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Cornerstone's Renter EquitySM Property Management System: Final Evaluation Report

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I. EXECUTIVE SUMMARY: EVALUATION OF CORNERSTONE RENTER EQUITY

Cornerstone's renter equity-based property management system is an innovative approach to providing subsidized, low-income housing that provides a middle ground between renting and home ownership. Started in 2000 in Cincinnati, the management system is now implemented at three properties in the Over-the-Rhine neighborhood. Cornerstone offers financial incentives to stable low-income residents who make timely rent payments, participate in the resident community and help maintain the properties. In turn, Cornerstone returns some of the turnover and maintenance-related savings to residents in the form of payments into an equity account. The accounts are vested after five years, at which point they could be worth up to \$4,137. So long as they are fulfilling their rental commitments, residents may request loans from Cornerstone's loan fund in order to purchase a large household appliance such as a washer or dryer or cover a financial emergency.

With support from the Ohio Housing Finance Agency (OHFA), the Corporation for Enterprise Development (CFED), in partnership with the Economics Center at the University of Cincinnati, evaluated the Cornerstone renter equity-based property management system, including its effects on residents, the surrounding neighborhood and property management costs. CFED also researched complimentary financial education, services and products that may enhance the property management system's outcomes. Although the evaluation's research approach was thorough in that it involved analysis of interview, survey, financial and administrative data, random assignment to treatment and control groups was not within its scope, and for that reason the report's conclusions should be seen as suggestive rather than definitive. Bearing this in mind, the evaluation results reveal that residents reported a positive impact on their lives from their participation in Cornerstone, as well as a positive impact on the neighborhood. Furthermore, analysis of the property financial statements indicates that Cornerstone's costs were comparable to those of similar properties that did not offer renter equity credits. Additional measures that could improve Cornerstone's efficacy include deeper partnership with a local credit union in order to get more residents banked, as well as financial education or coaching targeted toward low-income populations.

Some conclusions that may be surprising include the fact that, although residents expressed appreciation for the opportunity to build equity, survey respondents indicated that what they valued most about Cornerstone was the opportunity to live at an affordable, safe, attractive and conveniently located property; the support of a close community; a responsive property manager; and a voice in decisions affecting their



homes. It should be noted that many of Cornerstone's positive effects may be attributable to the lengthy orientation process that helps to ensure that Cornerstone's residents are among the most stable and responsible members of the broader community. The majority of residents participating in the property management system are educated older women, as the young, those with heavy work schedules and those whose lives are in some way affected by substance abuse were less likely to feel they could comply with the property management system's requirements.



II. INTRODUCTION

Cornerstone's renter equity-based property management system is an innovative property management system for multifamily low-income rental housing that offers a middle ground between tenantry and home ownership for financially vulnerable populations. The system was first implemented in 2000 at a single property in the Over-the-Rhine neighborhood in Cincinnati, Ohio. It has since grown to include two additional Over-the-Rhine properties and another is in the process of being incorporated. The system's underlying logic is that by providing financial and other incentives to attract committed residents and encourage them to remain stably housed at the property and up to date on their rent and other tenant obligations, property owners realize savings that can, in turn, be used to pay for the incentives that help the property's renters build wealth. At the system's core is a contract between residents and the property management stipulating that residents are entitled to "Renter Equity" credits for each month that they:

- Pay their rent on time;
- Attend the monthly resident association meeting; and
- Complete their assigned property upkeep task.

Credits accrue in a financial reserve account established and managed by Cornerstone. A household becomes vested after five years, at which time credits can be worth up to \$4,137 and withdrawn as a cash payment. In addition, residents who are fulfilling their commitments to Cornerstone Renter Equity may borrow from the Cornerstone Loan Fund without affecting their accrued credits.

With support from the Ohio Housing Finance Agency (OHFA), the Corporation for Enterprise Development (CFED), in partnership with the Economics Center at the University of Cincinnati and the Center for Housing Policy, conducted an evaluation of the Cornerstone Renter Equity property management system. The following research questions guided the evaluation.

- How are residents affected by living at Cornerstone?
- How does Cornerstone's property management system affect the neighborhood surrounding the Cornerstone properties?
- How does the property management system affect property management costs?
- What services and financial products would complement Cornerstone's property management system to maximize the financial benefits of the program for residents?



In order to answer these questions, CFED and its partners conducted an in-depth, mixed-method evaluation that included stakeholder interviews, a phone survey of Cornerstone residents, analysis of the equity and loan program participation data, a procedural documentation write-up, site visit and analysis of the property financials. Although the evaluators undertook detailed analyses of multiple sources of data, the research did not involve random assignment to treatment and control populations; therefore the report's conclusion should be treated as suggestive rather than definitive. Cross sectional, case study research doesn't allow for rigorous comparison between properties that implemented Cornerstone's property management system and properties that did not implement the system. We are largely only able to report the degree to which Cornerstone's stakeholders *perceived* that the management system was meeting its goals.

Bearing in mind the evaluation's case-study approach, the research findings indicate that Cornerstone residents are earning equity and that participation in the property management system appears to have had a positive impact on residents' lives in terms of their physical and financial security, their optimism about the future and their ties with their surrounding community.

Further, although the property has a tight security perimeter that isolates it physically from the surrounding neighborhood, stakeholders felt that Cornerstone was a positive presence in the community because of Cornerstone residents' engagement in community improvement activities and the benefit of having a large, attractive, well-maintained property in a neighborhood with many vacant and abandoned buildings.

Finally, Cornerstone property financial statement analysis indicates Cornerstone property management costs are similar to comparable Low-Income Housing Tax Credit properties in the neighborhood, even after taking into account the renter equity credit costs.

Although the evaluation data indicate that participation in the property management system at Cornerstone appears to improve residents' well-being and financial security, resident outcomes might be enhanced through partnership with a local credit union to get more residents banked, and through financial education programming carefully targeted toward residents' financial needs. Many residents pay their rent using money orders— incurring fees that would be avoidable if they had mainstream bank or credit union accounts. If more residents had bank accounts, it would also make it easier for them to save on a regular basis. Financial education or coaching could help residents build emergency savings, establish good credit and improve their financial capability in other ways.



Overall, Cornerstone performed well according to the chosen metrics and the available case study data. However, over the course of the evaluation it became clear that the assumption that the opportunity to build equity was the sole or primary driver behind the observed outcomes needed to be reexamined: the opportunity to build equity was instead one of many ingredients in Cornerstone’s success. Other factors that appear to have had important influences on residents’ well-being included a tenant selection process designed to increase the likelihood that new residents were committed to Cornerstone’s values, the strong sense of community at Cornerstone enabled by participatory governance of the property, the loan fund and the physically secure and attractive community spaces. Furthermore, access to a responsive property manager and the ability to have a voice in property management decisions were cited as positive results of the program.

The report that follows documents how we arrived at this interpretation of results.

III. PREVIOUS RESEARCH ON OTHER EFFORTS TO USE HOUSING AS A PLATFORM TO IMPROVE FINANCIAL OUTCOMES FOR LOW-INCOME POPULATIONS

Home ownership is associated with household and community stability. It often serves as a wealth-building vehicle (though as many found out during the Great Recession, it can also lead to heavy financial losses), and it increases investment in and commitment to a community. Previous research has suggested that long-term renters may also experience many of these same benefits (Adams 2009; Chase 2010). Rent control, rental subsidies, and longer leases increase the likelihood of tenants reaping the benefits of housing stability by making it easier for them to afford their homes over the long term (Chase 2010). The downside of these interventions is that they may reduce property owners’ incentives to maintain rental properties and invest in additional affordable housing (Fennell 2010), which may in turn negatively affect residents’ sense of stability and community. And although these policies engender stability and reduce rents, renters do not have the same financial opportunities as homeowners to build wealth through home equity and mortgage interest tax deductions, or to take out home equity loans.

Cornerstone’s property management system, however, has more in common with policy proposals and existing programs that go beyond rent control and rent subsidies to try to help residents of affordable housing reap the potential financial and social rewards of home ownership. What follows is an overview of these policy proposals and programs.



AFFORDABLE HOUSING PROGRAMS AND POLICIES FOR RENTERS

Several tactics have been proposed to help renters achieve financial benefits comparable to those enjoyed by homeowners, including a renter tax credit, tradable options, and rental insurance. The proposed Renter's Tax Credit is straightforward; it complements the existing Low-Income Housing Tax Credit and allows renters to use the credit to offset their own housing costs (Sard and Fischer 2010). The renters' credit would be administered by states, and be made available directly to low-income families so that they would pay no more than 30% of their income in rent. Creating tradable options on a rental- and neighborhood-specific price index or rent increase insurance is a different and potentially complementary approach that would allow renters to share the benefit if property values in their neighborhood rise (Lerman and McKernan 2007; Shiller 1993). A tradable option for renters would be tied to neighborhood rental values, so renters could cash in and apply the option to their own rent or other expenses if rents increased in their area. For example, if a renter lived in a gentrifying area their option would rise in value and they could use that option to pay the higher rent or cash out and move to a low-rent location. Likewise, rental insurance would pay out if rents rose.

Perhaps the policy intervention most similar to Cornerstone's property management system is HUD's Family Self-Sufficiency (FSS) Program. This program serves poor and near-poor families living in public housing, Section 8 voucher and project-based Section 8 programs. FSS allows residents who become and remain employed, stay off TANF, and achieve other goals to gain access to build assets. Normally low-income housing residents must put 30% of their income toward rent; therefore as residents' income increases, so does the rent they owe each month. FSS allows residents who have experienced an income gain to put funds into an escrow account instead of toward additional rent. Residents may access this account once they achieve the financial and employment goals they set with their case manager.

Another program and policy approach has been to help renters become home owners. For example, "rent-to-own" or lease-purchase programs allow households to move into a home initially as a renter and set aside part of their rental payment for a down payment on that property (Schwartz 2010). In the same vein, Individual Development Accounts (IDAs) are another method that low-income individuals can use to save for the purchase of a home. Sponsored by nonprofits and government agencies, IDA account holders save for a designated purpose (in this case, home ownership) and receive matching contributions (Schwartz 2010). A study of households who used IDAs to purchase their homes showed that they were less likely to receive high interest rate or subprime loans than comparable households without IDAs, and had a lower foreclosure rate overall (McKernan et al 2011).



Housing organizations have administered IDA programs and encouraged their residents to participate, with the goal that they would use the IDA to purchase their own home (Sherraden et al 2003). While IDAs focus on helping renters achieve home ownership, they do not necessarily address the immediate needs of low-income individuals in rental properties or provide a direct way for renters to save for things other than housing. Lease purchase programs tend to be small-scale and idiosyncratic, with different models from property to property and rarely scaled up. Some LIHTC properties are incorporating a transition to homeownership after year 15, a more scalable approach but also controversial in some circles because it involves the loss of rental housing. Lease-purchase is also being used to help homeowners who lost their homes due to foreclosure.

AFFORDABLE HOUSING PROGRAMS AND POLICIES FOR HOMEOWNERS

Although Cornerstone caters to tenants rather than home owners, its structure invites comparison to shared-equity home ownership programs. Sometimes referred to as limited equity home ownership, shared-equity home ownership is designed to fill a void between renting and owning by offering households who would not otherwise be able to purchase a home with an opportunity to achieve many (but not all) of the benefits of ownership at a lower and more affordable price. Shared equity homeowners purchase a home at below-market levels. In exchange for this benefit, they agree to share the benefits of any home price appreciation with the community so that the home can remain affordable to the next purchaser. Typically, this is accomplished by limiting the price at which the home is sold to the next buyer, who must meet applicable income requirements (Lubell 2013). One study found that shared-equity programs can allow participants to accumulate substantial assets—exceeding the return of an investment in the stock market—while still creating affordable housing that stays within financial reach of new tenants over time (Temkin, Theodos, and Price 2010). In some cases, shared-equity home ownership programs are cooperatively governed with residents managing the space democratically; in many community land trusts, residents have a seat at the management table, along with government and non-profit representatives (Davis 2006). Residents in shared-equity home ownership programs have expressed similar levels of housing satisfaction as homeowners, they report having formed strong community bonds, and they have been able to build wealth (Saegert and Benitez 2005; Gray et al 2005). However, others have criticized shared-equity home ownership because it limits the asset-building potential of home ownership by making lower-income home buyers share their equity (Jacobus and Sherriff 2009). Additionally, these programs may be out of reach for very low-income households who cannot afford to buy a house even with assistance.

IV. NEIGHBORHOOD CONTEXT AND CORNERSTONE HISTORY



To date, Cornerstone’s property management system (which will be described in detail in the next section) has been implemented in three neighboring properties, St. Anthony Village, Community Views and Friars’ Court, in the Over-the-Rhine neighborhood in Cincinnati, Ohio. Over-the-Rhine (OTR) is a predominantly low-income neighborhood in Cincinnati adjacent to the city’s central business district and listed on the National Register of Historic Places. It was established by German immigrants in the 1800s, later became a home for poor migrants from Appalachia, and is now predominantly African-American. In 2001, Over-the-Rhine was the locus of the Cincinnati Riots over the shooting of a young, unarmed African-American man in the neighborhood by a police officer. The riots damaged neighborhood storefronts and properties, and brought significant attention to Over-the-Rhine. The neighborhood is typical of many low-income residential neighborhoods bordering Central Business Districts¹ in that it is highly segregated, suffers from disinvestment, its unemployment and underemployment rates are high and residents have limited political influence.

Over-the-Rhine can be divided into two districts: the district south of Liberty Street has been the focus of community development efforts designed to attract homeowners and business development and it has undergone considerable gentrification over the past decade. The area north of Liberty Street, in which the Renter Equity properties are located, has changed little since 2001.

In 2010, the US Census Bureau estimated that 6,064 residents lived in the larger Over-the-Rhine neighborhood. The population was 73% African-American and 25% White. The median household income for Over-the-Rhine residents in 2010 was approximately \$14,517², however this ranged from \$7,449 for one of the two census tracts north of Liberty Street to \$23,864 for one of the two census tracts south of Liberty Street. These figures have changed only marginally in the last ten years for the area north of Liberty Street. Of the 4,298 residential units in Over-the-Rhine in 2010, only 54% were occupied, and of the occupied units more than 88% were rental units³. Additionally, the neighborhood has the highest crime rate in the city of Cincinnati. In particular, violent and property crime increased in the area for the year after the 2001 Riots⁴, and the neighborhood is regarded as one of the more dangerous neighborhoods in the city. All of

¹ Douglas S. Massey and Nancy A. Denton, *American Apartheid: Segregation and the Making of the Underclass* (Cambridge, MA: Harvard University Press, 1993).

² U.S. Summary: 2010, Census U.S. Profile.

³ U.S. Summary: 2010, Census U.S. Profile.

⁴ Patrick Crowley and Kristina Goetz, “Over-the-Rhine under the gun and in fear.” *The Cincinnati Enquirer*: July 16, 2001. <http://enquirer.com/editions/2001/07/16/loc_over-the-rhine_under.html>





the above discourages investment and new residents and attracts crime and property abandonment.

The socio-demographic profile of Cornerstone residents is similar to that of Over-the-Rhine residents as a whole. Most Cornerstone residents are employed in low-wage jobs with few benefits in the housekeeping, food service, security, clerical and health care sectors. Residents' annual incomes range from \$12,000 to \$40,000; the average annual income of residents who moved into the first Renter Equity

community in 2002 was \$17,000. Different programs fund different portions of the Cornerstone development and each program has its own set of parameters for the allowable incomes of residents. 96% of current residents are African-American.

THE CORNERSTONE PROPERTIES

The Cornerstone development occupies three contiguous properties in the Over-the-Rhine neighborhood: St. Anthony Village, Community Views⁵ and Friars' Court. The buildings on these properties, originally constructed in the mid-19th century, initially housed commercial space on the first floor and residential units on the floors above. Rooms tended to be small in these 3–5 story walk-ups and halls were long and narrow. The original architecture was attractive—the rooms had high ceilings and tall windows and building exteriors were brick. At the time that they were purchased by Cornerstone, many of the properties were abandoned and had been left vacant or were stripped of saleable components, such as copper, and converted into low-income housing.

The Cornerstone properties offered features that made them particularly appropriate for the property management system.

- The properties are located near a nexus of several bus lines. Residents are able to travel to locations across Cincinnati without having to transfer between buses.
- The properties are located near Findlay Market, where residents can buy fresh groceries.

⁵ Community Views is a scattered site property. Although some units are contiguous with other Cornerstone properties, others are two blocks to the north.



- The properties could be enclosed by a fence that now surrounds attractive outdoor common spaces with seating where residents can gather and socialize.
- The spaces that were formerly commercial spaces on the first floors of the building could be converted into common spaces for the residents and office space for Cornerstone staff.
- The underlying architecture of the properties made it possible for them to be renovated and turned into attractive homes.

The history and characteristics of each of the properties is described in greater detail below.

ST. ANTHONY VILLAGE



The first opportunity to implement a renter equity-based property management system came in 1999 when the Franciscan Friars of St. John the Baptist, headquartered in Cincinnati, were planning to redevelop six vacant, abandoned buildings into 22 housing units. The property was acquired when they built a new warehouse for their publishing business. Originally, these buildings were to be demolished, but in response to protests they decided they wanted to create housing for future homeowners. The median

income in the area was about \$14,000 which made this impossible, so the Friars' development consultant, Mark Brunner, brought in Margery Spinney and they chose to implement a renter equity-based property management system instead. An application was made for housing tax credits and, since Cornerstone was not a developer or a property manager, another nonprofit organization was chosen to serve as the nonprofit owner and developer. With the owner-signed agreements Cornerstone was able to participate in management and then purchase the housing at the expiration of the tax credit period. A manager was chosen who agreed to work with Cornerstone to implement the property management system. Cornerstone began recruiting residents in 2000 and prospective residents met monthly during the financing and construction of the housing. Residents moved into the first completed building in 2002.

Unfortunately, the nonprofit owner/developer couldn't complete the project. Cornerstone coordinated with the contractors and manager to keep things moving until Ohio Capital



Corporation for Housing had Over-the-Rhine Community Housing take over the management of the property in 2003. Cornerstone was included in the administrative budget as the resident services provider. This worked well until Ohio Capital changed management in 2004 and disputes over how to handle maintenance issues arose. In 2008, the nonprofit owner became the manager and entered into an agreement which gave Cornerstone responsibility for management and maintenance. The nonprofit owner retains legal and financial responsibility and splits the management fee. The project has paid \$10,000 into the Renter Equity reserve each year since 2009. Presently a third of St. Anthony residents are reaching the end of their 10 year Renter Equity Agreement and are entering into a second round of their participation in the management system.

COMMUNITY VIEWS

The Owner of St. Anthony Village, Over-the-Rhine Community Housing (OTRCH), chose to include Renter Equity in its next development, 12 scattered-site units in 5 buildings known as Community Views. OTRCH's bank was concerned about the market because of the high vacancy rate in the Over-the Rhine neighborhood. The bank agreed to fund the project because they knew there was a waiting list for Renter Equity, but it increased the operating reserve requirement. Cornerstone and OTRCH jointly applied for a philanthropic grant to expand Cornerstone and \$97,000 was invested in the operating reserve. Though intended for losses, the bank agreed that it could be drawn down over 10 years to fund Cornerstone provided the anticipated losses were not accruing. The project was completed in 2006 and the operating reserve has provided continuous funding for Cornerstone. Cornerstone manages the day-to-day operations of Community View under the same agreement with OTRCH as St. Anthony Village.

OTRCH and Cornerstone also experimented with the renter equity-based property management system in a two-unit townhouse rehabilitated by Miami University students. The rent in combination with the utility costs proved too high for residents.

FRIARS COURT

The developer of Friars Court, with a loan guarantee from the Franciscan Friars, acquired 8 buildings in 2002 which surround St. Anthony Village. When they were unable to finance redevelopment with housing tax credits, they abandoned the buildings. About 30% of the units were occupied and their condition and attractiveness to criminals threatened St. Anthony Village residents. The Franciscan Friars contracted with Cornerstone to move the residents and clean and board the buildings. Cornerstone later became the buildings' owner, developer and manager. In 2008, financing commitments were finalized with the Federal Home Loan Bank, the City of Cincinnati, Historic Tax Credits, Huntington Bank and



the Cornerstone Loan Fund. The first building was occupied in 2010 and all construction was completed in 2012.

TABLE 1 RENTER EQUITY PROPERTY MANAGEMENT SYSTEM TIMELINE

2002	Monthly Cornerstone orientations begin (and have been ongoing since) Residents move into St. Anthony Village
2003	
2004	
2005	Cornerstone/Over-the-Rhine Community Housing partner to expand the implementation of the property management system
2006	Residents begin moving into Community Views (12 units)
2007	
2008	Cornerstone obtains financing for Friars' Court
2009	
2010	Residents occupy Friars Court

The section that follows lays out the property management system implemented at the properties just described.

V. RENTER EQUITY COMPONENTS

Cornerstone leadership, staff and residents helped the research team understand how Cornerstone works and identify the property management system's central components. The research team identified three administrative documents that undergird the system: the Renter Equity Agreement, the Resident Association Agreement and the House Rules, which together lay out the architecture of the property management system. The system is in turn supported by a careful orientation process that ensures potential residents are fully aware, before moving in, of their rights and responsibilities; renter equity account infrastructure; and a short-loan program that helps residents purchase large appliances and pay for emergency expenses. Our research suggests a property manager with strong social work and facilitation skills greatly facilitates the implementation of Cornerstone's property management system. Finally, it is helpful if the property itself is a place where people are proud to live and feel motivated to act as its stewards. The property should also have safe communal spaces where people can gather so that community-building can occur. We discuss each of these components in detail below.



THE RENTER EQUITY AGREEMENT

At the core of property management system is the Renter Equity Agreement, which outlines the residents' and property owner's responsibilities. It lays out the advantages of living in a property with a renter equity-based property management system—the opportunity to earn equity, to have input into the rules and regulations and management of the property, to have a stable, long-term residence and to learn new skills and be a part of a supportive community. It also stipulates that the property owner should realize property management savings through higher occupancy rates, lower turnover and reduced maintenance and administrative costs due to residents' active participation in the maintenance and administration of the property. It spells out the residents' responsibilities in detail as well as the owner's obligation to deposit funds to match equity credits earned by residents and to assist residents in fulfilling their responsibilities. It also includes a renter equity earnings schedule that allows residents to see how much equity they will earn each month if they fulfill their responsibilities.

Examples of necessary requirements for residents to hold up their end of the agreement include fairly standard details such as paying the rent on time and keeping the property clean and neat, as well as more unconventional aspects such as attending management meetings and reviewing architectural plans and site designs—even picking flooring, cabinets and paint colors. Activities are assigned to residents according to ability, allowing all residents to participate, regardless of physical or mental limitations. Residents receive quarterly statements detailing the credits that they have earned and an explanation if credits have not been earned.

THE RESIDENT ASSOCIATION AGREEMENT

The Resident Association Agreement establishes the organization of residents and defines its structures and responsibilities. It notes that the Resident Association's core task is to ensure the community's cohesiveness and supportiveness, that the property's expenses are kept under control and that the property is safe and well-maintained. This includes noting and reporting maintenance issues, recommending building and property improvements and in some circumstances facilitating training in home repair.

The agreement stipulates that the resident association participates in the preparation of the annual budget and planning for maintenance and improvements, it recommends operating policies, conducts orientations and trainings, monitors compliance with the terms of each resident's lease, the House Rules, and Renter Equity Agreement. The



Resident Association is also responsible for planning events and activities at the property, such as community building events in which residents are welcomed to their new homes, or meet to learn skills and share interests.

HOUSE RULES THAT ESTABLISH A CODE OF CONDUCT

The house rules are established and maintained by residents themselves. House rules will differ for different properties and will reflect the history, resident population and particular management needs of the property. Generally the House Rules describe how residents should behave toward one another, how long- and short-term guests are managed, the actions residents need to take to maintain the property's security, and similar goals.

AN ORIENTATION PROCESS THAT CLEARLY COMMUNICATES POTENTIAL TENANTS' RESPONSIBILITIES

Cornerstone residents are expected to take on significant responsibilities and to become part of a tightly-knit, participatory community. The Cornerstone orientation process gives prospective residents the opportunity to make an informed decision about whether they want to live at a property with this type of management structure. As part of the process, prospective tenants are also able to work with Cornerstone's property manager to determine their eligibility to qualify for an apartment. Some Cornerstone properties receive LIHTC and other subsidies; therefore the tenant mix at the property must qualify Cornerstone to receive these funds.

Regular monthly orientation sessions are hosted by the property manager to introduce the concept of the renter equity-based management system to interested people. At Cornerstone properties, prospective residents must attend three monthly orientations before applying for an apartment. All adult members of the household must complete the orientations before their names can be added to the lease. The goal is to give potential residents enough information about the community so that the process is one of selecting in rather than screening out. The management system, like any housing program, is subject to fair housing requirements. As such, the orientation is accessible to all potential residents to enable them to make a decision about whether shared management is something in which they want to participate.

RENTER EQUITY ACCOUNT INFRASTRUCTURE AND FUNDING



Cornerstone's renter equity-based management system requires specialized accounting and bank account infrastructure. The Renter Equity Agreement assigns value to a household's contribution by setting a schedule for earning credits up to \$10,000 over ten years. The credits are backed by financial reserves in an account established by the property owner, and can be withdrawn as cash any time after vesting at five years. The reserves can be funded in several ways, for example:

- *Operating Reserves.* In affordable rental housing, an operating reserve can be capitalized as part of the development cost of the project to cover potential vacancy losses. In a Cornerstone development, the residents and manager work to assure that vacancies are lower than a typical rental development. The owner agrees that the operating reserve will be drawn down to fund the reserve for renter equity to the extent that vacancy losses are not realized. The operating reserve is funded in part through grants.
- *The Operating Budget.* Satisfied residents, resident sweat equity, association participation, high occupancy and reduced turnover all help to streamline property management. If the model is successful, income that would otherwise be spent on vacancy losses and third parties can be invested in the fund for renter equity to replenish funds paid out to residents, maintaining the renter equity fund's balance indefinitely in theory.

In Cornerstone-associated projects, management of renter equity funds, statements and payments to residents has been done by the Cornerstone's financial manager and not by the property manager. The owner or manager of each development project pays funds into an account managed by Cornerstone. Cornerstone's Finance Manager manages the account according to policies established by the Board of Directors to protect the principal. The credit balance earned by residents in each project is shown on Cornerstone's balance sheet as a liability. The funds which are invested for renter equity, but which have not yet been earned, are shown on the balance sheet as temporarily restricted reserves. When a resident withdraws cash, the liability balance goes down. When the project increases funding for renter equity, the reserves for that project go up. If residents move before they vest, their earnings move from the liability account back to the reserve account for that project.

LOAN PROGRAM

Cornerstone has a loan program for specific, limited purposes including move-in expenses, the purchase of washers and dryers and to cover emergency expenses such as an unanticipated car repair or hospital visit. The loan program helps reduce turnover by



covering small expenses that might otherwise compromise residents' ability to pay their rent on time.

Cornerstone's Executive Director approves the loan based on policies established by the Board of Directors. The resident's rent payment history and participation are currently qualifying factors for loans other than for move-in expenses. Residents must demonstrate a regular rent payment history and consistent renter equity credit earning for at least six months before applying for a loan that is not move-in related, such as a washer/dryer purchase. The risk of loss is evaluated based on the likelihood that a resident will remain stable and has sufficient income (after paying rent, living expenses and other debt) to be able to pay off the loan. Cornerstone negotiates repayment terms on a case-by-case basis. Residents are deeply financially insecure and may, for example, have to use a tax return to repay a loan rather than make monthly payments.

PROPERTY MANAGER WITH SOCIAL WORK AND FACILITATION SKILLS

A skilled property manager with social work and facilitation skills is required for the implementation of Cornerstone's renter equity-based management system. Residents are expected to participate in the governance and maintenance of Renter Equity properties. The property manager must facilitate the community governance process and coordinate maintenance tasks. Further, residents themselves are responsible for enforcing house rules and they come to the property manager to report infractions. In order for the self-reinforcing House Rules not to result in tensions between residents, the property manager must be a skilled mediator.

ATTRACTIVE, CENTRALLY LOCATED PROPERTY WITH PHYSICALLY SECURE COMMON AREAS

Finally, residents must want to live at a property if turnover rates are to remain low and the resultant savings realized. Properties implementing a renter equity-based management system should therefore be physically secure and they should be attractive. The properties' physical security should also extend to common indoor and outdoor spaces where residents can gather and build community.

VI. EFFECT OF CORNERSTONE PARTICIPATION ON RESIDENTS' LIVES

This subsection, and the two that follow, examine outcomes for Cornerstone residents, the surrounding community, and for the property's investors. We begin each section by



laying out its central research question; a description of the data and the research methodologies we employed to collect the data in response to the research question follows. We then triangulate the evidence from the data sources that we were able to bring to bear on each research question and discuss the implications for our assessment of the program outcomes. In the final subsection we discuss the themes that arose from the analysis that were not part of the initial research questions. These themes provide insight into Cornerstone's influence on a range of outcomes that extend far beyond the accumulation of renter equity.

Research Question: Does participation in the Cornerstone create positive outcomes for participants?

Home ownership helps people build wealth and become more connected to their community. This evaluation explores whether or not Cornerstone is able to provide residents—many of whom do not have the financial means to become home owners—with some of the benefits traditionally associated with home ownership. In particular we examine the effect of participation in the renter equity-based management system on Cornerstone residents'

- Accumulation of financial assets;
- Use of accumulated assets to advance life objectives;
- Use of Cornerstone loans to cover financial shortfalls and emergencies and to avoid subprime or predatory lending;
- Improved financial literacy;
- Residential stability (with associated benefits for children and other family members);
- Sense of financial security;
- Sense of physical security;
- Sense of community; and
- Hope and optimism for the future.

We collected data from a variety of sources in an effort to measure these outcomes. In most cases, the data are from stakeholder interviews and surveys or from Cornerstone administrative data and are highly subjective. The findings should therefore be interpreted with caution. We describe the methodology we used to collect these data in the sections that follow.

DATA SOURCES



RENTER EQUITY ACCOUNT AND LOAN DATA

Cornerstone provided the research team with renter equity and loan program participation data from its accounting system for all of its properties. These data allowed the team to quantitatively measure residents' equity accumulation and loan program use. The data included records from May 2002, around the time of the inception of St. Anthony village, through August 2012. Because the data were generated using an accounting software, they include rich accounting-related information, but less program evaluation-related information such as the purposes for which the loans and the equity were used.

STAKEHOLDER INTERVIEWS

The research team conducted qualitative interviews with current Cornerstone residents and other Cornerstone stakeholders in order to understand how Cornerstone's renter equity-based property management system approach affects residents, property owners and managers, and members of the wider community. CFED and the Economic Center developed the interview protocols (see Appendices C and D) in consultation with the Center for Housing Policy, OHFA and past and present Cornerstone staff. The interview protocols were structured so as to provide Cornerstone residents and other stakeholders with the opportunity to explain Cornerstone's impacts in their own words. We especially wanted to provide respondents the opportunity to conceptualize and describe the program's effects without being steered by narrowly focused interview questions.

The stakeholder interviews took place during November and December of 2012. Each interview lasted approximately 45 minutes. Generally they involved one interviewer and one note-taker, but sometimes the interviewer doubled as note taker. The research team obtained written consent when interviews were conducted in person (former Cornerstone Executive Director, property manager, residents) and verbal consent when interviews were conducted over the phone (all others).

NON-RESIDENT STAKEHOLDER INTERVIEWS

CFED, the Economic Center, OHFA, Cornerstone staff and Cornerstone residents jointly developed a list of candidate non-resident stakeholder interviewees. The original list included:

- The former Executive Director of Cornerstone;
- The property manager at Cornerstone;
- Local police and community activists;
- Past Cornerstone participants;



- Owners and managers of other affordable rental properties in the city;
- Local civic leadership;
- Business leaders from the neighborhood’s Findlay Market;
- Other local business operators; and
- Franciscan Friars (who originally attempted affordable housing on the site).

The team also considered interviewing Ohio HFA leadership and staff, but decided their contact with Cornerstone was too limited for them to provide substantial independent insight. In the end CFED and the Economic Center were able to schedule and conduct interviews with nine individuals including:

- The former Executive Director of Cornerstone;
- The property manager at Cornerstone;
- Local police;
- Owners and managers of other affordable rental properties in the city;
- Local civic leadership;
- Business leaders from the neighborhood’s Findlay Market; and
- Franciscan Friars (who originally attempted affordable housing on the site).

The research team also made several attempts to contact former Cornerstone participants but did not succeed. All former residents we attempted to contact either did not respond to calls or their phone numbers were no longer in service.

RESIDENT AND CORNERSTONE STAFF STAKEHOLDER INTERVIEWS AND CORNERSTONE SITE VISIT

Anita Drever from CFED and a researcher from the Economic Center at the University of Cincinnati conducted a site visit at the Cornerstone property on October 25, 2012. During the site visit, Carol Smith, the property manager at the time, scheduled interviews with three male and three female residents. Anita Drever conducted an additional impromptu interview with a young female resident she met in the Cornerstone office later in the day.



During the site visit, Anita Drever toured the three Cornerstone properties (which are contiguous within a common security perimeter), and visited one vacant and one occupied apartment unit. Drever also attended an orientation meeting for prospective residents and a resident meeting for current residents, she interviewed Cornerstone's former Executive Director and the Property Manager (one individual for the three properties), and she took a walking tour of the surrounding neighborhood.



RESIDENT SURVEY

The University of Cincinnati Institute for Policy Research fielded a phone survey over a one-week period in April 2013. The survey questionnaire was intended to help gauge the importance of the opportunity to build equity relative to other aspects of the property management system as well as to directly address the research question (see Appendix A for a list of survey questions).

Cornerstone provided the University of Cincinnati Institute for Policy Research call center with a list of 53 phone numbers for current residents. The call center was able to achieve a 60% response rate with 32 Cornerstone residents completing the survey. Of the 21 residents who did not complete the survey, 3 had non-working or disconnected phone numbers, 3 refused to participate in the survey and the remainder either did not answer their phone or were unable to schedule a time to take the survey.

It should be noted that although the survey response rate was relatively high, the data below do not include information from over a third of current Cornerstone residents. If non-respondents were either more or less satisfied with their experience at Cornerstone than respondents, the results will be biased. There is no way to know whether or not this is the case.

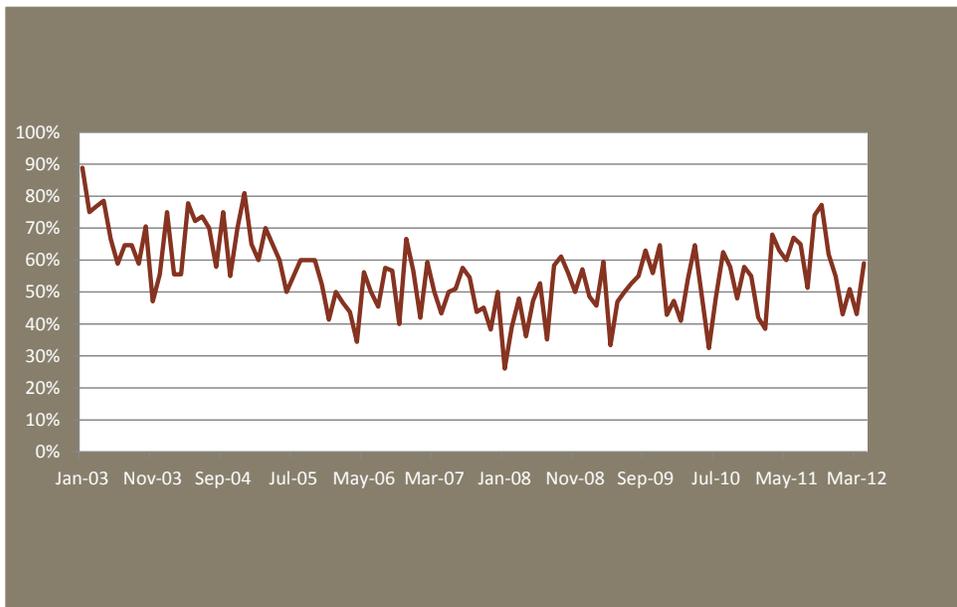
RESULTS

ACCUMULATION OF FINANCIAL ASSETS

In order to earn renter equity, Cornerstone residents had to pay their rent in full and on time, assist with the maintenance of the property and attend a monthly resident meeting. On average, just over one-half of residents met the requirements to earn renter equity in any given month (see Figure 1).



FIGURE 1 % OF CORNERSTONE HOUSEHOLDS EARNING EQUITY OVER TIME



Residents are only able to withdraw their renter equity if they have resided at Cornerstone for five or more years. Of the 71 households that have ever resided at Cornerstone, 51 currently reside at Cornerstone and 20 have moved away. 28 households have been or were at Cornerstone long enough to be eligible for a cash disbursement of their equity (i.e., five years or longer), and 10 households left Cornerstone before their equity was vested (see Table 1).

TABLE 2 DURATION OF STAY AMONG CURRENT CORNERSTONE RESIDENTS, APRIL 2012

<i>Duration of stay</i>	<i>Current residents</i>	<i>Residents who left with equity</i>	<i>Residents who left behind equity</i>
Less than 1 Year	15		
1 to 5 Years	18		10
More than 5 Years	18	10	
Total	51	10	10

Source: Cornerstone Accounting Systems

Of the 18 households who had stayed at Cornerstone for more than five years as of April 2012, all but one had withdrawn their entire vested equity balance. The vested renter equity withdrawals ranged from \$955 to \$5,504 in value, with a median amount of \$2,600.



The range in the renter equity withdrawals amounts among households who had resided five or more years at Cornerstone and were vested is largely due to opportunities to earn renter equity being frequently missed by Cornerstone households.

TABLE 3 RENTER EQUITY SAVINGS BY LENGTH OF STAY AT CORNERSTONE, APRIL 2012

<i>Household status</i>	<i>Number of resident households</i>	<i>Equity withdrawal median value</i>	<i>Equity withdrawal range</i>	<i>Median value of abandoned equity</i>
Current resident household, lived at Cornerstone 5 + years	18	\$2,600	\$955-\$5,504	
Current resident household, lived at Cornerstone <5 years	33			
Past resident household, departed after becoming vested	10	\$3,497	\$355-\$5,318	
Past resident household, departed before becoming vested	10			\$435

Source: Cornerstone Accounting Systems

Although information regarding the reason equity was not earned was often absent from the Cornerstone renter equity data, analysis of the accounting records with valid entries indicate that the modal reason residents were unable to earn equity in a given month was missing a monthly residents’ association meeting.

The research team probed the issue of residents’ association attendance in the resident phone survey. 87% of survey respondents reported that they attended the residents’ association meetings “all the time” or “almost all the time.” Among residents who reported attending residents’ association meetings less frequently, all reported that it was work conflicts that prevented them from attending the meetings.

In sum, although there is some attrition, a majority of residents stay five or more years and accumulate over \$2,000 in equity. For some residents, their work schedules are a barrier that prevents them from receiving the full benefit of participation in Cornerstone.

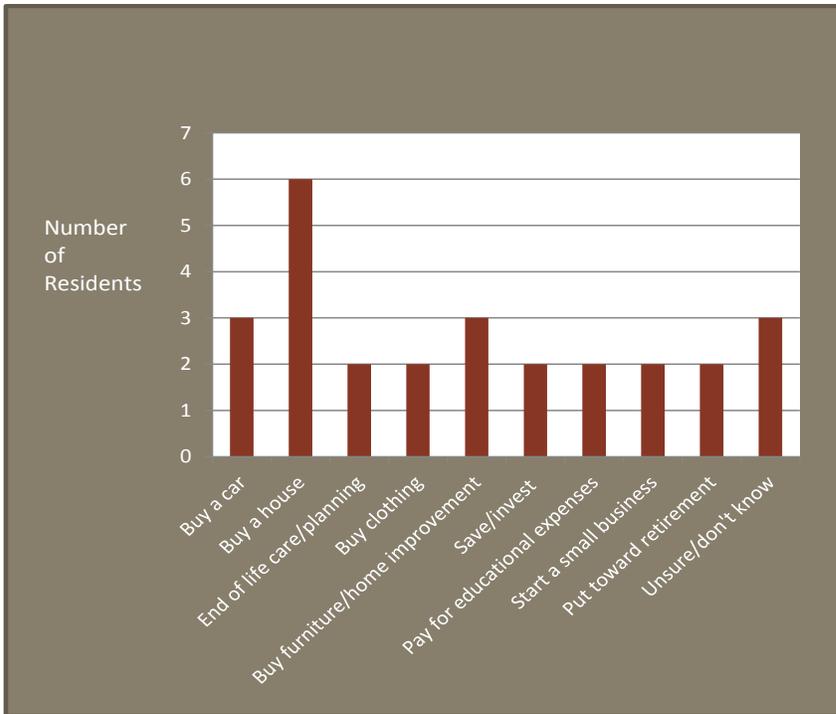


USE OF ACCUMULATED ASSETS TO ADVANCE LIFE OBJECTIVES

The research team included two questions in the resident phone survey about residents' use of the renter equity. One question asked residents who had been at Cornerstone for less than five years to share their plans for investing/spending their equity once they were vested. The second question asked residents who had resided at Cornerstone for five or more years to describe how they had in fact used their equity.

Residents' plans for their equity often involved advancing life objectives. Modal responses included buying a house and buying a car (see Figure 2).

FIGURE 2 RESIDENTS' PLANS FOR THEIR RENTER EQUITY BALANCE



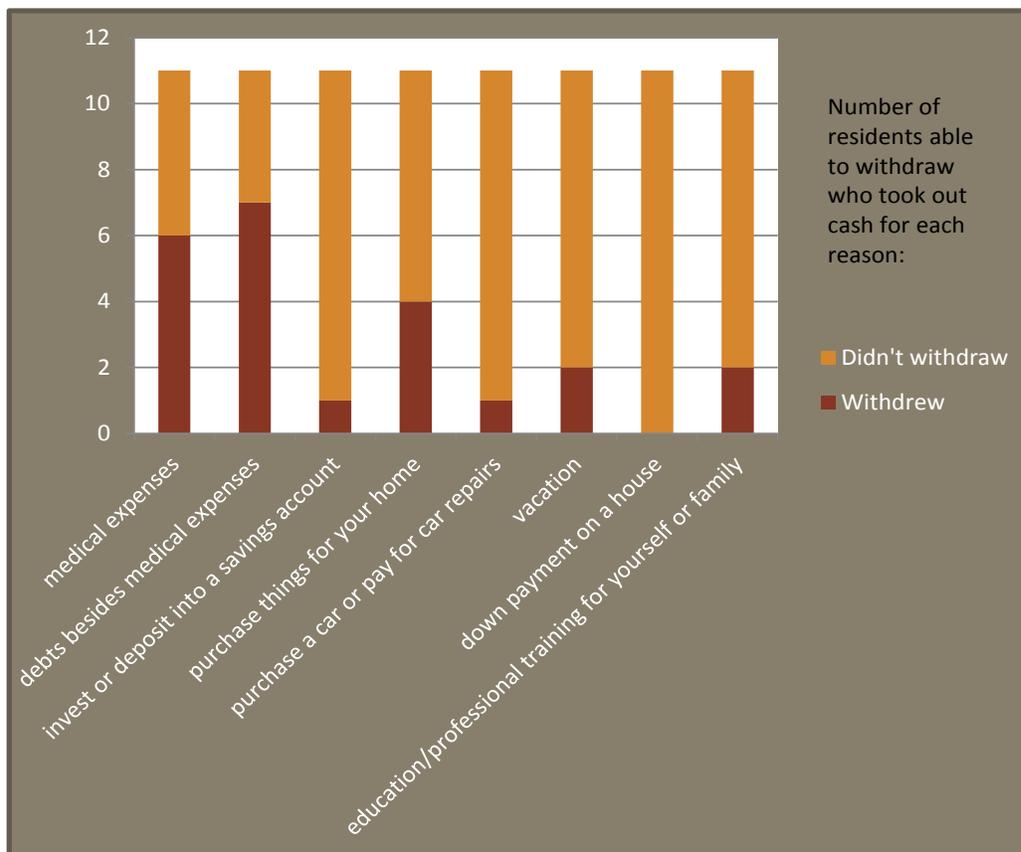
Source: Resident Phone Survey

Although many residents intend to invest their equity or to use it to buy a car or home, the resident phone survey results indicate that in practice residents tend to end up using the equity to pay off debt and cover medical expenses (see Figure 3). This isn't surprising—the resident phone survey results indicate that 63% of residents find it either “very difficult” or “somewhat difficult” to cover their expenses in a given month. Persons without savings who struggle to make ends meet each month are likely to use a credit card or take out a



loan when an unexpected expense arises. It should be borne in mind that residents who left Cornerstone after withdrawing their equity—for example to purchase a home as was the case with at least one resident—were not among current residents and thus were not part of the resident phone survey. It should also be noted that while many residents used their equity to pay down debts, during the stakeholder interviews we also learned of instances when the equity had been used to pay for an operation that kept a resident from going blind and for educational expenses.

FIGURE 3 REASON FOR RESIDENT WITHDRAWAL FROM RENTER EQUITY ACCOUNTS



Source: Resident Phone Survey

USE OF RENTER EQUITY LOANS TO COVER FINANCIAL SHORTFALLS AND EMERGENCIES AND TO AVOID SUBPRIME OR PREDATORY LENDING

Between 2002 and 2012, Cornerstone made 109 loans to residents. Resident phone survey results indicate that 53% of Cornerstone residents took out between one and three loans from Cornerstone. A majority of these loans were for between \$300 and \$1000 (see Table



3) and as was discussed previously, many of these loans were for washers and dryers in the Friars Court complex, where hook-ups are available in the units.

FIGURE 4 CORNERSTONE RESIDENT LOAN AMOUNTS, NOVEMBER 2002-AUGUST 2012

<i>Number of Loans</i>	<i>Percent of all Loans Made</i>	<i>Loan Amount*</i>
2	1.83%	\$0-\$99
16	14.68%	\$100-\$299
40	36.70%	\$300-\$499
36	33.03%	\$500-\$1000
15	13.76%	\$1000-\$3000
109	100%	\$66,873

Source: Cornerstone Accounting Systems

*The total loan amount includes fees

The vast majority of loans made to Cornerstone residents were eventually paid off. Only 3 of the 109 loans were either not paid off in full or had not been paid down in 90 or more days as of August 2012. Cornerstone’s loan program lost only \$1,550 during its first decade of operation. The repayment data reveal, however, that many residents did not make regular payments on their loans. Residents often paid off loans in lump sums after making only small, sporadic payments.

Residents were asked on the phone survey to identify the purpose for which they had taken out their most recent loan from Cornerstone—few mentioned washers and dryers, suggesting they didn’t consider these purchases to be part of the standard loan program. Instead, of those who had taken out a loan, 35% used it to cover their rent, 24% used it either for a car repair or car payment, and the remainder used the loan to pay various bills.

Although only 53% of residents reported using the loan program, 78% of resident survey respondents felt that the loan program was either ‘very’ or ‘somewhat’ important to their financial well-being. The survey respondents who reported taking out a loan from Cornerstone also indicated that if they had not been able to receive a loan from Cornerstone, 41% would have taken out a cash advance on their credit card, 24% would have borrowed the money from a relative or friend and 18% of survey respondents indicated they would have taken out a short-term loan (see Appendix B, question 22). During the qualitative interviews, residents also discussed how they themselves had benefitted from the loan program or knew of residents at Cornerstone who had. One resident mentioned using the loan to help a relative pay rent. And as one stakeholder put it, “[Cornerstone has] gotten people off of the payday lender merry-go-round. This makes for a stronger community. They aren’t [moving] in and out, in and out.”



IMPROVED FINANCIAL LITERACY

Cornerstone has worked to improve residents' financial literacy through on-site personal finance and home ownership workshops. Some residents reported having attended these during the qualitative interviews; however this area of the property management system could be strengthened. Although 59% of the survey respondents rated their financial knowledge as a 6 or 7 on a scale of 1 to 7 (see Appendix B, question 24), Cornerstone's current executive director reports that it is common for residents to pay their rent using a money order rather than through a personal check. This suggests that residents are not relying on the mainstream financial system to manage their finances and may be spending a sizeable portion of their income each month on alternative financial services. We suggest some steps to improve Cornerstone residents' financial capability and literacy in section X of this paper.

RESIDENTIAL STABILITY (WITH ASSOCIATED BENEFITS FOR CHILDREN AND OTHER FAMILY MEMBERS)

Cornerstone attracts residents who were already residentially stable before they moved to Cornerstone. Resident survey respondents reported that in the five years before moving to Cornerstone, 75% of residents either did not move or moved only once (see Appendix B, question 6). This is not surprising, as 4 out of 5 Cornerstone residents are over the age of 40 and residential mobility declines dramatically with age (Clark and Dieleman 1996). In addition, households with children under the age 18 are particularly likely to benefit from residential stability because they are forced to make fewer transitions between schools. However the resident survey results indicate that only 29% of Cornerstone households included children under the age of 18.

SENSE OF FINANCIAL SECURITY

78% of residents felt that Cornerstone was either somewhat or very important to their financial well-being (see Appendix B, question 23). During the qualitative interviews we probed residents and stakeholders in order to better understand Cornerstone's influence on residents' financial well-being. Naturally, residents often mentioned the renter equity, but other factors came up as well. Several mentioned that Cornerstone apartments were more affordable than similar, privately rented apartments. One resident mentioned that

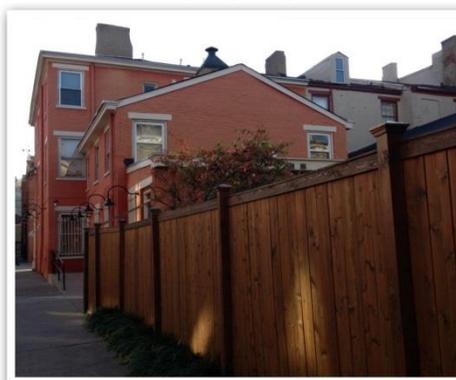


his utility bills were less variable and less expensive overall because of his buildings' quality construction.

SENSE OF PHYSICAL SECURITY AND SENSE OF COMMUNITY

Among the residents and stakeholders, themes around safety and community arose soonest and most often during the qualitative interviews. Over-the-Rhine is a high-crime neighborhood, yet 94% of resident survey respondents reported feeling "safe" or "very safe" in their homes and their buildings (see Appendix B, question 27). In the qualitative interviews, residents ascribed their security to two factors—the security of the properties and their trust in their neighbors. Given that residents' sense of physical security is tightly tied to their strong sense of community, we discuss these themes in conjunction with one another.

Residents and other stakeholders alike described the Cornerstone property as "an oasis." As one resident put it, "It's different from other places. It's very safe. Nobody can come unless they let them in." A security fence encloses the buildings and the common spaces between them. This ensures that only people known to the community are on the property. When Margery Spinney, Cornerstone's former executive director, was asked if she felt the security fence was critical to Cornerstone she remarked, "The housing environment must be safe. When people don't feel safe, they can't begin to think about other needs in their life—contributing [to] the community, building assets, or improving their job."



The property's secure physical boundary makes residents feel protected from the outside. And strong ties within the Cornerstone community help residents feel safe among themselves. As one resident put it, "It's pleasant living around people you speak to. People look out for one another. I haven't seen that since childhood." Interviewees described Cornerstone as a place where neighbors know one another, where there is a strong sense of community nurtured by the monthly resident meetings and by informal gatherings to which all residents are invited (such as a Halloween party that was planned during the resident meeting that Anita Drever attended). The resident survey asked respondents whether or not they felt they could ask a neighbor to fill a prescription for them if they were unable to do so—and 75% said they could (See Appendix B, Question 29). 53% of survey respondents also reported that they felt they knew their neighbors "somewhat



better” or “much better” than where they were living before they moved to Cornerstone (See Appendix B, Question 28).

Residents within each of the Cornerstone properties know one another because of the monthly resident association meetings, additional informal gatherings to which all residents are invited, their participation in communal maintenance activities, and because new residents are primarily recruited through the personal networks of residents already there.

Residents felt they could rely on each other for protection. One interviewee recalled calling for help because someone unknown to the community had gotten on the property, and she said she was immediately surrounded by residents who rushed to her assistance.

Residents felt that other key ingredients underlying their security on the Cornerstone property were the residential application process, the formal house rules and the residents’ collective willingness to enforce those house rules on the Cornerstone property. People interested in moving into Cornerstone must attend three orientation meetings spaced a month apart, during which the renter equity concept, the actual Renter Equity Agreement and the House Rules are explained. Residents and the property manager reported that residents unwilling to adhere to the House Rules quickly drop out of the application process.

HOPE AND OPTIMISM FOR THE FUTURE

By accumulating savings each month in the form of renter equity, Cornerstone residents gain access to funds that could potentially change their futures. However, this does not necessarily mean they understand the program and or that they think about their Renter Equity balance.

The resident survey asked respondents how well they felt they understood the program: 66% reported that they felt they understood the program very well and an additional 31% felt they understood the program fairly well (See Appendix B, Question 14). This indicates residents probably understood the program well enough for it to influence their thinking about their futures.

The resident survey also asked respondents to describe how much they thought about their renter equity balance. Only 28% of residents reported paying little attention to their renter equity balance (See Appendix B, Question 15).



When asked directly about Cornerstone’s effect on their optimism regarding their financial future, 72% of residents reported that participation in Cornerstone made them feel more optimistic about their financial future (See Appendix B, Question 32). We then asked survey respondents who reported feeling more optimistic about their futures why this was the case in an open-ended question. 41% said it was their increased savings and 27% stated that they felt supported financially and otherwise by Cornerstone (See Appendix C, Question 18).



OTHER FACTORS

During the qualitative interviews with residents and other stakeholders we gave persons associated with Cornerstone the opportunity to tell us what they thought were the property management system’s strong points. Cornerstone stakeholders mentioned several factors that identify critical aspects of the management system not directly tied to the opportunity to build equity.

First, residents felt the house rules and potential-resident orientation process were critical to the safety and integrity of the Cornerstone community. Potential residents had to attend three orientations before moving to Cornerstone. During these orientations potential residents were introduced to the house rules developed by current and previous Cornerstone residents. Potential residents not willing to be quiet, orderly and respectful of others did not complete the orientation process. As one resident put it, “the three community meetings ensure the right people move in. Without rules you have chaos.” Perhaps as a result, although Cornerstone residents are economically vulnerable, 65% have had at least some college or have attended a technical school and only 19% are 40 years of age or younger.

Second, the Cornerstone property is a desirable place to live completely aside from the equity-building opportunity that residing there provides—94% of survey respondents were satisfied with their building and 97% with their home (See Appendix B, Question 13). The property is physically appealing and this affects residents’ sense of well-being and willingness to help maintain the property. The Cornerstone properties are renovated, historic buildings with gardens and decorative planters scattered along the walkways. The buildings’ clean interior hallways are sprinkled with paintings, dishes filled with potpourri and other décor. Many of the stakeholders and residents remarked on the attractiveness



of the Cornerstone properties. One of the residents remarked during his interview that “the property is beautiful. The units are beautiful.” It also became clear through the course of the interviews and the site visit that residents help with the gardening, decorate the halls, and help in other ways with the upkeep of the property in their spare time, not just as part of their assigned maintenance duties. One resident explained, “It’s sort of like your home. Yours. If you had your own home, you would be doing all this work.”

Third, residents and stakeholders emphasized the importance of the participatory nature of the property’s management. Cornerstone residents’ experience resembles home owners’ experience not only because they are able to earn equity, but also because they participate in critical decisions about the property’s management. The property manager is responsible for orchestrating this experience.

RELATIVE IMPORTANCE OF THE MANAGEMENT SYSTEM’S COMPONENTS

Cornerstone is clearly much more than an affordable rental development with an equity building component. Cornerstone provides its residents with the opportunity to live in a relatively safe, tightly knit, participatory community on an attractive property with amenities such as in-unit washers and easy access to public transportation. In addition, the orientation and application process may operate as a screen that leads to the admission of residents likely to engage in the community.

Given the various benefits to residents associated with living at Cornerstone, how important is the equity building component?

In the phone survey we asked residents to list the one thing they appreciated most about Cornerstone, aside from the affordable rent. 34% mentioned the community atmosphere/opportunity to be a part of a participatory community. Another 28% felt management’s responsiveness was most important followed by 25% who felt the living conditions at the property were what they appreciated most. Only 9% stated that the opportunity to earn equity was what they appreciated most about Cornerstone. Similarly, only 9% state that the building’s safety and security were what was most important to them (See Appendix B, Question 34)

In sum, while the opportunity to earn equity may be what holds the system together by incentivizing residents’ participation in the activities that foster community ties and ensure the upkeep of the attractive property, it is ultimately not what residents value most at Cornerstone. Attempts to replicate Cornerstone’s renter equity-based property management system on a less attractive property or without a gifted property manager



committed to facilitating residents' engagement and empowerment may not be as successful.

VII. CORNERSTONE'S AFFECT ON THE SURROUNDING COMMUNITY

Cornerstone appears to engender positive outcomes for residents. Does the system primarily benefit the few dozen residents living there? Or do the system's benefits extend beyond the property boundary? The following research question guides this exploration:

Research question: Are there other positive outcomes that are created by the Renter Equity Property Management System including, but not limited to, the following areas?

- i. Long term benefits to funders;
- ii. Overall community improvements;
- iii. Broader community benefits.

DATA SOURCES

We use qualitative stakeholder interview data, site visit observations and the Cornerstone resident phone survey to explore these questions. We describe our approach to collecting these data in section V. As previously mentioned, because this is case study research rather than a randomized controlled trial, conclusions should be treated as suggestive rather than definitive.

RESULTS

Given Cornerstone's physical separation from the surrounding neighborhood, the Research Team wondered to what degree Cornerstone presence has benefitted the wider community. The stakeholder interviews indicated that a variety of benefits are felt.

When asked how Cornerstone had impacted the wider community, several stakeholders mentioned that the property occupied a block that formerly housed vacant buildings, prostitutes and drug dealers. The present attractive, peaceful Cornerstone property stands in sharp contrast to that past reality. Stakeholders also mentioned that they felt Cornerstone had contributed to the neighborhood's overall improvement over the past decade.



Cornerstone residents are also encouraged to play an active role in the governance of the wider neighborhood. At a small scale, residents receive training during resident meetings regarding how to approach persons dealing drugs or leaving trash near the property and ask them to stop doing these things near their home. Indeed, the broader community's respect for Cornerstone residents is evidenced by the fact that the fence surrounding the property has remained graffiti free for several years.

On a larger scale, residents participate in safety sector meetings with the neighborhood police and in the local community association. Residents' efforts to ensure good relations between Cornerstone and local law enforcement have helped with the safety of the wider neighborhood.

The Cornerstone Resident Survey included a question regarding how residents felt the broader community of Over-the-Rhine viewed Cornerstone: 66% felt the surrounding community viewed Cornerstone either "very positively" or "somewhat positively" (See Appendix B, Question 30).

VIII. EFFECT OF CORNERSTONE ON PROPERTY MANAGEMENT COSTS

Renter Equity has produced positive outcomes both for residents and for the surrounding community. However, in order for the property management system to be sustainable over the long term it must also produce sustainable outcomes for investors. The following research question guides our exploration of Cornerstone Renter Equity's outcomes for property investors:

Research question: Does Cornerstone's renter equity-based property management system lead to lower vacancy rates, less resident turnover, and fewer late or missed monthly rental payments than traditional rental management? If yes, how do these and other savings from reduced turnover translate into the financial bottom line for the property? How do the costs or savings created by the property management system correlate to the costs associated with administering it?

We investigate the degree to which a renter equity-based property management system, as implemented at the Cornerstone properties in Cincinnati, Ohio, is associated with lower vacancy and turnover rates, and lower overall operating expenses. We use property financial statements for St. Anthony Village, one of the Cornerstone properties, and three



comparable federally subsidized low-income housing properties in the same neighborhood in the case study analysis.

The model is predicated on the idea that the property management system leads renters to want to stay at the property for five or more years and to feel invested in the condition of the property. These behaviors are assumed in turn to help investors realize savings in operational expenses, more than offsetting the costs associated with funding and managing the equity program. In this report we explore the degree to which this is indeed the case at Cornerstone.

DATA SOURCES

The research team obtained electronic quarterly financial statements from the PIXUS data system for St. Anthony Village, the Cornerstone property that has been in service the longest, and three comparison properties—all LIHTC properties located in Cincinnati's Over-the-Rhine neighborhood under Over-the-Rhine Community Housing's purview. The PIXUS data system is the database in which the Ohio Capital Corporation for Housing stores financial records for the properties it funds. With permission from Over-the-Rhine Community Housing, we were able to access quarterly financial statements through PIXUS for all four properties from the first quarter of 2011 through the fourth quarter of 2012.

CHARACTERISTICS OF ST. ANTHONY VILLAGE AND THE THREE COMPARISON PROPERTIES

Given the challenging neighborhood context (see section X above), and the expenses associated with maintaining buildings in a historic district, the research team decided it would be best to select comparison properties also located in the Over-the-Rhine neighborhood. We chose three comparison properties⁶ in the Over-the-Rhine neighborhood—all of them LIHTC tax credit properties within Over-the-Rhine Community Housing's portfolio. The St. Anthony Village and the three comparison properties each had between 25 and 40 units and an average of slightly more than two bedrooms per unit. The comparison properties have all been in service seven or more years. Two of the three

⁶ Margery Spinney, the former Executive Director of Cornerstone, suggested the comparison properties. The research team verified that the selected properties were comparable through a conversation with Mary Burke Rivers, Executive Director of Over-the Rhine Community Housing, and through analysis of PIXUS and LIHTC databases.



properties and St. Anthony Village itself are located north of Liberty Street, within the higher crime area of the Over-the-Rhine neighborhood.

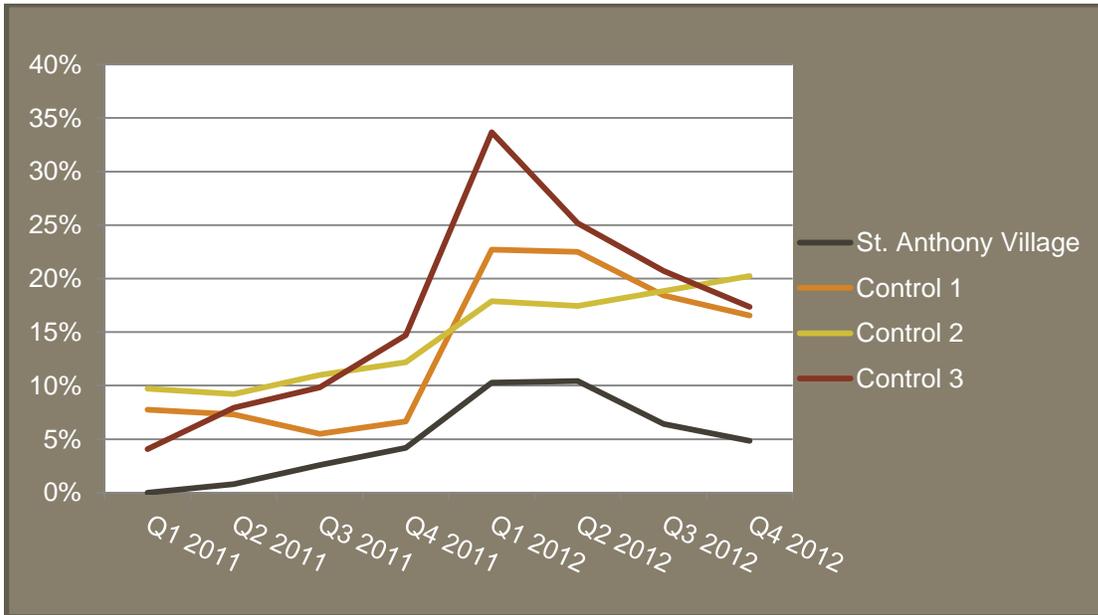
Although the three comparison properties are similar to St. Anthony Village, one cannot assume that the only difference between them with implications for vacancy rates and operating expenses is the presence of renter equity-based property management system at St. Anthony Village. For example, some of the properties may have better insulation than others—something we are unable to determine from the PIXUS financial statements. This would increase the desirability of units on those properties and reduce their operational expenses. In short, although we’ve chosen a set of comparable properties for this case study, we cannot assume that the management system is the only difference between them that has implications for resident turnover and operating expenses.

VACANCY ANALYSIS

Costs associated with vacancies and resident turnover have a large effect on overall property operating expenses. The logic behind Cornerstone’s renter equity-based property management system is that by requiring residents to live at Cornerstone for five years before they are able to withdraw renter equity, management is able to reduce turnover-related costs, and the savings help fund renter equity account deposits. Analysis of vacancy loss as a percentage of gross potential rental income for St. Anthony Village and the three comparison properties reveals that vacancy loss is considerably lower for St. Anthony Village than for the three comparison properties (see Figure 5). A property’s occupancy rate is merely the opposite side of the same coin—St. Anthony Village’s occupancy rate ranged between 95% and 100% over the two-year period (see Figure 6).

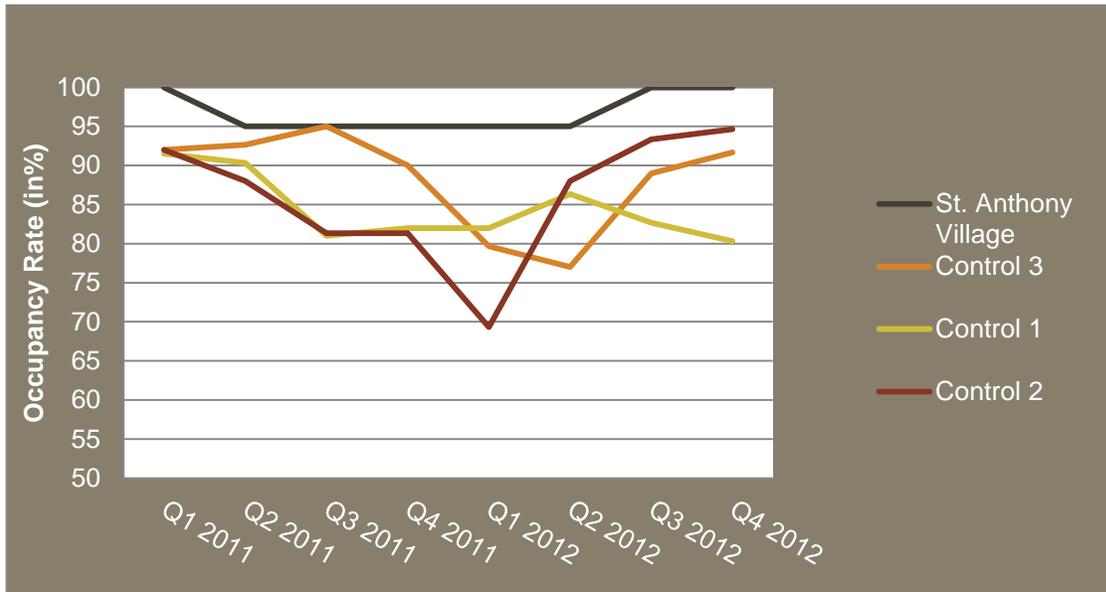


FIGURE 5 QUARTERLY VACANCY LOSS AS A % OF GROSS RENTAL INCOME



Source: PIXUS

FIGURE 6 QUARTERLY OCCUPANCY RATE



Source: PIXUS

Vacancy rates are usually highly correlated with turnover rates. Although turnover information was not available for the comparison properties, Cornerstone staff reported



that a total of three households moved out of units in St. Anthony Village in 2011 (one of these households simply moved into a vacated unit within St. Anthony Village) while no households moved out in 2012. St. Anthony's annual turnover rate was therefore 11% in 2011 (counting all three households) and 0% in 2012.

Although St. Anthony village compares positively to the other properties, it should be noted that this may be due to its ability to attract the most stable residents in the neighborhood. If St. Anthony Village is in competition with the comparison properties for residents, the results may reflect the property's competitive advantage with respect to tenant recruitment rather than the management system's ability to incentivize positive behaviors among residents.

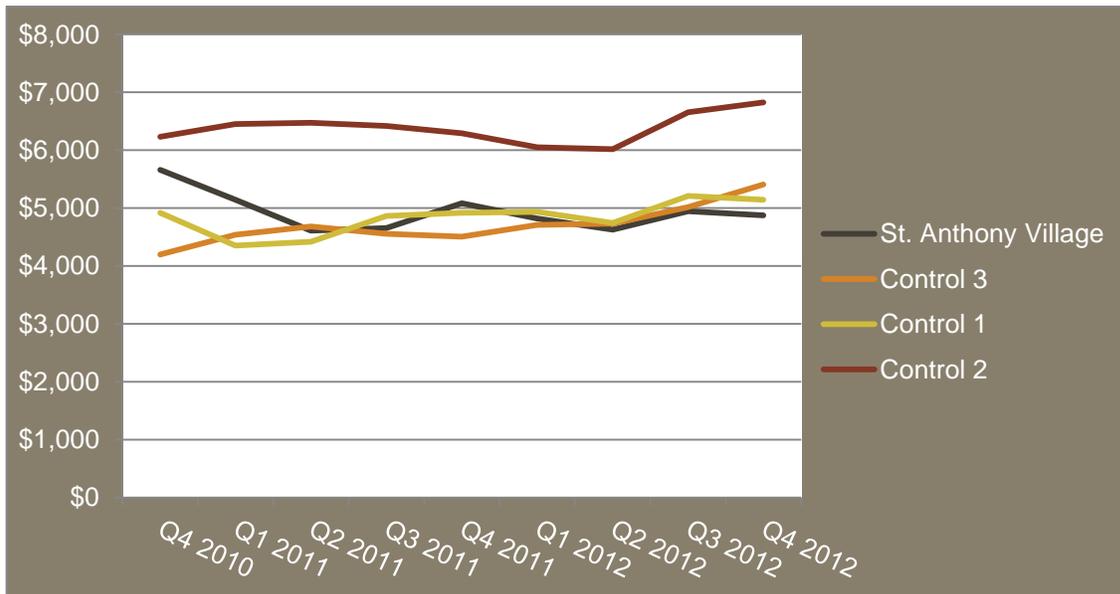
OPERATING EXPENSES ANALYSIS

Another premise underlying Cornerstone is that residents' required participation in the property's upkeep and their stewardship of the property through the participatory management system result in reduced property operating expenses, offsetting the costs associated with renter equity. Since 2008, renter equity has been calculated as part of St. Anthony Village's annual operating expenses. The comparison of the four properties' annualized quarterly operating expenses⁷ reveals that St. Anthony Village's expenses were in line with the expenses of the three control properties even taking into account the renter equity related expenses (see Figure 7).

⁷ Annualized quarterly operating expense figures are calculated by multiplying quarterly expenses times four.



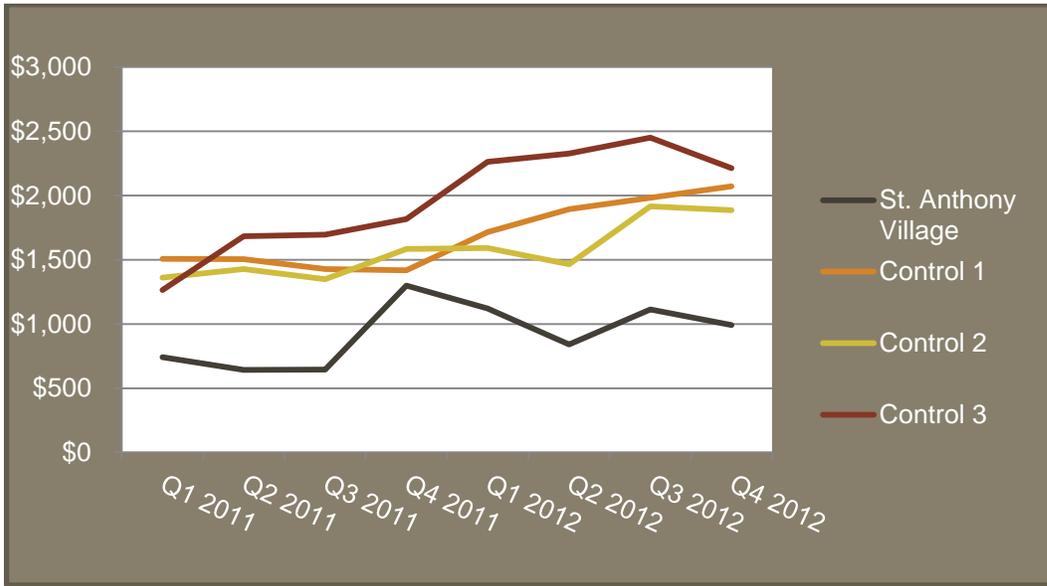
FIGURE 7 ANNUALIZED QUARTERLY OPERATING EXPENSES PER UNIT



The research team conducted additional analyses of the four properties' operating expenses to determine whether there were operating expense categories for which St. Anthony Village's expenses were either considerably greater or smaller than for the comparison properties. Not surprisingly, given the residents' monthly responsibilities associated with the upkeep of the property, St. Anthony Village's annualized quarterly maintenance and decorating expenses were considerably lower than the expenses for the control properties (see Figure 8).



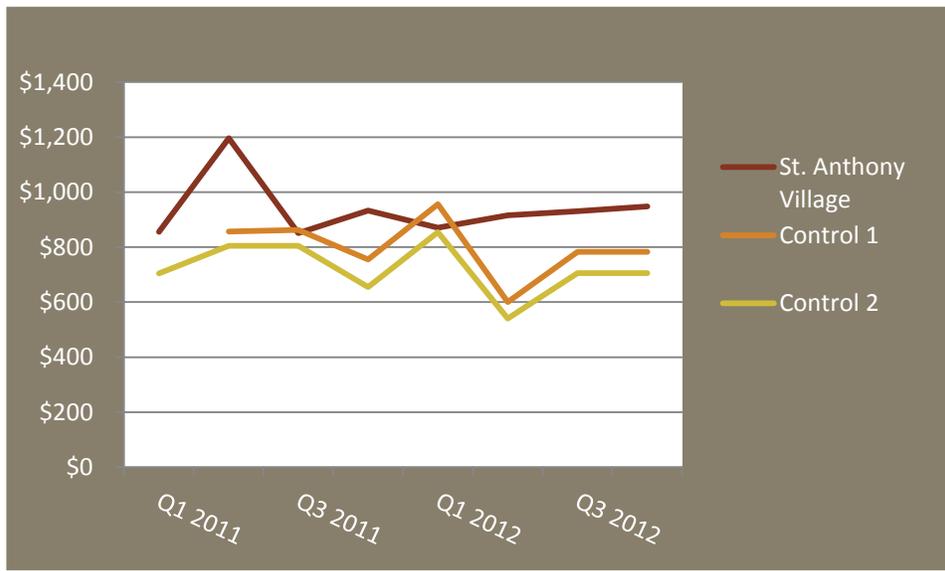
FIGURE 8 ANNUALIZED QUARTERLY MAINTENANCE AND DECORATING EXPENSES BY UNIT



Source: PIXUS

Given that the costs of administering the renter equity accounts are included under management-related costs, St. Anthony Village’s management costs are, unsurprisingly, higher than for the comparison properties (see Figure 9).

FIGURE 9 ANNUALIZED QUARTERLY MANAGEMENT FEE BY UNIT



Source: PIXUS



We also compared the four properties' bad debt—a high percentage of which is usually delinquent rent payments. One would expect St. Anthony Village's bad debt to be lower because residents can only earn renter equity if they pay their rent on time, and residents are also able to take out loans. St. Anthony Village's 2011 audited bad debt totaled slightly over \$1,500. At the comparison properties 2011 bad debt ranged between \$5,465 and \$15,000⁸.

DISCUSSION

The financial statement analysis for St. Anthony Village and the three comparison properties is consistent with the hypothesis that the costs of renter equity may be offset by savings in operational expenses stemming from residents' low turnover, participation in the property maintenance, ability to obtain loans if needed to meet rent expenses, and incentives for timely rent payments. Vacancy rates and vacancy-related expenses were lower for St. Anthony Village than for the comparison properties and overall operational expenses were similar for three of the four properties, including St. Anthony Village; expenses for the fourth were higher.

These results should be interpreted with caution, however. We have taken a case study approach and have only compared one Cornerstone property's performance with that of three similar properties in the same neighborhood. It may, for example, be the case that Cornerstone is able to attract the Over-the-Rhine's most desirable tenants (stable, highly educated, etc.), negatively impacting the performance of the comparison properties. It may also be the case that the financial outcomes we observed are strongly tied to the selection process into the property that leads to more stable and educated tenants, rather than to the equity building component or the loan program. It should therefore be borne in mind that while this is a strong case study design, the analysis does not hold the weight of a more rigorous research design involving randomized controlled trials and statistical significance tests.

In addition to the case study analysis, we looked at research on vacancy rates for similar types of properties in broader geographical areas. The St. Anthony Village quarterly vacancy rates of between 0% and 5% compare favorably with the average vacancy rate for all multi-family, State Qualified Allocation Plan LIHTC properties in Ohio, which was 8.91%

⁸ Bad debt information was missing in several properties' reports. We were therefore unable to make longitudinal comparisons.



in 2011.⁹ Matt Barcello with Cohn Reznik also provided occupancy rate data for 17 comparison properties receiving federal subsidies in Cincinnati from 2008 through 2010 and the average of occupancy rate for this set of properties ranged from 96.3%-96.6% indicating that St. Anthony Village's occupancy rate is similar to that of other federally subsidized properties in the larger Cincinnati area. Tony DiBlasi with Ohio Capital Corporation for Housing provided additional comparison data for family subsidized urban historic rehab properties paying only water and sewer, and the vacancy rates for these properties averaged 2.34% in the fourth quarter of 2012 also indicating that St. Anthony Village's occupancy rate is similar to that of other federally subsidized properties in the larger Cincinnati area.

While the financial analysis suggests that the Cornerstone provides a good return on investment, it should be borne in mind that the procedural documentation and stakeholder interview data suggest that Cornerstone works not simply because of the financial incentives it provides to residents through the opportunity to earn equity, but also because the Renter equity property management system builds a cohesive resident community that has a strong voice in the governance of the property. In addition, because residents' responsibilities are greater at Cornerstone than at other low-income properties, better-than-average residents tend to self-select into the property which may lower costs and greater resident satisfaction (and possibly raising costs at surrounding properties that are left with a less desirable tenant pool). Investors considering implementation of the model should become aware of all of its aspects in making a decision regarding whether or not to replicate it.

IX. FINANCIAL SERVICES AND PRODUCTS

This section documents strategies Cornerstone might want to consider undertaking to increase residents' financial security. The qualitative interviews and resident survey data reveal that Cornerstone residents are financially vulnerable—over 70% earn less than \$25,000 annually and nearly 50% are disabled, laid off or are only working part-time. In addition, a large proportion of residents who became vested after five years of residence at Cornerstone used their equity to pay down debt rather than invest in their futures. CFED interviewed Rob Sheil, the Executive Director at Cornerstone since the summer of 2012 to gain additional insight into the financial challenges Cornerstone residents face and the services and products that might be helpful to them. The following recommendations are based on Cornerstone stakeholder-identified needs and CFED's experience in the field

⁹Data provided to CFED by OHFA



helping low- and moderate-income populations increase their assets. The following research question guides this exploration:

Research question: What resident services and products, if any, would help to complement Cornerstone’s renter equity-based property management system to maximize the benefits for residents, the property, and the community as a whole?

BANK ACCOUNT ACCESS

According to Cornerstone’s Director of Operations, a majority of Cornerstone residents use money orders to pay rent each month. This suggests that most residents do not have a checking account or do not feel comfortable writing checks or using traditional financial products. These residents may benefit from “getting banked”, i.e. using a checking or savings account to save and access their money. Without a checking or savings account, low-income individuals will tend to have more difficulty building wealth and establishing credit, and may rely on more expensive and even predatory services, such as check cashers and payday loan services, for basic financial transactions. Access to a bank account would likely also help residents pay their rent on time and build equity.

Research shows that many low-income individuals remain unbanked because they are distrustful of financial institutions (Barr and Sherraden 2005). Cornerstone could help residents overcome their distrust by reaching out to nearby banks to find one offering a low-cost, no-fee checking account. Cornerstone could then share the bank’s information with residents, or more optimally, invite the bank to send a representative to a monthly residents’ meeting. The bank representative may even be able to provide residents with the opportunity to apply for an account during the residents’ meeting, walk them through the process of checking their bank balances online and point out to them nearby ATMs where they could make no-fee withdrawals.

EMERGENCY SAVINGS

In addition to giving residents a more cost-effective way to manage and access their money, getting banked would help residents build emergency savings. In general, households without emergency savings are more likely to experience material hardships (such as food insecurity, foregone doctor visits, etc.), and these hardships are diminished when households have even a limited financial reserve in place (Mills and Amick 2010).

CREDIT BUILDING AND REPAIR



Credit building and repair services would also benefit Cornerstone residents. As residents gain renter equity, they have an opportunity to build their credit and pay off existing debts—indeed, many residents used their renter equity or Cornerstone loans to pay off debt. Other than debt, credit building leads to asset building: individuals without a fair credit score and credit history may not qualify for loans to buy a home or a car (CFED and Neighborworks 2012). Without some positive credit history, Cornerstone residents may not be able to make these large purchases even if they have renter equity. Providing these residents with credit building and repair services would better prepare them to make asset purchases, leave Cornerstone in a better financial situation, and use their renter equity to its greatest effect.

CURRENT FINANCIAL CAPABILITY BUILDING AT CORNERSTONE

Cornerstone does currently encourage residents to get banked, build emergency savings, and repair their credit. Smart Money Community Services in Cincinnati worked with Cornerstone at its inception to encourage residents to open a checking account with a local credit union. Additionally, Huntington Bank has been offering classes on money management and planning. However, Cornerstone faces the following challenges when it comes to these activities:

- Attendance is sparse except for those times when the classes are coupled with the monthly Cornerstone meetings.
- According to the Director of Operations, residents found some of this programming to be beyond their reach—many of them rely on subsidies, vouchers, or other benefits, and saving even \$50 a month is difficult.
- Cornerstone has limited staff time to dedicate to presenting information on financial services and credit repair.

RECOMMENDATIONS

The following recommendations are intended to support Cornerstone’s larger goal of improving the housing and financial stability of its residents, while remaining within Cornerstone’s budget and staff capacity. CFED developed these recommendations based on experience performing technical assistance and evaluations for asset-building programs and organizations, and discussions with our internal experts.

BOOST ATTENDANCE AT MONTHLY MEETINGS



Most Cornerstone residents are not attending every monthly meeting, and thus not earning the maximum amount of renter equity. In the survey of residents, those residents who said they rarely attending meetings all cited timing as the reason for their absence. Cornerstone staff members are aware of this problem, and the program has explored ways to increase attendance at monthly meetings so that everyone has a chance to earn the maximum amount of renter equity. For several months, Cornerstone tried holding two monthly meetings, giving residents an alternative time to attend meetings. However, attendance did not significantly increase, and the meetings did not have the same community atmosphere when split. However, it is still worth considering alternative times for meetings or ways in which individuals who cannot attend meetings can earn renter equity.

PARTNER WITH A CREDIT UNION TO OFFER AN APPROPRIATE FINANCIAL PRODUCT TO RESIDENTS

Cornerstone has worked with a local program (SmartMoney Community Services) to bank low-income residents in the past and should reach out to residents again to offer an appropriate financial product. Based on CFED's work getting low-income individuals banked and analysis of Cornerstone residents' needs and characteristics, the ideal product for Cornerstone residents would have the following features: 1) no monthly fees; 2) no minimum balance; 3) direct deposit; and 4) no or low additional fees associated with ATM usage or overdraft. Cornerstone could potentially partner with several programs or credit unions to help bank its residents. Cincinnati Central Credit Union, who partners with SmartMoney Community Services, is still a viable option; it offers low-cost services to low-income individuals in Cincinnati, and is located within half a mile of Cornerstone properties.

ENCOURAGE EMERGENCY SAVINGS

There are a variety of strategies that Cornerstone might employ to facilitate emergency savings among residents. First, facilitating discussions around the importance of emergency savings and the possibility of accumulating emergency savings over time by putting away small amounts each month could be helpful. Having this discussion be led by residents who have successfully saved themselves may make savings goals feel more attainable to a resident population with very limited incomes. Second, linking savings goals to prizes—such as entry into a lottery to win an extra \$100 as reward for having accumulated \$100 over six months—could help incentivize savings among residents.¹⁰

¹⁰ See http://www.d2dfund.org/prize_linked_savings for more information.



Encouraging residents to save at least some of their earned income tax credit may also be an effective strategy. Finally, informing residents of the usefulness of tools such as direct deposit for getting around behavioral barriers to savings would also likely be useful.¹¹

INCORPORATE RESIDENTS' EXPERIENCES INTO FINANCIAL EDUCATION PROGRAMMING

Residents may be more responsive to financial education programming when they feel their own experiences are being addressed. A review of financial education programs found that instruction was most effective when it built on the direct experiences of participants, and adapted the content to meet their needs (Baker and Dylla 2007). Other residents may feel encouraged to participate in counseling or a banking program, if a Cornerstone resident or Over-the-Rhine community member is able to share his/her experiences or teach part of a financial education session. Residents may be more likely to listen to and trust a member of their own community. CFED has used this technique in other financial education programs, and received positive responses from participants who appreciated and valued having someone from their community provide the training and address issues relevant to them.

REFER RESIDENTS TO CREDIT COUNSELING

According to the Director of Operations, many Cornerstone residents are unaware of their credit history or have poor credit. In order to put residents on the path to repairing or building credit, Cornerstone could refer residents with poor credit histories or no credit histories at the time of their application to credit counseling services in the area.

ALLOW RESIDENTS TO BUILD CREDIT BY PAYING RENT

Even though Cornerstone residents are building their savings through Renter Equity, they may be limited in what they can do with it because they don't have a credit score (or a good credit score). However, there may be a way to help residents build their credit through the program. Currently, some housing projects similar to Cornerstone are piloting a program to let renters build their credit by paying rent. Credit Builders Alliance teamed with Experian RentBureau and several housing landlords to report rent payments from residents to Experian, which then counts their on-time rent to their credit score (CBA 2012). Given Cornerstone's existing incentives to pay rent on time, it is plausible that Cornerstone residents would not need to change their behavior significantly in order to

¹¹ See <http://www.irp.wisc.edu/publications/focus/pdfs/foc301c.pdf> for more information.



make a large positive impact on their credit score. This option is worth exploring with the Credit Builders Alliance.

UTILIZE TEMPORARY STAFF

Cornerstone could benefit from hiring a few interns, particularly undergraduate or graduate students, to complete short-term tasks or projects. The following tasks require little supervision and would be ideal for interns:

- Researching and contacting possible financial partners in the Cincinnati area who offer financial products geared toward low-income individuals, when given criteria the products should meet; and
- Organizing financial education or counseling events and integrating them into monthly meetings.

An intern could easily perform these tasks independently once given initial direction. By giving an intern a short-term, well-defined task, full-time staff members will have to put in little extra effort to orient and supervise the new hire. Cornerstone is in close proximity to several institutions of higher education that could be used for recruiting.

X. CONCLUSION

The results of this study indicate that Cornerstone renter equity-based property management system improves residents' financial circumstances. Cornerstone residents are able to build equity, take out small loans to mitigate financial crises and they are more optimistic about their financial future as a result of their participation in Cornerstone.

Although residents appreciate the opportunity to build equity, it is not the sole reason for their participation in Cornerstone. Residents appreciate the opportunity to live in affordable housing that is safe, attractive and conveniently located among a tightly knit community of residents. They also value having a responsive property manager and having a voice in property management decisions that affect their well-being.

Cornerstone properties are walled off from the surrounding neighborhood. Residents are able to enjoy its gardens and attractive patios, but the larger community cannot enjoy the property's amenities. Cornerstone residents are good neighbors however. Residents engage with the community by participating in community organizations and by intervening when they see local residents littering, selling drugs, etc.



Although Cornerstone offers residents the opportunity to earn equity credits, unlike other LIHTC-funded developments in Over-the-Rhine, its costs appear to be no higher. This may reflect the benefits of implementing the renter equity system, but it may also be due at least in part to Cornerstone's ability to attract the most stable and desirable tenants in the neighborhood rather than an intrinsic quality of the management system.

These findings should be interpreted with caution, however. The results are based on case-study research and we rely heavily on subjective data from residents.

It will be challenging to replicate Cornerstone's renter equity-based property management system elsewhere. Cornerstone is not simply low-income housing with an asset-building component attached. What residents value most about Cornerstone is the sense of community they feel there, management's responsiveness to their needs, and the beauty of their homes. The opportunity to build equity gives them an incentive to engage with the resident community and participate in the property's upkeep: in many ways the equity system is a means to that end rather than an end in and of itself. Alternatively, community building and strengthened tenant-management ties may be natural emergent properties of implementing renter equity systems along the Cornerstone model.

Finally, Cornerstone's property management system is not for everyone. Potential residents have to attend three orientation meetings—one a month for three months—and agree to abide by a list of house rules. This seems to work well for well-educated older women who appreciate rules and order. Younger persons, persons whose work schedules may prevent them from attending orientations or resident meetings and persons who need to occasionally provide housing to friends and family struggling with substance abuse issues may not be able to fit. Therefore while Cornerstone appears to meet the housing needs of a particular subpopulation of low-income renters, it is not a universally applicable housing solution although it may be replicable and scalable.



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APPENDIX A: CORNERSTONE RESIDENT PHONE SURVEY



CORNERSTONE RENTER EQUITY

RESIDENT SURVEY

INSTITUTE FOR POLICY RESEARCH

April 2013

I. INTRODUCTION: “Hello, may I please speak to [INSERT]?”

This is _____ calling for the University of Cincinnati for Cornerstone. I am conducting a **SHORT CONFIDENTIAL** study of Cornerstone residents. Approximately 75 Cornerstone residents will participate in this research study and I'd really appreciate your help and cooperation.

IF PERSON IS HESITANT, NOT INTERESTED, ETC:

- This is strictly a public opinion study, there are no right or wrong answers.
- We are interested in your opinions and experiences. If there are any questions you feel you cannot answer, we can skip them.
- This is your opportunity to give your opinions on what you like or dislike about your community and how to improve your community.
- All information collected from the respondent is kept strictly confidential.
- You can call collect to speak with the Directors of the Cornerstone Resident Survey.

Dr. Eric Rademacher can be reached at (513) 556-5028.



A. (IF RESPONDENT) -- “Then you're the one I want to talk to.”
SKIP TO QUESTIONNAIRE

B. (IF SOMEONE ELSE) -- “May I speak to that person?”

(IF RESPONDENT IS NOT HOME) ASK -- “Could you suggest a convenient time for me to call back when I might be able to reach him/her?” GIVE SHIFT TIMES IF NECESSARY. GET FIRST NAME OF RESPONDENT.

IF RESPONDENT, INTERVIEW THAT PERSON. SKIP TO QUESTIONNAIRE.

IF SOMEONE ELSE, FOLLOW SAME PROCEDURE AS B.



FORM A

RECORD SEX OF RESPONDENT [OLD Q1]

1. MALE
2. FEMALE
9. DON'T KNOW

"I would like to begin by asking you some questions about yourself ..."

Q 1. "First, what is your current age?" [OLD Q2]

___ ___ (RECORD EXACT NUMBER OF YEARS OLD -- E.G., 45)

95. NINETY-FIVE YEARS OF AGE OR OLDER
97. REFUSED (**DO NOT PROBE**)
98. DON'T KNOW (PROBE: REREAD QUESTION)
99. NA

"Next ..."

Q 2. "What was the last year of education that you completed??" [OLD Q3]

1. NEVER ATTENDED SCHOOL OR ONLY ATTENDED KINDERGARTEN
2. GRADES 1 THROUGH 8 (ELEMENTARY)
3. GRADES 9 THROUGH 11 (SOME HIGH SCHOOL)
4. GRADE 12 OR GED (HIGH SCHOOL GRADUATE)
5. COLLEGE 1 YEAR TO 3 YEARS (SOME COLLEGE OR TECHNICAL SCHOOL)
6. COLLEGE 4 YEARS OR MORE (COLLEGE GRADUATE)
7. ADVANCED DEGREE (PhD OR MASTERS)

8. DON'T KNOW (PROBE: REREAD QUESTION)
9. NA/REFUSED

"And ..."

Q 3. "How many children under the age of 18 do you have living with you FOR TWO WEEKS OR MORE out of every month?" [OLD Q4]

1. ONE



2. TWO
 3. THREE
 4. FOUR OR MORE
-
97. NONE
 98. DON'T KNOW (PROBE: REREAD QUESTION)
 99. NA/REFUSED

Q 4. "Which of the following best describes your current employment or work status ..." [OLD Q5]

1. Self-employed,
2. Work full-time for an employer,
3. Work part-time for an employer,
4. Homemaker,
5. Full-time student,
6. Permanently sick, disabled, or unable to work,
7. Unemployed or temporarily laid off, or
8. are you Retired?

98. DON'T KNOW (PROBE: REREAD QUESTION)
99. NA/REFUSED

"Now I would like to ask you some questions about your recent living situation ..."

Q 5. "In what type of housing did you primarily live during the TWELVE MONTHS immediately before you moved to a Cornerstone Renter Equity property? Was it ...

(READ NUMBERS 1 TO 5)

[OLD Q6]

1. public housing,
2. a shelter,
3. a home or apartment you owned or rented,



- 4. a home or apartment someone else owned or rented,
- 5. or somewhere else? _____ (RECORD VERBATIM)”

- 8. DON'T KNOW (PROBE: REREAD QUESTION)
- 9. NA/REFUSED

Q 6. "And, how many times did you move in the FIVE YEARS before you joined a Cornerstone Renter Equity community ... [OLD Q7]

- 1. one time,
- 2. two times,
- 3. three times,
- 4. four or more times or

97. would you say you did not move in the five years before you joined a Cornerstone Renter Equity community?"

- 98. DON'T KNOW (PROBE: REREAD QUESTION)
- 99. NA/REFUSED

"Now I would like to ask you some questions about Cornerstone. First ..."

Q 7. BESIDES THE AFFORDABLE RENT, which would you say is the MOST IMPORTANT REASON you decided to move to Cornerstone? [OLD Q8]

(RECORD VERBATIM RESPONSE)

998. DON'T KNOW (PROBE: "Anything at all . . .") – SKIPTO Q 9

999. NA/REFUSED – SKIPTO Q 9



Q 8. BESIDES THE AFFORDABLE RENT, which would you say is the SECOND MOST IMPORTANT REASON you decided to move to Cornerstone? [OLD Q9]

(RECORD VERBATIM RESPONSE)

998. DON'T KNOW (PROBE: "Anything at all . . .")

999. NA/REFUSED

000. INAP

Q 9. "How likely do you think it is that you will still be living at a Cornerstone property TWO YEARS from now? Is it ... [OLD Q11]

1. very likely,
2. somewhat likely,
3. somewhat unlikely, or
4. very unlikely?"

8. DON'T KNOW (PAUSE, PROBE: "Just your best guess . . .")

9. NA/REFUSED

Q 10. "Next ... how often do you attend monthly Cornerstone resident meetings ...

[OLD Q15]

1. all the time, -- SKIPTO Q 11



2. almost all the time, -- SKIPTO Q 11

3. some of the time, -- SKIPTO Q 12

4. rarely or -- SKIPTO Q 12

5. never?" -- SKIPTO Q 12

8. DON'T KNOW (PAUSE, PROBE: "Generally speaking . . .")

9. NA/REFUSED

Q 11. What is the MOST IMPORTANT REASON you ATTEND monthly meetings on a regular basis?" [OLD Q16]

(RECORD VERBATIM RESPONSE)

998. DON'T KNOW (PROBE: "Anything at all . . .")

999. NA/REFUSED

0. INAP

Q 12. "What is the MOST IMPORTANT REASON you DO NOT ATTEND monthly meetings ON A REGULAR BASIS?" [OLD Q17]

(RECORD VERBATIM RESPONSE)



998. DON'T KNOW (PROBE: "Anything at all . . .")

999. NA/REFUSED

0. INAP

Q 13. "Next, please tell me how satisfied you are with each of the following aspects of living at Cornerstone."

"How satisfied are you with . . . [INSERT STATEMENT] Are you satisfied or dissatisfied?"

(IF DON'T KNOW; PROBE: "Generally speaking . . .")

ROTATE ITEMS

	Satisfied	Dissatisfied	Neither (Vol.)	DON'T KNOW	NA / REF
a. your unit or home [OLD 20]	1	2	5	8	9
b. your property and building [OLD 21]	1	2	5	8	9
c. your property and building's management [OLD 22]	1	2	5	8	9



Q 14. "Next, thinking about the Cornerstone Renter Equity program ... how well do you feel you understand the Renter Equity program ... [OLD Q23]

1. very well,
2. fairly well,
3. not too well,
4. not at all?"

8. DON'T KNOW (PAUSE, DO NOT PROBE)

9. NA/REFUSED

Q 15. "Now I would like to ask you about your current Renter Equity balance. Which of the following statements best describes you?" (READ NUMBERS 1 TO 4)

[OLD Q37 – NOTE I MOVED THIS UP IN THE INTERVIEW SCHEDULE]

1. My Renter Equity balance is a constant part of my financial decision-making,
2. My Renter Equity balance is something I think about occasionally,
3. I don't really pay much attention to my Renter Equity balance, or
4. I don't have ANY Renter Equity at the present time?"

8. DON'T KNOW (PAUSE, PROBE: "In general . . .")

9. NA/REFUSED

Q 16. "And how long have you lived in a Cornerstone Equity Community ..."

[OLD Q24]



1. less than one year,
2. one to two years,
3. three to four years, or
4. five years or more?"

8. DON'T KNOW (DO NOT PROBE)

9. NA/REFUSED

Q 17. [IF Q 16=4 ONLY]

"Have you taken out any cash from your Renter Equity credit account?"

[OLD Q25]

1. YES

2. NO

8. DON'T KNOW (DO NOT PROBE)

9. NA/REFUSED

0. INAP



Q 18. [IF Q 16=4 AND Q 17=1]

"Next, please tell me if you have used cash from your Renter Equity credit account to pay for any of the following ..." First ... have you used cash from your Renter Equity account to ... [insert item]". Next ...

[OLD Q26-Q34]

	YES	NO	DON'T KNOW (DO NOT PROBE)	NA / REF	INAP
a. pay medical expenses	1	2	8	9	0
b. pay debts besides medical expenses	1	2	8	9	0
c. make investments or deposits into a savings account	1	2	8	9	0
d. purchase things for your home	1	2	8	9	0
e. purchase a car or pay for car repairs	1	2	8	9	0
f. pay for a vacation	1	2	8	9	0
g. make a down payment	1	2	8	9	0



on a house					
h. pay for education or professional training for yourself	1	2	8	9	0
i. pay for education or professional training for a child or other family member	1	2	8	9	0

[SKIPTO Q 20]

Q 19. [IF Q 16=1,2,3 / OR / IF Q 16=4 AND Q 17=2; ELSE SKIPTO Q 20]

"What is the MAIN THING you plan to use your Renter Equity for in the future?" [OLD Q36]

(RECORD VERBATIM RESPONSE)

998. DON'T KNOW (PROBE: "Anything at all . . .")

999. NA/REFUSED

0. INAP

"Next I would like to ask you about the Cornerstone Loan Program ..."

[ALL RESPONDENTS BACK HERE]



Q 20. "How many loans have you taken out from Cornerstone ..."

[OLD Q38]

1. one,

2. two,

3. three or more, or

97. none?" -- SKIP TO Q 23

98. DON'T KNOW (DO NOT PROBE) -- SKIP TO Q 23

99. NA/REFUSED -- SKIP TO Q 23

Q 21. "And, what was the MAIN REASON for your MOST RECENT LOAN?" [OLD Q39]

(RECORD VERBATIM RESPONSE; INTERVIEW: IF RESPONDENT PROVIDES LIST, ASK "What did you use the MOST MONEY from the loan for?")

998. DON'T KNOW (PROBE: "Anything at all . . .")

999. NA/REFUSED

0. INAP

Q 22. "Suppose you had not received the loan from the Cornerstone Loan Program. Which of the statements best describes what you would have done?"

[READ NUMBERS 1 TO 5]

[OLD Q40]

1. I would have borrowed the money from a bank,



2. I would have borrowed the money from a short term or small loan business, such as a check casher/lender or a pawn shop,
3. I would have taken a cash advance on a credit card,
4. I would have borrowed the money from a relative or friend, or
5. I would have put off borrowing the money until another time?"

96. SOMETHING ELSE (VOL.) _____ (RECORD VERBATIM)

98. DON'T KNOW (DO NOT PROBE)

99. NA/REFUSED

0. INAP

Q 23. "How important is the Cornerstone Loan Program to your financial well-being?"

[OLD Q41]

1. VERY IMPORTANT

2. SOMEWHAT IMPORTANT

3. NOT TOO IMPORTANT

4. NOT IMPORTANT AT ALL

8. DON'T KNOW (DO NOT PROBE)

9. NA/REFUSED

0. INAP

"On another topic ..."

Q 24. "On a scale from 1 to 7, where 1 means very low and 7 means very high, how would you assess your overall financial knowledge?"

[OLD Q42]



_____ RECORD RESPONSE

8. DON'T KNOW (DO NOT PROBE)

9. NA/REFUSED

Q 25. " In a typical month, how difficult is it for you to cover your expenses and pay all your bills ..."

[OLD Q43]

1. very difficult,

2. somewhat difficult, or

3. not at all difficult?"

8. DON'T KNOW (PROBE: "Generally speaking ...")

9. NA/REFUSED

Q 26. "What is your household's approximate annual income, including wages, tips, investment income, public assistance, income from retirement plans, and any other income? Would you say it is ..."

[OLD Q44]

1. less than \$15,000,

2. at least \$15,000 but less than \$25,000, or

3. at least \$25,000 but less than \$50,000?"

8. DON'T KNOW (DO NOT PROBE)

9. NA/REFUSED

Q 27. "Next, I would like to ask you about crime and safety."



How safe do you feel from crime [INSERT ITEM] ... very safe, safe, unsafe or very unsafe?" Next ..."

PROBE DON'T KNOW: "Overall ..."

	Very Safe	Safe	Unsafe	Very Unsafe	DOES NOT APPLY (VOL.)	DON'T KNOW	NA / REF
a. in your home [OLD 45]	1	2	3	4	8	8	9
b. in your building [OLD 46]	1	2	3	4	8	8	9

"Thinking about the Cornerstone community ..."

Q 28. "Compared to where you were living the year before you moved to Cornerstone, how well do you feel you know your neighbors ... would you say you know them ..."

[OLD Q50]

1. much better than your previous neighbors,
2. somewhat better,
3. about the same, or
4. that you know your current neighbors less well than your previous neighbors?"

8. DON'T KNOW (PROBE: "Overall ...")



9. NA/REFUSED

Q 29. "Could you ask someone in the Cornerstone community to pick up a prescription for you if you were sick?"

[OLD Q51]

1. YES

2. NO

8. DON'T KNOW (DO NOT PROBE)

9. NA/REFUSED

Q 30. "How do you feel residents of the broader community of Over-the-Rhine view Cornerstone? Would you say ... [OLD Q52]"

1. very positively,

2. somewhat positively,

3. neither positively nor negatively,

4. somewhat negatively, or

5. very negatively?"

8. DON'T KNOW (PROBE "Generally speaking ...")

9. NA/REFUSED

Q 31. "Compared to where you were living the year before you moved to Cornerstone, how has living in Cornerstone affected your overall quality of life?" Would you say living in Cornerstone affected your overall quality of life has ... (READ NUMBERS 1 TO 5)

[OLD Q53]

1. improved greatly,



2. improved,
3. not changed,
4. become worse, or
5. would you say your overall quality of has become much worse?"

8. DON'T KNOW (PROBE "Generally speaking ...")

9. NA/REFUSED

Q 32. "Would you say that you now more optimistic about your financial future because you participate in the Cornerstone Renter Equity program than you were before your participation in the program?
[OLD Q18/Q19/Q54]

1. YES

2. NO – SKIPTO Q 34

8. DON'T KNOW (PROBE "Overall...")– SKIPTO Q 34

9. NA/REFUSED– SKIPTO Q 34

Q 33. "What is the MOST IMPORTANT reason you are NOW MORE OPTIMISTIC about your financial future than you were before you participated in the Cornerstone Renter Equity program?" [OLD Q54yes]

(RECORD VERBATIM RESPONSE)

998. DON'T KNOW (PROBE: "Anything at all . . .")



999. NA/REFUSED

000. INAP

Q 34. "What is the ONE THING you appreciate MOST about Cornerstone?" [OLD Q55]

(RECORD VERBATIM RESPONSE)

998. DON'T KNOW (PROBE: "Anything at all . . .")

999. NA/REFUSED

000. INAP

Q 35. "Finally, if you could change ONE THING about Cornerstone what would you change?"
[OLD Q56]

(RECORD VERBATIM RESPONSE)

998. DON'T KNOW (PROBE: "Anything at all . . .")

999. NA/REFUSED

000. INAP

"IF YOU HAVE ANY QUESTIONS ABOUT THIS PROJECT, PLEASE CONTACT



DR. ERIC RADEMACHER AT THE UNIVERSITY OF CINCINNATI INSTITUTE FOR POLICY RESEARCH AT (513) 556-5028. IF YOU HAVE QUESTIONS ABOUT YOUR RIGHTS AS A RESEARCH PARTICIPANT, YOU MAY CONTACT THE UNIVERSITY OF CINCINNATI INSTITUTIONAL REVIEW BOARD AT (513) 558-5259 OR EMAIL THE IRB OFFICE AT IRB@UCMAIL.UC.EDU.”

**“AS A REMINDER, IF YOU HAVE ANY QUESTIONS ABOUT THIS PROJECT,
PLEASE CONTACT DR. ERIC RADEMACHER AT 513-556-5028.”**

“That's all the questions I have ...”

“You've been very helpful.
Thank you for your cooperation. Goodbye.”

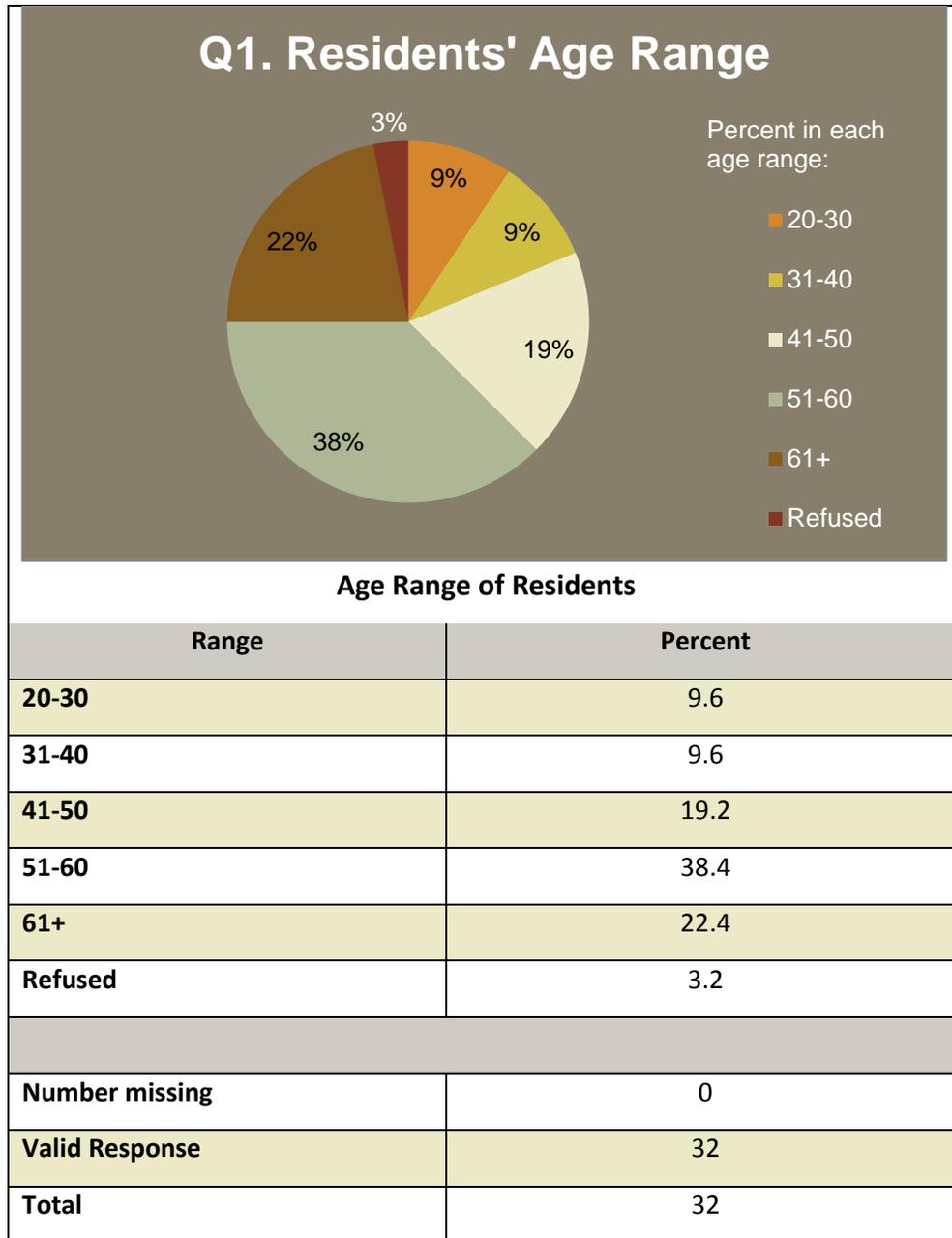
INTERVIEWER SUPPLEMENT

Q 36. CIRCLE SEX OF RESPONDENT

1. MALE
2. FEMALE



APPENDIX B: CORNERSTONE RESIDENT PHONE SURVEY RESULTS



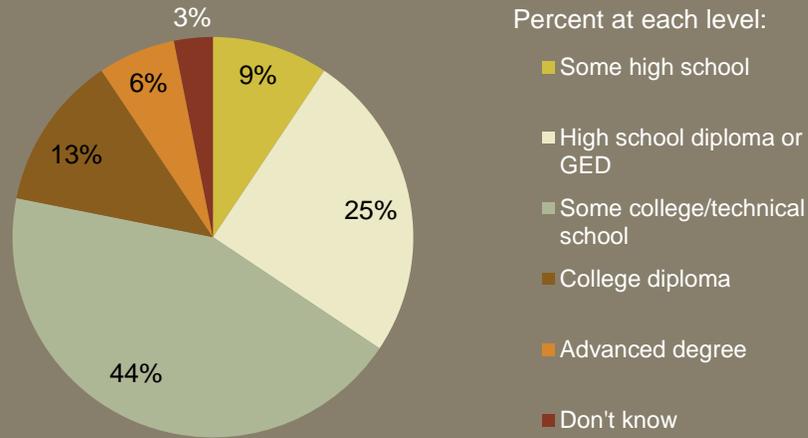
Corresponding survey question:

Q 1. "First, what is your current age?"

___ ___ (RECORD EXACT NUMBER OF YEARS OLD -- E.G., 45)



Q2. Residents' Education Level



Education Level	Percent
Some high school	9.4
High school diploma or GED	25
Some college/technical school	43.8
College diploma	12.5
Advanced degree	6.3
Don't know	3.1
Missing	
	0
Valid Response	32
Total	32

Corresponding survey question:

Q 2. "What was the last year of education that you completed??"

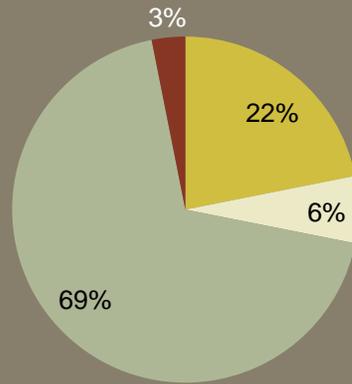
1. NEVER ATTENDED SCHOOL OR ONLY ATTENDED KINDERGARTEN



2. GRADES 1 THROUGH 8 (ELEMENTARY)
3. GRADES 9 THROUGH 11 (SOME HIGH SCHOOL)
4. GRADE 12 OR GED (HIGH SCHOOL GRADUATE)
5. COLLEGE 1 YEAR TO 3 YEARS (SOME COLLEGE OR TECHNICAL SCHOOL)
6. COLLEGE 4 YEARS OR MORE (COLLEGE GRADUATE)
7. ADVANCED DEGREE (PHD OR MASTERS)
8. DON'T KNOW (PROBE: REREAD QUESTION)
9. NA/REFUSED



Q3. Children Under 18 Living in Household



Percent of households with children:

- One child
- Two or more children
- No children
- Refused

Number of Children in Household	Percent
One	21.9
Two or more	6.3
None	68.8
Refused	3.1
Missing	0
Valid Response	32
Total	32

Corresponding survey question:

Q 3. "How many children under the age of 18 do you have living with you FOR TWO WEEKS OR MORE out of every month?"

1. ONE



- 2. TWO
- 3. THREE
- 4. FOUR OR MORE

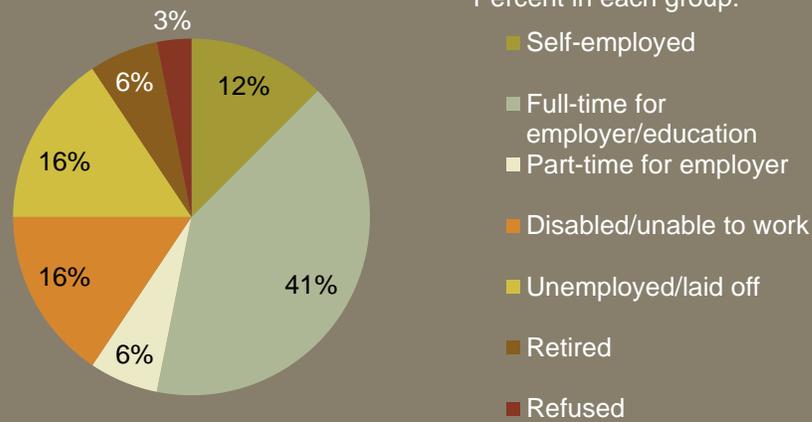
97. NONE

98. DON'T KNOW (PROBE: REREAD QUESTION)

99. NA/REFUSED



Q4. Residents' Employment Status



Employment Status of Residents	Percent
Self-employed	12.5
Full-time for employer or pursuing education	40.6
Part-time for employer	6.3
Disabled/unable to work	15.6
Unemployed/laid off	15.6
Retired	6.3
Refused	3.1
Missing	0
Valid Response	32
Total	32

Corresponding survey question:

Q 4. "Which of the following best describes your current employment or work

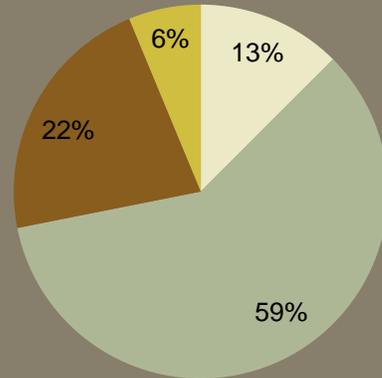


status ...”

1. Self-employed,
 2. Work full-time for an employer,
 3. Work part-time for an employer,
 4. Homemaker,
 5. Full-time student,
 6. Permanently sick, disabled, or unable to work,
 7. Unemployed or temporarily laid off, or
 8. Are you Retired?
98. DON'T KNOW (PROBE: REREAD QUESTION)
99. NA/REFUSED



Q5. Residents' Housing Type Prior to Cornerstone



Percent who lived in each type prior to Cornerstone:

- Public housing
- Home or apartment (owned/rented)
- Home or apartment (owned/rented by others)
- Somewhere else

Housing Type	Percent
Public housing	12.5
Home or apartment (owned/rented)	59.4
Home or apartment (owned/rented by others)	21.9
Somewhere else	6.3
Missing	0
Valid Response	32
Total	32

Corresponding survey question:

Q 5. "In what type of housing did you primarily live during the TWELVE MONTHS immediately before you moved to a Cornerstone Renter Equity property? Was it ... (READ NUMBERS 1 TO 5)



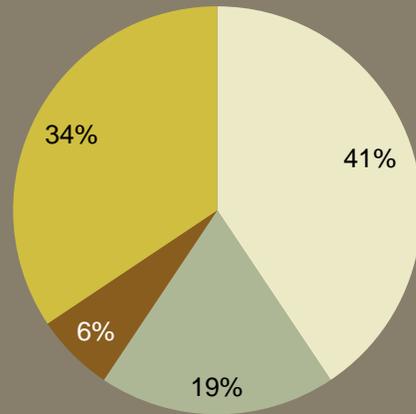
1. public housing,
2. a shelter,
3. a home or apartment you owned or rented,
4. a home or apartment someone else owned or rented,
5. or somewhere else? _____ (RECORD VERBATIM)”

8. DON’T KNOW (PROBE: REREAD QUESTION)

9. NA/REFUSED



Q6. Moved Within 5 Years Prior to Living at Cornerstone



Percent of residents who moved each number of times:

- One time
- Two times
- Three times
- Didn't move in five years prior

Number of times resident moved within 5 years of living at Cornerstone	Percent
One time	40.6
Two times	18.8
Three times	6.3
Didn't move in five years prior	34.4
Missing	0
Valid Response	32
Total	32

Corresponding survey question:

Q 6. "And, how many times did you move in the FIVE YEARS before you joined a Cornerstone Renter Equity community ...

1. one time,



2. two times,

3. three times,

4. four or more times or

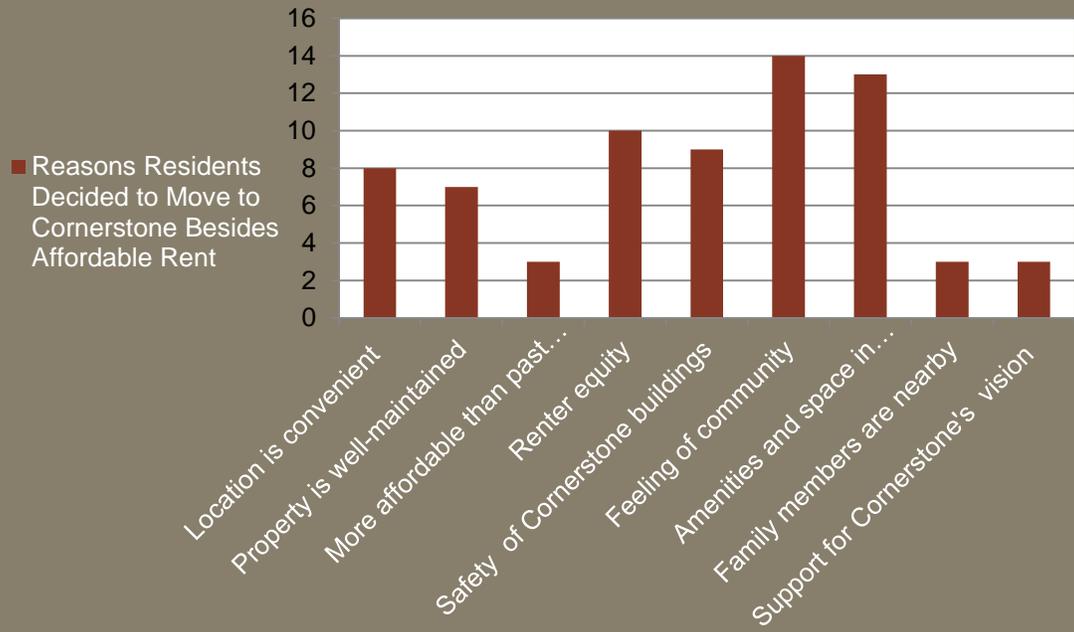
97. would you say you did not move in the five years before you joined a Cornerstone Renter Equity community?"

98. DON'T KNOW (PROBE: REREAD QUESTION)

99. NA/REFUSED



Q7-8. Reasons Residents Decided to Move to Cornerstone Besides Affordable Rent*



Reason Given	Frequency
Location is convenient	8
Property is well-maintained	7
More affordable than past housing	3
Renter equity	10
Safety of Cornerstone buildings	9
Feeling of community	14
Amenities and space in Cornerstone	13
Family members are nearby	3
Support for Cornerstone's vision	3

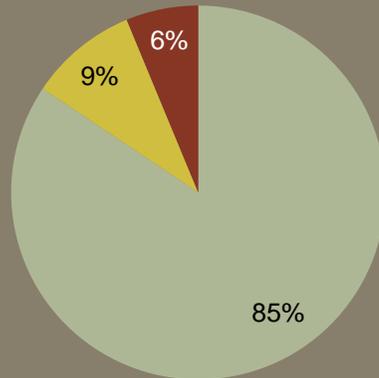


Missing	0
Valid Response	32
Total	32
Corresponding survey questions:	
Q 37. Responses to: BESIDES THE AFFORDABLE RENT, which would you say is the MOST IMPORTANT REASON you decided to move to Cornerstone?	
Q38. BESIDES THE AFFORDABLE RENT, which would you say is the SECOND MOST IMPORTANT REASON you decided to move to Cornerstone?	

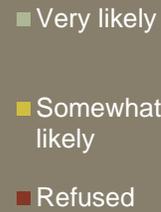
* The graph and frequency table combine responses to Q7 and to Q8.



Q9. Residents' Likelihood of Continuing to Live at Cornerstone



Percent of residents who stated they were very or somewhat likely to continue living at Cornerstone, or refused to respond:



Likelihood	Percent
Very likely	84.4
Somewhat likely	9.4
Refused	6.3
Missing	0
Valid Response	32
Total	32

Corresponding survey question:

Q 9. "How likely do you think it is that you will still be living at a Cornerstone property TWO YEARS from now? Is it ...

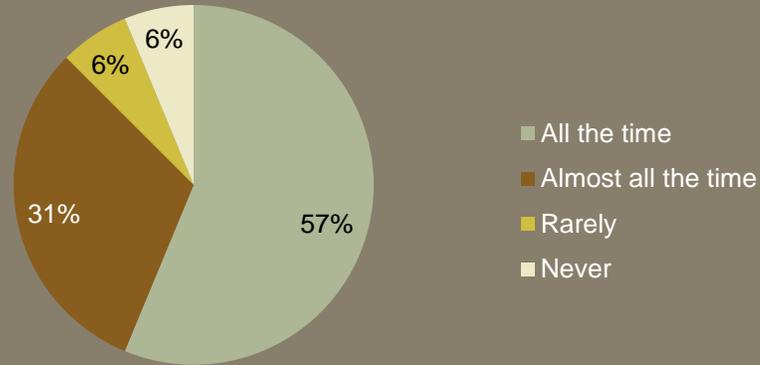
1. very likely,



2. somewhat likely,
3. somewhat unlikely, or
4. very unlikely?"
8. DON'T KNOW (PAUSE, PROBE: "Just your best guess . . .")
9. NA/REFUSED



Q10. Residents' Attendance of Monthly Resident Meetings



Attendance	Percent
All the time	56.3
Almost all the time	31.3
Rarely	6.3
Never	6.3
Missing	0
Valid Response	32
Total	32

Corresponding survey question:

Q 10. "Next ... how often do you attend monthly Cornerstone resident meetings

1. all the time, -- SKIPTO Q 11
2. almost all the time, -- SKIPTO Q 11
3. some of the time, -- SKIPTO Q 12



4. rarely or -- SKIPTO Q 12

5. never?" -- SKIPTO Q 12

8. DON'T KNOW (PAUSE, PROBE: "Generally speaking . . .")

9. NA/REFUSED



Q11. Reasons Residents Attend Monthly Meetings*



Reasons Given	Frequency
Learn about community activities	12
Participate in community activities	10
Build ties with other residents	7
Attendance required/earn equity	9
Missing	0
Valid Response	28

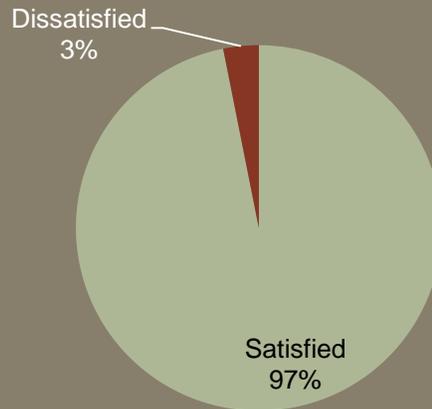


Total	28
Corresponding survey question: Q11. What is the MOST IMPORTANT REASON you ATTEND monthly meetings on a regular basis?	

* Respondents may have given more than one reason.



Q13a. Resident Satisfaction with Cornerstone Unit/Home



Satisfaction	Percent
Satisfied	96.9
Dissatisfied	3.1
Missing	0
Valid Response	32
Total	32

Corresponding survey question:

Q 13. "Next, please tell me how satisfied you are with each of the following aspects of living at Cornerstone."

"How satisfied are you with . . . [INSERT STATEMENT] Are you satisfied or dissatisfied?"

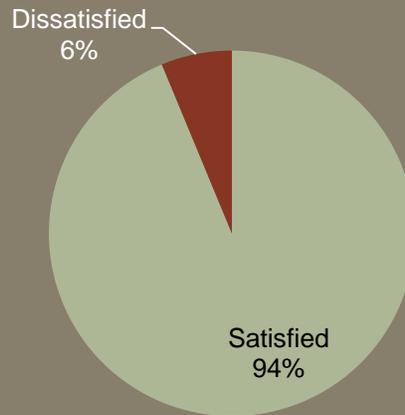


a. your unit or home

Satisfied	Dissatisfied	Neither (Vol.)	DON'T KNOW	NA/REF
1	2	5	8	9



Q13b. Resident Satisfaction with Cornerstone Building



Satisfaction	Percent
Satisfied	93.8
Dissatisfied	6.3
Missing	0
Valid Response	32
Total	32

Corresponding survey question:

Q 13. "Next, please tell me how satisfied you are with each of the following aspects of living at Cornerstone."

"How satisfied are you with . . . [INSERT STATEMENT] Are you satisfied or dissatisfied?"

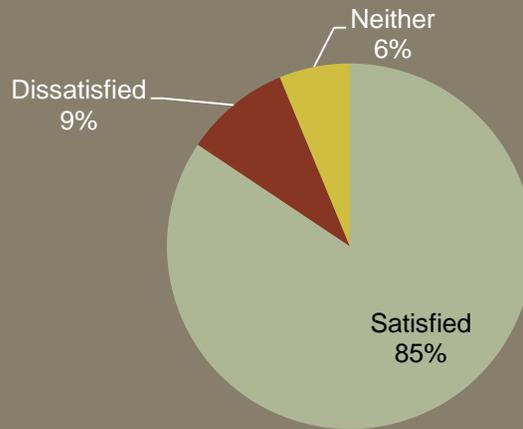
b. your property and building



Satisfied	Dissatisfied	Neither (Vol.)	DON'T KNOW	NA/REF
1	2	5	8	9



Q13c. Resident Satisfaction with Cornerstone Property Management



Satisfaction	Percent
Satisfied	84.4
Dissatisfied	9.4
Neither	6.3
Missing	0
Valid Response	32
Total	32

Corresponding survey question:

Q 13. "Next, please tell me how satisfied you are with each of the following aspects of living at Cornerstone."

"How satisfied are you with . . . [INSERT STATEMENT] Are you satisfied or dissatisfied?"

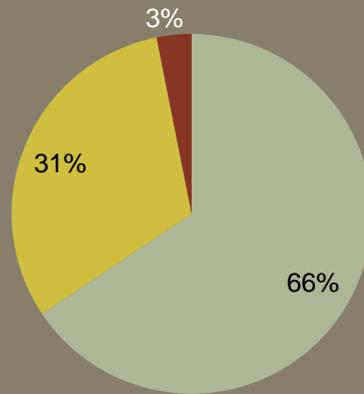


c. your property and building's management

Satisfied	Dissatisfied	Neither (Vol.)	DON'T KNOW	NA/REF
1	2	5	8	9



Q14. Residents' Understanding of Renter Equity Program



Percent who feel they understand Renter Equity Program:

- Very well
- Fairly well
- Not too well

Level of Understanding	Percent
Very well	65.6
Fairly well	31.3
Not too well	3.1
Missing	0
Valid Response	32
Total	32

Corresponding survey question:

Q 14. "Next, thinking about the Cornerstone Renter Equity program ... how well do you feel you understand the Renter Equity program ...

1. very well,
2. fairly well,



3. not too well,

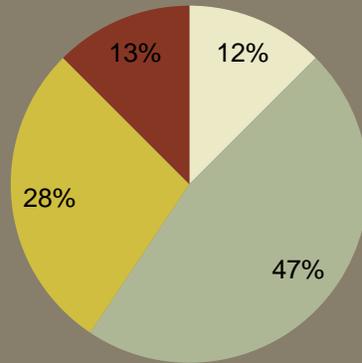
4. not at all?"

8. DON'T KNOW (PAUSE, DO NOT PROBE)

9. NA/REFUSED



Q15. How Frequently Residents Think About Their Renter Equity Balance



Percent who view renter equity balance as:

- Constant part of financial decision-making
- Balance thought about occasionally
- Little attention paid to balance
- No renter equity

Residents' Thoughts on their Balance	Percent
Constant part of financial decision-making	12.5
Balance thought about occasionally	46.9
Little attention paid to balance	28.1
No renter equity	12.5
Missing	0
Valid Response	32
Total	32

Corresponding survey question:

Q 15. "Now I would like to ask you about your current Renter Equity balance. Which of the following statements best describes you?" (READ NUMBERS 1 TO 4)

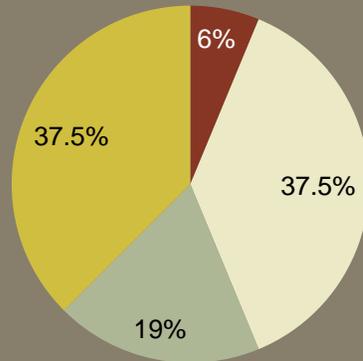
1. My Renter Equity balance is a constant part of my financial decision-making,
2. My Renter Equity balance is something I think about occasionally,



3. I don't really pay much attention to my Renter Equity balance, or
4. I don't have ANY Renter Equity at the present time?"
8. DON'T KNOW (PAUSE, PROBE: "In general . . .")
9. NA/REFUSED



Q16. Residents' Length of Time Living in Cornerstone Community



Percent of residents who lived in Cornerstone for each length of time:

- Less than one year
- 1-2 years
- 3-4 years
- 5 or more years

Length of Time	Percent
Less than one year	6.3
1-2 years	37.5
3-4 years	18.8
5 or more years	37.5
Missing	
	0
Valid Response	
	32
Total	
	32

Corresponding survey question:

Q 16. "And how long have you lived in a Cornerstone Equity Community ..."

1. less than one year,
2. one to two years,



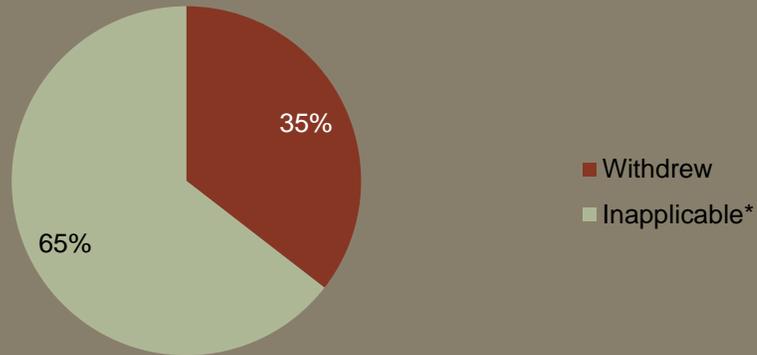
- 3. three to four years, or
- 4. five years or more?"

- 8. DON'T KNOW (DO NOT PROBE)

- 9. NA/REFUSED



Q17. Resident Withdrawals from Renter Equity Credit Account



Withdrawal from Account	Percent
Yes	34.4
Inapplicable*	65.6
Missing	0
Valid Response	31
Total	31

Corresponding survey question:

Q 17. [IF Q 16=4 ONLY] "Have you taken out any cash from your Renter Equity credit account?"

1. YES
2. NO



8. DON'T KNOW (DO NOT PROBE)

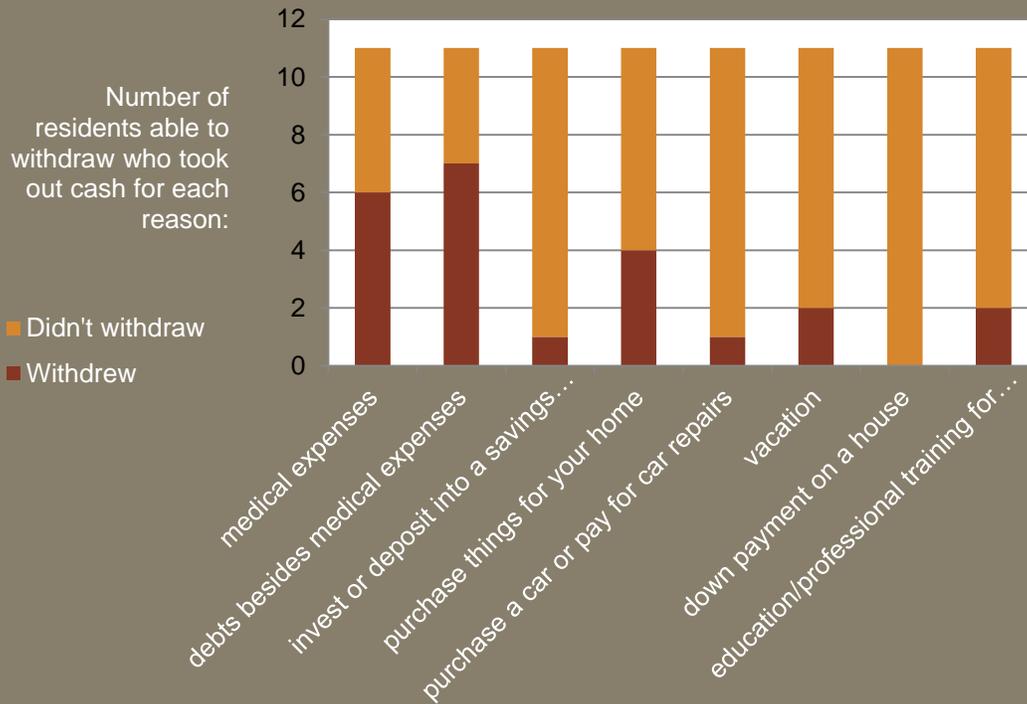
9. NA/REFUSED

0. INAP

**Residents can only take out cash from Renter Equity Account after participating in Cornerstone for five years.*



Q18. Reason for Resident Withdrawal from Renter Equity Accounts



Reason for Withdrawal	Withdrew	Didn't withdraw	Inapplicable	Percent who withdrew
medical expenses	6	5	21	18.8
debts besides medical expenses	7	4	21	21.9
invest or deposit into a savings account	1	10	21	3.1
purchase things for your home	4	7	21	12.5
purchase a car or pay for car repairs	1	10	21	3.1



vacation	2	9	21	6.3
down payment on a house	0	11	21	0
education/professional training for yourself or family member	2	9	21	6.3
Missing	0		0	
Valid Response	32		100	
Total	32		100	

Corresponding survey question:

Q 18. [IF Q 16=4 AND Q 17=1] "Next, please tell me if you have used cash from your Renter Equity credit account to pay for any of the following ..." First ... have you used cash from your Renter Equity account to ... [insert item]". Next ...

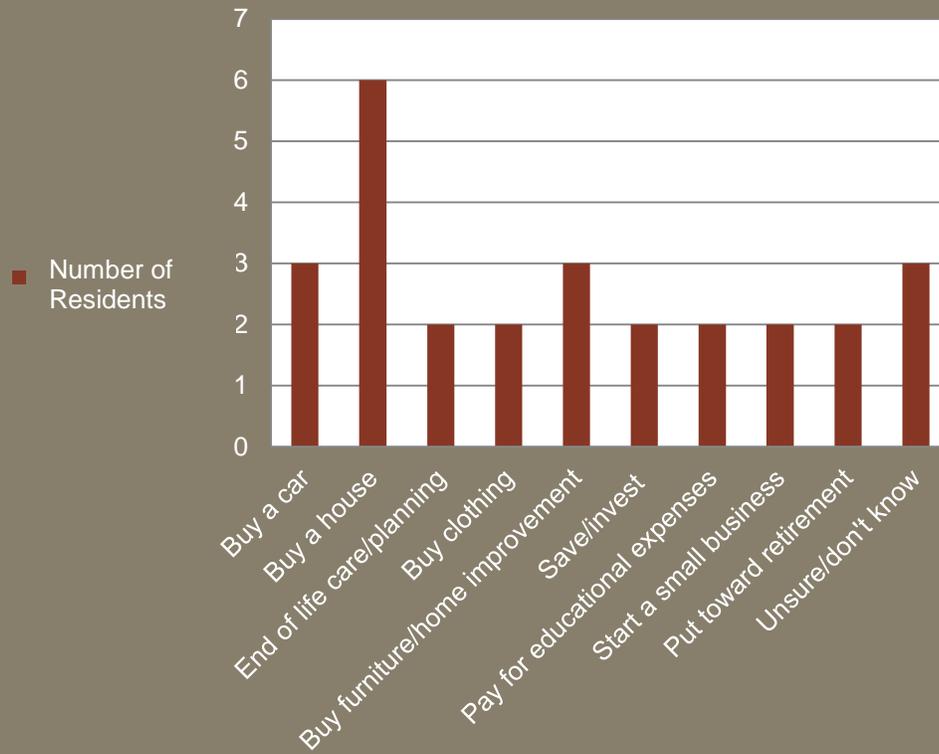
	YES	NO	DON'T KNOW (DO NOT PROBE)	NA / REF	INAP
a. pay medical expenses	1	2	8	9	0
b. pay debts besides medical expenses	1	2	8	9	0
c. make investments or deposits into a savings account	1	2	8	9	0
d. purchase things for your home	1	2	8	9	0



e. purchase a car or pay for car repairs	1	2	8	9	0
f. pay for a vacation	1	2	8	9	0
g. make a down payment on a house	1	2	8	9	0
h. pay for education or professional training for yourself	1	2	8	9	0
i. pay for education or professional training for a child or other family member	1	2	8	9	0



Q19. Residents' Plans for Their Renter Equity Balance Frequency



Plans	Frequency
Buy a car	3
Buy a house	6
End of life care/planning	2
Buy clothing	2
Buy furniture/home improvement	3
Save/invest	2
Pay for educational expenses	2

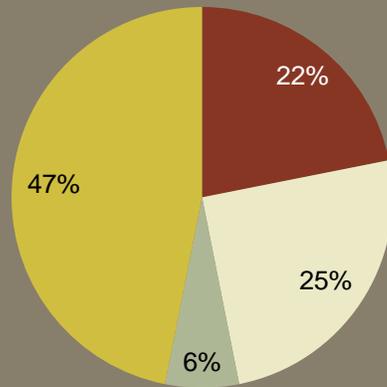


Start a small business	2
Put toward retirement	2
Unsure	3
Missing	0
Valid Response	32
Total	32
Corresponding survey question:	
Q 19.What is the MAIN THING you plan to use your Renter Equity for in the future?	

* Residents may have provided more than one planned use for their equity.



Q20. Loans Taken Out from Cornerstone by Residents



Percent who took out the following number of loans:

- One
- Two
- Three or more
- None

Number of Loans Taken Out	Percent
One	21.9
Two	25
Three or more	6.3
None	46.9
Missing	0
Valid Response	32
Total	32

Corresponding survey question:

Q 20. "How many loans have you taken out from Cornerstone ..."

1. one,
2. two,



3. three or more, or

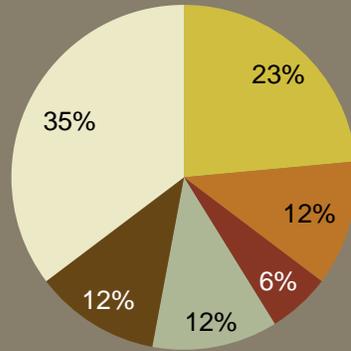
97. none?" -- SKIP TO Q 23

98. DON'T KNOW (DO NOT PROBE) -- SKIP TO Q 23

99. NA/REFUSED -- SKIP TO Q 23



Q21. Main Reason for Most Recent Cornerstone Loan



Percent of residents who gave the following reasons:

- Car Repair or Payment
- Furniture
- Utilities
- Medical Expenses
- Bills (unspecified)

Reason	Percent
Car Repair or Payment	23
Furniture	12
Utilities	6
Medical Expenses	12
Bills (unspecified)	12
Rent	35
Missing	0
Valid Response	32
Total	32

Corresponding survey question:

Q 39. "And, what was the MAIN REASON for your MOST RECENT LOAN?"

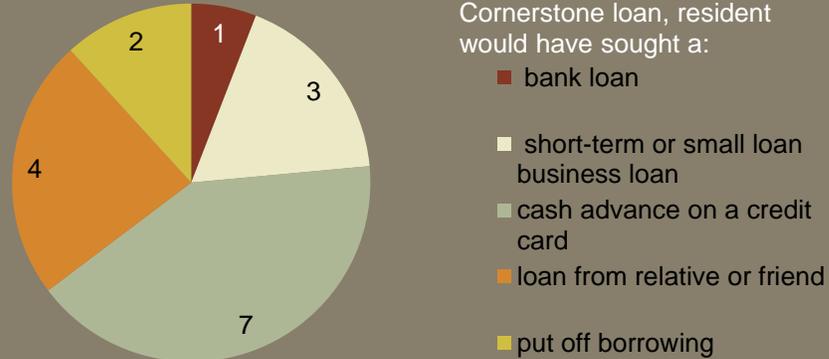


(RECORD VERBATIM RESPONSE; INTERVIEW: IF RESPONDENT PROVIDES LIST, ASK "What did you use the MOST MONEY from the loan for?")



Q22. Residents' Potential Alternatives to Cornerstone Loan Program

If he/she had not received a Cornerstone loan, resident would have sought a:



Alternative	Percent
bank loan	3.1
short-term or small loan business loan	9.4
cash advance on a credit card	21.9
loan from relative or friend	12.5
put off borrowing	6.3
Inapplicable*	46.9
Missing	
Missing	0
Valid Response	32
Total	32

Corresponding survey question:

Q 22. "Suppose you had not received the loan from the Cornerstone Loan Program. Which of the statements best describes what you would have done?"



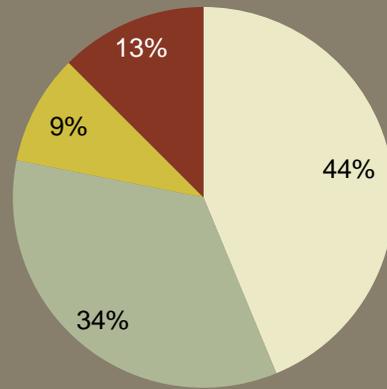
[READ NUMBERS 1 TO 5]

1. I would have borrowed the money from a bank,
 2. I would have borrowed the money from a short term or small loan business, such as a check casher/lender or a pawn shop,
 3. I would have taken a cash advance on a credit card,
 4. I would have borrowed the money from a relative or friend, or
 5. I would have put off borrowing the money until another time?"
96. SOMETHING ELSE (VOL.) _____ (RECORD VERBATIM)
98. DON'T KNOW (DO NOT PROBE)
99. NA/REFUSED
0. INAP

**Residents who answered that they did not borrow from the Cornerstone Loan Program were not asked this question. The pie chart above only shows the responses from residents who took out loans from Cornerstone.*



Q23. Importance of Cornerstone to Resident Financial Well-Being



Percent of residents who found Cornerstone's effect on their financial well-being:

- Very important
- Somewhat important
- Not too important
- Not important at all

Level of Importance	Percent
Very important	43.8
Somewhat important	34.4
Not too important	9.4
Not important at all	12.5
Missing	0
Valid Response	32
Total	32

Corresponding survey question:

Q 23. "How important is the Cornerstone Loan Program to your financial well-being?"

1. VERY IMPORTANT
2. SOMEWHAT IMPORTANT



3. NOT TOO IMPORTANT

4. NOT IMPORTANT AT ALL

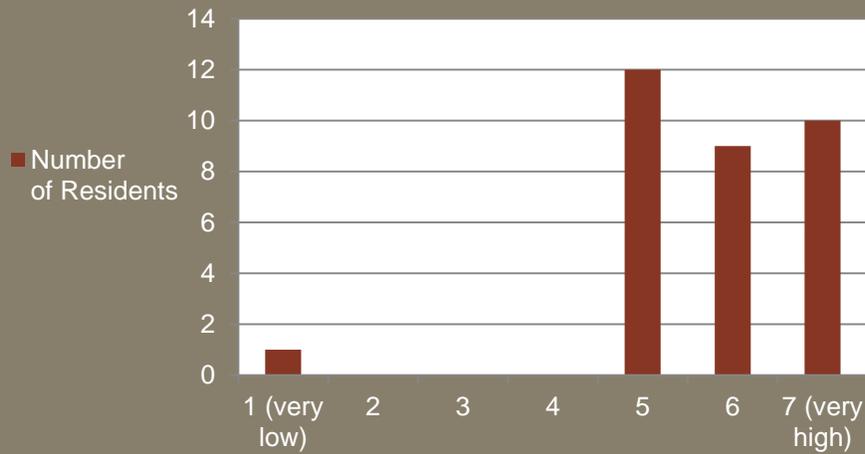
8. DON'T KNOW (DO NOT PROBE)

9. NA/REFUSED

0. INAP



Q24. Resident Assessment of Their Own Financial Knowledge



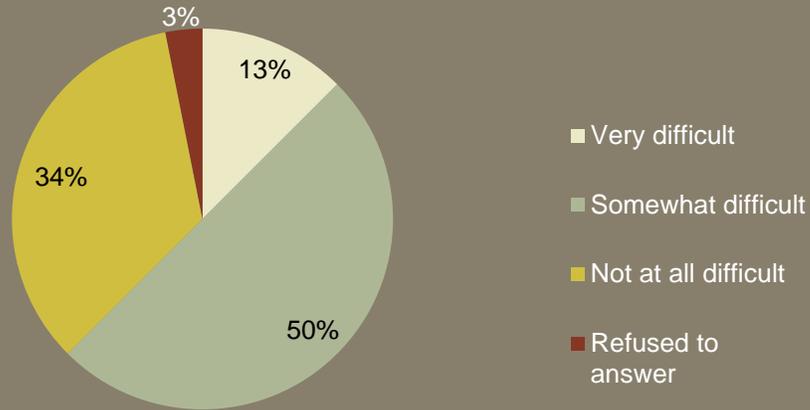
Self-rating of Financial Knowledge (1 is very low, 7 is very high)	Number of Residents	Percent
1 (very low)	1	3.1
2	0	0
3	0	0
4	0	0
5	12	37.5
6	9	28.1
7 (very high)	10	31.3
Missing		
	0	0
Valid Response	32	100



Total	32	100
Corresponding survey question:		
Q 24. "On a scale from 1 to 7, where 1 means very low and 7 means very high, how would you assess your overall financial knowledge?"		
_____ RECORD RESPONSE		
8. DON'T KNOW (DO NOT PROBE)		
9. NA/REFUSED		



Q25. Resident Difficulty in Covering Expenses



Level of Difficulty	Percent
Very difficult	12.5
Somewhat difficult	50
Not at all difficult	34.4
Refused to answer	3.1
Missing	0
Valid Response	32
Total	32

Corresponding survey question:

Q 25." In a typical month, how difficult is it for you to cover your expenses and pay all your bills ..."

1. very difficult,



2. somewhat difficult, or

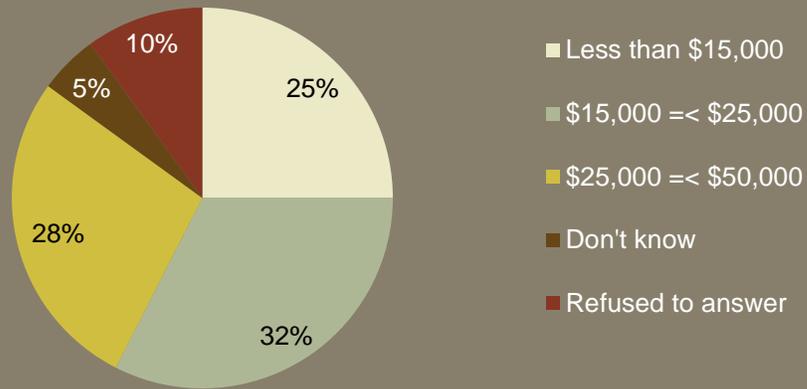
3. not at all difficult?"

8. DON'T KNOW (PROBE: "Generally speaking ...")

9. NA/REFUSED



Q26. Residents' Approximate Annual Income



Income	Percent
Less than \$15,000	31.3
\$15,000 - \$24,999	40.6
\$25,000 - \$50,000	9.4
Don't know	6.3
Refused to answer	12.5
Missing	0
	32
Total	32

Corresponding survey question:

Q 26. "What is your household's approximate annual income, including wages, tips, investment income, public assistance, income from retirement plans, and

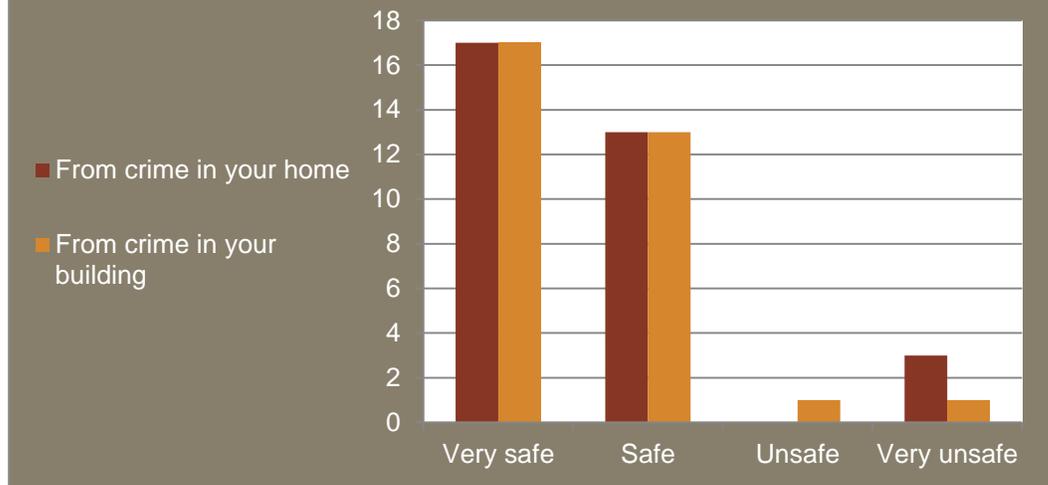


any other income? Would you say it is ...

1. less than \$15,000,
2. at least \$15,000 but less than \$25,000, or
3. at least \$25,000 but less than \$50,000?"
8. DON'T KNOW (DO NOT PROBE)
9. NA/REFUSED



Q27. Resident Perception of Safety



Perception of Safety	From crime in your home		From crime in your building	
	Frequency	Percent	Frequency	Percent
Very safe	17	53.1	17	53.1
Safe	13	40.6	13	40.6
Unsafe	0	0	2	3.1
Very unsafe	3	6.4	1	3.1
Missing	0		0	
Valid Response	32		100	
Total	32		100	

Corresponding survey question:

Q 27. "Next, I would like to ask you about crime and safety. How safe do you feel from crime [INSERT ITEM] ... very safe, safe, unsafe or very unsafe?" Next ..."

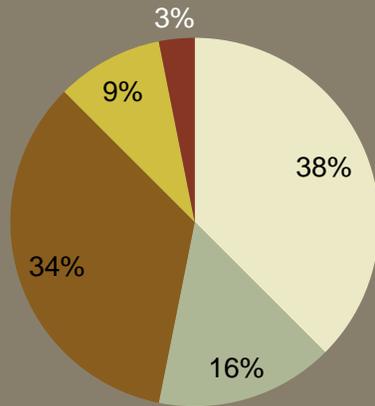
	Very	Safe	Unsafe	Very	DOES NOT APPLY	DON'T	NA /



	Safe			Unsafe	(VOL.)	KNOW	REF
a. in your home	1	2	3	4	8	8	9
b. in your building	1	2	3	4	8	8	9



Q28. Residents' Perceptions of Cornerstone Neighbors Compared to Previous Living Situation



Percent of residents who feel they know their Cornerstone neighbors:

- Much better than previous neighbors
- Somewhat better
- About the same
- less well than previous neighbors
- Refused to answer

How Well Residents Know Their Neighbors	Percent
Much better than previous neighbors	37.5
Somewhat better	15.6
About the same	34.4
less well than previous neighbors	9.4
Refused to answer	3.1
Missing	0
Valid Response	32
Total	32

Corresponding survey question:

Q 28. "Compared to where you were living the year before you moved to Cornerstone, how well do you feel you know your neighbors ... would you say you

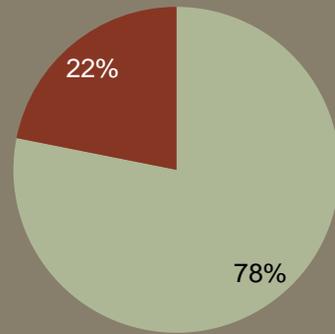


know them ...

1. much better than your previous neighbors,
2. somewhat better,
3. about the same, or
4. that you know your current neighbors less well than your previous neighbors?"
8. DON'T KNOW (PROBE: "Overall ...")
9. NA/REFUSED



Q29. Residents Who Could Ask for Support from Another Resident



Percent of residents who:

- Could ask another Cornerstone resident to pick up a prescription
- Could not ask another Cornerstone resident to pick up a prescription

Residents View of their Neighbors	Percent
Could ask another Cornerstone resident to pick up a prescription	78.1
Could not ask another Cornerstone resident to pick up a prescription	21.9
Missing	0
Valid Response	32
Total	32

Corresponding survey question:

Q 29. "Could you ask someone in the Cornerstone community to pick up a prescription for you if you were sick?"

1. YES
2. NO

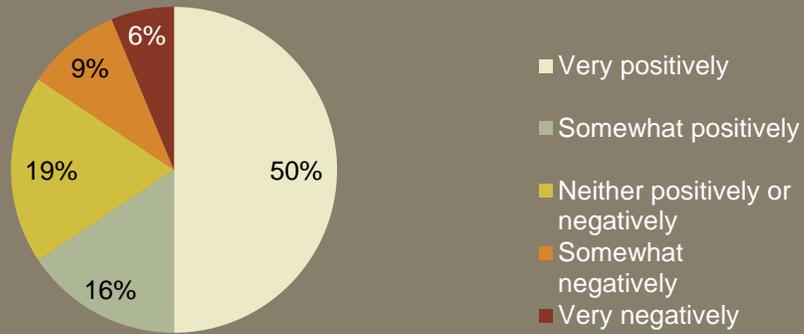


8. DON'T KNOW (DO NOT PROBE)

9. NA/REFUSED



Q30. Over-the-Rhine Community's View of Cornerstone



View Toward Cornerstone	Percent
Very positively	50
Somewhat positively	15.6
Neither positively or negatively	18.8
Somewhat negatively	9.4
Very negatively	6.3
Missing	0
Valid Response	32
Total	32

Corresponding survey question:

Q 30. "How do you feel residents of the broader community of Over-the-Rhine view Cornerstone? Would you say ...

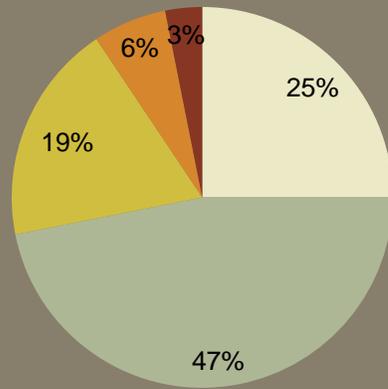
1. very positively,



2. somewhat positively,
3. neither positively nor negatively,
4. somewhat negatively, or
5. very negatively?"
8. DON'T KNOW (PROBE "Generally speaking ...")
9. NA/REFUSED



Q31. Residents' Quality of Life in Cornerstone



Percent of residents who feel their quality of life since living at Cornerstone has:

- Improved greatly
- Improved greatly
- Not changed
- Become much worse
- Refused

Cornerstone's Effect on Quality of Life	Percent
Improved greatly	25
Improved greatly	46.9
Not changed	18.8
Become much worse	6.3
Refused	3.1
Missing	0
Valid Response	32
Total	32

Corresponding survey question:

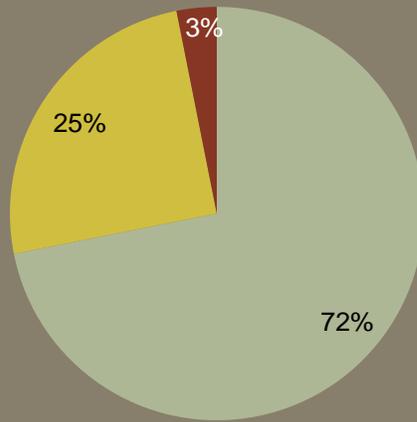
Q 31. "Compared to where you were living the year before you moved to Cornerstone, how has living in Cornerstone affected your overall quality of life?"
 Would you say living in Cornerstone affected your overall quality of life has ...
 (READ NUMBERS 1 TO 5)



1. improved greatly,
2. improved,
3. not changed,
4. become worse, or
5. would you say your overall quality of has become much worse?"
8. DON'T KNOW (PROBE "Generally speaking ...")
9. NA/REFUSED



Q32. Residents' Optimism About Their Financial Future Because of Cornerstone



Percent of residents who feel:

■ More optimistic about their financial future

■ Same or less optimistic about their financial future

■ Don't know

Level of Optimism	Percent
More optimistic about their financial future	71.9
Same or less optimistic about their financial future	25
Don't know	3.1
Missing	0
Valid Response	32
Total	32

Corresponding survey question:

Q 32. "Would you say that you now more optimistic about your financial future because you participate in the Cornerstone Renter Equity program than you were before your participation in the program?"



1. YES

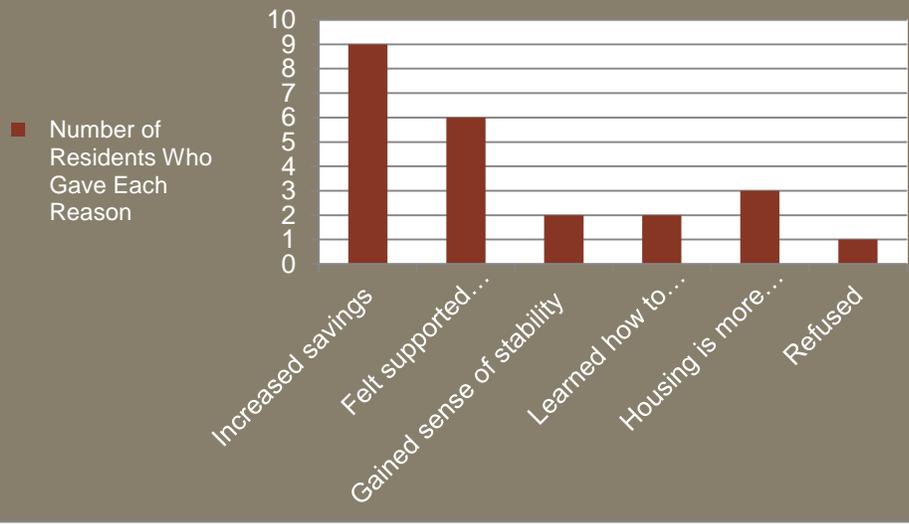
2. NO – SKIPTO Q 34

8. DON'T KNOW (PROBE "Overall...")– SKIPTO Q 34

9. NA/REFUSED– SKIPTO Q 34



Q33. Residents' Reasons for Increased Optimism about Financial Future



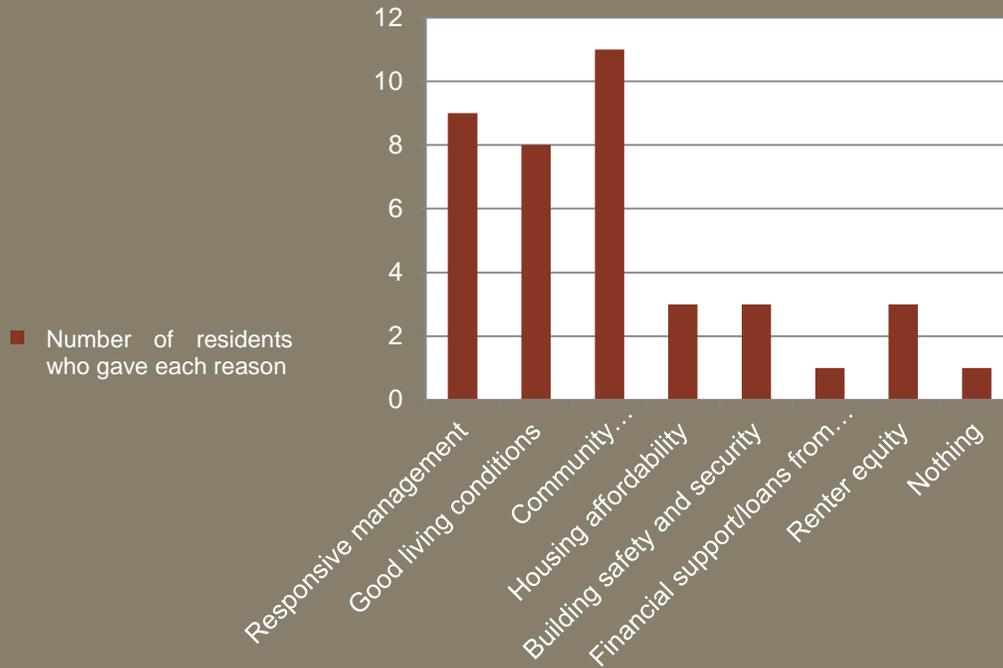
Reasons Given	Frequency
Increased savings	9
Felt supported financially and otherwise by Cornerstone	6
Gained sense of stability	2
Learned how to manage finances/housing	2
Housing is more affordable	3
Refused	1
Missing	0



Valid Response	32
Total	32
Corresponding survey question:	
Q 33. What is the MOST IMPORTANT reason you are NOW MORE OPTIMISTIC about your financial future than you were before you participated in the Cornerstone Renter Equity program?	



Q34. What Residents Appreciate Most About Cornerstone*



Reasons Given	Frequency
Responsive management	9
Good living conditions	8
Community atmosphere/contributions to community	11
Housing affordability	3
Building safety and security	3

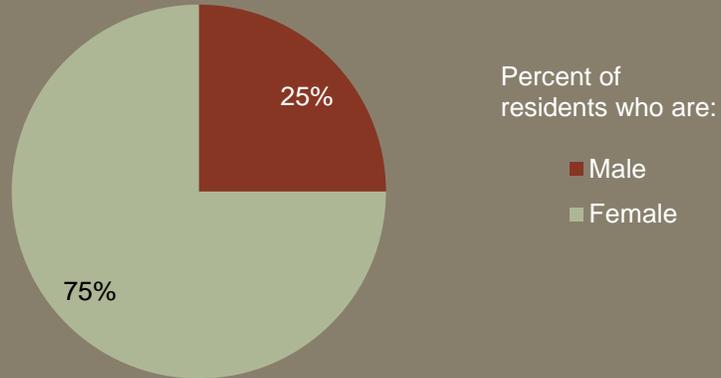


Financial support/loans from program	1
Renter equity	3
Nothing	1
Missing	0
Valid Response	32
Total	32
Corresponding survey question:	
Q 40. What is the ONE THING you appreciate MOST about Cornerstone?	

* Residents may have given more than one reason.



Q36. Residents' Gender



Gender	Percent
Male	25
Female	75
Missing	0
Valid Response	32
Total	32

Corresponding survey question:

Q 36. CIRCLE SEX OF RESPONDENT

1. MALE
2. FEMALE



