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**Final Report And Evaluation Of The Rental Housing Pilot Program For The
Minnesota Housing Finance Agency
Administered Through The Housing Access Center – Duluth Minnesota
Prepared by Katie Donahoe – June 2004**

The Rental Housing Pilot Program- which we call “Ready To Rent” tenant education classes, were held once a month from July 1, 2002 through May, 2004. Classes were held here at the Damiano Center. We also conducted additional off-site trainings at: Life House – a program for homeless and at risk youth, Women’s Transitional housing – housing for women who are victims of domestic abuse, The Center For Independent Living – a program for adults with disabilities, The Salvation Army Transitional Housing program for families and at Harbor View - public housing project and future site of the HUD and MHFA funded Hope VI project.

Subjects covered in the Ready To Rent curriculum are:

Where Does The Money Go? Provides guidance to participants on how to determine their monthly income so that they know how much they can afford for rent.

Developing A Spending Plan: Our agency contracts with The Salvation Army’s Money Management Program and participants are required to complete this one-two hour session to complete a spending plan. Participants are not certified until they have completed this step and this is one way I track completion. When they have finished this step the money management staff faxes me a copy of the plan and it goes in the file to be reviewed later. I also have a conference call with Kathy Bieto (money management coordinator) about every participants spending plan.

Making The Most Of Your Credit Report: This lesson includes introduction to credit reports, how consumers can obtain a copy of their report and ways to improve it.

Finding A Place To Live: This lesson introduces a tool that participants can use to determine what is important to them in a place to live and offers information on how to find apartments, and particularly, affordable apartments.

Checking Out The Apartment And The Landlord: This lesson provides tools participants can use to decide if they will be comfortable with the apartment they are considering renting and having a business relationship with the landlord.

The Rental Application Process: This lesson describes techniques landlords use to screen applicants so that participants know what to expect and can be prepared to address doubts landlords might have. The lesson also covers fair housing laws, which are intended to control discriminatory screening practices.

Understanding A Lease: This lesson focuses on understanding the provisions in a lease. We use the Minnesota Attorney Generals residential lease and we go through every line of it in class. For a time we had a volunteer landlord who uses this lease come to class and discuss and questions participants had.

Home Care: Who Is Responsible For What? This lesson introduces several keys to determining repair responsibilities, including lease agreements, rental check-in forms, and care and repair responsibilities set forth in state regulations.

Home Care: Keeping It Clean And Safe: This lesson provides participants with some basic tips on efficient ways to keep their homes clean. This proved to be a significant

problem area for many participants. We received many referrals from Duluth HRA for people who were about to be evicted due to poor house keeping skills or excessive “stuff” in their apartments. I found it a very challenging subject, breaking life long patterns of poor house keeping skills. I used actual photographs that I made into over- heads in addition to the material provided in the curriculum to demonstrate the issue of clutter and garbage.

Communicating With Your Landlord and Neighbors: The emphasis of this lesson is effective verbal skills, writing a letter of request, and resolving conflicts with neighbors. This was another significant problem area for my tenants. I also incorporated role-playing conflict situations into the curriculum.

Moving On: Notice, Security Deposits and Evictions: This lesson covers steps in ending a lease agreement. It deals specifically with security deposits. It also touches on steps including evictions that landlords take if they want a tenant to move.

I also added to the curriculum a section called **Common Rental Myths**. This section covered such myths as: I can’t be evicted in the winter, I should hold on to my rent until the landlord makes repairs, It’s not me selling drugs, it’s my children so I can’t be evicted, and other common rental misconceptions.

After participants complete all classroom work and the spending plan we work on finding an affordable apartment. Once this was accomplished we did a check-in with tenants and landlord’s, noting any damages to the apartment and taking pictures of the overall condition of the apartment. The pictures are taken with a digital camera and copies are kept in the client’s file.

Referrals came from (in order of number of referrals) Referrals from other agencies, inter-agency referrals, word of mouth, walk-ins and newspaper or other marketing. Referrals from other agencies: HRA of Duluth, Center City Housing, Bethal Work Release, CHUM, Deaf And Hard Of Hearing Services, Women’s Transitional Housing, Life House and Proctor House for Youth, The Human Development Center, Port Rehabilitation Services, Northeast Office Of Job Training- Minnesota Workforce Center, and private landlords.

When participants completed the certification process they received a certificate and a basket of cleaning supplies. We modified the program slightly as needed, one thing we changed was instead of giving participants a savings bond worth \$100.00 upon completion we made the bond more of an incentive to maintain housing and required participants to maintain their housing for six months in order to receive the savings bond.

Another modification that seemed necessary to our particular population was allowing people with felony convictions to take the classes. These convictions were usually more than two years prior and were crimes involving drug use or theft. Persons with felony convictions involving damages to rental units or crimes involving violence were not served by the program. Criminal backgrounds were a huge barrier for many of the participants but there were several landlords willing to rent to them.

Another modification I made was to the curriculum involving the income scenarios. I don't believe they adequately reflect the typical scenario's of the people in my classes. Many participants have very restricted incomes based on S.S.I. (approximately \$559.00 per month or M.F.I.P. benefits which, depending on how many children are in the family can be from \$437.00 per month for one child to \$679.00 for three children.)Also, the General Assistance program administered through St. Louis County Social Services provides \$204.00 per month to single people in need. With the typical rent on a two bedroom apartment in Duluth being upwards of \$600.00 per month one can see the difficulty of affordability. The income scenario's I used were based on these figures.

Another challenge involved my ability to obtain copies of tenants screening reports. I was informed this information could not be released to me as I was not a landlord, even with a release of information and the consent of the participant. We had to have clients apply for an apartment and when they were turned down we were able to obtain a screening report.

The original grant proposal included having Women Build, a local construction company made up of women in construction training, do necessary repairs to damaged units. At first they were difficult to get a hold of and then I was told they would not be able to fulfill their contract with us because our requests were not considered large enough construction projects. They do large scale construction; build and remodel homes for example and doing minor repairs wasn't cost effective for them. When damages did occur we had landlords use their regular repairmen and we reimbursed them.

One very positive outcome for us involved a local landlord named Jerry Bakke. He has two large apartment buildings in the Central Hillside area in Duluth and was very interested in the program. The two buildings had a long history of problems; police calls, continuing evictions for criminal activity, and even the murder of a small child during a drug deal. Jerry was determined to change all that. He evicted a large number of problem renters so he had a lot of open units. Today, there are 14 Ready To Rent participants who are successful renters with Superior Property Management and Jerry received an award from the city of Duluth for his efforts.

The need for quality affordable housing in Duluth is a huge problem and about 41% percent of renters pay more than 30% percent of their monthly income toward housing. Much of the housing available in Duluth is priced out of range for the low to moderate income level renters, and many units are in need of drastic repair.

I'd like now to discuss two different case histories in order to demonstrate as much as possible a "typical" participant's progress through the program.

Nancy is a single Caucasian woman with two teenage daughters. Before taking Ready To Rent classes she lived at a local family shelter. We go through the Minnesota Attorney General's residential lease in class and the Landlord and I went through the same lease with Nancy again before she moved in. Nancy has one past eviction and owed a landlord money. We worked out a re-payment plan with that landlord and she did pay it off. The

landlord at her new place called and said the neighbors were complaining about her daughters having parties and making excessive noise. She was given a written warning about this. When I spoke with her she explained that she works evenings and is not home to control her children. I gave her many resources for her kids; after school programs, parenting classes. She did not follow up with any of these. The next warning she got involved her daughters breaking a window, she was given another warning by management. I personally spoke to her daughters (tenant asked me to) trying to impress upon them they stood to lose their apartment and would end up back at the shelter if they received one more warning. There were more complaints from quite a few people in the building and the landlord intended to evict her. He was not willing to give her another chance and she was evicted, the last I heard she and her daughters were living with Nancy's mother. In this case even intense case management was not enough to keep Nancy and her children permanently housed.

Mary is a single black woman with a three year old daughter. Through the Ready To Rent program she was able to obtain subsidized housing. She has multiple disabilities including physical. She lost an eye in an accident. She also suffers with depression and anxiety disorder. She initially had domestic abuse issues and her daughter did not live with her. After she had permanent housing for six months she was able to regain custody of her daughter but then the abusive boyfriend was back in the picture. She came close to losing her housing because the police were being called to her unit. We discussed at length domestic abuse programs that could help her but she didn't believe they could. Eventually she found an advocate she was comfortable with and continues to work with her and has been in her housing for a year and six months with no further incidents with the abusive boyfriend. She is now very set on buying a house and is working with Neighborhood Housing Services which offers programs to assist people buy homes.

PROGRAM GOALS:

1. 150 high risk clients will have completed the comprehensive tenant education/certification program .

Over the two year period of the program 216 individuals attempted to complete tenant certification. Total including all members of household is 540, this number includes Ready To Rent participant. 16 individuals were screened out due to criminal record and damage to property. 164 individuals completed, (the goal for the program was 150 individuals) People continue to complete as I write this. The Salvation Army money management staff person was on vacation in May and about 12 of my participants are waiting until the end of June/beginning of July to complete.

2. 70% high-risk clients who have completed the tenant certification program will be case managed and housed by landlords participating in the program.

Of those 164 individuals 110 were successful at obtaining permanent housing.

3. 70% of the tenants placed in housing will still be in the same unit after six months.

Of those 110, 20 households were not successful at keeping their housing for six months or longer, two of the 20 died while in their housing, one of a drug overdose and the other from a brain aneurism. Leaving 90 individuals housed in permanent housing. Of those 90, 78 (86%) have been in their current housing for longer than six months, this number will increase as more individuals approach their six month goal. The rest of the individuals who were unsuccessful at maintaining their housing lost it for a variety of reason. Loss of employment, unacceptable behavior, i.e. partying, domestic violence, drugs.

4. 80% of mediations to prevent eviction will be successful.

The program prevented 13 evictions out of 18. (72%)

The statistics collected on our intake form demonstrates the following:

Of the 164 participants that completed tenant certification:

- 4 Individuals have experienced long term homelessness (4 times in the last 3 years)
- 29 Received adult chemical health services
- 18 Received adult mental health services
- 30 Report previous evictions
- 3 Report receiving juvenile mental health services
- 8 Report multiple disabilities that include more than one of the above
- 9 Report physical disabilities
- 12 Report being victims of domestic violence
- 10 Report being on adult probation

* Of all participants who completed an intake form, virtually 100% report they are low income. (\$17,800.00 annually or less.)

The Ready To Rent program received a \$10,000.00 CDBG grant to continue our efforts at tenant education. We will be providing off-site training to Women's Transitional Housing and The Salvation Army Transitional Housing programs. We intend to do these trainings every other month. We will also be providing every other month off-site trainings for the Hope VI public housing project as these tenants are transitioned into the community while they wait for the new housing to be built. The Ready To Rent classes will be provided to these programs but not the landlord incentives or case management.

I'd like to add the importance of the landlord incentive part of the program, most landlords were willing to take a chance on hard to serve individuals because there was some monetary incentive for them to do so. The program hasn't used all its landlord incentive money but we are getting close.

All things considered the Ready To Rent Program helped people in Duluth find housing when there was no other help available. Participants were given pre and post tests in an attempt to gauge knowledge of tenant issues. They were also given an evaluation of the material, its usefulness and a chance to comment on the instructor. Every participant reported learning things that would help them be better tenants in the future.

It has been a pleasure and a learning experience for me to have coordinated this program, I only wish it could continue. It seems a shame, and I have mentioned this to my boss, that just as the program seems to be "taking off" and becoming known in the community, it's funding is gone. (Class participation rates slowly grew from about 4-5 individuals in the beginning of the program 2 years ago to about 8-10 at it's close.) But I will always view it as a positive experience and one that helped people with little hope for housing, find and maintain permanent housing.