

Improving Management of Assisted Housing Through Tenant Feedback

C. Theodore Koebel, Ph.d. and Efiang Etuk, Ph.d.
Center for Housing Research
Virginia Polytechnic Institute and State University
Blacksburg, VA 24061-0451

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Introduction

The problems facing managers of public housing have hovered like a dark cloud over housing policy in many developed countries. Many of these problems are writ large in the U.S., but there are distinct echoes in other countries. Tenants in these developments have been disenfranchised and isolated from the mainstream. They often remain invisible except for news reports of crime and mayhem. Efforts to improve management of this housing stock are multifaceted, but often include a variety of approaches to promote “tenant empowerment.”

Assisted housing provided through site-based subsidies or government ownership, in the US or in other countries, creates a monopoly provider. In order to obtain the housing assistance, the tenant must accept the landlord and the unit the landlord offers. For many poor tenants, this effectively eliminates any consumer choice unless the household is willing to reduce consumption of other goods in order to obtain unassisted housing in the open market (Koebel, 1997).

The problems associated with monopoly provision of assisted housing and the elimination of consumer choice have been evident for several decades. Indifferent or incompetent property managers have no incentive to provide higher quality services, since the tenants are unlikely to leave. (Penalties for vacant units in the US were insufficient to stimulate a consumer-oriented management approach even if tenants did leave.) Bureaucratic lethargy combined with the serious social problems accompanying the concentration of poor families established government as the largest slum landlord.

Property management at some public housing sites deteriorated to such a degree that turning management over to the tenants appeared to be the only solution. In the United States tenant management was initiated in the late 1960s and early 1970s as a response to the virtual

breakdown of housing authority management in Boston and St. Louis. The first resident management corporation was created in 1971 out of frustration with the poor management and maintenance at the Bromley-Heath public housing development in Boston. In St. Louis, frustrated tenants organized the nation's first public housing rent strike in 1969. As part of the strike settlement, a Tenants Advisory Board was created to work with the St. Louis Housing Authority (SLHA) on all matters affecting tenants. Through negotiations with the SLHA, tenants bargained for representation on the SLHA's Board of Commissioners and for resident management at all public housing sites.

The St. Louis Housing Authority was at best ineffective and at worst incompetent in responding to tenant concerns. With funding from the Ford Foundation, two Tenant Management Corporations operated by residents were formed to provide management services under contract with the SLHA. By the end of the 1970s, five public housing sites had some degree of resident management. Residents were instrumental in reclaiming their buildings and neighborhoods from drug dealers and other criminals. Deteriorated units were renovated and new units built.

By the mid 1980s, the federal government embarked on a major policy initiative using resident management in public housing as a means to address such problems as aging and deteriorating properties, lack of services, and escalating crime. At the same time, the concept of resident management broadened. Shifting away from the traditional management tasks of collecting the rent and selecting tenants, tenant management (or tenant initiatives in the current jargon) increasingly has included community building and empowerment. These concepts embrace cooperation between residents and law enforcement officials to establish physical security; cooperation between residents and the public housing authority to help enforce tenant

rules; and cooperation between residents and social service providers to increase education attainment, job skills and employment opportunities.

Tenant management by itself does not establish a management philosophy committed to consumer satisfaction. Tenants acting in a property management capacity can also be unresponsive or arbitrary. Tenants who are not in control may well resent other tenants making property management decisions. Considering that property management is constantly involved in judgments about the problems tenants face with their units, their own actions, or the actions of other tenants, tenant managers will struggle to maintain a perception of neutrality and fairness. Consequently, tenant managers must address the same issues and concerns as professional property managers, including tenant satisfaction.

Consumer satisfaction is the goal of all property managers. Managers of for-profit properties consider the occupancy rate as the best measure of consumer satisfaction in a competitive market, thus equilibrating profit maximization and consumer satisfaction. If other managers could provide more desirable properties and higher satisfaction at the same price, they would do so and thereby increase vacancies at the inferior property. Trust in a competitive market notwithstanding, for-profit managers are often sensitive to tenant complaints and other indicators of dissatisfaction. However, only a few rely on tenant surveys to measure satisfaction.

Market failure distorts the competitive responsiveness to consumer satisfaction. In the instance of captive markets, for-profit managers will reduce expenditures in order to increase profits without fear of increasing vacancies. This is often the case with slum landlords and has been a problem with for-profit providers of assisted housing under the Section 8 program. Government provision by itself does not correct the problem, as is readily evidenced by the

failures of public housing. One solution is to restore consumer choice through consumer subsidies. Although this is appealing, it could undermine the asset value of the housing stock currently supported by supply (project-based) subsidies. Another potential solution is to implement a management philosophy that promotes consumer satisfaction. This approach will have to be multifaceted, but a key element would be the development of various measures of tenant satisfaction that would serve as management tools.

The development of tenant satisfaction feedback measures is the focus of this paper. After a review of the literature on tenant management and empowerment, the paper analyzes tenant feedback through random surveying techniques (in-person interviews, telephone interviews, and self-administered, mailed interviews), focus groups, and point-of-service interviews. The results of a pilot study utilizing focus groups are presented, followed by recommendations for further development.

Literature Review

Research on tenant management in the United States includes MDRC, 197_; NCNE, 1988; HUD, 1992; HUD, 1995. The first of only a few evaluation studies of resident management corporations, the Manpower Demonstration Research Corporation (MDRC) study looked at seven sites in six cities. The more successful RMCs in this study enjoyed good housing authority and tenant relations, had strong resident councils, and had better performance indicators than their respective Housing Authorities. The Manpower Demonstration Research Corporation also reported that strong resident leaders led to better performance indicators such as collecting rents and making repairs on units. Nonetheless the study concluded that the success of resident management was only moderate. Costs associated with training and

implementation were high, and in general, benefits of resident management were limited as compared to conventional management. The MDRC recommended against expansion of the resident management program since it was unlikely that tenant management would be universally successful. Interestingly, only one of the original sites evaluated by this study still operates with any degree of resident management.

The National Center for Neighborhood Enterprise (NCNE, 1988) studied the experiences of 11 public housing developments with resident management corporations between 1986 and 1987. Unlike the conclusions of the MDRC study, this study concluded that good housing authority and tenant relationships were not necessary to produce an effective resident management corporation and that a few strong leaders do not necessarily produce effective RMCs. This study concluded that sites with good partnership ties to the outside community were more successful and that well-organized tenant groups are most likely to succeed in resident management efforts.

U. S. Department of Housing and Urban Development, through ICF Incorporated, evaluated eleven resident management corporations in 1992 (HUD, 1992), reporting positive results from full-service and managing-agent models of resident management. The full-service RMCs took on the role of managing the majority of functions in their development, such as maintenance, rent collection, and finances. The managing-agent RMCs only managed a few functions such as maintenance and had no financial control. Full-service RMCs outperformed PHAs on six performance measures, whereas managing-agent RMCs outperformed PHAs on three measures. PHAs had higher performance measures in two areas. Comparing developments operated by the same PHA, RMCs outperformed comparison sites in work order processing, work order completion, utilizing maintenance staffs, staff to unit ratio (lower), and

move-out rates (lower). Managing-agent RMCs performed better than their comparison sites in the areas of unit inspections, resident recertifications, move-outs, vacancies, and tenant accounts receivable. Work order completions and backlogs were comparable for both RMCs and their comparison sites. Full-service RMCs were able to provide more social services and economic development opportunities than either managing-agent RMCs or comparison sites. Also, full-service RMCs significantly improved resident perceptions of their quality of life (since all the full-service RMCs evaluated were in troubled PHAs this conclusion cannot necessarily be applied to a non-troubled PHA). Managing-agent RMCs had significantly reduced crime. These improvements often were accomplished with lower operating costs than for their corresponding PHAs.

In 1995 the HUD Office of Inspector General conducted an audit of technical assistance grants issued in support of public housing resident management and self-employment programs (HUD, 1995). The audit concluded that resident management organizations under the Tenant Opportunities Program were not making significant progress toward property management responsibilities and funding was being used for many areas other than the goal of resident management. A number of problems regarding resident management organizations were cited in the audit:

- slow rate of grant expenditures,
- overambitious grant goals compared to capabilities,
- inability to obtain effective training and technical expertise,
- leader turnover, lack of resident interest, competing council goals,
- incomplete contract work plans, insufficient housing authority cooperation and involvement, and
- lack of performance indicators and monitoring.

More recently, Marcuse (1997) concluded that one lesson to be drawn from several case studies of successful public housing redevelopment in the US was “userization.” “Attention to

tenants, involvement of tenants, and the initiative and pressure of tenants are critical to successful housing for those today at the bottom of the housing-quality ladder” (99).

Other than the literature on resident management initiatives, there has been little research on the broader topic of property management and tenant satisfaction. Cairncross, Clapham, Goodland (1997) have conducted the most extensive study to date on tenant relations. Their study utilized a national postal survey of all local housing authorities in Britain in 1986-7 (282 councils responded); case studies of six local authorities, including in-depth interviews with council officers, tenants’ association members and councillors; a survey of tenants’ associations; structured interviews of 984 tenants; as well as observations from meetings, newspaper accounts and administrative documents. The authors identify three ideal types of political philosophy and their implied patterns of tenant relations. Traditionalists emphasize “traditional patterns of representative democracy and professionalism” and are expected to limit tenant involvement to selective participation by a few individuals or through top-down communication with all tenants. Consumerists stress markets and consumer sovereignty and are expected to increase tenant influence through consumer choice. Collectivists (the authors use the term “citizenship”) promote the creation of community through the collective control of property management by tenants. Tenant participation is divided into three elements: structures, processes and outcomes.

This study found substantial interest and support for tenant participation among housing managers and local councillors. But they also found that general support of the broad concept is differentiated by the details of implementation. “What appeared earlier to be an overwhelming consensus about tenant participation can be seen to break down in the more detailed elaboration of what that means. The main differences were about the approach to

tenants' associations, the housing topics which should be the subject of tenant involvement, and the extent the opportunity to influence policy which tenants should be given" (70). Although the traditionalist-consumerist, collectivist classification scheme is not precise, the authors find the anticipated differences in perceptions about tenant participation by managers and councillors.

The key question is the impact on tenants. The problem of an overwhelming sense of powerlessness among tenants of assisted housing is apparently as widespread in Britain as it is in the United States. Tenant participation programs intend to improve tenants' perceived efficacy and satisfaction, and there is some expectation that the more tenants have control over management, the better their housing. However, any anticipated superiority of the collectivist approach is not supported by tenants' opinions about the quality of either their housing or its management. "The adoption of citizenship style tenant participation structures does not seem by itself to transform tenant perceptions of the quality of service offered or their satisfaction with their house or of the neighbourhood in which they live" (113). Further, "the belief of councillors and housing managers that tenant participation leads to the achievement of service objectives and high tenant satisfaction would seem to be at worst misplaced or at best only a partial answer to what may be a complex problem" (113). Regardless of the management philosophy, most tenants were seldom contacted by the landlord; are generally suspicious of the landlord; and feel uninformed by the landlord. In practice, tenant participation was extremely selective and had little effect on the overall population of tenants. "It seems that there is no particular relationship between a citizenship approach to tenants and tenant participation and a feeling among tenants that their views are considered by the local authority when making decisions affecting them" (123). The consumerist authority had the best record of tenant

satisfaction, but this was due to the perception of high quality service. “The evidence points to the importance of the service provided in shaping the landlord-tenant relationship for most tenants, rather than to the existence of any structures for participation” (128).

The finding that high quality service, particularly a record of good maintenance and timely response in making repairs, is more important than tenant participation resonates as “between-the-eyes” good sense. The primary responsibility of property managers is to provide a good product. As Marcuse notes, few tenants want to be burdened with the details of property management. Despite collectivist notions to the contrary, most households desire to obtain decent quality housing without becoming activists. The unresolved problem is when management fails to achieve this.

A more fundamental problem is whether tenant satisfaction surveys can be used to judge property management performance or tenant participation. Clapham (1997) argues that the focus on housing management might be misplaced and, at a minimum, has caused researchers to ignore the skills of managers, the social meaning of housing management, and the nonmanagement influences on housing outcomes.

Satsangi and Kearns highlight the following as reasons for the increased emphasis on tenants’ satisfaction surveys:

- Increasing popularity of consumer surveys, availability of the technology, and increasing public appetite for management information in the housing sector.
- Requirement of high tenant satisfaction rating and demonstrated evidence of positive tenant satisfaction in order to be able to secure private sector capital for expansion in the housing association sector.
- Deregulation of rents and the need to assess the socioeconomic circumstances of tenants and their ability to pay.
- The need for landlords to defend their position as providers of satisfactory housing services and to justify continued public support and/or maintain current levels of public funding.

- The need for landlords to show that they are organizations that listen to their customers and so avoid large-scale tenant defection to competing landlords.
- The need for housing associations wishing to take over council housing stock and expand their activities to present evidence to the general public and prospective tenants that they are good performers and that they are liked by their current tenants.

Satsangi and Kearns (1992) also identify weaknesses with tenant surveys. The major problem with tenants' ratings is the complex and subjective nature of "satisfaction" which conventional survey instruments are too limited to measure or to interpret. Conventional tenant satisfaction surveys which set out to measure tenants' satisfaction with service provided often end up measuring factors independent of landlords' performance. "The use of the satisfaction score as an indicator of the effectiveness of the service provider, without taking into account the likely impact of other factors upon the rating, is highly misleading." To overcome some of these limitations, Satsangi and Kearns advocate more reliable measure of tenants' satisfaction. Improved measures should take into account: (a) not all consumers are likely to have perfect information; (b) degrees of satisfaction vary for different individuals in different circumstances; (c) most housing services have no absolute criteria of judgment; (d) judgment of service quality (and degree of satisfaction) are subjective, and dependent upon culture, social identity, etc.

Monopoly Providers and Tenant Satisfaction

There are a variety of approaches to empowering tenants who rent from a monopoly provider. One approach is to put tenants in control or partially in control of management. Because only a few tenants can participate in this manner, it somewhat begs the question of management responsiveness. The evidence on tenant management is mixed, as is the experience with tenant representation on boards. Neither is sufficient to create a management philosophy oriented to consumer satisfaction.

The importance of management philosophy cannot be overstated. Without a commitment from management to the promotion of consumer satisfaction, efforts to do so will remain mechanical at best and will have little or no impact on actual operations. But it is also imperative that we develop effective strategies for promoting consumer satisfaction when management is committed to doing so. This was the genesis of the research reported herein. A public housing authority in the US, turned to the university to provide assistance on the development of management tools to promote tenant satisfaction. The Authority recognized that the approach would have to affect the behavior of managers and line personnel in order to create the environment desired. The overall approach has focused on tenant feedback strategies---methods whereby tenant satisfaction about management services could be measured and management performance adjusted if needed.

Several different tenant survey methodologies were considered, including: (a) telephone interviews; (b) door-to-door interviews; (c) mail-out, mail-back questionnaire; (d) focus group interviews; (e) point-of-service interviews; and (f) the suggestion box. Criteria for long-term use include cost, ease of administration, pertinence to property management functions, reliability, and capability of identifying remedies.

Analysis of the demographic and socioeconomic statistics for the RRHA's properties identified difficulties in implementing some of the procedures. For example, very many tenants do not have telephones and could not be reached by that medium. Many others had not attained a level of literacy that would enable them effectively to express their feelings through a suggestion box. Thus two procedures (i.e., telephone interviews and the suggestion box) were therefore dropped as impractical and ineffective. Consideration of door-to-door interviews was suspended because of the high (preliminary) cost estimates of that approach. Focus group interviews were tested in Phase I of the project and are reported on below. A mailed survey will be implemented in Phase II, as will the development of point-of-service feedback mechanisms. Phase III of the project will concentrate on the development of procedures, software, and management reports for the implementation of an ongoing tenant-feedback system.

Focus Groups

As previously explained, many measures of tenant satisfaction are fraught with biases that could vitiate the results obtained. Consequently, we decided to base our interviews on specific events rather than more generalized opinions. The interviews were designed to obtain tenants' views on the following specific events and services:

- 1) application and leasing procedures;
- 2) certification and re-certification of income.
- 3) maintenance of building and property;
- 4) management responsiveness to tenants' complaints;
- 5) late rental payment and restoration of damages; and
- 6) eviction.

In Phase I of the pilot project, three focus group interviews were conducted at two different property sites. Eighteen tenants, selected to reflect demographic and labor-force

profiles of the two sites, participated in the interviews. To encourage maximum participation, the meetings were scheduled and conducted in the evenings. The focus group facilitator first explained the purpose of the session and laid the ground rules. The participants were assured that the purpose was to hear their opinions on the management of their housing by the housing authority, with the intent to strengthen the management efforts of the authority. It was stressed there were no right and wrong answers, nor answers that we were looking to hear, and that we were interested in negative as well as positive comments. The facilitator explained that her role was to keep the discussion focused and to make sure that everyone had a chance to speak. The sessions were tape-recorded to allow the researchers to double-check their notes and to validate the written description of the interviews. The participants were assured that none of their statements would be attributed to them and that only the researchers would have access to the any information about their participation. Participants were provided a \$25 stipend for their trouble.

Each topic area was introduced with a short description of the topic and a question about the treatment they received. The questions were followed with more specific probes. The questions and probes for each topic are given in Table 1.

The information garnered from the interviews generally indicated tenant satisfaction with management services. There were few problems identified with:

- the application and leasing procedure,
- move-in,
- the ease of the re-certification process,
- the procedure for requesting repairs,
- management response in emergencies,
- the courtesy of maintenance personnel,
- knowledge of the procedure for filing complaints,
- knowledge of policies regarding late payment of rent, restoration of damages, and the eviction of tenants.

Table 1

Interview Guide

Application and Leasing Procedures

Please describe the way you think you were treated when you applied for and were leased your unit.

Probes:

What concerns, if any, did you have with the leasing agreement?

How would you describe the way in which the terms of your lease were explained? i.e. the tenant's responsibility, the housing authority's responsibility?

Certification and Re-certification of Income Procedures

Every year the Authority is required to re-certify tenants' income. What has been your experience with the re-certification process?

Probes:

How easy was it for you to go through the process?

What would you say about the time the re-certification was scheduled?

What would you say about the way the case manager treated you?

What other things would you like us to know about the re-certification process?

What suggestions, if any, do you have for improving the certification and re-certification of income procedures?

Maintenance of Building and Property

Quite often tenants have to request maintenance and repairs for their unit. Please describe your understanding of how to make a request for repairs.

What would you say about the way the Authority has handled your request for repairs to your unit?

Probes:

What would you say about the timeliness in which your request handled?

What would you say about the time the maintenance visit was scheduled?

What ended up happening to the problem?

What would you say about the way the maintenance crew treated you and/or your family?

What suggestions, if any, do you have for improving the way maintenance and repairs are handled?

Management Responsiveness to Tenants' Complaints

Where in the authority do you go if you have complaints about...management?...fellow tenants?

What has been your experience in filing complaints with the Authority?

What do you think of the way the Authority responded to the complaints you filed?

Probes:

What would you say about the timeliness in which your request handled?

What ended up happening to the problem?

What would you say about the way management treated you when you sought their help?

What suggestions, if any, would you give for improving the way complaints are handled?

Late Rental Payment and, Restoration of Damages

Sometimes, tenants miss rent payments or accidentally cause damage to their units. What has been your experience with the way overdue rents are handled?

What has been your experience with the way damages are handled?

What suggestions, if any, do you have for improving the way overdue rent and damages are handled?

Eviction

Sometimes the Authority has had to evict tenants. What is your understanding of the way the Authority handles evictions?

What do you think of the way the Authority handles eviction cases?

What suggestions, if any, do you have for improving the way evictions are handled?

Some problems identified by tenants were idiosyncratic, such as not getting the apartment key on time for move-in. However, tenants did identify several commonly experienced problems. Participants expressed concern over the way rent increases are assessed and implemented. They decried the practice of basing rent on gross income, without taking cognizance of other expenses such as day care, school fees, medical bills, etc. They felt particularly unhappy that every increment or additional income automatically led to rent increases. They described a policy of “the more you make, the more you pay as rent” as penalizes effort; and thought it should be reviewed. Generally, they felt “trapped,” saying that it was difficult to build up enough savings to make a deposit elsewhere.

Participants observed that repairs are generally scheduled at the convenience of the Authority, and that tenants are seldom informed when to expect maintenance personnel. They complained about the small number of maintenance workers and also about the length of time it takes to get materials and supplies for repairs. They indicated that because of those problems, some tenants have had to carry out some of the repairs themselves or be prepared to wait for the one maintenance worker to get things fixed. To get problems fixed, tenants have to be prepared to go back-and-forth. Some of the participants indicated that they had had to call several times before action was taken on their requests. Participants also complained about being charged for after-hours service, even though they had requested repairs or service during normal working hours. They also complained that site managers do not always follow-up on complaints about the performance of maintenance personnel.

During the discussions, it was apparent that most of the “complaints” that tenants lodged with management were about fellow tenants. Quite often, the contentions were over

noise, children, and visitors. Several complaints were about disrespect, incivility, and vandalism by children. They decried the practice of charging vandalism to the occupants of the damaged units rather than to the parents of the children who vandalize units and property. They felt that site managers are reluctant to follow up with violators, or to act until charges are pressed -- a practice they felt frequently puts complainants at risk of retaliation. Many of these complaints by their nature appear difficult for site managers to arbitrate unless they involve clear violations of the lease.

Participants emphasized the difficulty of getting hold of site managers to lodge complaints. They said that site managers seldom returned calls, and appeared reluctant to do anything about their complaints. They complained about a lack of privacy when making complaints to site managers and described the practice whereby a site manager identifies the complainant to the person about whom the complaint is made -- a situation that often pits tenants against each other and was considered a breach of confidentiality. They felt that site managers wanted tenants to sort out matters by and for themselves, or to call the police. Tenants felt confused about the division of responsibility between the site manager and the police.

Participants noted the large incidence of drug trafficking after 5.00pm, and attributed the problem, in part, to individuals who had been barred from the estate but were still around, some of them living with girlfriends. The problem of individuals previously barred from the premises but still living there was noted frequently.

Tenants also want site managers to spend less time in the office and more time walking around the property to be able to see things themselves and to know what is going on in the estate. They further recommended the establishment of neighborhood watch, greater

accountability by parents for the actions of their children and of hosts for the actions of their visitors. They also recommended more stringent screening of tenants who move in and the introduction of parking and visitor's permits.

On restoration of damages, a few participants complained that some of the damages for which they are charged could be traced to structural faults for which they are not responsible. The example of leaking pipes from the floor above was mentioned.

Regarding eviction, participants felt that many of those evicted deserved to be evicted, and that the process sometimes seemed too lenient and too slow. However, they felt that tenants are not always given the same treatment. Some complained, in particular, about the practice of evicting a tenant if a barred person is seen in his/her unit, even though he/she may not have known that the person in his or her unit has been barred. They also felt that the five days eviction notice is rather short for families with small kids and that the Sheriff's action of throwing evicted person's belongings out of the window or leaving them on the curb was inhumane. Such garish actions create a public relations problem for the Authority.

Conclusion

Phase I of the project demonstrated the utility and cost effectiveness of focus group interviews in developing tenant feedback. The process generated specific, actionable information that can lead to management improvements. Structuring the focus group sessions around specific management services appeared to reduce the bias problems associated with other interview formats. The participants had their own experiences to draw on, as well as perceptions formed in talking with other residents.

Although some concerns expressed by tenants were particular to their own personal experience, there were several problems that clearly were commonly perceived by the tenants. Some of these may well be out of the immediate control of the Authority (such as the rent setting policies established by HUD), but others can receive immediate attention. Site managers can be trained to be more responsive in returning phone calls, keeping the confidentiality of tenant complaints, and managing more by “walking around”. Lease provisions governing noise, children’s behavior, visitors, and barred persons can be reviewed and clarified. The role of the manager and the police can be clarified. Violations warranting eviction can be clearly stated and regularly enforced. These seemingly mundane steps are the practices that establish a management philosophy promoting tenant satisfaction.

Focus groups should not be the only tool used to measure tenant satisfaction and should be augmented by other approaches, such as surveying a random sample of tenants and point-of-service feedback. In order to develop an ongoing system that can influence management decisions, the tenant feedback system will have to be systematized within an overall management approach promoting tenant satisfaction.

M. Satsangi and A Kearns.

“The Use and Interpretation of Tenant Satisfaction Surveys in British Social Housing” *Environment and Planning C: Government and Policy*, Vol. 10, 1992, pp. 317-331.