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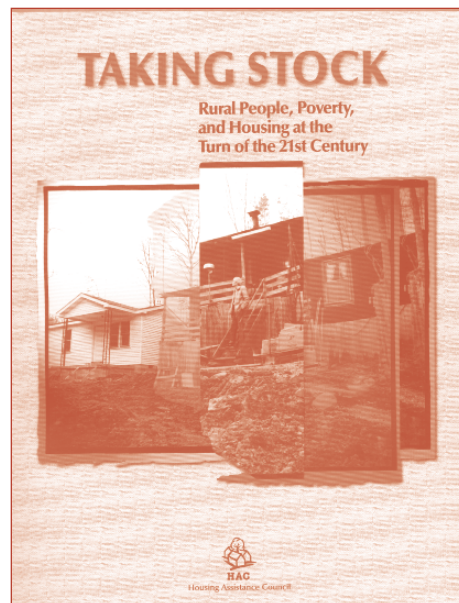
Rural Communities Still Plagued by Pervasive Poverty and Substandard Housing Conditions

One-quarter of the United States' rural households pay more than 30 percent of their monthly income for housing costs, and 189 of the 200 poorest counties in the nation are rural. A recently published report, "Taking Stock: Rural People, Poverty, and Housing at the Turn of the 21st Century" provides this information and more as part of an overview of rural residents, their economic condition, and their homes.

The publication is the third in a series of decennial reports by the Housing Assistance Council (HAC), with support from HUD's Office of Policy Development and Research. This report uses data from the 2000 Census to analyze living conditions in rural areas. Case studies of regions and groups that have experienced persistent economic hardship illustrate in detail the variety of challenges faced by these communities and ways that members have worked to address these issues.

To provide a holistic view of America's rural housing, the publication attempts to "take stock" of the primary social and economic factors that impact rural housing conditions, namely:

- Demographic characteristics of the people living in rural areas.



- Economic trends affecting rural communities.
- Characteristics and conditions of the United States' rural housing stock.

The national analysis provides an inventory of key national trends and issues affecting America's rural living conditions. For example, a map of the United States illustrates persistent poverty in rural counties by highlighting

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Analysis of State Qualified Allocation Plans Shows Trends in LIHTC Awards

When making Low Income Housing Tax Credit (LIHTC) awards to developers, 88% of states gave preferences for projects proposing to provide housing for elderly residents, according to "Analysis of State Qualified Allocation Plans for the Low Income Housing Tax Credit Program," a

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Effective Water Conservation Strategies Help Apartment Owners Save Money and Preserve Resources

Water represents a significant cost in operating multifamily housing since water use fees are typically included in rental rates. Residents are free to consume as much as they wish without additional charges. In addition to the usage issue, costs are likely to increase as groundwater and surface water reserves dwindle, energy costs rise, and treatment requirements become more stringent.

While it may be difficult to persuade tenants to conserve water, physical modifications can be made to decrease resident consumption. To help multifamily property owners, property managers, and property contractors to implement water conservation measures, HUD and the Partnership for Advancing Technology in Housing (PATH) published two guides, "Overview of Retrofit Strategies: A Guide for Apartment Owners and Managers" and "Retrofitting Apartment Buildings to Conserve Water: A Guide for Manager's Engineers, and Contractors."

Lowering water use in existing multifamily properties presents special challenges. Extensive renovation, which could include many conservation measures, may not be economically viable for

some properties. Retrofit strategies, on the other hand, are less invasive and may be better suited.

The first guide, "Overview of Retrofit Strategies: A Guide for Apartment Owners and Managers," explains water conservation techniques in layman's terms that property managers may use. Approaches require modest investment and minimal construction. The guide provides an overview of how to select a retrofit strategy and the costs and benefits of various water conservation measures. The combination of user-friendly language and cost/benefit analyses allows owners and managers to select the most appropriate conservation measures for their particular situations.

"Retrofitting Apartment Buildings to Conserve Water: A Guide for Manager's Engineers, and Contractors," contains information to help engineers and contractors evaluate conditions and select water conservation strategies appropriate for different types of property. The guide breaks developing water conservation strategies into the following six steps:

1. Information Gathering

2. Water Audit
3. Water Savings Assessment
4. Strategy Selection
5. Implementation Plan
6. Periodic Monitoring

Individual chapters go on to describe the steps in detail and appendices provide additional information such as example strategies.

Most of the water conservation approaches described in these guides may be applied independently or multiple approaches could be applied as part of more comprehensive programs. These guides can help multifamily property owners and managers balance the costs of implementing conservation measures with the need to provide affordable housing for America's families.

Order "Overview of Retrofit Strategies: A Guide for Apartment Owners and Managers" and "Retrofitting Apartment Buildings to Conserve Water: A Guide for Managers, Engineers, and Contractors" for \$5 each. Or both guides can be downloaded from the HUD USER Web site at www.huduser.org. ❖

Allocation Plans

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new report from HUD's Office of Policy Development and Research.

LIHTCs are the largest source of federal subsidies for adding new or rehabilitated rental housing units to the affordable housing stock in the United States. The Internal Revenue Service requires state agencies responsible for awarding LIHTC to submit annual Qualified Allocation Plans (QAPs) explaining the basis on which they distribute their LIHTC allocations. Based on their QAP, states establish preferences and set-asides within their tax credit competitions so as to target the credits toward specific places or types of people. Targeted groups included the mentally or physically disabled, elderly, homeless, minorities, and large families.

HUD commissioned a study of QAPs in order to increase understanding of

trends in the decision-making processes behind tax credit allocations and create a basis for additional LIHTC program research. This report examines how preferences and set-asides were used and changed based on content analysis of 1990 and 2000 QAPs from nearly every state, along with discussions with the staff that originally prepared the plans. More specifically, it reviews each state's QAP for 1990, 2000, and 2001, and records both set-asides and preferences in each of eight basic categories:

- Geographic location,
- Local housing needs,
- Financing,
- Resident characteristics,
- Project activities and types,
- Building characteristics,
- Sponsorship and costs, and

- Affordability.

States tended to vary widely in their levels of activism for people- and place-based preferences and set-asides. While there appeared to be no general shift, at least half of the states increased their place-based provisions. Furthermore, states that primarily focused on either people- or place-based preferences in 1990 tended to shift the composition of their QAPs to move towards greater balance by 2001. States that were balanced in 1990 generally increased their levels of place-based activism in 2001.

"Analysis of State Qualified Allocation Plans for the Low Income Housing Tax Credit Program" may be ordered from HUD USER for \$5. The report is also available for download from HUD USER at www.huduser.org. ❖

American Community Survey Presents Challenges and Creates Opportunities for HUD

Since 1940, the U.S. Bureau of Census has used two questionnaires to collect data for the decennial census – the “short form” that counts the population and gathers basic information and the “long form” that obtains more detailed demographic, housing, social, and economic information from a sample of households. However, because the Census Bureau collects long-form information only once every 10 years, long-form data quickly become out-of-date. Federal program administrators, local planners, and other data users are often forced to use outdated long-form data for decisions that have expensive consequences and affect the lives of millions of people.

The American Community Survey (ACS) will collect data on a continuous basis from monthly samples of the population. The results from these monthly samples will be combined to generate estimates for all areas of the country, regardless of size. The first complete set of data for all areas of the country will be available five years after the first data are collected and will be based on moving five-year periods. Data for larger areas will be available for each one-year period. Data for intermediate-sized areas

will be available for moving three-year periods. The start date for the ACS is contingent on Congressional funding. Such a change to Census data will have dramatic impacts on users, and HUD is a heavy user of Census data and will need to consider the benefits and challenges of such a major shift in data availability.

"The American Community Survey: Challenges and Opportunities for HUD," a new report from HUD's Office of Policy Development and Research assesses the implications of using the ACS rather than long form data to determine program eligibility, allocate funds, target program activities, assess client needs, and evaluate client performance. The purpose of the report is to help HUD policymakers and analysts understand the issues and opportunities involved in moving to the ACS and guide them in adapting their activities to take full advantage of this new source of data.

Based on conversations with HUD data users, ACS officials, and examinations of HUD documents, the report analyzes how specific programs will be affected by the new survey and presents a series of recommendations. Taking into account the technical, policy, and

resource issues raised by the ACS, the document contains three recommendations for how HUD can best integrate the ACS into its ongoing operations:

- Ensure that HUD managers are well informed about the nature and timing of the ACS so they can provide their technical staff with the resources and guidance they will need to move from the decennial long form to the ACS.
- Resolve certain key problems, such as deciding when to adopt the new ACS data that will become available for different-sized populations in different years, early on to eliminate confusion and smooth adaptation to ACS data.
- Investigate options to take fuller advantage of the opportunities offered by the ACS.

Overall, the report concludes that the ACS will significantly enhance HUD's ability to carry out many of its program and analytical functions. "The American Community Survey: Challenges and Opportunities for HUD" is available electronically from HUD USER at <http://www.huduser.org>. ❖

Rural Communities

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ones with poverty rates of 20 percent or more according to every Census since 1960.

Central Appalachia, the Lower Mississippi Delta, colonias along the U.S.-Mexico border, Native American lands, and farmworkers have experienced decades, if not centuries, of poor economic conditions and have been designated by HAC since the 1970s as high need areas and populations. Researchers have visited selected areas several times since the 1980s to chronicle the needs and issues of these areas of extreme economic depression. The report includes in-depth case studies that demonstrate the wide range of challenges faced by these different communities and the need to tailor solutions that fit their specific

circumstances of economic and housing problems.

"Taking Stock" aims to provide a broad overview of the many issues that affect housing throughout the country. It is hoped that with increased awareness and information the American public and policymakers will recognize and work to improve the living conditions that millions of rural American's face every day.

An electronic copy of "Taking Stock" is available on HAC's Web site at www.ruralhome.org/pubs/hsganalysis/ts2000/index.htm. Print copies of the report, which includes two poster maps, may be purchased from HAC for \$26. Ordering information is available from the Web site. ❖



Recent Research Results (RRR) is a publication of HUD USER, the information service sponsored by HUD's Office of Policy Development and Research (PD&R), U.S. Department of Housing and Urban Development. HUD USER makes PD&R

research available through its website at www.huduser.org and promotes new publications and HUD initiatives through its listserv, *HUDUSER NEWS*. HUD USER also provides easy publication ordering and referral services; maintains the HUD USER Bibliographic Database, devoted exclusively to housing and community development research; publishes *Urban Research Monitor*, a bimonthly publication citing housing and urban development reports, articles, and studies added to the Database; and publishes *FieldWorks*, a bimonthly publication with information on housing programs and resources.

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