

# Creating A Better Resident Experience with FCP

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**Corey Aber** [00:00:00] Luba, do you think anyone out there is mining data on our podcast and trying to identify trends and opportunities?

**Luba Kim-Reynolds** [00:00:07] I don't know. That's an interesting thought.

**Corey Aber** [00:00:11] Well, just in case, I think we should make it easy for them. You know, I think — and this is not scientific — I think that the growing trend on our episodes this year is more focus on the combination of sustainability and resident centered housing practices.

**Luba Kim-Reynolds** [00:00:24] That sounds right. I think the data scientists would agree. These are important topics and they go together really well.

**Corey Aber** [00:00:32] So maybe it's more than just a trend. Maybe it's a movement.

**Luba Kim-Reynolds** [00:00:43] Hello and welcome to this episode of the Freddie Mac Multifamily podcast. I'm Luba Kim-Reynolds.

**Corey Aber** [00:00:49] And I'm Corey Aber. Today on the show, we're going to continue the trend of digging into sustainability and resident-centered housing practices. And we're going to do so with one of our 2024 Impact Sponsors. We're joined today by Tina Tagliaferri of FCP. FCP acquires, operates and develops residential and commercial assets nationally, and Tina is an associate there who implements the company's sustainability and social responsibility platform as well as industry best practices and reporting. So, she's a member of the ULI Greenprint Center for Building Performance and on behalf of FCP, participates in the Multifamily Impact Council, a nonprofit membership organization dedicated to establishing a framework of impact principles and reporting guidelines for the U.S. multifamily industry. Tina, we're really glad to have you on the show today.

**Tina Tagliaferri** [00:01:37] I'm happy to be here.

**Corey Aber** [00:01:38] All right, so, Tina, you all at FCP have been focused on sustainability and resident-centered housing for some time. So, can you give us a little bit of background on the firm and your approach to this?

**Tina Tagliaferri** [00:01:49] So a little bit more background on FCP. We're a privately held real estate investment company that has invested in or financed more than \$12.9 billion in assets since we were founded in 1999. As was mentioned, we acquire, operate, and develop residential and commercial assets across the United States, and our portfolio today predominantly focuses on workforce housing. We're based outside of Washington, D.C. We've got about 85 team members and me, personally. So, I joined FCP in fall of 2020 to support the implementation of FCP's Sustainability and Social Responsibility platform, and I've been with our firm for about three and a half years working on those very initiatives.

A little bit of background on our approach. So, I would say our overall approach really stems from sort of three key places of focus: value creation, risk mitigation and just our overall commitment to being a responsible owner-operator. From the value creation side, you know, we really see these sustainability and social responsibility efforts as an ability to create value for all of our stakeholders through our investment approach that integrates these considerations with our corporate leadership. From the risk perspective, we view these factors as really just a forward-thinking strategy for analyzing risks and opportunities to build resilient investments for the future. And we use these considerations as a lens to proactively prepare our portfolio for any risks, with the goal of acquiring or financing properties that hold their value and appreciate over time. And then the last thing really is just, again, our commitment to being a responsible owner-operator. We have a national footprint. And because we are the owner-operator of predominantly residential multifamily real estate, we recognize our ability to impact the lives of our residents. Housing is a fundamental need, and we are positioned today to fill that need through high-quality apartments.

**Corey Aber** [00:03:43] All right. Well, thank you so much for that. You know, I'd like to dig into sort of two components of this. So one, you know how your strategy has a positive impact for tenants and the community. And then, then also initiatives that focus on the environmental impacts. And maybe let's start with the tenant impact aspect.

**Tina Tagliaferri** [00:03:59] Yeah. So from from the tenant perspective, you know, I think what we've been really focused on, on the over the past few years is resident services. By that, I mostly mean programs or initiatives that provide engagement opportunities for our residents beyond sort of your traditional offerings. And we really began implementing services back in 2018 with two on-site service centers that opened both with local nonprofit operators that were anchored by an after-school program. And, you know, really through those centers, that was how we really began to see the benefits to our residents and their well-being, and also to, you know, the overall experience at the property. And then 2020 happened, the pandemic happened. And I think that that really further demonstrated the need for service-centered programming and the potential impact these opportunities could have on the lives of our residents. And so today, we, we've really oriented our resident-service collaboration sort of around three different focal points. So financial education, health and wellness, and after-school programming.

**Luba Kim-Reynolds** [00:05:03] So Tina, resident services, sounds like they can come in various shapes, forms and sizes and is very necessary to help to ensure the program is a good fit for the community it serves. So how does FCP create consistency or alignment across these programs? And then maybe you can also speak to some key performance indicators [KPIs] to make this program successful.

**Tina Tagliaferri** [00:05:28] Yeah, absolutely. So, I think the — in speaking to your first question about how do you create consistency, sort of, how do you make that decision, right? Of what goes where? What's the best fit for each community? I think we have the benefit of, again, because we're predominantly in multifamily housing, that provides some consistency with we're working with similar types of assets across the board. And I think really from there, the decision making is a really collaborative, iterative process. Every property looks very different and so it's a collaboration between our asset management team, and their expertise, and then also the, you know, the insight from our property managers who are on the ground every day. FCP does not have property management in house, so we do really rely on the, again, expertise and insight from our property managers to let us know what's going on on the ground. And all of that goes into, I think, making the best decisions possible for what does this particular community need at this point in time? And do we have a current collaborator that may meet that need? Is there another group we maybe need to think about building a relationship with and working with? Really an ongoing collaborative process.

And some programs I would say are easier to make the decision on than others. Virtual programs are more straightforward to make decisions on given they are virtual. They don't require as much of a lift. They tend to be a little bit lower cost — not always the case, but given that they are, you know, in a virtual

environment, that's typically is what we've seen versus our on-site programming that does require a much more thoughtful decision making as those programs are a bigger lift. You need a physical space, you need a resident coordinator, that does require a lot more consideration.

And to your second question, in thinking about KPIs, you know, really today our our KPIs have predominantly been centered on utilization, because service providers who have different focal points provide their own unique set of metrics. What we've really found is, regardless of program, utilization has been a pretty standard baseline, easy to track, easy to sort of follow and easy to communicate. And so that's really been our starting point. And we've really focused on working with our different providers, working with our property managers to all continue to collaborate towards the success of the program.

**Corey Aber** [00:07:50] So it's interesting you talked about working with the different organizations and different collaborators. How do you think about that? Like is that you, FCP, who's finding these relationships and engaging the parties and figuring out what needs to be done on the properties, or is it the property management team that that you've brought on board who has that relationship?

**Tina Tagliaferri** [00:08:11] So I would say from, from my time at FCP, it's been predominantly FCP driven. I think we have in the past have taken recommendations from, you know, who our different property managers have worked with before, just names that they've heard in the industry. But as of today, it's definitely predominantly FCP driven through the relationships that we've built. Again, just different, you know, when you're at a conference and speaking to different folks who are, you know, asking those questions of who are other people working with, what positive experiences they may have had. So really, it's just through a lot of industry collaboration, asking the right questions, doing our own research. But yea, definitely predominantly FCP driven today.

**Corey Aber** [00:08:48] Fantastic to hear. And I think, you know, interesting being out in the industry, engaging with people, right. You're getting a lot of recommendations, and a lot of different people are thinking about this, too. And, that that kind of word-of-mouth thing seems to be growing a bit.

**Tina Tagliaferri** [00:09:02] Yeah, absolutely. I mean, I think that's one of the best ways to really pick up on who people are using, what successes and challenges, is just hearing from the experiences of other people who may have been working with a provider for longer, may have just had a different experience. That's, and being a part of groups — you know, you mentioned the Multifamily Impact Council — being a part of groups like that where it's just a really great collaboration space to learn from others has definitely been invaluable.

**Luba Kim-Reynolds** [00:09:28] So Tina, actually let's maybe dive in into one of the examples, because we would really love to know details. How the deal comes together? How do you put the services in place? So, if you can give us as much details as possible that would be much appreciated.

**Tina Tagliaferri** [00:09:46] The example I'll point to is a nonprofit organization in Atlanta that we collaborate with called Star-C, and their mission is to reduce transiency in apartment communities near high-need schools. And the backstory on that is we, you know, we launched our first on-site center with this organization back in 2018, was, you know, one of the first on-site centers that we ever launched. And that center is still active today, which is really great. And, you know, from the success of that program and from that provider, we decided to launch two more service centers at two separate additional properties in the metro-Atlanta area last year, which means we now have three centers with that, with Star-C in Atlanta, which is really great. And they've been a wonderful collaborator, and we've really enjoyed getting to build out our centers with them.

**Luba Kim-Reynolds** [00:10:33] So, Tina, how do you find partners to get this deal done? I guess starting with the service provider, is that the word of the mouth? Or there's a place where you can actually go and find the partners to do that type of work? If someone is thinking about it but just don't know where to start.

**Tina Tagliaferri** [00:10:55] I would say the best place to start if you were looking for a resident-service provider is through word of mouth. It's one of the best ways to understand who's already working in an area you were looking to bring in services. For more, for more local operators, we've mainly been connected with providers through our research and, again, through word of mouth. Two good online places to start with that I've leveraged in my own work before are CORES, or the Certified Organization for Resident Engagement and Services, and the Multifamily Impact Council (MIC). The CORES website has a publicly available list of organizations who meet their set of criteria with their commitment to resident services and it's really easy to search for organizations who operate within your state. And then the other example MIC, they have a publicly available resource library with a variety of resources on effective resident engagement tools and best practices.

**Corey Aber** [00:11:46] So Tina, when you work with these organizations, obviously you want to see the the impact happening at the property, and what are some of the things that you look for? So maybe like with the case in Atlanta that you talked about, like, how do you know it's working? How do you keep adjusting things as you go?

**Tina Tagliaferri** [00:12:01] There are a few ways we receive input and feedback on how a program is doing. The first is through communication and just the relationship with the provider themselves. Having check-in meetings throughout the year to discuss how a program or service is going, discussing what the successes and/or challenges have been, and really brainstorming together opportunities for improvement is impactful — particularly for the on-site programs. The on-the-ground coordinator is also able to take in feedback directly from the residents themselves and bring that feedback to those conversations. Our property management teams are also on the ground everyday working directly with residents and we're able to learn from them as well any feedback residents have given them in addition to the property manager's own recommendations for the community based on their expertise.

I'd say the other component is through leaning on the KPIs I spoke about earlier. Those, those KPIs coupled with the qualitative feedback is really our starting point for measuring progress. And together they bring a really good overview of where the program is at, so us, the provider and the property manager can start collaborating on how to make any adjustments if needed. So overall, it's a highly collaborative process.

From there, the next step we've been working on and thinking about is how do you take your utilization and attendance KPIs and build on that to create return on investment-oriented outcomes. There's a lot of really great research out there as to how implementing resident services can impact a property and the residents themselves. And now that we have been coordinating services for several years, we're beginning to think through how can we leverage our expertise and experience to build a first-hand outcomes set.

**Luba Kim-Reynolds** [00:13:36] Well Tina, I would love to compliment you and really encourage to keep on going with this because that type of data and the outcomes is going to be so critical, important for a lot of people in the market. And for example, for us, oftentimes some of those more social impact projects, we put them in Social Bonds. And the number one question investors always ask, like what's the outcomes, what's the impact? So, if you guys can kind of tie it all together and for us to communicate it out to the world, I think it's going to be just such a tremendous accomplishment.

But maybe the other side, let's say, what if the project you don't feel like as impactful as it should be? Have you ever come across something like that? How would you handle it? If you feel like maybe the service provider is not doing quite their job or there's some other challenges maybe that came up. Anything you can kind of share with us?

**Tina Tagliaferri** [00:14:36] There are always challenges. It's not always smooth sailing, you know, definitely in the post pandemic as I think it was an experience really across the market. Hiring for coordinators was very challenging. And so, I think it's really about when — at least for us, when we've run into challenges, it's always been about what is, A, what is the root of the problem? Is it something that we can fix? Is it something that we need to work with the provider to fix? And then I think the next question for us really that comes up is, is it a communication? Is it something that we can communicate better in terms of? Is there more relationship building that we need to do? Is there more communication we can do with our residents? So, I think for us it's really about, if there is a challenge that we've run into, taking the issue, dissecting what may, what's the root of that problem. And then again, really working — I keep repeating collaboration, but that really is the truth. The truth of the matter with these, with these initiatives is in really working together with all of the main players involved. You know, with us, the provider, with the property manager, to find a way forward that works for everybody and find a way forward that makes the most sense, again, predominantly for the residents, since that's, you know, who we ultimately want all of this, you know, that's the end goal. It's, we want all of this effort to ultimately be a benefit to the residents. And so really it's about just making those adjust — making any adjustments as necessary as you go. And doing your best to think creatively if you run into any challenges.

**Corey Aber** [00:16:07] And so what are some of the things you're hearing from residents as you've been working in this space for for several years now?

**Tina Tagliaferri** [00:16:14] I'd say overall the feedback has been largely positive, which is great. That's definitely great to hear that folks are, you know, on board with, you know, what we've been looking to implement. And I think that's just, you know, a product of our approach to this, you know, to these initiatives and that we aim to be very thoughtful when we're considering what do we put where. You know, we've received predominantly good feedback from our, you know, our coordinators, from our property managers, from the reviews our residents have left us, which has been great.

**Corey Aber** [00:16:44] That's that's really fantastic. The compliment to a lot of the resident services work is focus on environmental impact and I know that that's also important to you all. Tell us how you think about that.

**Tina Tagliaferri** [00:16:56] For our environmental-oriented approach, we view it as an opportunity to bring together our financial and sustainability objectives with the goals of creating value at our assets while also reducing an asset's impact on the environment.

I'll focus on sort of the three key pieces of the asset-level approach. The first is really repositioning. Repositioning, for those who are not aware, is basically preserving and infusing new capital and older properties to retrofit them instead of tearing down and developing new. And repositioning is a part of our core strategy. And that is inherently sustainable as it requires less materials and has an overall lower carbon footprint than tearing down and building new. So that's, you know, again, a core, a core piece of our platform. And then, you know, another piece of it is really certification. So green-building certifications, health and wellness certifications. We evaluate all of our assets for for certification. And we pursue them where feasible because certifications promote healthier and more efficient buildings.

And then sort of the last — the third component I'll touch on is really efficiency measures. So, all of our assets are evaluated for energy- and water-savings opportunities, such as LED lighting upgrades, low-flow fixtures, ENERGYSTAR® appliances, so on from there. And, you know, even though that may seem rather straightforward, there's a large opportunity there for us, mostly, again, because our buildings are older and we can really make a significant impact on energy and water usage. So, the — I think exactly to the point that you, you know, made with the question, the environmental component of our asset-level strategy is, I would say, equally as important when we're thinking about what is our sustainability and social responsibility platform look like as a whole.

**Luba Kim-Reynolds** [00:18:42] Repositioning. I think this is something that we also here at Freddie [Mac] really supportive and absolutely something we're focusing on when we think about green. What about renewable energy? Have you guys installed solar panels anywhere? How you think about this part?

**Tina Tagliaferri** [00:19:01] Yeah, that's a great question. So renewable has definitely been a more challenging area for us mostly because of two main reasons. Our assets are predominantly located in Sun Belt states — so Florida, Georgia, Texas, the Carolinas, so on from there. And renewable energy has been a little bit more challenging to procure in those locations. And then the other piece of it is because our assets are older, you know, 70s, 70s, 80s vintage, garden-style apartments that can be really challenging, particularly when thinking about solar, because the roof specs have to be correct. There has to be enough square footage on the roof in general to build a big enough system to support if you're looking to support the energy usage at the property. So, we've had some, we've had some challenges there. We always review all of our assets when they're going through the diligence and acquisition process. We're always looking for opportunities to implement renewables. We were able to last year actually finalize on, we have a community solar project at one of our properties in Prince George's County, Maryland, which is really exciting. That was the first project that we've done across our portfolio. And we're, you know, definitely continuing to look for more opportunities like that across our portfolio.

**Corey Aber** [00:20:09] Oh, that's really exciting. Tell us more about the community solar. Tell us a little bit how that worked.

**Tina Tagliaferri** [00:20:13] The project is a 2.1 megawatt array system completed in partnership with Standard Solar. The system is comprised of rooftop and corporal rays that are connected back to the local grid and the energy generated from that array will allow it to offset the demand of more than 300 homes. So, we're really excited about that project.

**Luba Kim-Reynolds** [00:20:31] Another thing that obviously on people's mind right now is climate risk. And, one, on one hand, all the environmental improvements they're really great, but it feels like you really have to also protect your property when it comes to physical resiliency against some climate risk events. So how do you guys think about it? Maybe beyond insurance, which obviously the first thing is insurance. But any kind of retrofits, any work you doing that will help to protect your properties against climate risk?

**Tina Tagliaferri** [00:21:09] For us, really, the the climate risk analysis really starts during the due diligence phase. So, we are looking for particularly physical risk — transition risk is also something we look at, but definitely, you know, for the purposes of understanding about what CapEx needs to be done, any retrofits, physical risk is is definitely the more important factor in that, in that conversation. But we, you know, we're really looking for physical, physical climate risk, like as I mentioned, during that due diligence phase where we are looking at reports such as, you know, the property condition report, the environmental site assessment. We're looking at flood zone information from FEMA. We have a third-party data provider that allows us to essentially run any address and understand what the climate risk looks like across several different physical risk factors such as flooding, hurricanes, etc., from there. And so we basically take in all of that information and use that as a component of the overall decision making process when thinking about, you know, is this an asset we want to move forward with? And so that's really, you know, I think for us that's really where the climate risk consideration starts is during that that diligence process.

And then from, from there, if there is a risk that's been identified that, you know, is maybe above what we are seeing with other properties, that's flagged by data provider, one of these reports from, you know, from any of these sources that we're pulling in all this information from. Typically, then that'll warrant further diligence. Maybe that requires bringing in some sort of specialist. Maybe that requires commissioning another report. It really depends on what the risk is and where are the asset is located. But we really do, I would say, have a very comprehensive approach to — not even just climate risk, but

risk in general. But specifically, since we're talking about climate risk, if a risk comes up that is a red flag, we will, we will always do further diligence on it to understand what we may need to do to remedy that risk.

**Corey Aber** [00:22:59] It's great. Are there some, some things that, you know, from your work that have stood out as, you know, best practices for those, those remedies? Some things maybe do more consistently than others?

**Tina Tagliaferri** [00:23:10] Predominantly today, due to the location of most of our assets, a main risk that we've seen is definitely flooding and hurricane. Right, I mentioned most of our properties are sort of in that Sun Belt region. That's definitely been a risk that's come up before. And so really for us that manifests itself in terms of stormwater mitigation and stormwater management. Doing, you know, site work at the property to make sure that those risks are properly mitigated.

**Luba Kim-Reynolds** [00:23:35] Tina, thank you so much for all this insightful information. I think very last question that I would love to ask you is: What advice would you have to owner-operator who is just getting started? And maybe that's bringing it back to resident services, kind of like, I know you describe that wonderful platform when you look for things, but general advice like what would you recommend?

**Tina Tagliaferri** [00:24:03] One of the key things I would recommend, is really understanding your resident base. You know, knowing knowing who your residents are will help you, I think, really understand, you know, A, what their challenges and what their needs may be. But then I think also really help you tailor your relationship building to and tailor if we're looking if you're looking to implement services and looking to build those collaborations, knowing what the the challenges and needs of your residents are will directly inform that approach.

Which I think leads me to sort of my my other recommendation would be identifying your anchor services up front, I think is really impactful. And this, you know, again, can look very different depending on your organization, where your properties are located. Again, what your, your residents' challenges are, what their needs may be. Bring it back to when we were starting out implementing specifically the on-site resident services, we, you know, we decided that after-school programming would be what we would anchor to, with ancillary programming really provided based off of the needs of the community and the recommendations from our, our, you know, our team internally and then also our property managers. This doesn't mean that, again, we don't implement services without having an after-school program, after-school program, but it just made the most sense for us and made, made building relationships a little bit more straightforward because we were able to start with, we have this one, starting with our, you know, our initial relationships, building that relationship, who else is sort of in the same space? It made, I would say, made relationship building from there a little bit easier.

And then I would say the last, you know, my last main piece of feedback would be — particularly for on-site services, the provider and property manager relationship is is very critical for the success of the program and definitely worth encouraging and nurturing that relationship as well. And this may be a little bit of a unique case for us since FCP doesn't have in, in-house property management, but because of that, we rely on our property teams to be a first line of assistance for our on-site programs. And, when that relationship is positive, it, you know, it allows all parties to thrive. So, I would definitely say encouraging investment in that relationship from both ends is definitely important.

**Corey Aber** [00:26:18] Tina, that's a fantastic set of advice for people. You've been so thoughtful. You and FCP have been really thoughtful about the work that you're doing, and really thoughtful in providing a lot of insight to us today. So really grateful to have you on the show and, and share all of that with us.

**Tina Tagliaferri** [00:26:33] Thank you both for having me. It's been great.

**Corey Aber** [00:26:35] The Freddie Mac Multifamily podcast is produced and supported by a team of our Freddie Mac colleagues, including our production lead, Jenny Nguyen, and our audio producer, Jackson Carmichael. To listen to more and keep up with the latest episodes, be sure to subscribe wherever you get your podcasts and check out our website [mf.freddiemac.com/research](https://mf.freddiemac.com/research) for the full catalog of podcast episodes and original Freddie Mac research.