

Cleme Manor Apartments Social Impact Case Study

Project Overview

This year NHPF completed an exhaustive five-year study of the community and resident impact of the landmark preservation and redevelopment of Houston's Cleme Manor Apartments. In 2014, the city of Houston announced they were seeking a multi-million-dollar grant to redevelop Cleme Manor Apartments, an aging and poorly managed low income housing project located next to an elementary school and community park [FIGURE 1]. Local officials suggested conditions at the property were causing higher crime rates and lower academic achievement, resulting in discussions to shutter the local elementary school. The City's belief was that by transforming the property and renovating local parks, crime would decrease, academic scores would rise, and community outcomes would improve.

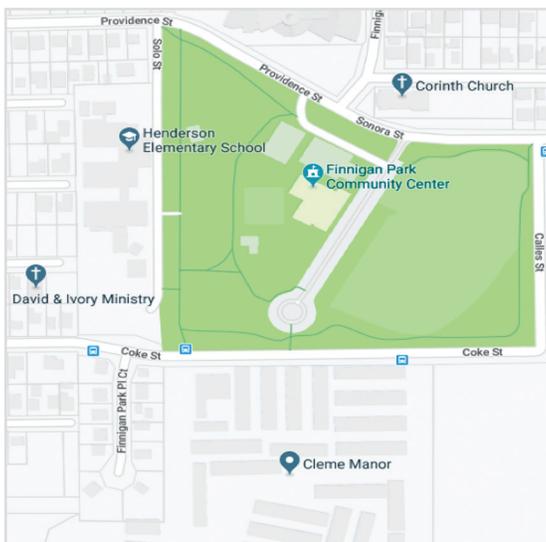


Figure 1

“This project supports my goal of building complete communities where residents can find good jobs, safe and attractive homes, and all of the amenities necessary for a great quality of life,” Mayor Sylvester Turner said in a statement. “The Greater Fifth Ward is one our most historic neighborhoods. Restoring health to this traditionally under-served area will have a tremendous impact on the people living there.”

The NHP Foundation announced in late 2014 it had received \$41 million in funding to renovate the Cleme Manor Apartments housing complex, built in 1970, in the Fifth Ward. Funding was obtained through a public-private financial partnership with PNC Bank NA, BBVA Compass, the US Department of Housing and Urban Development (HUD), the National Affordable Housing Trust, the Texas Department of Housing and Community Affairs and the City of Houston.

The goal of the Cleme Manor project was to reduce crime and retain neighborhood academic opportunity through The NHP Foundation's environmental social governance (ESG) investments. The goal would be accomplished by improving the housing available to current and future residents, in addition to capital improvements made by the City to Finnigan Park. ESG investing focuses on three central factors in measuring the sustainability and ethical impact of an investment from a company or business; **challenges**, **solutions**, and **results**. These criteria help to better determine the future financial performance of companies and organizations (return and risk).

Challenges

Residents: Families and individuals living at Cleme Manor were stressed, scared, and unable to spend much time outside due to crime, drug activity, prostitution, and violence. They felt alone and abandoned, residing in homes surrounded by deteriorating conditions.

Crime: In 2014, the Cleme Manor community faced high crime rates:

- 206 total security and/or police calls.
- 37 Service Calls for Aggravated Assaults and/or Assaults.
- 3 Calls for Deadly Weapons/Assaults.
- 14 Calls for Property Crimes.
- 15 Calls for Drugs or Suspicious Activity.

Education: In 2014, school district officials were considering closing Nathaniel Q. Henderson Elementary school due to poor student outcomes resulting in lower enrollment. About 170 of the roughly 360 students enrolled at Henderson lived at Cleme Manor Apartments, a crosswalk away from Finnigan Park. Due to the district's transfer policy, Henderson lost about 150 students to other campuses during 2014. The facility was operating at about half capacity

Solutions

Cleme Manor sits immediately south of Finnigan Park and the Finnigan Park Community Center, where a \$35 million renovation funded by Harris County revitalized this public space. Post-renovation, the two provided after-school and summer youth programs, including an NFL Youth Education Town (YET Center), one of a chain of educational/recreational centers established by the National Football League.

Before NHPF purchased the property, its Asset Management Team worked in partnership with law enforcement to identify those factors responsible for increased criminal activity. Immediately upon assuming ownership of the property, local police conducted a sting operation to combat and reduce crime in the community, while NHPF installed a 24/7 video camera surveillance system and implemented a program to routinely place courtesy patrol officers around the property.



LEFT TO RIGHT: Neal Rackleff, Former Houston Director of Housing and Community Development, City Councilman Jerry Davis, and NHPF SVP of Acquisitions Neal Drobenare attend the rededication event.

NHPF hosted a rededication of Cleme Manor Apartments, attended by city councilman Jerry Davis, directly following implementation of the aforementioned police crime-reduction strategy. This public display of NHPF's commitment to reducing crime, combined with the ultimate renovation of Cleme Manor, demonstrated serious community buy-in and investment and convinced the city that Nathaniel Q. Henderson Elementary school would be able to produce better student outcomes. The school was kept open as a result, despite public skepticism.

“Leaders see contradiction in plan to close school while apartments get facelift.”

—Houston Chronicle, February 22, 2014

“‘If there is no school, how am I going to draw more people in this area?’ City Councilman Jerry Davis asked the school board this month. ‘We need to work together. We can’t have one entity going out doing good works and not the other.’”

NHPF transformed the Cleme Manor complex by renovating the housing units, with a more efficient HVAC system, water heaters, windows, drywall, appliances, and doors. In addition, a new play area and rehabilitation of the leasing office, community space and laundry facilities provided renewed amenities and public spaces for residents.

Results

Residents feel safer, spend more time outdoors and families can remain in their community due to **27%** drop in overall crime in the last four years and the continued presence of the neighborhood elementary school.

- 65 Total security and/or police calls in 2018, a **69%** decrease from 2014 [FIGURE 2].
- Crime Service calls dropped across all measured categories in 2016 and 2018 [FIGURE 3].
- Since 2014, Aggravated Assaults dropped by **81%**; Property Crimes fell by **72%**; and Drugs or Suspicious Activities decreased by **40%**.
- Crimes Reported per resident also fell as occupancy increased, from **1** crime for every **8** residents in 2014 to **1** crime for every **27** residents in 2018.

Figure 2: Crimes Reported at Cleme Manor Decreased Since 2014

Courtesy Officer Service Calls Over Selected Time Period

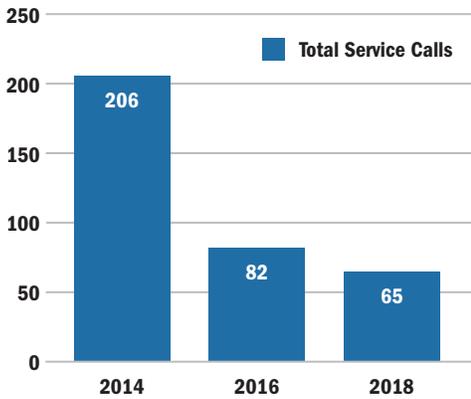
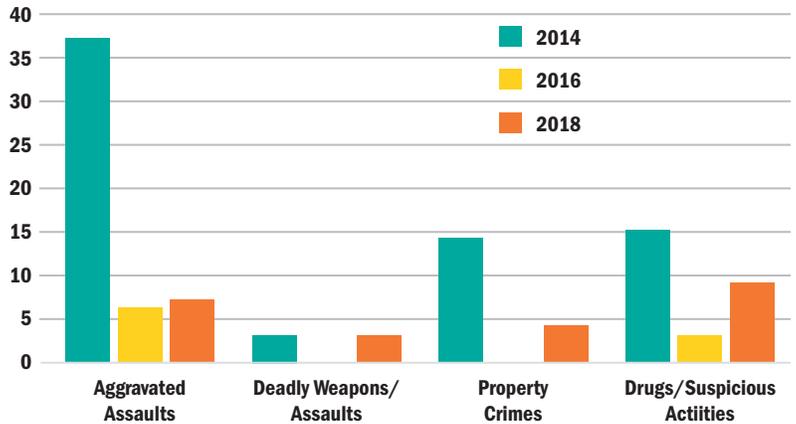


Figure 3: Crimes Reported by Category at Cleme Manor Have Been Declining Since 2014



Nathaniel Q. Henderson Elementary school remains open with an attendance rate up to **95.4%**.

- **12%** decrease in economically disadvantaged children [FIGURE 4].
- **9%** decrease in At-Risk children [FIGURE 5].
- Disciplinary actions have dropped by **98%**.
- Percentage of students approaching grade level in mathematics has increased by **15%**.

Figure 4: The Number of Economically Disadvantaged School Children Has Decreased Since 2014

There was a **12%** decrease at neighboring Nathaniel Q. Elementary School

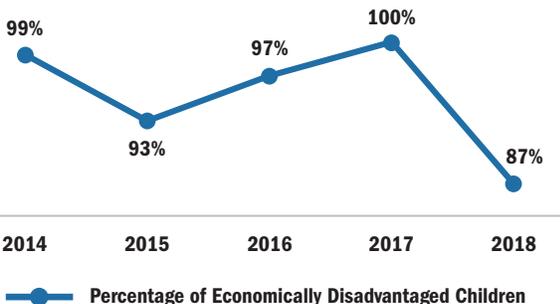
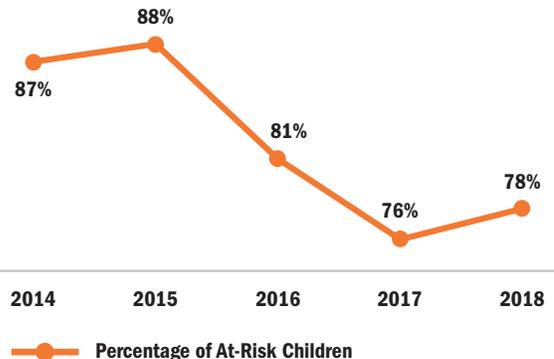


Figure 5: The Number of At-Risk School Children Has Decreased Since 2014

There was a **9%** decrease at neighboring Nathaniel Q. Elementary School



NHPF Impact Criteria

Energy Efficiency	Social Impact
<ul style="list-style-type: none"> NHPF replaced the property's HVAC system, water heaters, windows, drywall, appliances, and doors. The installation of new equipment at the property resulted in more efficient energy usage and a reduction of resident utility bills. 	<ul style="list-style-type: none"> Decreased Crime Increased Educational Achievement Economic preservation and retainment Implemented Resident Services via Operation Pathways
Environmental Sustainability	Workforce
<ul style="list-style-type: none"> Cleme Manor Apartments met all applicable highest energy efficiency and resiliency standards throughout the rehabilitation, as is considered to be best practice across the NHPF portfolio. Installed environmentally friendly structures and equipment. 	<ul style="list-style-type: none"> NHPF contracted with local companies for rehabilitation of the property. NHPF's efforts led to the retainment of several professions, including teachers and administrative staff, and the creation of full-time positions at the property.

Conclusion

This case study highlights the importance and potential ROI for opportunities that align with the ESG principles above. Cleme Manor's transformation resulted in measurable success. Resident quality of life drastically improved following renovation of the property, incorporating new and enhanced amenities that were previously unavailable or badly maintained. Crime at the property continues to decline, allowing residents to finally feel safe and secure in their own homes. These successful efforts convinced city officials to keep the local elementary school open, providing another lynchpin in the revitalization of the community. The NHP Foundation listened to leadership in the community, particularly local Congresswoman Sheila Jackson Lee, a champion of the Foundation's efforts in the Fifth Ward. NHPF also took the time to engage in the necessary due diligence, community outreach and investment in meaningful partnerships with residents of Cleme Manor, local law enforcement officials, community leaders in the Fifth Ward, and other stakeholders involved in this process. These steps were crucial in updating the local neighborhood, an achievement which has transformed the lives of Cleme's residents and the community. ESG principles will continue to inform The NHP Foundation's development strategy moving into the future.



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