

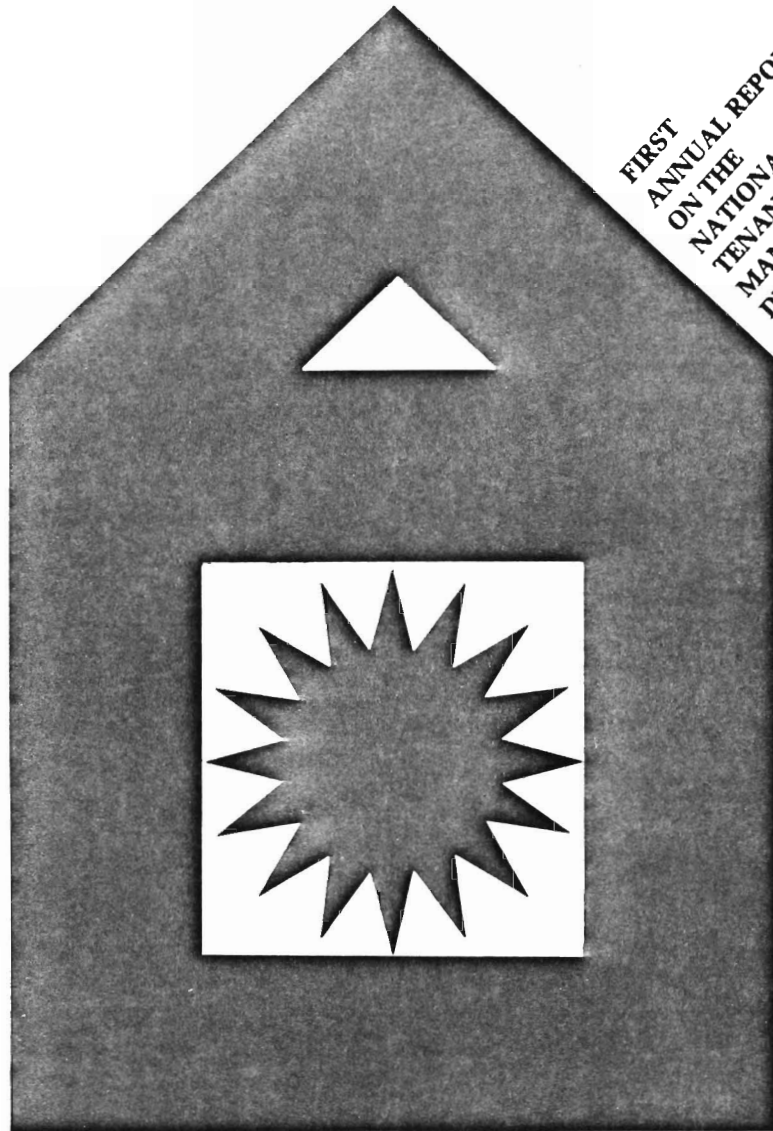
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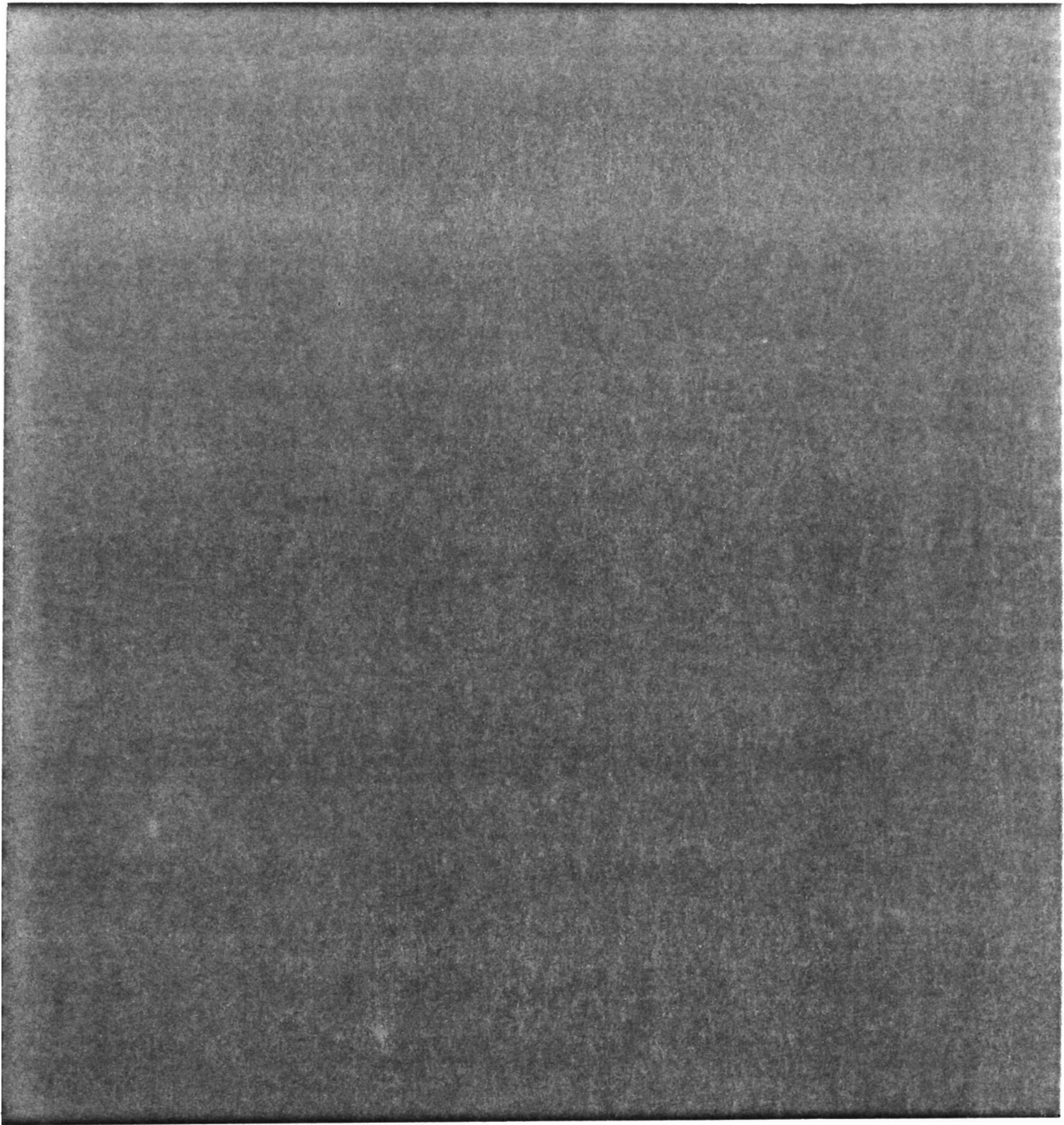
**FIRST ANNUAL REPORT ON THE
NATIONAL TENANT MANAGEMENT
DEMONSTRATION**

December, 1977

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Prepared by
Manpower
Demonstration
Research
Corporation

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The principal author of this First Annual Report on the Tenant Management Demonstration was Thomas Seessel, the demonstration project manager and executive vice-president of Manpower Demonstration Research Corporation. Mary Queeley, the demonstration research manager and vice-president of MDRC, assisted in the development and review of the report. Eric Lax aided in the overall editing, and Martha Fay, Suzanne Trazoff and Rita Sall of the MDRC staff were responsible for publication, production and typing.

The report is based on information provided by the research staff, the field monitoring staff and the technical assistance consultants of MDRC. To all of them we express our appreciation for their dedication and interest. Beyond our staff, the prime responsibility for whatever successes have emerged or will emerge belong to the participating housing authorities and, above all, to the volunteers on the tenant management boards, who have devoted so much time, energy and talent to this program.

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FOREWORD

In early 1975 the recently-established Manpower Demonstration Research Corporation, a non-profit organization based in New York City and engaged in managing a multi-site program of supported work for severely disadvantaged people under funding from five federal agencies and the Ford Foundation, was approached by the Department of Housing and Urban Development and the Ford Foundation concerning their interest in operating a demonstration of tenant management in public housing sites.

Much experience had accumulated since the original effort of the federal government in the arena of public housing which dated back to the late 1930's, when the goal of stimulating the economy through public investment was reinforced by the belief that improved living conditions for low-income families would contribute to their social and economic betterment. And much of the experience had been negative: those who became tenants in public housing found themselves trapped in an environment that all too often turned out to be physically dysfunctional because of the deterioration of the housing stock and socially demoralizing because of the large numbers of families in serious trouble. The decision in the late 1960's to demolish the Pruitt-Igoe project in St. Louis, because even the most vulnerable of the poor would no longer live there, underscores the immensity of the gap that had developed between the original expectations and the developing realities of public housing.

The tenant management project which MDRC undertook via funding from HUD and the Ford Foundation became operational at seven public housing sites in six cities in June 1976. These sites range in size from 211 to 1,550 dwelling units and contain altogether 4,788 homes for about 19,000 low-income persons. This status report summarizes the highlights of the demonstration during the initial twelve months of operations during which tenants at the several sites organized themselves into a functioning body, underwent training preparatory to their assuming various management functions, and negotiated with the legally responsible local housing authority for the actual transfer of specific responsibilities which they would henceforth discharge.

This first annual report tells about the processes whereby the demonstrations got underway, some of the problems that they encountered, and the different ways in which the problems were solved. Most of the first twelve months were consumed in establishing the new tenant management structures, in getting the new tenant managers chosen, in arranging for their training,

and in negotiating with the local housing authorities as to the details involved in the transfer of responsibilities.

Whether tenant management proves to be a constructive answer to such basic issues in public housing as the reduction in rent delinquencies, the control of vandalism, the disciplining or removal of disruptive families, the improvement in the maintenance of buildings and grounds, and enhanced tenant security, must await the accumulation and analysis of the second and third years of the demonstration. The first year, herein reported, was devoted primarily to putting the basic structures in place. I am grateful to the members of the MDRC Board Housing Committee, Phyllis Wallace, Gilbert Steiner, and Chairman Anthony Downs for the special attention and efforts in behalf of the demonstration.

The staff and board of MDRC would not venture even a guarded estimate as to what the future will reveal about the potential of tenant management to achieve some or many of the aforementioned goals. But both staff and board are encouraged that many of the considerable difficulties in launching the tenant management project have been successfully surmounted, and that is a favorable augury of things to come.

Eli Ginzberg, *Chairman*
MDRC
September 1, 1977

TENANT
MANAGEMENT
DEMONSTRATION
PROGRAM

Participating Sites

HOUSING AUTHORITY

Jersey City, N.J.

Robert Rigby, Jr., *Executive Director*
514 Newark Ave.
Jersey City, N.J. 07306
(201) 653-6400

Louisville, Ky.

Nathaniel Green, *Acting Executive Director*
420 South 8th St.
Louisville, Ky. 40203
(502) 587-1101

New Haven, Conn.

Edward White, Jr., *Executive Director*
360 Orange St.
New Haven, Conn. 06509
(203) 789-1780

New Orleans, La.

Clyde T. J. McHenry, *Executive Director*
918 Carondelet St.
New Orleans, La. 70130
(504) 525-0781

Oklahoma City, Okla.

Joe E. Poe, *Executive Director*
1100 Classen Dr.
Oklahoma City, Okla. 73103
(405) 232-0281

Rochester, N.Y.

Thomas F. McHugh, *Executive Director*
140 West Ave.
Rochester, N.Y. 14611
(716) 328-6200

TENANT MANAGEMENT CORPORATION

A. Harry Moore TMC

Robert Blount, *Chairperson*
324 Duncan Ave.
Jersey City, N.J. 07306
(201) 653-6400 Ext. 286

Curries Woods (United Community) TMC

(Vacancy in Chair)
61 Merritt St.
Jersey City, N.J. 07305
(201) 433-6039

Iroquois Homes RMC

Joyce Bland, *Chairperson*
1604 Squires Dr.
Louisville, Ky. 40215
(502) 368-5423

Que-View TMC

Mary Jane Smith, *Acting Chairperson*
15 Dover Dr.
New Haven, Conn. 06513
(203) 776-6641

Calliope TMC

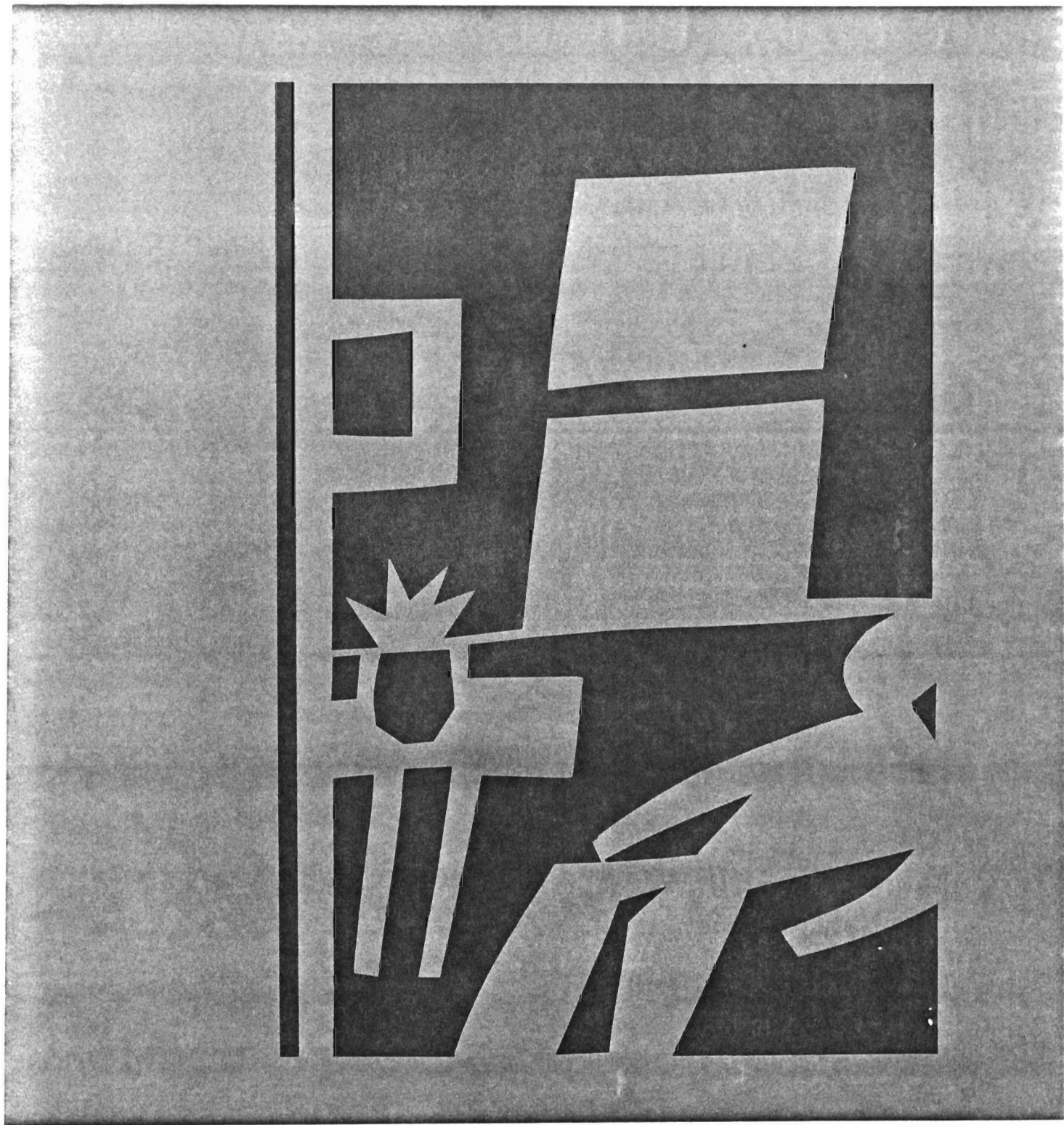
Mildred Taylor, *President*
1149 Galves St.
New Orleans, La. 70125
(504) 822-3805

Sunrise Acres TMC

Denise Johnson, *Acting Chairperson*
1444 N.E. 36th St.
Oklahoma City, Okla. 73111
(405) 427-5632

Ashanti TMC

James Murphy, *Chairperson*
188 Olean St.
Rochester, N.Y. 14608
(716) 235-7900



INTRODUCTION

The Tenant Management Demonstration Program is a test, in six public housing agencies, of one strategy for upgrading the living conditions in low-rent, family-occupied public housing in the nation's urban areas. The underlying notion is straightforward: that expanded tenant involvement in the management and operation of public housing will lead, in time, to improved maintenance and general operations, less vandalism, greater security and a feeling on the part of the tenants that this is *their* housing and that, by working together, *their* efforts can continue to make it better.

The immediate inspiration for the demonstration came from a promising experience with the concept in the St. Louis Public Housing Authority, an agency that had previously gained notoriety for its Pruitt-Igoe housing project which, for a variety of physical, financial, and social reasons, had to be demolished. It became a symbol for much that has gone wrong with public housing. But less-noticed efforts by the housing authority and tenant organization in the early 1970's had begun to transform that city's methods of managing the developments. Following a long and traumatic rent strike that began in 1969, the authority and tenant leaders fashioned a new approach to running public housing projects: in 1973, after training, the actual management and operations responsibilities of two projects were turned over to tenant organizations, which became known as Tenant Management Corporations (TMC). Today five such developments are tenant-managed. During the same time, the housing authority contracted with private firms to manage other public housing developments. The result is that the St. Louis Housing Authority no longer manages any property but rather monitors the performance of private managerial groups.

The Ford Foundation was an early supporter of the St. Louis tenant management experiment. The Foundation was impressed, as was HUD, by this heartening new approach to dealing with the multiple ills of low-income, urban communities. The initial results included lower vacancy rates, improved rental collections, less crime and vandalism, and a general upswing in the morale and self-confidence of the tenants.

While HUD and the Ford Foundation recognized the gains made under tenant management and saw the potential applicability of the approach elsewhere, they were also aware that tenant management alone was not a panacea, nor would it have much of a chance of succeeding without accompanying infusions

of funds for deferred maintenance, modernization, and training and technical support. Thus the idea of a jointly-sponsored national demonstration came to be. In early 1975 it was agreed that HUD would supply most of the money for physical improvements and training expenses and that the Foundation would grant a substantial but smaller amount to supplement program implementation.

Although the St. Louis program served as the major example in developing the demonstration, over the past several years there have been experiments with variants of the tenant management concept in other cities — among them Boston, Washington, Honolulu, and Newark. A national demonstration of tenant management provides an opportunity for the first time to conduct a systematic assessment of the potential of such a concept. In June 1975, HUD and the Foundation designated MDRC as their managing agent to design the program, determine its feasibility, help select the participating sites, conduct training, give technical assistance, monitor the sites, and evaluate the results.

The objectives of the demonstration are to assess, in actual operation, how effectively tenant management can:

1. Improve operating performance of public housing in such matters as vacancies, rent collections, project income, and maintenance;
2. Increase the residents' satisfaction with their housing;
3. Reduce the incidence of crime and vandalism in public housing;
4. Create new public housing employment opportunities and career ladders for its tenants, including management positions and work for women that was previously performed chiefly by men;
5. Enhance the community spirit of public housing, increase residents' morale, and improve public housing's image in the broader community.

The research and evaluation component of the demonstration, which was designed and is being conducted by MDRC, is described on pages 27 and 28 of this report.

The first year of operations of the Tenant Management Demonstration was devoted almost entirely to the preliminary training and orientation of Tenant Management Corporation boards of directors and key housing authority staff, preparatory to the delegation of management functions to the tenant corporation. Tenant Management as conceived for the demonstration is not a sudden parting of the ways between a housing authority and a

TMC, but rather the patient forging of a new partnership between them. It takes time to fashion these new arrangements, and the process of doing so consumed most of the participants' energies during the first year.

By year's end (June 30, 1977) one demonstration site — Rochester — had completed the training process and had delegated management responsibilities to the TMC; the others were in various stages of preparation and phase-in. Thus this report describes processes, prospects, and problems, but offers no hard results on the extent to which tenant management does or does not improve management of public housing. During the second year the other sites hope to complete the transition to tenant management as rapidly as is prudent. Accordingly, we expect that future reports will discuss what difference, if any, tenant management seems to be making.

**SUMMARY
OF FEASIBILITY
AND PLANNING PERIOD**
June 1975-July 1976

The planning period was used to develop criteria for the choice of participating sites, design the research and evaluation, and conduct field visits and negotiations with housing agencies and tenant groups that applied for consideration as demonstration sites. Three main criteria for site selection were established:

- Housing authority commitment to a serious effort at establishing a tenant management program;
- Potential of the tenant group for forming a TMC and, with training, for exercising substantial delegated management authority;
- The existence of a cooperative relationship between the authority and tenants.

Also considered were the expected degree of cooperation of the city and state governments, the interest and support of HUD's regional and area offices, the geographical location of the site, and the physical condition of the housing. A variety of housing types, locations, populations, and pre-tenant management conditions were sought, but excepted from consideration were housing projects either so deteriorated as to be beyond reasonable TMC efforts or so well off as to present little or no incentives for improvement.

Fifty-one housing authorities were suggested by HUD for preliminary consideration. Choice of the six participants followed extensive field visits, discussions, and the preparation of formal applications to HUD. In three of the authorities, the participating tenant management development is a merger of previously separate projects. A list of the sites and some of their characteristics can be found in Table 1.

TABLE 1

SELECTED ORGANIZATIONAL, PHYSICAL, AND SOCIAL CHARACTERISTICS OF TMC DEVELOPMENTS: 1976

Characteristic	TMC Development						
	Jersey City		Louisville	New Haven	New Orleans	Oklahoma City	Rochester
	A. Harry Moore	Curries Woods	Iroquois Homes	Que-View ^a	Calliope Homes	Sunrise Acres ^b	Ashanti ^c
Total PHA dwelling units ^d	3,720	3,720	6,061	3,659 ^e	12,260	3,037	2,254 ^f
<i>Development Characteristics</i>							
Total dwelling units	664	712	854	260	1,550	537	211
Percent of PHA units	17.8	19.1	14.1	7.1	12.6	17.7	9.4
Percent of Demonstration units	13.9	14.9	17.8	5.4	32.4	11.2	4.4
Number of buildings	7	7	72	24	95	—	46
Age of oldest building (years)	22	17	24	35	36	38	9
Building Design	High-rise, elevator	High-rise, elevator	Low-rise, walk-up	Low-rise, walk-up	Low-rise, walk-up	Low-rise, walk-up	Low-rise, walk-up
Percent minority households	95	85	35	72	100	99	99
Percent AFDC households	68	35	37	53	35	48	61
Average annual gross family income	\$4,651	\$4,835	\$2,947	\$3,955	\$2,000	\$3,355	\$4,700

SOURCE: Information provided by PHA's in June and August, 1976

^aIncludes Quinnipiac Terrace and Riverview projects

^bIncludes Sooner Haven project and 387 scattered sites

^cIncludes the following projects: Olean Townhouses, Capsule Dwellings, Fairfield Village, Edith-Doran Townhouses, and Bronson Court

^dExcludes leased housing

^eIncludes 742 state-assisted units

^fIncludes 364 state-assisted units

THE SITES

The Tenant Management Demonstration sites contain 4,788 apartments housing about 19,000 low-income persons. Most are low-rise, walk-up buildings; most have heavy concentrations of female-headed and minority group families; and there is substantial welfare dependency. A comparison made by the Urban Institute with a representative sample of 168 other public housing projects in 39 large housing authorities showed the demonstration projects to be similar in such physical characteristics as size, age, and number of stories to the buildings. The same comparison shows that the social and demographic characteristics of the demonstration sites are similar to those of the larger group of projects, with the exception of family composition and size. Whereas the demonstration sites are predominantly for family occupancy, the larger group has, on the average, a large number of elderly households and individuals.

In certain management-related areas, however, the demonstration sites were significantly worse off at the start of the demonstration than were their counterparts in the 168 other projects. The demonstration site residents were, for instance, less satisfied with overall management and maintenance than were residents of other projects, and they believed to a greater extent that these conditions had deteriorated over the past few years. Other important measures of housing performance — such as rent delinquency rates, vacancy rates, and vandalism — also indicated the relatively poorer shape of demonstration projects. Moreover, a substantially higher percentage of residents in the demonstration wanted a greater say in management than did tenants in other projects.

**PRINCIPAL ASPECTS
OF TENANT
MANAGEMENT**

The guiding principle of tenant management is that it involves the building of a new partnership between the housing authority and the respective tenant organization; it is more like a marriage than a divorce. Under tenant management, the housing authority retains ownership of the property and is ultimately responsible to HUD and the taxpayers for seeing that the property is well maintained and that all applicable laws and regulations are followed. The housing authority and the TMC agree on the delegation of certain management functions to the TMC. The TMC's performance is closely monitored by the authority for efficiency, effectiveness, and legal compliance.

TMC BOARDS

The governing body of the non-profit corporation established to run a tenant-managed project is elected by popular vote of its residents. All legal residents of the housing project are automatically members of this corporation and those over a specific age are eligible to run for the board and to vote for its members. The board is accountable to its membership and holds regular meetings with the project residents to account for its stewardship. Terms of office range from one to three years. Board members receive no salary, but in most cases are compensated for such expenses as baby-sitters, transportation, or telephone. Certificates of incorporation and by-laws governing the conduct of board business provide for regular meetings, removal of directors, and the selection of officers.

A dedicated and knowledgeable board is critical to the success of a tenant management program, and a great deal is required of its members. They have to learn the basics of running a public housing development, including its intricate financial underpinnings; they must make policy decisions that affect themselves and their neighbors, who are unlikely to overlook bad choices; they are confronted with the same variety of conditions that their housing authority has had to cope with for years; and they attend long meetings two or three times a week, at which they must hammer out difficult compromises.



MANAGEMENT FUNCTIONS

Each participating public housing agency has agreed to delegate on-site management responsibilities to a TMC following the successful completion of tenant management training, providing that the TMC is prepared to accept and carry out these duties. The delegated functions fall into four major categories: policy development; budget preparation and control; management operations; and tenant relations. The details of sharing responsibility within each of these categories are worked out on a site-by-site basis by the TMC and the authority. Some examples:

—*Tenant Selection.* The TMC is mainly responsible for selection but must do it in accordance with a written tenant selection policy that has been approved by the authority as meeting HUD standards and the overall policies of the authority.

—*Rules and Regulations.* The TMC adopts rules and regulations governing the site. These are supplementary to the standard rules in the authority form of lease and, to the extent that they differ from those in effect authority-wide, are subject to prior approval of the authority.

—*Budget.* Through negotiations, the authority and TMC establish which portion of the authority's overall operating budget, including the HUD operating subsidy, is available for the TMC. The authority retains responsibility for accounting and fiscal controls, and debits and credits the TMC account for expenses incurred. The authority furnishes the TMC with a financial statement at the end of each month detailing expenses compared with budgeted amounts for that site. Each year a new budget is negotiated and monitored in the same fashion. The authority also retains fiscal accountability for the special funds being used to support the demonstration, but the decision on how they are to be spent is negotiated by the authority and TMC.

—*Disciplinary Cases.* The TMC counsels tenants who do not abide by the rules. If counseling does not succeed, the TMC has the prerogative of initiating eviction proceedings by forwarding the documented files to the authority. The authority then has the responsibility of pursuing the matter through legal processes.

—*Project Staff.* The authority agrees to transfer its existing site manager to another job in the housing authority to make way for the newly-trained TMC manager, who is a resident. With its special funds, the TMC proceeds to hire other new management personnel who are supplementary to the authority personnel now on site. These typically include security guards and building or housing row managers who, for example, explain project policies

or help sick residents get to a doctor. Maintenance staff on the site remain there as authority employees, but their day-to-day functioning is supervised under the TMC structure. Any existing union agreement or civil service regulations continue to be observed and honored under the Tenant Management Demonstration.

—*Grievances.* The TMC hears grievances both from tenants and site employees. Complaints that cannot be resolved by the TMC go to the housing authority for resolution.

—*Rent Collection.* Rent is paid centrally to the housing authority, usually through a bank mail-in system. The authority gives the TMC a list each month of delinquent tenants; the TMC has the responsibility of seeing to it that their rents are paid.

—*Maintenance.* Routine on-site maintenance is supplied under the day-to-day supervision of the TMC. Skilled maintenance, where this is organized centrally for the entire housing authority, is supplied on TMC request, the TMC budget is debited the appropriate amounts for labor and material.

Each housing authority and TMC establish their own set of internal scorecards to measure, monitor, and report regularly on TMC performance. By agreement, certain indicators of performance (such as number of annual rent reviews per month, rent delinquencies, or budget control) can give the authority cause to cancel the management agreement and resume direct site management.

**FUNDING
FOR THE SITES**

For the three-year life of the demonstration, the six public housing agencies received grants totaling \$20.2 million from two special HUD programs for troubled housing projects. Fifteen million dollars come from the Modernization Program (MOD) for physical improvements; the remainder is drawn from the Target Projects Program (TPP) for new tenant staff salaries, training, social services, and certain administrative costs to housing authorities. (See Table 2.)

TABLE 2

**MOD AND TPP ALLOCATIONS TO PARTICIPATING SITES:
NATIONAL TENANT MANAGEMENT DEMONSTRATION PROGRAM**

Site	TPP Amount	MOD Amount	Total
Jersey City, N.J.			
A. Harry Moore	\$ 580,700	\$ 997,000	\$ 1,577,700
Curries Woods	581,000	1,015,000	1,596,000
Louisville, Ky.	671,400	3,500,000	4,171,400
New Haven, Conn.	442,100	1,650,000	2,092,100
New Orleans, La.	2,010,500	6,524,000	8,534,500
Oklahoma City, Okla.	514,300	1,007,000	1,521,300
Rochester, N.Y.	400,000	307,000	707,000
TOTAL	\$5,200,000	\$15,000,000	\$20,200,000

FUNDING FOR MDRC

MDRC's expenses for its functions as managing agent — training, technical assistance, monitoring, program supervision, evaluation, and research — come from three sources: about one-half is paid to MDRC by the participating housing authorities out of their TPP grants, and about one-quarter each is directly funded by the Ford Foundation and HUD. The HUD share is through an administrative contract with the Office of Policy Development and Research.

The MDRC budget for the three-year demonstration is just under \$2.3 million. At the end of the first year (June 30, 1977) \$703,000 of a budgeted \$918,000 had been spent. An MDRC financial summary is included as Appendix 1 to this report.

The evaluation of the demonstration is designed both to measure the results of tenant management and to describe the processes by which tenant management is implemented. The first approach will seek to identify what changes, if any, occurred under tenant management; the second will attempt to explain how they came about. The research, which is being conducted by MDRC with the assistance of the Urban Institute, has four major components: (1) historical context of the demonstration; (2) documentation of the demonstration; (3) impact of the demonstration; and (4) cost of the demonstration.

The historical context component is an examination of past and current tenant management efforts, including those in Boston, St. Louis, Washington, Honolulu, and Newark. Utilizing existing reports supplemented by interviews, MDRC will compare these experiences with those in the demonstration with respect to such factors as pre-tenant management conditions, funding sources and costs, organizational structure, and results.

The documentation component will describe the program, identify the possible explanations for results, and supply the information necessary for replication in other housing authorities. The primary focus of the documentation is the phase-in period during which the TMC's assumed management responsibility for policy development, budget preparation and control, management operations, and tenant relations.

The impact component will assess the degree to which tenant management achieves its objectives of improving operating performance and increasing resident satisfaction. We expect that tenant management will also create new employment opportunities for tenants; reduce vandalism and enhance community aspects of public housing. The impact component will use information from monthly and quarterly reports submitted by the sites on management performance indicators, as well as baseline and outcome follow-up surveys conducted by the Urban Institute. Baseline, pre-tenant management surveys were conducted at the demonstration sites in the spring of 1976; the follow-up surveys are scheduled for the spring of 1979. The site reports and the two surveys will be the basis of assessing whether changes occurred under tenant management. The Urban Institute will also select similar housing sites not under tenant management to assess whether any observed changes in the demonstration sites significantly differ from changes in similar sites not in the demonstration during the same period. Of particular concern here

is the availability in the comparison sites of equivalent amounts of special funds, to help determine whether changes are the result of tenant management or of additional funding.

The fourth evaluation component will measure the cost of the demonstration, both from the point of view of one-time expenditures such as training, and regular line item costs in the site's operating budget. It will compare costs under tenant management with operating costs before the demonstration in an effort to determine the incremental costs of the tenant management approach. It will also seek to identify any decreases in expenditures associated with tenant management, such as lower maintenance costs.

Research reports will concern themselves with means and processes as well as with quantifiable outcomes. The operational nature of the demonstration, the small number of sites, and the absence of a controlled experimental environment all present obstacles to reliance on conventional statistical techniques for data collection and analysis. Under MDRC's contract with HUD, the final research report is due in June of 1979. Interim reports on certain aspects of the demonstration will be issued from time to time.

**SUMMARY
OF FIRST YEAR
ACTIVITIES:
July 1976 - June 1977**

The six participating housing authorities were formally selected by HUD on July 8, 1976, but considerable preliminary work had gone on at the sites in the preceding six months to prepare the grant applications and document the housing authorities and tenant group's competency and readiness to undertake the program. Included in that work were the elections of the TMC Boards of Directors, the development of budgets and plans for the TPP and modernization funds, and an outline and timetable for delegating management to the TMC. Also ready by July was a comprehensive training program and syllabus prepared by MDRC. Finally, by July the scope of MDRC's responsibilities for training and monitoring had been negotiated, and an agreement had been signed with each authority covering the nature of these duties.

There is no rigid model of tenant management. Rather, the program design outlines several essential elements of the concept which must be adhered to. Beyond these, local housing authorities and TMC's have the latitude to adapt the flexible form of tenant management to their individual conditions.

After the demonstration began, MDRC staff and training consultants conducted at least weekly training sessions with the TMC board and key housing authority staff. Training has been in three stages: general orientation of the TMC board and principal housing authority staff, on-the-job training of new TMC staff alongside their housing authority counterparts, whose duties they will assume and classroom training of the TMC staff for their specific jobs. It was originally hoped that all three segments could be completed by June 1977, and that management would then be delegated to the TMC's. This proved unrealistically optimistic at all sites but Rochester. For the rest, the first year was primarily devoted to general orientation of the TMC board and authority staff.

The rate of progress at each site varied, and for slightly different reasons in each case. While it is impossible at this point to generalize with certainty about any aspect of the program, four broad issues seem to emerge as the reasons for progress being less rapid than had been anticipated. They are:

— *The unreadiness of the housing authorities.* Despite three to six months of substantial pre-training by MDRC as part of the preparation of their grant application, during which many aspects of the program were covered, the authorities by and large began operations with a limited understanding of what was involved. Simply, it has been more difficult than expected to make the transition from traditional modes of operation and standard

management styles to a regular practice of delegating authority and sharing decision-making. This is not to say that the willingness is not there; it existed prior to selection and is still present. Nevertheless, changes in behavior not only among top staff but among middle- and lower-level personnel as well take time and patience. This process seems to be aided greatly if the executive director shows his commitment through his personal participation and assigns staff with authority to work with the project.

—*The difficulty tenant boards have had in learning to work as a group.* Most board members have had little or no experience of this kind. Under such circumstances the TMC board training curriculum quickly changed from one based primarily on real estate management to one concerned mainly with the basic mechanics of by-laws, Roberts Rules of Order, and community organization. Several sessions were held with most boards on operating procedures alone. Additional sessions were held on how board members could solicit the opinions of their neighbors on issues such as the use of MOD money, and on teaching board members how to effectively scotch rumors concerning the motivations and interests of the people involved in the program. These basics had to be covered before even the notion of an operating budget, for instance, could be approached.

—*MDRC's difficulties in finding and training qualified Technical Assistants to the programs.* Technical Assistants are crucial to the initial operations of the demonstration. Their job is to act as a neutral middle-man, broker, and mediator between the board and the authority and they must encourage the confidence of both. A large part of the job is to arrange and conduct working sessions during which the authority and TMC negotiate agreements on various aspects of the program. The Technical Assistant has to be able to say frankly when one side or the other is misinformed or plainly wrong, and suggest ways to resolve disputes. Numerous miscellaneous responsibilities include co-ordination of the training program, preparation of documents, and being on call for any participant to consult about any facet of the program. As might be guessed, these qualities are difficult to find in one person. Technical Assistants were quickly hired in Rochester and New Haven, but finding appropriate people in the other four cities took several months.

—*The complexity of interaction among the TMC, the housing authority, and MDRC.* Where the chemistry among them was good from the start, they rather quickly got down to the business of the program. Where these relationships have taken longer to forge,

progress has been slower.

With one exception, TMC boards were elected during May and June 1976. The average board member is 40 years old, and has lived for about seven years in the housing project. In general, most of the members of the boards have been active in resident council activities previously. Most TMC board members are female, mirroring the population in the sites. Similarly, the racial composition of the boards reflect that of the residents they represent. Voter turnout at one project was less than 10 percent; at another it was nearly 40 percent. For others, it averaged about 25 percent, which is relatively high (municipal elections in the U.S. average under 50 percent, school board and other community elections bring out only 10-15 percent). The turnout was also surprisingly high in view of the fact that the seats were not highly-contested nor were there many overriding issues at the sites.

Clearly, active support of and participation in tenant management is by no means universal. A certain skepticism on the part of public housing residents toward tenant management is inevitable, and is unlikely to be dissipated until at least some of the stated goals of a TMC are reached.

Despite this expected wariness, the TMC boards and the housing authorities were able to consult residents and set goals, which varied little from site to site. These included reducing incidence of rent delinquency, curbing vandalism, broadening the income distribution of residents in the project, modernizing and improving security. But the similarities among the sites pretty well end there. The advances a TMC has made, and the problems it has incurred, are peculiar to it alone, as the following sketches of the sites show.



Jersey City, New Jersey: A. Harry Moore Apartments

Built in 1954, this high-rise development contains 664 apartments in seven buildings. With the aid of previous HUD grants, the Jersey City Housing Authority had already initiated programs of tenant involvement that gave some residents jobs as elevator operators or lobby attendants and created building and floor organizations. With their help, the authority made such improvements as painting hallways, landscaping, and the construction of a new recreation building. Because some of these improvements took place during the first year of tenant management, they lent additional credence to the notion that conditions were improving. At the end of the year such high priority improvements as new kitchens and bathrooms and replacement of stoves and refrigerators were underway.

The TMC has progressed steadily toward assuming management responsibilities and has worked effectively and productively with the authority. By the end of the first program year the two were sharing such management responsibilities as tenant screening and grievance hearings. The TMC board completed its program of general orientation and hired its staff of tenant manager and building captains, who were about to begin on-the-job training in the fall of 1977.

The seven-member board with effective leadership, has been one of the most stable in the demonstration; there have been only two resignations, both in the first two months of the program. Five members were active in previous resident council activities. Their average age is 47; their average length of residence in A. Harry Moore is seven years. Attendance at training sessions has been high and the board has held many general information meetings with the entire project community and with tenants of individual buildings.

Jersey City, New Jersey: Curries Woods Apartments

A high-rise development of seven buildings and 712 apartments built in 1959, Curries Woods is newer than its sister project in the demonstration, A. Harry Moore, and its pre-demonstration site characteristics were also more favorable. Four of the seven board members had participated in resident council activities. Their average age was 36 and they had, on the average, lived in the project for eight years.

But the first year of the demonstration was more one of frustration than progress. The TMC board had difficulty working

together; while its members did write by-laws and prepare the application for MOD funds, attendance at training sessions was poor and relations with the housing authority were uneasy. The program as a whole did not solidify.

The culmination of the general dissatisfaction with the lack of progress came in May and June 1977 when the residents, the authority, and MDRC demanded the board's resignation. It had become clear to all these groups that movement toward tenant management might better come under different leadership.

By the close of the first year, an interim committee of tenants had begun to work closely with MDRC and the authority in an effort to elect a new board of directors and to determine what portion of the first year's planning work could be carried out. One example is the summer recreation program which had been organized by the initial TMC board, but supervised this summer by the interim committee. MDRC worked with the authority and interim tenant committee for new TMC board elections which were held in September. During the summer, MDRC provided general training and orientation to the candidates for the new board, thus shortening the post-election orientation process and allowing the new board to move rather quickly to the point of hiring and training TMC staff preparatory to undertaking management responsibilities under contract with the authority.

Modernization funds for Curries Woods were originally planned for grounds improvements, rehabilitation of electrical systems, and elevator modernization. Shortly after the award was made, however, it was discovered that new boilers were needed. At the end of the first year of operations, it had not yet been decided how this additional, emergency work should be financed.

Louisville, Kentucky: Iroquois Homes

There are 854 units in 72 buildings in this 42-acre, low-rise development built in 1952. Iroquois Homes is a unique demonstration site in that less than one-half of the families who reside there are racial minorities: as of the fall of 1976, 65 percent of the households were white. As shown in Table 1, Iroquois' pre-demonstration physical and operating characteristics were similar to the other developments in the Tenant Management Demonstration.

When the housing authority nominated it for consideration as a demonstration site, Iroquois Homes was, according to the housing

authority's executive director, one of the best and most desirable of all the public housing projects in the city. It was Louisville's candidate because the executive director hoped to introduce tenant management throughout the authority, and he wanted to begin with the development which seemed to offer the most favorable prospects for successful initial implementation.

Iroquois Homes entered the demonstration with an historically active resident council whose accomplishments included participation in the operation of an on-site day care center and social services programs. Five of the nine board members, whose average age is 43 and average project residency is 10 years, served on the resident council.

Thanks in large part to its leadership, the board steadily mastered the content of the training and orientation program, learned to work together effectively, established good communications with site residents, and worked out a pattern of relationships with the housing authority. Initial progress was deterred by a small but vocal number of residents who did not understand the goals and procedures of the demonstration; their concerns required a good deal of the board's time and a general reassurance to the community about the program and its aims.

In fact, these challenges to the board served it well. A problem in most sites is making TMC known; in Louisville it was a case of TMC being well-known from the start and having to prove its worth. There was considerable attention paid to TMC by the local newspapers; this has not been the case at all the sites. The confrontations with the dissident group provided experiences in working through the political system and effectively using the news media in ways no classroom lessons could ever teach.

The board learned that constantly talking with residents about tenant management and getting their neighbors involved in the program was the best way to make the program work. And the board members involved themselves in every aspect of the program. They set up a committee to help evaluate bids for modernization work and wisely chose a construction company that insisted that a board member go with their engineers into every unit to assess needed work. This not only got the board into every home to explain the program; it also allowed them to enlist volunteers who would help them. Apart from bolstered self-confidence and the development of a united front for dealing with outside groups and authorities, the board by the end of the first year had, with the authority, completed all preliminary work for the hiring and on-the-

job training of the TMC staff and they had:

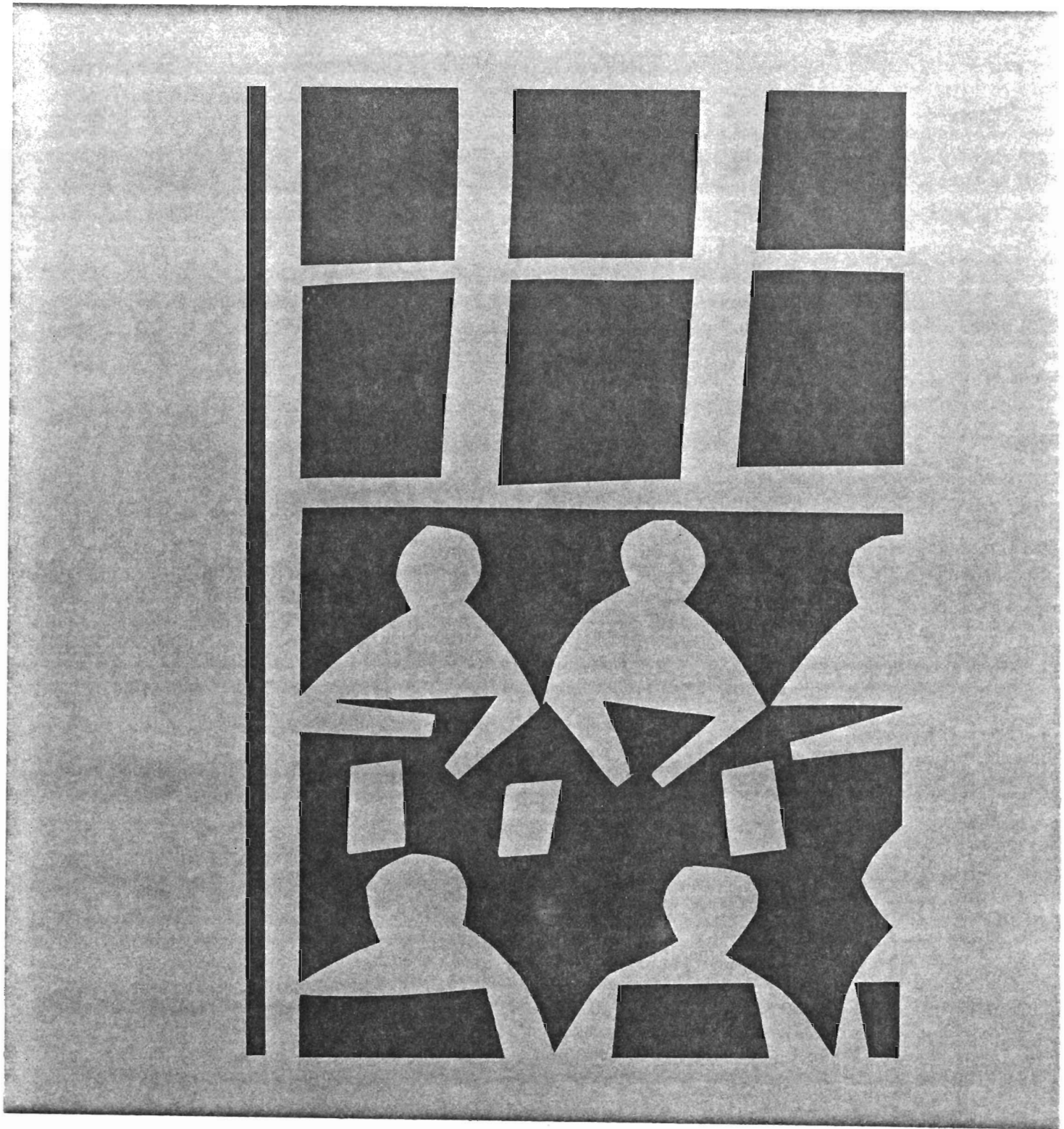
- Prepared and published site rules and regulations after extensive community involvement and consultation, beginning with the solicitation of suggestions and ending with a series of hearings on draft proposals.
- Conducted a self-help paint program under the direction of a project resident. Residents wishing to repaint their apartments could do so, and, for the first time, in the color of their choice.
- Published a newsletter of TMC activities.
- Helped conduct a detailed survey of site physical conditions as a beginning of the TMC modernization program, and bringing the site into conformity with the City of Louisville housing code. Scheduled improvements include roof repairs, rewiring of all buildings, upgrading of boilers, and either constructing a new day care center or providing the present one with better physical facilities.

New Haven, Connecticut: Que-View Development

This TMC site is a merger of two previously separate low-rise housing projects: Quinpiac Terrace, built in 1941 and consisting of 248 units; and Riverview, built in 1970 and containing 12 units. The two projects are about one city block apart. Goals of the demonstration at this location include improved maintenance, and reductions in rent delinquencies, vacancies, and crime. Modernization priorities are installation of new windows, grounds improvements, and redesign of unit entries to enhance their physical security.

Compared with the Louisville and Jersey City (A. Harry Moore) demonstration sites, Que-View's pre-demonstration record of tenant council activity was limited, although six of the eight board members had served in council activities. The average board member has lived for eight years in the development and is 36 years old.

During the first year, the TMC board and the housing authority accomplished most of the substantive tasks they set for themselves. Among these were the formulation of occupancy standards and goals for Que-View, establishment of priorities for preparation of vacant units, sponsorship of community clean-up days, detailed planning for the modernization program, and the initiation of on-the-



job training for the TMC's two top-level management employees.

The first year was marked by instances of inadequate communications and expressions of distrust between the TMC and the housing authority. The issues involved included the policy on pets in the development, the general level of maintenance, review of the site's "share" of the housing authority's operating budget, and the choice of lawyers and architects. Adjustments in the overall demonstration program design have been made in an effort to solidify relationships and help the program move more smoothly. One example is MDRC's accession to the housing authority's desire to conduct on-the-job training for the TMC staff. Training for the two top-level appointees got underway in the last two months of the first year.

New Orleans, Louisiana: Calliope Development

This low-rise development, the original section of which was built in 1940, contains a total of 1550 apartments in 95 buildings spread over 56 acres. It is the largest development in the demonstration. Although in need of extensive deferred maintenance and modernization work, its pre-demonstration operating characteristics were among the most favorable of the seven housing projects in terms of rent collections and vacancies.

Calliope entered the demonstration with a low record of tenant participation, tenant council activity, and similar efforts, which was typical at that time of most of the other developments in the housing authority. Of the ten board members, whose average age is 47, only one had any resident council-type experience. The board's average length of residence in Calliope is 19 years. Despite the small amount of tenant participation at the time of Calliope's initial consideration for the demonstration, the housing authority was preparing to expand its programs of tenant involvement authority-wide. Thus the beginnings of the demonstration coincided nicely with the authority's intentions.

The size and configurations of this site, coupled with the TMC board's lack of community organization experience, made for slow progress in involving the board in management affairs. Five of the original ten members left the board during the first year; two of them, including the chairperson, were asked by the other board members to resign because, in the board's view, they were not trying to advance tenant management. On the other hand, this upheaval was a sign of the board's growing assertiveness and

unity. Their discovery that as a TMC board they had considerable power to effect changes caused initial confusion and required internal reorganization. And the sheer size of the housing authority and the attendant difficulties of reorienting a large and complex bureaucracy to function effectively with a TMC has been a complicating factor.

But despite these difficulties, the New Orleans program matured and progressed in its first year. By June, virtually all substantive material in the board's initial training phase had been covered; the board was assisting the authority in hearing disciplinary cases referred for possible eviction; a well-attended community fair was held; efforts were underway to bring TMC board members in closer contact with the residents; modernization and deferred maintenance were set to begin; and in July personnel policies and procedures were completed. TMC staff will be hired and begin training in the fall of 1977.

Oklahoma City, Oklahoma: Sunrise Acres

This development is a merger of a 150-unit conventional public housing project with 387 surrounding scattered single and duplex dwellings in the northeast quadrant of Oklahoma City. Altogether, the 537-unit TMC is spread over about four square miles. Some homes were built as early as 1939, others as late as 1973. The configuration and diversity of this project, and the process of establishing a TMC under such circumstances, should yield valuable demonstration evaluation results for many housing authorities in similar situations.

During the first six months of board training and orientation, irregular attendance by the seven members was so common that a quorum was seldom established, and progress was, of course, slowed. Still, it seemed that rather than try to begin again with a board, it should instead be expanded so that a working quorum might be more easily obtained. Board members scheduled a meeting and invited to it those tenants they thought would make good additions to the board. TMC was explained and discussed at this meeting, and those residents who were interested in serving on the board were encouraged to attend a training session the following week. The board membership was increased to 17 seats and it has been better able to get on with its business. Even so, board attendance slacked off toward the end of the year. Coupled with slow start, the first year showed little in the way of stability, continuity, and accomplishment.

The size and shape of the development, as expected, have contributed to the slow pace at which the demonstration has progressed. Additionally, the economic and social diversity among the residents has contributed to less than solid ties of common purpose.

At the close of the year, MDRC was working with a new housing authority executive director, who had been appointed several months before, and the core of tenant leadership to keep the demonstration moving toward its goals. Priority activities included expanded contact with the larger community of residents to seek the interest and involvement of those who have strengths to offer the program, and efforts to define more precisely the respective functions of the housing authority and the TMC partnership.

Rochester, New York: Ashanti Development

This site is a merger of previously separate public housing developments. Five projects have combined as one TMC known as Ashanti and contain a total of 211 dwelling units within a one square mile area near downtown Rochester. The projects, built in 1967, were in relatively good operating and physical condition prior to the beginning of the demonstration. Among the reasons for its inclusion in the demonstration was MDRC's and the sponsors' interest in learning whether five small, separate projects could be effectively combined from both a managerial and community organization point of view.

Rochester is the only site that completed all phases of training and moved to actual TMC site management in the first program year. On June 10, 1977, graduation ceremonies marked the completion of training. That same day the Rochester Housing Authority and the Ashanti TMC signed an agreement delegating on-site management to the TMC.

There seem to be several reasons for the comparative ease and speed by which the authority and TMC moved through training to actual TMC management. One is the strong leadership of both the authority and the TMC. Another is the cooperation between the two parties, facilitated by the MDRC Technical Assistant, by which agreements were quickly reached and put into effect. The relatively small number of units may also have been an important ingredient.

While progress was impressive, some problems did arise. The most persistent was the complaint of a small number of residents who felt that the TMC and the authority did not deal fairly with them in such matters as employment on the TMC staff, rent increases, and the structure and processes of the TMC itself. These complaints are under study by MDRC and HUD.



CONCLUSION

The results of the first year of the Tenant Management Demonstration are as diverse as the people involved in the program. One simple — but not easy — thing most affected the progress made at the various sites: how well the tenant management board, the housing authority, and the residents were able to shed old roles, develop new ones, and work in harmony toward mutually fashioned goals. Compounded to this is a basic aspect of human nature: different people work at different speeds. Thus each site has an individual tempo and style that cannot be regulated by plans and timetables. Although the concept of tenant management is attractive, it is not easily put into action. New tenant managers must learn a host of budgetary and managerial facts. Running one household is difficult enough for most people; running, in effect, as many as 1500 is a tremendous undertaking and requires time, patience, and experience that can sometimes only be learned through trial and error. The problems encountered by virtually all the TMC's reflect this and confirm that while the goals of tenant management are clearly attainable when the local circumstances are right, even the most well developed plans for achieving them can be overly optimistic and of little help in making the necessary personal adjustments. Moreover, the initial phases of a new program are always the most difficult to implement because a program's beginning is when the most radical departures from the past take place. An experimental axiom is that at least the preliminary results will cover a wide spectrum. And so it was with the Tenant Management Demonstration, where in some instances barely perceptible progress was made, while in others it exceeded all expectations.

Appendix I

Tenant Management Demonstration

MDRC Budget vs. Expenditure

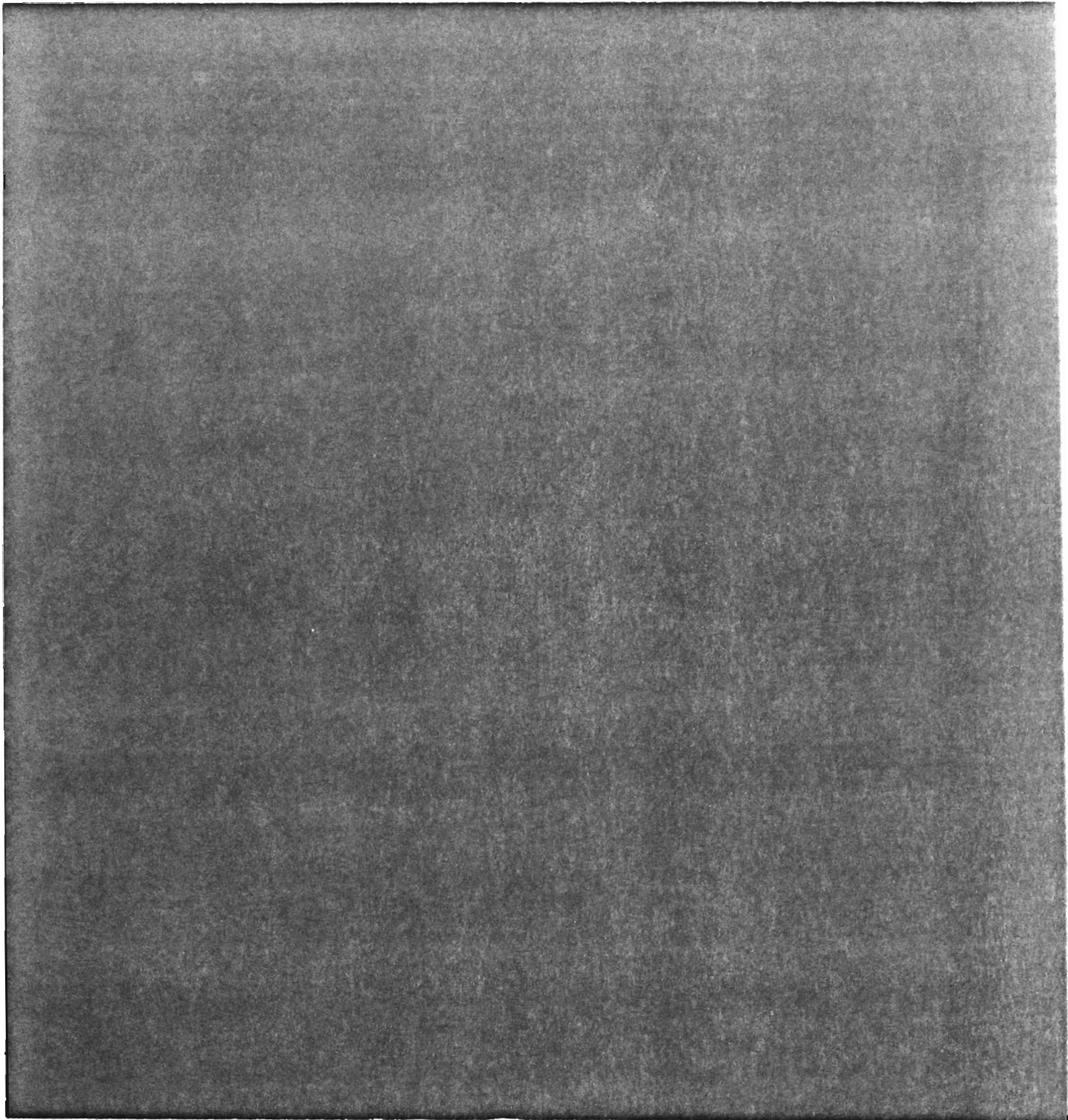
July 1, 1976 — June 30, 1977

	Budget	Expenditures
Personnel (<i>salary & fringe</i>)	\$310,476	\$285,773
Consultants' fee and expenses	440,160	293,488*
Travel	78,000	44,809
Materials, supplies, equipment	39,910	28,034
Rent, telephone, insurance	49,950	51,409
Total	\$918,496	\$703,513

*Consultants' fee & expenses

<i>Training and Technical Assistance</i>	\$213,204
<i>Travel and Misc. Expenses</i>	59,008
<i>Legal, Audit, and other</i>	21,276
	\$293,488

Design and drawings by Emil Antonucci.



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