

avanath+

APARTMENT OWNERS
Call to Action

Fact: African Americans comprise 13% of the U.S. population, but comprise 23% of the Covid-19 deaths.

Fact: African Americans comprise 13% of the population but comprise 26% of all police killings.

The root causes of these situations are identical – lack of investment in African American communities, limited access to quality health care, poor quality schools, lack of housing opportunities in locations that offer greater economic upward mobility, poor access to healthy foods, and limited political empowerment.

The apartment industry should have high incentives to be a catalyst of change. Fifty-six (56%) percent of African Americans are renters – 24.6 million people. African Americans comprise 19% of all renters in the U.S. Fifty-one (51%) percent of Hispanics are renters – 26.5 million people. Hispanics comprise 21% of all renters in the U.S. Combined African American and Hispanic renters comprise 40% of the U.S. rental market. Our apartment communities would NOT be economically viable without this large market segment.

Why should we care about disparate health and criminal justice outcomes of African Americans? The fundamental reason is that they are a large segment of our customer base and positive outcomes for our renters are good for OUR businesses. Consider the following:

- Economic upward mobility for African American and Hispanic renters makes them (1) better credit risks and (2) enables them to handle rent increases.
- Situations occasionally arise at our properties that require the need for police to respond to an emergency. Distrust of the police among African Americans may inhibit them from calling the police in an emergency that affects our properties.
- One of the major causes of rental defaults are catastrophic medical bills caused by an unexpected illness (like the Coronavirus). Keeping all residents healthier will limit these defaults caused by a “medical shock.”
- The lack of economic mobility among renters of color is a motivating force behind the rent control movement.

So, we as an apartment industry, definitely “have skin in the game.”

What actions can we take as an industry to mitigate some of the poor health outcomes and adverse interactions with law enforcement that occur with African Americans and Hispanics? Here are a few suggestions:

1. **Focus more investment capital on communities of color that have been traditionally underserved by institutional capital.** This is a game-changer, particularly when existing residents are not displaced in the process.
2. **Greater acceptance of residents with Section 8 vouchers.** More owners, particularly in communities with good schools and economic opportunities, should accept residents with Section 8 vouchers. Frankly, this is just good business – our Section 8 rental delinquencies are extremely low.
3. **Create community forums at properties with law enforcement and elected officials.** Creating a dialogue between your residents and local police officials creates goodwill.
4. **Accelerate diversity at all levels and functions in our organizations.** Our staffing should be reflective of our customer base. To create a diverse pipeline, we should develop internship programs targeting minority students. Also, public apartment REITS should significantly increase the number of board members that are African American and Hispanic.
5. **Implement wellness programs at your communities.** There are many health care providers that have community health initiatives that are seeking community engagement opportunities and will come to your property and do health screenings and wellness checks.
6. **Adopt a low performing public school in your market area.** Provide financial support and provide time off for staff to volunteer at those schools. Also, we should consider creating afterschool programs onsite for our youth.
7. **Use status as a significant property owner to lobby for improved police community relationships.** Apartment owners are big contributors to the local economy and pay significant real estate taxes. Leverage this status to lobby for improved police/community relations.
8. **Enrich locations that are “food deserts” with farmers’ markets and other strategies to bring fresh food to your residents.** A community with healthier residents is a more economically viable community. Additionally, we should support residents who want to create community gardens at our properties.

The apartment industry can have a significant impact on change in America. Our communities comprise 34% of all Americans or 108.8 million people. Our industry controls \$4 trillion in physical assets. This gives us leverage and clout to change the status quo and to create a new paradigm where all lives in America are valued and given equal access to the American Dream.