Housing and Society
Volume 21, Number 3, 1994

RESIDENT MANAGEMENT INITIATIVES IN NONPROFIT AND PUBLIC HOUSING: TWO SITES, ONE BLUEPRINT

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Abstract

Attempts have been made to involve residents of subsidized housing in the management of their buildings or projects for over 20 years. Resident initiatives, both indigenous and imported, have met with varying degrees of success. Two questions should guide those who would implement resident management initiatives (RMI). One, do resident empowering approaches enhance the opportunity for safe and decent housing; and two, what administrative features are necessary? This study examines RMI in a nonprofit housing corporation and in a large public housing authority and offers answers to those questions.

Introduction

The main goal of any housing program for low-income people is usually the provision of a decent, safe, affordable place to live. Resident participation in achieving that goal and then building a sense of community are considered the aims of establishing tenant organizations in most of the literature on empowerment (Atlas & Dreier, 1986; Borgos, 1986; Schuman, 1986; Hartman & Stone, 1986). The question of how far "independence" for these residents should be pursued or mandated is a controversial one (Peterman, 1993). Should home ownership be the ultimate goal? Do residents desire ownership, and are they capable of handling the responsibilities that accompany ownership? What level of participation is appropriate? Santo Marabella, a public housing commissioner in Berks County, Pennsylvania, suggests a continuum of resident responsibility, in which renters in subsidized housing have no resident organization to the complete responsibility that comes with home ownership (1991).

Marabella also discusses the importance of understanding what motivates people to assume responsibility. He argues that the goal of empowerment should be the ability of residents to satisfy their personal needs, including those relating to their families. Residents will participate in tenant organizations if their participation is beneficial in meeting their own needs. However, establishment of individual resident services such as job training, education, health care, and child care may be necessary before residents can expend time and energy on collective activities (Hula & Hall, 1994; Warn, 1992; Marabella, 1991).

Resident Management Initiatives Evolve

Resident management evolves when any or all responsibilities for managing a housing development, such as income, eligibility determination, application processing, resident placement, rent collection, maintenance, payment of utility bills, security, and arrangement for insuring the property, are turned over to the residents themselves. Typically, a Resident Management Corporation (RMC) is a 501(c)(3) nonprofit corporation organized by a resident group to pursue economic development opportunities for the benefit of residents. Acting as the property manager for the housing development and providing resident services are two typical functions.

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Hula and Hall (1994) found two key indicators of resident initiatives: "the existence of a resident council and whether the [housing] commission has appointed staff specifically to the area of resident initiatives" (1994, p. 15). Commissions report that these two indicators have higher levels of activity by tenants in all priority areas, including recreation, crime prevention, family services, drug elimination, and resident management (Hula & Hall, 1994, p. P15-16).

We and others (Hula & Hall, 1994; Peterman, 1993; Arnaudo, 1991; Cibulskis, 1991; Wojciechowski, 1991) found that conditions prior to the formation of the organizations made a substantial difference in the level of tenant involvement and the continuation or success of the group (see Table 1). The levels of education and technical skills of tenants may hinder their ability to meet the expectations for participants in resident management programs. They may lack basic interpersonal skills or the confidence to act effectively. Actions of previous agencies may have made tenants leery of management's motives or willingness to make meaningful changes. Tenants may also not desire to be involved if their participation does not reap direct financial benefits for them.

Table 1. Resident management initiatives.

Project	Location	RMI begun	RMI ended	Building condition at RMI beginning	Source(s) of RMI difficulties
Bromley-Heath	Boston	1971	on-going	critical	
Carr Square	St. Louis	1973	on-going	poor	
Darst	St. Louis	1973	1984	critical	PHA opposition; high RM Board turnover; lack of training
Clinton-Peabody	St. Louis	1974	1984	poor	Same as above
Cochran Gardens	St. Louis	1976	on-going	critical	
A. Harry Moore	Jersey City	1976	on-going	critical	
Curries Woods	Jersey City	1976	1980	poor	Weak leadership; low tenant participation, high turnover, community quarrels
Iroquois Homes	Louisville	1976	on-going	critical	
Que View	New Haven	1976	1979	poor	PHA financial problems undercut RMC, weak leadership, high turnover
Calliope	New Orleans	1976	on-going	poor	
Sunrise Acres	Oklahoma City	1976	1978	fair	Lack of support by PHA and residents, weak leadership, non-resident staff
Ashanti	Rochester	1976	on-going	good	Little initial resident participation
Stella Wright	Newark	1978	on-going	poor	
Montgomery	Jersey City Gardens	1979	on-going	poor	
Kenilworth-Parkside	Washington DC	1982	on-going	poor	
LeClaire Courts	Chicago	1986	on-going	poor	

Source: Metropolitan Planning Council, 1986

Currently, over 100 public housing sites are under tenant management and then - Secretary of Housing and Urban Development, Jack Kemp had hoped to double that number by

the end of 1992 (Kemp, 1991, p. 8) - a goal that was not attained. Under the current Secretary of HUD, Henry Cisneros, tenant management initiatives continue but not at the level of intensity noticed under Kemp, primarily because housing assistance is folded into the welfare reform debate. HUD could encourage community efforts through its funding and regulatory powers, but it has been reluctant to do so (Peterman, 1993).

Two Alternatives

The big question is, how can we efficiently and effectively provide low cost housing for Americans in need of housing assistance? The macro level answer is that we are not gaining ground in the provision of low cost housing, and federal policy in that area is not currently a high priority. The questions we answer are whether resident-empowering approaches to low cost housing enhance the opportunity for safe and decent housing, and whether the administrative form of those approaches is significant.

In this article, we take a careful look at two housing providers, nonprofit corporations and public housing authorities. In both cases we examine resident management initiatives, which attempt to empower tenants and energize communities. Specific cases from Detroit and Chicago are used to illuminate these programs. Data on the primary cases were gathered by extensive telephone and personal interviews and by multiple site visits to LeClaire Court and Dearborn Homes in Chicago, and the Church of the Messiah Housing Corporation in Detroit (Hall, 1993; Warn, 1992; Cibulskis, 1991; Johnson, 1991; McCain, 1991; Wojciechowski, 1991). We spoke with tenants, administrators, developers, city officials, and housing authority staff members.

The overview of other projects and the summary of resident management initiatives in Table 1 are drawn from the extant literature on low cost housing rather than from personal observations. We thought it important to review both the state of housing for the poor and programs that have attempted to provide such housing. We use our findings to put some flesh and muscle on the skeletal question of what works by answering a series of questions in our conclusion. Along the way, we try to evaluate the resident management programs with which we become familiar, ask questions about their strengths and weaknesses, and make some cautious recommendations.

A Housing Crisis?

Federally assisted low income housing is in a state of crisis precipitated by the federal domestic policies of the 1980s and the benign neglect of the 1990s. Concomitant with a national economic situation that increased the demand for subsidized housing, the federal government reduced or eliminated many housing programs. A review of current federal housing policies in the area of low income housing will be made and two options for resident initiatives explored. The encouragement of resident management initiatives (RMI) by nonprofit corporations and public housing authorities, both of which contribute to the provision of housing and the quality of life for low income residents, will be examined. While neither is a panacea for the deficit in subsidized housing, they do provide options for some tenants and should be seriously considered by housing providers and planners. in many cases, nonprofit organizations and resident management initiatives have been successful in providing additions and alternatives to federal housing programs. Following a brief description of the current state of publicly subsidized housing, evidence is offered that resident management initiatives can provide creative approaches in contrast to the inertia apparent in much national housing policy.

The parameters of the crisis in federally assisted housing are better defined by a list of terminated programs than by those extant. Five federally assisted programs authorized in the Housing Acts of 1965, 1968, 1974, and 1983 have been terminated: Rent supplements, Section 235 Homeownership, Section 236 Rental Housing, Section 8 New Construction, and Housing Development Action Grants. Urban Development Action Grants no longer exist, and Community Development Block Grants have been dramatically reduced (Nenno, 1991). The Reagan Administration virtually eliminated funding for construction of new public housing units and even deobligated some commitments already in the pipeline. By eliminating Section 8 New Construction, the Reagan Administration cut subsidies designed to entice private developers to provide units for low income tenants. The Tax Reform Act of 1986 cut

back on the provisions that encourage construction of rental housing while preserving favorable treatment for homeowners.

Between 1977 and 1987, the number of low income housing units decreased by 10 million (Landers, 1987). Since 1987, the number of units in public housing developments declined by 6%. The number of Section 8 vouchers declined but were replaced by the offering of Section 8 certificates. There are currently 4.5 million renters and 1.2 million homeowners receiving housing assistance; the exact number is somewhat elusive and depends on which units are included and what data source is used (Henderson, 1995). However, the National Association of Housing and Redevelopment Officials (NAHRO) estimates that 15 million low income renter households (those below 80% of median income) are eligible for housing assistance but are not being served (NAHRO, 1995, p. 3).

During the Reagan years, 1.2 million families were added to the rolls and outlays for assisted housing increased from $5.6 billion in 1980 to $15.3 billion in 1989. In fiscal 1977-81, an average of 324,000 new families were added to rental assistance programs, but the average had declined to 161,000 new families by 1982-86 (Kuntz, 1989). The Bush administration and Congressional conservatives sought to reduce the average to no more than 100,000 new families each year (Kemp, 1991). In an atmosphere of fiscal constraint, President Clinton has folded housing reform into the entire welfare reform debate. Only 30% of those eligible for housing assistance will receive subsidized housing in fiscal years 1993-1995. An aggressive housing assistance policy separate from welfare reform does not seem to be on the political horizon.

During his tenure as housing secretary, Jack Kemp saw "empowering the poor" as an important part of his campaign against poverty. "One of the most effective means of learning entrepreneurial skills is through privatization in the management of the family's own home" (Kemp, 1990, p. 4). Kemp and others at HUD shared the vision that if housing developments are turned over to the tenants, the residents will take their responsibilities seriously and the new control will translate into a pride in their homes, an improvement in resident life, and eventually an improvement in the surrounding community.

Under provisions of the Cranston-Gonzalez National Affordable Housing Act (PL 101-625), $5 million of modernization funds in fiscal 1991 and 1992 were allocated to public housing resident management activities. Tenants were also encouraged to form resident councils, with the goal of acquiring a housing project for homeownership.

This connection between resident management and resident ownership led to problems. Peterman (1993) suggests that HUD moved too quickly to sell "developments with serious management problems and physical deficiencies where funds for both social and physical improvements were lacking" (1993, p. 8). He and Monti (1989) argue that a "creative tension" between residents and the housing authority is a necessary precondition to resident management. When the housing authority organizes, gives technical support, and funds resident management initiatives, that needed tension disappears. Peterman contends that resident management, which should be a grass roots, bottom up effort, has become instead a top down, codified set of formulae for residents and housing authorities to follow (1993, p. 8).

We took a careful look at resident management initiatives (RMI) in nonprofit housing and in a large public housing authority. Again, the goal of this effort is to compare the experiences of RMI in two different arenas and search for common threads.

A substantial response to the low income housing crisis comes from nonprofit neighborhood organizations, groups that generally espouse resident empowerment, and a plethora of such groups have emerged (Nenno, 1991; Suchman, et. al, 1990; Stegman & Holden, 1987). Two national nonprofit organizations aid local nonprofit groups with housing projects, the Local Initiatives Support Corporation (LISC) and the Enterprise Foundation.

The range of nonprofits involved in the provision of housing spans the country as well as the spectrum of financial arrangements. For example, Sign of the Cross, located in Cincinnati's Over-the-Rhine community, seeks to renovate 30 to 40 units each year. Using very creative financing arrangements, Sign of the Cross utilizes tax-shelter financing and limited partnerships to syndicate capital gains and losses incurred in rehabilitating apartments for

low income tenants. Investors in the limited partnership use depreciation, refinancing, and reinvestment to give away capital gains while providing low income housing - a very good arrangement. Sign of the Cross also benefits from access to low interest loans from the Sisters of Charity endowment (Towe, 1985).

Another example is the Illinois Housing Development Authority (IHDA) which oversees a permanent revolving fund for loans made to housing developers willing to improve or create units for low income, subsidized housing. IHDA is also involved in partnership loans, loans made to projects combining community groups, financial institutions, and city governments. IHDA has also cooperated with LISC, making loans to facilitate LISC's financing of community-based low income housing. IHDA has worked with Bethel New Life, a west side Chicago nonprofit housing group. Bethel New Life combines funds from the city of Chicago, IHDA, charity, corporations, and the federal government to construct new low income housing; the group has been instrumental in providing almost 3,000 new units (Burleigh, 1987).

One of the largest nonprofit housing developers in the United States is the Bay Area Residential Investment and Development Group (BRIDGE). It operates in a nine-county area in the San Francisco Bay region and builds moderate as well as low income housing which is available for both renting and purchasing. Since 1985, BRIDGE has constructed 3,560 new units (Nenno, 1991; Walker, 1986).

Community Development Corporations (CDCs), which were started in the 1960s, occupy a vague space between state/local initiatives and the nonprofit sector. Two federal programs, the Office of Economic Opportunity and the Community Services Administration, provided direct support for staff and core budget operations. With the demise of these programs, CDCs had to become extraordinarily creative not only in packaging economic development, but in maintaining community based support for the CDC staff. CDCs undertake redevelopment projects, some of which involve housing. Because CDC projects also involve the creation of businesses and jobs, commercial real estate, and human services, they are here mentioned only briefly as part of the solution to the low income housing crisis (Taub, 1988; Perry, 1987; Peirce & Steinbach, 1987; Nolon, 1983).

Detroit: RMI in Nonprofit Housing

The following projects provide a case study of nonprofit housing developments in Detroit, Michigan, in which the staff intends to engage residents in the management of their buildings. The four projects fall under the administrative umbrella of the Church of the Messiah Housing Corporation (CMHC). The authors had direct and long-term access to the staff and projects of CMHC. Located on Detroit's east side, CMHC is part of the Island View Neighborhood Association. CMHC was incorporated in 1978 in response to the deterioration and demolition of housing in the neighborhood, especially housing that had been available to those on the lower end of the income scale. According to Project Manager Glen Warn, CMHC defined itself as "a nonprofit ministry developing affordable permanent housing for low and moderate income households in Detroit" (Warn, 1992). Warn facilitated site visits and interviews with CMHC staff, enabling the following information to be collected.

Four CMHC-managed properties represent a continuum in nonprofit housing, ranging from a tenant-owned building to ones with resident councils, and provide a total of 161 housing units, 137 of those for low income residents. When CMHC was founded, the intent of the organizers was to provide low cost housing and eventual tenant ownership of buildings. The first project, facilitated by a blend of tenants from the neighborhood with members of the Church of the Messiah Community, was a rehabilitated apartment building. Members of the Community brought not only sweat equity but professional and business education, training, and experience to the Mustard Tree Cooperative.

The Mustard Tree Tenant Cooperative provides tenant-owned apartment housing for low to middle income level residents. A tenant organization was formed at the time rehabilitation began and members were trained, over a two year period, in accounting, budgeting, maintenance, tenant selection procedures, and building management. CMHC then sold the building to the tenant organization in 1985 for $75,000, requiring only a token downpayment on a 30 year land contract. Although stable management and a diverse population have contributed to the cooperative's success, CMHC staff indicates that one rather problematic issue has arisen. The level of payments agreed upon by the tenant organization covers routine

maintenance but has not provided an escrow reserve for major maintenance needs; paying, for instance, for a new heating system will require the tenants to refinance their mortgage to create additional capital or to increase their monthly payments. While state and federal government grants contributed to the original financing package for the Mustard Tree apartments, it is essentially private housing that was rehabilitated, managed, and then sold by the CMHC.

A second project, which CMHC hopes to eventually sell to a tenant cooperative, is St. Paul Manor. This 36 unit building was rehabilitated with units larger than the Mustard Tree to accommodate and attract families with children. A HUD Section 312 low interest loan provided approximately half of the $860,000 project cost; the remaining financing was assembled from *24* private, religious, and nonprofit organizations. CMHC staff describes the tenant organization, which was formed as families moved into the building in 1987, as functional, but requiring much more development before being ready to purchase the building from CMHC. Although legal responsibility remains with CMHC, a tenant cooperative manages the building, screens and selects tenants, and reviews the budget.

The third project, Kingston Arms Apartments, represents one which is completely owned and managed by the Church of the Messiah Housing Corporation. Rehabilitated in 1990 at a cost of $981,000, this project was funded almost entirely with a low interest loan through Detroit's Community Development Block Grant and a Federal Rental Rehabilitation no interest loan. The lower level of this 29 unit building is accessible to handicapped tenants. With the exception of three units, rentals are to low and moderate income working tenants. Rents are below-market, but the residents pay rent from their incomes rather than with any state or federal subsidy. Glen Warn indicates that Kingston Arms has been instructive for CMHC. The organizational process is arduous. CMHC has organized the tenants, but finds explaining the concept of cooperative housing difficult. This project will likely remain under the ownership and management umbrella of CMHC.

A final example of the creativity required of nonprofit housing developers is CMHC's El Tovar Apartments. This 72 unit building is being rehabilitated at a cost of $2.5 million. El Tovar is owned by a limited partnership. The financing package includes a $2 million state low interest mortgage, Section 8 subsidies for all units (brought to the project by the developer), and $300,000 from a CDC which receives tax sheltered credits from the building's historic designation status. CMHC expects to organize a tenants' council when the rehab work is completed and residents move into the El Tovar.

Management and ownership of CMHC's subsequent projects have not proceeded as smoothly as in the Mustard Tree development for three reasons. Recently completed buildings have not had the "mix" of tenants that CMHC's first project had. From CMHC's perspective, the move toward cooperative ownership or management was slowed by the necessity to carefully recruit and train tenants to be self-sufficient. The goal of ownership is tempered by the necessity to adequately prepare tenants for management and ownership responsibilities.

The second impediment to tenant ownership is related to the capital financing structure of the housing corporation. Funding for projects is assembled from an array of sources. CMHC owns the buildings, but the indebtedness on recent projects is much higher than on the first building. Even with a CMHC-held land contract, the mortgage, interest, and maintenance escrow payments would be substantial - possibly more than even a tenant cooperative could reliably raise. CMHC, operating as the general contractor on its projects, adds only 5% overhead to the cost of each project. From this very low overhead, CMHC supports development fees and permits, management services, and planning.

Finally, there is an issue which is cautiously articulated. CMHC realizes that many pressures are brought to bear on low income households. The pressures of caring for children, providing food, securing employment, and depending on public social services take precedence over participation in the tenant cooperative. In spite of the impetus from CMHC to form tenant organizations, residents may attach less value to the enterprise than the staff of the housing corporation.

There are difficulties for nonprofit housing corporations, many of which can be eliminated or at least tempered by careful planning and financing. Working with low and moderate income renters or cooperative owners requires the intangible expense of building trust between the tenants and the housing corporation staff. In spite of the best and most honest intentions, staff members may face a skeptical group of tenants. Folks who have been misled, misinformed, and mistreated by previous housing providers may need convincing that the housing corporation is a tenant advocacy organization. In the Mustard Tree Cooperative, for example, CMHC staff gave sound financial advice about refinancing the mortgage to generate capital for a new heating system. The co-op members have responded with skepticism.

A second issue is that of financing. Assembling a financial package to pay for new construction or rehabilitation of existing buildings will often involve securing loans. Nonprofit corporations whose goal is tenant ownership will be confronted with the challenge of keeping monthly payments, increased by interest obligations, at a level tenant groups can afford. With assistance from local governments and state housing agencies, nonprofit corporations may be able to broker guaranteed mortgages, matching funds, or special tax considerations to make projects feasible.Construction and rehabilitation of low income housing units as well as involving the residents have been the goals of the CMHC. Many other nonprofit housing providers share those goals as do some in the public housing authority field. However, as Bratt (1991) explains, in traditional subsidized and unsubsidized rental housing situations, tenants are most often excluded from control and from participation in decision-making. Mutual and community-based housing associations as well as tenant organizations within government-controlled public housing are attempts to change those situations (Arnaudo, 1991; Hula, 1990; Monti, 1989).

RMI in Public Housing

Resident management in public housing projects was first tried in 1971 at Boston's Bromley Heath project. That program is still functioning, and many others have followed: Kenilworth-Parkside in Washington, D.C., Cochran Gardens in St. Louis, and LeClaire Courts in Chicago to name a few (see Table 1). All followed the same basic pattern. "Tenant management most often comes about when a group of residents, spearheaded by one or two dynamic and highly motivated tenants, demand the right to manage a project, usually because it has been heretofore grossly mismanaged and allowed to deteriorate" (Fuerst, 1988, p. 337). These groups of residents have most often already formed resident councils, typically informal social groupings of tenants organizing for the general improvement of their community.

Low income housing tenants taking greater responsibility for the management of their environments is viewed by many as the fulfillment of the ideals of hard work, self-determination, and self-sufficiency. Tenant organizations are promoted as vehicles for the development of communication between tenants/other tenants, tenants/management, and tenants/outside community; a sense of community and cooperation; individual interests via collective action; and a stable population. Resident participation in management has also been encouraged in public housing because it is thought that residents have a better sense of their own environmental needs and would be more accountable to other residents. Participation is also solicited as a means of obtaining support for management policies.

Chicago: RMI in Public Housing Projects

In 1986, many of these issues were addressed in an evaluation of resident management for the Chicago Housing Authority. The main objectives of the report were to assess whether tenant management could help alleviate some problems in public housing and to identify the successes and failures of other tenant management systems across the country.

Researchers found that successful tenant management corporations had a number of features which were fairly consistent. The successful corporations had a stricter tenant screening process, forced residents to adhere to maintenance standards set by the corporation, inspected homes once a year to gain visual proof that these standards were being met, instructed residents on the rules and regulations, counseled problem members and, if necessary, evicted those reluctant to cooperate (Metropolitan Planning Council, 1986, p. 14).

Also, the corporation must have continued resident involvement and support in order for it to be successful. This is accomplished by not only becoming tenant-managed, but by showing tangible results, such as expedited repairs and cosmetic improvements, to members. The report also argued that the corporation must show support for existing community organizations, so as to avoid potential power struggles. The importance of training and employing residents was discussed. Finally, the report found that there must be board and staff training for the corporation. In addition, when people are trained to be on the board, they must lead in a strong manner, and the staff must be of outstanding quality. However, some of the success depends on outside sources. For instance, the public housing authority (in this case the CHA), must support the effort. This support cannot only be on an administrative level but must exist on a financial one as well. In other words, the tenant corporations must have access to and control of resources for capital improvements.

Deficiencies in any one of the areas mentioned above could cause the corporation to fail, but some shortcomings were more likely to cause problems than others. These included poor relations with the public housing authority, poor training of tenants on the board and staff, and lack of resident participation. However, the Metropolitan Planning Council recommended that tenant management be implemented at some Chicago test sites and anticipated tangible benefits, such as the renovation and expansion of units, decreases in vacancy rates, a doubling of rent receipts, reduction in maintenance costs, elimination of large maintenance backlogs, decreases in crime-related problems, improved social service provision, and the creation of profitable new businesses and job opportunities. Intangible benefits such as increased self-esteem of residents, were also seen as the task force explored the existing tenant management corporations.

The study concluded that four components should be defined before the implementation of tenant management in Chicago: (1) the role of the Chicago Housing Authority; (2) the role of the tenant management corporation; (3) costs and financing issues; and (4) evaluation (Metropolitan Planning Council, 1986, p. 16). The role of the CHA includes staff and money, which translates into support for the corporation. To show this support, the CHA must develop policies and guidelines, provide needed data, hire a staff liaison, and cooperate in economic development efforts.

The role of the tenant management corporation, according to the study done by the Metropolitan Planning Council (1986), begins with resident involvement and support. The corporation should elect its board members to assist in the transition, and a private management firm (funding usually provided by a grant) should be contracted for on-the-job training courses, during which residents would gradually take control. Classroom and on-the-job training should continue on an as-needed basis at the request of the tenants. There should also be economic development programs within the corporation, and the profits from these programs should be used to add additional profit-making ventures. If the corporation, after it receives total control. Funding (only the management of housing is being privatized) can come from three sources: (1) CHA funds, (2) outside public or private funds, (3) or a combination of the two. The initial funding for education will come from HUD through the CHA, but as the development matures, it should become more self-sufficient. Funding for business start-ups should come from in-kind contributions, public or private sector funding, or fundraising within the corporation. In the evaluation process, all parties involved should share relevant data so as to direct the corporation in a successful way (Metropolitan Planning Council, 1986).

Administration Matters in RMI

At the outset, we asked whether RMI could somehow enhance the quality of life in low income housing. We also asked whether RMI could more effectively be implemented in low income housing provided by nonprofit housing corporations or public housing authorities. We found that having an administrative structure matters more than who actually administers. There were also common themes from both nonprofit providers and public housing authorities. Participation and interest in resident organizations is often limited due to competing priorities for the tenants' attention and time. As our research confirms, tenants may lack time for additional activities as they cope with obtaining adequate shelter, food, clothing and medical care, ensuring their physical security, and seeking education and employment. Absence of enthusiasm for participation in management may be due to a lack of experience in groups

or to simply being overwhelmed by other responsibilities without the additional burdens of self-management and ownership. The desire to provide "sweat equity," if required, may exist, but time and ability may not (Hula & Hall, 1994; Hall, 1993; Warn, 1992; Cibulskis, 1991; Johnson, 1991; McCain, 1991; Hula, 1990).

One of the main arguments against tenants taking over most, if not all, of the housing management functions is the high level of funding and technical assistance necessary, as well as the length of training time involved to ensure success. A three to five year period of intensive effort can be expected in order to achieve a sophisticated management ability. Money may be required both for training in skills necessary for dwelling rehabilitation and maintenance, as well as for teaching management functions and communication skills. It might also be argued that this extensive training only benefits the few that end up employed in management positions. The start-up training and technical assistance and their continuation are more costly than traditional management. In the past, public housing developments with tenant managements were far more expensive to operate than those with professional management. New positions such as that of tenant manager, community coordinator, or social service director may need to be established (Diaz, 1979; Fuerst, 1988; National Assisted Housing, 1991).

Another stumbling block to the success of resident management initiatives is the occasional presence of conflicts between tenants themselves and between tenants and the managing body. Even if definite channels are established for communication between these elements, effective communication may be difficult because of differing backgrounds and positions.

Divisiveness between members of the tenant population may exist because of personality differences, lack of experience in cooperation with others in common efforts, and frequent turnover of the tenant population. If some residents are in board or council positions as representatives of the organization or are in management positions, further difficulties can occur. Those individuals may lose touch with their constituency or experience problems in social relationships with other residents. Also, tenant managers may be unwilling or may lack the ability to take a firm hand in dealing with recalcitrant or unmanageable tenants.

In earlier tenant management demonstration programs, the emphasis was on building community cohesiveness. However, this objective can be diluted if some residents are given management authority. If tenants are compelled to participate, rather than doing so through their own initiative, then commitment and enthusiasm will be lacking. Also daily management tasks are time-consuming and demanding. Residents of developments, whether operated by government, nonprofit, or private organizations, may be satisfied with the current management and not desire more involvement. The differences in educational and social backgrounds between the tenants and the management staff can create problems in perspectives and problems of trust. Difficulties may also arise in efforts to share or delegate responsibilities if it is not clear whether the tenants or the housing authority or the nonprofit owners have the final responsibility for addressing management problems. In past experiments, the disruption of established routines or patterns of operation of the housing authorities has made management less cooperative. A lack of real commitment on the part of the providers of training and technical assistance has been another problem.

Conditions Conducive to RMI

Several conditions are conducive to the establishment of resident management programs whether in nonprofit housing projects or public housing projects. First, consider the present environment and tenant population. How many units are in the development? What is the area surrounding the development like? Is the housing development presently in a state of decay? Is it a rehabilitated project or a newly built one? The answers to these questions make a difference in the amount of time and financing needed in order to provide habitable units and the level of participation or "sweat equity" that may be needed from tenants. If rehabilitation is necessary, the cost effectiveness of rehabilitation must be determined and a heavy infusion of resources from a variety of sources must be sought. Developers and tenants must have the appropriate organizational and technical skills and be highly motivated.

The demographic characteristics of the tenant population and age, educational background, marital status, number of dependents, employment status, health, need to be taken into consideration. Are there coordinated, focused on-site services and sources of income assistance? What form of housing tenure exists? If tenants go beyond a certain level of income, will they be ineligible to remain in the housing? Residents need the knowledge and assurance of an on-going community and program consistency. Looking at the present environment also means looking at the reason for choosing to establish a tenant organization. Was the idea initially that of the landlord, the tenants, the nonprofit organization, or the government mandating a program?

Second, the level of involvement of the tenants must be anticipated. In what areas and to what degree should tenants exercise influence? Will they be directly involved in management and maintenance functions? Will their involvement be through committees or an advisory council? Will there be any financial advantage to their participation? What will be the structure of the tenant organization? The more clearly the responsibilities of tenants and of the management system can be defined, the less chance there is for misunderstandings and conflict. Those functions which can be assigned to the tenant organization, to management, or shared between the two can include: tenant selection and screening; development and allocation of budget; establishment and adherence to rules and regulations; establishment and collection of rents; processing work orders for maintenance requests; and hiring, firing, and supervision of personnel (Hula & Hall, 1993; Struyk, 1980, p. 157).

The third factor to be considered following discussion of the organizational structure of a proposed program is the amount and type of planning, training, and technical assistance available and the funding levels that will be required to support them. It is important that developers of tenant management programs be aware of the length of time involved in training and the need for continuation of funding and commitment.

A fourth major element in assuring the success of any level of resident participation is the presence of strong, continuing leadership, whether that leadership is indigenous or recruited from outside the housing project. If the tenant organizer is paid to coordinate and develop various tenant activities, there are advantages in that the individual has the necessary time, is rewarded financially, and is more apt to be enthusiastic and persistent in achieving the goals of the program.

This leadership can provide the major link for the fifth component of successful tenant organizations, which is effective communication. Lines of communication between tenants themselves, between tenants and the tenant organizer or representative, and between tenants and management may be informal or formal, but the channels must be there in order to keep everyone informed, to create awareness of conflicts, and to provide the opportunity to discuss and resolve issues. If the benefits of resident participation to both tenants and management are clearly communicated and valued by both groups, then the creation and maintenance of good channels of communication will be an important part of achieving their goals.

What works? What generates improved physical and psychological conditions in low income housing developments? What activities or program initiatives encourage resident management? From this research two answers emerge. First, nonprofit organizations which nurture or mandate resident involvement can provide the impetus and organizational framework for resident management in addition to providing decent and affordable housing. Second, public programs that are carefully planned, adequately funded, well-led, and explained to residents can encourage and implement resident management activity. There is no one best way nor does any program suggest a permanent panacea to the problem of housing low income people. There are, however, small steps toward improvement which can energize the development of public and nonprofit housing for low income residents.

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