



# Yardi Insights

## Eligibility reviews

### Why you should conduct eligibility reviews online

Compliance with government regulations is a major cost of doing business in affordable housing. Staff hours, file storage, office space, printing costs and fair housing obligations are just some of the expenses required to qualify applicants and recertify residents each year.

Are these costs needed or has technology made many traditional processes obsolete?

### Defining the costs

Affordable housing providers receive many applications for each available unit. Some applicants will qualify, some won't and others will drop out of the process for various reasons. Regardless of the outcome, each application comes with a price that includes staff hours, overhead and other costs.

#### **Staff hours**

Our studies show it takes more than an hour for each initial intake interview with traditional application processing. Recertification interviews take nearly as long. And the applicant and/or interviewer completes most applications by hand. Staff spend additional time to manually enter the data into Yardi Voyager or another compliance program. Typos or incomplete information may require more contact with applicants. This time is lost for other resident and community services.



### **File storage**

Affordable housing providers typically receive numerous pages of paperwork for each applicant including check stubs, bank statements, student status documentation, medical bills and more. Many documents include personally identifiable information (PII). Affordable housing providers must spend time, effort and often money to protect this information. File storage is expensive and often consumes valuable office space. The cost and effort to retrieve files for audits and reviews can quickly mount. There have been many recent cases of files being damaged or destroyed in hurricanes, fires and floods.

### **Office space**

Confidentiality requires that interviews happen away from prying eyes and ears. Affordable housing providers need private office space to serve applicants. Paying for that space and making it available is a cost affordable housing providers have incurred for decades.

### **Fair housing**

Fair housing mistakes can be expensive and risk an affordable housing provider's reputation with applicants, residents and funding sources. Intake interviews can potentially make applicants believe their fair housing rights are being ignored, exposing owners and management to liability. Applicants may perceive that staff is coaching them about how to answer certain questions. Applicants may even believe that staff is steering them toward or away from certain properties. Whether intentional or not, applicant coaching can be a serious risk for affordable housing organizations.



## The case for change

Affordable housing organizations often operate in traditional ways. This is understandable given the complexity of the industry and the risks involved. Policies and procedures are difficult to create, adopt and implement. Changes come with the perceived risk of unplanned impact on job roles.

But what about the risk of not changing? Administrative oversight of affordable housing properties will not ease anytime soon. Applicants, residents and properties won't need less attention in the future. Reporting requirements of federal, state and local agencies seem to become more complicated each year. That trend is likely to continue as affordable housing technology advances and more data becomes available for policy analysis. If the industry doesn't change, how can it expect to better serve the community in the face of steadily increasing compliance requirements?

The industry often learns of regulatory change with little or no time to train staff or distribute new forms. How does management assure each staff member is adhering to corporate or regulatory changes in policy or procedure? Retraining staff is often difficult, time-consuming and expensive.

Today's applicants expect to conduct business online at a time and place convenient to them. Seniors may have younger helpers that expect this convenience, especially if the helper is in a location remote from the property. And many seniors are now as internet-savvy as their offspring and expect the same conveniences.

Technology is now available that can change the way affordable housing providers accept applications, qualify applicants and recertify residents. With online solutions and mobile apps, affordable housing organizations can reduce costs and the risks of traditional interviews and handwritten applications. Eliminating paper-based applications and in-person interviews can make life easier for applicants and residents while ensuring accuracy, reducing fair housing risks and freeing staff to work on other resident and community services.



## How self-service affordable housing works

### Online applications

Efficiency begins with self-service online affordable housing applications. Allowing an applicant to begin the process on a computer or mobile device instead of at a housing specialist's desk can save considerable staff time. Our research shows that it costs an average of \$28 per year per unit to interview applicants and recertify residents. Consider the example below.

Average hourly cost for housing specialist + taxes & benefits	\$18.75 per hour*
Average annual turnover rate for affordable housing units	40%
Average number of interviews necessary per vacancy	1.5 interviews
Average number of hours required to interview an applicant	1.5 hours
Average number of hours required to interview resident	1 hour
Annual intake interview costs per unit	\$16.88
Annual recertification interview costs per unit	\$11.25
Average annual interview costs per unit	\$28.13

\*Based on \$15/ hour salary and a 25% tax burden rate. Salary and taxes will vary by area.

Spending less time on face-to-face interviews helps staff accomplish more each workday. It also improves the lives of applicants and residents. Online self-service provides applicants the freedom to submit information when it is best for them including evenings and weekends. Without the need to visit the office for an interview, applicants avoid interrupting their work and personal schedules. Households can complete their interview using their own computers, library computers or mobile devices.

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## Kiosk applicants

To serve those with limited or no access to computers, setting up a self-service application kiosk with a computer and scanner in a semi-private area of the office allows affordable housing providers to skip the hassle of securing private office space while still providing the self-service experience. A kiosk is a great way for applicants to avoid the discomfort of disclosing personal information verbally to staff and keeps things fair by eliminating the perception of coaching. Applicants can sit at the kiosk, complete their application and ask for help if needed. A scanner makes it easy to upload a secure copy of documentation electronically.

## Proven results

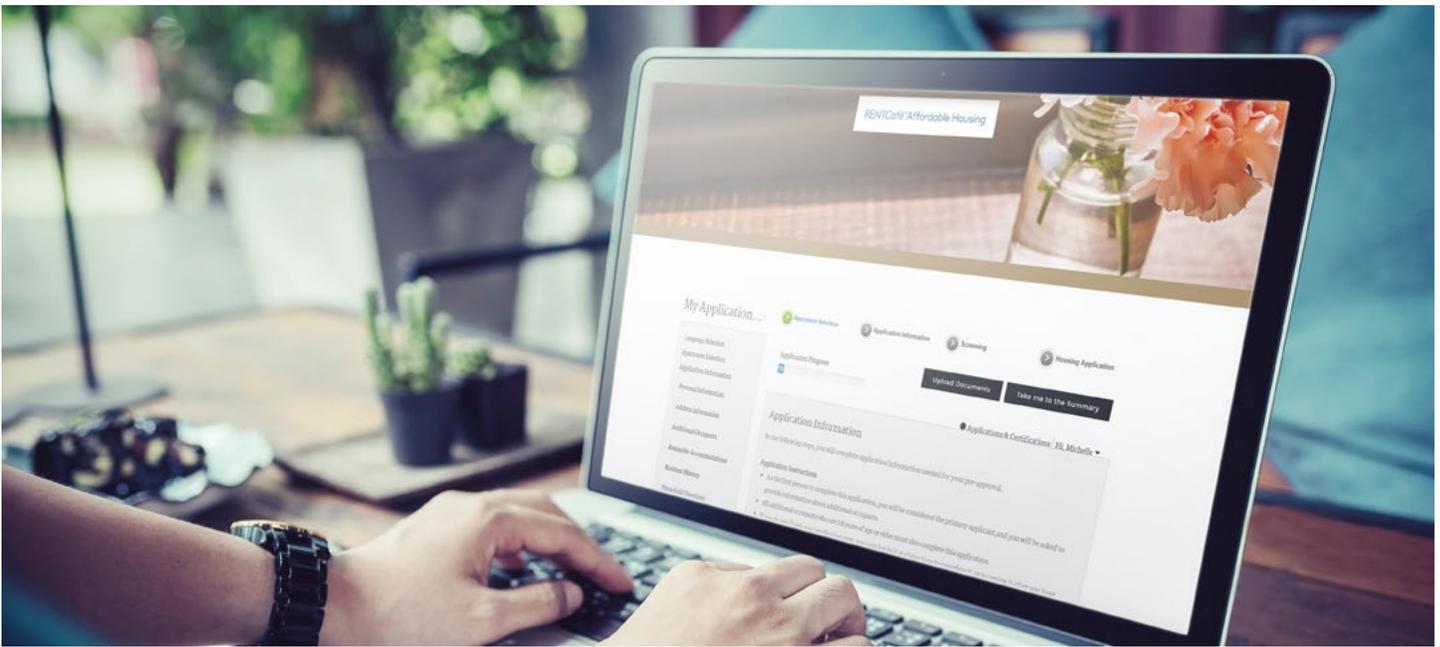
Internet connectivity is now widely available for most American households. Like market rate housing applicants, many affordable housing applicants prefer to apply for housing online. In 2017, more than 110,000 users began an affordable housing application online with the RENTCafé Affordable Housing paperless application process. Of those 110,000 applications, nearly 24,000 were completed and uploaded to the Yardi Voyager platform for housing specialists to review.



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Applications begun in 2017	Applications completed and submitted for review in 2017	Attrition rate based on self-screening
110,000 (approx.)	24,000 (approx.)	78%

Those statistics impress in many ways. First, they show how overwhelmed affordable housing providers are with requests for help and information. The RENTCafé Affordable Housing online application system is currently used by only a small percentage of the affordable housing providers across the country. The high volume of visitors to the site who spent time working on an application demonstrates the great demand affordable housing providers face each day.



Second, the numbers demonstrate how RENTCafé Affordable Housing enables households to decide whether they want to continue with the application process. Approximately 86,000 applications were left incomplete in the RENTCafé Affordable Housing system in 2017. That number is not discouraging when you consider that it could have taken thousands of staff hours to interview all those applicants, only to have them eventually drop out of the process.

Third, the statistics show that RENTCafé Affordable Housing eliminated the need for staff to print and distribute more than 110,000 applications. Pre-printing and storage of documents that may or may not be used also became unnecessary. Because applicants and residents completed their applications online, printing a hard copy was only required on a case-by-case basis.

Finally, statistics prove that Yardi clients saved time and money with RENTCafé Affordable Housing in 2017. Nearly 24,000 applications were completed and uploaded to Yardi Voyager, many of which were done without hands-on assistance from housing specialists or initial intake interviews. Considering it takes an average 1.5 hours to interview an affordable housing applicant and the average hourly cost of a housing specialist is \$18.75 per hour, Yardi clients saved \$675,000 and 36,000 staff hours in 2017 with RENTCafé Affordable Housing.

Online applications completed in 2017	Average intake interview	Cost per hour for a housing specialist	Potential savings in staff costs
24,000	1.5 hours	\$18.75	\$675,000

# Conclusion

Historically, affordable housing providers have dealt with lengthy, costly and potentially risky processes to accept residency applications. Automating the way applicants submit their household information can dramatically cut costs and redirect staff hours into higher value tasks.

Take advantage of modern affordable housing solutions that relieve staff burden and improve the lives of applicants and residents.

Visit [yardi.com/rentcafeAH](https://yardi.com/rentcafeAH) for more information about RENTCafé Affordable Housing.



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