

## Call for Proposals

### Financial Empowerment for New York City Public Housing Residents

#### SUMMARY

The Mayor's Fund to Advance New York City ("Mayor's Fund"), with the assistance of the New York City Department of Consumer Affairs Office of Financial Empowerment ("DCA OFE"), seeks a Collaborative of Consultants ("The Collaborative")<sup>1</sup> to develop and implement a new, high-impact, scalable financial coaching model for residents and communities of the New York City Housing Authority ("NYCHA"). Under the direction of the Mayor's Fund and with the assistance of DCA OFE and NYCHA, the Collaborative will utilize a program-to-policy approach to catalyze improved financial empowerment with and for NYCHA residents and communities. The Collaborative can be composed of a variety of partners including but not limited to: financial counseling providers, NYCHA Resident Associations, community-based service providers such as workforce and community centers, and local financial institutions. The Collaborative, as a whole, should have: 1) proven expertise in supporting individuals in achieving financial empowerment outcomes; 2) proven experience successfully working in partnership with public housing residents and/or with low- to moderate-income communities; 3) organizational capacity to bring together NYCHA property management personnel, other NYCHA frontline staff, NYCHA residents and Resident Associations, as well as community-based organizations in order to achieve specified outcomes; and 4) expertise in testing interventions in order to develop an effective financial coaching model tailored for NYCHA residents and to make recommendations for systems-change.

DCA OFE and NYCHA will partner with the Collaborative to propose and test new solutions to effectively achieve the outlined objectives and outcomes below in the target public housing community, consisting of one or multiple developments. Combining the local knowledge and content expertise of the Collaborative with both NYCHA's and DCA OFE's resources and systems, will seek to enable individual-level, community-level and ultimately system-wide innovations and impact. As such, the Collaborative should seek to design interventions that will lead to greater systems change by using a programs-to-policy approach. The Collaborative should also leverage the existing work of DCA OFE and NYCHA, as described in the appendices, to achieve the stated project outcomes. This project will receive quantitative and qualitative research support from the University of North Carolina Center for Community Capital ("CCC").

The Mayor's Fund, with the assistance of DCA OFE and NYCHA, will award a contract of **\$213,100** to be directed to the applicant determined to be the most qualified to lead this initiative, taking into consideration factors set forth in this solicitation. Additionally, award of the contract shall be contingent on the applicant entering into mutually acceptable access license agreements with NYCHA to provide the applicant with access to NYCHA locations, as necessary, in order to perform the project.

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<sup>1</sup> The Collaborative should have one clear lead Consultant/Organization responsible for the overall project that will be the primary point of contact for the Mayor's Fund, NYCHA and DCA OFE.

## IMPORTANT DATES

Release: January 15<sup>th</sup>, 2016

Prospective Proposers submit questions to DCA OFE by: January 21<sup>st</sup>, 2016 at noon.

Information Session: January 26<sup>th</sup>, 2016 at 3:00 pm-4:30 pm at the New York City Department of Consumer Affairs, 42 Broadway, 8<sup>th</sup> Floor, Commissioners Conference Room.

Proposal Due Date: February 15<sup>th</sup>, 2016 by 5:00 pm.

Anticipated Contract Term: March 1<sup>st</sup>, 2016-March 31<sup>st</sup>, 2017

Mandatory NYCHA Public Housing Module Training for Awardee: March 2<sup>nd</sup> & March 3<sup>rd</sup> at the New York City Housing Authority, 250 Broadway, New York, NY 10007.

## CONTACT INFORMATION

All questions regarding this solicitation should be directed to Melody Mercedes at [mmercedes@dca.nyc.gov](mailto:mmercedes@dca.nyc.gov) by noon on Thursday, January 21<sup>st</sup>, 2016.

DCA OFE will host an information session at its offices located at 42 Broadway, 8<sup>th</sup> Floor on Tuesday, January 26<sup>th</sup>, 2016 from 3:00 pm-4:30 pm. Submitted questions will be addressed at this session. Please RSVP [here](#).

Please submit proposals no later than 5:00 pm on Monday February 15<sup>th</sup> via email to [mmercedes@dca.nyc.gov](mailto:mmercedes@dca.nyc.gov) or by mail to:

New York City Department of Consumer Affairs  
Office of Financial Empowerment  
42 Broadway, 3rd Floor  
New York, NY, 10004  
Attn: Melody Mercedes

All applicants must submit a [Doing Business Data Form](#) with their application.

## I. BACKGROUND

The Mayor's Fund to Advance New York City, chaired by First Lady Chirlane McCray, is a 501(c)(3) not-for-profit organization that facilitates high-impact public-private partnerships throughout New York City's five boroughs. As the City of New York's primary nonprofit partner, the Mayor's Fund works to combine the reach of government with the creativity of the private sector. The Fund leverages individual, philanthropic, and corporate partnerships to support public programs advancing key Mayoral and agency priorities and is focused on areas including mental health, youth workforce development, immigration and citizenship, domestic violence, financial empowerment and support for young men and women of color.

DCA OFE is the first local government initiative in the nation with a mission to educate, empower, and protect those with low incomes so they can build assets and make the most of their financial resources. Since its inception in 2006, DCA OFE has launched and managed numerous financial capability and asset-building efforts, redefining the role that local government can have in asset-building programming. OFE's flagship program, the Financial

Empowerment Center initiative, provides free one-on-one high-quality financial counseling at over 25 sites across the City. The model is defined by professionally trained counselors, meaningful client outcomes measured through a rigorous data tracking system, and a number of integrated partnerships with nonprofits and City agencies.

The New York City Housing Authority (NYCHA) is committed to increasing opportunities for low and moderate-income New Yorkers by providing safe, affordable housing and facilitating access to social and community services. More than 400,000 New Yorkers reside in NYCHA's 328 public housing developments around the five boroughs, and another 212,000 receive subsidized rental assistance in private homes through the NYCHA-administered Section 8 Leased Housing Program. NYCHA, through its Office of Resident Economic Empowerment & Sustainability (REES), develops and implements programs, policies, and partnerships to measurably support residents' increased income and assets in four key areas: Business Development, Financial Literacy and Asset Building, Employment and Advancement, and Adult Education and Training.

The University of North Carolina's Center for Community Capital ("CCC") is a leading center for research and policy analysis on the transformative power of financial capital on households, communities, and the financial services industry. CCC's multidisciplinary team of researchers works with a broad range of national, state, and local institutions and organizations to address the needs of economically vulnerable populations. CCC partners with leaders in the fields of inclusive financial services, community development finance, affordable housing, mortgage finance, and financial capability. CCC's work with these partners includes program and product evaluation, consulting on research design, analysis, and program implementation, and offering subject-matter expertise on a range of topics to do with economic inclusivity.

## **II. PURPOSE OF SOLICITATION**

NYCHA is home to more than 400,000 New Yorkers with average incomes of approximately \$22,000 annually. Forty-nine percent of public housing residents currently live below the poverty line. NYCHA residents occupy a different economic landscape than many low-income communities, as they have access to powerful assets, such as income-based, rent regulated housing and tight-knit social networks. These assets could be leveraged to yield better economic outcomes for residents. DCA OFE, in its commitment to financially empower low-income New Yorkers, sees an opportunity through the Collaborative to better support and increase the economic stability of public housing residents via financial coaching interventions. With guidance and support from DCA OFE and NYCHA, the selected Collaborative will develop and implement new, relevant, and high-impact financial coaching models for public housing residents and communities.

### **Key Elements of New Model**

The Collaborative should draw upon foundations that have been laid by NYCHA and DCA OFE over the last five years and should ensure the following are incorporated into the proposed approach:

- Leverage teachings from NYCHA's "Public Housing Module" to ensure financial counselors and residents are equipped with accurate and relevant information regarding

NYCHA policies. The Public Housing Module is a 1.5 day training delivered by NYCHA on NYCHA rent policy and procedures. Designed for financial counselors serving NYCHA residents, the training seeks to better prepare financial counselors to understand the unique economic universe of NYCHA residents, and how rent rules and policies might affect their financial decision-making. This training teaches providers the necessary information to improve service delivery through adaptation or customization that may make their service more relevant and impactful for NYCHA residents. The Collaborative will be required to participate in the Public Housing Module training.

- Build upon learnings from NYCHA and DCA OFE's previous initiatives to inform the project design, so as to set the stage for this project to potentially inform policy. An example of a relevant prior project includes the redesign of NYCHA's Earned Income Disregard (EID) policy, which resulted in a revised policy, new tracking and reporting systems, relevant provider training, and resident outreach and communication campaigns. The proposer's project design should include a diverse set of stakeholders and seek to inform system-level policy change.
- Build upon the body of work and expertise of local Jobs-Plus sites that provide career and financial counseling to public housing residents. The project plan should include meetings with Jobs-Plus financial counseling staff and with participants of Jobs-Plus to better understand the challenges and opportunities of the model, as well as the tools that have been developed. One result of these conversations and subsequent analysis might be that the Collaborative recommends the codification of select tools/approaches developed by specific Jobs-Plus sites to be utilized more broadly and/or in a more standardized way. Coordination with Jobs-Plus sites will be done through the New York City Human Resources Administration. In addition to building upon the work of the local Jobs-Plus sites, the Collaborative should seek to understand and build upon key learnings, if relevant, from two other recent projects: the United Way Financial Independence Today (FIT) initiative, and the Prospect Plaza Financial Planning and Counseling Initiative. Additional information about these three projects may be found in Attachment A.
- Leverage REES' resident referral system to connect residents to the Collaborative's direct services through ongoing referrals via routine property management interactions, such as rent adjustments or annual income certifications. The referral system is a web-based tool that connects NYCHA residents to external partner providers in 10 minutes or less. Providers engage with residents within 24-to-48 hours post-referral and share appointment attendance status with NYCHA. DCA OFE's call center is connected to NYCHA's web-based system and will assist in scheduling financial counseling appointments for this project. Additional information may be found in Attachment B. Part of REES' resident referral system is obtaining the consent of NYCHA residents to the referral. Applicants are advised that NYCHA is obligated to protect the personally identifiable information of its residents ("PII") and shall not disclose any PII to the Collaborative without the consent of the applicable resident.
- Develop relationships between counselors, property management and other frontline NYCHA staff, and residents to build relevant and supportive community-based activities,

with an emphasis on those that are resident-led, and achieve individual financial capability objectives.

- Seek to advance new policies and procedures to pilot rent payment plans for residents with external providers. Through these new payment plan options and through integrated counseling, DCA OFE and NYCHA will seek to decrease rent arrears and the likelihood for rent arrears recidivism at the target sites. Additional information may be found in Attachments C and D. Details on the financial counseling model and examples of current DCA OFE financial counseling program service plans and outcomes are included in Attachment E. *The model is listed here as a reference; it is not necessary to propose the same counseling model for this project.*

### **Deliverables**

Through the above activities, DCA OFE, NYCHA, and the Collaborative will develop a high-impact, scalable financial coaching model for public housing residents, which will set the stage for informing policy and service delivery of financial coaching for public housing communities.

The Collaborative is charged with taking a new and innovative approach to financial coaching that is community-based and incorporates a diverse set of stakeholders. The Collaborative will engage residents in individual or group financial coaching services that achieve distinct individual outcomes. In addition to using traditional methods, the Collaborative is charged with leveraging the unique assets of NYCHA communities (e.g. local development density, role in national housing policy) in order to make the services customized and impactful for the target population. The Collaborative's approach should build on previous lessons learned from NYCHA and DCA OFE as well as from resident input. For example, to increase client savings, the Collaborative may incorporate counseling on rent incentives as a standard part of client assessment and/or leverage the developments' social networks to support the creation of resident-led support or accountability groups.

The Collaborative will be expected to, at a minimum:

1. Serve at least 700 NYCHA residents with one-on-one or group financial counseling;
2. Ensure that 500 clients receive two or more one-on-one or group counseling sessions<sup>2</sup>;
3. Ensure that 50 clients open or transition to a safe and affordable bank account;
4. Ensure that 75 clients increase their credit score by at least 35 points;
5. Ensure that 110 clients decrease their debt by at least 10 percent;
6. Ensure that 35 clients increase their savings by at least two percent of their net yearly income;
7. Reach 8,000 residents through a marketing and outreach campaign; and
8. In collaboration with DCA OFE and NYCHA, write a white paper to address the following questions<sup>3</sup>:
  - a. What is a high-impact financial counseling model for NYCHA residents?

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<sup>2</sup> DCA OFE currently defines counseling sessions to be 30 minutes or longer to be counted towards contractual goals. However with the goal of developing a new counseling model DCA OFE will consider modifications to that definition.

<sup>3</sup> These questions may evolve as the project evolves.

- b. How can we best leverage the assets of public housing communities (density, social networks, NYCHA rent rules, etc.) to improve financial counseling outcomes for NYCHA residents?
- c. How does integration of public housing specific rent rules and policies into financial coaching impact the effectiveness of coaching for residents?
- d. What policies and procedures should be amended to further support the financial stability of NYCHA residents?
- e. What policies and procedures should be amended to decrease chronic rent delinquency, and thereby increase residents' housing security, at NYCHA developments?
- f. How can this initiative strengthen relationships between counselors, property management and other frontline NYCHA staff, and residents to build relevant and supportive community-based activities that achieve individual financial capability objectives?

At the New York City Financial Empowerment Centers, approximately 40% of clients attend more than one appointment with a financial counselor. Research suggests that those clients that return for a minimum of three appointments receive significantly more benefits than those clients that only come once. Given the assets of public housing communities, the Collaborative is charged with developing a service-delivery model that significantly increases the engagement rate to more than 70% (500 clients of the 700 initial clients will return for more than one counseling session). This is important to keep in mind when thinking about program design.

### **Target Developments**

NYCHA has identified the change-oriented Optimal Property Management Operating Model (OPMOM) developments as targets for this proposal. OPMOM incorporates new decision-making protocols, work methods, financial management practices, resident engagement and quality management standards to better empower local development property managers. By focusing on more decision-making locally, NYCHA expects to see more efficiency and innovation with decisions tailored for the specific conditions at each development. Given the greater flexibility that property management will have at OPMOM developments, they are well-positioned for a project requiring high levels of creativity and innovation. The Collaborative will propose interventions serving a development cluster consisting generally between 5,000-10,000 households.<sup>4</sup> The Collaborative must include *at least one* OPMOM development in the proposal. The proposal may target multiple OPMOM sites, and may include non-OPMOM sites. A list of the OPMOM developments including their statistics is located in Attachment F.

### **Research and Evaluation Support**

The Collaborative should be creative in thinking about different approaches to financial empowerment that might best achieve the stated objectives. The Collaborative, NYCHA and DCA OFE will receive ongoing support from the University of North Carolina Center for Community Capital, which will provide research and evaluation services. CCC is working with

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<sup>4</sup> The number of units should not be significantly lower than 5,000 or significantly higher than 10,000 units but the Proposer can determine the exact number of units. For example a Proposer with the right justification could submit a set of developments that had 4900 households or 10,055 households.

three affordable housing organizations that are integrating financial capability approaches into their services: NYCHA and DCA OFE, Chicago's Resurrection Project, and the Cleveland Housing Network.

The overall purpose of CCC's work with NYCHA and DCA OFE is to document and highlight innovative approaches to improving both affordable housing and financial health outcomes for NYCHA residents. For this project, CCC will work with the Collaborative, NYCHA, and DCA OFE in five key areas:

- 1) To identify the research questions considered most important as these financial capability initiatives evolve;
- 2) To assess current and emerging efforts to integrate financial coaching and related financial capability strategies into affordable housing programs;
- 3) To research examples of other organizations' innovative integrated models for consideration by the Collaborative, NYCHA, DCA OFE and its partners;
- 4) To gather new data from the Collaborative, NYCHA, and DCA OFE providers and clients on the implementation and delivery of new service integration models to identify what is working well and to distill best practices; and
- 5) To share best practices with others in the affordable housing and financial capability fields to inform efforts to expand integrated models.

CCC will develop a research plan which combines quantitative and qualitative methodologies in partnership with the Collaborative, NYCHA and DCA OFE. Methods will include: analyses of existing quantitative administrative data sets to track outcome measures for clients, a review of other existing data or program materials (as needed and available), recommendations for enhancing current data collection procedures (as appropriate), conducting qualitative focus groups with participants, and conducting qualitative key informant interviews with service providers. CCC will work with DCA OFE, NYCHA and the Collaborative to develop a plan for disseminating findings.

### III. PROJECTED TIMELINE

Solicitation Released	January 15 <sup>th</sup> , 2016
Questions Submitted	January 21 <sup>st</sup> , 2016, by noon EST
Information Session	January 26 <sup>th</sup> , 2016
Proposals Due	February 15 <sup>th</sup> , 2016, by 5:00 pm EST
Collaborative Selected	February 26 <sup>th</sup> , 2016
Kick-Off Meeting	Week of March 7 <sup>th</sup> , 2016
Work Plan Submitted to DCA OFE	Week of March 22 <sup>nd</sup> , 2016
Service-Delivery Begins	Week of April 18 <sup>th</sup> , 2016
Service-Delivery	April 18 <sup>th</sup> , 2016-March 2017

System-design review and feedback	March 2016-March 2017
Write White Paper	January 2017-March 2017

#### IV. PROJECT ENGAGEMENT

DCA OFE's Assistant Director of Financial Empowerment Centers will serve as DCA OFE's primary point of contact for the Collaborative, and will also manage the DCA OFE project team, including a project coordinator assigned to support this initiative and to assist in overseeing the work of the Collaborative. The DCA OFE Executive Director and NYCHA Vice President of Strategy and Partnerships will also provide regular ongoing support to the overall project.

The Collaborative should anticipate biweekly project management meetings and regular program design meetings. These meetings should be incorporated into the work plan.

#### V. DELIVERABLES AND PAYMENT SCHEDULE

Deliverable	Estimated Date	Estimated Payment Milestone
Work Plan: Develop detailed Work Plan for overall project and deliverables	March 22 <sup>nd</sup> , 2016	\$21,310 (10% of \$213,100)
Interim Report 1	July 22 <sup>nd</sup> , 2016	\$42,620 (20% of \$213,100.00)
Interim Report 2	November 23 <sup>rd</sup> , 2016	\$42,620 (20% of \$213,100.00)
Final Report and White Paper submitted	March 31 <sup>st</sup> , 2017	\$106,550 (50% of \$213,100)

#### VI. EVALUATION CRITERIA

Proposals will be evaluated by a committee consisting of the Mayor's Fund, DCA OFE, and NYCHA personnel. The selection of the provider will be determined by the total points given to each proposer in each of the categories below. Proposals will be evaluated by:

1. Collective and individual Collaborative members' experience and organizational capacity – 20%
2. Plan for integrating all members of the Collaborative seamlessly and efficiently – 10%
3. Plan for implementing the direct service and marketing and outreach campaign – 30%
4. Plan for collecting and synthesizing data and learnings from the project to inform policy and systems-change – 30%
5. Budget – 10%

## VII. TO APPLY

Interested organizations should submit a Narrative as described below and the linked [Doing Business Data form](#). The proposal shall include:

### **Narrative (no more than 10 pages including Budget)**

#### *I. Collaborative members' experience and organizational capacity*

There should be one clear lead organization responsible for the overall project and that will be the primary point of contact for the Mayor's Fund, NYCHA, DCA OFE and CCC. Please address the relevant experience and capacity of the lead organization as well as that of the other organizations in the Collaborative. Relevant experience includes but is not limited to: experience effectively collaborating with low-income communities or NYCHA communities, experience designing and implementing financial empowerment programming, experience managing a consortium of multi-sector organizations to achieve common goals, expertise in financial empowerment topics, and proven track record of innovative program development. Please also highlight the ways the different organizations in the Collaborative will combine competencies to benefit the project. Make sure to include experience developing and providing direct service, as well as experience in codifying best practices that affected policy or effected systems change. For each member of the Collaborative please include (a) the list of relevant staff and corresponding biographies and an estimate of the amount of time that each listed staff member will be dedicated to this project, and (b) commitment letters signed by a duly authorized representative of each member of the Collaborative confirming such member's commitment to the program, if the Collaborative is awarded the contract pursuant to this solicitation.

#### *II. Program Model*

The Program model should include a description of an initial proposed model that incorporates the elements described on page 3 and achieves the deliverables described and outlined on pages 4-5. Please include the plan for designing and testing the new model, and rationale behind why applicants believe the model will be effective. Also include the plan for implementing the direct service and marketing and outreach campaign as well as the plan for collecting and synthesizing data and learnings from the project to inform policy and systems-change.

#### *III. Target Developments*

Please describe the development or cluster of developments the Collaborative will target for this project and provide rationale for the selection. As described on page 6, there is no minimum or maximum number of housing developments. The number of units should not be significantly lower than 5,000 or significantly higher than 10,000 units. The developments will ideally be located in close proximity to each other for operational ease, but that is not a requirement and distance would be permissible with the right justification. (See Attachment F for a list of eligible developments).

*IV. Budget*

The budget should provide a clear assessment of total costs for the implementation of the program which may not exceed \$213,100. The budget should also provide how this amount will be allocated to each partner of the Collaborative, if applicable, including the respective amounts of the milestone payments that will be paid to each partner. A brief budget narrative should describe all key assumptions and identify additional in-kind resources the applicant may bring to this effort. Personnel lines should indicate both the number of staff members involved in the project and the percentage of staff time estimated for program management. The budget should also provide for marketing, outreach, and food or incentives costs.

## **Attachment A: Established Evidence for Financial Empowerment for NYCHA Residents**

### **I. Lessons Learned from the Financial Counseling Component of Jobs-Plus**

Jobs-Plus saturates target public housing developments with job and career support, rent-based and other financial incentives that “make work pay,” and community organizing activities that strengthen and leverage social ties to increase resident readiness and access to work. New York City is currently home to nine Jobs-Plus sites serving 24 NYCHA housing developments. The second of the nine sites, BronxWorks, launched in 2011 and was the first City-sponsored site to officially integrate financial counseling into Jobs-Plus.

Early on, BronxWorks identified chronic financial instability as a barrier to program engagement and good outcomes. As a result, private funding was identified to hire two financial counselors to provide support to members. The two counselors attended intensive training offered by DCA OFE, providing them with the skills to provide high-quality financial counseling to Jobs-Plus members. Financial coaches assess the financial health of residents and assist with budgeting, banking, improving credit, reducing debt, and saving. The delivery of financial counselors evolved and improved over time. Early in the initiative, the counselors focused on budgeting assessments, however for jobless individuals who often do not have income to budget, counseling was not appealing. Over time, BronxWorks adjusted the focus towards repairing and improving credit, as having poor credit can be a barrier to attaining employment, thus making financial counseling a sophisticated tool to engage and retain Jobs-Plus members before and after they found work. After members found work, counseling involved more extensive budgeting help, referrals to tax-preparation services, and help navigating financial decisions to avoid future crises. It also became a way of helping employed individuals plan for career advancement, as they considered how to balance the need for income with the need to spend time (and money) on education and training.

Today at each of the Jobs-Plus sites throughout New York City, financial counselors assist members who encounter short-term financial crises and/or require assistance with long-term financial planning. Financial counselors work directly with members who are struggling to budget for and meet their basic expenses by helping them access safe and affordable banking solutions, increase or build their credit scores, decrease debt, increase savings, and manage income to maintain affordable housing. The frontline staff has developed a unique perspective on the financial opportunities and challenges that NYCHA residents encounter and wrestle with each day. Many counselors throughout the sites have developed a variety of tools to support eligible residents in securing the Earned Income Disallowance (EID) as well as better understand NYCHA rent rules.

Research shows that the integration of financial counseling into the Jobs-Plus model is successful and has been documented by the New York City Center for Economic Opportunity (“CEO”). CEO and its City agency partners have now added financial counseling to all the New York City Jobs-Plus sites, and Housing and Urban Development (“HUD”) is including financial counseling as a feature of its national Jobs-Plus expansion.

More information can be found at: [http://www.nyc.gov/html/ceo/downloads/pdf/Jobs-Plus\\_Report\\_October\\_2015.pdf](http://www.nyc.gov/html/ceo/downloads/pdf/Jobs-Plus_Report_October_2015.pdf)

## II. Lessons learned from the Financial Independence Today (FIT) Program

In 2010, the United Way of New York City (UWNYC), in partnership with NYCHA and Urban Upbound (formerly the East River Development Alliance [ERDA]), launched a three-year financial development demonstration project – the Financial Independence Today (FIT) initiative. FIT sought to increase the financial fitness of NYCHA residents with particular attention to tenants in rental arrears. The initiative produced positive impacts to ensure the implementation of recommendations to address key policy issues including the Earned Income Disallowance (EID), a NYCHA policy that allows residents to obtain new and more lucrative employment without immediate increases in their rent. The impact of FIT's work resulted in resident awareness campaigns on the EID, and automated NYCHA's rent calculation system to now include the EID.

- Year 1 of FIT was challenging, as the project had a specific set of referral criteria and referrals from NYCHA property management typically did not meet these criteria. ERDA then attempted to do its own outreach, but encountered the same problem. In order to receive referrals that were relevant to the project, it was necessary to provide training for and get buy-in from NYCHA property management.
- In Year 2 of FIT, NYCHA, ERDA and UWNYC regrouped to form a stronger partnership and over 300 direct referrals were made to ERDA by NYCHA staff. NYCHA staff were also properly trained and familiarized with the ERDA program. Results from Year 2 include:
  - 60% of clients engaging with ERDA around rental arrears moved into long term financial counseling once stabilized;
  - Residents receiving financial counseling from ERDA cured their rental arrears 2.5 months faster than their peers NYCHA-wide and;
  - Residents receiving financial counseling recidivated only 52% of the time, while their peers NYCHA-wide recidivated 97.3% of the time.
- In Year 3 of FIT, the goal was to use a “predictive model” developed in collaboration with NYCHA to target at-risk groups within NYCHA developments for services, before they fell into rental arrears. The model was created by taking a slice of residents in arrears and analyzed characteristics that made them at least twice as likely as their peers to fall into arrears.

## III. Lessons learned from the Prospect Plaza Financial Planning and Counseling Initiative

The Prospect Plaza Financial Planning and Counseling Initiative was developed as a response to assist Former Prospect Plaza development (FPP) residents prepare for a new affordable housing opportunity in Brownsville. Neighborhood Trust Financial Partners (NTFP) was contracted by NYCHA to provide customized financial counseling and to raise awareness about financial education and management services amongst FPP residents. NTFP connected with FPP residents through outreach activities such as distribution of newsletters and flyers, phone-banking, hosting and participating in community events, door-knocking, and hosting Financial Counseling Days at property management offices.

- Year 1 of the initiative focused on outreach to ensure all Former Prospect Plaza residents were informed of the available services and housing opportunity. With the support of NYCHA and Brownsville Partnership, NTFP was able to reach all 300 FPP residents through intensive field, phone, and mail outreach.
- Year 2 of the initiative was focused on continuing to provide FPP residents with financial counseling services, outreach, and financial seminars to help them increase savings, reduce debt, and achieve other individualized financial outcomes. Financial Counseling Days were also established at various Property Management offices throughout Brownsville during this period. These events helped spread the word about financial counseling and served residents in an efficient and convenient way.
- During Year 3, NTFP expanded services to all eligible NYCHA residents in Brownsville, Brooklyn and the surrounding community. Through these efforts, 146 FPP residents and 129 Community Board 16 residents were served; all of whom received Financial Action Plans to address their own individual financial goals and challenges.

### Highlights

#### Outreach

- Best practices established for field-based financial counseling outreach, which created an additional channel of communication between FPP residents and NYCHA.
- Tailored financial counseling to FPP residents that can be applied to other affordable housing development.

#### Financial Assessment

- NYCHA obtained richer knowledge about the local population's credit profiles which resulted in recommendations for the property development company building new affordable housing that helped to inform the housing eligibility criteria.

### **Attachment B: NYCHA REES Referral System**

Trained NYCHA employees identify, inform and connect residents to external provider services through a web-based referral system. NYCHA's front line staff interacts with residents on a regular basis through activities such as property management and service coordination. By developing a strong referral infrastructure, REES seeks to ensure that residents have access to relevant local services. Local service providers gain direct connection to surrounding public housing communities and benefit from a system that matches NYCHA residents with relevant services and tracks outcomes.

Through a web-based referral system, trained NYCHA staff can:

- Indicate the types of services a resident is seeking;
- Input resident contact information and complete a short questionnaire;
- Identify partner service provider(s) assigned to a particular housing development by service area; and
- Obtain referral consent from the resident.

Once the referral is submitted, the provider receives an automated message. The provider will then contact the resident within 48 hours to schedule an appointment. The provider updates the referral system database with their contact attempts and the status of the appointment.

REES Zone Coordinators, who are neighborhood-based NYCHA staff who manage local partnerships, will track and measure outcomes of referrals in a given Zone with partner providers. Zone Coordinators will also liaise with providers and frontline staff to provide technical assistance and outreach support as needed.

In 2014, REES scaled its referral system by training over 500 front-line property management staff and Zone Partners. Now, every NYCHA property management office is mapped to a local service provider, as well as connected to the central call center of DCA OFE, where staff can schedule residents for individualized financial counseling at any of the City's Financial Empowerment Centers.

To date, 5,600 referrals have been made through the system and approximately 40% of residents who make an appointment, keep it.

For the Financial Empowerment for New York City Public Housing Residents initiative, REES commits to:

- Operationalize web-based referral infrastructure using NYCHA field staff to identify and refer residents for financial counseling; and
- Commit to referral targets and specified conversion rate.

**Attachment C: Payment of Rent Account Balances (Currently Used)**

NYCHA seeks to implement the “Special Circumstance” payment plan, which is a part of NYCHA’s Lease Violation Resolution procedure. The “Special Circumstance” payment plan allows for external providers, in formal partnership with NYCHA, to support property management in structuring payment plans and providing the financial counseling necessary to support residents in adhering to the terms and not recidivate.

In cases where the issue causing the referral to financial counseling involves rent payment or rent arrears, and after attempts have been made to clarify or have the owed rent balances reduced, the service provider shall explore various payment options with the tenant so as to resolve the rent balance, as follows:

- A. Full Payment: Full payment of all outstanding rental arrears (all sums identified on the tenant’s rent ledger card) is preferable. Possible funding sources can be savings, bank loans, pension loans, private borrowing, private grants or public assistance payments.
- B. Partial Payments:

<b>NOTE:</b>	A new plan to make partial payments shall <b>not</b> be considered if it conflicts with a stipulation previously negotiated by NYCHA and the tenant, or an order or decision previously issued by a court or administrative hearing officer. The conflicting new payment plan shall only be considered if consented to by the development manager, after consultation with NYCHA’s Law Department, as needed.
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1) **Standard Payment Plan** - Payment Plan for Balances Except Current Rent:

A payment plan for rent account balances, except for current rent, can be implemented as needed, without special conditions.

Payment plans can be implemented for (a) outstanding security deposit charges, (b) retroactive charges, (c) legal, and (d) miscellaneous charges. NYCHA form 040.385, *Payment Affidavit*, is to be completed and data entered and monitored in the Rent Collection System (RCS).

Payments under a Standard Payment Plan cannot extend beyond twenty four months, unless the extension is consented to by the Property Management Department.

2) **Special Circumstances Payment Plan** - Payment Plan for All Balances, Including Current Rent:

<b>Note:</b>	A referral for a ‘Special Circumstances Payment Plan’ is best when made to a service provider who will accompany it with financial counseling, or as part of addressing all of a family’s lease violations. The <i>Jobs Plus</i> service providers are specially trained in using the Special Circumstances Payment Plan for residents in their assigned developments.
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A payment plan for rent account balances including current rent can be implemented as needed, only for special circumstances, if the following conditions are met:

- a) **Emergency situation:** The current rent arrears stem from a one-time family or financial emergency (examples include burial costs, unexpected medical expense, travel for family emergency, car repairs, etc), which must be documented in writing;
- b) **Previous satisfactory payment history:** The tenant had a satisfactory rent payment history (payment before the 15<sup>th</sup> of the month in which the money was due) for the twelve months prior to the emergency situation;
- c) **Extended payment plan terms:** Although Standard Payment plans cannot extend beyond twenty four months without Property Management Department consent, the Special Circumstances Payment Plan, which includes current rent and arrears:
  - Can allow payments at the rate of 40% of net family income, even if payments extend beyond twenty four months. These payments are monitored by, but don't need the advance approval of, the Property Management Department.
  - If the family experiences a decrease in family income and the total monthly payment exceeds the forty (40%) percent level, the tenant shall be allowed to renegotiate a lower payment plan that does not exceed forty (40%) percent of verified net family income.
  - Families whose sole source of income is public assistance can have their payment plan suspended, until there is another source of income available to the family.
- d) **Automatic Rent Payments:** Must be established for all tenants having a source of income that can be directly deposited in their bank account (for example: employment wages or Social Security, SSI or pension benefits). (See GM-3770 Revised, Appendix B for a list of 'Automatic Payment Options').

## Attachment D: Next Generation NYCHA

**In 2015, NYCHA released Next Generation NYCHA, a 10 year strategic plan to ensure the long-term financial sustainability of the Housing Authority. Below is an excerpt from strategy #2 of the initiative.**

### **Improve Resident Rent and Fee Collection**

#### **Existing Conditions**

One-third of NYCHA's budget is funded from rent and fee revenue, and yet a significant amount of rent and fees owed by NYCHA's 176,000 public housing households goes uncollected each year. The average household pays \$484 in rent every month. If a household installs air conditioners, washing machines, or other large appliances, NYCHA charges fees because, in most cases, it must bear the incremental cost of utilities and charges associated with these appliances.

Improving NYCHA's rent and fee collection is critical because it is one of the few significant sources of revenue over which NYCHA has control, as opposed to governmental funding that is subject to annual appropriations.<sup>5</sup> The Authority also recognizes that the quality of landlord services is an important part of rent collection, and will continue to make operational changes that result in more efficient and effective repairs and maintenance.

By the end of 2014, NYCHA was owed more than \$56 million in total back rent and fees from prior months and years. Though NYCHA manages to collect a high percentage of the current monthly rent owed, its combined gross rent and monthly fee collection rate averages approximately 74 percent due to the significant back payments that remain unpaid month after month. The Authority's rent and fee collection rate is much lower than that of most large affordable housing owners and operators in New York City.

In total, 32,000 households are currently one month behind in their rent and 22,000 households are several months behind. In addition to the \$56 million of annual uncollected rent and fees there are \$27 million of forgone rent and fees, which NYCHA will never recoup. Yet even at these relatively low collection rates, and contrary to public perception, NYCHA evicts only 0.12 percent of its households for non-payment of rent.

To facilitate rent and fee payment, NYCHA currently offers a wide variety of payment options to residents, such as payment online, by phone, by mail, through payroll deduction, at a local bank, or at any licensed money transmitter. Residents can also pay by check, cash, money order, debit card, or funds transfer. NYCHA offers residents the option to receive the monthly rent statement as an "e-bill," which is convenient, free, and environmentally friendly. NYCHA

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<sup>5</sup> According to the HUD formula for the operating subsidy calculation, resident rental revenue is subtracted to determine the need of the PHA. While an increase in rent collection may provide positive cash flow for the year when it is collected, it could result in a reduction in operating subsidy for future years.

also allows residents to pay on a bi-weekly basis if they pay online by direct transfer from their bank accounts.

### **Implementation**

NYCHA is implementing a resident rent and fee collection initiative to increase annual revenue by \$30 million from the current level.

To help residents pay their rent and fees on time, NYCHA has already instituted earlier mailings of rent statements. The Authority has also redesigned two key documents related to rent collection to increase clarity: the resident rent statement and property managers' rent collection report. The new documents make it easier to understand what is owed, what has been paid, and what relevant deadlines exist.

Starting this summer, NYCHA will pilot the use of bilingual and TTY robo-calls and automated payment reminder letters to prompt residents who have not yet paid their rent within the first two weeks of the month. These methods will be tested for effectiveness and, if they are generating positive results at the target sites, will be rolled out across the rest of the NYCHA developments. At a minimum, conversion to this automated approach will free up staff time that can be devoted to improving other core functions that directly impact rent revenue.

In tandem with piloting a new reminder system, NYCHA, through its REES group, will more actively connect residents to service providers that offer financial counseling to help residents budget for upcoming rent payments and plan for back payments. NYCHA is also exploring additional options for bi-weekly payment methods to allow residents more flexibility.

NYCHA is also revisiting its policies and procedures to increase clarity and ensure that the rent and fee collection process is more efficient. For example, NYCHA has already simplified the definition of rent delinquency and will be launching a communications campaign to relay this information. NYCHA will explore further strategies to improve rent collection from chronically rent delinquent households. The Authority is also coordinating with City agencies to assist residents with rent payments; improving reporting systems on resident compliance with payment plans and court stipulations; and making process improvements for Housing Court paperwork submissions.

More information can be found at: <http://on.nyc.gov/nextgeneration>

## **Attachment E: DCA OFE's Financial Empowerment Center Model**

*This attachment details the current Financial Empowerment Center counseling model*

### **Counseling Services**

- Counselors discuss client's financial goals and challenges.
- Client completes a Financial Health Assessment with their counselor that will provide a comprehensive picture of their financial situation, including their current income and expenses, savings amount, debt level, and banking status.
- Client focuses on at least one of the following service plans foundational to financial health:
  - Access to safe and affordable banking
  - Improve client credit score
  - Decrease total debt
  - Build savings
- Counselor sets goals with the client based on their individual service plan and provides ongoing services with the goal of helping clients achieve specific outcomes.
- Services are provided by professionally trained counselors who have completed the CUNY Consumer and Personal Finance course and are employed by an organization with expert knowledge in financial counseling and financial empowerment content areas, including: money management, savings, debt, credit, and banking. Financial Empowerment Center organizations are also able to meet a continuum of financial needs of low- and moderate-income residents in a variety of stages of financial need or crisis.
- Counselors track client intake information and progress in DCA OFE's data management system. Organizations ensure data security and protect confidential client information.
- Counselors refer clients to services that can help further their financial goals, such as legal services for those with debt and bankruptcy issues, employment services for those seeking jobs and training opportunities, and public benefits for those eligible.

Current Financial Empowerment Center outcomes tracked include:

- a. Banking (for those with no bank account): Open a safe and affordable bank account
- b. Banking (for those with a bank account): Transition to a safe and affordable bank account
- c. Banking (for all): Bank account is open six months later
- d. Credit (for those with none): Establish credit score
- e. Credit (for those looking to improve their credit): Increase credit score by at least 35 points
- f. Debt: Decrease debt by at least 10 percent
- g. Savings: Increase savings by at least two percent of income
- h. Savings: Establish and maintain a regular savings habit (monthly)

Also tracked will be financial counseling outputs and milestones: for example, number of clients served, number of sessions conducted, and intermediate steps taken towards achieving financial counseling outcomes.

**Attachment F: Eligible OPMOM Developments**

<b>Development Name</b>	<b>Borough</b>	<b># of total apartments</b>	<b># of Residential Buildings</b>	<b>TOTAL POPULATION</b>	<b>AGE 18 OR MORE</b>
MELROSE	BRONX	1023	8	2,508	1,770
PATTERSON	BRONX	1791	15	4,394	3,068
CAREY GARDENS	BROOKLYN	683	3	1,697	1,247
GLENMORE PLAZA	BROOKLYN	440	4	841	629
GRAVESEND	BROOKLYN	634	15	1,456	1,022
HOWARD	BROOKLYN	815	10	1,930	1,316
HUGHES APARTMENTS	BROOKLYN	513	3	1,409	915
LOW HOUSES	BROOKLYN	536	4	1,440	960
O'DWYER GARDENS	BROOKLYN	573	6	984	825
SURFSIDE GARDENS	BROOKLYN	600	5	1,131	901
TILDEN	BROOKLYN	998	8	2,628	1,742
UNITY PLAZA (SITES 17,24,25A)	BROOKLYN	167	3	472	299
UNITY PLAZA (SITES 4-27)	BROOKLYN	462	5	1,239	842
VAN DYKE II	BROOKLYN	112	1	130	130
WOODSON	BROOKLYN	407	2	439	439
EAST RIVER	MANHATTAN	1170	10	2,429	1,763
LINCOLN	MANHATTAN	1286	14	3,018	2,108
METRO NORTH PLAZA	MANHATTAN	275	3	629	474
WAGNER	MANHATTAN	2162	22	5,074	3,697
WASHINGTON	MANHATTAN	1515	14	3,490	2,619
WHITE	MANHATTAN	248	1	252	252
WILSON	MANHATTAN	398	3	1,265	858

Note: The above listed OPMOM developments exclude those that have a Jobs-Plus on site and those where other pilots are being conducted.