

Community Control of public housing Is LEGALLY possible.

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# Resident Management Corporations

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**Resident management corporations, or RMCs,** are an official, legal option through which public housing residents can take full or partial management responsibilities of their developments.

The ideal for tenant participation developed from the civil rights and welfare rights movements of the 1960s, and from deteriorating conditions stemming from mismanagement by the housing authority, similar to the situation in NYC today.

One of the first RMC's grew from a rent strike initiated in 1969 across the public housing development in St. Louis. This resulted in the establishment of RMCs across 5 developments in the city between 1973 and 1975.

Throughout the 1970's, 1980's, and 1990's, RMCs were studied and evaluated by national entities like the Ford Foundation, academics, and HUD. Taken together, these studies concluded that with the right training and support, RMCs were **MORE EFFECTIVE** at managing public housing developments than the local housing authority, and usually provided services above and beyond what housing authority's could provide to tenants.

In 1987, RMCs were legally codified into law, with slight amendments made a decade later.

RMCs could be an alternative to the privatization and selling off of public housing that we are seeing in NYC today.

This pamphlet outlines the opportunities and challenges that characterize this option.

## Brief Overview

1. **RMCs are better maintained and better managed.**
2. **RMCs have lower vacancies and eviction rates.**
3. **RMCs have more resident services.**
4. **Residents are more satisfied with their quality of life.**

>> Keep reading to learn more! >>

# A RESIDENT MANAGEMENT CORPORATION IS:

A resident-led nonprofit that proposes to enter into, or enters into, a contract to manage one or more management activities of a HA.

Contracts are negotiated between the housing authority and the resident group.

Sites can take on different types and numbers of management responsibilities.

## Responsibilities can include:

1. **Personnel:** Hire and supervise management and maintenance staff.
2. **Resident Screening:** Take applications - Screen applicants - Make unit assignments - Resident (re)certifications - Resident orientation
3. **Lease Enforcement:** Rent collection - Billing - Monitor TARs - Enforce rules - Evictions - Legal work
4. **Financial Management:** Prepare operating budget - Payroll - Accounts payable
5. **Security:** Provide personnel - Coordinate with police
6. **Property Maintenance:** Annual unit inspections - Take work order - Regular maintenance - Extraordinary maintenance
7. **Procurement:** Maintain inventory - Purchase supplies - Solicit bids

# A SYSTEMATIC ASSESSMENT

A 1992 study by HUD examined 11 existing RMCs, and compared them to each other, to management by the local housing authority, and to other sites without RMCs.

Six were labeled “**full-service**” meaning they had taken on the bulk of management responsibilities, including maintenance, rent collection, and financial control.

Five were called “**managing-agent**”, and they took on less responsibilities, notably the financials, and worked with the PHA to management the development.

**RMCs generally outperformed or performed as well as housing authorities. This was especially true of full-service RMCs.**

RMC Organization (Year Incorporated)	Location
FULL SERVICE RMCs	
Bromley-Heath TMC (1971)	Boston, MA
Carr Square TMC (1973)	St. Louis, MO
Cochran Gardens TMC (1976)	St. Louis, MO
Kenilworth-Parkside RMC (1982)	Washington, DC
Lakeview Terrace RMF (1987)	Cleveland, OH
Le Claire Courts TMC (1987)	Chicago, IL
Managing-Agent RMCs	
A. Harry Moore TMC (1978)	Jersey City, NJ
Booker T. Washington TMC (1979)	Jersey City, NJ
Clarksdale RC (1983)	Louisville, KY
Montgomery Gardens, TMC (1979)	Jersey City, NJ
Stella Wright TMC (1975)	Newark, NJ

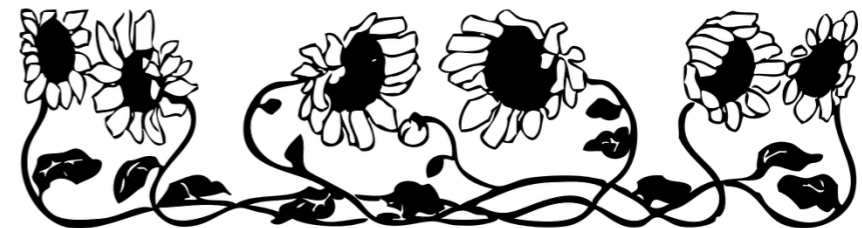
# POSITIVE OUTCOMES

1. Developments with RMCs were better maintained and managed, and at a lower cost than the local housing authority.
2. Where RMCs outspent local housing authorities was in the area of resident services.
3. RMCs also created more employment opportunities for residents. Employment opportunities included in-house crime management and conflict resolution patrols, among other things.
4. Residents at developments with RMCs reported more positive perceptions of the quality of life than their counterparts at developments operated by the local housing authority. This included: general housing satisfaction, sense of security, satisfaction with support services, and sense of personal responsibility for conditions at the development.

These outcomes were especially true for full-service RMCs.

**Resident Services included social services and economic development opportunities.**

**Full-service RMCs provided about two-times as many social service programs as PHAs, and generally, they alone provided economic development opportunities for residents (Not PHAs or managing-agent RMCs).**



## Social Services were determined by residents based on the needs of their developments.

### Some of these services included:

- Headstart, preschool, tutoring, GED training, Teen parenting programs, Life skills courses (i.e. budgeting, housekeeping, pest management, unit maintenance)
- Childcare, including after school or latch key programs,
- Teen council and other youth activities like sports, after-school events, a teen pageant
- Scholarship funds
- Assistance for seniors, including transportation for shopping and errands
- Monthly gathering for seniors, and annual dinners to honor them and sponsor trips throughout the year
- Voter registration drives
- Health programs like drug awareness and substance abuse programs, AIDS and STD prevention programs, along with health clinics, food banks, and a summer lunch program

## Economic development activities were meant to invest in the development as a whole, and in residents directly.

### Examples of these included:

- Resident-run convenience store, hair salon, a moving company, a construction company, laundry facilities, and a recycling business.
- One full-service RMC also had a real estate development entity that was involved in rehabilitating units in the neighborhood and developed a commercial strip in the area.
- Residents also made up the majority of paid staff at the developments, whether maintenance, management, service provision or otherwise.

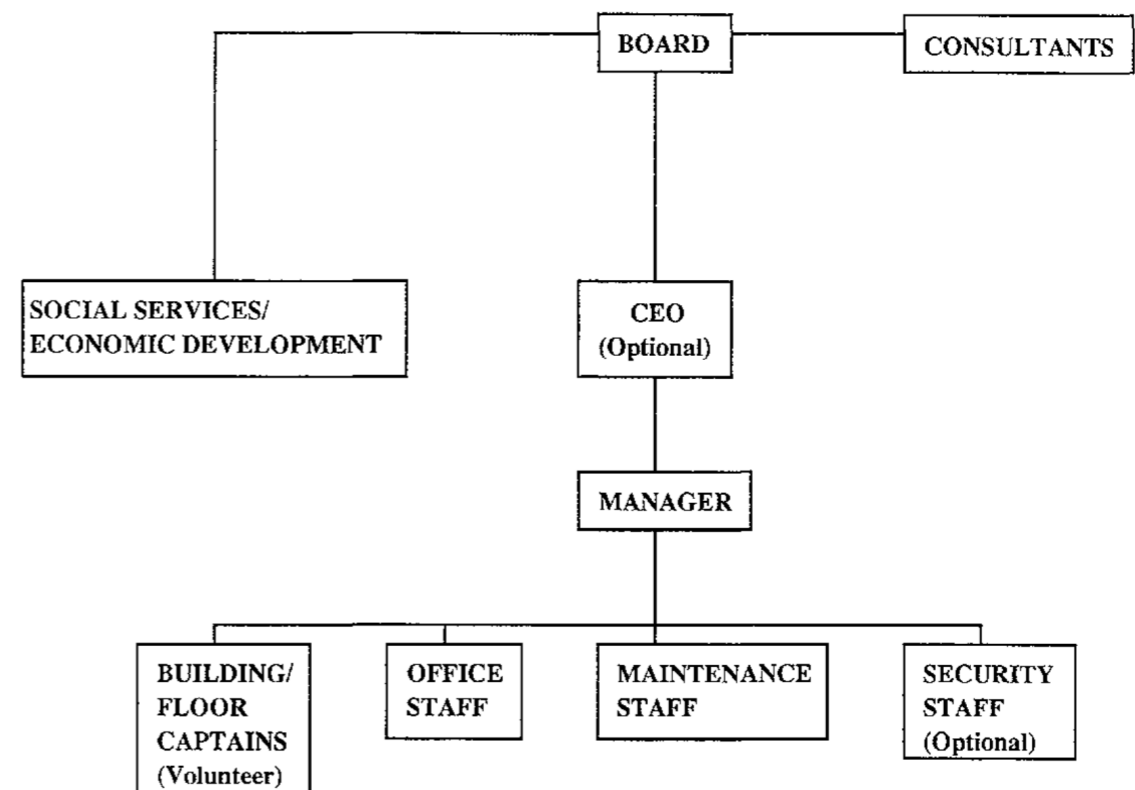




# HOW ARE THESE MANAGED?

- **BOARD OF DIRECTORS:** A rotating board of directors that is comparable to the size of the development. Range in 1992 HUD study was 4-18 members. Elections were every 2-3 years. Some projects allocated stipends to board members. Board operated as a unit, but also were broken out into committees that focused on different aspects including: maintenance, personnel and grievances, social services and economic development, financing and fund raising, redevelopment and rehabilitation, training, and planning.
- **STAFF:** Typically residents; though in the beginning, you may bring in outside staff to help get things off the ground and train residents to take over their positions. These would be paid positions.
- **PROPERTY MANAGER:** Liaison between Board of Directors and Staff. This would be a paid position.
- **FLOOR AND BUILDING CAPTAINS:** They are the first point of contact for residents. They provide information and updates to residents (about events, or rule changes), and they receive resident complaints or needs and relay them back to the board. They are usually unpaid, but receive rent reductions.

Exhibit 3-1  
TYPICAL RMC ORGANIZATIONAL STRUCTURE



# WHAT SUPPORTS SUCCESS?

- Strong leadership. Beyond naturally charismatic leaders, leadership development initiatives can help RMCs survive and thrive in the long run. Leadership will turnover and without these development programs, the functioning of the RMC could worsen.
- Ongoing training and technical assistance also helped with longevity. This might include basic business and management skills like property management, community organizing, financial management, and organizational development.
- Tenant buy-in. A culture of respect for the RMCs authority was must be cultivated.
- More responsibility in the hands of the RMC (i.e. full-service) rather than less resulted in the best property and resident management outcomes overall.
- Even with full-service, the PHA ultimately retains responsibility for the property (i.e. it remains public land and infrastructure), so a good working relationship with NYCHA staff would be important.

# WHAT CREATES CHALLENGES?

- Contracts are negotiated with the local housing authority, in this case, NYCHA.
- In at least one case in Chicago, the housing authority performed a “clean sweep” that routed “undesireable” tenants out.
- Historically, these have taken about 5 years of negotiations for management to fully be assumed by the RMC.
- The continue to rely on public money. Typically, while RMCs were getting up and running, the federal government infused public money to modernize buildings; and grants were available to assist with training and management needs.