior high youths, and works to find ways to divert those that appear to be encountering difficulties. He also works with parents to ensure that they follow up with the child. He keeps in touch with the school, and tries to find summer employment for such youths. Sometimes he arranges trips for the development's youths, but more often works with 10-12 individual students to ensure that they get on the right track.
LAKEVIEW TERRACE Headstart	20/day	Other	Government-funded Headstart program. Serves 3 to 5 year olds. Licensed for 40.
After School Tutoring	30/week	RMC/Other	The RMC transports 5 to 10 resident children to a neighborhood church site that provides tutoring services three times a week.

⁵ Assumes a 25 percent annual household turnover for all 464 units, and that one person from each household attends.

APPENDIX E (Continued)

SUMMARY OF SOCIAL SERVICES

ACTIVITY	NUMBER SERVED	WHO RUNS THE ACTIVITY?	DESCRIPTION
Youth Activities	70/day	RMC	The community center provides a range of services for youths, including basket ball, double dutch, cheerleading, arts and crafts, a game room, karate, choir, transportation to swimming, and field trips. The activities attract varying numbers of youths, but average daily attendance is around 70.
Community Recreation Center	50/week	RMC	In addition to the daily youth activities described above, the community center provides space for men's basketball on Saturdays. Lakeview has four teams, with a total of nearly 50 men. The center has a staff of 6 -- 3 full time and 3 part time. Two of the full time and two of the part time employees are residents.
Senior Lunches	25/day	Other	Home-delivered meals are available to residents through the GAC Monday through Friday, and frozen meals are provided for the weekend days.
Senior Transportation	25/week	RMC	RMC van takes about 25 seniors shopping each week.
Health Center	N/A	RMC	Lakeview Terrace is beginning a drug awareness program for adults. A counselor has been hired with grant funds received from a nearby hospital. The group will focus on prevention issues. Activities will include distributing literature in the community, sponsoring a talent show looking for the most entertaining anti-drug message, and educational overnight sessions. The mother's club and the teen's club will jointly sponsor the project.
Food Bank	65/day	Other	The Salvation Army sends a food truck to the site daily. About 65 residents use food from the truck each day.
LE CLAIRE COURTS Headstart	80/day	Other	Two government-funded Headstart programs, one full day, one half day. Available to parents working or in training. Serves 3 to 5 year olds.
After School Care	60/day	Other	Half-day care for kindergartners, and after school care for children 6 to 12. Both are open to parents in training programs or working.
Youth Activities	12/year	Other	Youth Steering Committee encourages youths to take an active role in planning community events and making the development safer.
College Program	14/year	Other	Helps those ages 14 to 20 plan their college educations through group sessions, visits to colleges, and providing information about financial aid, campus life, and ACT/SAT testing.
Senior Activities	15/day	Other	Club to address health, neighborhood safety and financial stability issues for seniors. Club membership is around 80, with 10-15 participants daily.
Health Center	177/week	Other	Full-service health care center for community residents. Focuses on health education and preventive medicine. The clinic sees about 94 Le Claire residents a week. The clinic also provides supplementary food to women and children enrolled in the WIC program. About 83 Le Claire residents and their children receive WIC supplies from the clinic each week. Located three blocks from the site.

APPENDIX E (Continued)

SUMMARY OF SOCIAL SERVICES

ACTIVITY	NUMBER SERVED	WHO RUNS THE ACTIVITY?	DESCRIPTION
Health Center	436/year	Other	An AIDS prevention program also targets adolescents and young adults for education and prevention related to the HIV virus and AIDS. A peer counselor talked to 436 residents last year, and did follow up with 76 of them.
Health Center	52/year	Other	Home-based sex education for children and teens and their families was done in 52 homes last year.
Learning Center	15/day	Other	Helps participants complete high school equivalency degree. About 15 people attend any given class session, with an average of 40 a year completing the GED.
Employment Assistance	130/year	Other	A job readiness program to help participants prepare for and locate employment opportunities.
Young Parents Club	169/year	Other	Helps young parents obtain information about pre- and post-natal care, parenting skills, family planning, and employment and educational training. About 60 young parents and 109 children participated in this program last year.
Food Bank	453/year	Other	The emergency food program provides food to about 347 families and 106 infants annually.
Counseling and Prevention	256/year	Other	A series of programs provide counseling, prevention and intervention programs for youths. Programs are geared toward preventing negative behaviors, helping parents and youths communicate, and averting teen pregnancies.
<u>MANAGING-AGENT RMCS</u>			
A. HARRY MOORE Headstart	35/day	Other	Local Headstart program available on-site for children age 3-1/2 to 8. The majority of the children enrolled live at A. Harry Moore, however, the it serves the nearby community, as well as residents. The waiting list for admission is quite long.
Child Care		RMC/Other	A day care center is scheduled to open in the near future. Headstart will operate the center, which will have slots for 45 children ages 2-1/2 to 5 years. Families must meet Headstart eligibility requirements to enroll their children. Although run by Headstart, the center will operate as a full-day child care center. Initial funding provided by a HUD day care demonstration grant.
After School Tutoring	60/day	RMC	At Teen Post, teachers and volunteers provide tutoring to elementary and junior high school students every afternoon during the week. The tutoring sessions also incorporate educational activities including exercises using computers. The sessions are followed by a recreation period in the evening. Over 210 children from the site are enrolled in the program. Operated by the TMC with support from the local board of education and city block grant funds.
Youth Activities	60/day	RMC	TMC also offers a special youth activities program to supplement the recreation component of the after school program. In recognition of their efforts in the after school program, youth that show improvement and strong performance in their school work have the opportunity to participate in the special activities program. Activities include choir, folk dance, and photography.

APPENDIX E (Continued)

SUMMARY OF SOCIAL SERVICES

ACTIVITY	NUMBER SERVED	WHO RUNS THE ACTIVITY?	DESCRIPTION
Summer Youth Activities	250/summer	RMC/PHA	TMC organizes a range of activities for kids at the site during the summer months. When school is out, this program takes the place of the recreation component of the after school program. Activities include crafts, weekly field trips, sports leagues, and training for the PHA-wide youth olympics. Supported with PHA general funds.
Summer Lunch	195/day	RMC/PHA	TMC participates in a program to provide nutritious lunches for school-age children during the summer months. Serves over 900 children throughout the PHA and is supported with federal nutrition funds administered by the state. Program supplements other summer nutrition programs through schools and community centers. Volunteers distribute the meals. A. Harry Moore TMC staff supervise and administer the program for all the sites with support from the PHA.
Drug Counseling	45/week	RMC/PHA	Drug Abuse Resistance Education (DARE) program is offered one evening a week in conjunction with the after school program. Funded by confiscated drug money, the program educates youth about the hazards of drug use and ways to say no to drugs. Offered one evening a week and is open to youth ages 6 to 18.
BOOKER T. WASHINGTON After School Tutoring	35/day	RMC	Program provides tutoring and educational activities to elementary and junior high school students. Educational activities include exercises using computers.
Youth Activities	35/day	RMC	Staff coordinate recreation periods for youths every weekday evenings, as well as additional youth activities for special events. Nearly 100 children from the site are enrolled in the program. Operated by the TMC with support from the local board of education and PHA funds.
Summer Youth Activities	100/summer	RMC/PHA	TMC organizes a range of activities for kids at the site during the summer months. When school is out, this program takes the place of the recreation component of the after school program. Activities include crafts, weekly field trips, sports leagues, and training for the PHA-wide youth olympics. Supported with PHA general funds.
Summer Lunch	80/day	PHA/Other	Program provides nutritious lunches for school-age children during the summer months. Program supplements other summer nutrition programs through schools and community centers. Program is administered by another TMC with support from the PHA.
College Programs	28/year	RMC	The TMC holds several events throughout the year to raise money for a college scholarship fund. At the end of the school year several scholarships are awarded to children from the site to help with college expenses. The number of scholarships awarded varies from year to year.
Senior Activities	25/month	None	TMC sponsors regular gatherings and events for seniors at the site. These include dinners and monthly social gatherings. They also plan field trips during the year for the seniors. These activities are supported by contributions and community fundraising events.

APPENDIX E (Continued)

SUMMARY OF SOCIAL SERVICES

ACTIVITY	NUMBER SERVED	WHO RUNS THE ACTIVITY?	DESCRIPTION
CLARKSDALE Preschool	20/day	Other	The Department of Parks and Recreation runs a preschool in the development's community center.
Youth Activities	200	Other	The Department of Parks and Recreation sponsors after school activities, including a gym with organized sports and table games
Community Recreation Center	100/week	Other/RMC	The Department of Parks and Recreation offers the weekday activities for children described above. To make the facility available on weekends, residents serve as chaperons. About 100 children use the facility on an average weekend.
Senior Transportation	5/week	RMC	RMC board member uses RMC van to drive seniors who request transportation for shopping or medical appointments.
MONTGOMERY GARDENS Headstart	51/day	Other	Local Headstart program available on-site for children age 3-1/2 to 8. The majority of the children enrolled live at Montgomery Gardens or Booker T. Washington, however, it serves families in the surrounding community as well. The waiting list for admission is quite long.
Child Care	30/day	RMC	TMC recently opened its own licensed day care facility with a maximum of 50 slots for children age 2 1/2 to 5 years. The director will fill the remaining slots after an initial start-up period. Families in the state's AFDC work program and working parents are eligible to enroll their children. The fee for working parents is kept low in an effort to reach those who are underemployed and cannot afford standard day care rates.
Child Care	50/day	Other	The local board of education operates a pre-kindergarten and kindergarten program for children at the site. Open to kids ages 4 and 5, the program offers early education and recreational activities to help prepare children for school.
After School Tutoring	40/day	RMC	Program provides tutoring and educational activities to elementary and junior high school students. Educational activities include exercises using computers.
Youth Activities	40/day	RMC	Staff coordinate recreation periods for youths every weekday evening, as well as additional youth activities for special events. Over 100 children from the site are enrolled in the program. Operated by the TMC with support from the local board of education and PHA funds.
Summer Youth Activities	175/month	RMC/PHA	TMC organizes a range of activities for kids at the site during the summer months. When school is out, this program takes the place of the recreation component of the after school program. Activities include crafts, weekly field trips, sports leagues, and training for the PHA-wide youth olympics. Supported with PHA general funds.
Summer Lunch	100/day	PHA/Other	Program provides nutritious lunches for school-age children during the summer months. Program supplements other summer nutrition programs through schools and community centers. Program is administered by another TMC with support from the PHA.

APPENDIX E (Continued)

SUMMARY OF SOCIAL SERVICES

ACTIVITY	NUMBER SERVED	WHO RUNS THE ACTIVITY?	DESCRIPTION
College Program	4/year	RMC	The TMC holds several events throughout the year to raise money for a college scholarship fund. At the end of the school year several scholarships are awarded to children from the site to help with college expenses. The number of scholarships awarded varies from year to year.
Senior Activities	60/month	RMC	TMC sponsors regular gatherings and events for seniors at the site. These include dinners and monthly social gatherings. They also plan field trips during the year for the seniors. These activities are supported with contributions and community fundraising events.
Teen Parenting and Sexuality	15/year	Other	Local health center works with teen parents and their children. Teens learn parenting skills and proper health care. Staff also offer information and counseling on teen sexuality. Children receive health screening and participate in activities with their parents.
STELLA WRIGHT Infant Care	25/day	Other	The Newark Tenant Council operates an infant/toddler day care center at the site for children up to 3 years in age. The center receives funding through state family services agency, which refers families receiving AFDC who are eligible for child care. Center serves both residents and the community.
Child Care	30/day	Other	Newark Tenant Council also runs a pre-school at Stella Wright for children age 3 to 5. Program supported by federal funds and contributions from parents. To be eligible, families must qualify under AFDC guidelines.
Youth Activities	60/month	Other	Several types of activities are offered. The Juvenile Diversion Program sponsors a basketball league and brings in guest speakers. The program seeks to provide youth an alternative to drugs and the streets. Staff try to select speakers that represent strong role models for kids.
Youth Activities	200/year	RMC	Each year the RMC sponsors a Black History Event and the Stella Wright Teen Pageant. The events seek to promote youth self esteem and provide a positive social setting where kids can have fun. They are supported by funds raised by the RMC.
Drug Counseling Program	130/month	Other	Essex House, which is located on-site, provides a range of counseling and health services for substance abusers. Serves residents and the local community. Clients are substance abusers who have been referred for treatment. Program also makes referrals and works with other social service agencies. Supported by funds from state human service agency and several residents have worked as program staff. Essex House also provides additional health and counseling services. They include an AIDS intervention program and counseling for high-risk youth.

APPENDIX F

SOCIAL SERVICE PROGRAMS

This appendix presents case studies describing model social service programs at the RMCs. They include:

- Infant and Child Care Programs -- Carr Square
- Programs for Youths -- A. Harry Moore
- Programs for Seniors -- Cochran Gardens
- Supportive Service Programs -- Kenilworth-Parkside

INFANT AND CHILD CARE PROGRAMS AT CARR SQUARE

At the community building on one side of the Carr Square development, children scamper around the playground. Inside the newly-remodeled building, child-size tables are being prepared for a hot nutritious lunch. In another building on the opposite side of the development, infants sleep, or lie quietly in their caregiver's laps. Meanwhile, all of these children's parents are holding down steady jobs, getting job training, or looking for work.

The infant care and child care centers at Carr Square serve numerous purposes. They provide the children with stable environments and get them ready to go to school; they assure that the children get square meals during the time that they are at the centers; they allow parents to leave their children in a safe environment while earning money or improving their skills; and they provide income, job experience and skill training for resident employees.

The child care center is a well-established institution in the neighborhood. It was started on the Carr Square site by the Model Cities program over 15 years ago. Two years ago the RMC took over managing the center, and today 27 children, ages two to five, spend their days there. The staff for the day care center consists of a director, five teachers and a cook. Volunteers come in to supplement this staff. The center is open from 6 A.M. to 6 P.M. In addition to the regular pre-schoolers, the center accepts six and seven year olds on school holidays and in the summers.

The child care center provides quality care for older children. However, several years ago teens and adults with infants found that they were unable to locate the affordable infant care they needed to allow them to go back to school or to work. In response to this need, the TMC opened an infant care center in April of 1990, with slots for 32 infants. The infant care center currently cares for 18 infants, and is staffed by one part-time and eight full-time workers, all residents. This paid staff is supplemented by volunteer residents, who come to the center to visit and cuddle the infants. Like the child care center, the infant care center is open from 6 A.M. to 6 P.M.

Residents get first priority for placing their children in either of the centers, although others in the neighborhood can enroll their children if space is available. In order to qualify to use either of the services, parents must be in school, in training, or working.

Carr Square places a strong emphasis on hiring residents for the jobs available at the child and infant care centers. They also strive to promote residents from within whenever possible. For example, one resident who had demonstrated her managerial skills as a TMC office worker was hired as the infant care center director. In addition, the TMC insists that its employees remain residents. If resident employees chose to move out of the development, they are required to leave their old jobs and new residents are hired to fill the vacated positions.

The center has three main funding sources. First, for those who qualify, the federal government's Title XX program pays the center \$50 a week per child. Those who receive the Title XX assistance are asked to contribute an additional \$5 a week. Second, those who do not qualify for Title XX assistance pay user fees of \$55 per week. Third, the Department of Agriculture provides food grants to supply the centers with nutritious meals for the children.

PROGRAMS FOR YOUTHS AT A. HARRY MOORE

Resident leaders at the A. Harry Moore TMC in Jersey City, like leaders in many other resident-managed sites, believe that helping their children get a good education is vital to improving their opportunities for the future. However, many children today see school not as an opportunity, but as a place where they often confront failure and frequently find themselves in trouble. These kids are not getting the education they need to succeed in today's world. In the eyes of many resident leaders, the problem that prevents many kids from obtaining a good education is not a lack of ability, but rather the fact that they simply do not get the help they need to be successful in school.

The idea for starting a tutoring program in Jersey City began one night after a PTA meeting where declining student performance had been a central topic. Concerned about their children's future, a group of parents from A. Harry Moore who attended the meeting decided to explore the possibilities for setting up a program to offer children additional help with their school work. By the beginning of the following school year, the residents of A. Harry Moore opened their after school tutoring program called Teen Post with the support of the PHA, the local board of education, and the city.

The program is located in A. Harry Moore's recently renovated resource center. Sessions are held Monday through Friday from four to eight in the evenings. The first half of the sessions consist of tutoring and education activities and is followed by a two-hour recreation period. Approximately 200 elementary school children from the development are enrolled in the program. Students can attend every day, however, most average two to three days a week. Staff report that roughly 50 kids attend the program on a given day.

The program is designed to offer the assistance that children need to be good students, but may not be able to get while they are at school. Overcrowded classes in many schools makes studying difficult and frequently students receive little individual attention. The Teen Post offers A. Harry Moore's children a place conducive to studying and the opportunity to get help with their school work. During the tutoring sessions, teachers and volunteers work with small groups of children on their homework assignments. Older children are often asked to help younger students with their work. Staff like to use peer tutoring because it teaches kids how to help each other.

After finishing their homework, the children take part in educational activities designed to strengthen their basic skills in reading, writing and math. Staff strongly believe that one of the most common reasons children do poorly in school is that they have never fully developed the basics needed to continue learning. When these students have trouble in class, they often decide that they can't learn and give up on school. To build students' confidence, the staff design educational activities that not only teach basic skills, but also to enable kids to practice these skills in activities that will enhance their ability to do their school work

By incorporating a recreation period after the tutoring session, the program seeks to show children that learning can be fun. The activities include crafts, creative arts, and field trips. Staff observed that these activities are an important part of the program because they help develop positive attitudes toward school and learning.

The program's staff consists of a two teachers, two teacher's aides, and a coordinator. The teachers, who work in the local school district, lead the tutoring sessions with direction from the coordinator. The teachers aides are residents of A. Harry Moore who assist the teachers during the tutoring sessions and supervise the recreational activities. The program coordinator handles the administrative responsibilities and directs the program's recreational activities.

The program coordinator also works with the teachers at the local school and the students' parents to identify the children's needs and monitor their progress. The coordinator discusses each child's progress in school with their teacher and receives copies of their grades at the end of each term. In this way, the coordinator can determine the areas where each child needs particular attention. The coordinator can then review each child's needs with the program teachers.

The program's annual operating budget totals \$40,000. Funding for the program comes from city CDBG funds. The TMC, with support from the PHA, submits an application for these funds each year. The funds are used to pay the salaries of the coordinator, one teacher, and one teacher's aide. The program is also supported by the board of education which pays for the salaries of the second teacher and teacher's aide.

The program's results speak to its success. Staff report that children in the program have shown marked improvement in their school work. As an example of its real potential, they noted that several students in the program who once had frequent discipline problems and were doing poorly in school finished among the best students in their classes. The strong progress of students at A. Harry Moore led to the formation of similar programs at the several other developments in Jersey City, including the two other RMCs. In a further testament to the program's accomplishments, the board of education recently approached A. Harry Moore and the PHA about expanding the program to serve children who don't live in the development.

PROGRAMS FOR SENIORS AT COCHRAN GARDENS

The Cochran Gardens TMC in St. Louis has an elderly high rise building, as well as elderly individuals who live in the family section of the development. Activities for Cochran's more than 130 seniors are coordinated by a director who has served as the site's Social Services Director for the past 15 years. She knows the community well, in part because of

her many years working with the program, and in part because she raised her children at Cochran and lived there herself until recently. She sees to it that the seniors at Cochran get the kinds of services they need, whether through regularly scheduled activities, or through special arrangements to suit their individual situations.

The Cochran seniors have a wide range of activities to choose from. The high rise's community rooms host regular bingo games, card games, and ceramics and needlecraft classes. The health clinic located at the Cochran development sends staff to the high rise to work with the seniors, and provides a basic wellness program that includes glucose and blood pressure screening. Numerous mobile programs stop at the site, including a post office, a library, and tax help. The seniors also have seasonal events and trips, such as going to the ball game, the opera, picnics, or peach picking. An average of 60 seniors a week participate in these activities.

The high rise is also home to a senior nutrition program. Hot lunches are provided weekdays for 12 homebound seniors, as well as for about 40 additional seniors a day who attend a congregate meal. Unlike many other congregate meal programs across the country, the meals at Cochran are actually prepared by a catering company managed and staffed by residents. This small business venture employs residents to provide meals not only for the Cochran seniors, but also for senior meal programs and child care centers across St. Louis.

Several types of services are brought to the site in order to ensure that seniors will be able to continue to stay in their apartments and live independently, rather than being forced to move to a care facility. One service the TMC provides is a weekly shopping trip. About 10 residents a week take advantage of the TMC's van service and do their grocery shopping this way. The van will also make special trips once or twice a month if the residents make special requests to go to different types of stores, or to a particular store some distance away.

Another service that helps keep seniors in their units is providing in-home chore services. A number of agencies in St. Louis provide chore service options, and the city-wide Tenant Affairs Board (TAB) helps serve as a liaison between these service providers and the senior buildings that house residents in need of these services. One of the advantages of such services is that they can be increased or decreased to meet the changing needs of residents. A resident recently released from the hospital may need daily personal care assistance, while others may only need occasional assistance with heavy jobs, such as moving heavy furniture. An average of 60 Cochran residents receive varying degrees of chore assistance in any given week.

In addition to these general types of service, the Social Services Director works with residents to assure that their individual needs are being met. For example, she is currently in the midst of certifying residents to receive emergency food aid. By coordinating that effort centrally and helping the residents negotiate the paperwork, she is ensuring that when such aid is available, qualified residents will be ready to take advantage of it. At times she also acts as a case worker by helping residents find local nonprofit or government agencies to meet particular needs. She also does special monitoring, if she knows residents that have been unwell, checking in with them herself on a regular basis to ensure that they are being cared for.

Much of the director's energy is spent locating resources. She brings in free services whenever she can locate them, and solicits donations to provide special opportunities for the

residents. For example, she seeks out places that are willing to donate tickets so that the seniors can afford to make trips to social and cultural events. One of her goals is to work more with the seniors themselves to undertake more fundraising efforts in the future to finance their activities. In previous years the seniors have sold hot dogs to raise money to support their activities, and she would like to see more of this type of initiative at the site.

The director also serves as the link between Cochran residents and the numerous programs in the community available for older people. It is her coordinating efforts that ensure that all Cochran residents have access to transportation, chore services, hot lunches and a wide range of social and cultural activities. While seniors at other RMCs have access to some services, the program at Cochran stands out as a particularly complete and coordinated effort.

SUPPORTIVE SERVICE PROGRAMS AT KENILWORTH-PARKSIDE

The Substance Abuse Prevention (SAP) program's primary focus is on preventing drug abuse. However, Kenilworth-Parkside takes a holistic approach to the issue by examining not only the issues the individual faces, but also acknowledging the effect friends, family and society can have on the individual's choices.

Kenilworth-Parkside's Substance Abuse Prevention Program, which has been in existence since 1987, is not affiliated with any outside social service agency. It has an annual budget of about \$288,000, and serves about 1,000 people a year. Funding for the program comes largely from grants from the Alcohol and Drug Abuse Services Administration (ADASA) and the Washington D.C. Department of Public and Assisted Housing. Kenilworth-Parkside has hired professional nonresident staff to develop and implement the program, and to train residents to serve as staff members as the program grows. Of the current staff of eight, five are residents.

The program has three main components: preventing substance abuse, diverting resident energies to positive goals, and referring residents to treatment programs where needed. The counselors do not focus on the needs of the potential abuser in isolation, but recognize the role families and social systems play in encouraging and enabling substance abuse to begin or continue, and include these players in counseling sessions. They also look beyond the abuse problem itself and recognize that if abuse is avoided or stopped, something must fill the void. SAP concentrates on filling it with positives, such as education, job opportunities, and cultural activities.

The program recognizes that different types of people need different things from a prevention program. SAP has a strong focus on youths, but there is a program for older people, a program for women, and a program for pre-schoolers. At the same time, the staff have found that inter-generational programs are extremely successful and so mix residents of different ages whenever possible.

SAP is a prevention program, not a treatment program for abusers. When SAP staff identify residents with substance abuse problems requiring treatment, they work with the individual and the family to find appropriate treatment facilities. After the treatment is complete, SAP staff are available for follow through with the residents.

One component of the SAP program is required for all heads of household at Kenilworth-Parkside. These sessions, which focus not only on preventing substance abuse, but also on general health and self-esteem issues, provide a strong community context for residents. The SAP program also ties in with a range of other health care issues, including AIDS and sexually transmitted disease (STD) prevention, preventive health concerns, and programs for children, such as day care, latch key, and homework centers. Block and floor captains at Kenilworth-Parkside also receive training on substance abuse issues.

APPENDIX G

ECONOMIC DEVELOPMENT PROGRAMS

This appendix presents descriptions of three of the economic development efforts underway at the RMCs. They include:

- Transportation Program -- Le Claire Courts
- Small Business Program -- Lakeview Terrace
- Development -- Kenilworth-Parkside

TRANSPORTATION PROGRAM AT LE CLAIRE COURTS

Employers in Chicago's suburbs have trouble finding workers. Residents of the Le Claire Courts housing development in Chicago have trouble finding work. But the two have traditionally been unable to solve each other's problems because of a lack of transportation.

This is not an unusual situation. Most big-city transportation systems are designed to move commuters efficiently during rush hours--into the city in the morning, and back out to the suburbs in the evening. There is often no way for city residents to get to suburban job sites on public transportation, and if public transportation is available, it may take hours of travel time. In addition, many entry-level suburban jobs are in restaurants and hotels, work that may require travel in the early morning or late night hours when standard public transportation systems are least effective.

One solution to this mismatch has been to provide reverse commute van services from areas with an abundance of workers to areas with plentiful jobs. The idea for the reverse commute program originated with the Urban Mass Transit Authority (UMTA), which has sponsored demonstration projects in a number of areas across the country. At least half a dozen of these UMTA projects have been linked to PHAs, one of them at the Le Claire Courts RMC in Chicago.

The Le Claire Courts RMC has chosen to provide its social services and economic development projects through the Clarence Darrow Community Center (CDC),⁸ which is located on the Le Claire site. This established social service agency has the infrastructure, reputation and experience to be able to provide quality services for the residents, without the need for residents to develop programs from scratch. In addition, the Darrow Center has a firm commitment to empowering the residents of the community and to including residents in all decision making processes. There is a strong resident presence on the boards and committees of the center, and the center's efforts are focused on meeting needs identified by residents.

The Darrow Center worked with the National Center for Neighborhood Enterprise (NCNE) to convince UMTA that Le Claire was a viable site for a demonstration reverse

⁸ The CDC is now the Le Claire Hearst Community Center.

commute project. UMTA provided a grant of \$97,000 for a feasibility study and business plan. The Darrow Center provided an established organization through which the new program could be run.

The Le Claire transportation program, called Accel Transportation, has been operational since October of 1989. It currently carries about 100 people a day, about a quarter of them residents of Le Claire, the rest from the surrounding neighborhood. One of the project's functions is to provide reliable transportation. However, it also helps match employers with potential workers. Program staff provide a three week course on job readiness, including how to put together resumes, how to look for jobs, and how to do interviews. They also solicit employer commitments to hire people referred by the program as often as possible. The program manager estimates that they have helped about 48 people get jobs, although not all continue to use the transportation system. For some, the jobs have not worked out. For others, the jobs have worked out well, and they have earned enough money to buy their own cars. Some residents already have jobs in the suburbs and do not use the job-seeking assistance, but do use the transportation system as a time-saving and economical way to get to work.

The daily cost of the van service to riders is \$2.00, and their employers contribute an additional \$2.00. The director of the program estimates that these fees recover only about 25 percent of the cost of operating the program at this point. The remainder is made up through contributions from foundations. They hope to be able to break even within five years.

Accel has nine drivers, two of whom are residents. The firm has hired all of the residents who have applied, but several have not worked out. The driver positions pay \$7.50 an hour to start, and include full benefits.

One of the less tangible benefits of the program has nothing to do with providing jobs or transportation. It has to do with the sense of empowerment in the community that comes from knowing that they have established their own transportation project, and that it is succeeding. The presence of a successful venture in the community gives residents encouragement and a sense of hope.

SMALL BUSINESS PROGRAM AT LAKEVIEW TERRACE

The Lakeview Terrace RMC, with funding help from several foundations and planning assistance from an economic development consultant, has begun operating a convenience store on site. The store, which is spotless and well organized, employs five residents. They report that business is good enough that they made it through the first six months of operation required before they were permitted to accept food stamps—the principle way many residents purchase their food. Now that they can accept food stamps, they expect business to pick up even more. Several other RMCs are considering the possibility of opening a convenience store, since shopping alternatives in many of the RMCs' neighborhoods are limited.

DEVELOPMENT AT KENILWORTH-PARKSIDE

The Community Development Corporation at Kenilworth-Parkside focuses on creating small business ventures and employment and job training opportunities. A professional non-resident RMC employee directs the CDC's activities. They include:

Developing a Mini-mall near the Kenilworth-Parkside development. The mall is intended to provide neighborhood shopping opportunities -- groceries, shoe repair, dry cleaning -- as well as offering space for as-yet-to-be-developed resident owned small businesses. The RMC has purchased the land, and is currently working on required traffic studies and putting together financing.

The RMC is also working on several different residential development and rehabilitation projects in the neighborhood.

- They have a firm commitment from HUD for an 85-unit Section 202 project for seniors and expect to begin construction in the summer of 1992.
- They have purchased a 25 unit apartment building to rehabilitate and lease to low-income families. One of the buildings has already been emptied and boarded up pending rehab. The RMC expects to begin work here in the fall of 1992 with funding from the city's Department of Housing and Community Development.
- The RMC is also working on developing single-family for-sale homes, in conjunction with the final phase of the RMC development's rehabilitation, which will reconfigure large units to have fewer bedrooms and more amenities, such as additional bathrooms.

The RMC intends to negotiate with the contractors for each of these projects to ensure that residents will be hired for jobs such as painting, landscaping, fencing, and unit cleaning.

APPENDIX H

SURVEY ANALYSIS METHODOLOGY

This appendix describes the methodology employed to derive the statistical significance of the differences detected between the survey responses of residents of the RMC developments and residents of the non-RMC control developments. The analysis was done for all full-service RMCs and their controls, then repeated for the managing-agent RMCs and their controls

Exhibit H-1 shows the distribution of survey respondents by RMC and control sites. The original sampling plan was set up so that each RMC site was paired with a control that was similar in terms of characteristics such as building type, age and configuration, neighborhood characteristics and population mix. While the controls could not be selected to match their RMCs in all respects, this pairing helped minimize external factors when comparing residents' responses. Due to the small number of high rise housing developments in Jersey City, it was necessary to use the same control site, Curries Woods, for both the Montgomery Gardens and A. Harry Moore RMCs in order to account for building type.

The use of Curries Woods as the partner for two RMCs posed a problem considering the overall mix of characteristics in the two groups (RMCs and controls). With one less high rise in the control group, the groups were not directly comparable. To make the control sample look like the RMC sample, it was necessary to construct weights that would make the observations of Curries Woods be worth twice as much.

WEIGHTING

One possible solution to the problem of having too few control site observations is to assign each response from residents a weight of 2. Using this procedure would increase the total number of observations. However, for the statistical tests to be valid, it is very important to use the *actual* number of observations. To accomplish this, we assigned weights that kept the total number of observations constant.

Respondents in Curries Woods = 66
All other respondents = 1,170
Total respondents = 1,236
Total resident represented = $1,170 + (2 \times 66) = 1,302$
Weight assigned to most observations $w_i = 1236/1302$
Weight assigned to Curries Woods = $2 * (1236/1302)$

Therefore, $\sum w_i = 1170 * (1236/1302) + 66 * 2 * (1236/1302)$
 $= (1170 + 132) * (1236/1302)$
 $= 1302 * (1236/1302)$
 $= 1236$

The statistical tests use this weighted sum of w_i as the degrees of freedom. Exhibit H-2 shows the weighted distribution of responses by site.

Exhibit H-1

NUMBER OF SURVEY RESPONDENTS BY SITE

Full Service Sample		
Site	RMC	Control
Bromley-Heath	63	65
Carr Square	65	64
Cochran Gardens	63	65
Lakeview Terrace	63	63
Le Claire Courts	75	76
SUBTOTAL	329	333

Managing Agent Sample		
Site	RMC	Control
A. Harry Moore	66	66
Booker T Washington	63	63
Clarksdale	63	63
Montgomery Gardens	63	0
Stella Wright	64	63
SUBTOTAL	319	255

TOTALS		
Combined	RMC	Control
1,236	648	588

Exhibit H-2

WEIGHTED NUMBER OF SURVEY RESPONDENTS BY SITE

Full Service Sample		
Site	RMC	Control
Bromley-Heath	59.8	61.7
Carr Square	61.7	60.8
Cochran Gardens	59.8	61.7
Lakeview Terrace	59.8	59.8
Le Claire Courts	71.2	72.1
SUBTOTAL	312.3	316.1

Managing Agent Sample		
Site	RMC	Control
A. Harry Moore	62.7	125.3
Montgomery Gardens	59.8	
Booker T. Washington	59.8	59.8
Clarksdale	59.8	59.8
Stella Wright	60.8	59.8
SUBTOTAL	302.8	304.7

TOTALS		
Combined	RMC	Control
1,236	615.2	620.8

TABULATIONS

Initially, we produced tables comparing the descriptive statistics of RMCs and controls for variables taken directly from the survey. A chi-squared test was used to test significant differences of proportions and a t-test was used to test significant differences of means. The results of these tabulations are presented in Exhibits 8-1 through 8-11. As discussed in the chapter, the full-service RMCs more often showed a significant difference from their controls than did the managing-agent RMCs.

For these tables, we used only those observations with definitive answers of "Yes" or "No" by recoding any "Don't know" or "Refused" responses to missing. Although this reduced the number of valid observations that could be compared across development type, this allowed a more precise interpretation of the observed differences.

FACTOR ANALYSIS

The initial tabulations on many of the variables from the survey began to isolate the differences between RMC and non-RMC developments, and between full-service and managing-agent developments. However, many of these variables actually measure the same resident trait or development or management characteristics. In order to consolidate these measures of such characteristics, we developed a set of indices using factor analysis.

A factor analysis is a statistical technique that reduces a larger set of individual variables to a smaller set of underlying factors. For example, if we have ten questions on the subject of resident safety, factor analysis allows us to find the empirical evidence to support the hypothesis that they measure the same quality. The factor analysis may tell us that the empirical evidence supports inclusion of only seven variables as measuring the residents' feelings of personal safety. It is then possible to construct an index of personal safety based upon these seven variables. In sum, the factor analysis is a data reduction technique for determining which factors the empirical evidence supports for defining a trait.

Once we determined through empirical analysis the variables that should be used to represent the underlying factors, we combined the variables to create indices representing the factors. If the loadings on a given factor were not very strong, we deleted that variable from use in the index, or we discarded the index entirely if there was not enough empirical support for measurement. From our analysis, the factor solution yielded ten factors, two of which were weak. Therefore, we defined a total of eight factor indices for use in the analysis. These consisted of:

- Perceived Quality of Neighbors
- Assessment of Support Services
- Effort to Deal with Social Problems
- Apartment Maintenance
- Overall Housing Satisfaction
- Security
- Building and Grounds Maintenance
- Sense of Responsibility Toward Property

Factor analysis works on a listwise deletion method that will remove an observation from the analysis of all factors if it has a missing observation for even one variable. Therefore, it was important for us to reduce the number of missing observations. To accomplish this, many of the "Don't know" responses were interpreted as neutral responses during this effort.

Next, we obtained means for each of the indices. The differences between these means showed the same significance as was found in the tabulations of the original variables. These means were computed with a simple arithmetic formula for finding a sample mean. These means are termed "unadjusted means" since any differences detected between the means could be due to the different types of developments or could be from a number of other effects inherent in the developments. In order to "adjust" the means, ordinary least squares regressions needed to be fit to the data.

The regressions were run in an attempt to control for various resident characteristics. In this way, the differences on which we are focusing will not be due to a different resident mix or varying characteristics specific to one development. The differences will be due to the type of housing controlling for the resident traits. Eight regressions were run; each specified with a different factor index as the dependent variable and the control variables as the regressors. The control variables used in the regressions are listed in Exhibit H-3.

<p>Exhibit H-3</p> <p>CONTROL VARIABLES USED IN REGRESSION ANALYSIS</p> <p>Age Working (yes/no) Income Education Gender Black (yes/no) Single-headed household (yes/no) High-rise (yes/no) Elderly building (yes/no) Children per-unit Percent elderly in development Project type</p>
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Once the regression equations were fit to the data, we were able to obtain the "adjusted" means of the indices by averaging the predicted values of each index across the observations. The adjusted and unadjusted means can be found in Exhibit 8-13.

APPENDIX I

CRIME DATA

PHAs were asked to provide information about the incidence of crime at the RMCs, the controls, and at the PHA as a whole. Some were able to provide this information from their internal record keeping. Others asked police departments for the information, and still others have their own security staffs from which to request the information. Several PHAs were not able to provide information about crime in public housing. Others provided some information, but not enough to allow a comparison between the RMC and either the PHA or the control site. Only a few sites were able to provide crime data for past years to give information about trends.

Even in cities where information was provided, it was not consistent enough to allow any rigorous analysis. For example, in some sites crimes were reported as the number of arrests, in others as the number of reported incidents. Some data included only drug-related crimes or arrests, while other data included no drug-related information.

Further, those law-enforcement officials we spoke to cautioned that the numbers themselves can be misleading. For example, a particularly high number of drug-related arrests at a site may mean that there is an unusually serious drug problem there. On the other hand it may mean that the police have focused their efforts at that site this year, and that in fact drug activity is greatly reduced, in part because of the high number of arrests.

Similarly, in a site where residents have lived with unresponsive security for a long time, many give up on reporting crimes they know will never be resolved. In contrast, in a site with very responsive security, residents may be more willing to report crimes, so the numbers may be higher, even though the number of crimes committed is actually lower.

Another problem with the data is that in sites where both the public housing security staff and the city police can be called, the reported numbers may not provide a complete list of both types of calls. The public housing security report may not include calls that went directly to the city police, and vice versa.

With all of these caveats, it is not possible to compare the crime statistics that were provided for RMCs, their PHAs and their controls at the various sites, or to draw firm conclusions about the implications of the data we have. The data that are available, however, tend to support the survey's findings, namely that there tends to be less crime at RMC sites than at their controls. We present the figures that we have available here for readers to use in making their own judgments about crime at some of the RMCs

St. Louis

	Number of Crimes	Crimes/Unit
Cochran Gardens	201	0.264
Darst Webbe	164	0.164
Carr Square	93	0.141
Clinton Peabody	189	0.288
St. Louis Housing Authority	699	0.126
Source: Police Statistics, first 9 months of 1989.		

Jersey City

	Number of Crimes	Crimes/Unit
A. Harry Moore	37	0.056
Curries Woods	220	0.309
Montgomery Gardens	70	0.155
Curries Woods	220	0.309
Booker T. Washington	142	0.454
Lafayette Gardens	142	0.291
PHA	433	0.188
Source: Jersey City Housing Authority, 1989 – Drug Related Arrests.		

Chicago

	Number of Crimes	Crimes/Unit
Le Claire Courts	9	0.015
Wentworth Gardens	18	0.043
PHA	2,381	0.061
Source: Chicago Housing Authority, January-April 1990 Crimes committed, no drug crimes included in figures.		

Boston

	Number of Crimes	Crimes/Unit
Bromley-Heath	15	0.015
Mission Hill/Alice Taylor	627	0.527
PHA	1,994	0.175
Source: Boston Housing Authority, Incidents reported in FY 1990.		
NOTE: The BHA cautioned that the RMC data reported here are clearly much lower than the actual number of crimes incidents there.		

APPENDIX J

ADDITIONAL INFORMATION ON RESIDENT MANAGEMENT

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