

# MEMO OF MEMBERS

The Weekly Newsletter of the National Low Income Housing Coalition

Volume 9, Issue No. 32 • August 13, 2004

## HUD

### Proposed FMRs a Work in Progress: Surveys to Continue

A week after the proposed 2005 fair market rents (FMRs) were released, it has become clear that almost no one, including HUD, expects them to stay the same in the coming months.

As reported last week (see *Memo*, August 6), the FMRs as released vary in unpredictable ways from the current levels. The preamble that HUD released with the data acknowledges as much, indicating that “a number of [random digit dialing surveys] will be conducted in the summer of 2004 for metropolitan areas with unusual changes to ensure that their FY05 FMRs are accurate.” NLIHC has since learned these additional surveys may encompass as many as 70 metropolitan areas, including some of the largest such as Washington, DC, and Boston.

Some organizations have planned to undertake their own random digit dialing surveys to address concerns with the proposed 2005 FMRs. Before doing so, however, advocates should ascertain from HUD whether or not their area is included in this list of HUD sponsored surveys. However, it is unclear how and when the results of these surveys will be used to update and improve the proposed FMRs.

HUD is also likely to make changes based on comments received during the comment period that is now underway. HUD will accept comments for 60 days beyond the 30-day period announced in the Federal Register. However, NLIHC advises those who will be commenting on the FMRs to submit initial comments within the first 30 days. Additional or more detailed comments could then be submitted in the additional 60-day period. This extension likely means it will be at least three months until FMRs appear that in any way can be considered final.

(See **HUD** on p. 2)

## Housing in the Elections

### Research on Mobilizing Voters

Donald P. Green and Alan S. Gerber have written *Get Out the Vote!: How to Increase Voter Turnout* (Brooking Institution Press, 2004), a book that can help affordable housing providers and advocates manage and create effective get-out-the-vote (GOTV) campaigns in both this and future elections.

Empirical data in the world of electoral politics are rare, and so the researchers set out to create some. They used randomized experimental design to study municipal (1999 and 2001), state (1999), and federal (1998, 2000, and 2002) contests in selected cities to gauge the effectiveness of face-to-face canvassing, leafleting, direct mail, phone calls, and email as they were used during the GOTV portion of both partisan and nonpartisan campaigns.

(See **Housing...Elections** on p. 4)

### Memo on Hiatus

Due to the Congressional recess, *Memo* will not be published next week. The August 27th issue will be the next.

## POINT OF VIEW

by Sheila Crowley, President

The announcement of HUD's Homewise Program opens with: “President Bush wants every family to have the opportunity to own a home.” The President is talking a lot about his idea of America as an “ownership society” these days, and expanding homeownership is part of his plan.

Here's how Homewise works. HUD is “donating” 10 FHA foreclosed houses to be given out by lottery. All of the houses need “substantial renovation.” Fannie and Freddie have each given \$100,000 for improvements that will be done with in-kind labor supplied by the Home Builders.

To be eligible to enter, you must be a first-time buyer, be low income (80% of your area median income or less), participate in an approved home buyer education program, and, in two cities, be a veteran with a service-related disability incurred since 9/11. The winners will get to buy the donated homes at half their appraised value, so an additional qualification is that you must have enough income to pay the mortgage. You must agree to live in the house as your principal residence for five years. Finally, you have to be willing to be part of the publicity when the awards are made. The lotteries will be held in September.

Some people have scoffed at the sincerity of a federal housing program that will help just 10 families. It does seem pretty silly at first glance, especially since HUD

(See **Point of View** on p. 6)



NATIONAL LOW INCOME  
HOUSING COALITION

## HUD *(cont'd from p. 1)*

In assessing whether the proposed FMRs fit current market conditions in a given jurisdiction, advocates and PHAs should assess variations by bedroom size, the appropriateness of the current FMR areas (particularly the use of so-called “metropolitan divisions” in larger metropolitan areas), and the abandonment of state minimum rents in favor of more locally determined FMRs in rural areas.

NLIHC will continue to provide updates in *Memo* and online based on our own analysis as well as reports from HUD and advocates in the field. Advocates are encouraged to contact NLIHC’s research department ([danilo@nlihc.org](mailto:danilo@nlihc.org) or [mark@nlihc.org](mailto:mark@nlihc.org)) with questions about differences between their community’s current and proposed FMRs.

### HUD Budget Chart

NLIHC’s HUD budget chart has been updated to reflect recent House committee action on the FY05 VA-HUD appropriations bill. The chart is available at [www.nlihc.org](http://www.nlihc.org).

## In Washington

### Mayors Include Rental Housing in Agenda

The U.S. Conference of Mayors (USCM) released on August 11 the Mayors’ 2004 Metro Agenda, which outlines priorities for America’s cities. The agenda, according to a USCM press release, “focuses on key issues that impact the strength of America’s cities.”

Within the agenda’s “Smart Investment: New Infrastructure for a New Economy” category, the mayors urge a national focus on specific affordable housing programs. “Support a comprehensive agenda to promote homeownership and the construction of affordable rental housing,” the agenda states. “Continue to fully support the Community Development Block Grant and other housing programs, fully fund every section 8 voucher currently in use across the country, and continue full funding of section 8 vouchers currently allocated.”

USCM also urges the establishment of a new Brownfields Redevelopment Action Grant investment program that can be used by cities to leverage private investment in brownfields and help preserve farmland and open spaces.

## SPECIAL REPORT

### FY04 VOUCHER FUNDING CRISIS WEEK 17

#### Montana Senator Writes HUD

Senator Conrad Burns (R-MT), a member of the Senate VA-HUD Appropriations Subcommittee, is the most recent Member of Congress to weigh in on the Administration’s recent and proposed changes to the funding of the housing voucher program. Senator Burns told HUD Secretary Alphonso Jackson in an August 9 letter that he is “deeply concerned about the impact [HUD’s FY04 voucher funding] rules have on the ability of PHAs to provide affordable housing in communities which need it the most.” The letter sites “serious issues” for PHAs resulting from both the April 22 FY04 notice on Section 8 voucher funding and HUD’s proposed Flexible Voucher program.

Senator Burns, noting that the FY04 HUD appropriations bill seeks GAO reports on an audit of the Housing Certificate Fund account, requests that any further changes to the voucher program from HUD come after the GAO reports are issued and thorough analyses of the Flexible Voucher Program and FY04 funding changes are completed.

“While I understand the need for eliminating administrative waste as well as modernization of the program, I remain cautious about the true impact these changes will have on Montanans who benefit from it,” Senator Burns wrote. His letter comes after recent news articles have reported that “nearly all” of Montana’s housing authorities are affected by the FY04 funding cuts, and that as many as 400 families could lose their assistance in October.

## Capitol Hill

### Bills At a Glance

Current information on legislation being tracked by NLIHC is available through NLIHC’s legislative action center, at <http://capwiz.com/nlihc/issues/bills/>.

### Congressional Recess

Both the House and Senate have adjourned for the August recess and will return September 7. Advocates will use the time that Members of Congress are in their home districts to raise key housing issues with them.

## Update from the Field

### MA Advocates Pleased with Legislative Outcomes

The formal legislative session in Massachusetts ended on July 31 with positive outcomes on several legislative fronts. Citizens' Housing and Planning Association (CHAPA) successfully advocated for tax credits and bonding authority, and prevented detrimental changes to Chapter 40B, the state's "anti-snob" zoning law.

On August 10, Governor Mitt Romney (R) signed H. 4911, legislation that extends the state low income housing tax credit and provides an additional \$200 million in bonding for three existing programs that require additional capitalization, and for one new program. The bond bill and state low income housing tax credit were CHAPA's top legislative priorities. Under the legislation, the low income housing tax credit has been extended for five years. The \$200 million in bonding authority applies to three housing production programs that serve people with disabilities and special needs, as well as the Home Modification Loan Program, which gives low and no interest loans to people with disabilities so they can make access modifications and remain in their homes.

Unfortunately, the day after the bond bill was signed, the administration released its FY05 capital budget, and, unless changes are made, two of the programs in the bill will not receive funding this year. The Department of Housing and Community Development programs that were zeroed out include the newly created Community-Based Housing Program and the Home Modification Loan Program. Overall, the Governor provided DCHD with \$123 million in bonding authority for the various housing and community development programs it funds, but this amount is insufficient to meet the state's housing needs. For example, the state public housing modernization program would receive \$50.4 million for rehabilitation and repairs, despite more than \$300 million in current, unmet capital needs.

The Governor also signed a transportation bond bill and an anti-predatory lending bill on August 10. The transportation bond bill includes \$30 million in bonds for transit-oriented development over five years, which the Governor has committed to issuing. ACORN took the lead on the anti-predatory lending legislation, which was supported by CHAPA and other housing organizations.

Advocates had been worried about the weakening of  
*(Continued next column)*

## National Housing Trust Fund

### Los Angeles City Council and 100 other Organizations Join Campaign

The National Housing Trust Fund endorser list grew by more than 100 this week, thanks to the work of Jan Breidenbach, director of the Southern California Association of Non-Profit Housing (SCANPH) and NLIHC board member, and SCANPH staff Rachel Brewer and Iris Hernandez. These endorsements push the number of endorsers in California to more than 800 and the overall number to more than 5,200. Significantly, the Los Angeles City Council is among the new endorsers.

SCANPH staff will discuss how they were able to meet such an aggressive goal, and how other organizations can replicate their success, during the September NHTF endorser call. The call is scheduled for Thursday, September 2, at 3 pm ET. Details on the call will be sent to NHTF endorsers, or advocates can contact [matt@nlihc.org](mailto:matt@nlihc.org).

In other NHTF news, the Campaign is going on the road, traveling to Colorado and New Mexico the week of August 23. In Colorado, campaign staff will join advocates in celebrating the completion of the People's Walk for Housing Justice. In New Mexico, staff will participate in Governor's Affordable Housing Summit. In both states, the Campaign and local advocates will meet with Congressional staff and members of the press to raise the issue of the National Housing Trust Fund. Contact Matt at [matt@nlihc.org](mailto:matt@nlihc.org) for details.

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*(Continued from previous column)*

Chapter 40B (see *Memo*, May 21). While CHAPA supported compromise legislation based on recommendations that had emerged from a task force appointed by the Governor, CHAPA had grave concerns about the effects of amendments to that legislation that had passed the House of Representatives. Ultimately, the Legislature was unable to reach consensus, and the legislation failed to move forward.

In reflecting on the legislative session and the Governor's bonding authority, CHAPA's Assistant Director, Chris Norris called it successful. "We're pleased that the bond bill passed and was signed," he said. "We're hopeful that we'll be able to encourage the Governor to increase the amount of bond cap given DHCD to more accurately reflect the needs that exist."

For more information: Chris Norris, Citizens Housing and Planning Association, 617-742-0820.

## Housing...Elections *(cont'd from p. 1)*

The research focuses on the success of campaigns in motivating potential voters to go to the polls on Election Day who otherwise would not have. Therefore, when the authors speak of the effectiveness of GOTV techniques, they are thinking in terms of the *increase* in voter turnout. Further, for each form of mobilization, the authors answer two questions beyond its effectiveness: What steps are needed to put the communication technique into place, and how many votes will be produced for each dollar spent? In addition, the authors discuss why some forms of communication are more effective than others.

**Canvassing.** Canvassing takes the form of a variety of activities all involving direct contact with citizens. A successful canvassing campaign requires three things: planning, motivated canvassers, and access to large numbers of residences. This makes canvassing among the more labor-intensive types of GOTV communication, and explains why many campaigns turn away from the practice.

However, canvassing is effective. The report finds that a face-to-face appeal made to voters by a canvasser can increase voter turnout substantially. For every 14 appeals, one additional voter—who would not have voted without the contact—is generated. “Face-to-face interaction makes politics come to life and helps voters to establish a personal connection with the electoral process,” the authors write. “Many voters need just a nudge to motivate them to vote. A personal invitation sometimes makes all the difference.”

GOTV campaigns can improve this ratio even further by implementing a few low- to no-cost tactics. First, canvassers should ask the potential voter whether he or she can be counted on to vote. Second, canvassers should distribute information that tells the voter when and where to vote. The authors also find that the success rate increases substantially if the potential voter knows the canvasser, a finding that suggests peer-to-peer or advocate-to-client mobilization in affordable housing communities might be especially effective.

**Leafleting.** Leafleting is much like canvassing, but falls short in one important area: there is no face-to-face interaction. The volunteers and/or staff still must canvass the neighborhood, but instead of talking to residents, they simply leave campaign literature at the door. While the authors found that leafleting is much faster, easier and considerably less demanding than door-to-door canvassing, placing campaign literature at one’s doorstep is significantly less effective than face-to-face conversation with a canvasser. Leafleting can generate one additional voter for every 200 contacts.

**Direct Mail.** Sending direct mail allows campaigns of any size to contact a large number of voters. While creating very little administrative burden, the other costs involved with direct mail such as printing, postage and preparation are fairly high. The message of the direct mail piece is vital. “[O]nly strictly nonpartisan mail reliably increases voter turnout, and even then the effects tend to be modest.” The authors find, like leafleting, direct, nonpartisan GOTV mail will provide an average of one additional vote for every 200 people who receive it.

**Phone banks.** Phone banks that generate unsolicited calls by volunteers or paid campaign staff, or prerecorded messages, are reportedly strongly disliked by the public. However, they can be among the most effective strategies. The authors’ findings suggest that “phone banks work to the extent that they establish an authentic personal connection with voters.” The research reveals that a well-coached commercial phone bank and a well-coached volunteer phone bank are the most effective of their type, reaching one additional voter with every 30 and 35 contacts, respectively. A standard commercial phone bank will produce just one vote per 400 contacts, while prerecorded phone calls have virtually no effect.

The researchers suggest asking two questions before deciding whether or not to establish a volunteer GOTV phone bank: “Can you recruit capable volunteers? Do you have time and energy to devote to overseeing a volunteer phone bank.” If the answers are yes, the issue becomes whether phone banks will be more cost-effective than canvassing and other GOTV tactics.

**Email.** With the increase in the number of users, email is quickly becoming an attractive form of communication for GOTV campaigns. Senders can reach large numbers of people instantly at a very low per-unit cost, recipients can forward messages to those who did not receive it, and the content of the email is flexible (81). On the other hand, messages are easily ignored.

It is also difficult to measure the effectiveness of email communication because emails are hard to track. Knowing whether a recipient read an email and who might have received the email from someone else is often impossible. However, the researchers were able to develop one GOTV effort in which they could track email messages. While those results suggest that email has negligible effects both on voter registration and turnout, the authors suggest that if campaigns were to experiment with a variety of appeals until it found one that worked reliably, the effectiveness could rise considerably.

*(See Housing...Elections on p. 5)*

## Resources

### Lower Income Households in Cities

Lower income households are disproportionately represented in the nation's 100 largest cities, concludes a new report by the Brookings Institution. In addition, between 1979 and 1999, the proportion of high income households declined in all but 21 of these cities. The report found that cities' income distributions fell into six categories, with only 13 out of the 100 exhibiting a balanced income distribution that reflects the national average.

"The Shape of the Curve: Household Income Distributions in U.S. Cities, 1979-1999" uses data on income from the decennial census to determine cutoff incomes for each quintile nationally. The report then applies these cutoff points – adjusted, using an index based on HUD's 1979 and 1999 Fair Market Rents, for variations in the cost of living among different cities – to the income distributions of the nation's 100 largest cities. In this way, the report calculates the percent of the city's population that would fall into nationally measured low, lower middle, middle, upper middle, and high income quintiles.

On average, the cities' income distribution is skewed toward the bottom, with 24.9% of households in the low income category, and an increasingly smaller percent in each category above that. However, individual cities vary from this pattern – eight cities, such as San Jose, CA, and Scottsdale, AZ, have income distributions skewed in the opposite direction, while seven "divided" cities, including Los Angeles, San Francisco, and Washington, DC, have more residents in both the top and bottom categories than in the middle. The report classifies 29 cities, such as Houston, Chicago, New York, and Boston, as "low-moderate," with a bottom-skewed distribution similar to that described above. An additional 14 cities, including Detroit, Baltimore, and Philadelphia, are "stressed" – exhibiting a more extreme version of that same pattern. 29 cities, such as Des Moines; Portland, OR; and Minneapolis, are "middle class," with more residents in the middle income groups than at either end. Finally, Las Vegas, Seattle, Indianapolis, and 10 other cities are close enough to the national distribution to fall into the "balanced" category.

The report also provides figures from 1979 for a historical comparison, noting that the share of middle income households declined in Northeastern and very large cities, but grew in many midwestern cities at the same time. Meanwhile, the number of low income households grew by 21% – faster than the 18% growth in the number of total households in these cities. Finally, the report notes that the income distribution in these 100 cities' suburbs is the inverse of that of the cities themselves, with larger shares of households occupying the top income quintiles.

## Housing...Elections *(cont'd from p. 4)*

**Summary of Results.** Based on their experimental results, the researchers point to three common practices employed by GOTV campaigns that they found to be unsuccessful. First, a campaign cannot be successful if it merely reminds voters that Election Day is near. Second, GOTV should not be about just engaging the attention of voters. And third, supplying voters with nothing more than information about the candidates will not increase their chances of going to the polls on Election Day. On the other hand, the researchers offer two hypotheses for success: The campaign must make voters feel wanted at the polls on Election Day, and it should build on the voter's preexisting motivation to vote.

The authors also suggest that effectiveness be looked at in two ways. First, a good GOTV campaign will place emphasis on both quantity and quality of their communication with potential voters. Second, a good GOTV campaign should realize that voting is a habit-forming activity and evaluate the cost-effectiveness of their communication in that light. "Studies show that for every 100 voters mobilized in a given election, an additional 33 will participate in the following election." Finally, the authors suggest that a campaign should choose its GOTV techniques a campaign based on factors including the campaign's resources, goals, and political situation.

*Get Out the Vote!* can be ordered from <http://bookstore.brookings.edu/>.

## Fact of the Week

### Cities with Largest Shares of Households in Lowest Income Group

City	Share of households in lowest income category
1. Miami, FL	42.6%
2. Newark, NJ	41.0%
3. Buffalo, NY	37.0%
4. Cleveland, OH	36.4%
5. Rochester, NY	35.3%
6. New Orleans, LA	34.6%
7. Philadelphia, PA	33.7%
8. Birmingham, AL	33.4%
9. Detroit, MI	33.1%
10. St. Louis, MO	32.9%
Average for 100 largest cities	24.9%
National average	20.0%

Source: Alan Berube and Thacher Tiffany, "The Shape of the Curve: Household Income Distributions in U.S. Cities, 1979-1999." The Brookings Institution, 2004.

## Point of View *(cont'd from p. 1)*

has 27,000 properties currently in its inventory. However, to give HUD the benefit of the doubt, Homewise could be a sincere attempt to get more low income people to participate in home buyer education and to consider home ownership, certainly a useful activity.

But I am afraid that upon closer examination, Homewise is just about politics. Eight of the 10 houses are in battleground states in the 2004 Presidential election (OH, MN, PA, WA, MI, FL, and two in MO). The other two houses are in Georgia and Illinois, where there are high-profile Senate races. The photo opportunities in front of these newly spruced up houses with beaming low income lucky winners (who are also recently disabled vets in Columbus, OH, and Seattle, WA) are ready made for a President who is running for re-election.

The transparency is stunning. Maybe the people with whom President Bush wants to have his picture taken can see through the hype. HUD has just extended the deadline for applications, indicating that people are not clamoring to enter the lottery. Go to [www.hud.gov/offices/hsg/sfh/nsc/homewise.cfm](http://www.hud.gov/offices/hsg/sfh/nsc/homewise.cfm) and see your tax dollars at work.

### Tell Your Friends...

NLIHC membership is the best way to stay informed about affordable housing issues, keep in touch with advocates around the country, and support NLIHC's work. Information is available at [www.nlihc.org](http://www.nlihc.org).

## NLIHC News

### NLIHC Seeks Policy Analyst

NLIHC seeks staff member to track, analyze, and advocate on federal legislative and regulatory issues related to NLIHC mission. Reports to Deputy Director. Qualifications include highly developed communication and policy analysis skills, knowledge of federal housing policy, and commitment to housing justice. Direct experience with the legislative process a plus. Masters' preferred. Send cover letter and resume to Deputy Director, NLIHC, 1012 14<sup>th</sup> St. NW, Suite 610, Washington, DC 20005. Applications accepted until position is filled. EE0/AA.

### NLIHC Seeks Interns

NLIHC is seeking legislative, outreach and research interns for the fall semester who are passionate about social justice issues and who have excellent writing and interpersonal skills. Send a resume and cover letter to:

Internship Coordinator, NLIHC  
1012 14th Street NW, Suite 610, Washington DC 20005  
or to [info@nlihc.org](mailto:info@nlihc.org). Questions? Call 202-662-1530 x228.

### Save the Date! NLIHC Annual Conference

NLIHC's 2005 Annual Housing Policy Conference and Lobby Day will be held Monday and Tuesday, May 2 and 3, at the Capital Hilton in Washington, DC. The Leadership Reception will be held the evening of May 3. Mark your calendar and plan to join us!

### Remember NLIHC During the Combined Federal Campaign

Please keep NLIHC in mind during the 2004 Combined Federal Campaign, which will begin soon. Our CFC number is 0828.



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**About NLIHC:** Established in 1974, the National Low Income Housing Coalition is dedicated solely to ending America's affordable housing crisis. NLIHC educates, organizes, and advocates to ensure decent, affordable housing within healthy neighborhoods for everyone. NLIHC provides up-to-date information, formulates policy, and educates the public on housing needs and the strategies for solutions.