Newark: Prioritizing affordable housing

The City of Newark is a renter-majority city, with more than one-quarter of its residents living in poverty. To promote stability and equity for its most vulnerable residents, the City has launched a series of affordable housing initiatives. Through the What Works Cities (WWC) Economic Mobility Cohort Initiative, Behavioral Insights Team (BIT) has supported Newark's effort to advance its affordable housing policies, practices, and programs. This memo encompasses our high-level findings from our work together, along with some recommended next steps.

⚠ Issue Motivation

Housing market pressures are threatening affordability across the City of Newark. Seventy-five percent of residents in Newark are renters and a majority of renters spend more than one-third of their income on rent. Given this high rent burden, renters face high rates of housing instability. In Newark, one in four tenants receive an eviction notice each year. In 2018, the City accounted for 50% of the 40,000 eviction notices filed in Essex County, despite accounting for only 35% of the county's population.

Newark's city leadership is committed to supporting vulnerable renters in Newark. Mayor Ras Baraka and the City Council have rallied around a range of initiatives to support housing stability, including strengthening the City's rent control program, improving access to affordable housing, and protecting tenants' rights. The Department of Economic and Housing Development (EHD), which sees stable housing as a linchpin of a larger strategy to address income inequality in Newark, is leading the efforts. In December 2018, the City Council passed a measure creating the Office of Tenant Legal Services (OTLS), which offers tenants facing the threat of eviction free legal services.

While Newark is implementing nation-leading practices to protect their renters, they recognize that there is a long and difficult path ahead to ensure fair and affordable housing for all their residents.

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✧ Our Approach

As part of the WWC Economic Mobility Initiative, BIT and the City identified projects to support affordable housing in Newark. For each project, BIT supported the City to infuse evidence-based practices from behavioral science to strengthen the design of these initiatives, and to facilitate the identification of data sources and methods to assess the effectiveness of each initiative.

BIT and the City focused on the following projects:

* Increasing the affordable housing supply via landlord registration outreach

* Increasing accessibility and visibility of affordable units via new online housing portal

* Increasing the reach of OTLS to provide access to legal services among renters at risk of eviction

While these interventions span across a range of actors and potential levers, they are united by a common goal of supporting greater access to safe and affordable housing by using realistic models of human behavior to engage landlords and residents. This memo provides an overview of each project, along with learnings and recommendations.

⚙ COVID-19 Modifications

The BIT team co-developed a postcard trial focused on promotion of yet-to-be-deployed OTLS satellite locations and services. The motivation to set up neighborhood-based satellite offices was 1) to bring OTLS services closer to communities in need, and 2) to do so in a setting that may be perceived as less intimidating than City Hall. The evaluation would have measured the extent to which delivery of OTLS provision via satellite offices changed the type of resident who engaged with the office, relative to only offering the services at City Hall. In particular, we were measuring if it led to greater engagement among older, disabled, and/or lower-income residents. Beyond that, we were also looking to measure the extent to which engaging with OTLS reduced evictions for tenants, among other outcomes.

Unfortunately, in March 2020 City Hall closed temporarily due to COVID-19. The original intervention plan focused on the OTLS was no longer feasible, so our team pivoted to support the Office of Affordability and Sustainable Housing (OASH) to focus on enhancing the design of their affordable housing portal.
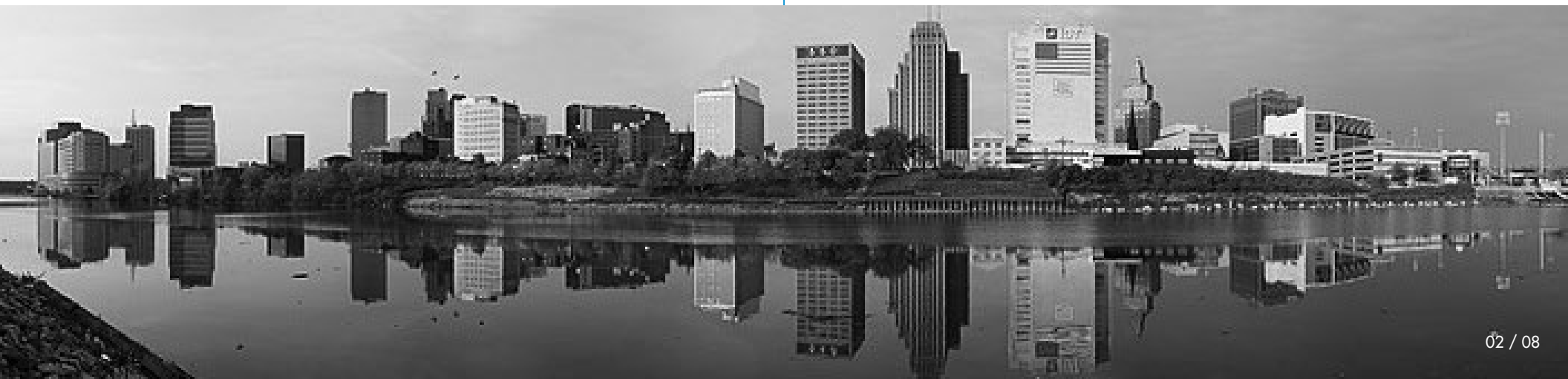
Landlord Registration and Rent Control

When landlords register with the Office of Rent Control, that office is then able to monitor and enforce rent control ordinances. Better enforcement of these regulations is a way to increase the supply of affordable housing units – even without new construction.

To encourage landlord registration, we developed and tested a behaviorally-informed mailer to inform landlords about their obligation to register. This mailer represented the City's most substantial registration effort to-date and included:

1 a newly designed letter that clearly informed landlords of the registration requirements and instructions,

2 a physical registration form and FAQ documents to streamline the registration process, and

3 a return envelope to remove friction in the registration submission process.

Using the Newark property tax assessor database, we identified 15,600 property owners with two or more units. We then randomly assigned these landlords to either receive the intervention mailer (the "Letter Group") or not receive the mailer (the "No Letter Group").

We found that **landlords who received the behaviorally-informed mailer were more than 20 times more likely to submit their rental unit registration by the deadline** than landlords who did not receive the mailer (See Figure 1). During this pilot, Newark saw a nearly 20 fold increase in registrations resulting in 1,900 new units on the market for low-income families.

Figure 1: Percent of Landlords who Submitted Registration on Time

n= 15,600   ** p < 0.01, * p < 0.05, + p < 0.1   Primary analysis
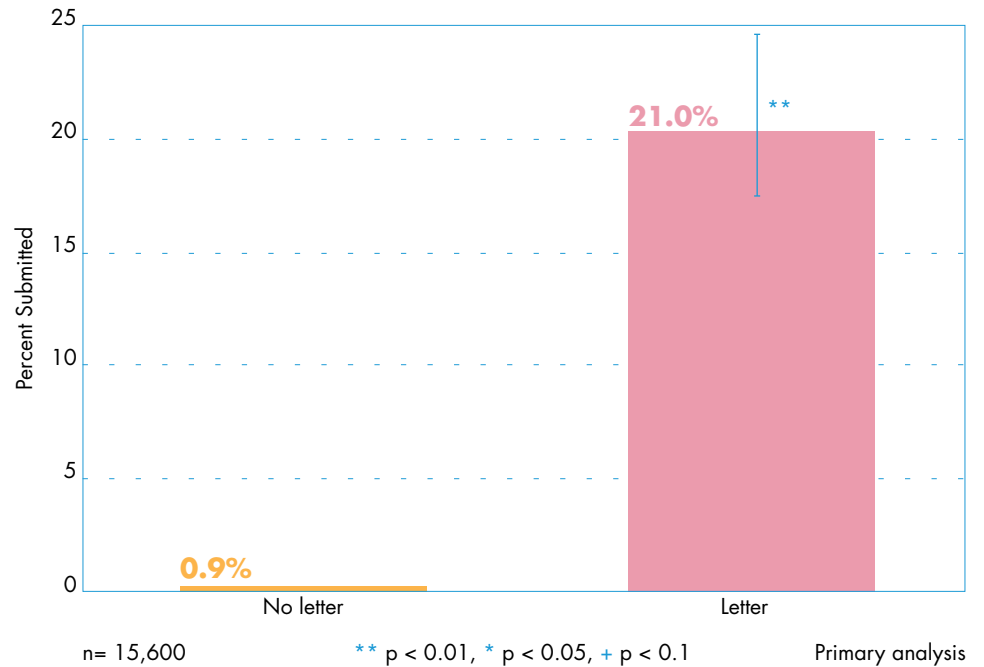
> *"Rent control is one of the most important tools to keep housing affordable in Newark, where 78% of our residents are renters."*
>
> — Ras J. Baraka, Mayor of Newark

💲 Affordable Housing Portal

The City is building an affordable housing search portal to support access to affordable housing units in Newark. BIT prepared a recommendations report drawing on a realistic model of human behavior to support their effort in developing a user-friendly, accessible portal – and encouraging residents' use of the service and uptake. Upon receiving the report, OASH worked with their technical vendor to implement many of the recommendations. Examples of recommendations set to be incorporated include: simplifying the search options and interface, reorganizing the homepage to make the material easier to read, and adding support materials to explain how to use the site. The portal is set to launch in late 2021.

In August 2021, BIT hosted a workshop with OASH staff to provide tailored design and communications recommendations for the beta version of the portal. BIT also encouraged the City to begin user-testing the site with residents who visit their office seeking housing to better understand how the site worked in practice and to uncover additional opportunities for improvement. The City began user testing in September 2021.

⚖️ Office of Tenant Legal Services

In December 2018, the City Council passed a measure creating OTLS, which offers tenants facing the threat of eviction free legal services. OTLS is the third right-to-counsel office in the country. Shortly thereafter, OLTS opened an office inside the county courthouse.

As noted in the COVID-19 modifications section, there were two main motivations to set up neighborhood-based satellite offices: 1) to bring OTLS services closer to communities in need, and 2) to do so in a setting that may be perceived as less intimidating than City Hall. The City and BIT recognized that bringing these services to residents would need to be coupled with an outreach campaign to ensure residents were aware of the availability of these critical services. BIT had proposed an intervention to create an outreach campaign using postcards to reach residents and publicize the office, its new locations, and the services available.

As part of this pilot, we had proposed utilizing court data to target residents who had an upcoming court date and inviting them to OTLS services. We would have then used this upcoming court date to measure the effectiveness of OTLS support in reducing evictions.

Unfortunately, due to COVID-19 this pilot was paused and therefore neither the postcards, the satellite offices, nor OTLS services were evaluated. We recommend that the City continues with this OTLS satellite pilot and implements an evaluation to measure success both of its outreach efforts and of the OTLS model. Other cities may benefit from establishing an OTLS and would value the evidence in making their decisions.

Scaling Opportunities & Recommendations

Landlord Registration and Rent Control

Annual letter

Given the results highlighted, we recommend that the City of Newark scale the letter to all landlords, and send the mailer to landlords annually. The letters can serve as continuous reminders that educate landlords of the registration requirements and prompt compliance.

Online registration channel

In the future, we recommend the City of Newark set up an online registration page so landlords can submit their registration digitally. An online channel will eliminate staff obligations to manually digitize data, prevent manual data entry error, and improve submission quality (see below).

Improve completeness of landlord submissions

Although many landlords registered, an overwhelming majority submitted registrations that were incomplete. We recommend that the City of Newark refine and iterate the mailer's language to further clarify the instructions and emphasize the importance of complete submissions. Or, if an online channel is opened, this channel could immediately notify landlords who did not complete the form's mandatory fields before their submission.


Increase data management & collection

We recommend the City of Newark continue to invest in their data capabilities to allow for easier and more streamlined data entry. More detailed data (such as additional questions in the registration form) would allow for important additional analyses to identify any differences within landlord behavior. For example, more detailed data would mean the City could investigate registration compliance by landlords' personal characteristics (e.g., race/ethnicity, gender, age, socio-economic status, etc.) or properties' characteristics (e.g., property assessment value, rent amount, year of recent renovation, etc).

Affordable Housing Portal

Implement ideas from BIT's recommendations report

Prior to the portal being designed, BIT provided a set of more than thirty recommendations for building a user-friendly portal. We encourage the OASH team to prioritize among those recommendations and implement the most pressing ones before the portal is fully launched.
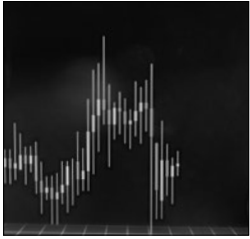
Metrics to assess success

The City will be able to collect a wide range of data points through the portal, such as daily user traffic, average time spent by a user in a visit, and utilization rates of tools such as the income calculator. In addition, the City can conduct a short survey among randomly selected users to assess user sentiments. By identifying which data points indicate success and consistently tracking them, the City can translate these data points into actionable insights and use them to inform its future affordable housing policy strategies. For example, suppose the City identifies that many people begin an application, but a substantial portion never complete that application. In that case, the OASH team could look into that form to see if there is a particularly difficult or confusing question preventing users from finishing their paperwork.

Enhancing user features

Based on feedback from residents (via portal surveys, focus groups, verbal feedback from those who call the OASH office, etc.), the City should continually be looking for ways to enhance portal features to serve resident needs better. The City has already outlined its goal to build a universal housing application system on the portal to simplify the application process. Other promising future portal features could include iterating or adding new types of search filters (e.g., adding a filter on proximity to schools). The City can also launch novel functions like a review system in which tenants rate their landlords or a unit's condition.
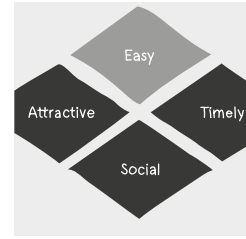
Continue to use BIT's EAST framework

Beyond the recommendations we have already made about the portal itself, BIT encourages the City of Newark to utilize BIT's EAST framework to support the dissemination and outreach about the new portal upon formal launch. Some suggestions include:

✳ **Make it Easy:** When advertising the portal's launch on newsletters or social media, display the link that directs users to the home page, where they can immediately get started with running a search. The portal can even use predictive analytics to autofill search filters with the most common search criteria based on a new user's IP address. When advertising on print outlets, display a shortened link or a QR code to minimize users' efforts to enter the portal domain address.

✳ **Make it Attractive:** Create informational posters and flyers and post them at community hubs, such as the library or school bulletin boards. For the broadest reach, create both digital and analog materials and post them online and in physical spaces. To spread the word and encourage the use of the portal, consider adding an incentive (such as a raffle with a desirable prize) for users who create a portal profile.

✳ **Make it Social:** Leverage the City's network with the county government, non-profits, and community leaders to promote the launching of the City of Newark's new portal. People are greatly influenced by who communicates information, and trusted messengers can encourage others to act more effectively. Ask aligned organizations to share material on accessing the portal within their networks as you prepare to launch.

✳ **Make it Timely:** Identify populations that could be immediately interested in using the new portal (e.g., households in-between permanent housing solutions) and conduct direct outreach to those in need (e.g., post an advert in a Facebook group focused on those looking for housing in Newark). If this proves effective, consider adding regular prompts to these residents as a core feature of the portal.

Establish the satellite offices and conduct outreach

BIT recommends that EHD and OTLS move forward with establishing the satellite offices and build on the outreach campaigns designed as a part of this initiative. We believe that these are still worthwhile and impactful investments for the City, especially as the eviction moratorium is lifted in the City of Newark. We encourage the City of Newark to think creatively about what new types of services and resources may need to be communicated with both tenants and landlords to access Emergency Rental Assistance funding.

During this initiative, the City of Newark made progress towards its goal of ensuring access to affordable housing for all residents; however, the most significant work lies ahead as the City responds to a potentially unprecedented number of evictions in the coming months as the eviction moratorium ends. All of the initiatives explored as a part of this partnership provide the City of Newark with tools and methods they can apply to continue to serve their residents. We hope the City of Newark can continue to be a model of innovation and commitment on this incredibly important issue.

Conduct an evaluation and cost benefit analysis

Setting-up and staffing these offices will be a significant investment for the EHD and OTLS teams. Accordingly, BIT recommends the City conducts an evaluation to determine if these sites are (a) effective in meeting the needs of target residents and (b) if they are doing so in a cost effective manner.

ⓘ About this Initiative

The **What Works Cities Economic Mobility Initiative** is a program that aims to help nine participating cities identify, pilot, and measure the success of local strategies designed to accelerate economic mobility for their residents. Through the expertise of the What Works Cities' network of   and the support of Bloomberg Philanthropies, the Bill & Melinda Gates Foundation, and Ballmer Group, this initiative puts data and evidence at the center of local government decision-making. The Initiative launched in April 2019, with an 18-month timeline, but was extended to 30 months as a result of COVID-19. In each city, a project was selected in collaboration with the city leaders that met the following five criteria: evidence base, mayoral priority, scalability, feasibility, and stewarding taxpayer resources.

Launched in 2015,   helps local governments use data and evidence to tackle their most pressing challenges and improve residents' lives. Learn more at   .

⬡ City Partners

These projects were supported by many dedicated partners within the City of Newark's Department of Economic and Housing Development (EHD), including the Office of Rent Control, the Office of Affordability and Sustainable Housing (OASH), and the Office of Legal Tenant Services (OTLS).

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