

INCREASING THE ROI FOR AFFORDABLE HOUSING WITH AN INVESTMENT IN HUMAN CAPITAL

Presented by



The development of affordable housing is, at its core, an investment in people. Those who develop and manage properties which serve low-income households are inherently investing in individuals by providing a safe and affordable place where they may build their lives. For these stakeholders, there is a measurable benefit to the implementation of resident services in affordable housing. Not only do supportive services stabilize tenants and enhance their quality of life, but they also have demonstrated increased ROI for owners and investors.

Many refer to this type of human investment as “service-enriched housing”– a strategy developed based on the idea that affordable housing alone is not enough to stabilize a tenant population. The service-enriched housing model is aimed at helping tenants remain housed by creating opportunities to prevent eviction and increase financial and social capacity, thus supporting them in a variety of ways to create an independent and sustainable livelihood.

When a service-enriched housing model is implemented by an experienced, third-party service provider, the benefits may be amplified. A quality service provider:

- Brings a wealth of knowledge in servicing a variety of demographics and geographic regions;
- Can tailor programs to fit the distinct needs of a tenant population for the greatest impact; and
- Ultimately, saves time and money in the early stages of the process, as there is no guess work in what services and programs will be most beneficial.

Rainbow conducted a recent study and found 98% of respondents using a third-party service provider would still desire to offer services to residents even without obligation, and 96% consider themselves an advocate for the provision of tenant-based services in affordable housing.

Such a provider is crucial to the success and longevity of an affordable community, as it maximizes the ROI for owners and investors, furthers the stability and success of residents, and supports the local community’s economy and safety.



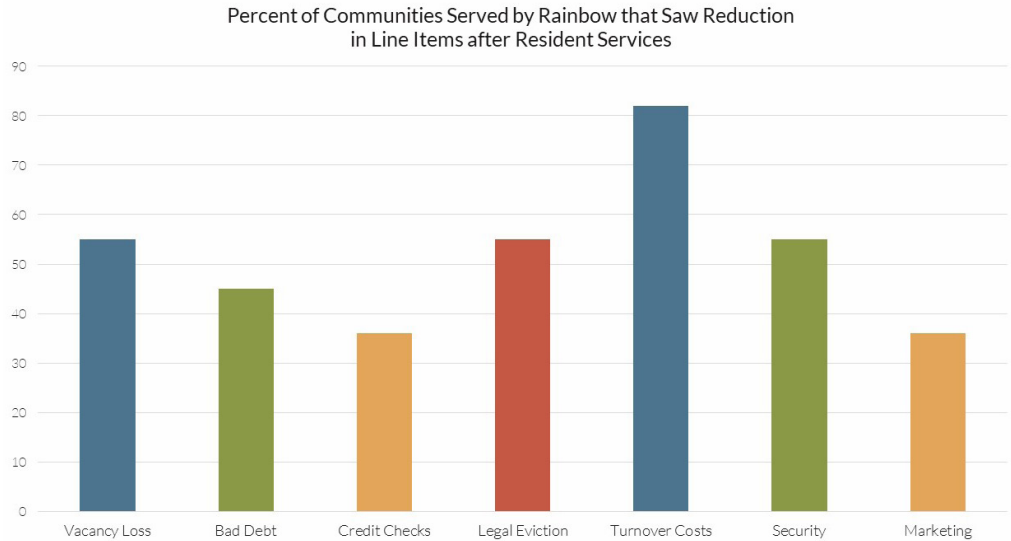
Graduates of Rainbow’s Vocational Training Program

BENEFITS FOR OWNERS & INVESTORS

The impact of resident services on ROI may be both direct and indirect. For example, programs targeting economic self-sufficiency are particularly important, as tenants' financial stability and economic mobility are critical to their success and longevity within a multifamily community.¹ These types of programs typically include financial literacy courses which walk tenants through budgeting and personal savings, job readiness courses which include resume development and interview preparation, and vocational training courses which prepare tenants to apply for work in specific fields.

90% of respondents believe service-enriched housing has enhanced their community through one or more of the following:

- Stabilizing the tenant base
- Improving occupancy
- Reducing turnover
- Decreasing crime
- Decreasing vandalism
- Reducing delinquency
- Reducing legal expenses



BENEFITS FOR RESIDENTS & THE LOCAL COMMUNITY

An evaluation of ROI should not overlook the benefits which service-enriched housing offers to residents and the communities surrounding these properties. Specific programs support residents in achieving tenant stability and personal growth, and with these programs, service-enriched housing has been found to achieve much better housing stability for residents than case management without rental assistance.²

Specific benefits to residents include:

- Renewed sense of stability and success
- Enhanced financial security
- Improved personal health and nutrition
- Enhanced technological skills
- Improved youth school performance
- Stronger sense of community and belonging
- Safer and healthier environments for children³

Researchers have found that when a service-enriched housing complex enters a neighborhood, residents contribute to the local economy, positive relationships are built between new tenants and existing neighbors, and the community on the whole perceives no negative effects, such as reduced property values and increased crime rates.⁴

98% of survey respondents, using a third-party service provider, noted they believed tenant services provided a valuable resource to the community through the following:

COMMUNITY ENRICHMENT & SOCIAL ACTIVITIES

ACTIVE LIFESTYLE ENGAGEMENT

AFTER-SCHOOL YOUTH ENRICHMENT PROGRAMS

**ADULT JOB READINESS,
VOCATIONAL TRAINING & FINANCIAL LITERACY**

ADULT EDUCATION & LIFE SKILLS

1. Sussman, C., & Meyer, D. (2005). Resident Services for Families in Affordable Housing: A Background Paper (Rep.). The Enterprise Foundation.
2. Supportive Housing Helps Vulnerable People Live and Thrive in the Community. (2017, October 10). Retrieved from <https://www.cbpp.org/>
3. Sussman & Meyer, Resident Services for Families
4. Wolff, A. (2008). We Are Neighbours (Rep.). Toronto: Wellesley Institute.