

MOVIN' ON UP

COMPREHENSIVE AFFORDABLE HOUSING AND RESIDENT SOCIOECONOMIC MOBILITY

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Abstract

Comprehensive affordable housing integrates social services in affordable housing developments in a place-based manner. Housing and social policies have created neighborhoods of concentrated poverty where socioeconomic opportunity is scarce, and the central argument of this work is that the issues associated with concentrated poverty require a concentrated solution. To that end, this work explores the potential of comprehensive affordable housing developments as a place-based approach to combating the low levels of employment, earnings and educational attainment that plague low-income neighborhoods by combining social services as an integral part of affordable housing. The work examines approaches to comprehensive affordable housing developments that vary by ownership structures, funding mechanisms and service delivery models. We explore the case study of Quincy Heights – a comprehensive affordable housing development in Dorchester, Massachusetts – to examine its key features and to learn what it can tell us about comprehensive affordable housing developments. The Quincy Heights case study demonstrated the value of strategic partnerships and the early integration of resident service financing within the development's operating budget, amongst other lessons.

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INTRODUCTION

Having safe, quality affordable housing is a foundational component of any family's ability to attain a high quality of life, whether that means earning a college degree or securing a stable, well-paying job. The United States has one of the highest rates of socioeconomic inequality in the world, with the gap between the richest of the rich and the poorest of the poor growing by the year. From a geographical perspective, the poorest of the poor are not sprinkled across states, cities and towns, but rather are found in pockets of concentrated poverty in certain neighborhoods throughout the country. A long history of well-documented research shows that concentrating poverty usually means the concentration of other social ills – low educational attainment, low employment rates, high crime, and poor health outcomes, among many others (Jencks and Mayer 1990; Ellen and Turner 1997; Leventhal and Brooks-Gunn 2000; Rubinowitz and Rosenbaum 2000, Wilson 2012).

And yet, despite the concentration of the problem, the attempted solutions have been all but concentrated. Housing-related and social policy and programs often spring up in convoluted and disjointed ways. Often low-income families need to navigate a complex web of social services offered through governmental agencies, private entities and nonprofits. These agencies often operate on a referral system that sends families in various different directions as they try to figure out what it takes for them to improve their employment situation or attain a higher level of education. This work argues that if a low-income family's inability to improve their socioeconomic status stems from the concentration of poverty, then the solution

should be concentrated. Services must be provided in a place-based manner, where residents are connected to the resources they need to rise out of poverty right from the affordable housing developments where they live. Those are the types of models that are described here as **comprehensive affordable housing developments**.

Motivations

My teachers identified me as a gifted child starting at the age of six when, less than a year after learning the English language, I had blown through the books in our classroom's first grade library in a matter of weeks. My mother made sure that my intellectual gifts did not go to waste, and worked with my teachers to place me in advanced work classes, which prepared me to eventually test into a rigorous Latin high school and later, earn my Bachelor's degree at Harvard University.

I spent the majority of my childhood and academic career in a 500 square foot, two-bedroom apartment in a Boston housing project with my mother and younger brother. It was all my mother could afford as a single parent working low-wage jobs. In the beginning, sharing a room with my younger brother was tolerable. But as we both grew into our teenage years and my school work became more and more difficult, we needed more privacy than that shared room in that 500 square foot apartment could offer.

Then one day, a few weeks before my fifteenth birthday, our lives changed. My mother received a call - we were off of the waitlist that we had been on for years, and had been approved for a new apartment. On my fifteenth birthday our family moved into a spacious, three-story three-bedroom apartment with 1.5 bathrooms and plenty of privacy for me to concentrate on my school work. We each had our own

rooms, our privacy, our stability and our peace of mind. Our family's quality of life improved tremendously from that moment on.

The stabilizing effect that quality, affordable housing has on a low-income family can be profound. The road out of poverty is a long and difficult one, one that low-income families are set up to fail without the stability of quality, affordable housing. However, housing is just a place to start. If low-income families are isolated from the resources and connections they need to work their way out of poverty, having four walls around them ultimately does not do much good.

My mother had to navigate multiple complex systems on her own to lift our family out of poverty. These systems included educational systems, social services and the job market, to name a few. While my family was fortunate enough to live in a community where we were connected to supports to help us navigate these systems, not all low-income families have those opportunities. My personal journey is a testament to the potential stabilizing and uplifting effects that having affordable housing within a well-connected, supportive community can have on a low-income family. This experience, as well as my current professional work, have motivated me to explore how to meaningfully integrate affordable housing with supportive services to lift families out of poverty. I call these kinds of communities *comprehensive affordable housing developments*.

In my current professional role as a project manager of affordable housing development at Dorchester Bay Economic Development Corporation (DBEDC), I have a unique opportunity to examine and learn from comprehensive affordable housing developments within our own portfolio. One DBEDC housing development in

particular - Quincy Heights - offers a rich model of comprehensive affordable housing that combines partnerships and intentional programming to deliver quality services to residents. I have chosen Quincy Heights as the case study for this work.

Research Questions

The questions I posed are the following:

- 1. What does the comprehensive affordable housing approach entail?**
- 2. How did the idea for comprehensive affordable housing developments come about? How has the historical context of the affordable housing landscape informed the way modern comprehensive affordable housing developments are structured?**
- 3. What are the main components that go into structuring a comprehensive affordable housing development?**
- 4. What are the benefits of the comprehensive affordable housing approach? What are the drawbacks?**
- 5. What can Quincy Heights teach us about how comprehensive affordable housing developments are structured and how the lives of low-income residents are impacted?**

Methods

This work sought to answer the research questions above through a combination of three methods – a literature review, thorough documentation and review of the partnership structure and financing mechanisms for Quincy Heights and qualitative analysis through in-depth interviews with staff and residents of Quincy Heights. The literature review answers the first two of the above research questions by examining various pieces of scholarly writing that describe the comprehensive affordable housing phenomenon of combining affordable housing and social services. The research shed light on various types of models and approaches to accomplishing a

shared goal of providing supports to low-income residents to work towards self-sufficiency and economic mobility. The insights gleaned from this research led me to extract the three primary components of comprehensive affordable housing that are explored in Chapter 2, which goes on to answer research questions 3 and 4. The literature review research showed that there are various ways to model each component, and each option comes with its benefits and drawbacks. Chapter 3 goes on to answer the last research question by examining how each component manifested itself in our case study of Quincy Heights. The literature review also examined what scholars and practitioners had to say about the context within which affordable housing developments with a service component have developed, both historically and in modern day, which is the focus of Chapter 1.

My role at DBEDC afforded me unique access to historical and contemporary documentation about Quincy Heights, which I reviewed and analyzed as part of the research for this work. These resources date back prior to the construction when the development was being planned in 2010. The research involved review of dozens of documents including partnership agreements with investors and community partners, financial models demonstrating the financing sources for the project and how funds flow through the operations of the development, and reports detailing the effectiveness of resident service programs today.

While the document review was important for understanding the decisions that were made to put the various components of the project in place, conversations with the staff and residents that have implemented and experienced the consequences of

these various decisions were crucial in learning how the project fares today.

Interviews included conversations with a real estate development staff member, two heads of the resident services department, a resident service coordinator, a property management staff person and two residents. The interviews shed light on how original plans for the development compare to how things actually turned out, and what people believe to be the parts of the comprehensive affordable housing model at Quincy Heights that work well and those that need improvement.

Thesis Roadmap

Each of the above research questions are addressed consecutively throughout the four chapters of this work. Chapter 1 will contextualize the landscape within which comprehensive affordable housing developments exist by reviewing the housing policies in the United States that brought us to the place we are today. These policies often exacerbated the very problems they were trying to solve. Chapter 2 will describe the primary features of comprehensive affordable housing developments – the funding structure, the ownership and operations structures and the service delivery model, and will describe programs that have taken this approach. Chapter 3 will dive into an existing comprehensive affordable housing development in Boston, MA – Quincy Heights – which is the case study of this work. Chapter 4 will conclude with insights about what we can learn from Quincy Heights about modeling comprehensive affordable housing developments that set residents up for success.

CHAPTER 1: POLICIES SHAPING THE COMPREHENSIVE AFFORDABLE HOUSING ENVIRONMENT IN THE UNITED STATES

Overview

Affordable housing policy has had a long and winding history in the United States. The evolution of affordable housing policy in the U.S. and Boston provides the context within which comprehensive affordable housing developments today could even exist. The idea of “marrying” housing and services is not new but was not always possible were it not for progress on the policy level. Walking through the policy history will provide an understanding of how the national mindset has evolved when thinking about the intersection of housing and poverty, and how public perception and priorities regarding these issues translated into the programs that emerged as a result.

While there have been housing policies that improved social and economic issues associated with housing for low income people, much of U.S. housing policy actually created or exacerbated these same issues. Examining the evolution of housing policy in the U.S. will provide a more nuanced understanding of the factors that contribute to low levels of employment and education within neighborhoods and developments that house low income people, which are the issues that the services within comprehensive affordable housing developments seek to address. The social challenges that are often tied to a life of poverty are not isolated – they exist within a historical, socioeconomic and political context that U.S. housing policies shape. Therefore, understanding the evolution of the underlying context within which comprehensive affordable housing developments have evolved is just as important as identifying the structure and programming within them.

Major shifts in the direction of U.S. housing policy have led to a unique phenomenon in the modern day affordable housing landscape in terms of *who* has

the ability to make comprehensive affordable housing developments a reality.

Whereas housing the poor was originally almost exclusively within the realm of government, public-private partnerships are now the dominant form of ownership and management for new affordable housing developments generally, and comprehensive developments with resident services specifically.

The communities that low-income families now live in are the living embodiments of the compounded effects of the policies that will be chronicled in this chapter. These communities are often characterized not just by the existence of poverty, but by high concentrations of poverty. Concentration of poverty creates unique societal dynamics that cannot be ignored, and which must be considered if comprehensive affordable housing developments are to be designed in a way that combats detrimental life outcomes for low income individuals.

While policy is one contextual factor that informs how we view low income individuals and the housing and communities they live in, the unique impacts of concentrated poverty is another important lens that we must look through when talking about designing comprehensive affordable housing developments. The second half of this chapter will discuss the role that concentrated poverty has on the life opportunities of low income individuals living in these communities, and the associated challenges that residents living in areas of high concentration of poverty face. This section also demonstrates how policies failed to meet their objectives because of their failure to see the issues they were trying to address through the lens of concentrated poverty. These examples further support one of the central arguments of this thesis, that addressing the socioeconomic issues that arise from concentrated poverty requires an approach that concentrates the solutions.

The Policy Context

The original story of federal housing assistance policy in the United States begins with the 1937 Housing Act. Prior to this Act, housing for those of modest means, including many new immigrant workers, was largely at the discretion of landlords in the private market in the form of tenement housing, especially in large metropolitan areas such as New York and Chicago (Ellickson 2009). The 1937 Housing Act established Public Housing Authorities (PHAs) as the locally-based agencies tasked with acquiring land and buildings and managing public housing on that land for the low-income residents across the country¹. The Act also created public bond instruments to finance this activity.

The 1937 Act was the beginning of an era of two parallel markets for housing the nation's poor: one dominated by government and one by private landlords. The Act faced fierce opposition from landlords and other professionals in the private real estate field. Schwartz argues that the need to appease this advocacy group and create an Act that did not compete with the private market resulted in an Act that actually created many of the problems it intended to solve. Such problems include the concentration of poverty and high rates of crime and violence associated with high-poverty neighborhoods. These are many of the same issues that resident services at comprehensive developments aim to remedy today. If the Act had not limited public housing only to families earning very low incomes, Schwartz argues, many of these problems would not be as acute as they have grown to become in the decades following the 1937 Act, thus spurring subsequent public policy to clean up the mess (Schwartz 2015).

¹ Pub.L. 75-412, 50 Stat. 888

By the time of the 1945 Housing Act, it was clear that this tension between the public and private housing markets remained. The 1945 Act expanded upon the 1937 Act to address this tension in multiple ways. First, the Act reiterated that the government's role in the housing market was limited only to very low-income households, and encouraged private industry to cater to the remaining large share of housing consumers that fell within all other income categories. One way that the Act encouraged this was through the establishment of the Federal Home Loan Bank, which created extremely favorable mortgage rates for families earning modest incomes. These low-rate mortgages opened up the homeownership market to millions of families, who then became a growing consumer base for the private, largely single-family, suburban and racially segregated housing development market (Schwartz 2015).

Another way the 1945 Act attempted to bridge the gap between public and private entities that provided housing to the poor was to offer deals to private contractors in assisting with the slum clearance and urban renewal projects that the 1945 Act called for. Policymakers were beginning to see the social consequences of high-poverty neighborhoods, many of which the same policymakers created by making public housing programs available only to families below a very low income threshold (Schill 1993; Schwartz 2015). These areas were seen as breeding grounds for crime, violence, health hazards and disease. The policy response to the issues associated with these areas was to completely demolish and/or "revitalize" entire

poverty-stricken neighborhoods across the country, in the name of providing “a decent home and a suitable living environment for every American family².”

In the 1950s, the federal government shifted its strategy away from being the financiers, developers, owners *and* managers of affordable housing, to a model where each of these functions began to be outsourced to the private market slowly over the decades. Part of the reason for this shift were the rising operational costs necessary to maintain the aging public housing buildings that dated back to the 1930s. To cover these costs, rent for public housing units began to be raised to 50% and in some cases up to 75% of a residents’ income. However, resident incomes were not rising at the rate of operational costs, triggering a host of tenant protests and rent strikes. These events led Congress to issue a rent control measure in 1969, which limited rents on public housing units to 25% of income (Schill 1993; Schwartz 2015). This measure set the stage for the standard measure that is commonly used today to identify “affordable” housing as that which charges 30% of income or less in rent to households earning below the area median income.



Protest by Representatives of the
Bronx Council on Rents and Housing
UPI/Bettmann Newsphotos
March 3, 1953

² PL 81-171 H.R. 4899, 79th Congress, 1st Session. <https://law.resource.org/pub/us/gao.gov/81-171/00002FCA.pdf>

In the midst of these troubles that policymakers were facing with the maintenance and operational costs of public housing, federal housing policy began to outsource the development and management by using “project based” Section 8 funding to subsidize the cost to developers of setting aside rental units for low-income households. This was done by paying owners the difference between the rent that the low-income tenants pay and the agreed upon contractual rent. The 1968 Housing Act solidified this newly developed working relationship between government and private developers by establishing the Department of Housing and Urban Development (HUD) to oversee and administer the array of federal programs that provide subsidies to developers that build rental housing for low-income households, as well as other housing programs (Ellickson 2009). Since the 1968 Housing Act, the Section 8 program has grown to dominate in the provision of affordable housing. As of 2008, Section 8 programs subsidized 72% of all privately-owned HUD-subsidized housing units in the U.S. (Schwartz 2015, p. 172).

In 1974 government housing assistance policy began to change course from supply-side policies to demand-side policies. Section 8 of the 1974 Housing & Community Development Act established the Housing Choice Voucher (HCV) Program, which gave mobile housing vouchers to low-income residents to use in qualified units in the private housing market. The units qualified if they met certain physical standards and if they were deemed to cost at or below “fair market” rent. The tenant pays 30% of their income towards the rent, and the government pays the remaining balance to the private landlord³. This adjustment to the Section 8 program

³ Housing and Community Development Act of 1974, Pub L No 93-383, § 201(a), 88 Stat 653, 664 (1976), codified at 42 USC § 1437f(b) (1988)

revolutionized the affordable housing market by shifting some power to the consumer to identify their own housing as opposed to relying on a limited number of housing units in developments subsidized by the project-based Section 8 subsidy. The HCV program is still in existence today, over 40 years later. As of 2009 over 2 million rental vouchers have been issued nationwide (Schwartz 2015, p. 181).

In 1987 the direction of federal housing assistance policy returned to focusing on production and preservation of housing with the introduction of the Low Income Housing Tax Credit (LIHTC), which provides investors of rental housing with credits to reduce their tax liability in exchange for capital investment in affordable housing development. The credits are distributed from the U.S. Treasury to state agencies, who then allocate the funding to eligible housing developments that reserve part or all of the units for households earning 60% of the area median income (AMI) or less (Khadduri, et. al. 2006). This income threshold expands the households that can be eligible for affordable housing beyond just extremely low-income households, characterized as households earning less than 30% of the AMI. Today LIHTC is the single largest source of funding for affordable housing development in the United States, having funded 2.78 million units in over 43,000 projects since its inception through 2014⁴.

In the 1990s, housing policymakers started focusing not just on the bricks and mortar but on the residents of low-income housing themselves, espousing the merits of self-reliance and self-sufficiency to promote higher rates of educational attainment and employment and less reliance on federal welfare assistance, including housing assistance. This view was reflected in the expansion of social and community

⁴ <https://www.huduser.gov/portal/datasets/lihtc.html>

programs (such as resident services) within federally subsidized affordable housing. It is during this time that the national mindset that gave way to the programs and services that are part of modern-day comprehensive affordable housing developments was solidified. Examples of programs that emerged as a result of this shift include the Family Self Sufficiency program, Hope VI and the Choice Neighborhoods program, all of which used affordable housing as a foundation within which residents had access to resources and programs designed to support socioeconomic mobility. These programs are described in more detail in Chapter 2.

The Role of Concentrated Poverty

Policies shape the conditions within which housing plus service models can either thrive or falter. In turn, various factors -- including their housing environment -- shape the opportunities available to the residents living in subsidized rental housing developments. Without stable, affordable housing, it is difficult to secure employment that pays livable wages or to pursue educational opportunities such as high school or college degrees. Housing affordability in particular is an important factor that plays a role in whether or not a family is able to pursue employment and educational opportunities. Especially for low-income families, when there is less of a constraint on a family's housing budget, more of the family's income is freed up to be devoted to "human capital" investments such as a child's education (Andersson et. al. 2016). In this way, affordability of housing is linked with a low-income household's ability to achieve socioeconomic mobility later in life.

However, it is not just a home that plays a role in that household's chances for future success, but also the surrounding neighborhood within which that

household lives. The effects of living in a high-poverty neighborhood on a family's life outcomes has been the topic of extensive debate and research amongst scholars, advocates and policymakers in fields such as housing, social work, economics, psychology and beyond. Many scholars have demonstrated that a child growing up in a high-poverty neighborhood has a significant chance of experiencing negative life outcomes including low levels of educational attainment, high levels of unemployment, low earnings, poor health and greater involvement in the criminal justice system (Jencks and Mayer 1990; Ellen and Turner 1997; Leventhal and Brooks-Gunn 2000; Rubinowitz and Rosenbaum 2000). With particular respect to employment outcomes, one mechanism through which living in a high-poverty neighborhood could affect individual employment is through social isolation and social reinforcements. People growing up in high-poverty neighborhoods often have low levels of attachment to the labor force because they are surrounded by few employed role models, thus making unemployment a social norm (Wilson 2012). These isolated neighborhoods are often also disconnected from the resources that the residents need to work their way out of poverty, creating an environment that perpetuates poverty. Some argue that federal policy is to blame for these outcomes (Schill 1993; Schwartz 2015). Programs such as public housing created high-poverty, racially-concentrated neighborhoods by design. The 1937 Housing Act's initial limiting of public housing units to only households of extremely low-income began this trend. Public housing projects are often characterized by their physical and social isolation (Schwartz 2015), thus making them breeding grounds for the types of environments within which socially reinforced detrimental social outcomes flourish.

In continuation of the stage set by original social housing policy, modern day welfare policy is designed in such a way that once a household earns enough income to disqualify them from various kinds of assistance including housing and food assistance, they often experience a sharp decline in assistance. What can result is that a modest increase in earnings is offset by a disproportionate increase in expenses, to the point that a family trying to work their way out of poverty experiences a net loss when they increase their income. Scholars, policymakers and practitioners often refer to this phenomenon as the “cliff effect” (Bingulac et. al. 2017). This policy design discourages upward economic mobility and perpetuates poverty.

Mixed-income housing is the latest policy response to the issue of high poverty concentration and its associated social ills. The rationale is that if lower-income households have social exposure to middle- and higher-income households in their neighborhood and/or housing development, then the social reinforcements that could lead to negative life outcomes could be eliminated. This policy design stems from a foundational view that low-income households inherently do not have the personal characteristics necessary to succeed in life, or that they are personally responsible for the negative life outcomes they experience. The thinking behind this policy further assumes that middle- and upper-income individuals do have those characteristics for success, which low-income individuals can learn from. These policies are driven by a view of low-income individuals as passive victims that need external saving, as opposed to self-determining human beings who, with the right resources and connections, can be empowered from within to improve their life circumstances through their own efforts. Meaningful reform of policies intended to

address the concentration of poverty requires radical shifts in mindsets about low-income individuals.

Mixed-income housing can be achieved in different ways. One way is through new rental housing developments that include both market-rate units for middle- and high-income households as well as subsidized units for low-income households. A mixture of tax credit funding as well as project-based and mobile Section 8 subsidies are often used to accomplish this (Schwartz and Tajbakhsh 1997). Another way that policymakers have tried to accomplish mixed-income housing is by moving low-income households to higher income neighborhoods. One of the most studied attempts at this was the Department of Housing and Urban Development's (HUD) Moving to Opportunity (MTO) Demonstration. In the 1990s, HUD partnered with Public Housing Agencies in five cities to relocate about 4,600 families from high-poverty publicly-assisted housing to largely white or racially mixed middle- and higher-income areas. While the MTO program found that moving to higher-income neighborhoods was associated with better health outcomes such as reduced depression and obesity, *but no statistically significant effect was found on earnings and education outcomes* (Turner and Rawlings 2005). In fact, research on the effects of mixed-income housing on outcomes for low-income families in general shows no conclusive evidence that mixed-income housing improves earnings, employment or educational outcomes (Schwartz and Tajbakhsh 1997).

It is clear that housing plays a role in the education, employment and earnings outcomes for low-income households. When it comes to the exact role that housing should play in improving these outcomes, it is also clear that concentrating poverty in housing developments in the way that public housing originally did leaves

much to be desired. And there is no compelling evidence that deconcentrating poverty through mixed-income housing works either. So what is left?

While the MTO program did not show promising results for education, employment and earnings outcomes, findings from other HUD Demonstration Initiatives did. Specifically, Turner and Rawlings report that two key factors contributed to increases in earnings in the MTO program as well as other programs - the place-based aspect and the combination of job services with other social services. What if these two successful program features could be implemented in a housing context?

This is where comprehensive affordable housing developments come in. Social challenges arising from environments of concentrated poverty should be addressed with concentrated, or place-based, services. Offering resident services for low-income households right within their housing developments is the central feature of comprehensive affordable housing developments.

Conclusion

The evolution of policies related to affordable housing and social services have shaped the landscape within which comprehensive affordable housing developments exist today. Much of the concentration of poverty that exists in low-income neighborhoods across the United States stems from the fact that publically controlled affordable housing was federally mandated to only be available to extremely low-income families through the 1937 and 1945 Housing Acts. The role of these national policies in the concentration of poverty that exists today challenges notions that have affected the design of housing programs and social services.

Many of these programs and models were designed with the mindset that it is inevitable for poverty concentration and socioeconomic issues to be intertwined. Indeed, one can see this assumption working its way into modern day programs such as mixed income housing. What this policy review shows is that concentration of poverty and socioeconomic issues such as low levels of employment and education are not necessarily meant to go hand in hand, but rather shaped by public policy. Thus, bringing services to low-income communities is not futile – it does have the potential to address some of the social damage (such as isolation, disconnection to resources and the cliff effect) caused by many of the very policies intended to remedy them. In particular, place-based programs that provide the supports and resources that low-income families need to gradually work their way out of poverty have the potential to make significant impacts on low-income families. Examples of such programs include the Family Self Sufficiency program in addition to the comprehensive affordable housing development model that will be explored throughout this work.

The next chapter details the defining features of comprehensive affordable housing developments, reviews relevant literature on such developments and outlines various models of comprehensive affordable housing developments that exist today.

CHAPTER 2: FEATURES OF COMPREHENSIVE AFFORDABLE HOUSING DEVELOPMENTS

Overview and Definition

The decline of public housing as the primary form of low-income housing provision has been followed by innovations in affordable housing development that go beyond brick and mortar. Housing policymakers and practitioners have increasingly grown to embrace the notion that “housing should play an important role in alleviating poverty, and should help residents address other issues limiting their social and economic opportunities” (Bratt 2008, p. 100). This is the driving principle behind comprehensive affordable housing developments.

Before defining the more targeted concept of comprehensive affordable housing developments, it is important to understand what affordable housing is generally. Affordable housing is defined by the United States Department of Housing and Urban Development (HUD) as housing that costs a household no more than 30% of its income⁵. Because many low-income families cannot afford the average fair market rent for apartments, there are also income limits for households to be eligible for subsidized housing, which is priced lower than fair-market rental housing. The Average Median Income (or AMI) is the measure used by housing professionals to determine whether a family is considered low-income and therefore - through certain subsidy programs like Section 8 and LIHTC - eligible for subsidized affordable housing. In Boston, low-income households are defined as those earning less than 80% of the AMI which in 2018 would be the equivalent of about \$56,000 for a single person⁶.

⁵ HUD. FY 2018 Income Limits Summary Boston-Cambridge-Quincy FMR Area. <https://www.huduser.gov/portal/datasets/il/il2018/2018summary.odn>

⁶ HUD 2017 Boston-Cambridge-Quincy FMR Area Median Family Income. <https://www.huduser.gov/portal/datasets/il/il2017/2017MedCalc.odn>

To define *comprehensive* affordable housing developments, this work will use as a foundation the following definition established by affordable housing scholar and practitioner Rachel Bratt:

“Permanent affordable housing that incorporates various levels of services provided by trained professionals for whom service delivery, not property management, is the primary responsibility...and for which at least one staff person is assigned to coordinate or deliver services full- or part-time, depending on the size of the development and level of services.”

(Bratt 2008, p. 101).

In addition to these characteristics, this work further limits its scope of study to rental housing, not homeownership. While Bratt uses the above definition to define what she calls a “housing-plus” concept, this work expands on this concept using the term “**comprehensive affordable housing.**” The difference in the terminology captures the essence of these housing developments as being not just brick-and-mortar developments that have social services as an ancillary component, but rather an affordable housing development that integrates the service features as a core part of its operations. While this core integration is done in many ways, some primary ways include integration within financial operating budgets, programming, physical space configuration and dedication of human resources/staffing. (These different models will be discussed further later in this chapter). The “comprehensive” component seeks to describe a housing development that functions as a support ecosystem.

Defining Features of Comprehensive Affordable Housing Developments

- Permanently affordable
- Includes households earning less than 80% of AMI
- Rental housing
- Provides social services to residents
- Services are provided by professionals other than property managers
- At least one staff person is assigned to the housing development to coordinate/deliver these services

Figure 1. Defining Features of Comprehensive Affordable Housing Developments

Federal Programs Modeling Comprehensive Affordable Housing

The 1990 National Affordable Housing Act established the Family Self Sufficiency (FSS) program for households receiving housing assistance through one of HUD's programs. FSS is an initiative to empower low-income households in HUD-assisted housing to invest in their social capital, build wealth and become financially upwardly mobile. The FSS began by allocating grant funding to local Public Housing Authorities (PHAs). In 2014, FSS program authority expanded to private owners of Section 8 Project-Based rental assistance properties, which increased FSS access for an additional 1.2 million more households (Compass Working Capital and POAH 2018). The PHA or housing development receiving the award uses the funding for the salaries of coordinators and case managers. These staff members work with families to develop individualized plans for securing or improving employment, earnings and education. The coordinators, case managers and often the programs themselves are

based right within publically funded affordable housing developments or in the immediate surrounding neighborhood.

The unique feature of the program is that each family that participates enters into a five-year contract with the PHA and an escrow account is created for them. Any increase in rental contributions resulting from an increase in earnings (plus interest) is deposited into the escrow account and the total balance is given to the family upon successful completion of contractual program goals. The FSS is the first program to combine social services and housing in such an integrated way on such a large, national scale.

The 1990 Act was followed in 1991 by the HOPE VI program. This program was created at the recommendation of the National Commission on Severely Distressed Public Housing to demolish and rebuild deteriorating public housing across the country. The program sought revitalization in three areas: physical improvements, management improvements and community and social services⁷. HOPE VI grantee recipients needed to include a plan for providing these types of services as part of their applications for HOPE VI funding. Similar to FSS, the funding was often used for case manager or service coordinator salaries. Much of the time, the service provision was done by external private or nonprofit partners. Indeed, the government was encouraging PHAs to hire private partners for the management of the housing itself (Harvard Law Review 2003), and the same ended up being the case for the provision of social services.

7

https://portal.hud.gov/hudportal/HUD?src=/program_offices/public_indian_housing/programs/ph/hope6

In 2010 HOPE VI was replaced by its successor, Choice Neighborhoods, which had similar goals of revitalizing distressed public housing, but which incorporated adjustments based on lessons learned from HOPE VI implementation. Choice has three components: housing, people, and neighborhood. The “people” element is linked with the provision of services for residents. Choice Neighborhoods built upon the resident service models of HOPE VI-funded developments, which had already established relationships with community organizations in HOPE VI project neighborhoods. Choice tightened the administration of these services by requiring award applicants to have a social service provider identified for case management at the time of funding application. Whereas HOPE VI funding was limited to public housing overseen by PHAs, Choice funding is available to privately-owned, federally subsidized affordable housing, expanding access to resident support services to more households (Pendall and Hendey 2013).

Why Comprehensive Affordable Housing?

Low-income families face social and financial pressures from many directions. While subsidized housing may relieve the pressures caused by housing costs, low-income families often have a set of other needs that are challenging for them to meet on their own. The inability to meet these needs becomes a barrier that prevents families from taking advantage of opportunities for socioeconomic advancement. Some of these challenges include lack of affordable childcare, physical and mental health challenges, and low levels of education, to name a few. All these challenges, in turn, perpetuate poverty by becoming obstacles to the attainment of higher

education and/or to employment that pays a living wage and that could raise a family out of poverty.

The services offered in comprehensive affordable housing developments are meant to fill in these gaps in need and thus promote socioeconomic advancement. Services include childcare, health and wellness services, job search and job placement services and educational programs such as computer classes, GED classes, or after school programs. While the literature on comprehensive affordable housing developments is scarce, preliminary research has shown that, under certain circumstances, offering these types of services to residents within their residential settings can successfully lead to improved socioeconomic conditions for residents (Turner and Rawlings, 2005).

One of the most far-reaching studies done on the topic was the national Evaluation of HUD's Family Self-Sufficiency (FSS) Program. HUD conducted a four-year study on the FSS program outcomes, involving 100 PHA's and 181 resident participants. The study found that program graduates were more likely to be employed and to earn a higher income than enrolled participants who had not graduated from the program. Households that participated in the program in its entirety experienced, on average, a 68% increase in their income over the course of the program. 99 out of 100 PHA's in the HUD study used their own in-house staff to conduct case management, as opposed to outsourcing the case management to a third party organization, thus accomplishing successful results by efficiently using existing personnel resources (De Silva, et. al. 2011).

Another FSS study found that households participating in FSS increased their annual earnings by over \$13,000 over the course of four years (Lubell 2014). In a

recent FSS pilot program conducted by POAH and Compass working capital, FSS participants saw increases in income, decreases in welfare dependence, increases in credit scores and decreased debt, amongst other financial successes shown in Figure 2 below (Compass and POAH 2018). This is an indication of how impactful and successful resident services can be when they are place-based, and when they are set up in a way that is integrated into the everyday operations of a housing development (or in this case, a PHA).



Figure 2. Outcomes of an FSS program by Compass Working Capital and POAH reported in 2018

Within the local context of Boston, another relevant study was conducted at the Mission Main housing development by Chair of Boston University’s Social Welfare Policy program, Mary Elizabeth Collins, and her colleagues. The resident services offered at Mission Main were funded by the federal HOPE VI program discussed earlier in the chapter. Similar to the FSS program, this funding went towards the salaries of resident service coordinators who performed case management and referral work. The Mission Main resident services program provided the services related to socioeconomic mobility on-site, and supportive services that reduce barriers off-site. On-site services were for education and employment, including resume writing assistance, job search, job preparation and job placement, GED

classes, ESL classes, computer classes and after-school and summer programs. The program conducted external referrals for the other supportive services such as childcare and community health.

Program participants went through an intake process with service coordinators to determine their needs. They would then be enrolled in the appropriate on-site class or program to meet their educational and/or job-placement goals, and would be referred to an external provider for services that would eliminate barriers towards these goals (such as childcare). Collins and her colleagues tracked program participants over five years and found a 55% increase in the adult employment rate. 25% of employed adults experienced a 25% increase in earnings after one year, averaging to about \$1 per hour more per year (Collins et. al. 2005). In an interview about her work, Collins emphasized three main program components that contributed to these successful results. The first component is having knowledgeable staff who are skilled at community- and trust-building and who know the surrounding community and its resources well. The second is a wide range of programming that addresses the full spectrum of needs that low-income families might have. The third is the place-based component, which “decreases barriers for people” by providing services in an accessible way (Collins 2017). Place-based services are those which are either located directly on-site at an individual’s home, or which individuals are connected to by people such as resident service coordinators that do work directly on site where their housing is located. The key is that low-income individuals do not need to go out on their own to navigate a complex web of resources, but rather that they have a direct connection either by way of resources offered right where they live or by a person with whom they can interact on a regular

and dependable basis.

These are just two examples that reflect upon a broader theme that has emerged in the literature on the link between resident services and housing: when it comes to education and employment outcomes for low-income families in affordable housing developments, place-based solutions have a significant impact (Bratt 2008; Cohen and Phillips 1997; Collins et. al. 2005; Tatian and Snow 2005; Turner and Rawlings 2005). Given the history of the policies and trends that led to poverty being concentrated, it follows that the resident services needed to address the associated challenges should also be concentrated.

Opportunities and Challenges of Comprehensive Affordable Housing

While rigorous research on resident services in housing settings is scarce, scholars and practitioners who have studied and experienced the topic in their professional endeavors have identified opportunities and challenges of the comprehensive affordable housing model. The opportunity that is perhaps most evident is the ease of access to services that a comprehensive model provides for residents. Low-income households that do not live in a comprehensive development would otherwise need to navigate a complex web of resources on their own to

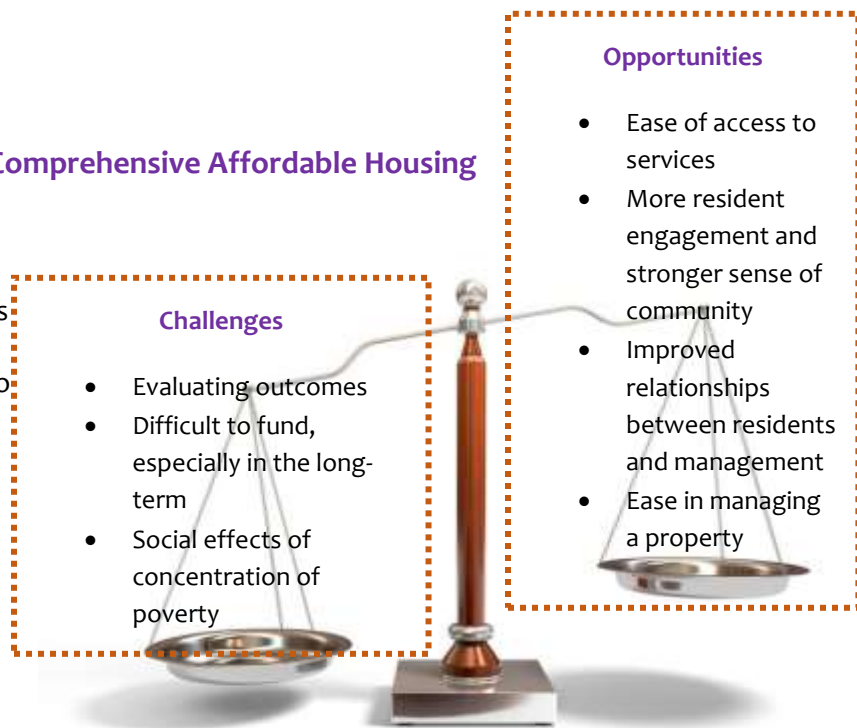


Figure 3.
Opportunities and Challenges of Comprehensive Affordable Housing

identify which services are available in their area and which meet their needs. For low-income families that may have to work multiple jobs to make ends meet or that have family responsibilities, finding the time to do this can be a challenge and can result in a household not accessing services at all, thus continuing to shoulder the burdens of poverty without support (Bratt 2008; Newman and Schnare 1994; Shlay 1993). On the other hand, comprehensive developments serve as a one-stop shop where residents can go to one coordinator or case manager for all their needs, and that professional is responsible for assisting the family in navigating the web of resources, thus facilitating access to services.

While the primary beneficiaries of the services offered in comprehensive affordable housing developments are the residents, the impacts of this model extend to benefit the larger community. Especially in developments where space is dedicated for service provision or other community gatherings, a comprehensive model can also be a catalyst for greater resident engagement and a strengthened sense of community. This sense of community is often accompanied by an increased sense of ownership among residents, who are then more likely to maintain their community, both in a physical sense and otherwise (Bratt 2008; Cohen and Phillips 1997).

Aside from improving the relationships amongst residents themselves, the comprehensive model can also improve relations between management and residents, and can lead to greater ease in property management. Residents who are more engaged, have a greater sense of ownership and who believe that management cares about their welfare are more likely to be cooperative when it

comes to maintenance and timely rental payments (Bratt 2008). As Cohen and Phillips put it:

The task is not to create building managers who are more sensitive or social workers who collect rent. Rather, there is a need for managers who are concerned about the welfare of the tenants and social workers who help tenants overcome whatever obstacles are preventing their payment of rent. (Cohen and Phillips 1997)

Dorchester Bay EDC's Director of Resident Services and Community Organizing department went further in a recent interview by saying:

“When you take the time to build trust and community, less disputes arise. And when they do, a strong community is able to resolve them more easily.” (Monteiro 2018)

The main challenges that researchers have identified with the comprehensive affordable housing model relate to the sustainability of the model itself and potential social effects on residents. One key challenge related to sustainability is the interrelatedness between evaluating outcomes and having adequate funding. As Bratt notes, the two are linked. In order to keep the funding flowing, resident service staff must show that program dollars are being used well by evaluating and demonstrating impact. However, it can be difficult to gather regular, robust program data from residents, especially low-income residents who often work long hours or multiple jobs.

Another challenge related to sustainability of comprehensive affordable housing developments relates to the social effects of a resident's socioeconomic situation or mobility. Residents who have shown socioeconomic mobility and are earning enough income to be able to move out of subsidized housing are in many ways success stories – those are the kinds of outcomes that indicate that the model is working. On the other hand, instead of that higher-earning household remaining in the community as an example and inspiration to others, that higher-earning household will leave and be replaced with another family living in poverty (Bratt

2008). Critics have argued that this perpetuates concentration of poverty. However, due to the income limits that government agencies place on subsidized housing developments, this issue is hard to address without substantial regulatory reform.

Implementing Comprehensive Affordable Housing: What Does it Take?

There are various choices to be made in the process of setting up and implementing comprehensive affordable housing developments and their associated service programming. The three primary choices are: identifying what type(s) of funding sources will support both the development and the programming; what type of entity will own and manage the operations of the housing development, and what type of content and approach will define the service delivery method. Different combinations of choices in each of these areas result in comprehensive affordable housing that looks different from case to case. What follows are descriptions and evaluations of the choices available within each of the three main components.

Funding

Resident services programs that improve resident education and employment could also result in increased earnings and greater financial stability for residents, and thus less likelihood for missed or late rent payments. Since rent collection accounts for a significant share of management efforts and can pose financial losses for property managers, a comprehensive model can also be considered a financial investment on the part of the development's owners and/or managers. The payoffs of such an investment benefits not only residents, but the community at large (Bratt 2008; Proscio 2006).

However, there are significant challenges to integrating resident services into affordable housing developments to create a comprehensive model. One of the greatest challenges is funding (Bratt 2008; Proscio 2006). Proscio summarizes this challenge as such:

In the vast majority of federal, state and local housing programs, the growing acknowledgement of the importance of services in affordable family housing remains a consensus in principle, not in dollars. As a result, the provision of these services tends to be paid for with a crazy quilt of private grants, social service contracts and scarce revenues from housing operations — all patched together, often in insufficient amounts, in patterns that vary from year to year, provider to provider and even building to building. (Proscio 2006)

Proscio goes on to identify three main sources of funding that can be used towards resident services in a rental housing setting - public funding, private funding, and capital or operating-source funding from the development itself.

Public Funding

Public funding for affordable housing-related endeavors can be administered on the federal level by the Department of Housing and Urban Development (HUD) to states, who then administer funding to localities (such as PHAs) within the state. However, as discussed in Chapter 1, until recently, public funding was limited to the development and operations of the physical housing itself. It was not until the establishment of the Family Self-Sufficiency Program within the 1990 National Affordable Housing Act that federal funding was allocated for programs and services for the residents within this housing. Even when this funding did become available for resident-focused programs, it has always been limited (Proscio 2006) and fluctuates from year to year depending on the political and budget climate.

Since the 1990 Act, there have been five HUD programs established to fund the provision of services pertaining to socioeconomic advancement for low-income residents that are assisted by HUD through public housing, housing vouchers or private subsidized multifamily housing. These programs are: the Family Self Sufficiency program (FSS), the Resident Opportunities and Self-Sufficiency Program (ROSS), Moving to Work, Jobs Plus and Choice Neighborhoods. The graph in Figure 4 shows the history of federal budget appropriations for each program since 1998. Some programs have experienced longevity in their funding stream over the years (such as ROSS) and even an increase in funding in recent years (such as FSS). However, other programs (such as Moving to Work and Jobs Plus) show erratic patterns of funding and are sometimes discontinued altogether for as long as a decade until a new administration is able to revive it under a different political climate. Even ROSS - the longest-running of these programs - has experienced ebbs and flows in funding depending on the political administration of the time. Furthermore, ROSS only services residents of public housing, who only make up about 25% of all HUD-assisted low-income rental households (McClure, 2017). Thus, while many PHAs have depended on public funding to run programs, and while these programs have served many families, public funding is limited in its ability to provide dependable, long-term funding that meets a significant portion of the need in comprehensive affordable housing developments.

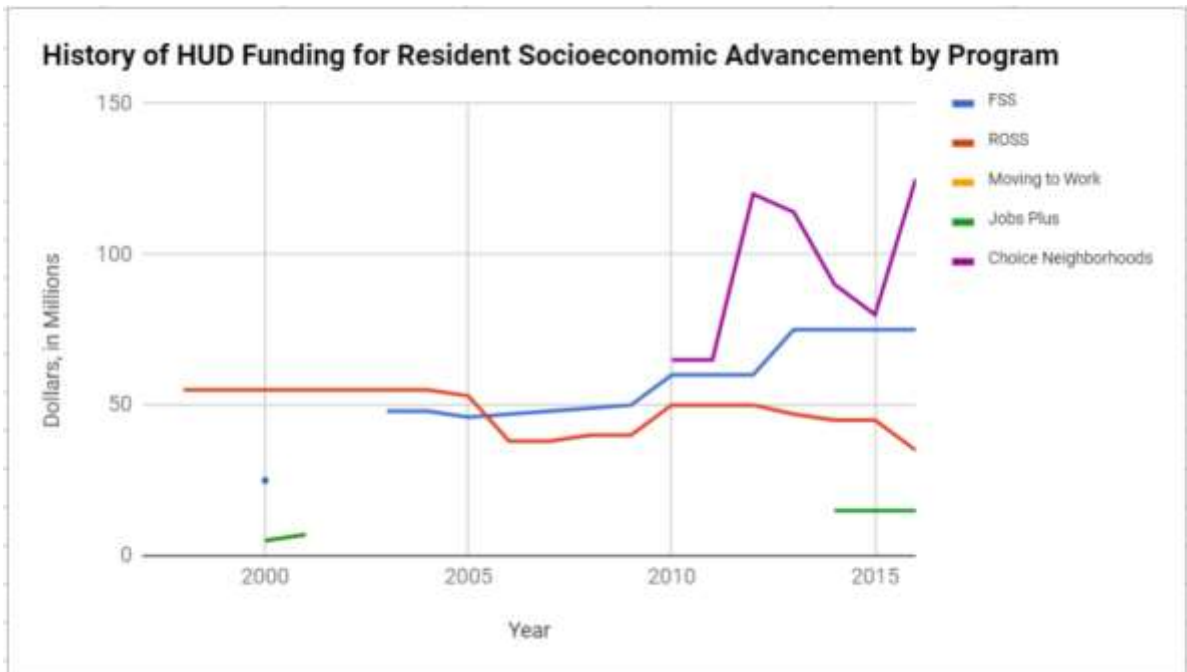


Figure 4. History of HUD Funding for Resident Socioeconomic Advancement by Program. Created by the author

Private Funding

The second source of potential funding for resident services that Proscio identifies is private funding. While this type of funding is the most common, it is also the least dependable. For one, funding is short-term in nature. Foundations and donors typically offer grants on a year-to-year basis; thus it is not a guaranteed consistent funding stream (Proscio 2006, Bratt 2008). Even when an organization re-applies for private funding, there is no guarantee that it will be available for the same purposes the following year. As a former Resident Services staff person at Dorchester Bay Economic Development Corporation laments, foundations often decide what they want to fund on any given year based on the “trending” social justice issues of the time. While one year they may be interested in socioeconomic mobility in low-income residents, the next year the foundation may decide that

promoting sustainability is a more worthy cause, and suddenly that funding is no longer available (Guerra 2017). While the challenges that low-income residents living in poverty face persist yearly, private entities' interests in these challenges do not.

Furthermore, the short-term nature of this funding source does not coincide with the time necessary for a household to develop their skills and assets to reach goals related to socioeconomic mobility, such as the completion of a training program, the attainment of a certificate or degree and, eventually, securing a well-paying full-time job. These are all milestones that take years to reach, and consistent support over the years to reach them.

Capital and Operating-Source Funding

To understand the opportunities and challenges associated with this type of funding, it is important to understand the general financing structure of affordable rental housing. In traditional market-rate rental housing settings, owners are able to cover the costs of development and operations with a combination of loans (capital) and the rental payments (operating revenue) made by tenants paying market-rate rent. However, because rents in affordable rental housing units are lower, the costs of development and/or operations cannot be covered with rental payments and traditional loans alone. This creates a gap, which can only be filled by public subsidy financing (see figure 5).

Why Subsidy?		
RENTAL SCENARIO:	60% AMI	"Market"
Income (per unit):	LIHTC unit @90%	
2 Bdrm Rent	\$1,300/mo	\$3,400/mo
less HUD utility allowance	(65)/mo	n/a
less vacancy @ 5%	(62)/mo	(170)/mo
Net Rental Income	14,079/yr	38,760/yr
Laundry Income (est. per unit)	100/yr	100/yr
Total Net Revenue per unit	14,179/yr	38,860/yr
Operating Expenses (estimated)	(9,500)/yr	(11,500)/yr
Net Operating Income	4,679/yr	27,360/yr
Capitalize NOI @ 6.0% affordable 5.0% market	\$77,983	\$547,200

RENTAL SCENARIO	60%	Market
Capitalized Value @ 6.5%/5%	\$ 77,983	\$ 547,200
Less Total Development Cost	(395,000)	(425,000)
= SURPLUS/(GAP)	(317,017)	122,200

Figure 5. The Affordable Housing "Gap." Source: Peter Roth, New Atlantic Development.

The situation illustrated in Figure 5 demonstrates the need for the "quilt" that Proscio was referring to. It does not just apply to funding of resident services, but rather to funding of affordable housing more generally. Because of this gap, funding the development and operation of affordable housing requires combining patches of funding from private sources, public sources and from operating revenue (mostly rent). Each source of funding comes with its own set of strings attached.

Demand for public subsidies for affordable housing projects far exceeds the amount of funding available. In order to sort through the competition to identify what they deem as projects worthy of funding, administrators of this public funding

set criteria. The more criteria a project is able to meet, the greater the project's chance of winning subsidy funding. Programs such as resident services often boosts a project's competitiveness (See Appendix A for the Massachusetts state housing agency's 2018 competitive criteria).

Private lenders have their own set of underwriting requirements. These requirements are quantified using measures to determine the project's financial ability to be able to repay the loan. One such measure is called the Net Operating Income (NOI), or the income left over after all operating expenses have been covered. Another measure is called the Debt Coverage Ratio (DCR), or the amount of a project's leftover income available pay back loans on the project. In affordable rental housing projects, lenders typically look for a healthy NOI (which varies depending on the size and operating features of a development) and a DCR of no less than 1.15. These requirements are more stringent than they are for market rate rental housing due to the perceived risk of having tenants with lower incomes and lower rental payments.

The effect of these requirements is to limit what owners and operators of affordable housing developments can spend their operating revenue on. Private lenders scrutinize every line item in an operating expense budget with a critical eye, and make lending decisions partially based on this scrutiny. Additional line items for expenses like resident services are often perceived by private lenders as inflated expenses that threaten the project's ability to meet their debt payment obligations. The irony in this is that these very features that are perceived as inflated expenses to private lenders are the features that could actually boost a project's competitiveness for public funding (as seen in Appendix A). So while private lenders discourage these

types of activities, public subsidy providers encourage it (Proscio 2006), making an already complex decision even more difficult for developers of affordable housing.

This scrutiny often leads developers to make concessions to appease lenders and be approved for funding. One common pitfall that can lead to a financially unstable resident service program is for resident services to be included as an item funded out of cash flow as opposed to being a line item in the operating budget. The difference is that the operating budget represents regular property expenses that must be paid for every year no matter what, and lenders and other investors get their share after those expenses have been paid for. However, a “below the line” item out of cash flow is one that is paid if there is money left over after paying all expenses of the operating budget and after paying all lenders and investors. After all these expenses are paid, there may or may not be funds leftover for an item paid out of cash flow. Thus, it is an extremely unstable source of funding.

If a development team of a new comprehensive affordable housing development is truly committed to providing quality, long-term resident services, the time to find a funding solution is at the beginning, when key decisions are being made and the financing package for the development is being put together before the development’s construction. This ensures that the resident services programming is set up well and is not an afterthought.

Figure 6. Summary Chart of Funding Sources for Comprehensive Affordable Housing.

Funding Source Type	Eligibility for Funding	Entity/ies Responsible	Stability of Funding Source over Time
Public subsidy	Highly competitive, resident services is often a requirement	Federal, state and city government agencies	High
Private sources/grants	Based on organization’s mission objectives in any given year	Foundations	Low
Operating revenue	Subject to lender scrutiny of line items	Lenders and investors	Line Item - High Cash Flow - low

Ownership & Operations: Public vs. Private-Public Partnerships

When thinking of ownership and operations of an affordable housing development, it is easy to just imagine property management companies that manage tenancies, rent collection and paperwork, and arms-length owners that collect monthly reports and oversee all this activity. While those are components of any housing development, when it comes to effective comprehensive affordable housing developments, the *who* is just as important as the *how*.

The entities responsible for the ownership and operations of a comprehensive affordable housing development have a significant stake in the development and affect the extent of the impact that can be made by initiatives meant to improve the socioeconomic mobility of its residents. As has been mentioned before, the two categories of entities that develop comprehensive affordable housing developments are public agencies and public-private partnerships. Ownership and management under each of these categories comes with their own sets of challenges and opportunities. As affordable housing development in the United States shifts from being carried out solely by public agencies to more

partnership-based approaches that combine the expertise and resources of both public and private entities, the challenges and opportunities associated with ownership and management of affordable housing developments by different entities becomes more relevant.

An affordable housing development that is entirely publicly owned and managed has the benefit of having one entity overseeing all aspects of the development. For the most part, these entities are metropolitan-based public housing agencies (PHAs) such as the Boston Housing Authority in Boston. All public housing under a PHA is owned and managed by the PHA. This comes with efficiencies that can allow resident service programs to run more smoothly and be accessible for more residents. The Family Self-Sufficiency program discussed in Chapter 1 is an example of this. It is an established public-housing specific program with a dedicated budget, and thus it has a relatively consistent set of resources - such as staff members - dedicated to implementing the program.

When ownership and operations are carried out by a public-private partnership, however, finding the personnel and resource capacity to deliver resident service programs is more challenging because these programs have to be set up anew in each housing development. There is not an established program base to dip into to be able to get initiatives up and running in an efficient way in the same way that occurs in PHA-run resident service programming. Limited personnel capacity limits the “caseload” that coordinators and other staff members are able to take on, and thus the quality and quantity of impact. There is also the need for the physical space to carry out programming, which is not as easily guaranteed in a development owned and managed through a public-private partnership as it is in publicly owned

developments that control large swaths of real estate. The large-scale nature of publicly-owned and managed developments allow for economies of scale that would not necessarily be achieved in developments owned and operated by public-private partnerships.

Despite these challenges, developments owned and operated through private-public partnerships often have flexibility that publicly-owned developments do not have, which can enhance the impact of resident services. For example, the owner may be a community-minded community development corporation that has the flexibility in deciding who to hire to perform the property management activities needed to operate the development. There are some property management companies that cooperate with resident service staff members more than others. They may engage in eviction prevention strategies or be willing to create payment plans for residents that have difficulty keeping up with their rental payments. These types of crisis management efforts support resident stability, which allows residents to have more success in their socioeconomic mobility efforts of improving their employment and education situations. Public housing agencies with stringent rent collection policies and regulations do not have the same flexibility and thus the success of their resident services can be limited in this respect.

[Service Delivery Models](#)

So far we have discussed the challenges and opportunities associated with two main components of a comprehensive affordable housing development - the funding structure and the ownership and management structure. The final component - the actual programming of education and employment services for residents - falls within the context of these other components of an affordable

housing development, whether the programming is financed by public sources, private sources, capital and operating sources, or a combination or whether the entities controlling the ownership and operations structure are public or a public-private partnership.

There are many models for housing-based employment and education programming. In some models, internal property management staff carry out the services, while other models have coordinators that outsource various services to non-profits and other organizations that specialize in them. In still other models, the provision of services is a combination of internal and external staff.

This latter model type is the case for the employment and education programming provided at the aforementioned Mission Main affordable housing community in Boston under the federal HOPE VI program. The HOPE VI program sought to decrease concentrations of poverty and increase self-sufficiency levels of low-income individuals and families. The program did this through the removal and redevelopment of public housing developments, with redeveloped communities including low-income residents as well as higher-income residents. Low-income residents received self-sufficiency support through HOPE VI-funded resident service programming.

Mission Main implemented 16 different types of resident service programming, providing services in childcare, health care, education and employment to 395 families. Education services included tutoring, SAT and GED prep, literacy and ESL education. Employment services included job search, readiness and placement services, targeted job training and connections to potential employers. These “socioeconomic mobility” related services related to education and

employment were provided by internal Mission Main staff, while residents were referred to outside providers for other types of services. All residents interested in attaining services would participate in an intake assessment to determine their needs, then would be matched with the appropriate service (Collins et. al 2005).

One unique feature of the programming at Mission Main is that while it took place at a public housing site with PHA management, it included components typically seen in affordable housing developments with outside management, such as advocacy services for residents with rental payment challenges. The program model type exemplified by the resident services programming at Mission Main was one centered around case management, where an individual or families' unique needs are assessed, serviced and monitored through frequent follow-ups with a case worker or resident service coordinator.

The model for educational programming at Mission Main is typical of many programs in comprehensive affordable housing development: subject-specific tutoring for school-aged children, as well as GED and ESL classroom-style education for adults. There is more variation, however, in offerings for employment services. There are three main forms of program design for employment services. The first focuses largely on the job-seeker, assisting them with overall job readiness and job search functions including resume writing and interviewing skills. Another approach takes both job-seeker and employers into account by providing industry-specific job training and/or partnering with specific employers to match them to job seekers. A third approach simply incentivizes work by providing work-related subsidies.

The Mission Main program included components of both job seeker-focused services as well as connections between job seekers and employers. Another federal

program - the Family Self-Sufficiency Program - provides job seeker-focused services but does not provide job training services or connections between job seekers and employers (De Silva et. al. 2011).

England is home to a unique example of combining a housing environment with employment opportunities through a program called Housing Plus. This program uses the operations of the housing development itself as a source of employment and job advancement for residents. The program encourages filling of maintenance positions by residents by providing them with apprenticeship opportunities to develop the relevant skills necessary for the job, and then resident service staff engage in the work of matching residents with maintenance job openings. This approach combines job training with employer-employee matching services by leveraging the operational needs of the housing development itself to provide employment and economic opportunity (Reeves 2014).

Still other models incentivize employment via subsidies. The New Hope Project in Milwaukee, Wisconsin is an example of this. New Hope participants were families from two low-income Milwaukee neighborhoods. The Program provided an earnings supplement or subsidized job to bring income to 200 percent of poverty for participants who worked a minimum of thirty hours a week. Participants received subsidized child care and health care, in addition to job placement assistance (Huston et al. 2003). Post-program measures show success in this method, with employment rates increased by 10% in Year 2, and an average 7% earnings increase over a five-year period. The program also had positive impacts on other non-economic outcomes, such as reduced reports of symptoms of depression, improvements in family

functioning, higher marriage rates and better outcomes for children (Weimar and Vining 2009).

The next chapter will show how these three primary features of comprehensive affordable housing developments – the funding structure, the ownership and operations structure and the resident service delivery model – plays out in our case study: Quincy Heights.

CHAPTER 3: CASE STUDY – QUINCY HEIGHTS

Quincy Heights: A Choice Neighborhoods Community

The Choice Neighborhoods Initiative was launched in 2010 by the U.S. Department of Housing and Urban Development to revitalize high-poverty neighborhoods into areas of opportunity. The program funds the redevelopment of affordable housing as well as resident services and neighborhood improvements. Together, these activities reflect the three main pillars of the Choice Neighborhoods program - housing, people and neighborhood (Pendall and Hendey 2013). In essence, Choice Neighborhoods are federally funded comprehensive affordable housing developments.

Choice builds upon its predecessor HOPE VI by viewing high-poverty communities as existing not in an isolated bubble, but rather within a broader neighborhood context. It was this shift in policy objectives that led to the neighborhood component, which qualifies neighborhood improvement activities as being eligible for funding. Choice also expanded the housing types eligible for program participation, expanding eligible housing from just public housing to inclusion of publicly-subsidized, privately-owned housing as well, which allowed Quincy Heights to be eligible.

Quincy Heights was one of five projects nationwide to win Choice funding in 2011. Many of the 16 buildings that comprise the Quincy Heights development were reaching the end of their useful life. Many of the structures were compromised, with outdated fire and heating systems and a lack of accessibility for handicapped residents. The redevelopment of Quincy Heights was a \$56 million project involving full renovation of 80 units and new construction of an additional 49 units for a total

of 129 units across 16 buildings in the Quincy Corridor area of the neighborhood of Dorchester in Boston, MA.

The project was completed in 2015. The development primarily houses families, with all but 11 units having two or more bedrooms. All households receive rental assistance. Special features of the project include fully upgraded fire and heating systems, substantial sustainable design features, including a building with solar and thermal panels and a tighter building envelope (walls and windows) for improved energy efficiency and heat retention. The project also has integrated supportive resident services, which is the reason why it was chosen as the case study for this work. Aside from Choice Neighborhoods funding, the project was also funded with Low Income Housing Tax Credit equity, city and state housing programs and loans from Mass Housing and Boston Private Bank.

The City of Boston designated the Quincy Corridor as an area of opportunity due to its high concentration of poverty and social challenges including crime and violence. Thirty-eight percent of the Quincy Corridor population earns an income below the poverty line and 38 percent of the housing units are subsidized, compared to city-wide average of 19 percent. While data for residents within the Quincy Heights development is not available for privacy reasons, the project has units dedicated to households earning 30 percent of AMI and 60 percent of AMI. Thus, from an income perspective, the residents living in Quincy Heights are representative of the resident population throughout the rest of the Quincy Corridor.



Figure 7. Map of Quincy Corridor and Quincy Heights
Sources: Boston Planning and Development Agency,
Dorchester Bay EDC.

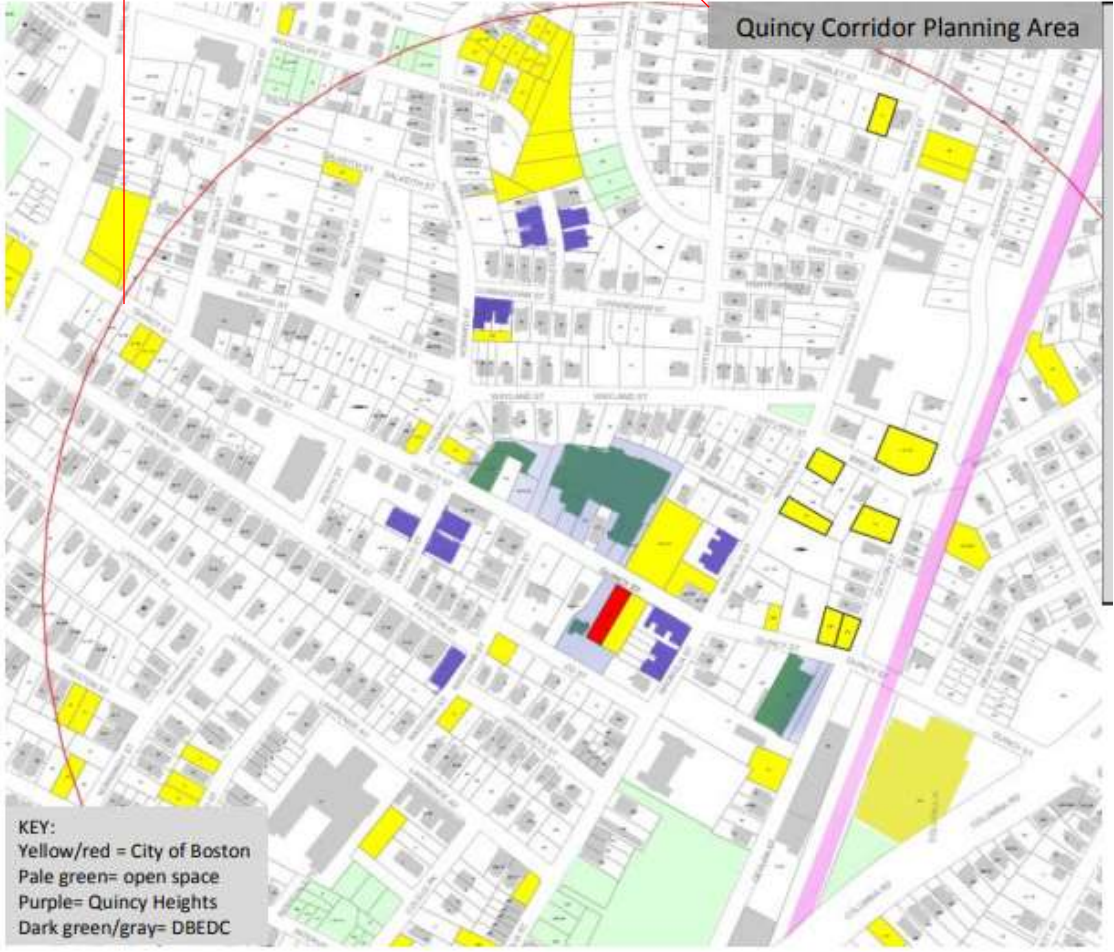




Figure 8. Quincy Heights photos provided by Dorchester Bay EDC



However, the area is rich in other assets, including a variety of school offerings and strong, effective community organizations. Dorchester overall is 78 percent non-white compared to 55 percent city-wide, and 25 percent of residents have attained a bachelor's degree or higher compared to 45 percent city-wide⁸.

The Comprehensive Model at Quincy Heights

Ownership and Operations

Formerly known as Marrant Bay, Quincy Heights was originally owned and operated by the for-profit management company United Housing Management (UHM). Due to the extensive capital needs of the properties, UHM entered into a purchase and sale agreement with a joint venture entity that represented a partnership between the nonprofits Dorchester Bay Economic Development Corporation (DBEDC) and Quincy Geneva Corporation (QG) to undertake the redevelopment. Through this agreement, both DBEDC and Quincy Geneva have ownership stakes in Quincy Heights, with DBEDC having the largest share of the ownership stake. DBEDC is a community development corporation (CDC) with almost 40 years of development experience and a rental portfolio of almost 1,000 affordable units throughout Dorchester. DBEDC's role in this partnership was to secure the funding and the development team (the architects, construction contractors, etc) to perform the renovation and new construction of the project.

⁸ Boston Planning and Development Agency. Dorchester Neighborhood Profile. June 2017. <http://www.bostonplans.org/getattachment/cf81f002-ca73-4e12-9f37-ce6cbdb865c3>

Quincy Geneva is another CDC rooted in the community with a history and focus of social programming offerings for community members. Quincy Geneva's role is to provide the staffing for the resident services at Quincy Heights by providing a resident service coordinator dedicated to Quincy Heights. They are also responsible for conducting community outreach to other community partners that can provide services not provided by DBEDC (see the Resident Service Plan in Figure 10). Quincy Geneva was also responsible for general community outreach, including recruitment of local and minority construction workers during the construction of this project.

The partnership represents a joining of two different types of expertise - real estate development and community engagement and services. United Housing Management continues to act as the property manager, continuing a history of affordable housing management expertise and resident relationships that have been developed over years of management. Quincy Heights thus represents a public-private partnership ownership and operations model, where a CDC as a nonprofit corporation entity develops and owns the property, a private management company manages the property, and the housing operates on public subsidy from the Section 8 program.

Figure 9. Relationship Between Quincy Heights Partnership Entities

Entity	Dorchester Bay EDC	Quincy Geneva	United Housing Management
Role	<p><i>Owner and Developer</i></p> <ul style="list-style-type: none"> Responsible for the redevelopment and new construction (secured financing, engaged development team) Oversees compliance with Section 8 and other affordable housing requirements Monitors financial performance of the property Provides some resident services in-house, such as summer and after-school program and job referral services 	<p><i>Co-Owner</i></p> <ul style="list-style-type: none"> Provides resident service coordinator Eviction prevention (trained by DBEDC) Mediation between residents and property management 	<p><i>Property Manager</i></p> <ul style="list-style-type: none"> Physical maintenance of the property Rent collection
Interest	<p>Operate a successful real estate asset.</p> <p>Promote resident socioeconomic development.</p> <p>Earn development fee.</p>	<p>Continue providing resident service coordinator as part of obligations for maintaining ownership interest.</p>	<p>Maintain property in good physical condition.</p> <p>Timely collection of rental payments, including avoiding vacancies.</p>

The Funding Structure

The traditional challenges associated with funding resident services are not as pronounced at Quincy Heights. Whereas public-private partnerships would normally need to consolidate various sources of funding for various programs through a combination of grants and potentially operating revenue (the “crazy quilt” that Proscio describes in Chapter 2), review of internal financial documentation and interviews with RICO staff revealed that there are two sources at Quincy Heights that

provide a consistent stream of funding for resident service programs within the operating budget: Choice and the MassHousing Tenant Assistance Program (Monteiro 2018). Choice (a public funding source) provides \$109,000 in resident service funding annually, while Mass Housing (a quasi-private funding source) provides \$10 per unit per year for DBEDC's entire portfolio (Monteiro 2018). Both of these sources fund the salaries of resident service coordinators. The stability of these funding sources eliminates the potential for fluctuations in funding - and thus in programmatic offerings - from year to year.

Service Delivery Model

The Services

The Quincy Heights resident services plan called for a significant increase in the level of services provided to Quincy Heights residents. Through a series of partnerships with organizations and institutions ranging from healthcare centers to public schools to nonprofits, the "people" component of the Quincy Heights resident services plan includes an array of services. These services range from mental health counseling to literacy programming to job linkage. The table on the next page below lays out the resident service plan that was established in 2011.

According to the Resident Initiatives and Community Organizing (RICO) Director at Dorchester Bay, who was responsible for the formulation of this plan and who currently oversees it, the plan is designed to respond to the needs identified in an extensive resident outreach effort done prior to the Quincy Heights redevelopment (Monteiro 2018). This outreach yielded four key areas that residents reported needing supports in.

- Job Training & Placement – thirty percent of residents were unemployed and looking for work at the time of the Quincy Heights redevelopment, and 60% of residents reported job training and placement services as their number one service need. The job linkage/placement services are meant to address this need.
- English as a Second Language - The lack of English language skills is a barrier for many residents in various areas of life, including obtaining employment and navigating daily life.
- Transportation - The Quincy Corridor area is not serviced by reliable public transportation. There are no reliable rapid transit stations nearby and residents need to rely on overcrowded buses held up by traffic to travel to daily commitments such as work and school. The Quincy Heights Initiative is part of a broader initiative led by the City of Boston and local community organizations to increase transit access and promote investment in neighborhoods surrounding transit stations on the Fairmount commuter rail line, which include the Quincy Corridor.
- After School and Summer Programs - The Quincy Corridor area experiences a heightened level of violence and criminal activity. After school and summer programs provide opportunities for youth to utilize their idle time in a positive and constructive way to keep them away from these types of activities.

Some of the services are offered “in-house” by the owner, Dorchester Bay EDC. This means that residents are not referred out to an organization external to the development, but rather DBEDC itself as partial owner of Quincy Heights provides these services. In addition to its affordable housing development activity, Dorchester Bay also houses an economic development division that provides loans and technical assistance to small business owners, a youth leadership development program, a reentry program and job preparation and placement services. The resident services plan outlined above has evolved to take advantage of these in-house offerings. The reentry program, after school and summer programs, the adult computer literacy program and job placement services in the Quincy Heights resident service plan are offered by DBEDC. All other services are offered by the partners identified, and thus residents are referred out to those other providers for those services.

Figure 10. Quincy Heights Resident Services Plan.

Service	Provided by Dorchester Bay and/or Quincy Geneva	Provided by Other Agencies
After School Programs, with access to computers and homework help	✓	Project RIGHT Roxbury YMCA Nuestra Comunidad Development Corporation United Housing Management
Adult GED		College Bound Dorchester Roxbury Multi-Service Center
Comprehensive medical and dental services		Uphams Corner Health Center
Computer classes at all levels, in English, Spanish, Cape Verdean Creole, and Somali	✓	Grove Hall Community Center, Library Freedom House Roxbury Multi-Service Center Roxbury YMCA Catholic Charities (Haitian, Spanish)
Coordination of homeless services		HomeStart
ESL and ESOL	✓	College Bound Dorchester
Ex-offender re-entry	✓	
Job linkage/placement program	✓	Project RIGHT Dudley Street Neighborhood Initiative
Loan resolution counseling	✓	Nuestra Comunidad
Mental Health, Substance Abuse counseling/treatment		Roxbury Multi-Service Center Uphams Corner Health Center
Resident Associations & organizing	✓	Project RIGHT Nuestra Comunidad
Senior Programs	✓	Greater Boston Elder Service, Roxbury ABCD
Small Business loans & assistance	✓	Grove Hall Main Street
Summer Camp	✓	Kroc Center, United Housing Management
Teen/youth programs	✓	Project RIGHT, Kroc Center
Vocational Training and Services	✓	Strive, Jobs For Youth Network, Youth Options Unlimited

Because this work concerns itself with services pertaining to socioeconomic mobility, the focus will turn to one specific program at Quincy Heights, its job linkage/placement service. The job placement service was originally planned as a service that would be outsourced, but this service is currently offered at Quincy Heights through the Fairmount Job Referral Network (FJRN), which has a base in-house at DBEDC. This initiative is a collaboration between three community development corporations (CDCs) that service communities along the Fairmount transit line, which runs through the Boston neighborhoods of Dorchester, Mattapan and Hyde Park. There is renewed interest in the Fairmount line as a transit corridor with the potential for reinvestment. Due to patterns of gentrification and displacement that have emerged in other Boston communities that experienced reinvestment, the leaders of these CDCs created the FJRN as a way to ensure that economic opportunity resulting from reinvestment along the Fairmount corridor would benefit the existing residents of the community. To this end, the FJRN emerged as a forum through which employers and job seekers can be connected.

The FJRN job placement specialist - based out of DBEDC offices part of the week - is responsible for maintaining an up-to-date inventory of job and training opportunities available, assisting job seekers in preparing themselves for employment and matching job seekers with opportunities. Thus, this model is a combination of the job-seeker focused approach and the employer partnership approach discussed in Chapter 2.

The Delivery

While the services offered are one component of the comprehensive resident services program, *how* the services are offered - or the service delivery model - is another component. The service delivery model is defined by who offers the services and how residents are connected. At Quincy Heights, the Resident Service Coordinator (staffed by Quincy Geneva) is responsible for being that point of connection that identifies resident needs and connects residents with the services that meet those needs.

This is done in two ways. First, there is an initial contact with new households (the “intake” meeting), where the resident service coordinator meets with each new family to get to know them and identify any needs. Secondly, there is the more ongoing connection that happens on a more community-wide level in the form of monthly community events. These vary in nature from holiday celebrations to workshops, but all of them serve as a central point of encounter for all residents to attend, build community and learn about programming offers that they can take advantage of (Rosenwald 2018).

Once resident needs are identified either through an intake interview or through a community event, the resident is referred to the appropriate provider, whether that be a program offered by the owner of the development - DBEDC - or by an outside partner. The resident service coordinator is responsible for tracking this outreach and furnishing monthly reports to the RICO director detailing how many residents were contacted individually or attended monthly community events.

This work sought to learn about the model exemplified at Quincy Heights from multiple perspectives in order to gain a broad range of insights about the development. To this end, the research ranged from in-depth review of property documentation such as the resident service plan and internal reports, development plans and financial statements, to conversations with residents and staff from-Dorchester Bay EDC.

The final chapter will use insights gained from these various research methods to identify components of the Quincy Heights model that have worked well and challenges that Quincy Heights has experienced as they relate to the resident services and its impacts on the socioeconomic mobility of residents.

CHAPTER 4: INSIGHTS

Due to the many unique aspects of Quincy Heights, it is not possible to uniformly apply lessons learned from this case study to all comprehensive affordable housing developments. Nevertheless, the research conducted as part of this work did yield valuable insights that are worth considering in any environment where resident services are integrated into an affordable housing setting. This work sought to discover these insights by posing the following research questions at the beginning of this thesis, which are restated here:

- 1. What does the comprehensive affordable housing approach entail?**
- 2. How did the idea for comprehensive affordable housing developments come about? How has the historical context of the affordable housing landscape informed the way modern comprehensive affordable housing developments are structured?**
- 3. What are the main components that go into structuring a comprehensive affordable housing development?**
- 4. What are the benefits of the comprehensive affordable housing approach? What are the drawbacks?**
- 5. What can Quincy Heights teach us about how comprehensive affordable housing developments are structured and how the lives of low-income residents are impacted?**

I used three methods for answering these research questions. The first method entailed an in-depth literature review of the housing and services model and of the housing and social policies within which it is contextualized. The second method was case study research, which involved review and analysis of dozens of documents including partnership agreements with investors and community partners, financial models demonstrating the financing sources for the project and how funds flow

through the operations of the development, and reports detailing the effectiveness of resident service programs today. Finally, this documentation review and analysis was supplemented by interviews with real estate development staff, heads of the resident services department, resident service coordinators, property management staff and residents themselves. A significant portion of the insights gained were derived from these conversations, in which staff and residents gave candid opinions about their views on how the comprehensive affordable housing model has worked at Quincy Heights.

What can Quincy Heights teach us about modeling a comprehensive affordable housing development?

Partnerships

Opportunities

The Quincy Heights partnership represents the joining of three strong community organizations. While each is experienced in their respective specialties, on their own they could not achieve what has been achieved at Quincy Heights. A comprehensive affordable housing development has many components: building up the bricks and mortar (housing development), keeping the housing development running (property management) and building up the low-income

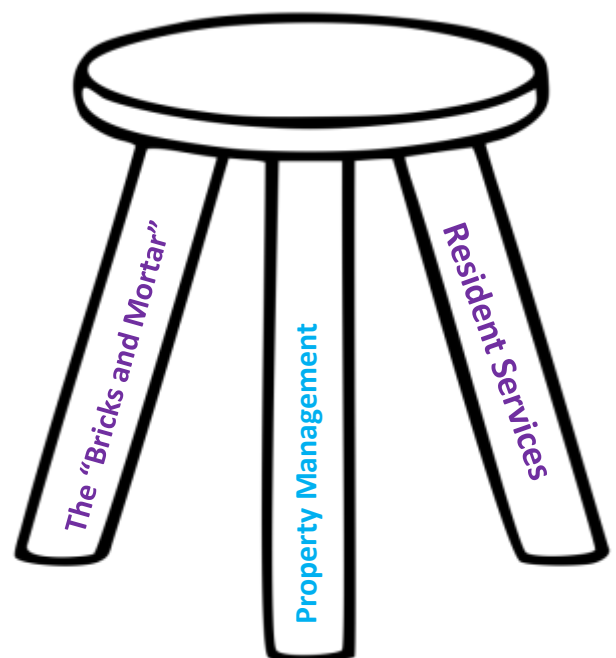


Figure 11. The Three "Legs" of Comprehensive Affordable Housing Developments

residents within the development by providing them with the tools and connections they need to both stay in their homes through stable tenancies and to succeed and rise up out of poverty (resident services).

The joint-venture public-private partnership ownership model of Quincy Heights leverages the various kinds of expertise and resources necessary to develop and operate a successful comprehensive affordable housing development in a way that has positive impacts on the residents, the end users. The partnership team that came together to create Quincy Heights recognized that each component is equally important in a comprehensive affordable housing development, and that no one organization could alone undertake all components. For this reason, Dorchester Bay EDC took charge of the housing development, United Housing Management took responsibility for the property management, and Quincy Geneva CDC undertook the “people” component. Staff such as the RICO Director and property managers at UHM expressed in their interviews the value of this type of partnership. In their opinions, each individual ownership entity did not have adequate resources on its own to meet the myriad types of needs that residents have (healthcare needs, educational needs, employment needs, etc).

However, by combining the expertise of the three ownership entities, the partnership has been able to come up with a resident service program that brings all their resources to residents through the resident services coordinators in a streamlined delivery system. Dorchester Bay EDC has in-house programming (such as the job training and placement services, youth program, etc.) that the other partners do not provide, but does not have the same kinds of relationships with other

community partners that Quincy Geneva does (Monteiro 2018). The partnership allows residents to benefit from the resources and relationships that each organization has.

Even beyond this three-way partnership arrangement, the community connections that the resident service providers have to *other* service providers in the community is another key aspect of a strong partnership. For example, healthcare services are not provided by resident service providers, but they have connections to various community health centers and other health providers in the community. Thus, the resident services component of the partnership does not end with just the organization running the resident service programming or the coordinators executing it, but rather it extends and branches out even further to the partnerships and relationships with other community service providers.

A partnership like Quincy Heights also provides an opportunity for improving management-tenant relations. Private management companies with no resident service component would normally operate under strict and inflexible rules and policies that do not take individual circumstances of households into account, including unexpected events such as emergencies or job losses. This often leads to hasty and costly evictions, leaving a low-income family in a precarious situation in terms of housing stability, and often at high risk of falling into homelessness. The resident service coordinator at Quincy Heights acts as the liaison and advocate between tenants and management when such situations arise, providing services such as eviction prevention that would not exist in a purely private context, thus providing added value to both residents and management. These services avoid

costly unit turnovers for management and provide stability to families by keeping them housed. This arrangement is worked into the structure and practice of the partnership itself through weekly check in meetings between the resident service coordinator from Quincy Geneva and the property managers at UHM, where they discuss issues that have arisen with tenants and how to mitigate issues. This collaborative relationship between resident service coordinators and property management staff is a part of DBEDC's *modus operandi* and is practiced throughout all the properties in DBEDC's portfolio.

Finally, partnerships can create economic opportunities for low-income residents. The case study research performed for this work demonstrated that the Quincy Heights model has resulted in socioeconomic benefits for residents particularly in the area of employment and earnings. Interviews and internal project documentation show that the resident service coordinators and Dorchester Bay EDC as owners serve - as one resident called it - as a "bridge" between residents and jobs that residents would otherwise not have access to.

A recent interview with a Quincy Heights resident demonstrated how this "bridge" works. This resident is a single mother with three children who was unemployed at one point in 2017. A recent immigrant, she often did not have time to go out and look for jobs, nor did she know where to start looking. One day she attended an event organized by resident service staff at Quincy Heights, where they were providing job search support. Soon thereafter, this resident secured an office position, where she continued to be employed for one year. This real-world example

demonstrates how place-based services provides connections and access that lead to a plethora of opportunities for low-income residents⁹.

Another example of how the comprehensive model itself cultivates job connections and employment opportunities is the Bornstein Pearl food production center. This center is another Dorchester Bay property that serves as an incubation and innovation center for food entrepreneurs, from food truck owners to caterers. As a condition of tenancy at Pearl, Dorchester Bay requires all businesses to agree in their leases to strive for high local hiring standards, which includes hiring residents from neighboring properties such as Quincy Heights.

Businesses do so by reporting open job positions to Dorchester Bay's job coordinator, who then works closely with resident service coordinators to conduct outreach to and recruitment of local residents. Resident service coordinators advertise the positions to the residents that they have relationships with, and the job coordinator helps residents prepare for the interview process. These concerted efforts have proven successful -- a recent survey of the small businesses that operate out of Pearl indicates that 54 percent of new jobs at Pearl were filled by residents of the surrounding Dorchester neighborhood.¹⁰

The case of Quincy Heights demonstrates the crucial impact that partnerships have in increasing employment opportunities for local low-income residents. The employment opportunities at the Pearl food production center would not be as

⁹ Source: Anonymous personal interview with a Quincy Heights resident conducted on June 18, 2018

¹⁰ Source: DBEDC Annual Pearl Jobs Survey, 2017. Local residents are defined as individuals residing in zip codes 02119, 02121, and 02125.

readily accessible to local residents if it were not for the purposeful efforts of a mission-driven organization to push for the highest standards of local hiring for its business tenants, and to follow through on that commitment. Each and every player in that process - employers, resident service coordinators and the job coordinator - plays a crucial role, and the effort would not be successful without every single one of them. This case study shows the importance of stakeholder collaboration in achieving socioeconomic advancement opportunities in the form of greater employment for local low-income residents.

Challenges

The challenges associated with this partnership are ones that would exist in any other similar context where various organizations are coming together in a joint venture. Coordination is one such challenge. Systems and information need to be exchanged regularly and seamlessly between all three entities in order for Quincy Heights to run successfully. The more organizations involved, the more likely it is for communication to fall between the cracks and for misunderstanding to arise (Monteiro 2018).

The contractual nature of the Quincy Heights partnership limits flexibility in terms of service partners. For example, under the partnership agreement, the partner responsible for service provision must train resident service coordinators and provide adequate staffing to meet the needs of the residents at Quincy Heights. However, recent staff turnover has led to understaffing, and Dorchester Bay EDC does not have the ability to find other service providers due contractual obligations. This kind of

challenge underscores the importance of contingency planning to allow for flexibility in service provision so that there are adequate neighborhood resources to match with the needs of residents. Staff such as the Director of RICO at DBEDC recognize and mitigate this challenge with regular reporting and meetings between the entities (Monteiro 2018).

The Timing of Resources

Every affordable housing development in every community has a set of characteristics unique to their geography, their local economy, their residents and a host of other societal factors. In turn, how a comprehensive affordable housing development is designed and run to meet the particular needs of its residents looks different in different places. However, no matter what the environment, if a comprehensive affordable housing development is to be effective in supporting low-income residents towards socioeconomic mobility, it needs adequate resources - both financial and non-financial.

Quincy Heights is a special case because it was one of the handful of recipients across the country to receive a very rare source of financial resources - the time limited and administration-specific Choice Neighborhoods funding. However, the vast majority of affordable housing developments across the United States do not have access to such a pool of funds. For the rest of these existing and future comprehensive affordable housing developments, other funding sources must be sought.

A key consideration with regards to resources is the timing when they are sought and put in place. As mentioned in Chapter 2, the best time to line up resources with resident service programming in mind is during the development phase, when the plan for the project and its resources is being put together. Bringing in the consideration of resources for resident service programming during this phase is an important part of ensuring that the financial needs of the resident service programming are accounted for from the beginning as part of the development's regular operations. Otherwise, if funding for resident services is done as an afterthought, depending on the financial performance of a property in any given year, there may not be a consistent stream of resources to continue programming year after year.

Dorchester Bay EDC's Director of Resident Services and Director of Asset Management warn against leaving resident service funding as a "below the line" cash flow expense (Monteiro 2018). These type of expenses only get funded if there are funds left over from a property after all operations expenses and debt service is paid to funders and investors. If a property does not have a successful year in operations, resident service programs may be cut, and the residents in those programs will not receive quality, consistent services. This is especially important for the type of resident service programming related to socioeconomic mobility, which tends to be long-term in nature (such as preparation for higher education or saving for a home). This is why setting up a funding plan that treats resident services like an integral part of a property's operations during the development phase is key in ensuring its longevity and effectiveness. This integration piece is what separates a comprehensive affordable housing development from a "housing+services" model.

The ownership entity of Quincy Heights recognized the importance of lining up resources for resident services during the development stage, and instituted the funding through the Choice and MassHousing Tenant Assistance programs mentioned in the case study description in Chapter 3. This is another example of the added value that having a partnership provides, since this MassHousing funding is only available to developments that meet the underwriting criteria the agency uses to determine eligibility for financing from them. Thus, without DBEDC's involvement in the partnership, the resident service programming would not have access to this funding source. Whether the programming is financed through public or private grants or investment or out of the development's operational budget, identifying and securing the resources necessary for a quality, long-lasting resident service program during the development phase is key.

[Modeling Resident Services](#)

Opportunities

Some modern day property management companies have staff members with roles similar to a resident service coordinator. In those roles, these staff members are similarly responsible for assessing the social needs of residents, connecting them with programs and services and creating opportunities for residents to connect with each other and build community, similar to what is done at the monthly events at Quincy Heights.

Though there are many efficiencies that can be achieved with this model, ultimately that staff person's loyalty is to the property management company as their employer. These relationship dynamics affect the role of the resident service

coordinator in a way that may not always work in the best interest of the resident. For this reason, having third party resident service staff that do not share a formal affiliation with the development's property management company is a good practice for comprehensive affordable housing developments.

Resident service coordinators at Quincy Heights are not employees of United Housing Management. This arrangement allows the resident service coordinator to approach disputes between residents and property management (such as rent collection or eviction disputes) in an impartial manner. As resident interviews revealed, having a "third party" resident service coordinator that acts as an advocate for resident interests fosters trust between residents and resident service coordinators. Resident service coordinators foster understanding between residents and property management, advocate for and represent residents effectively, and can reach mutually beneficial agreements.

The eviction prevention services offered by the resident service staff at Quincy Heights is one example of how having third party resident service staff can work in the best interest of residents. This type of service is one of the components of the comprehensive affordable housing model that provide great value over and above traditional affordable housing developments. When residents find themselves in a position of being unable to pay rent due to various life circumstances, resident service coordinators at Quincy Heights intervene, acting - as one service coordinator described it - "as the bridge between residents and management" (Rosenwald, 2018).

The goal of property management companies is to run a financially and physically healthy property. They will do whatever it takes to collect timely rent

payments and eliminate vacancies, including those caused by eviction. In a traditional rental housing development setting, as soon as a household is one month in arrears, an eviction process is begun. Often there is little communication between management and a resident before this point. And once the situation has reached the point of eviction proceedings, tensions are already high.

Resident service coordinators at Quincy Heights and at all Dorchester Bay properties take a different approach. They act as advocates for residents to prevent eviction and potential homelessness and keep families housed. Property management must notify the resident service coordinator prior to issuing any eviction notice, and a meeting between the tenant, the resident service coordinator and property management must follow. Often meetings end with rental payment plans that meet the goals of both sides, resulting in dozens of families remaining housed and avoiding the devastating impacts of eviction. Without a comprehensive affordable housing system with resident services in place, these families would have been the victims of business as usual and may have faced homelessness.

Challenges

According to Dorchester Bay EDC's Director of Resident Services and Community Organizing, they recently implemented a universal reporting and data gathering system to improve tracking. (Monteiro 2018). Just like many organizations operating and managing comprehensive affordable housing developments (Bratt 2008), tracking services and resident outcomes was a challenge for DBEDC. The new tracking system allows all resident service coordinators report data on a monthly

basis such as the number of households they contacted, the quality of the contact, the number of community events held, and the quality of the community events.

Although the implementation of this standardized evaluation and data gathering system at Quincy Heights and throughout other DBEDC properties is a start to more robust program evaluation, there are other indicators that would reveal valuable information about the services themselves. For example, another indicator reporting whether or not a household was connected to a service and what the impacts or outcomes of that connection were could further improve evaluation.

[Resident Impacts](#)

Connection to and Awareness of Resources

The crux of the positive socioeconomic impacts that comprehensive affordable housing developments such as Quincy Heights have on residents lies in *connections*. These include connections made between residents and other residents, between residents and programs, between residents and resources and between residents and jobs (see the Pearl example above). As the research presented in Chapter 1 demonstrates, neighborhoods that experience concentrated poverty are often devoid of the resources that individuals need to not only meet their basic needs, but also to thrive and live a happy and fulfilled life. In order to access these resources, people often need to go out of their neighborhood (and out of their way) to even access the resources. Once they do, there are often complex systems they need to navigate to secure such resources.

Systems such as tax-funded public schools result in a void of quality school options for children in low-income communities that do not generate a large tax pool.

These communities also often lack access to other resources including quality healthcare, employment opportunities, supermarkets and healthy food choices, capital, and many other resources. To access these resources, low-income individuals need to navigate complex systems that are usually physically and metaphorically remote from their communities.

The design of comprehensive affordable housing developments as place-based systems effectively gather all those resources, which are usually remote and not easily or immediately available or accessible - to one place: a family's home. The effect of this is not to be understated - it cuts out the need to navigate complex systems and brings resources to the doorsteps of residents. However, socioeconomic benefits for residents are not just achieved by placing a group of resident service coordinators that know of the best resources for education and employment into an affordable housing development. The next step beyond setting up that model is the outreach and awareness building: residents need to *know* these resources exist and are available to them. Therefore, a crucial component is information dissemination, which requires intentional, consistent and carefully thought out outreach efforts. When all these things are in place, the result is resident exposure and access to resources they need for their personal advancement.

Making Upward Mobility a Social Norm

The research referenced in Chapter 1 demonstrates how the concentration of poverty can create isolated social environments within which social norms are set and reinforced (Wilson 2012). When it comes to socioeconomic advancement of individuals within high-poverty communities, what results is the establishment of

social norms that serve to perpetuate poverty, such as weak connections to the labor market.

The work that resident service coordinators in Quincy Heights do fights against these norms and self-imposed limitations and shows residents what is out there for them and what is possible to achieve in terms of socioeconomic mobility. The more residents participate in services and programming and successfully achieve results such as employment, higher earnings or higher educational attainment, the more those actions and behaviors permeate a previously established social norm. Social norms of low involvement with the labor market slowly begin to be disrupted, and a new social norm of achievement begins to emerge. This has a self-perpetuating nature to it, as youth who grow up in an environment with new social norms will begin to take those new norms on as their own. What results is a community with a new mindset, which changes from stagnation and hopelessness to advancement and hope.

CONCLUSIONS

The concentrated nature of much of the poverty that exists in neighborhoods across the United States is not just a coincidental side effect of affordable housing policies. Rather, decades of housing and social policies in the United States created the circumstances within which concentrated poverty flourished. Low-income families living in areas of concentrated poverty are denied opportunities to pursue the highest quality of life for their families. These families often live in communities isolated from the supports and resources they need to work their way out of poverty. To access these resources, families often need to navigate a complex web of systems and agencies. When they do manage to increase their income, the “cliff effect” is triggered – families lose assistance for needs like food and housing, which often undoes any benefit from earning higher wages. This phenomenon has the effect of sending families two steps backwards after making a step forward.

Programs such as the Family Self Sufficiency (FSS) program emerged in response to these issues. These kinds of programs built in the consistent support and connections to resources that families needed to become upwardly mobile over time, and provided the gradual incentives to do so without falling into the pit of the cliff effect. At the heart of the success of these programs is its place-based nature, which brings the supports right to people’s home, preventing them from needing to navigate complex systems on their own.

This work explored how the spirit of these kinds of place-based programs with resident services on-site could be replicated throughout affordable housing developments, in a model termed *comprehensive affordable housing developments*. Comprehensive affordable housing developments refer to affordable housing developments that integrate the resident service component into the fabric of the

development itself, all the way from the development's original financing package through to the daily operations of the property.

While programs such as FSS have been undertaken by public entities, the comprehensive affordable housing development model is one that fits well within the public-private partnerships that are beginning to characterize a growing number of affordable housing developments today. This work looked closely at one such partnership through a case study of a development called Quincy Heights, located in the Dorchester neighborhood of Boston, MA. Quincy Heights is a 129 unit affordable housing development co-owned by Dorchester Bay EDC (DBEDC) and Quincy Geneva – two local community nonprofits.

The Quincy Heights partnership model represents valuable contributions to the comprehensive affordable housing model. First it combines the expertise of three entities – a nonprofit developer, a nonprofit resident service provider and a for-profit property management company – in a way that maximizes the contributions of each entity and the benefit to residents. This strategic partnership allowed for unique leveraging of partner resources, such as residents of Quincy Heights getting priority recruitment benefits for job openings at food businesses operating out of DBEDC-owned kitchen incubator space.

Resident services were included “above the line” in the operating budget, and funding was identified for this programming at very early stages of project planning, to avoid erratic resource allocation and programming instability. This allowed for the consistency and longevity of programming. The resident service staffing at Quincy Heights is separate from property management, coming from Quincy Geneva as a “third party.” This kind of arrangement fosters trust from

residents as well as collaboration between resident service staff and property management staff as they work together to identify and mitigate resident issues, such as taking steps to actively prevent evictions. Interviews showed how the Quincy Heights model increases resident awareness of and access to resources that aid in their socioeconomic mobility. These kinds of models have the potential to promote upward socioeconomic mobility as a social norm.

This work does not pretend to make any overarching claims about the effectiveness of one kind of comprehensive affordable housing model over another. Rather, the approach here was to deeply examine one case study in an effort to identify characteristics that may be worth replicating in other models. Because the literature on comprehensive affordable housing developments is scarce, there are many opportunities for future research on unexplored aspects of this model. For example, more rigorous and large-scale analyses on the impacts of place-based resident services on resident income would be very valuable. It would also be interesting to compare the performance and stability of resident services funded “above the line” compared to those funded “below the line.” Whatever the direction of future research may be, comprehensive affordable housing developments are worth more serious contemplation by practitioners and policymakers alike. After all, if the challenges of poverty are concentrated, so, too, should the solutions be.

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