

# Developing Choice Neighborhoods:

*An Early Look at Implementation in Five Sites*



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# **Developing Choice Neighborhoods: An Early Look at Implementation in Five Sites**

## **Interim Report**

September 2013

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## **Acknowledgments**

This report represents the work of many contributing authors from the Urban Institute and its partner organizations, including Rolf Pendall, Martin D. Abravanel, Audra Brecher, Alex Curley, Elizabeth Davies, Megan Gallagher, Monica Getahun (LFA Group), David Greenberg (MDRC), Taryn Gress (Case Western Reserve University), Chantal Hailey, Leah Hendey, Reed Jordan, Mark Joseph (Case Western Reserve University), Amy Khare, G. Thomas Kingsley, Nancy Latham (LFA Group), Diane K. Levy, Brianna Losoya, Jen McGraw (CNT Energy), Hannah Melnicoe (LFA Group), Jamie Pfluecke, Kathryn L.S. Pettit, Susan J. Popkin, Aesha Rasheed, Hortencia Rodriguez (MDRC), and Rachel Scheu (CNT Energy).

The authors also acknowledge Dena Belzer and Amanda Gehrke from Strategic Economics, Inc., for their analysis of leverage and housing market conditions in the Choice Neighborhoods and the following individuals for providing helpful feedback on this report: Ingrid Ellen, Ann Forsyth, George Galster, and Deborah McCoy.

In addition to the research team, the authors thank David Hardiman, Paul Joice, Carol Star, and others from HUD's Office of Policy Development and Research; Choice Neighborhoods staff in the Office of Public and Indian Housing, including Alexa Rosenberg and Mindy Turbov; and the Choice Neighborhoods implementation grantees and their staff, including Yusef Freeman, Bob Gehret, Aarti Kotak, Maggie Merrill, Kathlyn Paananen, Esther Shin, and Anne Fiske Zuniga for their thoughtful review of and comments on the report.

## **Disclaimer**

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## 1 Choice Neighborhoods: The Initiative and This Evaluation

The overarching goal of the Choice Neighborhoods program (Choice) is to redevelop distressed assisted housing projects and transform the neighborhoods surrounding them into mixed-income, high-opportunity places. Choice builds on lessons learned during HOPE VI, the U.S. Department of Housing and Urban Development's (HUD's) long-running program to replace or rehabilitate distressed public housing. It maintains the emphasis of HOPE VI on public-private partnerships and mixed financing for replacing or rehabilitating assisted housing but extends eligibility to privately owned federally subsidized developments. It requires that grantees build at least one subsidized replacement housing unit for every assisted unit demolished in the target development. It also continues the emphasis of HOPE VI on protecting tenants during the redevelopment process and heightens aspirations to give existing tenants the opportunity to live in the redeveloped project upon its completion. It differs most from HOPE VI by providing funding for projects that create synergy between renovation of the target development and revitalization efforts within the neighborhood surrounding the target development. Beyond providing funding for neighborhood investments, Choice also fosters partnerships among organizations, agencies, and institutions working throughout the neighborhood to build affordable housing, provide social services, care for and educate children and youth, ensure public safety, and revitalize the neighborhood's commercial opportunities and infrastructure.

This interim report is the work of a team including the Urban Institute (UI) and MDRC. It provides a preliminary view of the first five Choice implementation sites: Boston, Chicago, New Orleans, San Francisco, and Seattle. The report's principal objective is to introduce the Choice program, describe selected conditions in the first five sites selected for Choice implementation grants, summarize these sites' transformation plans, and describe early progress in program implementation. To develop this portrayal, the interim report uses material compiled from the five sites' round 1 and round 2 applications for funding; interviews with key informants held during visits to each site by UI's and MDRC's headquarters researchers in the spring and summer of 2012; additional interviews by UI's site-based employees conducted up to early October 2012; documents and progress reports submitted by the grantees to HUD; and quantitative data about the neighborhoods reported by public agencies and private firms.<sup>1</sup> As a description of ongoing efforts in neighborhoods that are constantly changing, the interim report cannot capture the full picture of any of the five implementation efforts. Rather, the report aims to describe key accomplishments made by late 2012 and outline some ongoing challenges.

The team will deliver a baseline report on the five implementation grantees in August 2014, with more current information about baseline conditions and progress in implementation. The information in this interim report will be supplemented or replaced by information gathered through (1) surveys of residents at all five sites in mid-2013, (2) additional key-informant interviews, (3) focus groups with Choice tenants and other neighborhood residents, (4) grantee team meetings, (5) community meetings, (6) in-person and remote analyses of the physical

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<sup>1</sup> A first draft of the full interim report was delivered by UI/MDRC on December 14, 2012, and reviewed by staff in two main HUD offices (Policy Development and Research [PD&R] and Public and Indian Housing [PIH]). Each grantee was also provided a draft of the chapter pertaining to its own activities. Comments were compiled by staff at PD&R to guide UI/MDRC's revisions, which were incorporated into this report on February 22, 2013. A second series of revisions were made in April 2013 by UI and PD&R staff.



environment of the neighborhood, and (7) extensive quantitative data from public and private sources. The team will also deliver to HUD a well-organized and well-documented data archive. With the information from the baseline report and data archive, HUD or its contractors will be able to conduct followup research to assess the long-term effects of Choice on these five neighborhoods and their residents.

In this chapter, we review key features of HOPE VI, Choice's predecessor, going on to describe the Choice program as first adopted in 2009 and carried into the first round of notices of funds availability starting in 2010. We then review key differences and similarities between HOPE VI and Choice. Finally, we review the framework for the Urban Institute's evaluation of the first five Choice implementation sites and provide an overview of the remainder of this interim report.

## **1.1 HOPE VI: Precursor to Choice Neighborhoods**

The United States created its federal public housing program in 1937 to provide funding to local housing authorities to build housing for the working poor. During the decades that followed, local housing authorities built about 1.5 million public housing units, many of which even today provide decent and affordable homes for low-income families. But a complex and interrelated set of factors resulted in decline, mismanagement, physical deterioration, and social distress in a minority of public housing projects as early as the 1960s. While the majority of public housing remained viable in the following decades, the physical and social conditions of some of the most distressed developments—especially those in Chicago—became notorious, threatening both the people who lived there and the political viability of public housing. In 1989, Congress created the National Commission on Severely Distressed Public Housing to study the problem and recommend mechanisms to address it.

The Commission's report, presented to Congress on August 10, 1992, recommended improvements in resident support services, support for resident-owned businesses, reforms of public housing agency (PHA) management, and rehabilitation and replacement of about 86,000 severely distressed public housing units by 2000, estimating the cost of removing and replacing these units at \$7.5 billion (1992 dollars).<sup>2</sup> Congress made its first appropriation only 3 months later, setting aside \$300 million for the Urban Revitalization Demonstration program. Eligibility was limited to PHAs in the 40 most populous cities in the United States or in any city whose PHA was on HUD's troubled housing authority list as of 1993. In the years that followed, the program expanded to the entire nation, with appropriations totaling nearly \$5.5 billion in current dollars between 1993 and 2003 (figure 1.1).<sup>3</sup> Commitments between 2004 and 2010 amounted to slightly more than \$800 million in current dollars. During the 17 years between 1993 and 2010, 262 implementation grants were awarded to 133 PHAs for a total of about \$6.3 billion in current dollars. Another 287 grants (\$395 million) were awarded for demolition only, and 35 grants (\$15 million) were awarded for planning.<sup>4</sup> By 2007, more than 78,100 distressed public housing units had been demolished, with another 10,400 units still slated for redevelopment.<sup>5</sup>

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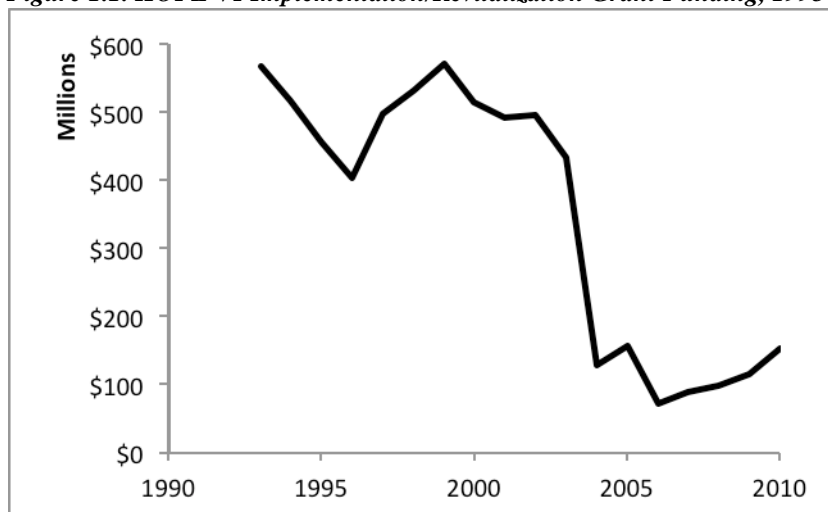
<sup>2</sup> HUD (2007b); National Commission on Severely Distressed Public Housing (1992), 17.

<sup>3</sup> HUD (2007b).

<sup>4</sup> HUD (2012, 2007b).

<sup>5</sup> HUD (2007a); Turner et al. (2007).

*Figure 1.1. HOPE VI Implementation/Revitalization Grant Funding, 1993–2010*



Source: U.S. Department of Housing and Urban Development (2011)

HOPE VI evolved during this period, shifting in requirements and emphasis because of broader housing policy changes, specific provisions of authorizing language for the program, changes in emphasis at HUD, and learning from practice. Over the course of the 1990s and 2000s, the program was refined and adapted for application in different housing markets, economic situations, and local government structures. This variety of circumstances provides HUD and its many federal, state, local, and private-sector partners in HOPE VI a wealth of experience that provides some of the foundation for Choice. At least three important areas seem especially important as precursors to Choice.

First, HOPE VI resulted in the construction of hundreds of mixed-income housing projects that helped advance the objective of reducing neighborhood poverty rates from levels often well over 40 percent, a degree found by most researchers to be highly unsuitable for families with children.<sup>6</sup> To make the redevelopments work financially and institutionally, their developers innovated by building new relationships among PHAs, city and county governments, and private-sector builders, property managers, and investors.<sup>7</sup> These partnerships made HOPE VI redevelopment work in settings as diverse as Atlanta, Seattle, Chicago, Baltimore, Denver, St. Louis, and Tucson, requiring solutions sensitive to differences in original project design, surrounding neighborhood conditions, and housing market strength both locally and regionally.

Second, HOPE VI reflected and reinforced the diversification of the nation's portfolio of housing assistance. Many households who had lived in public housing units demolished in HOPE VI were provided with tenant-based assistance (now known as Housing Choice Vouchers or HCVs) that allowed them to afford privately owned apartments, usually in neighborhoods with much lower poverty rates than those in their pre-redevelopment neighborhood. On the footprints of the redeveloped sites, the "hard units" that were built often included both public housing units and units funded by the Low Income Housing Tax Credit (LIHTC), the nation's main source of

<sup>6</sup> For extensive reviews and research, see Newburger, Birch, and Wachter, 2011.

<sup>7</sup> Turbov and Piper 2005; Abravanel, Levy, and McFarland 2009.

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subsidy for hard units, but also included other federal, state, and local subsidy sources as well as unsubsidized units. The diversity of subsidy types helps reinforce income mixing in both the redevelopment footprint and the “destination” neighborhood of tenants who received HCVs.

Third, HOPE VI provided many important lessons and examples of how to involve and protect tenants during and after the redevelopment process. Public housing is home to some of the nation’s most vulnerable people. An estimated 21 percent of public housing households in 2010 were disabled, and 30 percent were elderly; over a third of the non-disabled households had children in them.<sup>8</sup> In many cases, these vulnerable households need not only affordable housing but also supportive services.<sup>9</sup> PHAs and service providers involved in HOPE VI developed deep expertise in case management and relocation thanks in part to the allowance that grantees could spend up to 15 percent of HOPE VI funding for community and supportive services. Like the partnerships built to generate financially feasible projects, the partnerships built to provide services are among the most important legacies of HOPE VI for Choice.

The final round of HOPE VI grants was made in fiscal year (FY) 2010; HUD developed Choice Neighborhoods as the successor to HOPE VI. By the time these final projects have been completed later in this decade, HOPE VI will have made substantial headway on reducing the capital investment backlog in public housing. Based on the two most recent studies of capital needs in public housing, estimates of the total capital need dropped from \$36 billion to \$26 billion between 1998 and 2010 (constant 2010 dollars). “Part of this decrease reflects the fact that there were 9 percent fewer units in 2010, but the average backlog amount per unit also decreased, from slightly more than \$30,000 per unit to less than \$24,000 per unit, a drop of about 21 percent.”<sup>10</sup> It is clear that significant progress has been made, but more remains to be done to address the capital needs of public housing. Furthermore, many privately owned rental developments made affordable by HUD programs dating from the 1960s, 1970s, and 1980s—never eligible for HOPE VI—also have capital investment backlogs large enough to warrant investment beyond owners’ capacity or willingness to make capital improvements.<sup>11</sup> Choice and another newly initiated program, the Rental Assistance Demonstration (RAD), are meant to address that gap in both public and HUD-assisted housing, but the goals for Choice go beyond capital improvement to neighborhood transformation.

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<sup>8</sup> National Low Income Housing Coalition, “Who Lives in Federally Assisted Housing?” *Housing Spotlight 2:2* (November 2012), page 2. Available: <http://nlihc.org/sites/default/files/HousingSpotlight2-2.pdf>.

<sup>9</sup> Buron et al. 2002; Popkin, Levy, and Buron 2009.

<sup>10</sup> Finkel et al. (2010). The “simple” comparison cited here is complicated by changes in estimation methods and choice of cost inflator. According to the report’s authors: “In 1998 we assumed that all over-age systems would be repaired or replaced as part of meeting existing needs. The approach used in the current study allows for some over-age systems to remain in place if they are still in working condition. It is assumed that they will be replaced at a later date—at their expected failure time.” The authors also note that the Consumer Price Index rose by 34 percent between 1990 and 2010 while the RS Means Construction Cost Index rose by 59 percent.

<sup>11</sup> We found no estimates of the total capital needs of the privately owned HUD-assisted stock as of September 2012.

## **1.2 Choice Neighborhoods Legislation, NOFAs, and Application Process**

Choice was first funded in the FY 2010 HUD appropriations bill,<sup>12</sup> which provided up to \$65 million. The bill required grantees to commit to at least 20 years of affordability for replacement units. Authorized applicants included local governments, PHAs, nonprofit organizations, and for-profit developers applying jointly with a public entity; applicants were required to “create partnerships with other local organizations including assisted housing owners, service agencies and resident organizations” and “undertake comprehensive local planning with input from residents and the community.”

In May 2010, HUD released a pre-notice for the 2010 Choice Neighborhoods Notice of Funding Availability (NOFA). HUD called Choice “a comprehensive approach to community development centered on housing transformation” whose goal is “to transform neighborhoods of poverty into viable mixed-income neighborhoods with access to economic opportunities.” HUD hoped that such transformation would occur by “revitalizing severely distressed public and assisted housing and investing and leveraging investments in well-functioning services, effective schools and education programs, public assets, public transportation, and improved access to jobs.”<sup>13</sup> In addition to that overarching goal, the pre-NOFA specified goals for housing, people, and neighborhood:

- Transform distressed public and assisted housing into energy efficient, mixed-income housing that is physically and financially viable over the long term;
- Support positive outcomes for families who live in the target development and the surrounding neighborhood, particularly outcomes related to residents health, safety, employment, and education; and
- Transform neighborhoods of poverty into viable, mixed-income neighborhoods with access to well-functioning services, effective schools and educational programs, public assets, public transportation, and improved access to jobs.

The first NOFA was published August 25, 2010, specifying that grants would be available for planning and implementation, and that applicants for the implementation grants would compete in two rounds. Planning grants would “enable more communities to create a rigorously developed plan and build support necessary for neighborhood transformation to be successful.” Implementation grants would “support ... communities that have undergone a comprehensive local planning process and are now moving forward with their ‘Transformation Plan’ to redevelop the neighborhood.” HUD anticipated that approximately 10 round 1 applicants for implementation grants would be deemed prepared to submit round 2 applications, and that 2 to 4 applicants would ultimately be awarded funds. The maximum implementation grant was set at \$31 million.

The NOFA placed significant weight on the transformation plan, a “comprehensive neighborhood revitalization strategy” meant to serve as “the guiding document for the revitalization of the public and/or assisted housing units, while simultaneously directing the

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<sup>12</sup> *Consolidated Appropriations Act, 2010*. Public Law 117.

<sup>13</sup> Henriquez and Galante (2010).

transformation of the surrounding neighborhood and positive outcomes for families.”<sup>14</sup> The NOFA set out aspirational language about the neighborhood: coordinated investment in developmental assets for residents; commercial assets for employment and retail options; recreational and physical assets for enjoyment, amenity, and function; and social assets to heighten social interaction. In addition, the NOFA stressed HUD’s commitment to interagency collaboration, especially with the U.S. Department of Justice’s Byrne Criminal Justice Innovation program and the U.S. Department of Education’s Promise Neighborhoods program and connecting with activities of U.S. Environmental Protection Agency and the U.S. Department of Transportation under the Partnership for Sustainable Communities.

The NOFA also set forth HUD’s intention to work with grantees to develop metrics to measure performance across sites and neighborhoods. The list of categories for these metrics offers further insight into HUD’s goals for the program.

- **Housing:** The NOFA listed four main groups of housing metrics. The redeveloped housing should (1) be modernized to improve energy efficiency, indoor air quality, disaster risk, accessibility to disabled people, and access to the Internet; (2) contain a mix of extremely low-income, low-income, and, as appropriate, moderate-income housing; (3) be physically viable, built with “durable and low-maintenance materials” and receive appropriate maintenance and upgrades over time; and (4) be financially viable, be budgeted appropriately, and meet or exceed industry standards for management and maintenance.
- **People:** The NOFA specified that HUD and grantees would work together to establish metrics for both baseline residents (those living in the development at the time of application for Choice) and residents of the revitalized development. HUD meant for grantees to track the location of residents—including those who moved out—starting as early as December 2010, the ultimate deadline for round 1 applications.<sup>15</sup> Residents not returning by their own choice to the redeveloped site were expected to enjoy housing and neighborhood opportunities equal to or better than those experienced by people returning to the redeveloped site. Both baseline residents and residents of the revitalized housing should be at least as healthy as those in similar economic and demographic conditions at baseline, and live in a safer environment than at baseline thanks to improvements in neighborhood safety. Access to opportunity should also increase, resulting in rising wages over time, better access to high-quality early learning programs and services and good nearby schools, and improved educational outcomes relative to the state average.
- **Neighborhood:** The NOFA set out seven categories of neighborhood metrics. Those for neighborhood housing include reducing vacancies and abandonment in the housing stock, improving quality, and achieving a sustained mix of household incomes. Those for services—grocery stores, banks, health clinics and doctors’ offices, dentist offices, and early learning programs and services—aim to ensure that the distance traveled from the neighborhood to basic services be no greater than that traveled from the metropolitan area’s median neighborhood. Those for public schools aspire to a safe and welcoming environment in the schools in the neighborhood, and to ensure that these schools have

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<sup>14</sup> HUD (2010: 2).

<sup>15</sup> The round 1 NOFA set the deadline for October 26, 2010, but extended the deadline to December, as discussed below.



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test scores as good as or better than the state average or are implementing reforms to raise student achievement over time, graduating students from high school ready for college and a career. The metrics for other education programs aim for access to programs and services that improve children's readiness for school. Those for public assets support access to high-quality park and recreation facilities. Those for effective transportation alternatives stress access to high-quality public transit, walking, and biking options to connect them to work and services. Those for job access, finally, aim for employment rates similar to or better than that in other neighborhoods in the jurisdiction and region.

The NOFA sets three roles within the grantee team. The *lead applicant* is the “primary entity responsible for implementing the activities identified in the Transformation Plan”<sup>16</sup> and the only entity with access to HUD's Line of Credit Control System (LOCCS), allowing for draws on the committed grant. A *co-applicant* is “any entity with which the Lead Applicant chooses to apply for funding under this NOFA.” Co-applicants also sign the grant agreement and are responsible for implementing the activities identified in the Transformation Plan but do not have access to LOCCS; co-applicants are optional except when the lead applicant is a for-profit developer. A *principal team member* is an entity selected for primary responsibility for coordinating implementation of the core goals for housing, people (including education), and neighborhood. Lead applicants and co-applicants may serve as principal team members.

The NOFA specified that all eligible neighborhoods must contain severely distressed public or HUD-assisted housing; have at least 20 percent of neighborhood residents either living in poverty or earning extremely low incomes; and be considered distressed, as indicated by any of the following:

- Part 1 violent crime rates during the past 3 years exceeding the city (or county/parish) average by at least 50 percent.
- Long-term residential housing vacancy rates (March 2010) exceeding the city (or county/parish) average by at least 50 percent.
- A low-performing school.
- At least 20 children or 20 percent of children in the target development attending a low-performing school.

Applicants were obligated to have matching funds of at least 5 percent of the requested grant amount, in cash or as in-kind donations.

Required activities for implementation grantees included housing transformation through rehabilitation, preservation, or demolition and replacement of severely distressed housing; one-for-one replacement of all public and assisted dwellings “unless otherwise permitted;” resident involvement in planning and implementing the Transformation Plan; activities ensuring economic, educational, and environmental viability of the neighborhood; activities promoting economic self-sufficiency of residents in the revitalized housing and the neighborhood; partnerships with educators and engagement in community planning to increase access to programs and services improving academic and developmental outcomes for resident children

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<sup>16</sup> HUD (2010: 11).

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and youth; activities to preserve affordable housing in the neighborhood; service coordination, supportive services, mobility counseling, and housing search assistance for residents displaced because of the housing revitalization; activities demonstrating that each tenant wishing to return to replacement housing could do so if the tenant was lease-compliant at and after the time of departure; tracking of tenants relocated during redevelopment through the life of the grant or until full occupancy of the replacement housing; and activities meeting fair housing and accessibility requirements. A host of additional activities are listed as eligible.

Applicants were required to demonstrate, in specific attachments to their applications, their compliance with requirements for resident and community involvement including at least one meeting with the target development and at least two public meetings with residents of the target housing and the broader community (all on different days from each other and assuring physical accessibility and providing assistance for people with limited English proficiency). At least one public meeting was required to be held at the beginning of or shortly before the transformation planning process. During the course of the minimum three meetings, applicants were expected to have addressed the planning and implementation process, the proposed physical plan, the planned supportive services activities, other proposed transformation activities, relocation issues, reoccupancy plans, and opportunities for training, employment, and other economic opportunities.

As with all competitive NOFAs, the Choice Neighborhoods implementation NOFA set out a series of selection criteria with point scoring used for judging one application against another. The round 1 NOFA provided three main categories of criteria: capacity, need, and vision. Capacity was heavily weighted, accounting for 51 of the total 105 possible points. The capacity score highlighted both overall project leadership and the experience of the principal team member for housing, people, and neighborhood. Need accounted for 25 points, with equal emphasis on unit distress and neighborhood distress and 1 point for the community's affordable housing need. The point scoring gave greater priority to projects with greatest distress and neighborhoods with the highest poverty and vacancy rates and the lowest performing schools. Vision, finally, accounted for 29 points, with 6 points for the quality of the housing plan, 8 for the quality of the people plan (including the educational component), and 9 for the quality of the neighborhood plan. An additional 4 points was offered for the plan's achievability and 2 for its consistency with other plans. The round 1 NOFA specifies that the applications would be scored and ranked; it did not specify that an application needed to receive a minimum number of points to advance to round 2.

It was logical for HUD to emphasize capacity in round 1 because many applicants would still be working out the details of their transformation plans. In the first year of a new program, none of the competitors would have had an opportunity to engage in Choice-funded planning activities, although many had gained important experience through HOPE VI and similar housing revitalization activities. The NOFA explicitly acknowledges, "Although your Transformation Plan does not need to be complete or ready for implementation for this round 1 application, HUD will assess how you are planning to address the Severe Physical Distress of Public and/or Assisted Housing units identified in the Need scoring criteria and any additional units

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proposed.”<sup>17</sup> Similar language appears in the sections introducing the round 1 NOFA’s criteria for the people and neighborhood plans.

Forty-two applications were received by the December 9, 2010 revised deadline for round 1. Of those, 7 were from public housing agencies and 6 were from local governments. Other applicants included such well-known national affordable housing developers as McCormack Baron Salazar, Inc. (MBS) and Preservation of Affordable Housing (POAH), Inc. On March 18, 2011, HUD announced that six applicants had advanced to round 2: the city of Boston (Woodledge/Morrant Bay development in Quincy Corridor), Housing Authority of New Orleans (Iberville Housing Development in Iberville/Tremé), Seattle Housing Authority (Yesler Terrace in the Yesler neighborhood), Tampa Housing Authority (Central Park Village in the Central Park neighborhood), MBS (Alice Griffith public housing in San Francisco’s Eastern Bayview neighborhood), and POAH (Grove Parc Apartments in Chicago’s Woodlawn neighborhood). Applications for round 2 were due June 1, 2011.

The criteria and point scoring for round 2 focused on the quality and achievability of the transformation plan. Criteria for the housing plan accounted for 31 points, with specific consideration of access to opportunity, replacement housing, mixed-income development, long-term affordability, accessibility, green building, land use approvals, and leverage. The people criteria, 27 points total, included resident needs assessment and results, supportive services strategy, education (early learning, schools, and education programs), relocation and reoccupancy, Section 3 plan and compliance, and leverage. The neighborhood plan criteria (34 points total) included goals and outcomes, alignment with existing efforts, access to amenities, anchor institution engagement, design, transit-served location, LEED-ND (Leadership in Energy and Environmental Design for Neighborhood Development), and leverage (CDBG, anticipatory, and neighborhood). A further 28 points were possible for soundness of approach, which included organizational framework for implementation, resident and community involvement, project readiness, program schedule, collection and use of data, affirmatively furthering fair housing, and impact of the transformation plan. The results of this point scoring were added to points awarded in round 1 for capacity, need, and consistency with planning documents to yield final scores.

In sum, the round 1 and round 2 NOFA meant to create incentives for developing transformation plans for certain kinds of housing developments in certain kinds of neighborhoods. The developments needed to be severely distressed for a reasons ranging from serious unit deficiencies, to safety, to energy efficiency. The grantee needed to be, or be well connected to, an organization that could credibly claim expertise in redeveloping such housing without harming the vulnerable residents living there. The neighborhood surrounding it needed to be highly distressed, but not so much so that a visionary plan for its redevelopment would appear unfeasible. The points for leverage—which could be documented in large amounts only if some funding momentum had already been gained—and for the presence of an anchor institution underscore this balance between hope and distress.

On August 31, 2011, HUD announced that it had selected five of the six finalists, committing \$122 million to all the projects except the application from the Tampa Housing Authority. The

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<sup>17</sup> HUD (2010: 59).

three largest grants were awarded to POAH, the Housing Authority of New Orleans (HANO), and MBS, for \$30.5 million each. The city of Boston was awarded \$20.5 million and the Seattle Housing Authority (SHA) was awarded \$10.27 million for the first phase of the Yesler Terrace redevelopment. The total award exceeded the expected \$65 million for implementation because HUD combined funding from FY 2010 with additional funds from FY 2011. We include snapshots of these five implementation sites in the following paragraphs and describe them in greater detail in subsequent chapters in this report.

### 1.2.1 Snapshots of the Choice Neighborhoods Implementation Sites

**The Quincy Corridor (Boston).** The target development in Boston is the Woodledge/Morrant Bay Section 8 development, located in the center of the Quincy Corridor neighborhood in the Dorchester area, about 4 miles south of downtown Boston. Woodledge/Morrant Bay consists of 129 units scattered over 11 three-story walk-up buildings within a three-block radius around Quincy Street. This development is occupied mostly by families, and nearly two-thirds of the residents are under age 24. There is significant racial and ethnic diversity in the surrounding neighborhood, and two out of five householders do not speak English as their primary language. The neighborhood, a small area with about 9,700 residents in 0.5 square miles, is the densest Choice neighborhood. The units in Woodledge/Morrant Bay account for only 4 percent of the neighborhoods' 3,500 housing units, 88 percent of which are in multifamily buildings.

**Woodlawn (Chicago).** Grove Parc Plaza is the target Section 8 development for Choice in Chicago. It originally consisted of 504 units in 24 buildings, spread across five city blocks in the northwest section of the Woodlawn community area (just north of the East 63rd and Cottage Grove El stop on the Green Line). The Woodlawn neighborhood is located about 7 miles south of downtown Chicago and just south of the University of Chicago, with Lake Michigan as its eastern boundary. Nearly all residents of Grove Parc are Black and nearly two-thirds are age 24 or younger. Residents are concerned about safety in Woodlawn, because one-third of households have experienced a violence-related death in their family. Woodlawn has the largest land area and population of the five Choice areas, with 23,700 people in 2 square miles. Grove Parc constitutes 4 percent of the 12,100 housing units, 89 percent of which are located in multifamily structures.

**Iberville/Tremé (New Orleans).** Iberville, the public housing development targeted by the HANO Choice grant, is located in the southeast corner of the Iberville/Tremé neighborhood, adjacent to New Orleans's central business district and the French Quarter. The street grid was removed in Iberville, creating a 23-acre superblock with 821 units in 74 buildings. Interstate 10 (I-10), historic cemeteries, and adjacent vacant lots isolate Iberville from the rest of the Tremé neighborhood. The development is an entirely Black community, with more than one-half of households consisting of single adults without children. One-third of the residents of Iberville are disabled. The Iberville/Tremé neighborhood experienced dramatic population shifts after Hurricane Katrina destroyed or damaged much of the city. Although it has a large land area, at 1.7 square miles, it is the least dense Choice area, and its 2010 population of 11,600 represents a drop of 44 percent since 2000. Most of the 8,200 housing units in the neighborhood are single-family homes, duplexes, or small multifamily buildings. The Iberville community makes up about 10 percent of all housing units in the Choice area.

**Eastern Bayview (San Francisco).** The target development in San Francisco is the Alice Griffith public housing community, consisting of 256 townhouse-style units in 33 two-story buildings on 23 acres in the Eastern Bayview neighborhood, bounded on the east by the San Francisco Bay. The development is about 5 miles south of downtown San Francisco and is near the former Hunters Point Shipyard and Candlestick Park. The development has a closed street grid that leaves it poorly integrated into the surrounding neighborhood. Of the households in Alice Griffith, 70 percent are families with children. About three-fourths of the residents are Black, but 20 percent of the children are nonnative English speakers, and many speak Samoan, Spanish, or Cantonese. Eastern Bayview is one of the larger Choice areas, at 1.6 square miles and 17,600 people, and the neighborhood includes several other public housing developments. More than one-half of Eastern Bayview's 5,600 housing units are single-family homes, and more than one-third of the homes are owner occupied (the highest of the Choice areas). Alice Griffith makes up 5 percent of the units in the neighborhood.

**Yesler (Seattle).** The Choice grant will fund the beginning of the redevelopment of the Yesler Terrace public housing development, which consists of 561 units in 69 two- or three-story buildings on 30 acres located in the Yesler neighborhood. The neighborhood is located just east of downtown Seattle and I-5, north of the International District, and south of Seattle University and Harborview Medical Center. Yesler Terrace has a very diverse set of residents, with immigrants and refugees representing about one-fourth of the population, and there are more than 20 languages spoken by residents. This development also has a larger elderly population (18 percent) than the other sites. The Choice area is the smallest of the five, at 0.2 square miles with about 2,100 residents. Overall, Yesler consists mainly of large multifamily apartment buildings, with 965 housing units. Unlike the other Choice areas, Yesler Terrace constitutes more than one-half of the neighborhood's housing units.

### **1.3 Choice Neighborhoods: Building on HOPE VI Success**

Choice Neighborhoods builds on HOPE VI requirements and best practice in its requirements for how grantees should seek to rebuild assisted housing, protect and improve the lives of the people living there, and revitalize surrounding neighborhoods. Because the best practices observed under HOPE VI have been written into the requirements of Choice, grantees and HUD will face new opportunities and challenges in the early rounds of Choice implementation. Many of the new features promise to yield important insights during the evaluation process.

#### **1.3.1 Housing**

Choice applicants faced a list of requirements for the housing portions of their applications that closely resembled the requirements of the final NOFA for HOPE VI. As a consequence, Choice applicants with HOPE VI experience are likely to find the application and implementation processes familiar. Three key aspects of Choice make it differ from HOPE VI on the "housing" aspect.



### *1.3.1.1 HUD-Assisted Multifamily Housing*

Whereas HOPE VI involved only public housing properties, Choice targets both public housing and rental housing properties subsidized through various HUD multifamily programs. The latter, known as HUD-assisted housing properties, were developed and are owned by both for-profit and nonprofit private corporations, primarily under the National Housing Act's Section 221(d)(3), Section 236 and Section 8 (new construction or substantial rehabilitation).<sup>18</sup> HUD-assisted properties provide rental housing units to low- and moderate-income households who often reside in the same or same types of neighborhoods as public housing residents.

HUD-assisted housing programs were initiated in the 1960s. Many of the properties they subsidized were constructed after that time but, through rehabilitation options, some that were built earlier were modernized with HUD assistance. Construction or rehabilitation involved HUD-subsidized mortgage financing and/or guarantees of Section 8 housing assistance payments in exchange for maintaining the units for low- and moderate-income occupants for a certain period of time. HUD-assisted housing properties are now decades old and, like severely distressed public housing developments that were targets of HOPE VI, some have become obsolete and are in need of substantial upgrading or replacement. Given similarities in the populations and neighborhoods served by public and HUD-assisted housing, the objectives and resources of Choice were intended to apply to both types of housing. Choice, in this regard, is a programmatic breakthrough offering opportunities for innovation in renewing the nation's affordable private rental housing stock.

Secretary Donovan argued the logic of making HUD-assisted housing eligible for Choice in a speech in July 2009. Citing a report on the troubled Washington Highlands neighborhood of Washington, DC, he explained that the "worst-case situation" for HUD was difficult to solve in part because "'two separate and distinct HUD program areas...[were] alleged to be contributing to the deterioration of the neighborhood—public housing and Project-based Section 8, subsidizing private developers and owners.'"<sup>19</sup> As Secretary Donovan noted, HOPE VI could redevelop two of the four properties in the neighborhood. It made no sense that the two equally distressed projects just across the street from the public housing projects could not be redeveloped as well.

Choice's addition of HUD-assisted developments to the projects eligible for funding also offers an additional promise: an opportunity for innovation in federal affordable housing practice and policy. As the successor to HOPE VI, Choice falls under the purview of HUD's Office of Public and Indian Housing (PIH). HUD-assisted housing, however, is the responsibility of HUD's Federal Housing Administration (FHA) and its Office of Multifamily Housing Programs. Choice

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<sup>18</sup> Another major supplier of affordable rental housing, the Low-Income Housing Tax Credit (LIHTC) program, is not administered by HUD but by the Internal Revenue Service. Therefore, it is not considered HUD-assisted housing. LIHTC properties, however, may benefit from HUD's Section 8 Housing Choice Voucher program.

<sup>19</sup> Prepared Remarks for Secretary of Housing and Urban Development Shaun Donovan at the Brookings Institution Metropolitan Policy Program's Discussion - "From Despair to Hope: Two HUD Secretaries on Urban Revitalization and Opportunity", national Press Club, Washington, DC, July 14, 2009, available: <http://www.hud.gov/news/speeches/2009-07-14.cfm>.

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is likely to build new organizational and programmatic relationships across the program landscape within HUD.<sup>20</sup>

*1.3.1.2 One-for-One Replacement*

HOPE VI sought, and Choice seeks, to reduce the concentration of poverty and to provide assisted tenants with the opportunity to live in lower poverty neighborhoods. HOPE VI did so primarily through dispersing assisted households, either by providing vouchers or by redeveloping public housing as scattered site, low-rise developments. Many of these households did move to neighborhoods with lower poverty rates than the neighborhoods surrounding their former homes in public housing, but some stakeholders have expressed concern about reductions in the number of “hard units” of public housing.<sup>21</sup> Choice requires one-for-one replacement of all the assisted or affordable housing units present at the time of the first grant application, and requires that lease-compliant tenants have an opportunity to return to the revitalized target development. Replacing up to half the units with vouchers is permitted in metropolitan areas with soft rental housing markets, significant use of vouchers in low poverty neighborhoods, and high voucher success rates.<sup>22</sup> Replacement of hard units in Choice can occur through rehabilitation, new construction, or acquisition. Not all replacement units need to be on the footprint of the original development, but they are usually expected to be within the boundaries of the neighborhood. Reconstruction may occur in high-opportunity neighborhoods up to 25 miles from the boundary of the target neighborhood, however, to comply with fair housing requirements, deconcentrate poverty, or redevelop onsite with appropriate densities.<sup>23</sup>

*1.3.1.3 Flexible Funding for Mixed-Income Housing*

HOPE VI advanced the practice of using mixed financing techniques to yield housing with a variety of income limits and with no income restrictions (for example, by mixing public housing, tax credit units, market-rate units and homeownership units). Choice also encourages mixed finance in the redeveloped housing, providing incentives to leverage other public subsidies and also encouraging appropriate market-rate units as part of the redevelopment. Choice further supports this practice with a new innovation: Choice funding may be used directly to develop affordable housing for households with income up to 120% of area median income (AMI). These units are not considered replacement housing for the purposes of the one-for-one replacement requirement.<sup>24</sup> This flexibility can help grantees draw additional households with a range of incomes to the redeveloped neighborhood, and may prove particularly important for weak markets where market rate units are unlikely to attract middle-income households.

**1.3.2 People**

Choice also strongly resembles HOPE VI in many of its provisions aimed at improving the lives of tenants in the assisted development. Like HOPE VI grantees, Choice grantees must identify

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<sup>20</sup> This opportunity may also be offered by the Rental Assistance Demonstration (RAD) project. See GAO (2012).

<sup>21</sup> Comey (2007).

<sup>22</sup> HUD (2010: 25-26).

<sup>23</sup> HUD (2010: 25).

<sup>24</sup> HUD 2010, page 10, as clarified by the Second Technical Correction to the NOFA, published 11/16/2010.

strategies for community and supportive services, early childhood education, and income mixing; they also demonstrate capacity, leveraging, resident and community involvement in the redevelopment process, strong plans for relocation, and satisfaction of fair housing and equal opportunity requirements. Choice differs from HOPE VI in ways that build on the experience of the most successful HOPE VI projects at improving tenants' lives.

#### *1.3.2.1 Post-Redevelopment Relocation Choices*

Like HOPE VI, Choice requires grantees to work closely with existing tenants to ensure that their relocation needs are met. With the one-for-one replacement requirement, however, grantees now have an expanded opportunity to work with tenants to offer them the option of returning to the redeveloped project if they choose to do so. Under HOPE VI, many households shifted to housing choice vouchers or moved to other traditional public housing projects, with a minority moving back to the new HOPE VI housing.<sup>25</sup> Some of the shifting to vouchers and to other public housing under HOPE VI was a response to the tenants' preferences.

#### *1.3.2.2 Educational Opportunities for Residents*

Perhaps the biggest opportunity area, and one of the strongest emphases in Choice, is improving K–12 education. Many studies show that neighborhoods with better schools have higher property values and greater residential demand than those with weak schools. Starting with some of the earliest projects, leading HOPE VI grantees worked with school districts and universities to improve neighborhood school facilities and enrich school programs aimed at high-risk and low-income youth. Atlanta's Centennial Place project, for example, included construction of the \$13 million Centennial Place Elementary School, which has provided a modern facility and demonstrated success in meeting educational goals.<sup>26</sup> In Louisville, stakeholders in neighborhood redevelopment had already built relationships that stressed school improvement before HOPE VI began, using the redevelopment of Park DuValle as an opportunity to realize their goals.<sup>27</sup> All these efforts aspired to improve outcomes for established residents, including assisted tenants and other low-income children in the neighborhood; some also aimed to attract middle-income families to the new developments.

Many of the efforts to link HOPE VI and school redevelopment demonstrated that linking public housing revitalization to neighborhood school improvement is complex, context dependent, and time consuming.<sup>28</sup> By including school improvement and partnerships among the goals and requirements of Choice, the program's designers give applicants strong incentives to bring schools into their transformation planning efforts early. HUD has also worked to coordinate Choice with the Department of Education's Promise Neighborhoods program, which is focused on improving educational opportunities in neighborhoods like those where Choice is being implemented. Choice and Promise are conceptually aligned, and in some cases even provide funding to the same communities. This increased emphasis on educational opportunity should

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<sup>25</sup> See for example Buron et al. (2002); Comey (2007).

<sup>26</sup> Turbov and Piper (2005).

<sup>27</sup> Varady et al. (2005).

<sup>28</sup> Abravanel, Smith, and Cove (2006).

encourage all the stakeholders in neighborhood redevelopment to capitalize on opportunities for synergy that can come from both school improvement and neighborhood revitalization.

#### *1.3.2.3 Improving Services for Residents Throughout the Neighborhood.*

Another feature distinguishing Choice's people elements from those of HOPE VI is the intention that the programs and services created and enhanced by Choice will help not only the tenants of the target development but also residents of the neighborhood at large. The program's aspirations for improvements in early childhood care and K–12 education, physical and mental health, and economic self-sufficiency clearly apply not only to assisted tenants but also, to some extent, to everyone in the neighborhood. Although most of the people funding within Choice grants is clearly aimed at providing adequate case management and relocation services for tenants of the target development, the NOFA also clearly gives applicants incentives to form partnerships with service providers and school districts to ensure high-quality and coordinated services for all in the neighborhood who need them.

#### 1.3.3 Neighborhood

The most significant difference between HOPE VI and Choice Neighborhoods, of course, is the goal that Choice “transform neighborhoods of poverty into functioning, sustainable mixed-income neighborhoods with appropriate services, public assets, transportation and access to jobs, and schools, including public schools, community schools, and charter schools.”<sup>29</sup> Again, leading HOPE VI projects were carried out as instrumental components of neighborhood revitalization programs with exactly these goals, leading to important early examples of the kinds of partnerships and leveraging that Choice's designers and implementers hope to foster with every Choice grant. Choice supports this goal by allowing grantees to allocate as much as 15 percent of funds for Critical Community Improvements (CCIs), defined as “activities to promote economic development, such as development or improvement of transit, retail, community financial institutions, public services, facilities, assets or other community resources.”<sup>30</sup> Choice also requires grantees to designate a lead organization or agency to carry out the Transformation Plan's neighborhood activities.

Choice also differs from HOPE VI in that it is being implemented within the context of broader strategies to improve distressed neighborhoods and their surrounding regions. The Neighborhood Revitalization Initiative, the Obama Administration's “place-based strategy to support local communities in developing and obtaining the tools they need to revitalize neighborhoods of concentrated poverty into neighborhoods of opportunity.”<sup>31</sup> The NRI is led by the White House Domestic Policy Council with participation by the White House Office of Urban Affairs and the Departments of Housing and Urban Development (HUD), Education (ED), Justice (DOJ), Health and Human Services (HHS) and Treasury. Aside from Choice, other important programs within the NRI include ED's Promise Neighborhoods, DOJ's Byrne Criminal Justice Innovation

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<sup>30</sup> HUD 2010, page 46.

<sup>31</sup> The White House Neighborhood Revitalization Initiative, available at [http://www.whitehouse.gov/sites/default/files/nri\\_description.pdf](http://www.whitehouse.gov/sites/default/files/nri_description.pdf), accessed June 22, 2013.

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program, and investments by HHS in community health centers and behavioral health services. The programs support one another through NOFA criteria and to an extent by awarding point bonuses to sites that have received place-based program awards from other agencies.

The federal Partnership for Sustainable Communities, second, works to coordinate federal housing, transportation, water, and other infrastructure investments and activities by HUD, the US Department of Transportation (DOT), and the Environmental Protection Agency (EPA) in pursuit of six livability principles: provide more transportation choices; promote equitable, affordable housing; enhance economic competitiveness; support existing communities; coordinate and leverage federal policies and investment; and value communities and neighborhoods.<sup>32</sup> Each of the three agencies has incorporated the livability principles into various existing and new grant programs. In the cities and regions surrounding the five first-round Choice implementation neighborhoods, for example, HUD has funded regional planning grants in Boston, Chicago, and Seattle, a Community Challenge Grant for Boston's Fairmount Corridor, and a HUD/DOT Planning Challenge Grant to study the Claiborne Corridor (I-10) in New Orleans, which bisects the Iberville/Tremé Choice Neighborhood.<sup>33</sup>

Neighborhood transformation is much more complex than redeveloping a public or HUD-assisted housing project. Listing all the ways in which this innovation of Choice might affect neighborhood outcomes would be impossible. Even so, a few elements of Choice's program design merit further discussion because of their potential for improving community development practice.

#### *1.3.3.1 Public Safety*

Choice builds on HOPE VI by explicitly focusing on public safety. Choice Neighborhoods grantees are expected to partner closely with law enforcement officials to lower crime rates in the neighborhood during and after redevelopment. Through funding from DOJ, HUD is providing Public Safety Enhancement (PSE) grants to the first set of Choice Neighborhoods implementation grantees to develop and implement comprehensive public safety strategies in the their neighborhoods. HUD has also worked to coordinate Choice with DOJ's Byrne Criminal Justice Innovation program, another pillar of the Obama Administration's larger Neighborhood Revitalization Initiative (NRI) that supports the development of comprehensive strategies to address priority crime problems in distressed communities. Similar to coordination work with Promise Neighborhoods in the education realm, Choice and Byrne are conceptually aligned around the nexus between public safety and neighborhood transformation.

#### *1.3.3.2 The Importance of Context*

To the extent that HOPE VI has fostered transformation of neighborhoods beyond the footprint of the target developments, it has done so only indirectly because HOPE VI funds were targeted to physical redevelopment and services for the target development. Case studies have shown that

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<sup>32</sup> Partnership for Sustainable Communities, "About Us," <http://www.sustainablecommunities.gov/aboutUs.html>, accessed June 22, 2013.

<sup>33</sup> See <http://www.sustainablecommunities.gov/map.html> for more information about investments by the PSC partner agencies. Accessed June 22, 2013.



HOPE VI has resulted in positive spillovers, especially in areas where market conditions were generally strong and when anchor institutions helped stabilize the neighborhood.<sup>34</sup> One study comparing spillovers from HOPE VI in Baltimore confirms the importance of context, finding that a mixed-income redevelopment with a strong services component in a moderately distressed neighborhood had more positive property value impacts than two other redevelopments, both of which had mainly low-income residents, had weaker services, and were surrounded by very distressed neighborhoods.<sup>35</sup> Over time, HOPE VI practitioners grew increasingly sensitive to the context of their development sites—from the neighborhood, to the city, to the metropolitan area—taking careful account of the conditions surrounding the target development during the process of site planning and project feasibility. As a consequence, many HOPE VI developments have helped their neighborhoods become more attractive for investment and preserved significant amounts of affordable housing as market rents began rising. These transformative effects have not been universal, however. Many HOPE VI projects today are more attractive housing developments than the ones they replaced, but are surrounded by a still-run-down neighborhood.

Choice is designed to be sensitive to city and metropolitan institutional and market contexts, and to maximize the possibility for positive spillover from the target development to the neighborhood. Its site-selection criteria favor locations with stronger markets, good services, and robust anchor institutions—that is, sites like those found by Turbov, Piper, Zielenbach, Voith, and Castells to be most likely to see positive spillovers from HOPE VI redevelopments. Choice goes beyond spillover, however. It allows grantees to spend up to 15 percent of their HUD funds on CCIs, direct and long-lasting capital investments in the neighborhood that can also presumably have spillover impacts of their own. Choice also encourages grantees to forge new relationships with agencies, organizations, and institutions working on a broad array of efforts to improve distressed neighborhoods, thereby reducing siloing that makes community development inefficient.<sup>36</sup> All these aspects of Choice are meant to produce both a better neighborhood for all established residents and an attractive neighborhood for nonpoor residents, gradually reducing poverty rates by increasing the number of nonpoor residents living in the neighborhood.

The combination of one-for-one replacement and strategies to attract middle-income households, along with other efforts to increase investment in the neighborhood surrounding the target development, is likely to retain or even increase neighborhood population density. With a greater concentration of people in the neighborhood, the public and private sectors will see greater returns from costly investments in new facilities whose markets are defined by geographic boundaries. These facilities include, for example, grocery stores, public schools, and police substations. In all, these adaptations and extensions to HOPE VI add up to a program that aspires to live up to its name—creating “choice neighborhoods”—as the main mechanism to provide a mixed-income environment for residents in some of the nation’s distressed federally assisted housing developments.

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<sup>34</sup> Turbov and Piper (2005); Zielenbach and Voith (2010). Each of these studies evaluates the neighborhood effects of four HOPE VI developments, and both find positive spillovers. No systematic study of the neighborhood effects of HOPE VI has yet been conducted.

<sup>35</sup> Castells (2010).

<sup>36</sup> Of course, HOPE VI offers many excellent examples of both institutional collaboration and market sensitivity, so like the other departures we discuss here, this must be considered an extension of good HOPE VI practice into the core requirements of Choice rather than a novel feature.

## 1.4 The Urban Institute/MDRC Evaluation and Baseline Data Collection

In September 2011, HUD issued a contract to a team from the Urban Institute and MDRC for the first phase of an evaluation of Choice. The contract's period of performance runs through September 2014. This task order first included only three sites (Boston, Chicago, and New Orleans) because, at the time of proposal submission, the number of Choice implementation sites to be selected had not been determined. Seattle was not selected as a site at that time because it received only partial funding. San Francisco was not selected because an evaluation sponsored by philanthropy was already in progress on HOPE SF, a public housing redevelopment program—patterned after HOPE VI and led by the Mayor's Office of Housing—that includes the target development, Alice Griffith. In May 2012, however, the first task order was modified to include Seattle and San Francisco, enabling UI and MDRC to extend the work to all five sites.

The first objective of this task order is to *evaluate the implementation* of the first round of Choice implementation grants. The task order's research questions on implementation include:

- What are the goals of the grantee's program? What particular problems do they intend to remedy?
- What types of activities are funded by the Choice grant? To what extent does the Choice investment leverage other funding, particularly private investment? How effectively are these various activities coordinated?
- What policy reforms and innovations accompany the intervention?
- Choice is designed to be more flexible than HOPE VI. What is the impact of this flexibility on program performance?
- Choice emphasizes partnerships and collaboration. How does the grantee utilize partnerships to improve program performance?

The second objective of the task order is to *collect and analyze baseline data* on the first five implementation sites. These data collection efforts are meant to provide material that will enable future researchers to answer key questions about the impact of Choice on the target development, its residents, and the neighborhood more broadly:

- Housing:
  - What is the change in the quality of public and assisted housing?
  - How do hard costs of rehabilitation and redevelopment compare with other programs?
  - What is the change in the quality of unassisted housing units in the target neighborhood?
  - To what extent does the Choice investment catalyze private investment in these unassisted units?
  - What other changes in the housing market are observed during the course of the study period (that is, housing affordability, tenure, size of units/number of bedrooms)?

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- What proportion of original residents of public and assisted housing return to redeveloped properties? What factors influence this rate of return?
  - What are residents' experiences with either temporary or permanent relocation?
- Support systems:
  - What institutional supports are (or will be) available to former public/assisted housing residents, both in temporary housing and in the completed neighborhood?
  - What is the income/racial/ethnic diversity of the neighborhood, at the beginning and end of the study period? If the neighborhood becomes more diverse, how do these changes influence social cohesion and interaction?
  - Do residents in the neighborhood exhibit informal networks and support systems (noninstitutional, nongovernmental)? Are these support networks inclusive of a variety of incomes and racial/ethnic/social groups?
- Opportunity and Livability:
  - How does the intervention affect educational opportunities for youth in the neighborhood?
  - How does the intervention affect employment opportunities for adults in the neighborhood?
  - How does the intervention affect residents' attitudes toward the future? Are original residents more optimistic about their own opportunities? Are they more optimistic about their children's opportunities?
  - How does the intervention affect violent crime and property crime in the target neighborhood and surrounding areas?
  - How does the intervention affect neighborhood physical conditions (for example, graffiti, road conditions, vacant lots, parks, open space, playgrounds, urban agriculture, community gardens, sidewalks)? How do these changes specifically affect the quality of the pedestrian environment, including actual and perceived pedestrian safety?
  - How does the intervention affect the mental and physical health of residents?

To the extent possible, this task order will also observe whether these outcomes are evident even as early as December 2013, but we expect that a robust assessment of the outcomes of Choice in these cities will need to wait for a future task order.

The Urban Institute's plan to accomplish these objectives uses the following methods:

- **Review of key documents** guiding the transformation plan. The team relies heavily on materials submitted to HUD as part of the application process—materials that include information on the needs of the assisted housing development, the residents and the neighborhood; the goals, activities, and vision of the grantees; the housing investments and site plans; and the capacity of the grantees and their partners. Other key documents that may be reviewed include local planning documents (for example, comprehensive plans, consolidated plan, PHA plans, zoning ordinance and map, housing code, building code) and information about the neighborhood (news stories and historical accounts).
- **Interviews** of HUD staff, grantee staff, and key community stakeholders, conducted by headquarters researchers (that is, those based in Washington [UI] and New York [MDRC]) and site-based researchers working with the UI/MDRC team. These interviews

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provide insight into why the grantee chose certain strategies, including the particular property and neighborhood targeted for redevelopment, the partnerships developed and the roles designated to each partner organization, and any policy changes implemented (whether related to housing, education, transportation, general land use, or other). The interviews also seek to characterize the broader context in which the Choice transformation plan is being implemented: the housing market conditions, the general economic situation, and any overarching housing and community development strategies being pursued across sites.

- A **survey of residents** of the Choice neighborhood, with an emphasis on the residents of the public or assisted property targeted for redevelopment (that is, the target development). This survey will develop a detailed baseline of the conditions experienced by the residents around the time that Choice transformation begins. Survey topics include residents' physical and mental health; employment, income, and public assistance; education; services received, and levels of civic engagement and community involvement; and residents' experiences in the neighborhood related to safety, housing quality, and access to services and amenities. The survey will be completed in 2013.
- Collection and analysis of quantitative and geographic data from government agencies, commercial firms, and the grantees to describe the focus development, the assisted residents, and the surrounding neighborhood at baseline. The work also includes requesting deidentified or nonconfidential data from local agencies, such as school attendance and performance, crime, and property sales and characteristics.
- Collection and analysis of administrative data relating to the Choice area and residents. Through key informant interviews and document review, we will document the sites' planned and actual use of matched administrative data to track their goals for the target developments' residents. We will request address-level administrative records from various public agencies.
- **Focus groups** of neighborhood residents, and separate focus groups of individuals and organizations engaged in providing services to the community as part of the transformation plan. These focus groups will provide an opportunity for residents and stakeholders to provide the research team with semistructured feedback on the status of the transformation and how it is affecting them.
- **Direct observations** of neighborhood conditions, including a standardized assessment of pedestrian conditions and a block-front survey of general physical conditions in the surrounding neighborhood.

Interviews and meeting observations have taken place in two main formats. First, researchers from UI's Washington headquarters and MDRC's New York office conducted in-person visits to each of the first three sites in March 2012, in July 2012 to Seattle, and in August 2012 to San Francisco. Second, site-based researchers have conducted many followup interviews and attended meetings in all five sites. Except in San Francisco, these researchers are employees of the Urban Institute. Learning for Action (LFA) Group, which is conducting an evaluation of HOPE SF with support from the Enterprise Foundation, is conducting providing the site-based researcher in San Francisco. Actions and decisions that took place on or before September 30, 2012 are reflected in this report, although on occasion we received updated information after September and included it when appropriate. In addition, we have not yet learned about some

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actions and decisions that the sites took before September 30, 2012, but subsequent findings about prior events will be incorporated into the baseline report.

The UI/MDRC team will submit three deliverables to HUD: this interim report (February 2013), a baseline report (August 2014), and a baseline database. This interim report provides:

- A first portrayal of the target developments, their residents, and the target neighborhoods.
- An analysis of the planning context, the Choice planning process, the capacity of the grantee team, and the transformation plan as submitted by the grantees to HUD in early 2011 as their applications for funding.
- Observations on early progress and challenges in implementation.

The baseline report and the baseline database are described in chapter 9.

## **1.5 Structure of the Remainder of This Report**

The remainder of this report consists of eight chapters. Chapter 2 provides an overview of conditions in all five Choice sites as of September 2012. The chapter briefly portrays each target development, the residents of each target development, and each neighborhood and continues with a longer treatment of how the sites differ in their social, economic, and physical conditions and in their metropolitan contexts. Chapters 3 through 7 provide detailed reviews of each of the five implementation sites. Each of these chapters describes a site's conditions as of September 2012, Choice planning context and process, transformation plan, and early implementation progress and challenges. Chapter 8 presents our cross-site analysis of the plans and grantee teams. Chapter 9 discusses the next steps in the research.



## 2 Baseline Conditions in the Five Implementation Sites

In this chapter, we provide a broad overview of similarities and differences among the baseline conditions of the five Choice Neighborhoods (Choice) implementation sites based on the grant applications and secondary data. The range of conditions suggests that this first set of implementation grants will provide excellent material to explore how Choice unfolds under diverse contexts as the U.S. Department of Housing and Urban Development (HUD) and Congress consider new rounds of Choice funding. We begin with two brief sections of cross-site analysis on the target developments and residents in those developments. The next section includes a review of the highlights of cross-site analysis and then discusses each set of neighborhood and metropolitan conditions in more depth. We conclude with brief thoughts on implications of the baseline conditions for Choice planning and implementation. Chapters 3 through 7 provide more detail on housing, people, and neighborhoods in each site.

Our observations that follow provide an initial view of the neighborhoods around the time of the grant application in 2010, but the forthcoming household survey will enable us to paint a much richer picture of the residents in both the neighborhoods and the target developments.

### 2.1 The Target Development

Before receiving Choice grants, target housing developments at all five sites had in common their uniformly low-income occupancy and their compelling need for either extensive physical upgrading or outright replacement. That said, however, the developments differed from one another in terms of their ownership and management structures, when they were built, their building styles and integration with the neighborhood, and their energy inefficiency.

The programs supporting PHA and HUD-assisted developments differ regarding subsidy mechanisms, regulatory regimes, and occupancy rules, and this basic distinction between public housing and assisted housing programs can have a bearing on property attributes and conditions. It is of interest, therefore, that of the five target developments, those in New Orleans, San Francisco, and Seattle are owned and managed by PHAs and those in Boston and Chicago are owned and managed by private entities.

Although all five of the target developments have been housing low-income households for decades, their ages vary dramatically. The oldest, Woodledge/Morrant Bay Apartments in Boston, was constructed in the 1920s—well before creation of federal programs to assist multifamily housing developments in the 1960s. Iberville public housing in New Orleans and Yesler Terrace public housing in Seattle were constructed in 1940 and 1941, respectively, very shortly after enactment of the public housing program in 1937. Alice Griffith public housing in San Francisco and Grove Parc assisted-housing in Chicago (previously known as Woodlawn Gardens) were constructed much later—in 1962 and 1969, respectively. Note that even the youngest such development is more than 40 years old.

Although built at different points in time, the apartment configurations are similar in that none are high-rises. Most were two- or three-story walk-up apartments, with Grove Parc also having

two four-story elevator buildings (table 2.1). On the other hand, the developments do not all look alike. Three are of brick construction and two are wood frame. Other differences pertain to the number of buildings and units per site, vacancy rates, and the distribution of unit sizes. As of December 2010, the number of buildings varied from 11 at Woodledge/Morrant Bay to 74 at Iberville; the number of units varied from 129 at the former to 821 at the latter; and vacancy rates varied from a low of less than one percent at Yesler Terrace to a high of 44 percent at Iberville. These project attributes are widely varied. Most units in the five sites have 2 or 3 bedrooms, but there are some studio apartments at Grove Parc and Yesler Terrace, some four-bedroom units at Woodledge/Morrant Bay and Yesler Terrace, and some five-bedroom units at Alice Griffith.

**Table 0.1. Characteristics of the Choice Neighborhood Target Developments, December 2010**

Target Development	Number of Buildings	Exterior Construction	Number of Stories	Unit Sizes	Number of Units	Percent Vacant	Relative Energy Efficiency*
Woodledge/Morrant Bay	11	Brick	3	1–4 bedrooms	129	2	Considerably less efficient
Grove Parc	24	Brick	Walk-up bldgs. (3); elevator bldgs. (4)	0–3 bedrooms	504	22	Considerably less efficient
Iberville	74	Brick	2–3	1–3 bedrooms	821	44	Somewhat less efficient
Alice Griffith	33	Wood frame with stucco/wood siding	2	1–5 bedrooms	256	8	Almost as efficient
Yesler Terrace	69	Wood frame	2–3	0–4 bedrooms	561	1	Equally efficient

Notes: Energy efficiency is relative to other similar buildings in the area. The vacancy rate reported by the grantee for Grove Parc was based on only the 378 units in the development that were part of the Choice Neighborhoods application, not on all 504 units.

Source: Choice Neighborhoods round 1 and 2 implementation grant applications

With the exception of Woodledge/Morrant Bay, which is relatively well integrated into the target neighborhood, the remaining developments stand out from the surrounding housing. For example, there are glaring visual differences between Grove Parc’s unornamented, minimally fenestrated brick buildings placed within expanses of parking lots along both sides of a 1/3-mile stretch of Cottage Grove Avenue and the surrounding housing stock. The latter consists of attractive and varied prewar masonry buildings with small private front and rear yards. Iberville, designed as a superblock, consists of repetitive brick buildings in contrast to the rich variety of the surrounding neighborhood. Likewise, the two-story townhouse buildings of Alice Griffith have no design similarities to the surrounding single-family homes; sidewalks and parking areas are also incongruent with, and have no connection to the target neighborhood.

Although all target developments had reason to improve their energy efficiency, energy use varied substantially across the sites and in comparison with similar buildings both locally and

nationally.<sup>37</sup> Measured in terms of Energy Use Intensity (EUI) scores,<sup>38</sup> Woodledge/Morrant Bay in Boston and Grove Parc in Chicago were considerably less energy efficient than averages for both similar buildings within their areas and across the nation. Iberville was somewhat less energy efficient than the average similar building in New Orleans but equal to the national average. Alice Griffith's EUI score was close to the average for similar buildings in San Francisco but less energy efficient than the average similar building nationwide. Finally, Yesler Terrace's EUI score was equivalent to the average of similar buildings in Seattle; however, both Yesler Terrace and the average EUI score for similar Seattle buildings indicated considerably more energy efficiency than the average similar building nationwide.

## **2.2 Residents of the Target Development<sup>39</sup>**

In addition to differences in the physical characteristics of the target developments, the residents of the Choice target developments differ considerably in their racial and ethnic composition (table 2.2). Iberville (New Orleans) and Grove Parc (Chicago) are almost exclusively Black.<sup>40</sup> Most residents of Alice Griffith (San Francisco) are also Black; however, about one-fifth of the residents are Chinese, Filipino, Samoan, Vietnamese, or of other Asian descent, while about 16 percent are White and 11 percent are Hispanic. In contrast, the Woodledge/Morrant Bay (Boston) resident population is quite ethnically diverse—one-third of residents are White, one-third are Black, a little more than 10 percent are Asian or Pacific Islanders, and one in eight is Hispanic. Yesler Terrace (Seattle) is the most diverse, with a substantial population of refugee families; nearly one-half of its population is foreign born and 12 percent of householders are not U.S. citizens. About one-half of Yesler Terrace residents are Black, 41 percent are Asian, 10 percent are White, and 3 percent are American Indian or Alaska Native.

The Alice Griffith, Woodledge/Morrant Bay, and Yesler Terrace developments also have considerable linguistic diversity. Although most Alice Griffith residents report English as their primary language (84 percent), other primary languages include Samoan, Spanish, and Cantonese. More than one-third of Woodledge/Morrant Bay household heads are non-English speakers and one in four children has limited English proficiency. The primary languages for these households include Spanish, Haitian Creole, and Cape Verdean Creole. Because of its substantial immigrant and refugee population, Yesler Terrace is the most linguistically diverse development among the five sites; only a small portion of residents (4 percent) report English as their primary language. About one-fourth of household heads speak an East African language

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<sup>37</sup> The fact that energy use is greatly influenced by the climate and weather patterns affecting each site needs to be taken into account when comparing target developments with similar buildings nationwide.

<sup>38</sup> EUI is measured in thousand British Thermal Units, or BTUs, per square foot per year. EUI scores reported in appendix A, *Energy Scorecard Report*, document the pre-Choice energy use of an average target development building at each site.

<sup>39</sup> All target development resident demographic and characteristics data are collected from sites' Choice round 2 application unless otherwise indicated.

<sup>40</sup> For simplicity, we use the terms Black, White, Asian or Pacific Islander, American Indian or Alaska Native, or Hispanic in this report to describe the race and ethnicity of particular groups. These terms are shorthand for non-Hispanic Black (either African or African American), non-Hispanic White, non-Hispanic Asian or Pacific Islander, and non-Hispanic American Indian or Alaska Native.

(such as Somali, Tigrinya, Amharic, or Oromo) and one-fourth speak an Asian language (such as Vietnamese or Cantonese) as their primary language.

**Table 2.2. Characteristics of Choice Neighborhoods Target Development Residents, May 2011**

	<b>Woodledge/ Morrant Bay</b>	<b>Grove Parc</b>	<b>Iberville</b>	<b>Alice Griffith</b>	<b>Yesler Terrace</b>
Number of residents	328	834	1,370	670	1,239
Number of households	126	325	441	228	508
Resident race/ethnicity (percent of total)					
White	32	2	0	16	10
Black	36	98	100	51	46
Hispanic	12	1	0	11	0
Asian/Pacific Islander	11	0	0	21	41
Percentage of residents who are children*	47	44	40	42	39
Percentage of residents who are seniors*	2	4	6	7	18
Percentage of households with English as the primary language	39	100	100	84	4
Percentage of households with wage income	53	34	37	31	39

Note: Variation exists in the definition of children and seniors across the sites. See related text.

Sources: Choice Neighborhoods round 2 applications from results reported on sites' needs assessments; race/ethnicity data for Alice Griffith are from LFA Group (2012); wage data are from the U.S. Department of Housing and Urban Development's Public and Indian Housing Information Center, or PIC, and Tenant Rental Assistance Certification System, or TRACS, databases (2010 data)

Young and school-age children comprise about 40 percent of the residents in the Choice target developments: 47 percent of Woodledge/Morrant Bay residents, 44 percent of Grove Parc residents, and 42 percent of Alice Griffith residents are less than age 15; 40 percent of Iberville residents and 29 percent of Yesler Terrace residents are less than age 17. By contrast, older adults are a much smaller proportion of the resident population across the five sites: less than 10 percent of target development residents in Woodledge/Morrant Bay and Iberville are age 65 or older or age 62 or older in Grove Parc and Alice Griffith, respectively. The proportion of seniors in Seattle's Yesler Terrace is higher; one in five residents is age 62 or older.

Across all five sites, the Choice target development residents have very low incomes and have low employment rates. Most residents are impoverished; more than 80 percent of Woodledge/Morrant Bay and Iberville residents have extremely low incomes.<sup>41</sup> Three-fourths of Yesler Terrace residents have incomes below the federal poverty line, and about two-thirds of Alice Griffith households' incomes are below the federal poverty line.

According to data from HUD's Public and Indian Housing Information Center, or PIC, and Tenant Rental Assistance Certification System, or TRACS, databases, about one-third of Grove

<sup>41</sup> Reported incomes are less than 30 percent of the Area Median Income.

Parc, Yesler Terrace, Iberville, and Alice Griffith households report wages in their as a source of income. Although employment rates are slightly higher in Woodledge/Morant Bay, they are still low, and only one-half of households report annual wage income. A substantial portion of residents reported disabilities: 30 percent of household heads in Iberville, 22 percent of adults in Alice Griffith, and 17 percent of residents in Yesler Terrace. These percentages are lower in Grove Parc (10 percent of residents) and Woodledge/Morant Bay (5 percent of working age adults).

## **2.3 Neighborhood and Metropolitan Area Context**

The Choice Neighborhoods program differs from HOPE VI because it includes neighborhood revitalization as a program goal alongside the redevelopment of a distressed subsidized housing community and improved outcomes for its residents. The characteristics of the Choice target neighborhoods and their surrounding metropolitan areas will present both challenges and opportunities for the grantees' implementation of their plans (to be described in chapters 8 and 9). Thus, future evaluation of the progress toward their program goals will require a thorough understanding of the initial context of the neighborhood at baseline.<sup>42</sup>

This section begins with a cross-site summary of key neighborhood conditions, which should provide sufficient background on neighborhood conditions for readers requiring only a broad overview. After a brief discussion of data sources and methods, the remainder of the section provides an in-depth look at conditions within each issue area. As background, we first review the basic demographics and household composition for residents in the Choice areas. The remainder of the section is organized by two overarching Choice aspirations: to improve residents' economic self-sufficiency and to create neighborhoods of opportunity. The former includes income and poverty levels, employment trends in the Choice areas and metropolitan areas, and barriers to residents' employment. The latter covers the housing markets of the neighborhood and metropolitan area, the state of public safety and education, and access to other amenities.

### **2.3.1 Neighborhood Highlights**

In some ways the Choice areas are similar. In addition to containing a severely distressed public housing or HUD-assisted development as described in section 2.1, neighborhoods had to meet certain criteria to be eligible for Choice as described in section 1.2. The five areas selected all had poverty rates in 2000 that were much higher than 20 percent, and all contained a low-performing school. Quincy Corridor (Boston), Woodlawn (Chicago), and Eastern Bayview (San Francisco) met the criteria for relatively high residential vacancy rates and those three plus Yesler (Seattle) met the criteria for relatively high violent crime rates.<sup>43</sup>

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<sup>42</sup> The indicators presented in this chapter are not intended to be proposed performance measures, but to generally cover the topic areas mentioned in the Choice NOFA. HUD is conducting a separate process to specify performance measures for the grantees, which will be discussed in the final report.

<sup>43</sup> Iberville/Tremé (New Orleans) had a low performing school but did not meet the eligibility criteria of having violent crime or vacancy rates that were 1.5 times the county rate, even if those rates could be considered high.



Although the sites all demonstrated neighborhood distress by meeting the Choice eligibility criteria, the severity of conditions and the trajectories of the neighborhoods vary (tables 2.3 and 2.4). The cross-site highlights that follow this section review key indicators of neighborhood context and distress.

**Table 2.3. Baseline Context Indicators for Choice Neighborhoods**

	Year	Quincy Corridor	Woodlawn	Iberville/Tremé	Eastern Bayview	Yesler
<b>Housing characteristics</b>						
Square miles		0.5	2.0	1.7	1.6	0.2
Housing units (1,000s)	2010	3.1	11.9	9.9	5.4	0.9
Subsidized housing as percentage of occupied rental units	2010	47	36	28	70	57
Housing by structure type	2006–2010					
Percent single family		12	11	42	56	9
Percent 2–4 units		65	43	34	19	9
Percent 5+ units		24	47	23	24	81
<b>Resident characteristics</b>						
Total population (1000s)	2010	9.7	23.7	11.6	17.6	2.1
Percent change	2000 to 2010	8.1	(12.4)	(44.2)	(2.3)	(3.8)
Population by race	2010					
Percent Hispanic		34	2	7	27	7
Percent non-Hispanic Black		53	87	77	45	38
Percent non-Hispanic Asian or Pacific Islander		1	2	1	19	27
Percent families with children	2010	51	34	24	47	23
Percentage point change	2000 to 2010	(2.2)	(3.8)	(16.6)	(6.4)	(6.0)

Note: Data from the American Community Survey (ACS) are for tract-based definitions of neighborhoods. See appendix B for more details.

Sources: 2000 Decennial Census; 2010 Decennial Census; 2006–2010 ACS; the U.S. Department of Housing and Urban Development’s Public and Indian Housing Information Center, or PIC, and Tenant Rental Assistance Certification System, or TRACS, databases

### Neighborhood context indicators

- Housing characteristics.** The Quincy Corridor and Yesler are quite small compared with the other three areas, so the scale of revitalization differs from the other sites. Yesler Terrace accounts for more than one-half of the housing in the Choice-defined neighborhood, so the project’s redevelopment should have a dramatic effect. A substantial 70 percent of the occupied rental housing in Eastern Bayview is also public or subsidized, with Alice Griffith accounting for only a very small share of it. The built environment for the sites will also shape the transformation plans. Yesler, the Quincy

Corridor, and Woodlawn have largely multifamily housing compared with the significant shares of single-family housing in Iberville/Tremé and Eastern Bayview.

- **Population.** The Choice neighborhoods do not uniformly fit the stereotype of population flight from distressed inner-city areas. The population in the Quincy Corridor increased by 8.1 percent from 2000 to 2010—the only Choice neighborhood that grew in the 2000s. At the other extreme, the population in Iberville/Tremé fell dramatically in the mid-2000s as a result of Hurricane Katrina’s destruction. The neighborhood’s 2010 population was 44 percent less than what it had been in 2000, although there are indications that growth emerged again toward the end of the decade. For example, after declining by 22 percent from 2002 to 2006, the number of employed residents in the neighborhood grew by 13 percent from 2006 to 2010. Woodlawn experienced the second most serious population decline during the 2000s (by 12 percent). Eastern Bayview and Yesler also lost population, but at a relatively modest rate.
- **Racial composition.** All the neighborhoods have predominantly minority populations, but three were quite diverse in 2010. In the Quincy Corridor, Hispanic residents accounted for about one-third of the population and Black residents for about one-half, with the remaining population being a mix of White and other race. Shares in Eastern Bayview were roughly the same for Hispanic and Black residents as in the Quincy Corridor, but the remaining population was largely Asian and Pacific Islander residents. In these two areas, the share of Black residents dropped significantly during the decade, accompanied by a sharp growth in Hispanic residents. Yesler had higher share of Asian residents, and a sizeable number of Black residents, but few Hispanic residents. Immigration had been important in these three sites, with roughly 30 percent of residents born outside of the United States. Although the residents of Iberville/Tremé and Woodlawn are still predominantly Black, these neighborhoods have seen declines in the share of Black residents, with increased shares of Hispanic and White residents.
- **Age and household composition.** Children declined as a share of total population in these neighborhoods during the 2000s, by a dramatic 13 percentage points in Iberville/Tremé and 5 to 6 percentage points in the other sites. Iberville/Tremé and Yesler also experienced sharp declines in the share of families with children. By 2010, both had strikingly low shares of family households with less than one-half of the households in Iberville/Tremé and only about one-third in Yesler. Families made up nearly three-fourths of households in the Quincy Corridor and Eastern Bayview and more than one-half of households in Woodlawn.

**Table 2.4. Baseline Distress Indicators for Choice Neighborhoods<sup>44</sup>**

	Year	Quincy Corridor	Woodlawn	Iberville/Tremé	Eastern Bayview	Yesler
Poverty rate	2006–2010	38	29	42	26	36
Percentage point change	2000 to 2006–2010	6	(9)	(12)	(3)	(0)
Unemployment rate	2006–2010	21	17	20	16	10
Percentage point change	2000 to 2006–2010	10	(2)	2	4	(2)
Vacancy rate	2010	10	22	38	7	10
Percentage point change	2000 to 2010	2	8	20	4	6
Violent crime rate per 1,000 population	2011	16	24	15	14	7
HUD school proficiency index neighborhood score	2008	14	17	71	7	36
Point difference from city score		(7)	(14)	(20)	(42)	(19)

HUD = U.S. Department of Housing and Urban Development.

Notes: The HUD school proficiency index scores for neighborhoods are relative to their states overall.

Data from the American Community Survey (ACS) are for tract-based definitions of neighborhoods.

Sources: 2000 Decennial Census; 2010 Decennial Census; 2006–2010 ACS; HUD Fair Housing Equity Assessment, or FHEA, Indices; local crime statistics

## Distress indicators

- Poverty and unemployment.** At least one-fourth of the population in the Choice neighborhoods were living in poverty in the period from 2006 through 2010 (period estimates from the American Community Survey will be referred to by the period included—in this case, 2006–2010) and at least 10 percent of the labor force were unemployed. The Quincy Corridor’s distress by these measures was among the worst of the five neighborhoods, and it was the only one to experience significant increase in distress during the decade. Its poverty rate went up 6 points to 38 percent from 2000 to 2006–2010 and its unemployment rate went up 10 points to 21 percent. This neighborhood also has the largest disparity in these two measures compared with the metropolitan rates.

In both Iberville/Tremé and Woodlawn, poverty rates dropped significantly, but without a corresponding improvement in unemployment. Iberville/Tremé’s 42-percent poverty rate in 2006–2010 is comparable to the Quincy Corridor, but also showed the greatest drop since 2000 as lower income households were less likely to return after Hurricane Katrina occurred. Woodlawn also saw a major reduction in poverty during the decade, ending at a rate of 29 percent. Both neighborhoods had high unemployment rates with little change since 2000.

<sup>44</sup> Two years separated by a dash (e.g. 2006–2010) indicate a period estimate from the American Community Survey. Two years (or a year and a period estimate) separated by the word to (e.g. 2000 to 2006–2010) indicate change from the first date to the second date (or period).

Not surprising, given the dominance of public housing, Yesler has a high poverty rate of 36 percent in 2006-2010 that has not changed since 2000. Given the level of poverty, Yesler residents have an unexpected lower rate of unemployment than the rest of the neighborhoods at 10 percent. Eastern Bayview has the lowest poverty rate of all the Choice sites, and an unemployment rate in the middle of the pack.

- **Violent crime.** Violent crime is a big problem in all these neighborhoods, whose rates are about twice those of the cities. Woodlawn stands out with the highest crime rate in 2011 of the five sites, at 24 violent crimes per 1,000 population, followed by the Quincy Corridor, Iberville/Tremé and Eastern Bayview.<sup>45</sup> Violent crime rates did improve between 2010 and 2011, falling about 3 points in the Quincy Corridor, Woodlawn, and Eastern Bayview, but increasing slightly in Iberville/Tremé.
- **Vacancy.** Among the Choice areas, the Woodlawn and Iberville/Tremé areas exhibit alarming rates of vacancy, consistent with the population loss described previously. In Woodlawn, 22 percent of the housing units were vacant in 2010, up 8 percentage points in 2000 and nearly twice the Chicago rate. In Iberville/Tremé, 38 percent of the units were vacant in 2010, but even before Hurricane Katrina occurred, it had very high vacancy rates. Although not as extreme, the Quincy Corridor and Yesler Terrace also had high vacancy rates of about 10 percent, and for Yesler, the figure was nearly three times the 2000 level. Eastern Bayview's vacancy rate went up modestly, but it has a much tighter housing market than the other Choice areas.
- **Education.** The public school system's policies on school choice affect the share of children attending neighborhood schools, and the role that neighborhood schools play in the community. New Orleans has the highest degree of school choice, with the largest share of students attending charter schools in the nation. Some measure of parental choice in assignment is available in all the other Choice cities except Seattle. An index of school quality developed by HUD compares schools on proficiency test performance in relation to other schools in their state. These indices show that all the Choice neighborhood schools are of lower quality than the city schools overall, with Yesler and Iberville/Tremé ranking higher than the schools in the other Choice areas. Schools in Eastern Bayview had both the lowest score of all the Choice neighborhoods, and also the largest gap with the city score.

### 2.3.2 Key Data Sources and Neighborhood Definitions

Indicators of race, age, household type, housing tenure, and vacancy are derived from the Decennial Census Summary File 1. Local Employment Dynamics data provide several of the employment indicators. Indicators from these sources are published at the block level and

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<sup>45</sup> Preliminary analysis of violent crime data from Seattle resulted in large discrepancies (41 percent) between the local data and published FBI Uniform Crime Reports. Therefore, local data for Seattle are not reported here.

reported for the grantee-defined neighborhood boundaries.<sup>46</sup> Most of the other population and housing characteristics are based on the 2000 Decennial Census Summary File 3 and the American Community Survey (ACS) 2006-2010 5-year estimates. For these sources, the data are calculated for an approximation of the neighborhood constructed from census tracts. In Woodlawn, Iberville/Tremé, and Eastern Bayview, the areas are not substantially different. For the two smallest areas, the tract-based areas are significantly larger. For the Quincy Corridor, the tract-based neighborhood has 23 percent more people than the official Choice boundary. The Yesler Choice area does not align well with census tracts, resulting in the tract-based population of nearly 14,000, nearly 7 times the total for the official area.<sup>47</sup> Appendix C describes the report's data sources and appendix B discusses Choice tract-based neighborhood definitions.

Throughout the rest of this section, we compare the Choice neighborhoods with their cities and metropolitan areas to provide context in which to interpret the indicators for the neighborhoods. For some indicators, it is more helpful to draw comparisons between the Choice areas and other high-poverty neighborhoods in that city. We have defined high-poverty neighborhoods to be census tracts with poverty rates in 2006-2010 over 30 percent.

### 2.3.3 Demographics

#### 2.3.3.1 *Population and Mobility*

The metropolitan areas with Choice neighborhoods are some of the largest in the country, with 4 ranking among the top 15 largest by population in 2010. As table 2.5 shows, the Boston, Chicago, and San Francisco metropolitan areas all saw moderate population growth during the past decade, but they grew less than the average growth rate for the 100 largest metropolitan areas (1.0 percent per year). Seattle had the fastest growth rate among Choice metropolitan areas at 1.2 percent per year. The New Orleans metropolitan area lost population after Hurricane Katrina occurred in 2005 and finished the decade with a population loss rate of 1.2 percent per year.

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<sup>46</sup> We used the official census block list found in attachment 9 of the round 1 Choice applications to define the neighborhoods. After completing our analysis, we discovered that a portion of the Yesler Terrace development is excluded from the Yesler neighborhood because it is not contained in the census blocks listed in attachment 9. Therefore, about 18 percent of the households in Yesler Terrace are not represented in our descriptions of the neighborhood when using block definitions.

<sup>47</sup> Although using the tract-based definition is not ideal for Yesler, for some important indicators, like poverty, tracts are the lowest level of geography available with reliable data. Block group data is available for the ACS, but still would not match the Choice boundaries and it would have unacceptably wide confidence intervals around the estimates. We have erred on the side of caution in our analysis on indicators where we believe using the tract-based neighborhood and the block-defined neighborhood of Yesler would produce different results.



**Table 2.5. Population and Population Change in Metropolitan Areas and Neighborhoods**

	Year	Boston	Chicago	New Orleans	San Francisco	Seattle
<b>Metropolitan areas</b>						
Total population (1,000s)	2000	4,552	9,461	1,168	4,335	3,440
Change in population (%/year)	2000 to 2010	0.4	0.4	(1.2)	0.5	1.2
<b>Neighborhoods</b>						
Total population (1,000s)	2010	9.7	23.7	11.6	17.6	2.1
Change in population (%/year)	2000 to 2010	0.8	(1.3)	(5.7)	(0.2)	(0.4)
Density (population per square mile)	2010	21,571	11,907	6,979	11,020	11,894
<b>Other high-poverty neighborhoods</b>						
Change in population (%/year)	2000 to 2010	1.0	(1.8)	(4.8)	0.8	2.0

Sources: 2000 Decennial Census, Summary File 1; 2010 Decennial Census, Summary File 1

All Choice neighborhoods, except for the Quincy Corridor, lost population between 2000 and 2010.<sup>48</sup> The Quincy Corridor grew at a slightly faster rate than Boston or the Boston metropolitan area. Of those Choice areas losing population, Iberville/Tremé had the greatest loss rate (overall decline of 9,200 people), which was a faster rate of loss than that of its metropolitan area, the city of New Orleans, or other high-poverty neighborhoods. The Chicago metropolitan area grew slowly, but the city of Chicago lost population at a rate of 0.7 percent per year and Woodlawn lost population at a rate of 1.3 percent per year. Other high-poverty neighborhoods in Chicago lost population at even higher rates than Woodlawn, however.

Both Eastern Bayview and Yesler had small losses in population during the period, but populations grew slowly in other high-poverty neighborhoods, their cities, and their metropolitan areas (with higher growth rates in the Seattle area than San Francisco).

The Quincy Corridor was the densest Choice area in 2010, nearly twice as dense as Woodlawn, Yesler, and Eastern Bayview. Eastern Bayview is much less dense than San Francisco, Woodlawn is about the same density as Chicago, Yesler and Iberville/Tremé are denser than their cities, and the Quincy Corridor is significantly denser than the city of Boston.

Residential mobility is an important factor to pay attention to in comprehensive community change initiatives. Studies of the Making Connections Initiative show very high mobility rates in low-income neighborhoods, which affects who is being affected and for how long by the

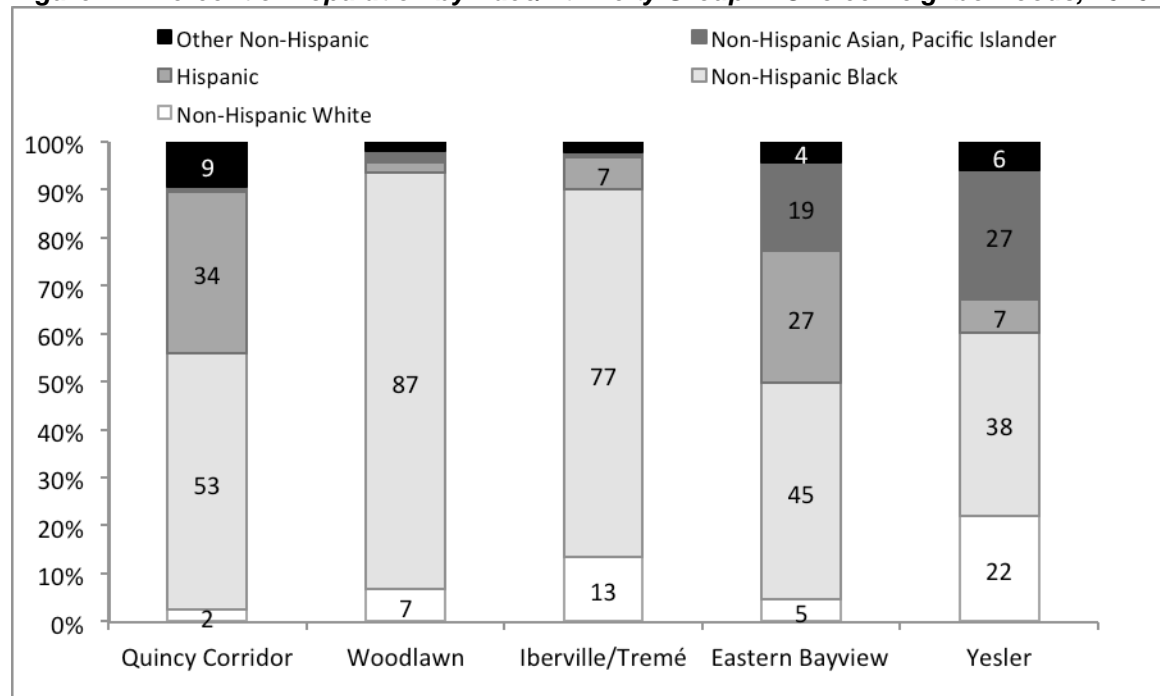
<sup>48</sup> In addition to increasing in population, the Quincy Corridor gained households, but the other four Choice neighborhoods lost households between 2000 and 2010. The Quincy Corridor gained households at a rate of 1.1 percent per year, a slightly faster rate than its population growth rate. Woodlawn, Iberville/Tremé, and Eastern Bayview all lost households at slightly slower rates than their population loss rates. Although Yesler had some population loss, it gained 54 households between 2000 and 2010.

initiative.<sup>49</sup> One measure of mobility for the tract-defined Choice neighborhoods is the share of the head of households that moved in the past 5 years. In 2006-2010, mobility rates were high in Woodlawn (65 percent); Iberville/Tremé (72 percent), where population loss was greatest; and Yesler (82 percent). These mobility rates, however, were similar to rates in other high-poverty neighborhoods in those cities. The Quincy Corridor (64 percent) and Eastern Bayview (55 percent) had lower rates than other high-poverty areas in their cities. With the exception of Eastern Bayview, residents in Choice areas are more mobile than in metropolitan areas overall.

### 2.3.3.2 Race, Ethnicity, and Nativity

In 2010, all five Choice neighborhoods had higher proportions of minority residents than in their cities, ranging from a difference of 17 percentage points between Iberville/Tremé and New Orleans to 45 percentage points between the Quincy Corridor and Boston. In all five Choice areas Black residents are the largest racial/ethnic group, ranging from 38 percent in Yesler to 87 percent in Woodlawn (figure 2.1). Yesler and Eastern Bayview are the most diverse sites overall, each with more than 20 percent of two additional groups, Asian or Pacific Islander and White in Yesler and Hispanic and Asian or Pacific Islander in Eastern Bayview. The Quincy Corridor also has a significant Hispanic population.

**Figure 2.1. Percent of Population by Race/Ethnicity Group in Choice Neighborhoods, 2010**



Sources: 2000 Decennial Census, Summary File 1; 2010 Decennial Census, Summary File 1

Black residents as a share of population were declining between 2000 and 2010 in all sites except for Yesler, with substantial losses in Iberville/Tremé (15 percentage points) and Eastern Bayview (16 percentage points). Groups gaining in population varied more across the sites with Hispanic

<sup>49</sup> Coulton, Theodos, and Turner (2009).

populations growing most in Boston, Eastern Bayview, and Iberville/Tremé (along with the White population), White population growing in Woodlawn, and Black and Asian population growing in Yesler. Except in Iberville/Tremé, where a dramatic change occurred in both the total population and its composition, changes in the absolute counts of people in each racial/ethnic group mirrored the changes in the shares of population.

Three of the five Choice neighborhoods have significant foreign-born populations.<sup>50</sup> In 2006-2010, the Quincy Corridor, Eastern Bayview, and Yesler all had foreign-born shares ranging from 28 to 32 percent,<sup>51</sup> whereas Woodlawn and Iberville/Tremé had very small foreign-born populations (4 percent). In the Quincy Corridor, the foreign-born population was on par with Boston overall, but it was a lower proportion in Eastern Bayview than in San Francisco overall, and a higher proportion in Yesler than in Seattle overall. About two out of five foreign-born residents in the Quincy Corridor and Yesler had entered the United States after 2000, compared with 28 percent in Eastern Bayview.

### *2.3.3.3 Households and Group Quarters*

Families dominated the Quincy Corridor and Eastern Bayview (about three-fourths of the households) in 2010, but account for only one-third to one-half of the households in the other Choice areas (figure 2.2). Although the shares differ, all Choice areas had a higher proportion of female-headed families than their cities overall. Two Choice sites—Iberville/Tremé and Yesler—experienced shifts toward more nonfamily households during the decade.

Single-parent families with children were the most common household type in both the Quincy Corridor and to a lesser extent in Eastern Bayview, although Eastern Bayview had a higher share of households made up of a married couple with children than the Quincy Corridor. Altogether, children accounted for 33 percent of the population in the Quincy Corridor and 29 percent of Eastern Bayview. In addition to having high shares of families relative to other Choice areas, the Quincy Corridor and Eastern Bayview also have a higher proportion of families and of children when compared with their cities.

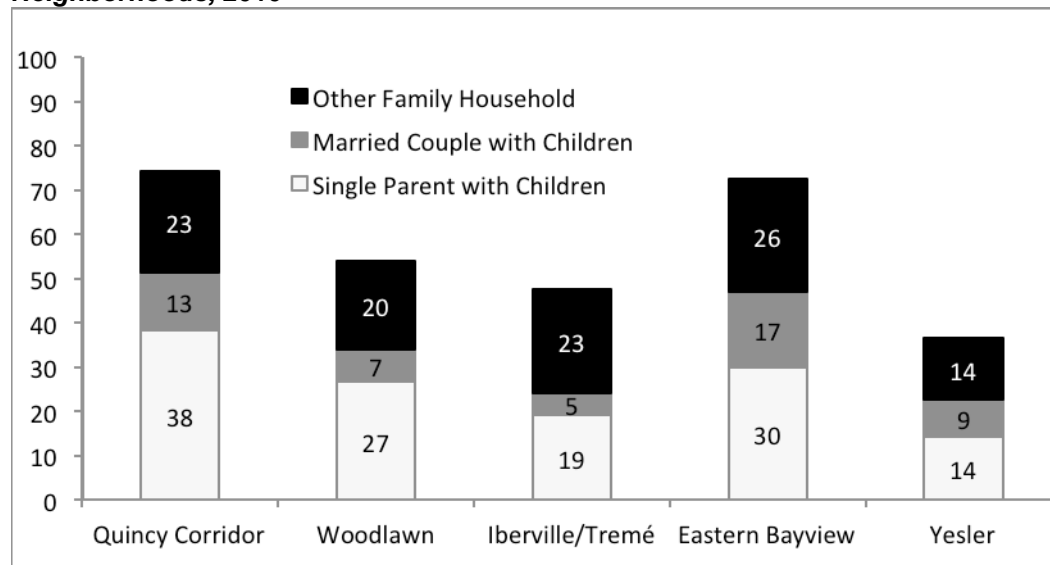
Similar to household composition in the city of Chicago, families made up more than one-half of the households in Woodlawn in 2010, with the most common type being single parents with children. In Woodlawn, 71 percent of families with children had a single female as the head of the household, which is the highest percentage of the five Choice areas. The Woodlawn household mix did not change substantially after 2000.

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<sup>50</sup> Nativity data are available only for tract-defined Choice neighborhoods. The tract-based neighborhood for Yesler is much larger than the Yesler Choice footprint, but, as noted in section 2.4.2.2, one-fourth of the residents of Yesler Terrace are foreign born (including residents from Somalia, Ethiopia, Vietnam, and China), and Yesler Terrace residents make up more than one-half of the residents in the Yesler Choice area.

<sup>51</sup> Because the 2006-2010 period of the ACS data represents the New Orleans recovery period from Hurricane Katrina, the estimates, particularly for population characteristics, should be viewed in light of the major changes the community experienced during the period. For example, the ACS data averaged over 5 years may underestimate the share of foreign-born people, given the increase in the Hispanic population from 2000 to 2010.

**Figure 2.2. Percentage of Households by Type (family households only) for Choice Neighborhoods, 2010**



Sources: 2000 Decennial Census, Summary File 1; 2010 Decennial Census, Summary File 1

Iberville/Tremé's household composition changed substantially between 2000 and 2010, away from families with children. Its share of single-parent with children households dropped from 33 to 19 percent, and married couples with children fell from 7.5 to 4.8 percent. Most of the shift was toward nonfamily households, which rose sharply from 41 to 53 percent during the decade. The nonfamily share also increased in the city of New Orleans, but to a lesser extent, rising from 40 to 46 percent. The ratio of young men (age 16 to 34) to young women (age 16 to 34) in New Orleans rose drastically over the period 2000 to 2010, from 69:100 to 101:100.

Yesler's share of family households ranked last among the Choice sites in 2010 and was lower than the share for Seattle as a whole. Children were 29 percent of the population in the neighborhood, twice the city figure and similar to the levels in the more family oriented Choice sites. Yesler's increase in nonfamily households during the decade (from 58 to 64 percent) contrasted with little change in the city's nonfamily share.

Along with children, elderly residents represent another vulnerable population in these neighborhoods. All the Choice cities have 10 to 11 percent of their population age 65 and older. Woodlawn, Iberville/Tremé, and Yesler have roughly the same proportion as their cities and the Quincy Corridor and Eastern Bayview have slightly smaller proportions than their cities, 7 and 9 percent, respectively.

Outside of households, people also live in group quarters (for example, correctional facilities, nursing homes, college dormitories, emergency shelters, or rehabilitation facilities, and so on). In 2010, in the Yesler neighborhood 12 percent of the population was living in group quarters, including about 7 percent in a juvenile justice facility. Woodlawn's share of population in group quarters was about one-half that of Yesler's, including nearly 5 percent in college dormitories.

Iberville/Tremé, Eastern Bayview and the Quincy Corridor all had less than 5 percent of their population living in group quarters.

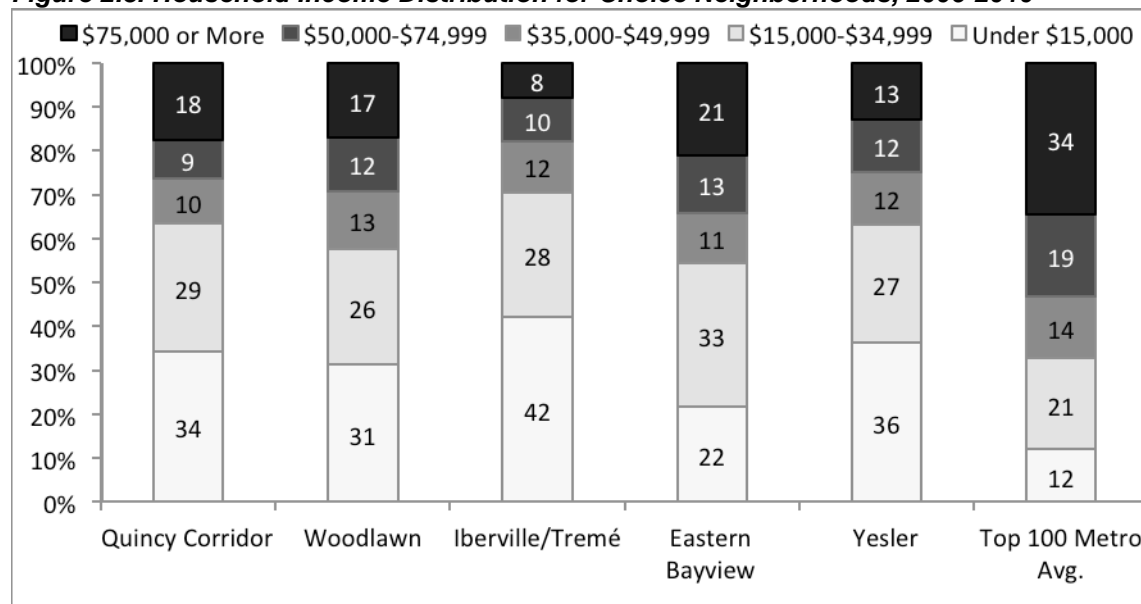
### 2.3.4 Improve Residents' Economic Self-Sufficiency

Choice grantees seek to improve the economic status for all residents in the Choice areas. Chapters 3 through 7 describe the site-specific strategies to contribute to this goal, such as increasing access to educational and job training opportunities. The subsections that follow this section provide a picture of the economic and employment situations for the Choice residents at the beginning of the program.

#### 2.3.4.1 Income and Poverty

These neighborhoods were selected for Choice, in part, because they had high poverty rates in 2000. Households in these neighborhoods also had substantially lower average income than city households overall.<sup>52</sup> Average household income in 2006-2010 ranged from \$32,000 in Iberville/Tremé to \$50,000 in Eastern Bayview. The smallest difference between a Choice site and its city was between Woodlawn and Chicago at \$27,000; the largest difference was between Eastern Bayview and San Francisco at \$52,000. Compared with other high-poverty neighborhoods, households in Woodlawn and Iberville/Tremé were not worse off, and households in the Quincy Corridor and Yesler had lower average incomes.

**Figure 2.3. Household Income Distribution for Choice Neighborhoods, 2006-2010**



Note: Data are for tract-based definitions of neighborhoods.

Source: 2006-2010 American Community Survey

One goal of Choice is to create mixed-income neighborhoods. In 2006-2010, the distribution of household incomes in the Choice areas was highly skewed toward the low end (figure 2.3). At

<sup>52</sup> Income and poverty indicators reflect tract-defined neighborhoods.



least one-half of all households had incomes below \$35,000 in these areas, ranging from 54 percent in Eastern Bayview to 71 percent in Iberville/Tremé. Eastern Bayview, the Quincy Corridor, and Woodlawn had the highest shares of households with incomes more than \$75,000. Figure 2.3 also shows the stark differences between the distributions of households by income in the neighborhoods compared with the average distribution for the top 100 metropolitan areas. The Choice neighborhoods also have much higher shares of households with incomes under \$35,000 than their cities, ranging from 19 points higher in Woodlawn to 34 points higher in Yesler.

The poverty rate in 2006-2010 ranged from 26 percent in Eastern Bayview to 42 percent in Iberville/Tremé. Poverty rates declined between 2000 and 2006-2010 in both Woodlawn and Iberville/Tremé, but increased slightly in the Quincy Corridor. Woodlawn, Eastern Bayview and Yesler were less poor than other high-poverty areas in those cities in 2006-2010, whereas poverty rates in Iberville/Tremé and the Quincy Corridor were comparable to those in other high-poverty neighborhoods in those cities.

Child poverty rates were higher than the overall poverty rates (ranging from 36 to 60 percent) but followed a similar pattern in level across sites and change since 2000. In all Choice neighborhoods at least one-half of the population lived at or below 200 percent of the federal poverty level in 2006-2010, from 52 percent in Eastern Bayview to 72 percent in Iberville/Tremé.

#### *2.3.4.2 Employment*

**Metropolitan economic context.** The larger economic context in which Choice is operating will to some extent affect the ability of the grantees to move forward on components of their planned Choice efforts. For example, if the metropolitan area is losing jobs and population, grantees and their partners will face more challenges in attracting new retail and residents to the Choice areas. This section will discuss how the Choice metropolitan areas have fared economically since the Great Recession. More on the metropolitan housing market will be discussed in Section 2.3.5.6.

**Table 2.6. Employment Growth and Unemployment Rates in Choice Metropolitan Areas**

	Year	Boston	Chicago	New Orleans	San Francisco	Seattle	Top 100 Avg.
Change in employed residents (%/year)	2002 to 2007	0.3	1.2	(3.4)	(0.1)	2.4	1.4
	2007 to 2009	(1.1)	(3.1)	0.6	(1.7)	(0.7)	(1.9)
	2009 to 2012	0.9	0.4	0.2	1.3	0.8	0.7
Unemployment rate	2002	5.5	7.2	6.5	6.5	6.8	5.9
	2007	4.4	5.4	4.3	4.5	4.0	4.7
	2009	8.0	0.8	7.6	10.1	9.8	9.6
	2012	5.8	9.3	8.7	8.5	7.8	8.4

Note: The unemployment rates are reported as of June in each year listed.

Source: Bureau of Labor Statistics, Local Area Unemployment Statistics

Employment growth in four Choice metropolitan areas—Boston, Chicago, New Orleans, and San Francisco—was less than the average performance of the top 100 metropolitan areas (by population) in the boom years between June 2002 and June 2007 (table 2.6). Seattle was the only Choice metropolitan area to exceed average employment growth, with the number of employed residents rising by 2.4 percent per year. Employment grew at about the average rate in Chicago but more slowly in Boston. Employment fell slightly in the San Francisco metropolitan area during this period. Unemployment rates in June 2007 in Choice metropolitan areas ranged from 4.0 in Seattle to 5.4 in Chicago.

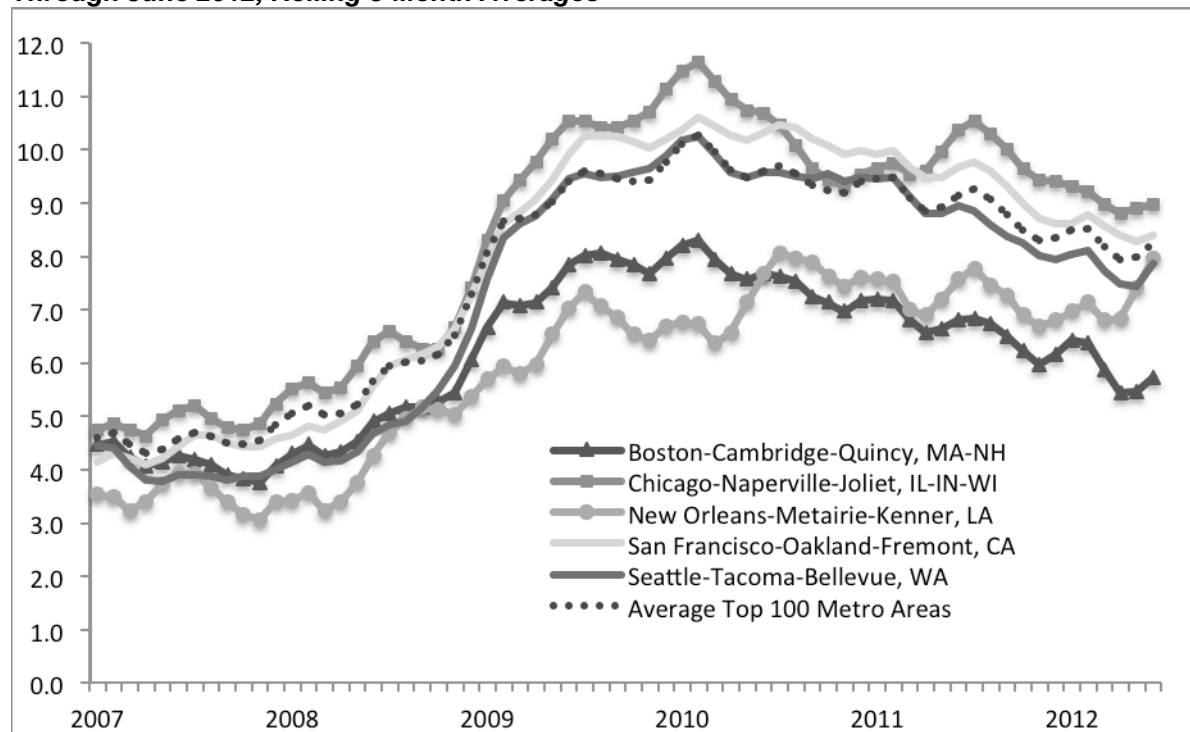
As the Great Recession hit, four of the Choice metropolitan areas saw employment decline, ranging from 3.1 percent per year in Chicago to 0.7 percent per year in San Francisco. Unemployment rates rose higher than 10 percent in Chicago, San Francisco, and Seattle, peaking in the first 2 months of 2010 (figure 2.4). Since the end of the recession, unemployment has come down in these four places. Overall, out of the five areas, Boston has fared the best on unemployment and San Francisco has had significant employment growth in the past 3 years.

Employment fell quickly in New Orleans between 2002 and 2007, as expected, given the population loss after Hurricane Katrina damaged or destroyed much of the city in 2005. The labor force also decreased, so the unemployment rate was only 4.3 percent in 2007. Employment grew in New Orleans during the recession because of the post-Hurricane Katrina recovery efforts.<sup>53</sup> Since 2009, employment growth has slowed and unemployment has remained at higher levels (between about 6.5 to 8.0 percent) as the recovery efforts began to wind down and the oil and fishing industries contracted after the Deepwater Horizon oil spill in 2010.

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<sup>53</sup> Plyer and Ortiz (2011).

**Figure 2.4. Monthly Unemployment Rate in Choice Neighborhoods Metropolitan Areas, 2007 Through June 2012, Rolling 3-Month Averages**



Source: Bureau of Labor Statistics, Local Area Unemployment Statistics

**Neighborhood employment and workforce characteristics.** Choice neighborhoods were hit worse by the recession than Choice cities and metropolitan areas. The neighborhood unemployment rates during the 2006-2010 period ranged from 9.9 percent in Yesler to 21.3 percent in the Quincy Corridor, a different pattern than among the Choice metropolitan areas.<sup>54</sup> A lower percentage of adults in the Choice areas was working than in Choice cities overall, with the exception of New Orleans. Roughly one-half of all adults over age 16 in Choice neighborhoods were employed in 2006-2010, with 45 percent in Yesler and 51 percent in the Quincy Corridor and Eastern Bayview. Men and women over age 16 generally had equal employment rates, except in Eastern Bayview, where 60 percent of men and only 43 percent of women are employed. Employment for men in Eastern Bayview increased by more than 12 percentage points between 2000 and 2006-2010, compared with an increase of only 2 percentage points for women.

The data referenced in the previous paragraph are from the 2006-2010 ACS and provide some useful employment indicators. The data from the Census Bureau's Local Employment Dynamics (LED) program are available annually at the census block level, and enable us to capture a more detailed picture of the workforce living in exact Choice areas defined by the grantees.

<sup>54</sup> The Local Area Unemployment Statistics data are not available for areas smaller than counties. Instead, unemployment figures for the neighborhood are based on the ACS and reflect the tract-defined Choice neighborhoods.

Unfortunately, the Commonwealth of Massachusetts is not yet a full partner in the LED program so data for Boston and the Quincy Corridor are not available at this time.

As table 2.7 shows, the ratio of Choice neighborhood residents with a primary job (regardless of work location) to the population in the neighborhood age 18 to 65 was roughly 0.50 in Woodlawn, Iberville/Tremé and Eastern Bayview, with a slightly higher ratio of 0.55 in Yesler. This ratio is comparable to the employment rates from the ACS mentioned previously.

**Table 2.7. Primary Jobs and Change in Jobs of Residents of Choice Neighborhoods**

	Year	Woodlawn	Iberville/ Tremé	Eastern Bayview	Yesler
Number of primary jobs	2010	7,200	3,800	5,500	700
Number of primary jobs per population 18–65	2010	0.48	0.47	0.50	0.55
Change in primary jobs (%/year)	2002 to 2006	(3.3)	(22.7)	(2.2)	3.8
	2006 to 2010	(1.0)	(13.4)	(1.7)	(0.2)

Notes: Excludes federal government jobs. Data for Massachusetts are not available.

Source: Local Employment Dynamics

Yesler residents saw a growth in primary jobs between 2002 and 2006,<sup>55</sup> and slow loss between 2006 and 2010. Primary jobs declined in the other three Choice neighborhoods both earlier in the decade and between 2006 and 2010, but with slower rates of job loss in the later period.

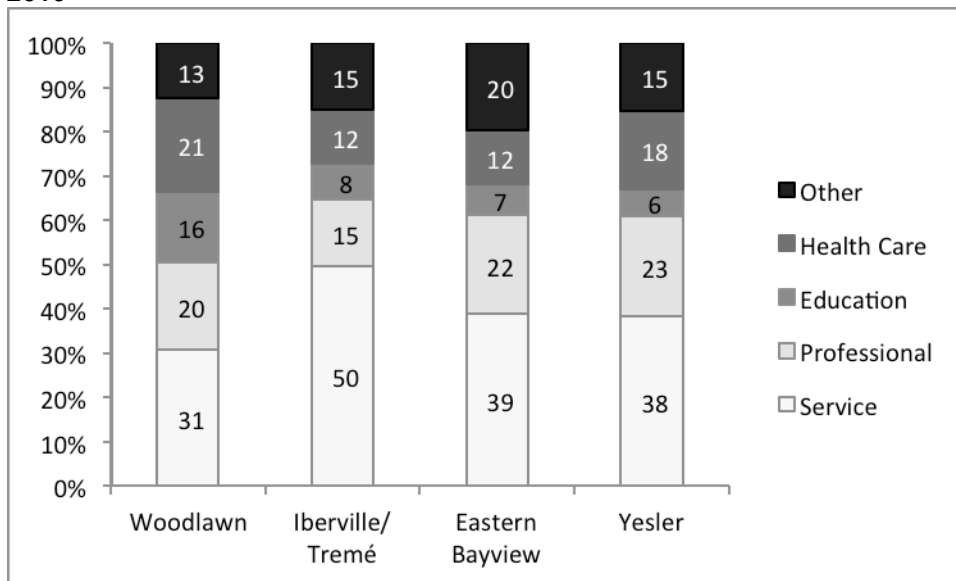
Hurricane Katrina had an even more dramatic effect on employment in Iberville/Tremé than in the metropolitan area overall; Iberville/Tremé experienced a decline of 22.7 percent of primary jobs per year in the early period, followed by a rebound of 13.4 percent per year from 2006 through 2010. The number of primary jobs for Iberville/Tremé residents remained down 41 percent in 2010 from its 2002 level.

The primary jobs of residents who lived in the Choice neighborhoods were most likely to be in the service sector (figure 2.5).<sup>56</sup> Service sector jobs were more likely to be low- and medium-wage jobs (40 to 57 percent) than were all primary jobs (31 to 50 percent). The second largest sector varied across the sites. Combined, the top two sectors in each site account for at least 50 percent of the primary jobs for residents (Woodlawn) and as much as 65 percent (Iberville/Tremé).

<sup>55</sup> Data from 2006 were chosen to be one of the break points for the data to isolate the impact of Hurricane Katrina on employment in the New Orleans area.

<sup>56</sup> For this analysis, we grouped the 20 North American Industry Classification System (NAICS) codes used in the Local Employment Dynamics data into 5 categories by sector: service, professional, education, health care, and all other. The service sector includes jobs in NAICS codes 44–45 (Retail Trade), 56 (Administration and Support), 71 (Arts, Entertainment, and Recreation), 72 (Accommodation and Food Services), and 81 (Other Services except Public Administration). The professional sector includes jobs in codes 51 (Information), 52 (Finance and Insurance), 53 (Real Estate), 54 (Professional, Scientific, and Technical Services), 55 (Management), and 92 (Public Administration). The education sector includes jobs in code 61 and health care includes jobs in code 62 (Health Care and Social Assistance). The other category includes codes 11 (Agriculture, Forestry, etc.), 21 (Mining, etc.), 22 (Utilities), 23 (Construction), 31 to 33 (Manufacturing), 42 (Wholesale Trade), and 48 and 49 (Transportation and Warehousing).

**Figure 2.5. Percent of Primary Jobs by Industry Sector for Residents of Choice Neighborhoods, 2010**



Notes: Excludes federal government jobs. Data for Massachusetts are not available.  
Source: Local Employment Dynamics

Although the share of residents with service-sector jobs dominates these neighborhoods and grew between 2002 and 2010 in three sites (Iberville/Tremé<sup>57</sup>, Eastern Bayview, and Yesler), the healthcare sector grew as a share of all jobs in all four Choice areas. The education sector, in which jobs pay more on average than those in services and health care, was growing in Woodlawn, Iberville/Tremé, and Eastern Bayview. The share of residents with jobs in the professional sector decreased in all four sites, ranging from a decline of 1.6 percentage points in Eastern Bayview to a decline of 6.1 percentage points in Iberville/Tremé.

One Choice Neighborhoods program goal is to increase educational attainment and economic self-sufficiency among residents. Grantees must deal with the education and job-training needs of their residents to address this goal. In 2006-2010, more than one out of four adults age 25 or older do not have a high school degree in all Choice neighborhoods, except Woodlawn (18 percent). The share in Woodlawn is comparable to that of Chicago, but in the other Choice neighborhoods this share is much higher than that of their cities. Residents have higher educational attainment in Woodlawn than in other high-poverty areas of Chicago, and residents in the Quincy Corridor and Yesler have lower educational attainment than other high-poverty areas in Boston and Seattle.

Language may also be a significant barrier to employment for residents in the Choice neighborhoods in Boston, San Francisco and Seattle. Mirroring the proportion of the population that is foreign born, about 20 percent of adults age 18 to 64 do not speak English or do not speak it well in Yesler, 24 percent of adults in the Quincy Corridor, and 27 percent in Eastern Bayview.

<sup>57</sup> Change in industry sector for Iberville/Tremé is described for the 2006–2010 period rather than the 2002-2010 period.

Less than 6 percent of adults in Iberville/Tremé or Woodlawn have difficulties speaking English. More detail about the languages spoken in each target development is provided in the report chapter for each site.

### 2.3.5 Create Neighborhoods of Opportunity

Choice Neighborhoods is intended to create opportunities for existing and new residents through the redevelopment of the target public or subsidized housing, provision of enhanced services, and economic development efforts in the neighborhood. Lowering crime rates and improving school quality could retain current households who might otherwise move away, and could also draw new residents into the neighborhood. The following subsections describe the state of Choice areas in terms of job accessibility, housing markets, safety, and services.

#### *2.3.5.1 Access to Jobs*

One goal of the Choice Neighborhoods program is to improve access to employment opportunities for neighborhood residents. Yesler had the best access to job opportunities as measured by HUD's Job Accessibility Index,<sup>58</sup> with an average index value of 88, much higher even than Seattle's average value of 56. Eastern Bayview also had a high level of accessibility with an average index value of 72 compared with San Francisco's 57. Iberville/Tremé had a lower value of 55 but was still more accessible to employment opportunities than New Orleans on average (46). Woodlawn had the lowest average index value of the Choice neighborhoods at 34, below other poor areas (49) and Chicago (52).

In 2010, jobs in the Choice metropolitan areas were more centralized and potentially accessible to Choice residents in Chicago and Seattle, where they were more concentrated in the central city or county than in the suburbs (62 and 66 percent, respectively) than in New Orleans (30 percent) or San Francisco (24 percent).<sup>59</sup> Nearly one-fourth of workers living in the San Francisco metropolitan area travel outside of the metropolitan area for their primary job, compared with 13 percent in the New Orleans metropolitan area, 7 percent in Seattle, and less than 3 percent in Chicago.

Most residents living in the Choice neighborhoods (block-defined) had jobs in the central city, ranging from 60 percent in Iberville/Tremé to 72 percent in Woodlawn. Following the pattern for the location of jobs across the metropolitan area, nearly 40 percent of residents in the Choice neighborhoods were traveling outside of Orleans Parish or San Francisco County for their primary job. However, only 11 percent of residents in Woodlawn traveled outside of Cook County and only 14 percent of residents in Yesler traveled outside of King County for work.

Jobs were more centralized in some places than others, but few residents of Choice neighborhoods actually work within the exact boundaries of their neighborhood. About 2 to 3 percent of neighborhood residents in Woodlawn and Iberville/Tremé worked within the

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<sup>58</sup> The Job Accessibility Index measures distance to job locations weighted by the number of employment opportunities. It is not available for Boston.

<sup>59</sup> Statistics are from the Local Employment Dynamics data; no data are available for Massachusetts.



boundaries of the Choice areas, although slightly more Eastern Bayview residents (7.9 percent) and Yesler residents (12.4 percent) worked in the Choice area. The number for Yesler is particularly large given the small size of the Yesler neighborhood.

#### *2.3.5.2 Transportation*

Given that most residents of Choice neighborhoods do not work in the Choice area it is also important to look at what kind of access residents have to cars and other transit options to get to work and reach jobs centers in their cities and metropolitan areas. Many low-income families struggle with having a dependable vehicle or other mode of reliable transit to get to work. Vehicle ownership in 2006-2010 ranged from 55 percent in the Quincy Corridor and Yesler to 71 percent in Eastern Bayview. Residents of the Choice neighborhoods, except Eastern Bayview, were much less likely to own vehicles than residents of those cities, indicating that good public transit options are important to residents of these areas. The Quincy Corridor is nearby several public transit options. There are no rail stops located directly in the Choice zone, but within 1/4 mile of the new Quincy Heights development are two Massachusetts Bay Transit Authority bus lines that border either side of the Choice area and the Fairmount Commuter Rail Line, which follows the eastern border of the Choice zone and runs from downtown Boston to the city's southern neighborhoods. A key effort in improving public transit access, the Fairmount Initiative, was launched in 2004 to bring new stations to the rail line, one of which will be in the Choice area on Columbia Road.

Despite having a lower job accessibility average index value, Woodlawn has good public transit access. The neighborhood contains two Chicago Transit Authority (CTA) Green Line train stations, including the terminus, which enables residents to travel downtown, and a Metra commuter train station with access to downtown and south Chicago suburbs. In addition, numerous bus routes connect Woodlawn to other portions of the city.

Although Iberville/Tremé is adjacent to the central business district and French Quarter and multiple transportation options are in place, including bus and streetcar services, the routes do not allow residents easy access to surrounding parishes where many new jobs are located. The New Orleans Choice Neighborhoods transformation plan involves a \$100 million investment to return the Desire streetcar along the N. Rampart Street/St. Claude Avenue corridor at the edge of the neighborhood. The streetcar would connect Canal Street with the Tremé, Marigny, New Marigny, St. Roch, and Bywater neighborhoods, and position Iberville/Tremé as a hub of community amenities and services.

Eastern Bayview has good access to downtown via the Third Street Light Rail and is accessible to the highways and Caltrain commuter rail. The latter two provide access to important technological job centers in the South Bay region. To improve public transit, the San Francisco Choice Neighborhoods transformation plan calls for completing the Bayview Transportation Improvement Project (BTIP), which will reroute truck travel to decrease conflicts among truck

traffic, light-rail trains, and pedestrian uses.<sup>60</sup> Long-term transit goals focus on implementing the Candlestick Point-Hunters Point Shipyard 2 Transportation Plan, including extensions of Muni routes in the neighborhood and a Bus Rapid Transit connection between Candlestick Point and a new Hunters Point Shipyard transit center, which will then connect to Caltrain, Bay Area Rapid Transit, SamTrans, and other bus lines.

Yesler Terrace is only 1 mile from downtown Seattle. The First Hill streetcar line, which is under construction and expected to begin operation in 2014, will directly connect Yesler Terrace with employment centers in Pioneer Square, First Hill, and Capitol Hill and with regional transit lines. Two bus routes stop at Yesler Way and Broadway, the heart of Yesler Terrace, and most of the Yesler area lies within one-half mile of the International District light-rail station. In the longer term, the completion of the East Corridor light rail will improve access between downtown Seattle and high-tech employment opportunities in Redmond and Bellevue.

#### *2.3.5.3 Housing Context: Structure Type*

The mix of housing structures in the five neighborhoods differs strikingly among the Choice sites and will affect their strategies to strengthen the housing markets surrounding the target developments and the community outreach efforts (table 2.8). At one end, Eastern Bayview and Iberville/Tremé had significant shares of single-family homes in 2006-2010. The remaining three neighborhoods in Boston, Chicago and Seattle had only 9 to 12 percent single-family homes. The Quincy Corridor's stock was two-thirds smaller buildings with 2 to 4 units, and Woodlawn's remaining housing is divided about equally between these smaller buildings and those with 5 or more units. Yesler, the smallest neighborhood, had about 80 percent buildings with 5 or more units.

**Table 2.8. Housing by Structure Type, 2006-2010**

	<b>The Quincy Corridor</b>	<b>Woodlawn</b>	<b>Iberville/Tremé</b>	<b>Eastern Bayview</b>	<b>Yesler</b>
Percent single family	12	11	42	56	9
Percent 2–4 units	65	43	34	19	9
Percent 5 or more units	24	47	23	24	81

Source: 2006-2010 American Community Survey

Note: Data are for the tract-based neighborhood definitions.

#### *2.3.5.4 Housing Context: Ownership And Rents*

Beyond the structure type, more variable attributes of the housing markets will shape Choice neighborhood revitalization strategies and provide essential context for the home sales section that follows. For example, in planning neighborhood revitalization, the tenure mix, along with

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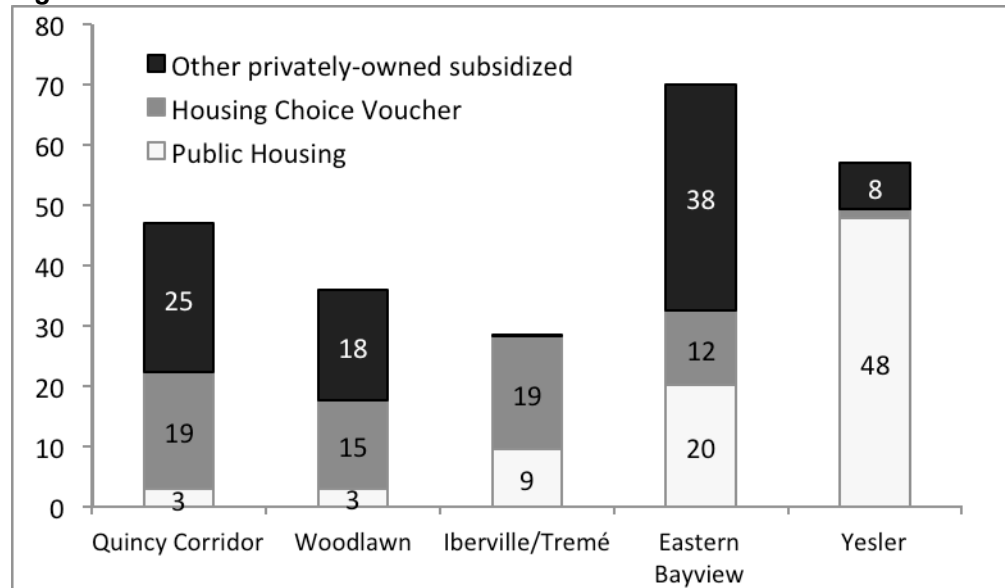
<sup>60</sup> The BTIP seeks to increase public transit efficiency by creating a more direct truck route between Highway 101 and the industrial districts of Hunters Point Shipyard and the larger Bayview neighborhood, without adversely affecting public transportation travel paths; the BTIP concluded its community-based research effort in 2012.

the structure type discussed previously, determines whether the Choice partners are engaging homeowners that live in the area, landlords with a few scattered investment properties, or property owners of multifamily rental units. The following section describes homeownership levels in the neighborhoods and then discusses their rental markets, including subsidized housing.

Homeowners account for a small share of the housing in the Choice neighborhoods, but Eastern Bayview's rate is modestly higher than the others. Consistent with its higher rate of single-family units, Eastern Bayview's homeownership rate of 36 percent was the only one comparable to the city's rate in 2010. Iberville/Tremé, the Quincy Corridor, and Woodlawn were not much lower than Eastern Bayview (ranging from 23 to 29 percent), but they were much lower than the rates for their respective cities. Yesler had the lowest homeownership rate by far (6 percent). About 80 percent of the homeowners carry a mortgage in all the Choice areas except for Iberville/Tremé. The New Orleans neighborhood stands out from the other sites in having approximately one-half of its homeowners with a mortgage.<sup>61</sup>

Looking at the rental market, public and subsidized households account for a substantial share of the renter households in all of the Choice neighborhoods in 2010, ranging from 28 percent in Iberville/Tremé to 70 percent in Eastern Bayview (figure 2.6).

**Figure 2.6. Public and Subsidized Households as a Percent of Renter Households, 2010**



Sources: U.S. Department of Housing and Urban Development's Public and Indian Housing Information Center, or PIC, and Tenant Rental Assistance Certification System, or TRACS, databases; 2010 Decennial Census Summary File 1

<sup>61</sup> Greater New Orleans Community Data Center speculates that homeowners who returned after Katrina used insurance or Road Home proceeds to pay off their mortgage principal. This does not mean that there are no housing costs; likely due to insurance increases, New Orleans owner costs rose from 2004 to 2010 and owners had greater a cost burden rate than the national average. See Ortiz and Plyer (2012); Plyer et al. (2011).

In Iberville/Tremé, households in public housing accounted for 9 percent and those receiving vouchers another 19 percent. Subsidized households overshadow the private rental market in Eastern Bayview; the most common were those in privately owned subsidized multifamily units (38 percent of renter households). Another 20 percent resided in public housing (Alice Griffith and three other developments) and 12 percent received vouchers. The Quincy Corridor's 47 percent and Woodlawn's 36 percent fall in between the extremes, each with 3 percent public housing and the remaining shares a mix of vouchers and project-based units. Yesler stood out from the other Choice neighborhoods, with 57 percent of the renter households in public and subsidized housing, and nearly one-half are Yesler Terrace households.

Monthly gross rents ranged from \$682 in Iberville/Tremé to \$884 in Eastern Bayview for renter households. The rent levels are a more accurate reflection of private market demand in neighborhoods with less subsidized housing, like Iberville/Tremé and Woodlawn (average of \$768). In contrast, Yesler's low rent of \$740 was more a function of its large share of public housing. Not surprisingly with the inclusion of subsidized rents, the average gross rents in the Choice neighborhoods are all considerably lower than the metropolitan average, ranging from 66 percent in Eastern Bayview to 81 percent in Woodlawn.

#### *2.3.5.5 Residential Vacancy*

The previous housing context topics relate to occupied housing, but the unoccupied housing also signals the strength of the housing market. In addition to serving as a measure of market demand, a high level of residential vacancy directly affects the quality of life in a neighborhood and was one of the possible neighborhood distress indicators needed to qualify for Choice. As expected with the housing market slump, vacancy rates rose for all Choice neighborhoods and cities. Among the Choice areas, the Woodlawn and Iberville/Tremé areas exhibited alarming rates of vacancy, consistent with the population loss discussed in section 2.4.3. In Woodlawn, 22 percent of the housing units were vacant in 2010, up from 15 percent in 2000 and nearly twice the Chicago rate. In Iberville/Tremé, 39 percent of the units were vacant in 2010, but even before Hurricane Katrina occurred, the neighborhood had very high vacancy rates (18 percent in 2000). The city overall was also challenged by this issue, with 25 percent of homes vacant. In total, 2,700 vacant homes were located in Woodlawn and 3,200 vacant homes were located in Iberville/Tremé. Although the vacancy rate is high in both neighborhoods, the effects on the neighborhoods and potential solutions likely differ. In New Orleans, more than 40 percent of the homes are single-family and many of the vacant homes may not be habitable without expensive rehabilitation. Local analysis estimated that more than 80 percent of the unoccupied addresses in New Orleans in March 2012 were blighted or empty lots.<sup>62</sup> In Chicago, 89 percent of the housing is in multifamily buildings and only one-third of the unoccupied addresses were blighted.<sup>63</sup>

Although not as extreme, the Quincy Corridor and Yesler also had high vacancy rates (about 10 percent) and both were slightly higher than the city rates. For Yesler, this figure was nearly three

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<sup>62</sup> Plyer and Ortiz (2012).

<sup>63</sup> The Chicago figure is based on authors' analysis of the HUD-aggregated U.S. Postal Service Vacancy Data. See appendix C for descriptions of data sources.

times the 2000 level. Eastern Bayview had a tighter market, with only 6.7 percent vacancy, lower than the city (which has a significant number of recreational vacant units).

#### *2.3.5.6 Metropolitan and Neighborhood Home Sales Markets*

The recent trends in the single-family and condominium housing market (both owner and rental) shed light on the marketability of the Choice neighborhoods. This section examines the sales markets for the neighborhoods related to their metropolitan areas, using single-family and condominium home sales data from Boxwood Means, Inc., and the Local Initiatives Support Corporation (LISC) serious delinquency rates (share of mortgages 90 days or more delinquent, including those in foreclosure).<sup>64</sup>

In all Choice metropolitan areas, home prices fell substantially during the past 5 years, and the neighborhood housing markets, with the exception of Iberville/Tremé, were all hit harder than their metropolitan areas (table 2.9).<sup>65</sup> The neighborhood and metropolitan area housing markets generally improved after the major price drops seen in the first 2 years after the housing crash, but the Quincy Corridor was the only neighborhood with rising prices as of 2011. With stabilizing prices and lower mortgage delinquency, the Boston and San Francisco metropolitan areas appear better positioned than the other Choice metropolitan areas to recover from the housing crash than the other three sites.

In the early years of the housing crash, home prices fell sharply in the Boston metropolitan area and the Quincy Corridor, but both exhibited signs of rebounding from 2009 to 2011. Home prices in the metropolitan area declined 21 percent from 2007 to 2009, and then partially recovered with a slight increase from 2009 to 2011. Home prices in the Quincy Corridor sank by 53 percent in 2007 to 2009, but have shown a 3.5-percent increase since then. The volume of sales dropped considerably from 2007 to 2011, so a different composition of the homes sold (such as more condominiums in the mix) may explain the contrast between the earlier and later period.

San Francisco's metropolitan area and neighborhood housing market faced dramatic falls from 2007 to 2009, but in 2011 showed signs of improvement. The metropolitan area's home prices were the highest of the Choice metropolitan areas and the most volatile, plummeting 44 percent from 2007 to 2009, and then rising slightly during the next 2 years. The relatively low delinquency rates in June 2012 improve the prospects for the broader market. Eastern Bayview's price change roughly equaled the metro's drop from 2007 to 2009. Although the market improved in the 2009 to 2011 period, the neighborhood average price still fell 13 percent from 2007 to 2011 to end at \$289,300, about two-thirds of the average metropolitan area home price. The volume of sales rose significantly (from 45 to 116 sales) during this period and the U.S.

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<sup>64</sup> See appendix C for description of Boxwood Means home sales data accessed from PolicyMap and the LISC data.

<sup>65</sup> Because the average prices are based on a relatively low number of sales, we also analyzed average home values for owner-occupied homes from the ACS 2006-2010. The variation among sites was very similar between both indicators. The correlation between the ACS reported home values and home sales prices for the 2006-2010 period was 94 percent for the Choice neighborhoods and 99 percent for the metropolitan areas. In the metropolitan areas, self-reported values were 1.12 to 1.25 times higher than the prices. The value-to-price ratio roughly followed the metropolitan area pattern in the Quincy Corridor, Eastern Bayview, and Yesler, but it was 1.85 in Iberville/Tremé and, unexpectedly, 0.93 in Woodlawn.



Postal Service reported a 9-percent increase in residential addresses from 2010 to 2012, signaling that the composition of the sales in the later time period may include new housing.

**Table 2.9. Housing Market Indicators, Choice Neighborhoods and Metropolitan Areas, in 2011 Dollars**

	Year	Boston	Chicago	New Orleans	San Francisco	Seattle
<b>Neighborhoods</b>						
Number of home sales	2007	178	187	77	45	70
	2011	53	134	101	116	82
Average sales price (\$1,000s)	2011	158.9	65.3	122.6	289.3	257.6
Percent change (inflation-adjusted)	2007 to 2009	(53)	(59)	2.2	(47)	(34)
	2009 to 2011	3.5	(32)	(6.9)	(13)	(13)
	2007 to 2011	(52)	(72)	(4.8)	(54)	(43)
<b>Metropolitan areas</b>						
Average sales price (\$1,000s)	2011	372	215	166	451	300
Percent change (inflation-adjusted)	2007 to 2009	(21)	(22)	(11)	(44)	(24)
	2009 to 2011	0.7	(11)	(8.7)	0.5	(14)
	2007 to 2011	(21)	(31)	(19)	(44)	(35)
Percent of mortgages seriously delinquent*	2012	7.1	12.4	9.9	6.1	9.6
Percentage point change	2009 to 2012	(0.5)	0.5	(0.6)	(1.9)	2.2

Notes: The percent of mortgages seriously delinquent is as of June 2012. The percent point change is calculated between December 2009 and June 2012.

Sources: Boxwood Means, accessed through PolicyMap and Local Initiative Support Corporation, or LISC; analysis of LPS Applied Analytics data

Relative to Boston and San Francisco, the Seattle metropolitan area is a weaker housing market. Both the metropolitan area and neighborhood housing markets took a large blow during the early part of the housing crash, and are continuing to see smaller declines. Metropolitan area home prices fell 24 percent from 2007 to 2009. The rate of price decline slowed to 14 percent from 2009 to 2011, but the metropolitan area's rising level of delinquent borrowers may indicate continuing weakness in the market. Having nearly 1 in 10 mortgages in distress means a likely bump in housing supply during the coming years. Home prices in the Yesler neighborhood showed a trajectory similar to that of the metropolitan area, decreasing 34 percent from 2007 to 2009, then decreasing slightly less, at 13 percent, from 2009 to 2011. Despite these price decreases, in 2011, the average home price in Yesler was \$257,600, which is 86 percent of the metropolitan area average home price—relatively high for a distressed neighborhood.

The Chicago metropolitan area appears as weak as Seattle's, but Woodlawn's home sales market suffered much more after the housing crash than Yesler's did. In addition to slumping prices, the Chicago metropolitan area continues to struggle with the foreclosure crisis, with the highest serious delinquency rate (12.4 percent) of the Choice metropolitan areas. Like Seattle, the Chicago metropolitan area can expect a bump in supply as these delinquent units come back on line, which will put even more downward pressure on housing prices. Of the Choice

neighborhoods, Woodlawn also experienced the largest losses in value of all the neighborhoods in both the 2007 to 2009 (-59 percent) and 2009 to 2011 (-32 percent) time periods, far worse than its metropolitan area trends. Woodlawn is by far the lowest priced Choice neighborhood, with an average home price of only \$65,300 in 2011—only 30 percent of the metropolitan area average home price.

Surprisingly, given the disruption that Hurricane Katrina caused, the New Orleans metropolitan area and Iberville/Tremé experienced less volatility in their housing prices, due in part to the metropolitan area's experiencing much lower price increases during the housing boom. Although the serious delinquency rate roughly equals Seattle's, the one bright spot is that delinquency is on its way down (whereas Seattle's delinquency rate increased between 2009 and 2012). In Iberville/Tremé, home prices increased 2.2 percent from 2007 to 2009, which makes it stand out from the other Choice neighborhoods. Home prices in Iberville/Tremé also increased more than home prices in the New Orleans metropolitan area, which may be the result of homes coming back on line following rehabilitation after Hurricane Katrina occurred. Given the high vacancy rate described previously, the housing market appears to be divided between marketable homes doing fairly well and long-blighted homes in serious disrepair.

Investors are deeply involved in the Iberville/Tremé housing market. Even for home-purchase mortgages, which typically represent only a small fraction all investor activity, investors account for nearly one-half of loans in Iberville/Tremé. This rate is four times higher than the New Orleans metropolitan area average. Many more investors likely have purchased homes in the neighborhood for investment purposes with cash alone, but the research team lacks the data necessary to quantify the number.<sup>66</sup> In Iberville/Tremé, estimated cash sales accounted for three-fourths of the sales in 2010.<sup>67</sup> Although only 8 percent of the financed sales in Woodlawn in 2010 were to investors, local analysis in 2011 shows that cash is used for 68 percent of all Woodlawn home sales.<sup>68</sup> In the Quincy Corridor, investors appear to be a lower, but still significant share, with nearly one-fourth of the mortgages purchased for investment. The relatively high-priced Eastern Bayview market and the multifamily dominated Yesler market have much lower rates of investors.

#### *2.3.5.7 Housing Affordability*

If the Choice Neighborhoods program's plans for neighborhood transformation succeed, the market-rate rents and property taxes for owners will rise. The Choice residents who were struggling to afford the housing prices before Choice grants began are at risk of displacement if the costs become unmanageable. Even with the substantial amount of subsidized housing described previously, most renters in the Choice neighborhoods were cost burdened in 2006-2010—that is, they paid more than 30 percent of their income on rent and utilities (table 2.10). The rate of cost burden for Choice neighborhoods ranges from 54 percent in Yesler to a high of

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<sup>66</sup> Only 39 percent of investors used a mortgage to finance their purchase in 2010, compared with 80 percent of primary homebuyers, according to Brambila (2012).

<sup>67</sup> This is reached by subtracting the number of mortgage-based purchases from the HMDA from the number of market sales from Boxwood Means.

<sup>68</sup> Smith and Duda (2012).

69 percent in the Quincy Corridor, all more than their city rates. In Yesler, Woodlawn, and Eastern Bayview, roughly one-third of the renters are severely cost burdened, devoting more than 50 percent of their income to rent and utilities. The rate rises to 43 percent in Iberville/Tremé and 42 percent in the Quincy Corridor.

**Table 2.10. Housing Affordability Indicators, Choice Neighborhoods and Cities, 2006-2010**

	<b>Boston</b>	<b>Chicago</b>	<b>New Orleans</b>	<b>San Francisco</b>	<b>Seattle</b>
Percent of renters paying more than 30 percent of income in rent					
Neighborhood	69	62	67	60	54
City	53	53	62	45	46
Percent of owners paying more than 30 percent of income in rent					
Neighborhood	47	49	39	48	39
City	37	37	28	43	37
Percent of households that are overcrowded					
Neighborhood	3.8	1.8	10.5	11.1	5.4
City	1.6	3.1	2.6	5.1	2.3

Note: Data are for the tract-based neighborhood definitions.

Source: 2006-2010 American Community Survey

Housing affordability problems are not limited to renter households. Nearly one-half of the homeowners in the Quincy Corridor, Woodlawn, and Eastern Bayview are also cost burdened. Many of these owners are severely cost burdened, ranging from about one-fourth in Woodlawn to nearly one-third in Eastern Bayview. The cost-burdened rates for owners in Iberville/Tremé and Yesler are lower, but still significant, at about 40 percent; the former has fewer homeowners with mortgages and the latter has very few owners at all.

Another way households cope with high housing costs is to double up. Overcrowding, defined as more than 1.0 person per room, is much rarer than cost burden: on average, only 2.9 percent of the households in the top 100 metropolitan areas in 2006-2010. Iberville/Tremé and Eastern Bayview significantly exceed this average with about 11-percent overcrowding in 2006-2010.<sup>69</sup> Overcrowding in the Quincy Corridor and Yesler was less severe, but still exceeded the rate for their respective metropolitan areas. Woodlawn exhibits the lowest overcrowding rate of 1.8 percent, about one-third less than the rate for Chicago overall.

#### 2.3.5.8 Public Safety

High crime rates can not only reduce home values and housing market demand but also affect the quality of life for neighborhood residents; they can directly affect residents' health, when residents are victims of crimes, and they can indirectly affect residents' health, when residents are exposed to long-term stress.<sup>70</sup> Addressing public safety issues will be a big challenge for the

<sup>69</sup> Nationwide, overcrowding as measured by the ACS in 2005-2009 fell by a significant 48 percent compared with the 2000 figure from the Decennial Census Summary File 3, due more to a change in measurement than actual change in conditions. Iberville/Tremé stands out from this overall trend by experiencing a relatively smaller decline of 25 percent. See Joice et al. (2011).

<sup>70</sup>Ross and Mirowsky (2001).

Choice implementation grantees; as discussed previously four sites met the Choice neighborhood eligibility criteria for violent crime using data from 2007 to 2009. In 2011, the Part 1 violent crimes reported per 1,000 population in the neighborhoods were all approximately twice the rate for the city, with values ranging from a low of 14.4 in Eastern Bayview to 23.8 in Woodlawn (table 2.11).<sup>71</sup>

**Table 2.11. Part 1 Reported Crimes per 1,000 Population in Choice Neighborhoods and Cities, 2011**

Type of Crime	Boston	Chicago	New Orleans	San Francisco	Seattle
<b>All Crimes, for Neighborhoods</b>					
Violent Crimes	16.5	23.8	15.0	14.4	NA
Homicide	0.2	0.6	0.8	NR	NA
Rape	0.8	1.1	1.1	0.2	NA
Robbery	3.5	9.1	5.8	6.5	NA
Aggravated assault	12.0	13.0	7.2	7.7	NA
Property Crimes	43	61	61	39	74
Burglary	7	17	14	10	14
Larceny	30	33	33	19	49
Motor vehicle theft	6	10	13	8	12
Arson	NR	0	1	2	NR
<b>All Crimes, for Cities</b>					
Violent	8.5	10.7	6.8	7.2	5.9
Property	31	44	39	43	48

NA = Not available for analysis (see footnote). NR = Not reported.

Notes: Violent crime data for Yesler are not available. Arson data are not reported in Boston and Seattle, and homicide data are not reported in San Francisco. Part 1 crimes are defined according to the Federal Bureau of Investigation's Uniform Crime Report definitions.

Sources: Local police departments; open data websites; 2000 Decennial Census Summary File 1; 2010 Decennial Censuses Summary File 1

Violent crime rates were 17 (Woodlawn) to 76 percent (Iberville/Tremé) higher in the Choice neighborhoods than in other high-poverty neighborhoods in their cities, with the exception of Eastern Bayview.<sup>72</sup> Violent crime rates improved between 2010 and 2011, falling about 3 points in the Quincy Corridor, Woodlawn, and Eastern Bayview. In contrast, Iberville/Tremé experienced an increase of 0.5 points.

Aggravated assaults accounted for roughly one-half (Iberville/Tremé) to two-thirds (the Quincy Corridor) of violent crimes. Robberies also made up a substantial proportion of violent crimes, and homicides and rape each constituted less than 6 percent.

<sup>71</sup> Preliminary analysis of violent crime data from Seattle resulted in large discrepancies (41 percent) between the local data and published Federal Bureau of Investigation Uniform Crime Reports. Therefore, local data for Seattle are not reported here. See appendix C for more details. Analysis of New Orleans and San Francisco violent crime data resulted in smaller discrepancies (+/- 10 percent) and those data are reported here.

<sup>72</sup> In Choice neighborhoods with public housing in which the housing authority has its own police force, we plan to confirm whether crimes reported to the housing authority police would be reflected in the data we have already obtained.

Property crime rates were also much higher in the Choice neighborhoods than in the Choice cities, except in Eastern Bayview, where they were 90 percent of San Francisco's rate. Property crime rates were more than 50 percent higher in Yesler and Iberville/Tremé than in their cities and about 38 percent higher in Woodlawn and the Quincy Corridor. The bulk of property crimes committed were larcenies, about 50 to 70 percent of reported crimes depending on the site.

Figures 2.7 and 2.8 display density maps of violent crimes per square mile in and around the Choice neighborhoods in 2011 (all maps have the same scale).<sup>73</sup> The maps are not adjusted for population density but do depict the locations where violent crimes are committed most often in the Choice neighborhoods and their surrounding areas.

In the Quincy Corridor, violent crime was high, but more intense concentrations of crime were centered on Quincy Street, in the south end of the area, in the northwest corner and just outside of the neighborhood closer to the Uphams Corner commuter rail stop. In Chicago, violent crime was high throughout the south side of the city, which gives the map a smoother appearance than the other cities. There was a distinct crime hotspot in west Woodlawn, a few blocks from Grove Parc along 63rd Street, and a lower density of crime moving east toward Lake Michigan. Anecdotal information captured from interviews divulged that this area on 63rd Street is near a boundary between two rival gangs.

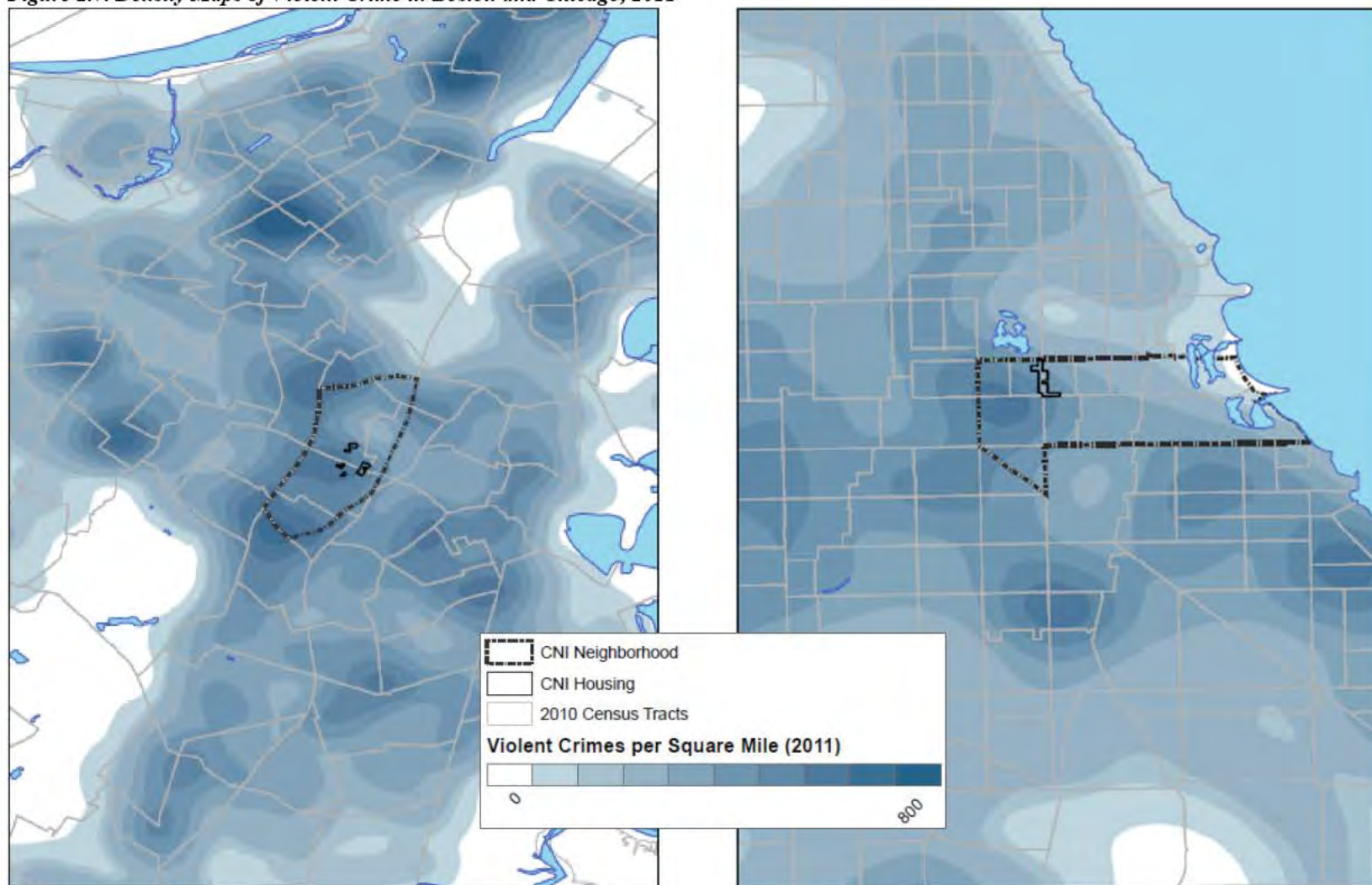
In Eastern Bayview, violent crime was most heavily concentrated along 3rd Street, on the northwestern boundary of the Choice neighborhood. There were also small crime hotspots on the north side, where Hunters View, Hunters Point, and Westbrook Apartments public housing developments are located, and on the south side, where Alice Griffith is located. By contrast, in New Orleans, violent crime had a more diffuse pattern, with a distinct hotspot in the French Quarter that spilled into Iberville/Tremé, particularly on the northeastern part of the area.

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<sup>73</sup> The maps were created in ArcGIS, using the same kernel density function for each map.



*Figure 2.7. Density Maps of Violent Crime in Boston and Chicago, 2011*

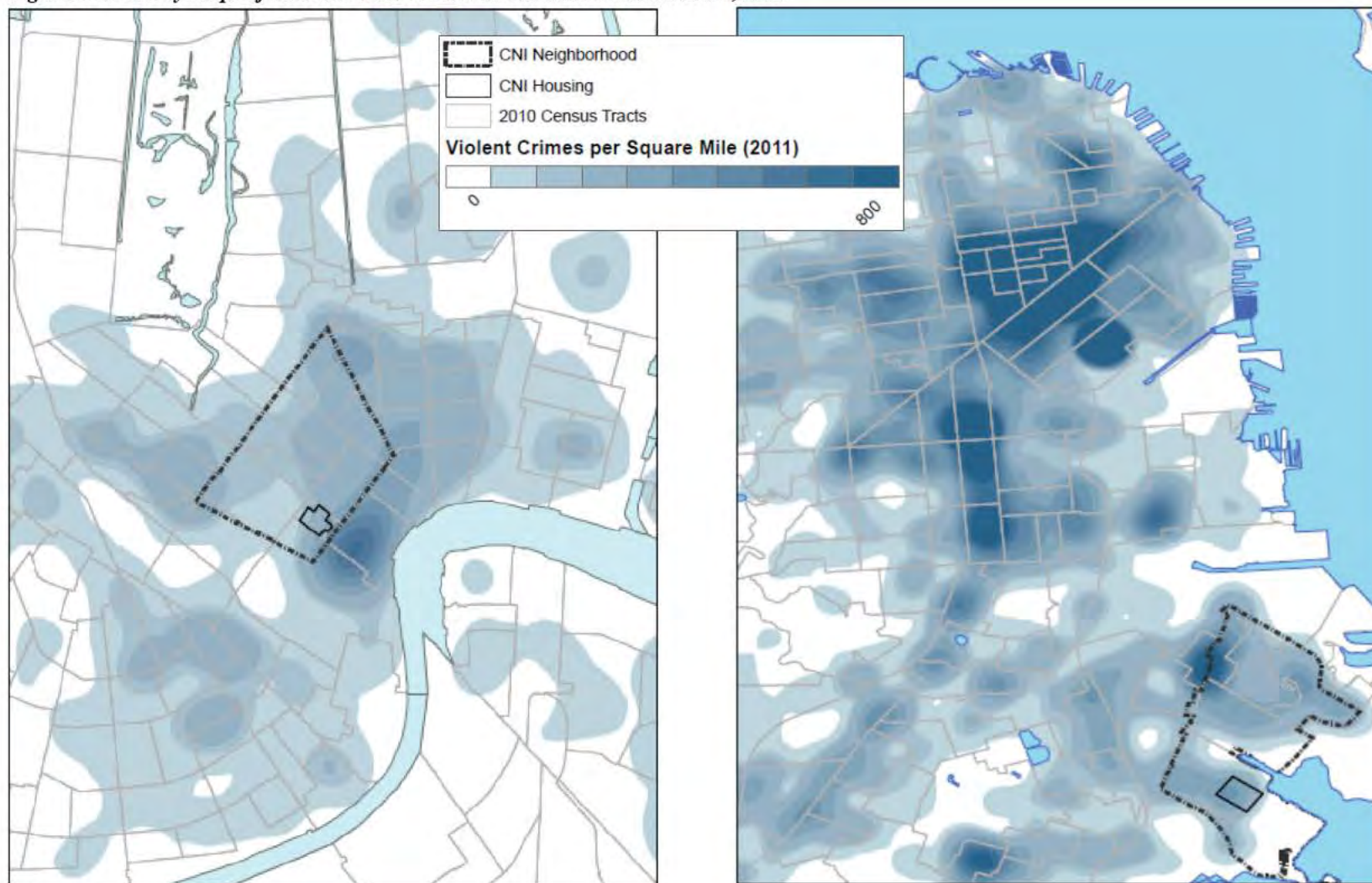


CNI = Choice Neighborhoods

Sources: Local police departments and open data websites



*Figure 2.8. Density Maps of Violent Crime in New Orleans and San Francisco, 2011*



CNI = Choice Neighborhoods

Sources: Local police departments and open data websites

### 2.3.5.9 Education

Part of the Choice Neighborhoods program’s neighborhood transformation goal is for children have access high-quality schools that prepare students to perform well on standardized tests and to graduate from high school ready for college and careers. This section describes the level of school choice in each Choice neighborhood’s school district and then compares the performance of the neighborhood schools relative to their state. The neighborhood schools are discussed further in each site chapter.

The city’s school district policies could hinder or facilitate the ability of the Choice partnerships to achieve this goal. The Brookings Institution’s Education Choice and Competition Index measures the extent to which districts have policies and programs that support school choice and competition for 107 large school districts.<sup>74</sup> The index is based on 13 components, 3 of which are given double weight: assignment mechanism, application process, and availability of alternative schools. School performance, as measured by state assessment tests, is only 1 of the other 10 components. Although the level of school choice may or may not advance children’s access to high-quality education, the level of school choice available to families in a city will shape the education strategy of the Choice partnerships.

Since Hurricane Katrina occurred, the two school districts in New Orleans have embraced the principles of school choice. The Recovery District ranks first on the index and is the only district to receive an A grade; the Orleans Parish District places a very high sixth place, earning a B- (table 2.12). The school district in Chicago, in 11th place, also is a leading city for school choice and scores particularly well on providing parents with relevant and accessible performance information. San Francisco comes next among the Choice cities, at 27th on the list, and Boston and Seattle fall in the middle of the pack in a tie for 41st place.

**Table 2.12. Education Choice and Competition Assessment for Choice Neighborhoods School Districts**

School District	Boston	Chicago	New Orleans		San Francisco	Seattle
			Recovery District	Orleans Parish		
Total students	63,366	433,871	57,935	54,625	78,159	57,571
<b>Education choice and competition</b>						
Index	0.44	0.54	0.81	0.58	0.48	0.44
Grade	C –	C+	A	B –	C	C –
Rank (out of 107 school districts)	41	11	1	6	27	41
<b>Selected index components</b>						
Assignment mechanism	0.50	0.25	1.00	0.50	0.25	0.00
District school quality	0.33	0.33	0.33	1.00	0.67	0.67

Source: The Brookings Institution Education Choice and Competition Index interactive website

<sup>74</sup> Brookings Institution (2012). For more details about the index methodology, see the Scoring Guide at [http://www.brookings.edu/~media/research/files/reports/2011/11/30%20education%20choice%20whitehurst/1130\\_education\\_choice\\_whitehurst\\_ecci\\_scoring\\_guide.pdf](http://www.brookings.edu/~media/research/files/reports/2011/11/30%20education%20choice%20whitehurst/1130_education_choice_whitehurst_ecci_scoring_guide.pdf).

Zooming in to the assignment component of the index, Seattle is the only city where parents have no input on their child's school assignment. This is due to the city's decision in 2010 to move to all neighborhood schools.<sup>75</sup> For the other four cities, some measure of parental choice in assignment is available. In practice, this means students from the Choice neighborhoods may attend schools all over the city. Even in Boston, which ranks relatively low on the support index, only 23 of the 116 school children in Woodledge/Morrant Bay attended schools in the neighborhood as of December 2011; the remaining children attended 46 schools in other parts of the city. Although exact figures are not available for the other cities, grantees in Chicago and New Orleans mentioned that a considerable number of children also attend schools outside the Choice neighborhood. The opposite pattern also needs to factor into Choice school improvement plans; many of the children attending neighborhood schools live throughout the city. Their families may be less connected to the area, and not benefiting directly from nonschool-based neighborhood improvements.

The extent to which parental choice results in more access to high-quality schools is an open question. For example, San Francisco and Seattle have fewer programs and policies supporting school choice, but have better test-score performance citywide. Parents may have more choice among schools in Chicago and the New Orleans Recovery District, but the pool of available schools, in general, is of lower quality.

The HUD neighborhood school proficiency index measures neighborhood access to high-performing elementary schools relative to their state's performance. In general, the scores for cities with single school districts align with the assessment from the Brookings index; average indices for Boston and Chicago scores are lower than the stronger Seattle and San Francisco school district scores.<sup>76</sup> Children in the Quincy Corridor and Woodlawn had even poorer access to quality schools than their low city average in school year 2008–09 (figure 2.9). The Quincy Corridor score is 14, lower than the Boston average score. Woodlawn's score of 17 is also substantially worse than the city's value. Although San Francisco's schools perform generally better citywide, the disparity between Eastern Bayview's schools and San Francisco's is far wider than that between the schools in other Choice sites and their school districts. The summary scores for the city of New Orleans and Iberville/Tremé unexpectedly far exceed the scores in their Choice counterparts, meriting further exploration.<sup>77</sup>

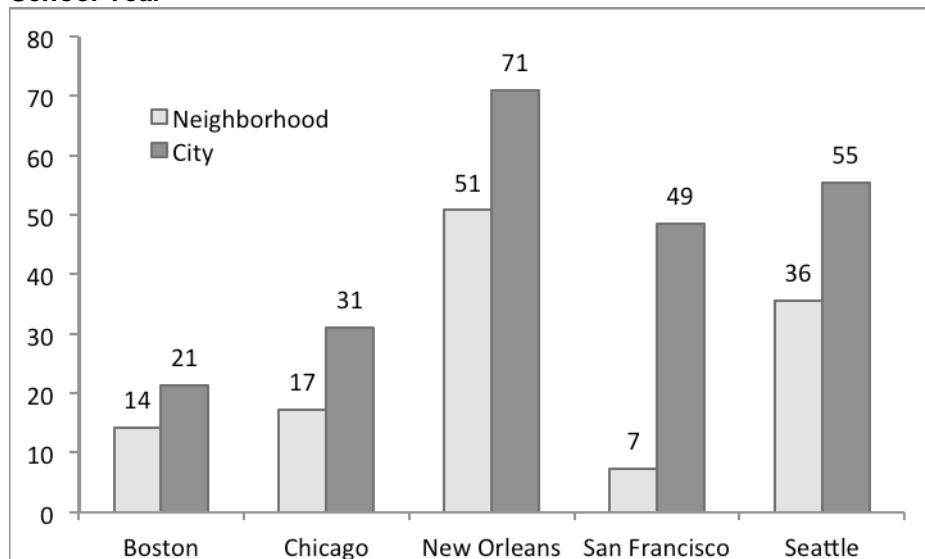
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<sup>75</sup> Students enrolled in schools outside their neighborhood catchment area at the time of the policy change were allowed to remain in their schools.

<sup>76</sup> HUD published Fair Equity Housing Assessment School Proficiency index at the block group-level. City and neighborhood values are the weighted averages of their block groups. See appendix C for a description of the data source.

<sup>77</sup> The New Orleans scores follow a different pattern than the other Choice locations. In New Orleans, the correlation between the school opportunity index and the poverty index was 0.17 and statistically insignificant. In all the other Choice metropolitan areas, the correlations were significant (p-value < .0001) and ranged from 0.53 to 0.72. The relatively high scores in New Orleans may be a function of the Louisiana state performance tests being less challenging than the tests of the other Choice states.

**Figure 2.9. HUD Neighborhood School Proficiency Index Relative to State Performance, 2008–09 School Year**



Note: Data reflect tract-based definitions of neighborhoods.

Source: U.S. Department of Housing and Urban Development Neighborhood Opportunity Indicators, released in 2012

#### *2.3.5.10 Access to Amenities*

One goal of the Choice Neighborhoods program is to reduce the distance that residents of the Choice areas have to travel to reach basic services such as grocery stores, banks, health clinics, doctors' offices, dentists' offices and high-quality early learning programs and services. One way to judge access to amenities is to look at how easy it is to reach various amenities on foot. The five Choice neighborhoods are sited in generally dense urban locations and as rated by Walkscore.com all have moderate to excellent walkability.<sup>78</sup> As of December 2012, the locations of the Choice developments Iberville and Yesler Terrace were categorized as “a walker’s paradise,” due to their proximity both to amenities in their neighborhoods and to nearby locations like the French Quarter and downtown Seattle.

The Grove Parc and Woodledge/Morrant Bay developments rated a little lower on access to amenities; they were categorized as “very walkable” where most amenities can be reached by walking, although Grove Parc was on the lower end of this category. Alice Griffith had the lowest walkability score, rated as “somewhat walkable.” Although Grove Parc and Alice Griffith do not score as high as the other developments, Grove Parc does have good access to the CTA Green Line train, and Alice Griffith is close to Highway 101 and in a neighborhood with a fairly high rate of car ownership (71 percent), which may increase access to amenities through other means of travel.

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<sup>78</sup> Walkscore.com does not measure the quality of the amenities in their score. See appendix C on data sources for more details.

## **2.4 Conclusion**

This chapter began documenting the dilapidated state of the target housing and the economic needs of the adults and children living there. The neighborhood section related how the neighborhood residents, in general, have many of the same challenges. The grantees are also faced with the communities' desire for safer neighborhoods, improved public education, increased economic development, and topics we did not cover, such as physical infrastructure and early childhood education. The agenda is ambitious, particularly given competing demands for limited resources and the constraints of the larger housing and economic forces described in this chapter. The following site chapters will describe how the grantees assembled partners with the expertise required to develop sound strategies to address the needs of the people, housing, and neighborhoods in the Choice Neighborhoods areas.



### **3 Boston: The Quincy Corridor and Woodledge/Morrant Bay**

#### **3.1 Overview of Place and Need for Intervention**

##### **3.1.1 Neighborhood Background**

In Boston, the Choice Neighborhoods program (Choice) is supporting the Quincy Corridor Transformation Plan, which will be implemented primarily in the Dorchester neighborhood. South of downtown Boston, Dorchester borders Roxbury to the west, South Boston to the north, Boston Harbor to the east, Mattapan to the southwest, and the Neponset River to the southeast. Dorchester, a distinct municipality until it was incorporated into the city of Boston in 1870, has been home to succeeding immigrant communities, from Irish, Italian, Jewish, and Chinese immigrants in the 19th century to Haitian, Dominican, Vietnamese, and Cape Verdean immigrants, among others, in the 20th century.

As noted in the Choice grant application, Dorchester is marked by high poverty and crime rates: approximately one-third of households live in poverty, compared with 21 percent for the city, and the rate of violent crimes is double that for the city as a whole.

The Quincy Corridor is located along the western section of north Dorchester and includes a portion of the Roxbury neighborhood of Boston. The Quincy Corridor is not an area with an existing identity, but rather a between zone lacking its own center. In fact, few residents from the area or other parts of Boston would know of the “Quincy Corridor.” The area encompasses other distinct Dorchester and Roxbury neighborhoods, including Grove Hall (a section of Dorchester located in the southern Choice zone), Uphams Corner (a section in the eastern part of the Choice zone), and Dudley Square/ Dudley Triangle (a section to the north that goes into Roxbury). The Choice zone includes several main roads and landmarks, including Blue Hill Avenue, Columbia Road, Geneva Avenue, West Cottage Street, Quincy Street (around which much of the target development is centered), and the former Pearl Meats factory (figure 3.1).

As defined by the grantee, the area has about 9,700 people in an area of one-half square mile. The Quincy Corridor has a higher share of families than the other four Choice sites and a diverse mix of residents; 28 percent are foreign born, 53 percent are non-Hispanic Black, and 34 percent are Hispanic. In 2006-2010, according to the Choice grant application, about 38 percent of the residents had incomes below the poverty line. The unemployment rate is high, at approximately 21 percent compared with Boston’s 9 percent. Nearly one-half of the rental housing stock is subsidized, although no public housing developments are located in the area. Much of the housing stock is in two- to four-unit structures and single-family houses. A number of empty land parcels throughout the area mark locations of buildings lost to arson in the 1960s and 1970s. In addition to vacant land, there are abandoned and foreclosed properties in the area.

Five public schools are located in the Quincy Corridor area, including the Haynes Early Learning Center (Pre-K–1), the Winthrop Elementary School, the King School (K–8), the Lilla G. Frederick Pilot Middle School, and the Burke High School. The Burke High School has been identified as persistently lower performing and is one of the city’s 10 turnaround schools.



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**Figure 3.1. Location, The Quincy Corridor and Woodledge/Morant Bay**



There is one important anchor institution in the Choice footprint that was included in Boston's Choice Neighborhoods application: the Ray and Joan Kroc Corps Community Center located in the northern section of the Choice zone. In 2011, the Salvation Army opened this \$115 million state-of-the-art, 6.5-acre recreation facility as New England's largest social service facility. Throughout the construction process, Choice Neighborhood partner Dudley Street Neighborhood Initiative (DSNI) worked closely with the Salvation Army to maximize employment opportunities for local, minority, and female individuals and subcontractors. Remarkably, 51 percent of the construction workforce included residents living within 1 mile of the site, 51 percent of the workers were from minority groups, and 15 percent were female. The Choice application also lists three anchor institutions located outside of the Choice footprint that are actively engaged in improving the neighborhood: Boston College, Harvard University, and the University of Massachusetts. These universities are working to improve the educational resources available to public schools and students, including the Winthrop School and the Burke School in the Choice zone.

Although the Quincy Corridor is distressed, other Boston neighborhoods have seen rising property values and rents and increases in homeownership in recent years as younger and more affluent households have sought out convenient locations in a very expensive metropolitan area. As of the writing of this report, gentrification is not a concern in the Quincy Corridor; high crime rates and underperforming schools in the area make it an unlikely target for higher income residents in the short term. Planned transit improvements could lead to increased housing demand in the future.

### 3.1.2 Target Development Background and Current Conditions

Woodledge/Morrant Bay Apartments, targeted for Choice investments, is a project-based Section 8 HUD-assisted housing development that is owned by United Housing Management (UHM).<sup>79</sup> As part of the Transformation Plan, Woodledge/Morrant Bay will be sold to the Dorchester Bay Economic Development Corporation (DBEDC) and the Quincy Geneva Housing Corporation (QGHC) as a joint venture. The Woodledge/Morrant Bay Apartments will be renamed Quincy Heights after redevelopment.

Built in the 1920s, the 129 units are clustered around Quincy Street in 11 three-story brick walk-up buildings with two-, three-, and four-bedroom units (site plan in figure 3.2). Of the 11 buildings, 2 will be demolished and replaced with newly constructed buildings on site and on adjacent parcels of land. The other 9 buildings are structurally sound and will be rehabilitated to address four types of problems identified in the grantee's Choice application: high density, unit size and configuration, accessibility, and high utility expenses.

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<sup>79</sup> United Housing Management, LLC, which specializes in affordable housing, has 1,400 units in its portfolio.



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*Figure 3.2. Site Plan as of December 2010, Woodledge/Morrant Bay*



Source: Round 1 application, attachment 30

To an outside observer, the target development initially appears to be in good condition both inside and out, with a few exceptions. The building entryways, stairwells and hallways researchers observed were clean and sufficiently lit, with well-marked exits. The apartments likewise appeared to be in good condition. The tour of a few of the buildings, however, quickly brought to light the problems to be addressed through rehabilitation and new construction.

- **Density.** In the 1970s, the development's owners received a 40-year Section 8 contract and a long-term mortgage from MassHousing, enabling them to establish affordability restrictions and rehabilitate the buildings, reducing the sizes of the units and the width of the corridors to increase the total number of dwellings. According to the Choice application, this reconfiguration raised the average density to 73 units per acre, which is significantly higher than the area average of 49 units per acre. In at least one building, the number of units doubled within the same building envelope.
- **Room size and configuration.** The reduction in unit size has led to crowded conditions in many apartments. As stated in the Choice grant application, "20 percent of the units have bedrooms that do not meet the State Housing Code's minimum size requirements for the number of people occupying them."<sup>80</sup> A tight housing market has constrained families' ability to locate larger units that are affordable so they remain in the crowded apartments.
- **Safety.** Previous changes to the structures have created safety hazards. Potential evacuation hazards include the narrow hallways and substandard stairs with shallow treads and steep rises. Conditions inside units, including narrow interior hallways and awkward placement of apartment doors, would add to the challenge of a quick exit. Common hallways and unit interiors lack emergency sprinklers.
- **Accessibility.** None of the existing buildings has an entryway, common area, or units that are wheelchair or otherwise handicap accessible. The substandard stairs between floors in the buildings are challenging even for mobile residents. Residents need to take extra care when ascending or descending, especially if they are carrying something, are elderly, or have young children. Residents also find it difficult to move furniture into and out of apartments because of the narrow hallways.
- **Utility expenses.** The grant application cites a number of factors that have led to utility costs up to 75 percent higher than those in comparable properties. Problems include "inefficient heating systems; lack of insulation; poorly fitting windows; and absence of low-flow showers and faucets."<sup>81</sup> An evaluation of energy efficiency in the development appears in appendix A of this document.

### 3.1.3 Woodledge/Morrant Bay's Residents at Baseline

Woodledge/Morrant Bay consists of 328 residents in 126 households. Most of the households living in the development at the time of the grant application were families with children less than 16 years old (88 percent). Most of the residents are children, less than 15 years old, (47 percent) and transitional age youth, 16 to 24 years old, (17 percent). The other one-third of residents are working-age adults, 25 to 64 years old, (34 percent) and seniors, ages 65 and older, (2 percent).<sup>82</sup> The residents are ethnically diverse and speak many different languages. One-third of residents are White, one-third are Black, 11 percent are Asian/Pacific Islander, and 12 percent are Hispanic. About 40 percent of adults and children do not speak English as their

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<sup>80</sup> Round 1 Choice Neighborhoods Application. Boston: p. 27.

<sup>81</sup> Round 1 Choice Neighborhoods Application. Boston: p. 28.

<sup>82</sup> Demographic data and residents' perceptions were collected through household surveys by the grantee team in April 2011.

primary language and one-fourth of children have limited English proficiency; the languages spoken by this portion of residents include Spanish, Haitian Creole, and Cape Verdean Creole.

The children attend 55 different schools; only 10 were enrolled in the local King School (K–8). Boston’s schools are not neighborhood based. The school selection procedures in Boston reflect the legacy of school segregation. About one-half of the seats in each school are reserved for students who live in the neighborhoods, with the other half open to citywide students. As of September 2012, Boston is undergoing a process to overhaul its school assignment plan.

The vast majority of residents in the development—87 percent—reported incomes less than 30 percent of the Area Median Income (AMI). Average household income in the development is \$12,114. One-third of working-age residents are unemployed, and these residents cite significant health problems (14 percent), a disability (5 percent), and lack of childcare (4 percent) as barriers to employment. Many householders (60 percent) identified job training and placement as their priority service need. In addition, education and language barriers were factors associated with low employment rates, according to grant applications and Choice partners. Key partners talked about the need for literacy services and programs providing classes for English as a second language. Considerable concern exists that any new jobs created as a result of Choice or other efforts will require education and language skills that exceed those of many residents.

### **3.2 Description of Choice Neighborhoods Planning Process, Goals, and Plans**

#### **3.2.1 Planning and Development Background in the Jurisdiction and the Neighborhood**

The Boston Redevelopment Authority (BRA) oversees planning in Boston. Unlike other cities in the state, Boston does not have a planning board and, therefore, is not bound by state statute to prepare a master plan. The BRA focuses on smaller targeted areas, shorter term initiatives, and large-scale planning projects aimed at market-rate development, not on traditional comprehensive planning.<sup>83</sup> As a consequence, planning in Boston is decentralized, with several municipal agencies and multiple community development corporations (CDCs) involved. Urban planning and development is collaborative, but on a project-by-project basis, with each large-scale project bringing together a different set of actors from different departments and agencies.

In the absence of deep involvement by the BRA, the mayor potentially can play a key role in providing coherence for the Choice transformation process. After being reelected to his fifth term in November 2009, Mayor Thomas Menino is Boston’s longest-serving mayor. Mayor Menino is known as a strong mayor who knows every inch of the city. Menino’s administration has emphasized neighborhood development, stressing preservation and innovation. In recent years, the mayor has been recognized for an innovative Main Streets Initiative that supports local economic development, his commitment to preserving and increasing the city’s stock of

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<sup>83</sup> In 1957, the Boston City Council and the Massachusetts Legislature established the BRA. “The BRA assumed the development powers previously held by the Boston Housing Authority and expanded them beyond public housing. In 1960 the City Planning Board was abolished and its powers were transferred to the BRA. The BRA’s statutory authority was set forth in the Massachusetts General Laws, chapter 121B, section 4 in 1957 and chapter 652, section 12 in 1960. Its broad development authorities include the power to buy and sell property, the power to acquire property through eminent domain, and the power to grant tax concession (under MGL chapter 121A) to encourage commercial and residential development.” See BRA (n.d.): ).

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affordable housing, and foreclosure prevention programs. Menino also charted the course for Boston to become one of the first cities in the nation to require large development and renovation projects to meet the U.S. Green Building Council's LEED (Leadership in Energy and Environmental Design) certification standards.

The city's Department of Neighborhood Development (DND) plays a role in urban development and is the lead applicant for the Boston's Choice grant.<sup>84</sup> DND works with nonprofit and for-profit partners to develop and preserve affordable housing and open spaces, renovate abandoned properties, and provide housing and services for lower income residents.<sup>85</sup> DND acts primarily as a funding agency and administers the city's Community Development Block Grant (CDBG) and HOME funds. DND is also involved in the planning for particular parcels of land or particular housing developments. In this capacity, DND works closely with the adjacent property owners, neighborhood associations, and agencies directly involved in the small neighborhood areas.

Boston is known for its strong CDCs. The strength of Boston's CDCs likely is a reflection of an urban development process that lacks a top-down central planning approach. In fact, multiple CDCs are often involved in planning and development within the same areas of the city. As the Boston Housing Authority (BHA) entered receivership in 1979 as a result of fiscal and institutional problems, CDCs and nonprofit organizations began to increase their local presence to fill this void in the Boston housing system.<sup>86</sup> Dorchester, among other Boston neighborhoods, became home to a number of strong community-based organizations (CBOs), some of which are directly involved with Choice.

- DBEDC, the Choice housing lead organization, was established in 1979 by local civic associations to address the problems of economic disinvestment, unemployment, crime, community tensions and the shortage of quality affordable housing in Dorchester. DBEDC's profile includes ownership of 774 rental units, 169 home ownership units; 12 triple-deckers in development for resale to first-time homebuyers; 297 units of owner-occupied, rehabbed, or deleaded housing; 303 units with site control through ownership option or a partnership Memorandum of Understanding; and 402 clients with loan modifications or resolutions via Foreclosure Prevention and Intervention. DBEDC has been recognized many times for its economic development and resident organizing accomplishments.
- QGHC, the Choice housing implementation entity, was founded in 1983 as a private nonprofit grassroots organization. It was formed and governed by the low-and moderate-income residents of the Grove Hall section of North Dorchester and North Roxbury.
- DSNI was formed in 1984 by residents of the Dudley Street area who wanted to revive their neighborhood, which was devastated by arson, illegal trash dumping, disinvestment, neglect, and redlining practices.<sup>87</sup> The group's turning point came in 1988, when it developed its own plan for community revitalization and asked then-Mayor Ray Flynn to

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<sup>84</sup> DND provides services and programs through the following divisions: Administration and Finance, the Boston Home Center, Neighborhood Housing Development, Office of Business Development, Policy Development and Research, and Real Estate Management and Sales.

<sup>85</sup> In September 2012, Sheila Dillon replaced Evelyn Friedman as Director of DND.

<sup>86</sup> Clavel (2010).

<sup>87</sup> Medoff and Sklar (1994).



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delegate eminent domain authority from BRA to DSNI so that it could carry out the plan. The group has been a key player in community development efforts ever since. Using eminent domain, DSNI acquired more than 1,300 parcels, and used them as the basis of a community land trust that is now among the nation's largest. DSNI is a key member of the Choice team and the neighborhood implementation entity.

- Project RIGHT (Rebuild and Improve Grove Hall Together) was founded in 1991 by eight groups who came together to address the issue of youth-on-youth violence. Project RIGHT facilitates resident involvement in community building, neighborhood stabilization, and economic development in the Greater Grove Hall community (Roxbury and North Dorchester).

A variety of established programs and investments affect the Choice footprint. These activities often involve key partners' efforts and efforts of Choice, complicating the task of evaluating the precise impact of Choice when education, safety, community development, infrastructure renewal, and housing development are among the goals of both Choice and other ongoing initiatives. Key ongoing *education* initiatives include:

- The Circle of Promise (COP), launched by Mayor Menino in 2010, focuses on the 10 underperforming Boston Public Schools (BPS) located within in a 5 square mile circle on the south side of Boston. More than 61,000 households are located within the COP, which includes parts of North Dorchester, Roxbury, Jamaica Plain, and the South End. The Choice zone is in the center of the COP. The COP is a student-centered and place-based strategy that focuses on aligning resources for students and families. The 10 COP turnaround schools—one of which is Burke High School in the Quincy Corridor—will receive extra resources.
- The Thrive in 5 program launched in 2008 by Mayor Menino and the United Way of Massachusetts Bay and Merrimack Valley. Thrive in 5 partners with families, early education and childcare providers, health providers, and other community organizations to ensure school readiness for all of Boston's children.
- A Promise Neighborhoods Planning Grant received by the city and DSNI laid the groundwork for a cradle-to-college plan for Dudley Village, an area that overlaps with part of the Choice zone.<sup>88</sup>

Ongoing efforts to address public safety that affect or overlap with the Choice footprint include:

- The Blue Hill Avenue Neighborhood Response Team (BHANRT), an interagency task force that responds to residents' complaints of violence, prostitution, drugs, and other quality of life issues along the Blue Hill Avenue Corridor, which runs through the Choice zone. In 2011, Mayor Menino's Neighborhood Response Team organized BHANRT, which includes staff from a variety of agencies and departments, including Project RIGHT; the Mayor's Office of Neighborhood Services; Public Works Department; Transportation Department; Parks Department; Boston Police Department (BPD); Inspectional Services; DND; Boston Public Health Commission (BPHC); Boston Fire

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<sup>88</sup> DSNI was awarded a 2012 Promise Neighborhoods implementation grant in December 2012.

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Department; Property Management; Suffolk County Sheriff's Department; the Boston Emergency Service Team, or BEST; and local and state elected officials.

- The Violence Intervention and Prevention (VIP) Initiative, which is discussed further in section 3.2.4.
- Boston's Striving to Reduce Youth Violence Everywhere.
- The Youth Violence Prevention, or YVP, Funder Learning Collaborative.
- Boston is using a Department of Justice Public Safety Enhancement grant to bolster crime reduction in the target neighborhood.<sup>89</sup>

The most important *housing* effort in the area to begin before Choice involves the target development. Several years before the Choice Neighborhoods program was announced, UHM, owner and manager of Woodledge/Morrant Bay Apartments, approached DBEDC to discuss a possible redevelopment of the units that would be renamed Quincy Heights. At that point, DBEDC led a collaborative planning process that included some of the neighborhood partners that are now key partners in the Choice grant (QGHC, Project RIGHT). DBEDC held numerous planning and community meetings with partners and residents for 4 years before Choice. Other ongoing community and economic development and housing efforts include:

- Boston Main Streets, begun by Mayor Menino in 1995 to facilitate business district revitalization by providing financial and technical assistance and training to new Main Streets organizations. Boston Main Streets has nineteen Boston business districts, including Greater Grove Hall, Uphams Corner, and Dudley Street; all of which overlap with or border the Choice area.<sup>90</sup>
- Quincy Commons, a 40-unit affordable elderly housing project (HUD Section 202) that will be completed in early 2014.
- Uphams West, a nine-unit rehabilitation project by DBEDC near the northern edge of the Quincy Corridor, to be made available to households at or below 60 percent of AMI.
- Neighborhood Stabilization Program (NSP) homeownership units for households at or below 120 percent of AMI.

A key effort in improving *public transit* access, the Fairmount Initiative, was launched in 2004 to bring new stations to the Fairmount Commuter Rail Line. The rail line, which follows the east border of the Choice zone, as of September 2012, makes only four stops in the low-income communities it passes directly through (Roxbury, Dorchester, Mattapan, Hyde Park) on its way to Boston's South Station. The Fairmount Initiative is led by the Fairmount Collaborative, a four-group coalition including DBEDC and three other CDCs (Codman Square Neighborhood Development Corporation, Mattapan Community Development Corporation,<sup>91</sup> and Southwest Boston Community Development Corporation). The Fairmount Initiative involves the conversion of the commuter rail to a subway/light-rail line with more regular and frequent stops. Four new stations are planned, including the Talbot Avenue Station (scheduled to open in November 2012),<sup>92</sup> Four Corners Station (located near the southern end of the target neighborhood and

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<sup>89</sup> The award was announced in September 2012, but funding has not yet been allocated.

<sup>90</sup> Each Main Street organization has a full-time executive director, raises matching funds, incorporates its organization, and implements its programs according to an annual work plan.

<sup>91</sup> Mattapan CDC filed for bankruptcy in May, 2012.

<sup>92</sup> This station opened on November 12, 2012.

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scheduled to open in the spring of 2013), Columbia Road Station (located in the target neighborhood), which is not yet funded, and Blue Hill Avenue Station, which is in the design phase. The Fairmount Initiative will require major investment and coordination, but it has strong support from the BRA, Massachusetts Bay Transportation Authority, and HUD, whose Office of Sustainable Housing and Communities awarded the project \$1.86 million in Community Challenge grant funding. The city will use this grant primarily to acquire land along the line and facilitate mixed-use and transit-oriented development. BRA also recently launched the Fairmount/Indigo Planning Initiative to assess strategies for commercial and residential development along the line.

#### **3.2.2 The Choice Planning Process in Boston**

As a funding and grant writing agency, DND saw Choice as a good funding opportunity for the city. After learning that the BHA was not applying for a Choice implementation grant, DND assessed all the HUD-related projects that were already under way or in the pipeline and considered which could be ready to proceed for a Choice implementation grant. Although other efforts involved the preservation of HUD-assisted housing, DBEDC's Quincy Heights project was the only one DND believed was feasible and fit the Choice criteria of having severely distressed subsidized housing, being financially viable, involving strong neighborhood organizations, and being located in a distressed area with many underperforming schools. Choice would boost the project's timeline by a few years by providing immediate funding. Further, Choice would not only provide enhanced resources for Quincy Heights housing redevelopment but would also speed up the planning and provide momentum for DBEDC's planned redevelopment of the 35,000-square-foot Pearl Meats factory building on a 2-acre site adjacent to the housing development.

With 129 housing units, the Choice target development is comparable to previous DND projects in the scale of the housing intervention, but the geographic area of the neighborhood and the number of partners involved is much larger than prior projects. Even so, DND was confident that its previous work with those other partners in other parts of the Choice footprint would enable it to move forward smoothly with implementation. DND had worked with DSNI on the redevelopment of city-owned land and community service activities in the northern part of the Choice zone. DND had also worked with DSNI and Project RIGHT on the Blue Hill Avenue Initiative and with Project RIGHT in the Grove Hall neighborhood. DND has a productive working relationship with Main Streets initiatives, bolstering its sense that it could undertake a plan for a larger geographic area. Finally, the long-term planning and engagement process of the Fairmount Initiative enabled the partners to build on their previous work together and helped position the team for a Choice implementation grant, as opposed to a Choice planning grant.

Determining the boundaries for the Choice zone was a complicated process that involved overlaying the boundaries of several existing subneighborhoods within Dorchester with the boundaries of some of the key Choice partners and community groups (DBEDC, DSNI, Project RIGHT), along with several key initiatives in the region, and some of the Choice application criteria. The Choice zone includes the target housing, some of the local underperforming schools in the area, social service agencies, and natural geographic boundaries. One important boundary of the Choice zone is Blue Hill Avenue, which runs from Dudley Square, where DSNI is located,

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to the Grove Hall section of Dorchester, where Project RIGHT is located. Blue Hill Avenue is also the target area for a Main Streets initiative. Another Choice boundary is Columbia Road, which follows along the Fairmount Commuter Rail. The Grove Hall neighborhood makes up the southern half of the Choice zone.

As discussed previously, community involvement is very strong in the Choice area; in fact, community organizations have led revitalization efforts there for years. Public input into the Choice plan and programs came via a number of community meetings, partner CBOs bringing resident interests to the table, and the mayor's office getting involved in details of the Choice plans. Plans for the development were adjusted for the Choice application, and after the grant was awarded, planning continued. Depending on the time period, meetings among partners on the Choice housing and Pearl Meats redevelopment were held as frequently as every 2 weeks.

The plan that emerged from this process relies more than any of the five implementation plans on renewing, building within, and protecting the neighborhood's existing urban fabric and residents rather than transforming the neighborhood's external appearance and adding new households. The plan does not anticipate the addition of large numbers of new middle- and upper-income households. Instead, the plan proposes (implicitly) that a mixed income distribution will be achieved through education and training for established neighborhood residents and by expanded access to jobs both within the neighborhood and accessible by transit from the neighborhood. Preservation of affordable housing in the area might also help preserve mixed incomes over the long run should the location experience housing market pressure after the new transit station is built. A complete list of the goals and actions in the Quincy Corridor Transformation Plan appears in appendix D.1.

#### **3.2.3 The Housing Plan**

Boston's Choice housing goals focus on improving housing quality, increasing housing affordability, and increasing the economic diversity of neighborhood residents. Housing quality improvements will be met through the redevelopment of target housing to improve the density, unit size, and building safety for residents, and through meeting green building requirements. Housing affordability will be addressed by replacing all units that will be demolished; ensuring the long-term affordability of HUD-assisted units; building new affordable housing units, and improving energy consumption of new housing. Target housing will remain covered by a Section 8 Housing Assistance Payments contract. Strategies to increase the economic diversity in the neighborhood include building rental units and redeveloping homes for low- to moderate-income households through other ongoing projects and increasing the number of affordable units.

Of Boston's \$20.5 million Choice grant, 60 percent (\$12.3 million) will be used to rehabilitate the 129-unit, scattered-site, project-based Section 8 Woodledge/Morrant Bay housing project. The total cost for the project—to be renamed Quincy Heights after redevelopment—is \$53.1 million. In addition to funds from the Choice grant, \$6.4 million will come from other HUD sources; \$1.5 million from state and local government funds; \$16 million each from tax-exempt bonds and a 4 percent low-income housing tax credit, or LIHTC, allocation; and \$400,000 from the Federal Home Loan Bank. Through the acquisition of the property, DBEDC formed a joint venture with housing partner QGHC; this new partnership will own the new development.

Nine of the buildings will be renovated to reconfigure units; reduce the density of units in the buildings; and update building systems, structures, and envelopes. This transformation will reduce the number of units in these buildings from 102 to 80. The 22 units lost in this reconfiguration will be replaced with new units on an adjacent lot. Two of the target development's buildings (containing 27 units) with severe structural issues will be demolished. A total of 49 replacement units will be built on the existing site and on four parcels of land adjacent to the properties. The DBEDC/QGHC partnership acquired these additional parcels of land from the city. New construction will include a 12-unit building and a 6-unit building on one side of Quincy Street and a 10-unit building and a 9-unit building with a community room on the other side of Quincy Street. The new buildings will be wood-frame, three-story buildings in keeping with the architectural character of the neighborhood. The total number of units in the redeveloped housing will remain the same (129), but density of the buildings will be reduced by spreading these units over additional lots. The bedroom mix will also remain the same. Of the 19 units, 7 will be handicapped accessible and 12 will be built to provide easier access for visitors.

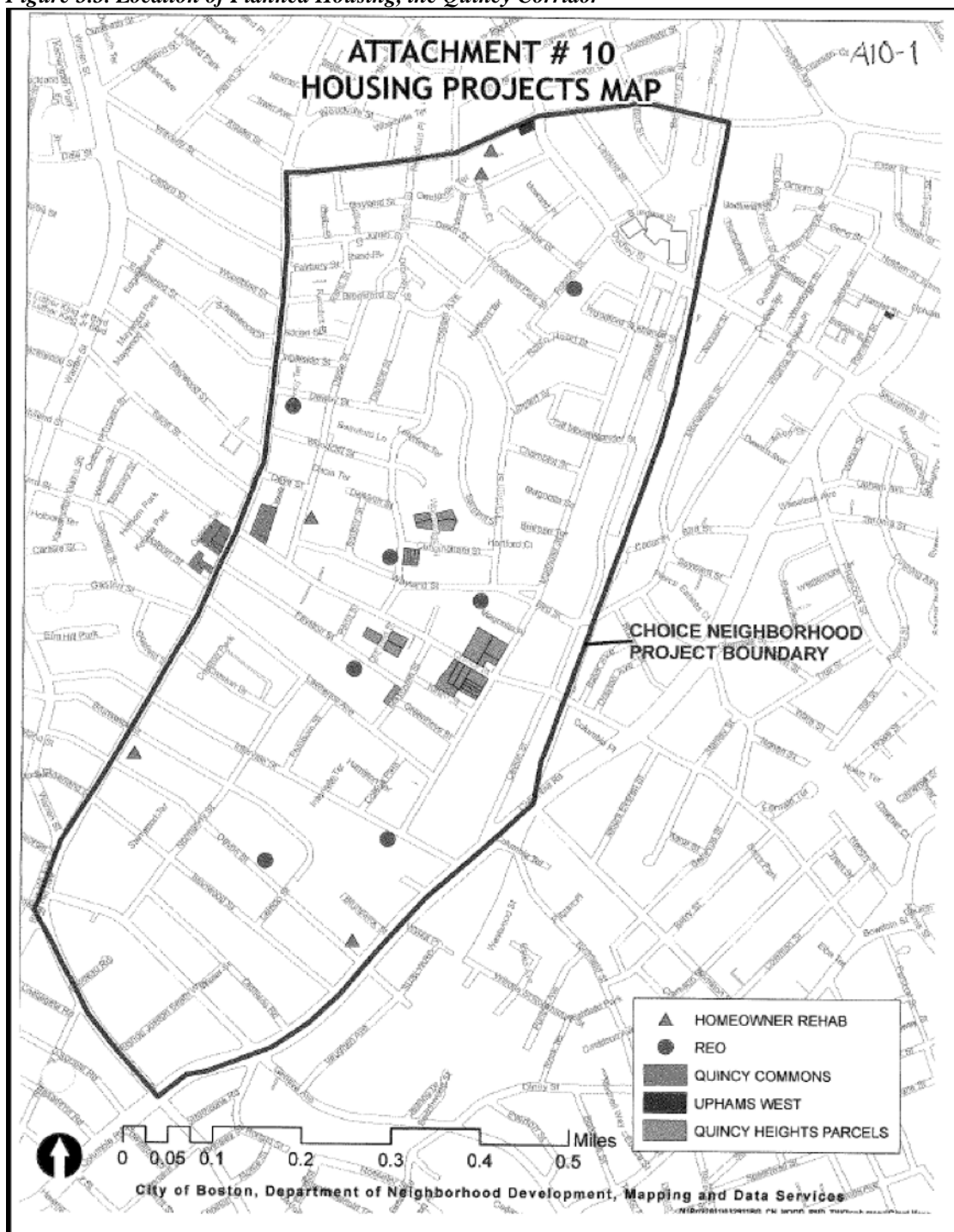
Quincy Heights will include a large multipurpose community room to accommodate 100 residents, 28 off-street parking spaces (including 2 handicapped spaces), highly visible interior courts and play areas, and walkways that link to the surrounding neighborhood. When completed, the Quincy Heights project is expected to meet standards for Enterprise Green Communities and possibly also LEED Silver certification. The redevelopment will include many green design elements, including mechanical systems, building envelope improvements, environmentally friendly lighting, appliances, plumbing fixtures, paint and flooring, photovoltaic systems for electricity in common areas, and solar hot water heating. Closed-circuit security cameras will monitor common space in and outside the target housing.

Quincy Heights will remain 100 percent low-income housing. By marketing any Quincy Heights units that are not occupied by returning households to populations that are least likely to apply, the Choice team seeks to increase the economic and ethnic diversity in the community. Further, efforts are being made in the surrounding neighborhood to redevelop new affordable and market-rate homeownership and rental housing, which may slightly increase the economic diversity in the community.

The Transformation Plan anticipates the development of 73 additional affordable units in the Choice zone through other non-Choice-funded projects. (Figure 3.3 identifies the location of all the planned housing.) The 9-unit Uphams West project, led by DBEDC, involves the rehabilitation of homes on Dudley Street and West Cottage Street as rental units for residents at or below 60 percent of AMI. In addition, Nuestra Comunidad CDC is developing Quincy Commons, a 40-unit affordable housing project for the elderly, with commercial space, located on the corner of Quincy Street and Blue Hill Avenue. Further, seven foreclosed buildings (including 16 units) are being renovated with NSP funds for residents at or below 120 percent of AMI. The city of Boston is also assisting five homeowners with housing renovation funds for a total of 8 units.



Figure 3.3. Location of Planned Housing, the Quincy Corridor



Source: Round 2 application, attachment 10

A relocation consultant has been hired partially with Choice funds and partially with DBEDC funds to implement the relocation plan. This work includes working with DBEDC and UHM to identify and secure temporary offsite rental units for relocated residents and coordinating Uniform Relocation Act notices to inform residents of their rights and responsibilities;



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coordinating the relocation process; serving as a liaison between tenants, landlords, and utility providers; tracking relocated residents and providing service referrals; and coordinating moves back to the redeveloped Quincy Heights. The relocation plan states that residents will be relocated temporarily for no longer than 12 months. Households with children will be relocated near children's school zones.

### 3.2.4 The People Plan

The people goals and social service strategy were informed by a resident needs assessment survey conducted by the Choice team in 2011 and other agencies' prior neighborhood needs assessments. The assessment identified target development residents as extremely low-income and identified job training/placement, English for Speakers of Other Languages (ESOL) classes, transportation, and after-school and summer programs as priority service needs.

Of Boston's Choice grant, 15 percent is dedicated to supportive services. The Office of Jobs and Community Services (JCS) is the people lead, with BPS serving as the education lead, and BPD partnering on the public safety component of the grant. According to the round 2 budget, JCS will allocate \$3,075,000 in Choice funds for the programs and services presented in table 3.1.

*Table 3.1. People Budget, Round 2 Application*

Outreach and service coordination (through June 2012)	\$70,000
Outreach and service coordination (starting July 2012)	\$397,960
After-school and youth services	\$750,000
Adult basic education/ESOL	\$750,000
EITC campaign—tax preparation	\$250,000
ReadBoston Program (literacy )	\$250,000
Gap funding, five current CDBG programs	\$32,040
Violence intervention	\$325,000
Mental health services	\$250,000

CDBG = Community Development Block Grant. EITC = Earned Income Tax Credit. ESOL = English for Speakers of Other Languages.

Source: Round 2 application, attachment 7

Boston's people plan relies more heavily for its leverage on other government sources than the other sites' plans. JCS will commit \$4.75 million, about \$1.3 million of which is claimed as new funding, for programs relating to job training, adult basic education, and tax preparation. The existing funding includes an expected \$857,000 in CDBG funds to be spent in the Choice footprint and DND plans to commit an additional \$525,000 in CDBG funds. The Boston Public Health Commission will commit \$1.6 million, most of which pertains to existing expenditures. The only people leverage in the plan's attachment from nongovernmental sources is \$500,000 from Open Air Boston, a nonprofit providing Internet access to low-income households. Leverage from the BPS and BPD is not listed in the attachment.

The round 2 application proposes a temporary plan for case management, outreach, and service coordination. The budget allocates \$35,000 each to DSNI and Project RIGHT to conduct

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outreach and service coordination until the end of June 2012.<sup>93</sup> During this startup period, the city would analyze service coordination and case management needs and work to identify a case-management provider. The application reserves about \$400,000 to fund case management starting in July 2012. We return to this topic in the discussion of early implementation issues.

The Choice grant, through strategies for improving *education* and educational outcomes, is seen as supporting implementation of the city's COP initiative. In addition to efforts implemented through public schools, there also will be programs focused on improving access to and quality of after-school programs designed to increase the educational benefit to children and their families. Choice funds will be used specifically to expand services provided by several academically focused after-school programs and enhance ReadBoston's literacy program. In addition to the Choice-funded educational programs, other initiatives will continue serving residents in the target area: Thrive in 5, Parent University, Success Boston, and many school-based programs (for example, Extended Learning Time Programs, Eagles Nest, Project ALERTA, Science Across the City, the Efficacy Program, Advancement Via Individual Determination). Further, DBEDC runs after-school programs, summer camps, and drop-in computer centers that serve area youth.

Planned strategies for improving *health* include improving clinical care and the social conditions in which residents live. Choice funds will be used to expand services offered at the BPHC's school-based health center at Burke High School, which provides medical care, mental health, contraceptive counseling, and reproductive health education to underserved low-income adolescents. Choice will fund one full-time bilingual male clinician to provide outreach and mental health counseling to at-risk male students. This position will help fill an important gap by doubling the number of clinicians (from one to two) and addressing an underserved population of youth. Choice funds will also be used to expand BPHC's VIP Initiative, a coalition that intervenes with psychological first aid to residents affected by homicides and violence, develops coordinated community-based teams to provide support to communities when violence occurs, and provides education to service providers and residents about the effects of violence and how to provide treatment. Project RIGHT runs the Grove Hall VIP initiative. Choice funds will be used to hire a Trauma Coordinator for the Grove Hall VIP to train 100 providers and residents in trauma response and provide direct trauma services to 150 to 200 individuals per year. In addition to the two Choice-funded positions that will enhance and expand mental health services and youth services in the neighborhood, a number of other health services will continue to serve residents: Grove Hall Youth Workers Alliance (run by Project RIGHT), Grove Hall Public Safety Committee, community health centers, Healthy Baby/Healthy Child Program, Youth Development Network, and the MYCHILD Program.

For workforce development and job readiness, JCS will allocate Choice funds to adult basic education and ESOL programs to serve area residents. Although the Choice application allocated Choice funds to expand Earned Income Tax Credit (EITC) tax preparation assistance, the city has decided to use existing city resources for this work rather than Choice funds. In addition to Choice-funded programs, other programs will continue to serve target area residents, including: reentry programs for exoffenders (run by DBEDC); a multi-service effort focused on low-income women (Project Hope); programs focused on helping adults obtain a general equivalency

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<sup>93</sup> DSNI provided the outreach services but chose not to receive the Choice outreach funds.

diploma, or GED; and ESOL programs. Further, city funds will be used to target area residents and link them with job training and placement support.

### 3.2.5 The Neighborhood Plan

Goals related to neighborhood improvement focus on reducing violent crime, the concentration of poverty, housing cost burdens, and vacant and abandoned properties. Most of the efforts to address these issues are encompassed in the housing and people components of the plan, consistent with the plan's emphasis on improving the neighborhood by directly assisting its residents: enhancing community engagement, increasing policing efforts, increasing residents' financial stability, and reducing housing cost burden among neighborhood residents by developing affordable housing. The neighborhood strategies also include continuing the Main Streets program and reducing the number of vacant and abandoned properties in the target area.

The Choice funds allocated directly for neighborhood improvements are \$3,075,000 for Critical Community Improvements (CCI). Specific CCIs were not outlined in the Choice application; instead, the application enumerated a list of options: improving community facilities; constructing or rehabilitating parks, playgrounds, and community gardens; and supporting activities to promote economic development, job creation, and asset building. The Choice application also included match funding for neighborhood improvements, including \$550,000 in Section 108 and \$293,000 in CDBG funds.

Reducing the numbers of abandoned and vacant properties by one-third in 3 years is a key goal of the neighborhood Transformation Plan. At the time of the application, the site lead identified 14 abandoned or distressed properties and 25 foreclosed REO (Real Estate Owned) properties in the neighborhood. In addition to supporting ongoing efforts in the target area (BHANRT, Fairmount Corridor Initiative, Boston's Main Streets, NSP, Empowerment Zone, and the Dacia Foreclosure Intervention Team), the city committed to dispose of and redevelop all city-owned tax-foreclosed properties in the target area and major parcels adjacent to the neighborhood within the 5-year Choice implementation period. Abandoned and foreclosed properties identified in the Transformation Plan include the former Pearl Meats Factory, three city-owned parcels to be redeveloped by DBEDC as part of the Quincy Heights redevelopment, and a city-owned tax-foreclosed commercial/industrial property at 65 East Cottage Street (adjacent to the Choice target neighborhood).

### 3.2.6 Summary of Theory of Change

Boston's Choice intervention occurs within an enabling context in which the city and CDCs typically work in partnership for gradual improvement of neighborhoods whose boundaries are much smaller than that of most Choice planning areas and smaller than Boston's Choice boundaries (figure 3.4). Although the city does have neighborhoods with significant tracts of vacant and underused land, many of its low-income neighborhoods—including those surrounding the scattered-site HUD-assisted target development—are still densely populated. Property ownership is highly fragmented and diverse, which is a challenge for large-scale neighborhood redevelopment. In the past, BRA and DSNI have used eminent domain to assemble property for redevelopment, but there are no plans to use eminent domain for the

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Choice redevelopment. This context makes large-scale redevelopment unworkable, if not undesirable, in many built-up Boston neighborhoods. Instead, transformation must progress by reinforcing and improving established efforts to improve outcomes for people living in the neighborhood.

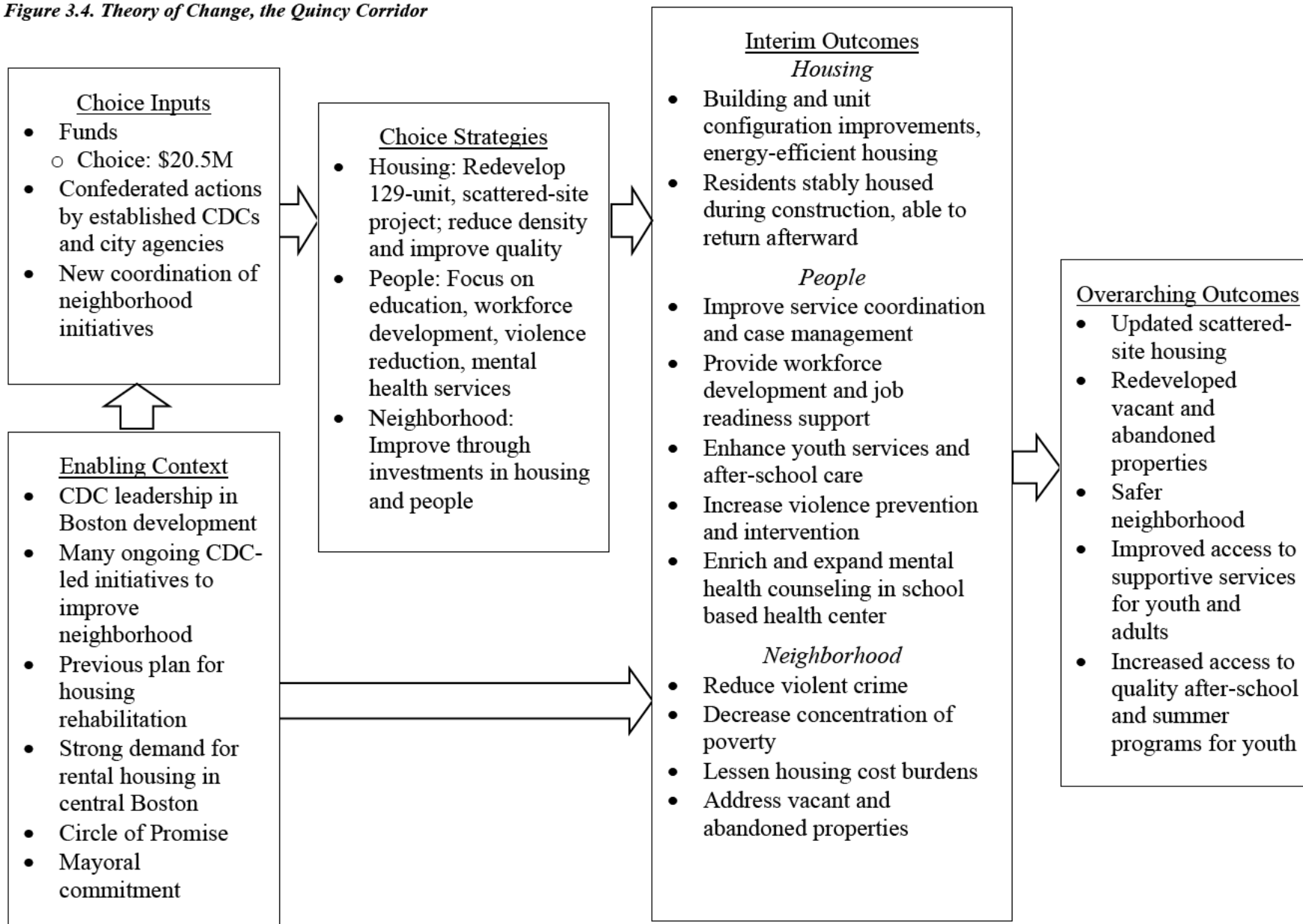
Many of these efforts have been under way in and around the Choice footprint for decades. One of Boston's most successful CDCs, DBEDC, was moving forward with a solid plan for the Quincy Heights target housing and for the broader neighborhood. With a long history of working in the neighborhood, DBEDC is well known and respected for its comprehensive approach to housing and economic development. DBEDC is also the prime community mover of the Fairmount Collaborative. In other words, the Choice plan started with a strong partnership of organizations and local agencies that had collaborated on a multiyear redevelopment planning process that included various opportunities for community input. Choice has brought in several new partners, including DND, JCS, BPS, and BPD and has led to deeper engagement among organizations.

The Quincy Corridor plan emphasizes housing and economic development, violence and crime reduction, and education and job training. More specific goals include improving housing conditions, increasing housing affordability; reducing violent crime; reducing the concentration of poverty and housing cost burdens; addressing vacant and abandoned properties; and improving the education, health, and economic stability of families in the target housing and neighborhood. Strategies are meant to affect residents of all ages, from young children to adults. By improving access to quality after-school and summer programs, adult education, ESOL, job training and placement, and expanding the coordination of existing high-quality services in the area, Choice aims to provide residents with new opportunities to improve their incomes and economic futures. At the same time, by improving the conditions of the built environment in and around severely distressed target housing, adding more resources to violence intervention and prevention, and providing mental health counseling for high-risk adolescents, Choice seeks to improve the living conditions, safety, and overall well-being of individuals and families in the target neighborhood. Further, Choice strives to build the capacity of neighborhood institutions to better respond to the community's needs by focusing on improving the coordination of other existing service providers in the target area.

In addition, Choice enhances the redevelopment plans for the Quincy Corridor by speeding up the timeline for the project, providing a boost for leveraging opportunities, and infusing resources and attention for support services.

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*Figure 3.4. Theory of Change, the Quincy Corridor*



### **3.3 Early Implementation**

#### **3.3.1 Relationships and Coordination**

Boston's Choice effort is proceeding in what appears to be a loosely coordinated confederation, with different combinations of organizations and agencies collaborating on particular components of the Transformation Plan. DND and DBEDC staff hold weekly telephone meetings that are facilitated by a DBEDC consultant. DBEDC established the Quincy Corridor Community Partners, which meets twice monthly at Project RIGHT, to provide a forum for DBEDC, QGHC, DSNI, and Project RIGHT staff to bring each other up to speed on their work. There are also meetings focused on resident relocation that include the relocation consultant, DBEDC resident services staff, and QGHC staff; DND does not participate in these meetings. As discussed previously, many of these organizations have worked together extensively in the past, as have DND and JCS.

The partners appear to be working well together, taking steps that will increase the likelihood of success for Choice even when actions might not be in the best interest of a particular organization. For example, DSNI, Project RIGHT and DBEDC sent a joint letter to the mayor in May 2012 to state their support for the use of \$500,000 of the CCI funds so that the mayor could then request HUD to release the funds. The organizations had to negotiate over the use of CCI monies because they were not in agreement initially, as discussed below. In a different matter, DBEDC opted not to compete for resident services contracts because staff sensed interorganization tensions over who would receive the contracts. DBEDC made this decision to remove a possible obstacle to partners working well together.

Choice is a top priority for Mayor Menino. His Office of Intergovernmental Relations provides support and oversight related to the Choice grant. This office coordinates intergovernmental dealings and acts as a liaison with local, state, and federal programs and departments. It also reviews plans submitted by DND, JCS and DBEDC for Choice and signs off on them. The mayor's office sent a strong message early on to the Choice team that they want to see a major impact and change in people's lives. The mayor's staff asked DND to identify activities funded by other sources and not to fund those, selecting instead activities lacking other funding as candidates for Choice spending. The process increases the time it takes to make decisions on this front. Early proposals made by the Choice team to use some of the funds for street improvements, changing traffic lights, and for outreach programs to enroll residents in the EITC were quickly declined. The city would prefer to stretch existing city resources to go toward these upgrades. The mayor also designated a Choice Steering Committee, which planned to meet quarterly to provide general oversight and provide any necessary support. This committee, which includes DND, JCS, DBEDC, QGHC, DSNI, and Project RIGHT, has met once so far, in the spring of 2012.<sup>94</sup>

Although partners reported working well with one another, there have been some concerns about the overall leadership of the Choice effort. Partners said that they were unclear about who was leading Choice implementation and wondered whether this lack of clarity was a problem or

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<sup>94</sup> The research team has since learned that a second meeting was held in December 2012 and the new executive director of DND plans to hold meetings monthly moving forward.



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part of the plan—perhaps Choice is proceeding without a clear lead to break down silos and create opportunities for new coalitions to form.<sup>95</sup> Some partners commented that Choice has led to deeper engagement among organizations that are working together than has occurred in the past.

Monthly conference calls take place with HUD and the major Choice partners: DND, JCS, DBEDC, DSNI, and Project RIGHT. A staff member of the mayor's office also sometimes participates.<sup>96</sup> These meetings are used to update HUD on Choice activities and for HUD to provide any updates they might need to share with the partners and discuss any implementation problems that the Boston team might be encountering.

In the resident engagement realm, DSNI and Project RIGHT conduct outreach to residents of the target development and of the Choice neighborhood. The initial outreach contract was for \$35,000 each during the period from April through September 2012.<sup>97</sup> In addition to sending out flyers and leaflets about existing programs and other opportunities, the contractors recruit residents to attend community meetings that address Choice. In addition to the occasional special events, Project RIGHT has added Choice to the agenda of the monthly neighborhood association meetings that the organization facilitates. Project RIGHT has invited DBEDC and QGHC to present on development plans and to update community residents on the progress of demolition and construction activities. Very few residents of the target development have attended the meetings so far.

#### **3.3.2 Target Housing: Progress and Challenges**

The housing goals and plans for the Quincy Corridor area have remained largely unchanged from the grant application. The housing partners have ownership rights to the existing development and other land parcels and are moving toward closing on financing. The first physical sign of redevelopment was the August 2012 demolition of 222 Quincy Street, a condemned property that DBEDC acquired from the city. The parcel is located near a portion of the target housing development. The structure was found to have asbestos, which led to increased costs for environmental cleanup.

There have been some shifts in the timing and funding of the redevelopment, and the budget has been significantly revised. The project's anticipated closing date was shifted from the fourth quarter of 2011 to the fourth quarter of 2012, because of financing issues involving the terms for borrowing under the Flexible Subsidy Loan and the Risk Sharing Mortgage programs. The timeline was also slowed as HUD decided on vouchers for relocation, as described in the following paragraphs. A final change to the timeline, however, will help DBEDC make up for some of the delay: DBEDC was able to leverage more funds for housing than it expected, and the financing approval came sooner than expected. DBEDC chose MassHousing as the construction and permanent lender for Quincy Heights because it reduced its fee by one-half, which saved the

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<sup>95</sup> DND's new Director, hired in the fall of 2012, has provided clear leadership since coming on board. This change and subsequent effects on Choice implementation will be discussed in the next report.

<sup>96</sup> Since the initial drafting of this report, the staff member from the Mayor's office has participated more regularly, and staff from BPS and BPD also join occasionally.

<sup>97</sup> Note: DSNI opted not to receive the fee for outreach services.

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project \$500,000. MassHousing approved DBEDC's loan in August 2012 and they expect to close in December 2012.<sup>98</sup> After the start date was delayed and more favorable financing materialized, DBEDC combined the two phases of Quincy Heights into a single phase.

DBEDC issued bids for contractors in the summer of 2012 and selected contractors for new construction and for renovation work in August 2012 after negotiating with the mayor's office about the selections. The RFP and contractor selection process was challenging in part because of competing pressures. The city has a strong priority on hiring union contractors, but these shops historically have not hired a large number of minority, local or women subcontractors. DBEDC, meanwhile, had committed to DSNI and Project RIGHT that they would try to achieve hiring goals for minority (51 percent), local residents (51 percent), and women (15 percent) contractors. Rather than issue one RFP, therefore, DBEDC split the renovation and construction RFPs and intends to take a similar approach to subsequent contracts, to increase the likelihood that smaller, local, and minority or woman-owned contractors will submit bids.

Relocation has required negotiation and problem-solving. The Choice application indicated that all residents would be relocated using temporary pass-through vouchers and that all residents would return to the redeveloped Quincy Heights. Some tenants, however, expressed a desire for mobility to other locations, prompting DND to request permanent Housing Choice Vouchers (HCVs) as part of the round 2 application. DBEDC and QGHC met with tenants in well-attended meetings in June 2012 to determine how many households wished to receive HCVs. HUD agreed in August to provide 105 HCVs and affirmed that residents who relocate with an HCV could return to the redevelopment housing. Boston partners have been waiting for official documentation on the HCVs from HUD. DBEDC also has requested predevelopment funds promised by the city to support the relocation process. DBEDC needs to identify temporary relocation units so that relocation can begin after the finance closing takes place. Community Economic Development Assistance Corporation, a public-private community development finance institution, has approved an additional \$300,000 in predevelopment funds.

The new voucher relocation option adds complexity to the relocation plan. DBEDC and its relocation consultant developed a plan early in 2012, well before HUD agreed to provide vouchers. The plan envisions moving only 30 to 60 households at a time in light of the city's tight housing market. The coordination of voucher-assisted moves and temporary relocations is an issue causing some concern. Although the number of vouchers to be made available is now known, DBEDC does not know how many vouchers HUD will release at one time. HUD is expected to formalize a contract with the BHA to administer the vouchers. After the contract is in place, DBEDC's relocation consultant will meet with residents to explain the BHA's voucher process. Voucher release could affect the pacing of relocation and housing redevelopment; also, if many residents receive vouchers at the same time, multiple units could be left vacant, reducing the rental income of the project.<sup>99</sup>

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<sup>98</sup> The expected date of closing has been pushed to early 2013.

<sup>99</sup> It is possible that residents with HCVs could leave as soon as they have the voucher, whereas, if they are bound by pass-through vouchers, residents do not relocate until the relocation team moves them.

UHM will continue in the management role for the redeveloped Quincy Heights. DBEDC and QGHC plan to award year-to-year contracts to UHM, based on performance, after the properties are reoccupied.

### 3.3.3 People: Progress and Challenges

Many of the people-related actions were not detailed in the grant application. The early months of the grant have required discussions and negotiations about a range of issues. Some partners think the goals set in the Transformation Plan (for example, reducing concentrated poverty) are too grand and that achievable, interim goals are needed to demonstrate progress. The partners also differ on whether Choice funds should be used to expand and enhance existing services with a proven track record or fund new, innovative programs. The partners have described this debate as healthy.

The people team has made progress in mental health services. In response to a request from Project RIGHT, BPHC expanded the boundaries of the VIP initiative run by Project RIGHT in the Grove Hall neighborhood. The citywide program offered in select neighborhoods focuses on violence prevention through helping youth develop conflict resolution and mediation skills. Expanding the VIP service boundaries allows for inclusion of the target development. After developing the scope of work for a three-quarter-time Trauma Coordinator position, BPHC planned to sign a subcontract to Project RIGHT in September to enable them to hire a licensed social worker or equivalent for the job. The VIP Program Director had concerns about the target numbers for training and service provision to be met under Choice but indicated increased optimism after working with Project RIGHT on the scope of work. The contract for the VIP position is multilayered: DND contracted with JCS, which contracted with BPHC, which then issued the contract to Project RIGHT. Choice funds also will support a mental health clinician who will be based in Burke High School's health clinic. DND contracted with JCS, which will subcontract with BPHC to fill the position.

JCS has needed more time than the plan anticipated, however, to award a long-term case management contract. The agency intended to issue the Request for Qualifications (RFQ) in March, 2012 and select a provider by late April. JCS had not previously issued an RFQ for the style and level of case management services required by Choice, however, and therefore turned to BHA for an example from one of its HOPE VI projects. JCS determined it needed an RFP rather than an RFQ, and sought input on the RFP from key organizations that know the community. To avoid conflicts of interest, JCS held general conversations with select organization leaders about what was most needed in the Choice area but did not disclose information about the selection process and avoided writing the RFP in a way that could give preference to one organization over another. JCS also had to decide whether the RFP should specify desired skill levels and a number of case managers, ultimately deciding to leave this unspecified. JCS issued the RFP in July 2012 and 10 applicants responded. A committee composed of JCS, the BHA, the mayor's office, and a community volunteer reviewed the proposals and met with three finalists. JCS expected to select the case management provider in October, but the final approval has been delayed pending the return of Mayor Menino to active duty after a hospitalization.<sup>100</sup>

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<sup>100</sup> The research team has subsequently learned that the case management provider was selected in December, 2012.

The distribution of the people budget to *supportive services* is unsettled. In part because of Mayor Menino's decision that Choice funds be distributed in ways that complement other funding commitments, the Choice budget eliminated EITC funding. The slow start to supportive services also reflects the priority placed on issuing a case management contract. Now that the case management selection is at hand, JCS will be able to turn to the supportive services RFPs, the first of which are anticipated to be issued for adult basic education (ABE) and ESOL services.

An important challenge to services is *leverage*. Most of the leverage described in the application is federal funds from CDBG and HOME. Because of overall declines in CDBG and HOME appropriations, Boston's allocation of these funds decreased this year. These cuts have been passed through to city agencies, including DND. The city is trying to minimize the potential effect of these cuts in the Choice target area.

The Quincy Corridor's education initiatives appear to be developing slowly, partly due to the fact that DSNI and the city have been waiting for the results of their application for a Promise Neighborhoods Implementation Grant.<sup>101</sup> The ReadBoston program, run by JCS, receives partial funding from Choice and has enhanced programs in the target area. With Choice funds, ReadBoston is implementing an Environmental Literacy Project at two schools in the Choice zone that will serve an additional 500 students from the neighborhood; a Reading Trail Program at all childcare programs in the area; a Reading is Fundamental initiative at one school in the Choice zone; and monthly Storymobile sessions at the Grove Hall Library. Further, ReadBoston is planning several other initiatives in the Choice area, including an Early Words Campaign that could serve 60 families, the creation of a Choice Neighborhoods coloring book, and a ReadTV episode focused on the construction and the local youth and leaders involved in the Choice redevelopment project. We do not yet know the level of BPS involvement in relocation planning, although the relocation consultant has indicated that she is paying attention to education and schools related to the relocation process.

### 3.3.4 Neighborhood: Progress and Challenges

Efforts are under way to implement neighborhood strategies. More action has occurred on those plans that were well defined in the grant proposal; other elements of the neighborhood plan are in process of being developed.

The key issue that still needed resolution at the time of the round 2 application was Critical Community Improvements. DBEDC, DSNI and Project RIGHT sent a joint letter to the mayor in May 2012 to express support for using \$500,000 in CCI funds for the Pearl Meats job incubator project. DBEDC had wanted all CCI funds to go toward the Pearl Meats project, but DSNI and Project RIGHT wanted the funds to support renovations of two school playgrounds, a use for funds identified by neighborhood residents. After considerable negotiation among the partners, an agreement was reached to use \$500,000 in CCI funds for the Pearl Meats job incubator, which will provide job training to low-income people. To gain DSNI and Project RIGHT support,

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<sup>101</sup> DSNI and the city did receive a Promise Neighborhoods Implementation Grant, in December 2012.

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DBEDC agreed to the hiring goals for minorities, local residents, and women, described previously.

DBEDC has proceeded with plans to renovate the vacant Pearl Meats building into a job training center. DBEDC received six contractor bids for the design and construction work, all of which exceeded DBEDC's estimated budget. After selecting a contractor, DBEDC worked to adjust the site development plans to keep the project within budget. DBEDC reports that the property appraisal came in lower than anticipated, which could make fundraising for the project more challenging. The project has received support through the New Markets Tax Credit program, from PNC Bank and Local Initiatives Support Corporation (LISC) and DBEDC was expecting a decision in September on a federal grant application for \$800,000.<sup>102</sup> DBEDC will wait until it has project financing in place before renting spaces in the Pearl Meats structure, but it has met with job training and job incubator organizations. DBEDC has a memorandum of understanding, or MOU, in place to work with Crop Circle Kitchen on developing the concept and design for a small business incubator. Crop Circle Kitchen is a nonprofit, shared-use, commercial kitchen located in the nearby Jamaica Plain neighborhood. Its incubator would provide space for multiple small businesses and food trucks to rent for food preparation and clean up. DBEDC has been working with DSNI and Project RIGHT to assess the level of need and interest for this type of a facility in the area.

As of the fall of 2012, it was still unclear whether the remainder of the CCI agreement would hold. HUD has requested additional information on how DBEDC will balance the hiring of union members and the hiring of minorities, local residents and women; DBEDC was preparing a more detailed hiring plan. Also, HUD prohibits using CCI funds for school facility improvements and has yet to decide whether to permit such a use of funds by the time of the second round of proposals, although the partners argued that the playgrounds serve as neighborhood amenities.

DBEDC also owns 259 Quincy Street, a vacant building two blocks from the Pearl Meats building. The New England Center for Arts and Technology, or NECAT, had planned to open a job training center at this site but decided to open in a smaller location elsewhere. DBEDC is considering other uses of the structure now, including using it as an artist or light industrial space. Staff have visited artists' cooperatives in other cities to consider options for the property.

In addition to the Grove Hall VIP program, discussed previously in the people section, other efforts are planned for reducing crime and increasing safety in the Quincy Corridor. Some of the other efforts might receive support from the Choice grant, although it has not yet become clear to researchers whether any have as of the fall of 2012. Project RIGHT continues to be involved in violence prevention and intervention. The organization facilitates two or more community meetings each month at which police officers discuss the crime log for the area and is part of the city's interagency BHANRT. Project RIGHT and other organizations have been able to close down some neighborhood hot spots that had problems with prostitution and drug sales.

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<sup>102</sup> In October 2012, DBEDC was awarded a \$788,673 grant under the Health Food Financing Initiative from the U.S Department of Health and Human Services, Administration for Children and Families, Office of Community Services for the Pearl Meats food production and small business incubator center.



### **3.4 Analysis of Key Accomplishments and Challenges**

#### **3.4.1 Assessment of Choice Neighborhoods Plans**

Choice is one among a number of initiatives active in the Quincy Corridor area, some of which are taking place only in the neighborhood, such as the target housing redevelopment and the development of the Pearl Meats site, and some of which include but are not limited to the area, such as the city's COP. Even endeavors specific to the area and identified as core Choice efforts are not happening solely because of the Choice grant. Redeveloping the Woodledge/Morrant Bay Apartments and repurposing the Pearl Meats property were planned independently of Choice and would have happened regardless of the Choice grant. This comes as no surprise in light of HUD's interest in selecting grantees that had projects that were shovel ready.

Choice has brought value to the changes taking place in the Quincy Corridor area even if it is not central to them. It provides a timeframe for action and funds, which together are speeding up efforts that might not yet be under way. Choice also has enabled more city and community partners to participate in this effort to transform the neighborhood and might serve to broaden the supportive services available to area residents.

#### **3.4.2 Assessment of Choice Neighborhoods Implementation**

Choice in the Quincy Corridor supports improvements to the existing neighborhood through investments in supportive services, housing reconfiguration and new construction, and economic development investments rather than a wholesale transformation of the area. At this early stage of the process, it appears that partners will be able to carry out the plans for the Quincy Corridor. Some question exists, however, about whether the ambitious outcomes identified in the grant proposals will be possible to achieve; some partners have suggested the need to define interim outcomes against which efforts can be better assessed.

Implementation of Choice to date has consisted of efforts to enact plans largely in place before the grant was awarded and to clarify plans that were not specified in the grant proposal. Overall, implementation has been moving forward. Challenges and delays have occurred, but they have resulted in no significant setbacks. A key factor enabling implementation is the group of partners assembled to carry out Choice activities. The partners have a track record in the community and city, are known to each other for the most part, and, especially in the case of DBEDC, DSNI, and Project RIGHT, have long-standing stakes in the Quincy Corridor area. In particular, DBEDC brings considerable experience with construction and city processes related to housing and commercial development projects to the team. DSNI and Project RIGHT bring community relationships and processes for engagement to the effort. Neighborhood-based partners appear to be working well together and keeping the overarching goal of Choice success in the forefront, as demonstrated by their ability to compromise and act for the good of Choice.

Specific efforts have varied so far in implementation. There are no known roadblocks at present related to the housing demolition, construction and rehabilitation efforts. People plans have been slow to progress for a number of reasons. Now that the case management contract will be issued



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soon, work on the supportive services RFPs should move forward. The delay with these components of Choice has stemmed from disagreements about the vision for services and a lack of experience developing an RFP for case management. Resident relocation continues to be delayed although HUD finally determined the type of vouchers to be issued. BHA is waiting for a written contract from HUD to administer the vouchers and DND has yet to be told how many vouchers will be released at a given time. Work on the neighborhood component of Choice has consisted of defining and clarifying neighborhood plans; little action on the ground was under way as of the fall of 2012.

Challenges to implementation involve funding levels and overall initiative coordination; neither one appears to be a threat to implementation, although they could affect the degree to which Choice is able to achieve its goals. Choice resources likely are insufficient to have a significant impact on major issues targeted for improvement, such as the high poverty rate and the low levels of educational attainment among residents in the Quincy Corridor area. There has been particular concern about the level of resources available for supportive services. The concern is especially acute given the outcomes Choice hopes to achieve, as discussed previously. It is much too early to speculate about the likelihood that supportive services and the ongoing efforts related to mental health, crime reduction, and education will lead to cumulative effects in the area. For the efforts to add up it might depend on the ability of the partners and programs to coordinate or at least be aware of all that is happening in the target area. The reduction in CDBG funds also presents a challenge as the city and partners must now identify whether and how the shortfall can be covered with other resources.

There have been some concerns about the leadership of the Choice grant, possibly due to the fact that there were not regularly scheduled, face-to-face meetings among all partners in the early stages of implementation. The grantee recognizes these issues and has taken steps towards more regular communication. Nevertheless, key partners are working well together, likely because, in different configurations, many of them have worked together before. There appears to be little coordination, however, on the city level across the number of initiatives that include at least a portion of the Quincy Corridor area. Improving this coordination may be an important factor for the success of Choice Neighborhoods in the Quincy Corridor.

## 4 Chicago: Woodlawn and Grove Parc Plaza

### 4.1 Overview of Place and Need for Intervention

#### 4.1.1 Neighborhood Background

In Chicago, the Choice Neighborhoods program (Choice) is supporting the Woodlawn Transformation Plan. Situated on Chicago's South Side, Woodlawn is adjacent to Washington Park to the northwest and Hyde Park to the north, which is home to The University of Chicago (figure 4.1). To the east is Jackson Park, including Lakeshore Drive and Lake Michigan. South Shore is to the southeast, and Grand Crossing is to the southwest. The Chicago Transit Authority (CTA) Green Line stops at 63rd Street and Cottage Grove Avenue, at the commercial center of the neighborhood. Cottage Grove Avenue, which runs north and south, divides Woodlawn into two subneighborhoods: West Woodlawn and East Woodlawn. East Woodlawn has experienced some redevelopment, including affordable housing and other rehabilitation investments spurred by the city of Chicago's 2016 Olympic bid, but a large number of vacant lots remain. The neighborhood of West Woodlawn is more distressed.

Almost exclusively Caucasian until World War II, Woodlawn was one of many Chicago neighborhoods in which steering, blockbusting, and weak code enforcement led to the rapid and nearly complete shift to predominantly Black occupancy by the late 1950s. Woodlawn's housing stock deteriorated and became overcrowded as landlords divided apartments into small kitchenettes to accommodate demand. Even so, Woodlawn retained a mix of well-maintained and less well-maintained areas.<sup>103</sup>

Woodlawn has a long history of community activism.<sup>104</sup> In 1960, renowned community organizer Saul Alinsky worked to organize Woodlawn, his second community-organizing endeavor after the famous Back of the Yards initiative. He united the established groups as the Temporary Woodlawn Organization to fight the University of Chicago and its expansion plans. The Temporary Woodlawn Organization also rallied against inferior educational facilities for Black students in the neighborhood, and against the exploitative practices of slum landlords and local businessmen. The Temporary Woodlawn Organization became permanent as The Woodlawn Organization (TWO) in 1962, with Bishop Arthur Brazier serving as its head.

In the 1960s, the university wanted to expand its campus into the neighborhood using federal urban renewal funds. Fearing that this expansion would displace many residents, TWO and university leaders developed a compromise that allowed the university to expand to 61st Street and obliged the university to help attract federal funding for replacement housing for displaced residents. The city of Chicago's Department of Urban Renewal demolished the commercial buildings along Cottage Grove Avenue to make way for Woodlawn Gardens, which is now known as Grove Parc. The 504-unit development was considered, at the time, one of the key successes of early community-based organizing.

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<sup>103</sup> Satter (2009).

<sup>104</sup> It also has been the subject of more scholarly investigation and analysis than any other Choice Neighborhood implementation site.

Figure 4.1. Location, Woodlawn/Grove Parc



TWO remained strong in the decades that followed, but its efforts could not counteract the larger forces acting to cause deepening distress in predominantly Black central-city neighborhoods. As a wave of suburban housing construction enabled White Chicagoans to move to the suburbs, the

city's housing crisis abated and reduced the attractiveness of neighborhoods like Woodlawn to households of any race relative to the new opportunities elsewhere in the city.

Apart from TWO, several other important community organizations have formed since the 1960s to respond to the commercial and housing deterioration in the neighborhood and provide services to residents. The Woodlawn Community Development Corporation (WCDC), for example, was founded as the real estate and management component of TWO in 1972. Since completing its first housing project, Jackson Terrace, in 1974, WCDC has served as a partner in the construction and rehabilitation of 1,700 units across 4 developments in Woodlawn and 10 developments in Chicago.<sup>105</sup> The Woodlawn East Community and Neighbors organization was founded in 1980 after an arson fire killed nine Woodlawn residents in 1980. The organization now includes job training, youth programs, and affordable rental housing development.<sup>106</sup> The Woodlawn Preservation and Investment Corporation (WPIC) was organized in 1987 to “increase residential housing opportunities and supportive commercial uses” in Woodlawn. WPIC has been a partner in providing services and rehabilitating and developing affordable and market-rate housing in Woodlawn.<sup>107</sup>

Largely through the actions of these organizations, new private housing and commercial investment in the neighborhood accelerated in the 1990s, including a new South Side YMCA, a neighborhood library, and the Plaisance Place housing development. After years of debate and discussion between the community and the city, the CTA demolished a 3,000-foot section of Green Line L tracks east of Cottage Grove in 1997 to create a more attractive environment for commercial and residential development along 63rd Street.

Despite these efforts, the neighborhood remains deeply distressed on multiple levels. It declined in population between 2000 and 2010, although it is still the most populous Choice area, with about 23,700 residents in 2010. Unemployment is high in Woodlawn, despite higher educational attainment levels and good access to transit and job centers.

Overall, 89 percent of the 12,000 housing units in Woodlawn are in multifamily structures, and about one-fourth of the units are owner occupied. Woodlawn is the most affordable Choice neighborhood for homebuyers, with average home values at \$156,000. Single-family and condominium prices plummeted 69 percent from 2007 to 2011, however, reflecting the significant number of foreclosures and subprime lending that occurred in the neighborhood during the recent economic crisis. More than two out of three sales were paid in cash in 2011, signaling that investors are a big part of the housing market now as owner occupants typically do not pay cash for their homes. A sizable proportion of both homeowners and renters in Woodlawn are cost burdened, despite lower home values and rents than elsewhere in Chicago. Vacancy is also an increasing problem—22 percent of the housing units in Woodlawn were vacant in 2010, up 7 percentage points from 2000.

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<sup>105</sup> LISC Chicago (2005); Woodlawn Organization (n.d.).

<sup>106</sup> LISC Chicago (2005).

<sup>107</sup> LISC Chicago (2005).



#### 4.1.2 Target Development Background and Current Conditions

Grove Parc Plaza is the target development in the Woodlawn Choice neighborhood. It is the same 504-unit project-based Section 8 property constructed in 1969 as Woodlawn Gardens and operated until 1986 by TWO.<sup>108</sup> Finances were a challenge for TWO in the early years; operating expenses were greater than expected, and TWO defaulted on its mortgage in 1971. The physical structure was also problematic; within 4 years of being built, it needed to be repaired, in part because of construction flaws.<sup>109</sup> According to the *Chicago Tribune*:

“The project was hit with difficulties at the beginning: from inflation, an underfunded federal housing program and what HUD has contended was “mismanagement.” TWO missed a mortgage payment in March, 1972, and has never made another. Gas bills mounted and went unpaid, repairs went undone, and building code violations mounted. Rehabilitation costs have been estimated at nearly \$2 million.”<sup>110</sup>

TWO eventually filed for bankruptcy in 1984, but the court did not grant it. In fact, HUD had begun the process of foreclosure in 1984 and purchased the property and its debt in 1987 for \$14.7 million. On April 29, 1988, WPIC purchased the development for \$1.<sup>111</sup> WPIC rehabilitated the development and reopened it in 1990 as Grove Parc Plaza, a project-based Section 8 development with a mixed-use component housing a shoe store, a food store, and a bank.<sup>112</sup>

Between 1990 and 2007, WPIC contracted out the management of Grove Parc and conditions at Grove Parc worsened. After two failing Real Estate Assessment Center, or REAC, scores, including a score of 11 in 2006, HUD threatened to foreclose the development, preserve 67 senior housing units, and give the remaining residents housing choice vouchers to use in other neighborhoods. When the FHA-insured loan on the property went into default in 2007, the mortgage was assigned to HUD and then sold to the city of Chicago. Fearing that their project based subsidies would be replaced by housing choice vouchers, the Grove Parc Tenants Association (GPTA) and Southside Together Organizing for Power (STOP), in association with the Sergeant Shriver National Center on Poverty Law, contacted a number of low-income housing developers to assist in acquiring the distressed property and developing a plan to preserve the affordable housing units on the site and in the Woodlawn neighborhood. After refusals from many Chicago-based affordable housing development and management organizations, GPTA approached and invited the Preservation of Affordable Housing (POAH), which was based in Boston, to bid for ownership of the property. The city of Chicago transferred ownership to POAH in 2008 and enacted a memorandum of agreement with residents for the relocation process and resident engagement in development decisions. POAH agreed not to displace tenants from the Woodlawn community and to reduce concentrated poverty in the area surrounding the Grove Parc site.

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<sup>108</sup> Bowly (1978).

<sup>109</sup> Bowly (1978).

<sup>110</sup> Possley (1987).

<sup>111</sup> Possley and Casuso (1988).

<sup>112</sup> McAllister (1995).



Grove Parc's 504 units occupy 24 three- to four-story buildings spread across five city blocks on the east and west sides of Cottage Grove Avenue between 61st and 63rd Streets (figure 4.2 for the December 2010 site plan). The S- and L-shaped buildings were connected by passages, many of which were enclosed by blank walls. Units were accessed via shared entrances facing large parking lots or rear service alleys. The buildings were only partially oriented toward Cottage Grove; some units faced Cottage Grove while others faced the alleyways behind the development. Concrete parking lots separated the staggered asymmetrical buildings, and a thin line of trees separated buildings from the avenue. First-floor entrances were under concrete stairwells that were dark, even in daytime. The buildings failed to delineate public and private areas, resulting in a total lack of defensible space and very little usable green space. None of the units were wheelchair accessible. The 22 walk-up buildings were only accessible via two or more steps, and interior unit layouts would need to be reconfigured to meet Americans with Disabilities Act (ADA) requirements for door swing, approach, and kitchen and bathroom dimensions. The two four-story buildings, which contained all the studio and one-bedroom apartments, were accessed via elevators, but the units required fundamental reconfiguration to accommodate ADA standards. Regarding energy conservation, deficiencies included insubstantial construction and lack of insulation in the building envelopes and outdated, ill-maintained heating plants resulting in extremely high per-unit heating costs. An energy assessment of Grove Parc, as of October 2012, appears in appendix A.

#### 4.1.3 Grove Parc's Residents at Baseline

For the round 2 Choice application, POAH conducted a needs assessment in Grove Parc and found that Grove Parc houses 834 residents in 325 households. Working-age adults (ages 25 to 61) constitute about one-third of the residents. The other two-thirds are children, ages 0 to 15 (44 percent); transitional age youth, ages 16 to 24 (20 percent); and seniors, age 62 and older (4 percent). Most residents are Black (98 percent).<sup>113</sup>

Grove Parc residents face even deeper challenges than other Woodlawn residents. Residents in the development are low-income and have low rates of educational attainment and employment. One-third of households report having no income; other households receive earned income (25 percent) and income from public assistance, Social Security, Supplemental Security Income, unemployment insurance, or child support (40 percent). Many residents report financial hardship; 72 percent of householders indicate they do not have enough money to pay their bills. Residents' most cited employment barriers are insufficient job opportunities (23 percent), needing to improve their job search and interview skills (15 percent), and lack of professional training (13 percent). One-fifth of residents do not have a high school diploma or general equivalency diploma (GED). The need for further education is understood, however—60 percent of residents requested GED/adult education classes. Only 21 percent of the young children living in Grove Parc are enrolled in an early education program and 80 percent of children and youth are currently in school (most educationally disengaged youth have graduated or obtained their GED).<sup>114</sup>

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<sup>113</sup> Demographic data were collected by POAH from the review of property management files in April and May 2011.

<sup>114</sup> Resident perceptions and outcomes were gleaned from a household survey fielded in April and May 2011.

Figure 4.2. Site Plan as of December 2010, Grove Parc



Source: Round 1 application, attachment 31

Three-fourths of householders report being in good health, but many of these residents also have issues with blood pressure, diabetes, and weight; 10 percent of residents report having a disability. Health care is an issue for residents at Grove Parc; about one-fourth do not have health insurance (27 percent), and many identify the need for a primary care physician (34 percent), a dentist (42 percent), and an optometrist (39 percent).

Most residents (59 percent) do not perceive their neighborhood as safe. One-half of parents do not allow their children to play outside, and one-third of households have experienced a violence-related family loss.

## 4.2 Description of Choice Neighborhoods Planning Process, Goals, and Plans

### 4.2.1 Planning and Development Background in the Jurisdiction and the Neighborhood

Chicago was the focus of one of the most famous plans of the 20th century: Daniel Burnham's 1909 Plan of Chicago, sponsored by the Commercial Club of Chicago, was an effort to influence the development of streets, parks, rail and harbor facilities, and civic buildings. The Plan of Chicago was never formally adopted by elected officials as city policy, however, and Chicago still lacks a modern comprehensive plan for the entire city. Some Chicago neighborhoods do have area-specific plans, but Woodlawn is not one of those neighborhoods. As a consequence, the city has no formal document establishing overall policy and coordination for transforming and improving the neighborhood. Private development in the neighborhood is governed by the city's zoning ordinance; public actions are guided by agencies under the direction of the mayor. Chicago is widely known for the centrality of its aldermen to neighborhood decision-making and for the historically strong central control of the mayor.<sup>115</sup> Indeed, the strength of Chicago's mayor has grown since 1995 at which time Mayor Richard M. Daley assumed control of the Chicago Public Schools (CPS).

The most recent efforts to organize a planning process for the Woodlawn neighborhood have occurred under the New Communities Program (NCP), a Chicago-specific comprehensive community initiative funded by the MacArthur Foundation, and Local Initiatives Support Corporation (LISC), a community-development finance intermediary. NCP began as a pilot program in 1998 in three neighborhoods and expanded to 13 others in 2003, including Woodlawn. LISC chose WPIC as the lead agency for NCP Woodlawn. After extensive community and stakeholder engagement, WPIC completed a comprehensive neighborhood redevelopment plan in May 2005 titled the *Rebuilding the Village Quality of Life Plan*. The plan has informed community development efforts in the neighborhood since then, including the four-pillar organizational structure: safety, community development, health and human services, and education (the education pillar is led by Woodlawn Children's Promise Community [WCPC]).

In 2004, the University of Chicago (UC) announced a new plan for its South Campus, a 10-block stretch bounded by 60th and 61st Streets and Dorchester and Cottage Grove Avenues, inside the northern boundary of the eventual footprint of the Woodlawn Choice neighborhood. UC's South Campus expansion includes a student dormitory, a dining room, an art center, a theological seminary, and mixed-use buildings, most of which were built and occupied by 2012. When the plan was announced, Chicago was experiencing a housing revival, lifted by the national tide of accessible mortgage credit. Developers built and renovated a number of condominiums and apartments south of 63rd Street and east of Cottage Grove. Other efforts were also undertaken in North Woodlawn to ride the wave of development for Chicago's 2016 Olympic bid.

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<sup>115</sup> See, for example, Ferman (1996); Fuchs (1992); Hyra (2008).

The housing and financial crisis has caused progress to stall, however. Woodlawn's property values fell significantly, rehabilitation and new construction practically stopped, and foreclosures, vacancy, and abandonment grew. Chicago also lost the Olympic bid, further dampening optimism. Woodlawn's NCP effort also faced difficulty as the housing crisis deepened. NCP evaluators found that WPIC had difficulty getting work done because of competition among community organizations.<sup>116</sup> To improve coordination, Bishop Arthur Brazier—founder of TWO in 1960—agreed to lead the Woodlawn NCP effort as chairman, and with this new leadership WPIC and its partners made further progress. Bishop Brazier served from 2007 until his death in 2010, when his son Dr. Byron T. Brazier assumed his father's work in the neighborhood, including his chairmanship of NCP. The Woodlawn NCP, which included WPIC, TWO, and UC—formed the Network of Woodlawn (NOW) in 2011 and incorporated as a 501 (c)(3) organization in February 2012.

Grove Parc, whose buildings line Cottage Grove at the western edge of UC's South Campus area, has been a central concern in planning for Woodlawn's revitalization. As noted previously, while WPIC and the University were working on their neighborhood plans, Grove Parc—owned by WPIC—was failing inspections and HUD was threatening to foreclose. The Grove Parc Tenants Association (GPTA), with assistance from Southside Together Organizing for Power (STOP) and Sargent Shriver National Center on Poverty Law, contacted local developers to invite bids to preserve project-based vouchers in the neighborhood. Chicago developers were not interested in acquiring the buildings and preserving the vouchers, however, because of concerns that the neighborhood at large did not share that vision. Several developers put forward plans to purchase the property and redevelop it as market-rate housing for homeownership. GPTA and the Shriver Center expanded their search nationwide to find a developer who was committed to preserving Grove Parc as an affordable housing development, offering as many residents as possible the opportunity to return to the redeveloped housing. They settled in 2007 on POAH.

After its selection, POAH worked with WPIC and GPTA to develop a plan to renovate and preserve Grove Parc. HUD approved the plan in December 2007. During 2007 and 2008, POAH also worked to build consensus around the redevelopment plan through meetings with tenant leadership, the alderman, UC leaders, and neighborhood stakeholders. POAH and GPTA developed plans for resident input on housing and relocation plans, including the specific housing subsidy mix for the redeveloped Grove Parc and 1-mile perimeter around the original development within which replacement housing must be identified. HUD approved their plan in 2009.

#### 4.2.2 The Choice Planning Process in Chicago

After HUD announced the Choice Neighborhoods program in 2010, POAH approached the city to be a co-applicant for Choice implementation funding in round 1. POAH believed that the city was an imperative partner because of the housing subsidies, social services and policing resources needed for the viability of a neighborhood redevelopment plan. As lead grantee, POAH planned to oversee implementation by its own staff and that of its partners. The city of

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<sup>116</sup> Greenberg et al. (2010).

Chicago was proposed as co-applicant to provide assistance to POAH and to bring resources from city agencies that are critical to ensure that Woodlawn's Transformation Plan becomes a reality. These roles are outlined in the revitalization agreement between POAH and the city.

Building on relationships with NCP partners that would form NOW in 2011, POAH thereby validated the 2005 Rebuilding the Village Quality of Life Plan. POAH selected WCPC as a partner because it is NOW's nonprofit education pillar, supported by the University of Chicago, and it fit HUD's aspiration that Choice and Promise neighborhoods would coincide, where possible. After interviewing case-management organizations that could also fully engage residents in services and soliciting residents' perceptions and experiences with these service providers, POAH chose Jane Addams Hull House (Hull House) as the people partner. Metropolitan Family Services (MFS) replaced Hull House as the people partner in January 2012 (see section 1.3, Early Implementation).

Led by POAH, the Chicago Choice team wrote the round 1 application through coordination with the lead partners and by drawing heavily on POAH's 2009 redevelopment plans for Grove Parc, the Rebuilding the Village neighborhood vision, and the WCPC's Promise Neighborhood grant application. POAH understood its position as an outside entity and relied on the NOW and the city to mold the neighborhood vision for the application. The memoranda of understanding required in the grant application created a platform to define the roles of each institutional, lead, and programmatic partner and the relationships among them. During the round 1 application process, there was general consensus about the application because POAH had already begun relocating residents and redeveloping Grove Parc, demonstrating their commitment to residents and neighborhood leadership. After POAH advanced to round 2, however, newly elected resident leaders began to express concerns about GPTA's interests being adequately addressed because they believed that the association had not been directly involved in previous conversations with POAH and HUD about the 2009 Grove Parc redevelopment plans.

The total budget for the Transformation Plan is estimated in the round 2 application (attachment 7) at \$272 million, with \$30.5 million from Choice and the remainder from a wide array of federal, state, local, and private direct and in-kind support. Of this amount, \$23 million has already been spent on phase I of the housing redevelopment and \$200 million is anticipated in spending on future phases of housing. About \$26 million will be spent on supportive services and \$47 million on nonhousing capital (that is, neighborhood investments). The following sections describe the specifics of the housing, people, and neighborhood elements of the plan in the sections that follow; a more complete enumeration of goals and actions for each appears in appendix D.2.

#### 4.2.3 The Housing Plan

Revitalization of Grove Parc's site is essential to the proposed neighborhood transformation. The Choice housing plan involves the demolition of Grove Parc and retention of the project-based Section 8 units in the neighborhood. A total of 995 new housing units will be created, 378 of which will replace the 378 project-based Section 8 units that were standing at Grove Parc at the



time of the Choice application<sup>117</sup> (figure 4.3 provides a map of the location of planned housing throughout the neighborhood). Retention of the project-based Section 8 units within Woodlawn is intended to preserve affordability and social networks. On site, POAH will rebuild 210 project-based Section 8 units and 130 moderate-income and market-rate rental units. An additional 80 for-sale units will be built on the Grove Parc site. The new mixed-income, mixed-use development will be called Woodlawn Park. Off site, Choice will create 168 project-based Section 8 units and an additional 187 rental units with funds from the Neighborhood Stabilization Program (NSP); low-income housing tax credits, or LIHTC; and HOME. An additional 45 home ownership units, 15 of which are designated as affordable, will be built off site as part of the Columbia Pointe development along 63rd Street. At the time of the application, POAH had applied for (but not received) 146 housing choice vouchers for Grove Parc residents to use as an alternative to these rehabilitated or new housing units. In March 2012, the Chicago Housing Authority (CHA) had agreed to administer vouchers, but the commitment had not been finalized due to budget issues.

The Choice housing plan also calls for reducing blight and abandonment in the areas of Woodlawn that surround Grove Parc through the Woodlawn Housing Loan Fund. The fund will be used for 75 home ownership opportunities (that is, soft second loans for low- to moderate-income buyers) and to support the construction or renovation of 100 additional affordable units in abandoned or distressed properties in Woodlawn. Mercy Portfolio Services, the agency that deploys Chicago's NSP resources, is listed as a partner in the Housing Strategy. Community Investment Corporation (CIC), the agency that deploys the city of Chicago's Micro-Market Recovery Program<sup>118</sup> funds, has made loans to POAH for its ongoing Westwood and Maryland housing renovation programs. In 1974, Chicago's major financial institutions created CIC as the Community Services and Research Corporation. Its purpose was to research credit needs and provide single-family rehabilitation financing in specific Chicago neighborhoods; it was later renamed CIC and shifted to multifamily rehabilitation lending. NSP and CIC were included in the housing leverage commitment for Choice.

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<sup>117</sup> Of the original 504 units at Grove Parc, 126 were demolished before the submission of the round 2 Choice application in December 2010. The 126 units that were already demolished will be replaced but not necessarily within the neighborhood footprint for Choice.

<sup>118</sup> Information about this program can be accessed on the city of Chicago website: [http://www.cityofchicago.org/city/en/depts/dcd/supp\\_info/micro\\_market\\_recoveryprogram.html](http://www.cityofchicago.org/city/en/depts/dcd/supp_info/micro_market_recoveryprogram.html) (December 3, 2012).

**Figure 4.3. Location of Planned Housing, Woodlawn**



Source: Round 2 application, attachment 10

The third goal of the housing plan is to promote mixed-income development in Woodlawn. The mix of housing investments on and off the Grove Parc site in Woodlawn addresses the most problematic areas of the neighborhood and paves the way for more residential development. Of

the 995 planned units in Woodlawn, 401 units (40 percent) will serve households with incomes at or below 120 percent of Area Median Income (AMI) and 378 units (38 percent) will serve households eligible for project-based Section 8 subsidies with incomes at 50 percent of AMI. The balance will serve a range of household income levels. In the long term, the affordability of these units will be preserved for at least 40 years through a restrictive covenant. Affordability of the homeownership units will be preserved through deed restrictions for 10 years. These strategies are intended to maintain homeownership and rental opportunities in Woodlawn for low- and moderate-income households.

All new construction will be designed and built to meet national (LEED for Homes and Enterprise Green Communities), state, and city standards for environmental sustainability. All replacement units will also have the physical hardware needed to bring broadband Internet to each unit and will be wired and ready for new residents. POAH is the sole responsible organization for carrying out the Choice-funded portion of the housing plan. The total budget amounts to \$19.7 million in Choice funds; \$10.8 million for phase II and \$8.8 million for phase III (table 4.1).

**Table 4.1. Housing Budget, Round 2 Application**

<b>Organization</b>	<b>Activity</b>	<b>Value</b>
POAH	Phase II Site Acquisition	\$4,800,000
	Phase II Site Improvements	\$400,000
	New construction, Phase II Rental Housing	\$3,600,000
	New construction, Phase II Housing Loan Fund	\$2,000,000
	New construction, Phase III Rental Housing	\$6,825,000
	New construction, Phase III for Sale Housing	\$2,000,000
	Subtotal Choice Neighborhoods funds	\$19,625,000
Other nonprofit organizations		\$4,000,845
Private investment		\$13,639,919
City		\$24,227,307
Other HUD		\$25,862,857
State		\$4,295,640
	Subtotal leverage	\$72,026,568
	Total housing budget	\$91,651,568
	Housing leverage rate	\$3.67

HUD = U.S. Department of Housing and Urban Development. POAH = Preservation of Affordable Housing.

Source: Round 2 application.

In addition, \$72 million in leverage is claimed, \$35 million of which complements the Choice funding for Grove Parc: \$23 million in Chicago Tax Increment Finance (TIF) funds, \$1.1 million in city Low-Income Housing Trust Fund resources, \$5.7 million in HOME funds, and \$5 million in NSP funds. The remainder includes four other previously approved POAH projects in the Choice neighborhood using a mix of federal, state, local, private equity, and nonprofit resources. The level of the city of Chicago's commitment to all these projects is high—about \$25 million in

local resources and another \$25 million in federal dollars passed through for use at local discretion.

#### 4.2.4 The People Plan

In the Chicago Choice application, Hull House, the LISC-supported Center for Working Families, and WCPC were designated as being responsible for implementing the people plan. Hull House would coordinate with agencies already working in the neighborhood and leverage and expand those agencies' existing programs. Hull House operated the Center for Working Families at Kennedy King College and would serve as hub for social service providers in Woodlawn. The round 2 application indicated that Hull House was ready to implement needs assessments, case management, and service coordination immediately upon receipt of the Choice award.

The plan discusses strategies for addressing five main sets of residents' needs based on the 2011 needs assessment. The strategies, which are drawn from Woodlawn's Quality of Life Plan, include a wide array of interventions that have been used in Chicago and across the country, such as:

- **Household supports.** Includes goal setting, childcare, job-readiness training, access to technology, financial coaching, in-kind assistance with food and housing, and legal services.
- **Health and wellness.** Includes targeted programming and outreach to assess and serve medical needs, increase insurance coverage, and address other access and quality issues.
- **Education.** Includes expanded capacity for WPCP's existing early childhood education centers, schools, and out-of-school learning programs<sup>119</sup>.
- **Workforce development and employment.** Includes family job training and coaching, financial counseling, tax-preparation services, and eligibility screening for state and federal financial assistance through the Center for Working Families, along with additional youth and adult employment opportunities<sup>120</sup> through Choice partnerships.
- **Youth and safety.** Includes youth development through the Chicago Police Department (CPD), CeaseFire Illinois, the Southside YMCA, Sunshine Ministries, and Metropolitan Area Group for Igniting Civilization (MAGIC).<sup>121</sup>

According to the plan, all three service providers—Hull House, WCPC, and Center for Working Families—would be co-located in the planned Woodlawn Resource Center. Hull House would provide case management and intensive, wrap-around services to residents of Grove Parc and Woodlawn more broadly. Referrals to supportive services by local partners would be tracked, using the Efforts to Outcomes software platform, with a comprehensive case management delivery system designed by Project Match. In the future, the property management offices for

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<sup>119</sup> WCPC is responsible for improving and supporting the educational opportunities in the neighborhood for infants, young adults, and everyone in between.

<sup>120</sup> As a recipient of HUD funding, POAH is required, through the Section 3 provision of the Housing and Urban Development Act of 1968, to provide employment and training opportunities to low- and very low-income neighborhood residents.

<sup>121</sup> MAGIC is no longer in existence but was included as a people partner in the application.

the new development would also be located in the Woodlawn Resource Center. Because the facility is not scheduled for completion until late 2013, the supportive services components of Choice will be provided at an interim location in a former commercial building at the southeast end of the Grove Parc site.

The round 2 application also indicates that most residents would be relocated within the Grove Parc footprint and that those who would be relocated temporarily off site would be housed in units under lease with POAH (HUD had already approved POAH's relocation plan in October 2009). The plan provides that current Grove Parc residents who meet the income eligibility standard and are lease compliant will be eligible for replacement housing. Urban Relocation Services, Inc. (URS) will work with Grove Parc residents to explore their relocation options through open houses and one-on-one interviews. URS is also responsible for helping tenants visit temporary units, doing Housing Quality Standard inspections to ensure that units meet minimum requirements, and helping with the logistics of moving. URS will also work with case managers and property managers to address service needs and lease compliance issues to improve residents' chances of returning to a permanent replacement unit.

To minimize the effect of relocation on residents, POAH has phased the redevelopment so that residents will move no more than two times before relocating to their permanent replacement housing. At the time of the application, POAH had applied for (but not received) 146 housing choice vouchers for Grove Parc residents to use as a housing option. Data on relocation will also be collected in the Efforts to Outcomes database.

The people strategy as proposed in the round 2 application includes \$4,575,000 in spending from the Choice budget (table 4.2). Nearly \$2.7 million is designated for the Center for Working Families to operate its satellite office and case-management services (\$2 million), education coordinator and WCPC programs (\$550,000), and workforce development efforts (\$100,000). The Woodlawn Resource Center is identified as recipient of \$1 million for an endowment trust, \$180,000 for operations, and \$95,000 for management information systems. Hull House is identified as the direct recipient of \$100,000 (for health and wellness programs), and WCPC is designated as direct recipient of \$150,000 for youth programs. The final \$325,000 is for POAH's halftime coordinator for people programs.

Nearly \$21.5 million was pledged in matching funds from the Chicago Police Department and 13 other nonprofit organizations and institutions. The largest commitments were \$7.2 million from The University of Chicago Civic Engagement (MATCH), \$2.5 million from METROSquash Recreation/Wellness/Youth, and more than \$1 million each from 6 other organizations. The application indicates that \$12.5 million of this commitment is new leveraged funds.<sup>122</sup>

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<sup>122</sup> Round 2 application, attachment 18.



**Table 4.2. Woodlawn Choice Neighborhoods People Budget, Round 2 Application**

Recipient	Activity	Value (\$)
Center for Working Families	Case management and Center for Working Families satellite	2,075,000
	Education coordinator and WCPC programs	550,000
	Workforce development	100,000
Woodlawn Resource Center	Management information system	95,000
	Endowment trust	1,000,000
	Resource center operations	180,000
Hull House	Health and wellness	100,000
WCPC	Youth	150,000
POAH	POAH people coordinator (.5FTE Choice)	325,000
	Subtotal Choice Neighborhood funds	4,575,000
Other nonprofit organizations		\$18,983,015
City of Chicago		\$2,514,905
	Subtotal leverage	\$21,497,920
	Total people budget	\$26,072,920
	People leverage rate	\$4.70

POAH = Preservation of Affordable Housing. WCPC = Woodlawn Children's Promise Community.  
Source: Round 2 application

#### 4.2.5 The Neighborhood Plan

LISC's NCP partner in Woodlawn, NOW, has been contracted by POAH to oversee the Choice strategy.<sup>123</sup> NOW is responsible for engaging the community in planning efforts and overseeing commercial, technological, and safety initiatives. POAH is responsible for constructing and developing a 65,000-square-foot retail space, a 25,000-square-foot youth center, and the 15,000-square-foot Woodlawn Resource Center. POAH's goals and strategies for the neighborhood include the following:

- *Improve Public Safety* (with a focus on gang violence) by (1) supplementing the CPD's Enhanced Anti-Violence Initiative with additional public safety infrastructure (for example, lighting) and a police liaison in Woodlawn, (2) improving nuisance properties, and (3) providing alternative opportunities for young people.
- *Reduce Poverty and Unemployment* by linking jobless neighborhood residents to resources through the Center for Working Families, providing opportunities through Section 3 in new construction and retail nearby, and attracting potential employers to Woodlawn to create more jobs in the longer term.
- *Revitalize Commerce* by developing a 45,000-square-foot, mixed-use development at the north end of the former Grove Parc development and another 20,000 square feet at the

<sup>123</sup> The Choice neighborhood plan referenced the Woodlawn NCP, which is now referred to as the Network of Woodlawn, or NOW.

south end; improving the streetscape along 63rd Street and Cottage Grove Avenue; and promoting neighborhood amenities to new residents and visitors through the proposed neighborhood web portal.

- *Strengthen Access to Technology* by improving neighborhood infrastructure, providing the physical hardware needed to bring broadband internet to each replacement unit, and offering computer skills programming to residents.<sup>124</sup>

The Woodlawn Resource Center is conceived as a hub for the community's supportive service providers. The WRC is the location from which the people and education implementation entities will serve families in the community. In addition, staff from the Center for Working Families will be co-located in the Woodlawn Resource Center to provide additional continuing education and employment services.

The Transformation Plan also describes the importance of other ongoing investments in the neighborhood, including the University of Chicago's \$2 billion South Campus development program. The University "is a significant driver," according to the round 2 application, "with more than 15,000 students and 10,000 employees, and is strongly engaged in the community through its delivery of or support for programs, resources and activities serving Woodlawn residents." These commitments include efforts aimed at public safety, poverty reduction, increased employment, commercial reinvestment, and technology access.

Choice resources committed to the neighborhood component of the Transformation Plan include slightly less than \$4 million for constructing the Woodlawn Resource Center, the mixed-use retail space, and other nonhousing capital investments. Leverage accounts for about \$23 million in additional funding for the plan, with more than \$16 million in the form of a pledge from the city of Chicago's TIF funds and \$6 million from METROSquash, which plans a large squash facility for a site on the former footprint of Grove Parc. The round 2 application also documents significant previous investments in public improvements (streets, sewer, and water infrastructure) in Woodlawn and commits the city to future allocations of Community Development Block Grant funds to the neighborhood in the event that the Choice application is funded.

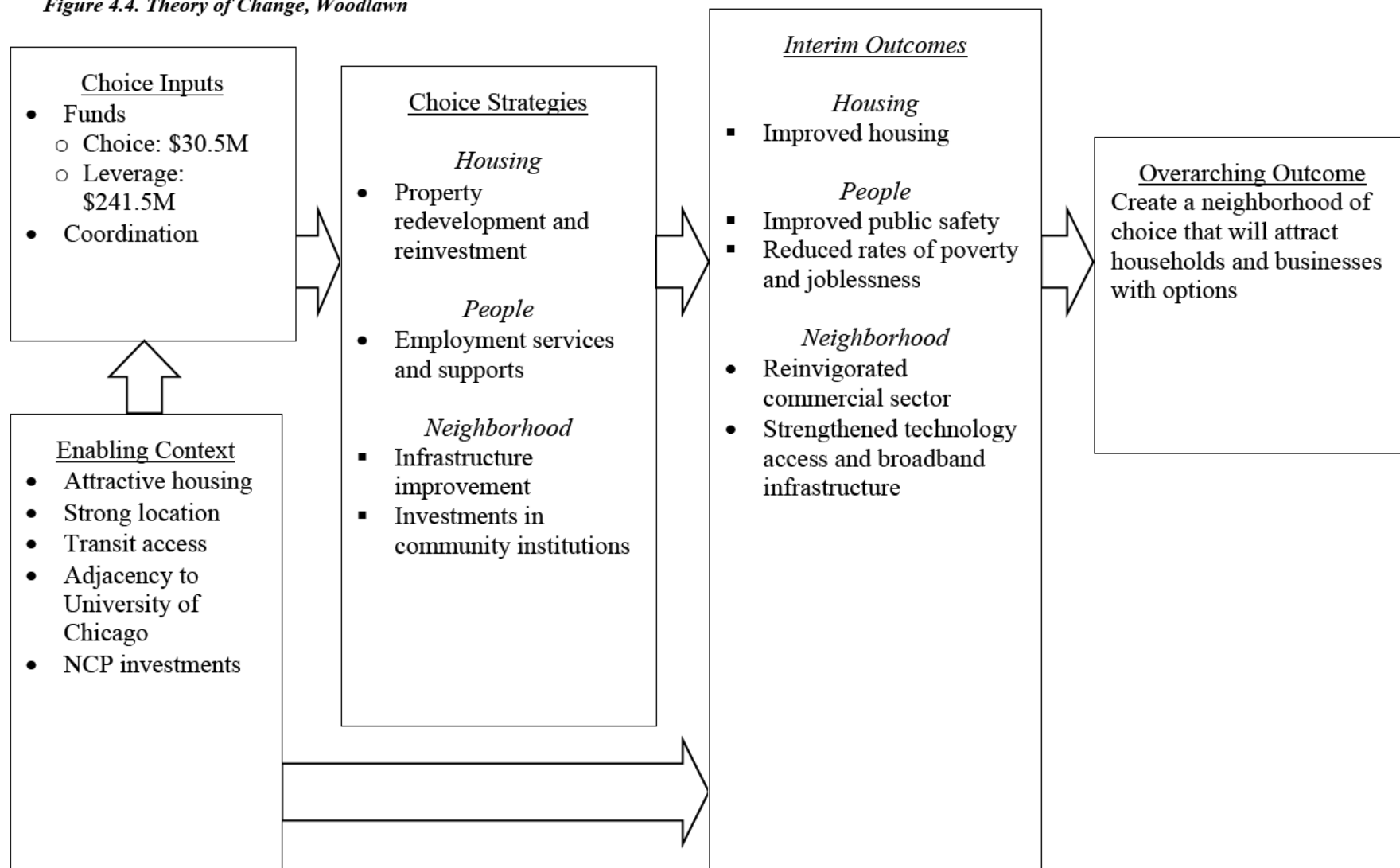
#### 4.2.6 Summary of Theory of Change

The Choice investment is designed to build on the considerable assets that exist in or near Woodlawn, including the access to public transit, the university, and downtown (figure 4.4). It is critical that the transformation reduce two significant impediments to the neighborhood's revitalization—crime and troubled housing, especially along Cottage Grove Avenue and in West Woodlawn. The University of Chicago's South Campus investment has the potential to have ripple effects throughout the Woodlawn neighborhood, but unresolved problems could threaten the success of the South Campus plan, not to mention indirect investment effects of the UC expansion elsewhere in Woodlawn.

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<sup>124</sup> The Woodlawn Resource Center will also house a computer center that will provide Internet access and computer training.

Figure 4.4. Theory of Change, Woodlawn



The plan focuses almost entirely on making the neighborhood attractive for households and businesses with choices, with a much more modest focus on the educational and workforce programs that could help current Woodlawn residents to further their education or prepare for employment throughout the Chicago metropolitan area.

### **4.3 Early Implementation**

#### **4.3.1 Relationships and Coordination**

The two key relationships that need to be strong to achieve implementation success are between POAH and NOW, and between POAH and the city of Chicago. Both of these relationships have taken time to build, but for different reasons.

NOW is itself a new organization, founded in 2011 to lead the neighborhood's LISC-supported NCP effort. NOW continues to develop relationships throughout the community and serve as a neighborhood convener. The 2005 neighborhood plan remains the guiding vision for Woodlawn as a whole and is being pursued by NOW with funding from a variety of sources outside of the Choice Neighborhoods program. Early on, the community engagement efforts of NOW and POAH were loosely coordinated by POAH's director of community engagement who informed NOW about the agency's work. NOW will begin to engage with the community around its four pillars as POAH focuses on issues that affect Grove Parc residents.

Responsibilities of POAH and city of Chicago are laid out in the revitalization agreement. POAH is responsible for preparing plans; obtaining HUD approvals; facilitating resident and community engagement; supervising principal team members, including MFS, WCPC, and Woodlawn NCP; ensuring implementation of people, housing, and neighborhood plans; promoting participation of disadvantaged businesses and workers; collecting data for evaluation; and administering the grant. The city of Chicago is responsible for providing access to city resources, including land and funding; facilitating cooperation across city departments to promote Woodlawn revitalization; coordinating public investments with Choice plans; and making data available for evaluation.

The revitalization agreement, however, underestimates the level and nature of coordination required between POAH and the city. In theory, many of these actions could occur in parallel with modest efforts between POAH and the city to keep one another informed. In practice, however, a stronger relationship has proven necessary to capitalize on the potential cumulative effect of the many programs and investments being made by so many actors in the neighborhood. At the time of this report (the fall of 2012), the city had made plans to hire its own Choice program director to manage the city's role and coordinate with POAH. The new position is also needed to ensure that various city departments (such as CPS and the Chicago Police Department) are prioritizing the Choice implementation and that additional funding sources are identified to fully maximize the revitalization opportunities.

#### 4.3.2 Target Housing: Progress and Challenges

Under Choice, POAH is required to replace the 378 Grove Parc units that existed at the time of its round 1 application. POAH currently (the fall of 2012) plans to replace the 126 units that had already been demolished at the time of the Choice application (for a total of 504 Grove Parc replacement units), but some of these units may be located outside of Woodlawn.

At the time of the round 2 application in December 2010, construction had already begun or been completed on several of the projects described previously in the housing plan section and claimed as leverage in the round 2 application. These projects include the fully leased Woodlawn Center South (WCS), two buildings with 67 units at the south end of the Grove Parc footprint; the Maryland Apartments, a 12-unit building two blocks south of 63rd Street and one block east of Cottage Grove; the Westwood Apartments, 102 units about six blocks west of Grove Parc in West Woodlawn whose reoccupancy began in the summer of 2012; and two three-unit buildings on South Ingleside, about a block south of 63rd Street and three blocks west of Cottage Grove.

All planned phase I housing is constructed and occupied at WCS and Maryland Apartments. Previous residents of Grove Parc occupy all 60 of the affordable units (the other 7 are market-rate units) at WCS. The architecture in the new buildings is modern and attractive, and the buildings are being well maintained by Preservation Housing Management, POAH's for-profit property management entity. Some residents, however, have complained about hearing sounds from neighboring apartments. POAH is addressing the issue for the next phase of onsite construction at Woodlawn Center North, which started in August 2012. At the time of this writing in September 2012, two components of phase II housing were behind schedule; Ingleside Apartments was scheduled to be completed in December 2011 and Westwood Apartments in September 2012.<sup>125</sup>

The key challenge in the target development is *relocation and opportunity to return*. POAH contracted with Urban Relocation Services, Inc. (URS) to provide relocation services for Grove Parc residents. Grove Parc residents were notified about the redevelopment of Grove Parc at the end of 2008 and have had subsequent opportunities to learn more about it and participate in the lottery for replacement housing. Supportive services did not become available until after relocation began. Further complicating the relocation process, some Grove Parc residents will have to move multiple times as permanent replacement units become available over a period of years. In the coming year, the Urban Institute's evaluation will learn more about the ongoing work of URS and its relationship with the transformation.

In a parallel development that affects relocation and opportunity to return, POAH's property management entity has been heavily enforcing visitor regulations because of security issues around Grove Parc. For example, visitors who have previously caused problems on site will be barred from visiting Grove Parc. Visitors who are not in the lease are not allowed to live with residents in the unit. The enforcement of these regulations by property managers may cause

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<sup>125</sup> Ingleside Apartments was completed between November 2012 and February 2013; Westwood Apartments is expected to be complete in early 2013.



some residents to fall out of lease compliance during the relocation period and affect their opportunity to return to the new Grove Parc.

Finally, the available unit mix may pose additional challenges for residents. Nearly one-half of Grove Parc units were three-bedroom units. Although the new onsite buildings include three-bedroom units, POAH still needed to identify 100 more three-bedroom replacement units when the evaluation team spoke with them in March 2012.

A second key challenge is achieving *mixed income* in the replacement housing and more broadly in the neighborhood. POAH hopes to develop mixed-income properties and does not want to use Section 8 vouchers in market-rate units. However, the use of these vouchers may be necessary for project viability if unsubsidized tenants are unwilling to pay the projected market-rate rents.

#### 4.3.3 People: Progress and Challenges

In the year since the grant was awarded, the Chicago site has faced four significant challenges regarding its people plan; it appears to be on its way toward resolving three of them.

The Woodlawn team has had a mix of challenges and progress in *case management*. On January 27, 2012, Hull House ceased operations and filed for bankruptcy. POAH replaced Hull House with MFS. MFS also replaced Hull House in its role with the Center for Working Families at Kennedy King College. MFS is a large, multiservice agency with extensive experience as a service provider for CHA residents.

MFS's intended model is comprehensive case management, with an emphasis on providing referrals to services, coordinating with local schools, and working with property management regarding lease compliance. MFS began its work in Woodlawn in May 2012. Services were initially offered in the management office and now are being offered in a temporary space on 63rd Street and are available to Grove Parc residents. MFS began by hiring staff, introducing their organization at community meetings, bringing local service providers together for meetings, and conducting home visits.

Expectations for MFS are high, both in terms of client outcomes and in terms of caseloads. But funding from Choice will not cover MFS's costs; Choice partners will seek additional funding to cover a projected shortfall of \$425,000 at the end of the project. Considering this shortfall even for the period of the transformation plan, it is not surprising that several partners have also raised concerns about the availability of funding to provide supportive services after residents move into the new units during a transition period when extra supports may be crucial for long-term housing sustainability.

A related accomplishment is in *coordination of the people plan*. POAH now employs a full-time director for Choice Neighborhoods at Grove Parc. She works to coordinate partners and facilitate the implementation of parts of the Choice Neighborhoods program, including case management with MFS, education with the WCPC, and general community planning and participation with NOW.

The area of *education* also represents early success for the site. WCPC is serving children in Woodlawn through its efforts in the neighborhood schools. As of September 2012 WCPC is providing after-school programming in all the Woodlawn schools and offering instructional-time training and assistance in Sexton and Fiske Elementary schools, where approximately 60 percent of the Grove Parc youth attend school. WCPC is also developing a set of early childhood education initiatives. WCPC's efforts to secure the Promise Neighborhood grant and its participation in Choice in Woodlawn has given the agency legitimacy and clout in the eyes of potential funders, such as the University of Chicago.<sup>126</sup> As a result, WCPC expects to raise additional resources for education-related efforts in the next year. WCPC has also been preparing to coordinate K–12 educational engagement with Grove Parc children. When the agency learned that the attendance pattern differed from previous assumptions, WCPC adjusted its plan accordingly. Most recently, WCPC worked with the city to bring an International Baccalaureate program to Hyde Park Academy High School, which is located at 62nd Street and Stony Island Avenue. In addition, WCPC worked with the University of Chicago to create opportunities for neighborhood youth to attend the university's Woodlawn Charter School that serves grades 6 to 12.

WCPC has changed its mission from serving all the schools in Woodlawn to having Woodlawn schools create their own network within CPS with WCPC as the lead educational entity by the 2013 school year. CPS invested \$1.6 million to build this community that will link area schools and provide additional academic, social, and recreational opportunities. CPS and WCPC are, as of September 2012, discussing the logistics of this network, and WCPC is very optimistic about this educational shift in the neighborhood. Accordingly, CPS—which is under the control of Chicago's mayor—will become even more important as an institution in the transformation than when the round 2 application was submitted. It underscores the importance of the city's active engagement with the transformation.

A final challenge relates to *tenant involvement and engagement*. Since the advent of Choice, GPTA has not maintained its previously high level of involvement. Choice partners have explained that GPTA leadership is not communicating with residents, property management, or POAH. The Shriver Center and GPTA are now in discussions with Southside Together Organizing for Power (STOP), to clarify issues. Also, POAH and HUD are discussing whether it is feasible and desirable for POAH to fund a dedicated tenant organizer. In the meantime, POAH has formed a Tenant Choice Neighborhoods Committee that has 22 participants and is not affiliated with the GPTA.

#### 4.3.4 Neighborhood: Progress and Challenges

The neighborhood plan builds on the 2005 Rebuilding the Village plan. In late 2012 and through 2013, the Chicago Metropolitan Agency for Planning will lead three community engagement sessions on each of the plan's pillar areas (education, safety, community development, and health and human services). A new city of Chicago initiative, Green Healthy Neighborhoods, is, as of

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<sup>126</sup> To date, WCPC has received funding and support from the Apostolic Church of God, University of Chicago, Chicago Public Schools, DLA Piper and Associates law firm, LISC/Chicago, and others. WCPC applied for a 2012 Promise Neighborhood implementation grant but missed the threshold for funding by a small margin.

September 2012, collecting data and organizing meetings regarding plans for open spaces in Woodlawn and Washington Park.

***Crime*** has become more acute in the past year to 18 months in Chicago. By October 1, 400 murders had been recorded in 2012, a 25-percent increase over 2011. Woodlawn has not been immune from the trend. POAH is working with CPD to focus CPD resources in Woodlawn and approaching University of Chicago about expansion of campus patrols south into Woodlawn. As of September 2012, the University of Chicago Police Department patrols only a few blocks within the Woodlawn neighborhood, although it has recently agreed to expand these patrols to certain parts of the Choice target area. In addition, the Department has established emergency phone stations in the areas near the redevelopment. At the same time, NOW has spun off the Woodlawn Public Safety Alliance to address the safety goals of the neighborhood.

***Neighborhood unity*** is difficult in light of opposition by some West Woodlawn residents to the relocation of Grove Parc residents onto their blocks. These community residents fear that the new residents will hinder progress on public safety or lower property values. During a neighborhood tour in March 2012, the evaluation team observed a number of anti-POAH posters in the windows of West Woodlawn residences. As mentioned previously, The West Woodlawn Coalition and the Woodlawn Neighbors Association organized a letter writing campaign that targets HUD and the city. Residents are demanding that an agreement be established that limits the number of subsidized housing units (with the exception of senior housing) in Woodlawn.

***Foreclosures and vacant properties***, especially single-family homes and small apartment buildings, continue to be a problem in the neighborhood. Efforts to coordinate foreclosure relief efforts with Choice investments are still in their early stages. Of the housing units in Woodlawn, 22 percent were vacant in 2010, up from 15 percent in 2000, and nearly twice the Chicago rate. Vacant lots are also prevalent in Woodlawn.

#### **4.4 Analysis of Key Accomplishments and Challenges**

Woodlawn has been a distressed neighborhood for a very long time. Unlike other high-poverty neighborhoods in Chicago, however, it borders an anchor institution—the University of Chicago—that has shaped its prospects for decades. Previously seen as a threat to low-income residents living in the blocks and neighborhoods around it, UC is now seen by some as a critical partner for improving Woodlawn, as long as the university works in tandem with Woodlawn’s long-time and emerging community leaders. Choice formalizes these and other new partnerships that may help institutions in Woodlawn to coordinate and collaborate.

As the lead agency in Choice, POAH now has the responsibility to coordinate a series of investments within the Choice grant but also to carry out strategies for the neighborhood involving resources under the control of other partners. The Woodlawn Organization has given the neighborhood a tradition of strong leadership. Its presence in the Network of Woodlawn—the central Choice implementation organization and also the leader of the New Communities Program—means that POAH must understand its neighborhood partners’ strengths and coordinate Choice efforts so that they are capitalized on. A more open and participatory process

of neighborhood governance may prove more successful to engaging the diverse partners in the process of forging neighborhood change.

Further progress will be necessary to engage the city of Chicago. As discussed in previous sections, the city's financial commitment to the plan is clear, with tens of millions of dollars allocated from TIF and housing trust fund sources and tens of millions more of planned expenditures of federal block-grant funds. The city's institutional and coordinating commitment has only recently become apparent, however. This city-level coordination will be essential to address the numerous challenges to Woodlawn's revitalization. The recent spike in crime, for example, will need follow-through and coordination among CPD, the University of Chicago's Police Department, and CTA security and will need continued engagement with the community through the Woodlawn Public Safety Alliance. To revitalize the community's housing stock, Chicago's Department of Housing and Economic Development, the CHA, and other government offices—not only POAH—need to be involved in efforts to address neighborhood concerns about the concentration of assisted households in Woodlawn. On the education front, CPS must be more visibly involved in efforts to improve educational outcomes for Woodlawn's children, many of whom attend schools far from the neighborhood, and for Woodlawn's schools, many of which are attended by children from outside Woodlawn. Even with strong community organizations and an experienced affordable housing developer, Woodlawn cannot succeed as a Choice neighborhood unless the city of Chicago is an equal partner in the transformation. One clear sign of progress is the recent commitment of the City of Chicago's Department of Housing and Economic Development to devote a full-time position to Choice to build the support and capacity of other city departments to invest resources in Woodlawn.

Overshadowing neighborhood and university efforts to revitalize Woodlawn is the neighborhood's problems with crime and distressed housing. Whether the neighborhood can realize its goal of being a neighborhood of choice for those with options, depends on whether these problems are addressed. Investment from outside of the neighborhood may be impeded by high rates of violent crime.

The housing investment that constitutes the lion's share of the plan—70 percent of the direct \$30.5 million Choice budget and more than \$200 million of the overall \$272 million expected from all sources—may, if completed, help reduce crime by reducing vacancy and blight, or by improving the management and operations of housing developments throughout the neighborhood (especially along the critical blocks of Cottage Grove between 61st and 63rd Streets). The focused investment of city NSP funds along with the Choice investment should help reduce the problems of crime that may be induced by large numbers of foreclosed properties in the neighborhood. Redeveloping Grove Parc itself with a different physical site plan may increase the defensible space, and additional retail to the footprint may help increase foot traffic and visibility during the day and the evening. Neighborhood violence also relates to the lack of economic opportunities for neighborhood residents, particularly low-income minorities who face systemic barriers to obtaining and maintaining employment. Comprehensive support services, increased educational and job training opportunities, and youth development resources may increase economic opportunities and reduce incentives for criminal behavior. A multifaceted approach is needed to address crime in the neighborhood, and our evaluation team will continue to monitor the early work of the Woodlawn Safety Alliance in the coming year.

## 5 New Orleans: Iberville/Tremé

### 5.1 Overview of Place and Need for Intervention

#### 5.1.1 Neighborhood Background

In New Orleans, the Choice Neighborhoods program (Choice) is supporting the transformation of an area that includes the Iberville Housing Development, the Tremé neighborhood, and parts of the Sixth and Seventh Wards (figure 5.1). These historically Black neighborhoods have played a significant role in the city's cultural development. For example, they are among the first places in the southern United States where free people of color resided before the end of the 18th century.<sup>127</sup> The Tremé neighborhood, in particular, was once home to the city's primary Black commercial corridor along Claiborne Avenue. Also in the area are Congo Square, a historic gathering place for free and enslaved people of color, and Storyville, a former red light district and home to famous musicians and artists. These neighborhoods have long featured low-income and wealthy residents living in close proximity, creating a diverse neighborhood fabric a few blocks from the city's famous French Quarter and its central business district.

During the 1940s, the Iberville was constructed on the former site of Storyville to provide temporary housing for the city's poor and working poor. Building the Iberville eliminated the area's street grid and many public spaces. During the same period, the Lafitte Housing Development was constructed a few blocks away, on the other side of Claiborne Avenue. A few decades later, in 1968, the construction of Interstate 10 (I-10) further affected the neighborhood, cutting Tremé in half, interfering with the Claiborne Avenue business district, and further dividing the more distant Sixth and Seventh Ward neighborhoods from the city's center. The fencing of a local park, known as Louis Armstrong Park, further limited pedestrian access to public spaces. The combined effect of these changes was to isolate Iberville, and to accelerate the trends of the surrounding areas toward becoming densely populated and isolated low-income communities.

The flooding that accompanied Hurricane Katrina and devastated some New Orleans neighborhoods also had a serious impact on the Choice footprint. The population of the three main neighborhoods included in the footprint (Iberville, Tremé-Lafitte, and Seventh Ward) at the 2010 Census was 15,580, down 45 percent from the 2000 Census. The Parish as a whole lost 29 percent of its residents in the decade; the most flood-devastated district, the Lower Ninth Ward, lost 80 percent of its residents.<sup>128</sup> Although the Choice area occupies higher ground than the Lower Ninth, flooding extended even to some of the higher ground in the footprint, including Iberville itself.<sup>129</sup>

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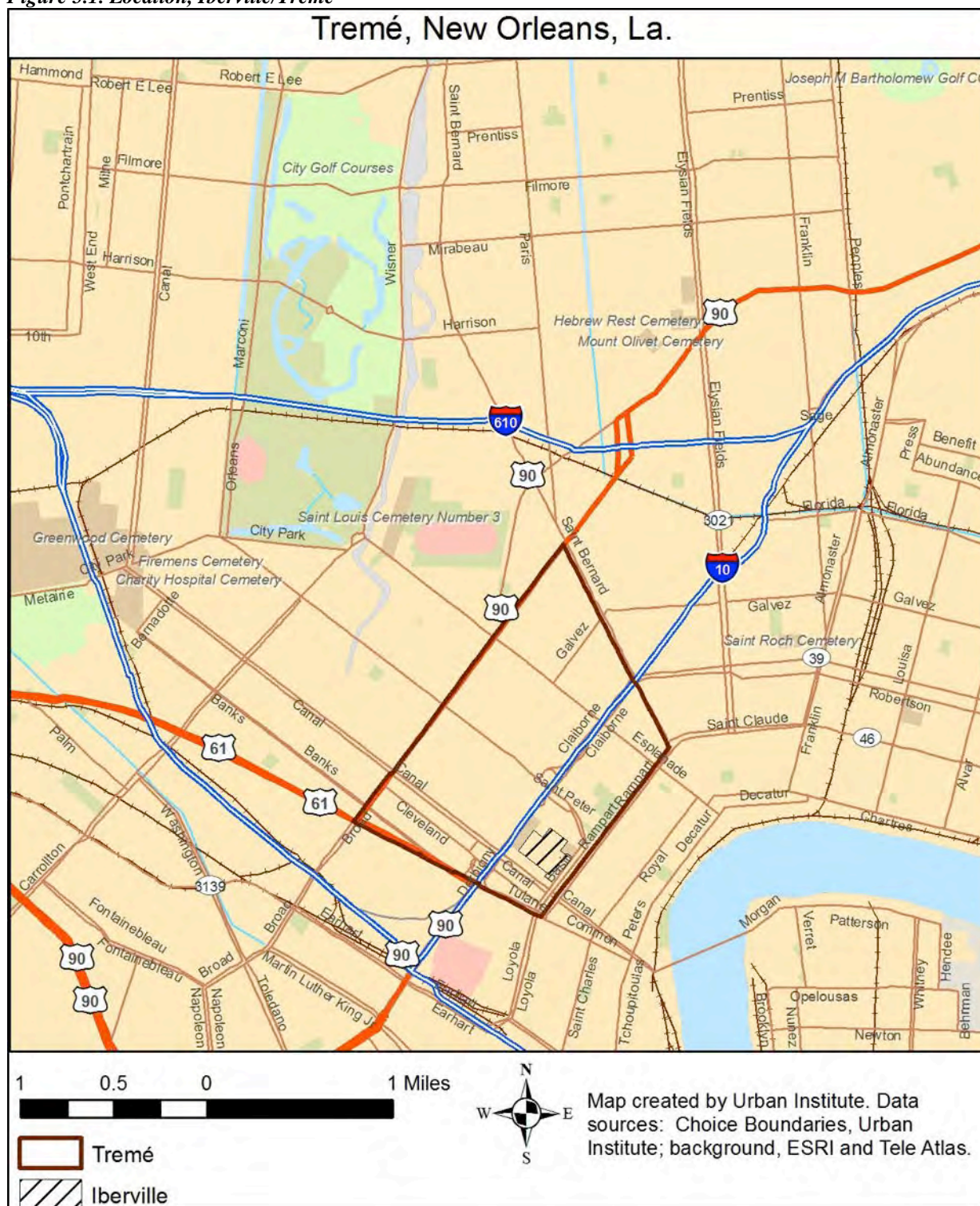
<sup>127</sup>Housing Authority of New Orleans. Choice Neighborhoods Implementation Grant: Round 2 Grant application, 2011, A.1: Executive Summary.

<sup>128</sup> GNOCDC (2012).

<sup>129</sup> GNOCDC (2005).



*Figure 5.1. Location, Iberville/Tremé*



## **Interim Report**

### **Developing Choice Neighborhoods: An Early Look at Implementation in Five Sites**

The mix of race and family type in the neighborhood has shifted since Hurricane Katrina occurred, with a sharp drop in the share of Black population, and increased shares of White and Hispanic residents. The neighborhood also experienced a 13 percentage point drop in the share of children and similar decrease in share of households with children. The new households are largely nonfamily. The neighborhood also suffers from high unemployment, 20 percent on average during the 2006-2010 period.<sup>130</sup> The lack of jobs and the high concentration of public and assisted housing both contribute to the area's 42 percent poverty rate—the highest of all five Choice implementation sites.

The 8,200 housing units in Iberville/Tremé represent the oldest housing stock of the Choice areas; 8 out of 10 units were built before 1960. Most homes are single-family, duplexes, or small multifamily buildings. Although the homeownership rate is only about 30 percent, about one-half of the owner units are paid off and have no mortgage. Vacancy is a major issue in the city overall and in Iberville/Tremé. About 39 percent of the habitable homes in the neighborhood are vacant, not counting the blighted homes excluded from the Census. With the population loss, vacancy, and prevalence of single-family homes, it is much less densely populated than the other Choice areas. Compared with the large declines in the other Choice neighborhoods, Iberville/Tremé's home sale prices have been flat. On the rental side, reduced livable supply across New Orleans has meant a big jump in rents during the past few years, but incomes have not kept up. In Iberville/Tremé, more than 40 percent of renter households pay more than 50 percent of their income on rent, and 1 in 10 households is overcrowded.

#### **5.1.2 Target Development Background and Current Conditions**

Iberville contains 821 housing units in 74 walk-up, two- to three-story brick buildings arrayed barracks-style on a 23-acre superblock at the southeast corner of the target neighborhood (figure 5.2). Only 441 of the units were occupied at the time of the round 2 application. The site is surrounded by nonresidential uses. On the north side, three large cemeteries separate the development from I-10. Vacant lots, parking areas, and commercial buildings make up most of its east and west boundaries, with another cemetery at its southeast corner. To the south, Basin Street—a divided boulevard—separates the site from commercial buildings on North Rampart Street, where a planned streetcar line will run. The French Quarter lies beyond Rampart Street.

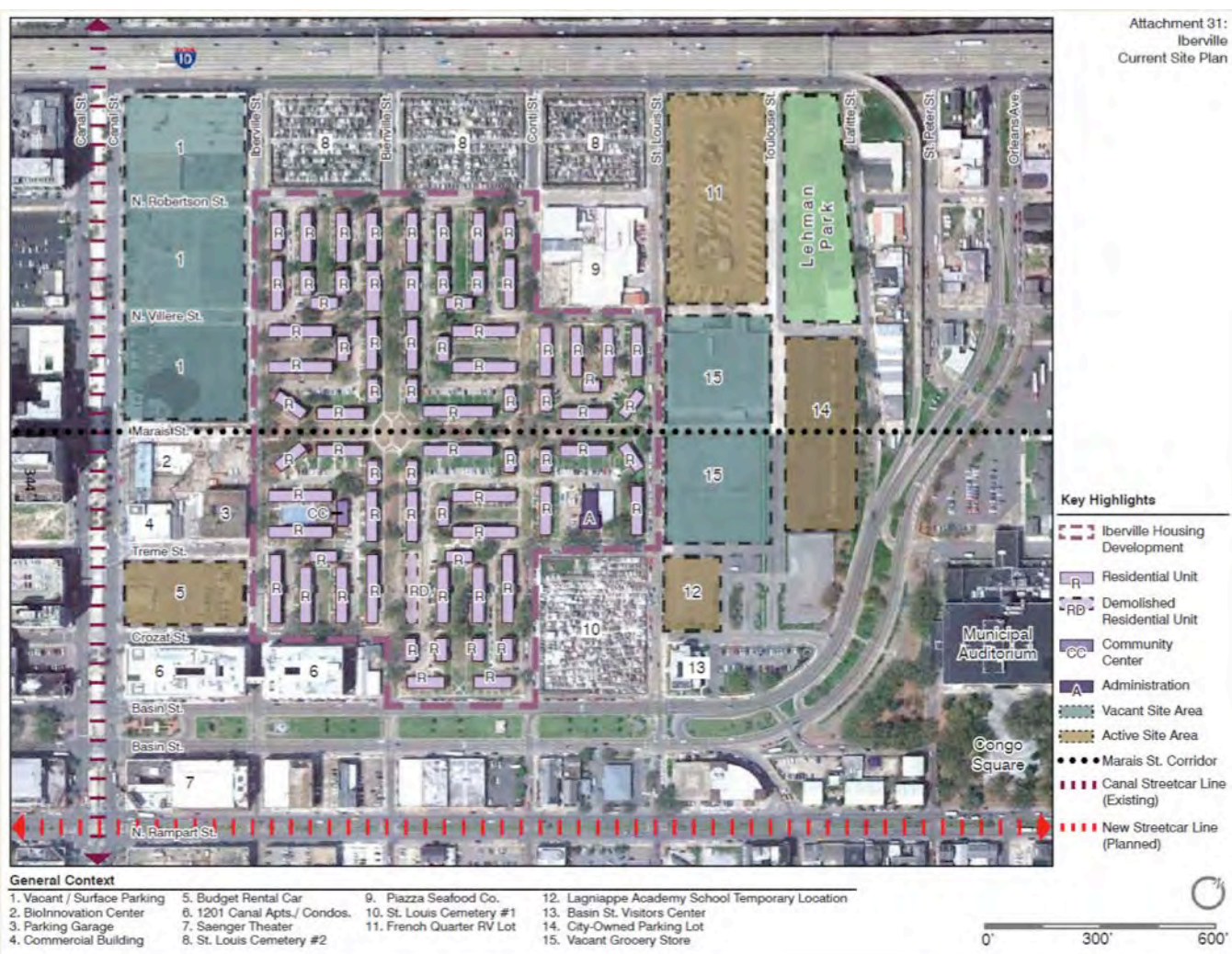
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<sup>130</sup> American Community Survey.



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*Figure 5.2. Site Plan as of December 2010, Iberville/Tremé*



Source: Round 1 application attachment 31

The placement of the target development's two- and three-story brick buildings segments the area, reducing inviting public spaces. The development's construction resulted in its becoming disconnected from the neighborhood and the rest of the city. Removal of the street grid cut off the site and forced circulation to the perimeter, creating a very dense community with insufficient parking and inadequate vehicular circulation. The addition of fences between several of the structures as a crime-reduction strategy impedes residents from walking through the complex, except via a few connecting alleys. Two major streets, Marais Street and Bienville Avenue, once intersected the area, but they were replaced with narrow grass courtyards. The Housing Authority of New Orleans (HANO) believes that Iberville needs to be redeveloped for the following reasons:

- **Inadequate unit configuration.** The site features one-bedroom, two-bedroom, and three-bedroom units that were constructed to 1940s standards and so lack living and dining areas large enough to accommodate family gatherings and kitchens with adequate counter

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and cabinet space. Bedrooms in the units are too small to accommodate standard-sized furniture so that furnishings often block doorways and windows.

- **Lack of defensible space.** Buildings in Iberville face multiple directions and cut across courtyards and alleys at different angles. A consequence of this maze-like configuration is that open spaces lack association to dwelling units and limit social affinity. This configuration also creates spatial anonymity, which invites crime and violent behavior. Public entry stairs are shared by two units along with common rear exit stairs, creating security issues.
- **Adverse environmental health effects.** Asbestos, mold, and lead-based paint remain in the residential units. Stairwells are not air conditioned, which leads to paint and plaster peeling. The buildings lack waterproofing, and rodents and termites have been reported.
- **Inaccessibility to person with disabilities.** There is a significant population of individuals with disabilities living in Iberville; however, none of the sites are compliant with ADA (Americans with Disabilities Act) or Section 504 accessibility requirements. All building first floors are raised and do not have access ramps, and most bathrooms are located on second floors.
- **Significant utility expense.** Water heaters and hot water lines are not insulated. Windows are single pane without insulating frames, thermal breaks, or treatment to reduce solar heat gain. Penetrations from the previous gas heaters have not been sealed, compromising the building envelope. (See appendix A for a baseline energy assessment.)

#### 5.1.3 Iberville's Residents at Baseline

At the time of its application, Iberville housed 1,370 Black residents in 441 households; about one-half of the households (45 percent) are headed by single-females with children, and most of the remaining households are single adults with no children. Some residents of the Iberville have come from other HANO projects that are themselves undergoing redevelopment. As of September 2012, blocks I and J are vacant as residents have been internally relocated in anticipation of construction. Working-age adults (ages 18 to 64) make up about one-half of the residents; the remaining residents are children under the age of 18 (41 percent) and seniors (6 percent).<sup>131</sup>

According to decennial census figures, Iberville's population dropped by one-half between 2000 and 2010, from 2,540 to 1,238. Its age composition also shifted dramatically. Whereas young children (0 to 5 years old) made up 21.4 percent of its population in 2000 and 6- to 11-year-olds constituted another 20.7 percent, these groups had declined to 12.0 and 9.5 percent, respectively, by 2010. Even so, the development's population remains younger than the parish's as a whole; about 14.3 percent of residents are under 12 years old.<sup>132</sup>

Residents in the development at present have low incomes, rates of educational attainment, and employment. The average household income in Iberville is \$7,359, and most residents (84 percent) have extremely low incomes (below 30 percent of Area Median Income [AMI]). One-fourth of adults have earned income, and nearly one-half of these residents are employed in the

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<sup>131</sup> Demographic data were collected by from the HANO resident database in April 2011 and included in HANO's Choice application.

<sup>132</sup> GNOCDC (2012).

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food industry. The biggest barriers to employment for residents are lack of education or job skills, poor health or a disability and needing full-time childcare. Most residents (72 percent) do not have a high school diploma or general equivalency diploma, or GED. Unemployed residents expressed interest in finding employment in the food industry, healthcare, childcare, hospitality, and construction.<sup>133</sup>

One-half of householders report having good or excellent health. Many, however, suffer from health conditions including high blood pressure (43 percent), arthritis (30 percent), asthma (22 percent), and diabetes (11 percent); one-third have a disability. The major health concerns extend to children; 40 percent of children have been diagnosed with asthma. A significant portion of Iberville residents (37 percent) are uninsured.

Parents are highly engaged in their children's schools; 84 percent of parents regularly communicate with their children's schools, and 74 percent participate in the Parent Teacher Organization. About one-fourth of parents report that their child or children receive special education services. Many also indicate their children have been in trouble for fighting at school (33 percent).

Most residents feel safe in the community (74 percent); however, many report an open neighborhood drug market (63 percent) and insufficient police presence (23 percent). Some residents perceive crime caused by outsiders as a big neighborhood problem (46 percent).

Residents think that improved access to fresh foods and health services and more adult education, parenting classes, and programs for seniors and youth are top priorities for their community. Many of these issues informed the development of Choice's people strategies, described in the next section.

Iberville has a strong and active resident representation that has been extensively involved in Choice planning, as discussed in the following paragraphs. Resident leadership includes long-time tenants of the Iberville, and also those who became engaged through Choice planning.

## **5.2 Description of Choice Neighborhoods Planning Process, Goals, and Plans**

### **5.2.1 Planning and Development Background in the Jurisdiction and the Neighborhood**

Louisiana was a national leader in comprehensive planning in the early 20th century but has made few updates to its planning legislation since then. The law *enables*, but does not *require*, planning by cities and parishes, and even an adopted plan does not necessarily amount to a binding requirement on the local government. With this weak state framework for planning, coupled with disagreement over the future of New Orleans after Hurricane Katrina in 2005, a series of plans emerged with differing visions for the city as recovery efforts gathered momentum. As one former planner for the city of New Orleans wrote recently in retrospect: "Five different efforts to draft a rebuilding plan for New Orleans were undertaken in three years, during which time few parts of the city were rebuilt and only a fraction of the pre-storm

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<sup>133</sup> Residents' perceptions and outcomes identified in household surveys and focus groups completed by HANO in April 2011.



population returned.... Evidently, creating a plan that provided for the city's recovery was a more elusive goal than anyone had thought in the first weeks after the storm."<sup>134</sup>

The latest of New Orleans' planning efforts, the MasterPlan, predates Choice but continues today and includes an accompanying Comprehensive Zoning Ordinance (CZO). Intended to streamline and depoliticize planning decisions, the MasterPlan sets out to create a comprehensive vision for the city that takes into account the diversity of neighborhoods and desire for preservation of local character. Some have pushed back against the MasterPlan process out of concerns that it limits the ability of elected officials to act on behalf of their constituents, and as such may undercut electoral power. Others argued that the CZO would improve the city's attractiveness to investors and retailers and discourage corruption because rules of engagement would be clear. The MasterPlan and CZO occasioned public discussion and some controversy in 2009, when citizens voted to change the city charter to allow for this process. Since then, the city has undergone a public engagement process to develop the MasterPlan and draft the CZO, now nearing approval by the City of New Orleans Planning Commission. Redevelopment in Iberville/Tremé relies to some extent on this rezoning.

Like most of the other Choice host cities, New Orleans has a political structure in which mayoral leadership and support are important ingredients for successful redevelopment. Mayor Mitch Landrieu has been described as a solutions-oriented executive who promotes consensus, and whose strategy is to "facilitate, link, and leverage." As such, agency leads from city hall have an important coordinating role within Choice and are especially concerned that public processes with external stakeholders—such as hearings or other review processes—are productive and do not disrupt Choice goals. This consensus-building strategy may matter for longer term implementation dynamics because a change in administration during this effort, or a rising of political opposition to Choice, could change this overall approach toward Choice implementation.

As New Orleans has recovered from Hurricane Katrina, opinions about the future of the Iberville/Tremé neighborhood have diverged, as some see it in need of redevelopment and others see it requiring preservation. Some of the main thoroughfares that intersect or surround the neighborhood are distressed and lined with vacant storefronts, buildings, and lots. But Iberville is wedged between the French Quarter and CBD, and, as such, has the potential to connect New Orleans' centers for tourism and business. In addition, the area sits on higher ground than many of the areas flooded during and immediately after Hurricane Katrina and is surrounded by new major investments, including a new BioDistrict to the south, and the Laffite Greenway, a recreation and green space project that will run through the center of the target neighborhood. Although the city may not reach its pre-Hurricane Katrina population, Iberville/Tremé is among the neighborhoods best positioned for a comeback and has, in fact, been showing signs of growth and even redevelopment already, as discussed in the first section of this chapter.

Economic changes within Iberville/Tremé have also informed planning processes to date, although the importance of this changing environment is not yet clear. Some interviewees described some Tremé residents as resistant toward affordable housing in the neighborhood. As a result, neighborhood stakeholders have been described as "divided" on the scale and scope of

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<sup>134</sup> Ford (2010).

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affordable housing investment versus other forms of investments. At the same time, residents participating in early community engagement efforts spoke in favor of maintaining the area's current mix of socioeconomic income levels and the need for redevelopment to preserve affordable housing and to address blight. Public attention to the area brings a risk—a potential increase in speculation, in which properties become more difficult to acquire for affordable housing development because they are seen as more desirable for market-rate or luxury development, due to overall redevelopment in the area. Some stakeholders expressed concern about land-grab issues in the Choice footprint as other developers see the coming changes and potential revitalization in the neighborhood.

Choice planning operates within important recent experiences related to public housing redevelopment post-Hurricane Katrina. One of the most contentious aspects of post-Hurricane Katrina civic life involved the redevelopment of the Big 4 developments through the HOPE VI program: B.W. Cooper, Lafitte, C.J. Peete, and St. Bernard. Lafitte sits in the Choice footprint. Choice and its neighborhood planning and coordination process are seen by many actors as providing an opportunity to conduct business in a way that is more inclusive, transparent, and consensus driven. The structure and guidelines associated with Choice may play a role in enlarging the scope of development and producing a less contentious development process. Unlike the case of HOPE VI, national actors have not mobilized against Choice, because it does not result in a net loss of affordable housing. Some interviewees described that some of the contentiousness around New Orleans Big 4 demolitions and redevelopment was sparked by national organizations that had opposed some aspects of HOPE VI, who had local chapters in New Orleans and who were part of local mobilization around these projects.

Apart from the MasterPlan and CZO process, several other high-profile planning and infrastructure activities provide context for Choice and suggest that the public and private sectors are laying the groundwork for neighborhood transformation. In the *transportation* realm, the city plans a \$100 million investment to return the Desire streetcar along the N. Rampart Street/St. Claude Avenue corridor at the edge of the neighborhood, and a planning process funded by a \$2 million U.S. Department of Housing and Urban Development (HUD)/U.S. Department of Transportation (DOT) Sustainable Communities Planning Grant is under way to study the Claiborne Corridor. New schools are being built citywide with proceeds from a \$1.8 billion Federal Emergency Management Agency (FEMA) settlement to the Recovery School District, including Lagniappe Academies, a new charter school in a temporary facility directly adjacent to Iberville. New parks and cultural facilities are also either complete or under construction in the neighborhood, including the New Orleans African American Museum, the redesign and reopening of Armstrong Park, and the rebuilding of the Municipal Auditorium. Private investment in Tulane Medical Center, the neighboring BioDistrict, and theaters along Canal Street is also under way. Many of these facilities are listed in the round 2 application as anchor institutions. These investments have contributed to optimism among investors about the city's economic future, exemplified by investment by homeowners in the Tremé and by co-located public investments such as the BioDistrict.

### 5.2.2 The Choice Planning Process in New Orleans

As required by the Notice of Funding Availability, or NOFA, planning for Choice in New Orleans required both public meetings and interagency commitments. Although some interviewees described histories of interagency tensions between HANO and the city during planning, most reported a collaborative and inclusive process of developing the Choice proposal. In fact, some participants saw interagency coordination requirements as an advantage of Choice over previous housing development processes that were perceived at times as antagonistic and less inclusive.

One important part of the planning process involved a search for resident input. Prior to the development of the Choice proposal, the Iberville development lacked an active resident council. In preparation for Choice, HANO created the Iberville Resident Working Team (IRWT) as its lead vehicle for resident engagement. Urban Strategies has worked extensively with the IRWT members to develop their leadership skills and to assist the group in its efforts to engage other residents.

Part of early discussion and visioning on the nature of the plan regarded the number of units of the original Iberville development that would be preserved. IRWT representatives initially wanted to retain all existing units at the Iberville, but after discussion about how to achieve a more mixed income development and promote better urban design, they agreed to preserve the planned number of units, while HANO worked to include IRWT's concerns about preserving as much of the development as feasible. As might be expected, resident concerns during planning focused on relocation and the opportunity to return. Because Choice requires no reduction of affordable units through redevelopment, and residents should be able to return given lease-compliance, one important marker of the resident engagement process so far has been the lack of significant opposition either by current residents or from housing organizations and advocates. HANO leadership and developers have also pointed to experiences with the other HOPE VI projects as important learning experiences related to financing and resident support needs.

The lead Choice agencies are HANO and the City of New Orleans. HANO is charged with providing housing for impoverished residents and has primarily done so through direct management of public housing developments and management of a Section 8 voucher program. For Choice, HANO has taken the lead on housing aspects while the city serves as lead on Neighborhood issues. The relationship between HANO and the city is close, but not without challenges. HANO is under federal receivership but expected to return to city control during the implementation of Choice, an event that may bring HANO closer to City Hall.

HRI Properties and McCormack Baron Salazar (MBS) are the developer partners on the Choice project, with HRI taking the lead for onsite development and MBS taking the lead on offsite development. Both developers have had experience transforming other HANO properties into mixed-income developments, but this is the first time they have worked together. The developers partnered to create the Iberville Redevelopment Corporation (IRC) both because the scope and scale of the project was so large. HRI was the developer for one of the first of New Orleans' HOPE VI developments, St. Thomas (now River Gardens). As one of the first of its kind in the

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city, the development was highly controversial, and some have claimed it was a less successful example of HOPE VI efforts. MBS began working in New Orleans after Hurricane Katrina and led the redevelopment of the C.J. Peete (now Harmony Oaks) and is currently working on the redevelopment of BW Cooper (now Marrero Commons) housing developments. MBS has an extensive history of working with Urban Strategies to provide community development and resident support in New Orleans and throughout the country.

Other key partners in the New Orleans Choice team include GCR Inc. and Black Men of Labor (BMOL) for community engagement, and the IRWT for resident engagement. GCR is a local consulting firm that has generally focused on city planning and played a role in outreach and leadership of the city's UNOP (United New Orleans Plan) process. BMOL is a social aid and pleasure club<sup>135</sup> based in Iberville/Tremé that has evolved into a canvassing and civic engagement team through involvement with Choice. These two groups may have been selected to manage community engagement because of their connections to city leadership and the planning processes (for GCR) and ties to the target neighborhood (for BMOL). The IRWT was created by HANO to fulfill the need for a resident leadership and engagement arm for Choice.

All parties describe the process to develop the Choice application and plan for the redevelopment as a collaborative and inclusive process. Planning activities seemed to have primarily engaged resident leaders at the target development and HANO staff. The key players often refer to those processes in current discussions and seem to have developed strong working relationships through the planning process.

Appendix D.3 summarizes the goals and actions in the Iberville/Tremé Transformation Plan.

#### 5.2.3 The Housing Plan

The housing plan in New Orleans is extraordinarily ambitious. Although HUD has provided a \$30.5 million Choice Neighborhoods grant, this is only a very small part of the financing for development in the entire Choice footprint, and will be used only in 416 replacement public housing units. The proposal in its entirety includes the following:

- 304 public housing units replaced on site.
- 112 additional public housing units replaced on a parcel adjacent to Iberville occupied by a former Winn-Dixie grocery store and planned as the Eastern Adjacent Mixed-Use development with a 42,000-square-foot fresh foods grocery store, 6,000 square feet of retail for restaurants, and an accessible connection to the Lafitte Greenway.<sup>136</sup>
- 60 low-income housing tax credit (LIHTC) units targeted to households earning 0 to 50 percent of AMI.
- 405 additional project-based Section 8 units, targeted to households earning less than 50 percent of AMI.
- 798 LIHTC rental units, targeted to households earning 50 to 60 percent of AMI.
- 15 homeownership units targeted to households earning 50 to 80 percent of AMI.

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<sup>135</sup> Social aid and pleasure clubs, which are a New Orleans institution, combine aspects of fraternal organizations, community groups, and social service agencies.

<sup>136</sup> The research team has subsequently learned that the Choice team was out-bid for the Winn-Dixie site.

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- 752 market-rate units.

The plan combines onsite and offsite development dispersed across the Choice footprint (figure 5.3). Onsite will be 913 units, 304 of which will be replacement units. Of the 74 onsite buildings, 22 were planned to be rehabilitated and modernized; the rest will be deconstructed. New buildings will include two-story townhouses, three-story townhouses over flats, three- and four-story multifamily structures, and three- and four-story mixed-use structures. The offsite plan calls for 1,533 units, including 1,518 rental units (517 of which are replacement units) and 15 homeownership units to be built on 13 separate properties, all within the target neighborhood. They involve developments along the Canal Street Corridor; the Lafitte Greenway Corridor; reuse of vacant school buildings; and scattered in-fill development. Beyond the Eastern Adjacent Mixed-Use development, the housing plan also calls for artist lofts and supportive housing.

The total budget for the housing investment is \$588.8 million.<sup>137</sup> The Choice contribution accounts for only \$24.4 million of this; HUD Public Housing Capital funds awarded to HANO provide more than twice as much (\$65 million). FEMA funding adds another \$10 million. The city of New Orleans claims about \$4.8 in site acquisition costs, \$10 million for onsite infrastructure, and \$2.5 million in residential hard costs; all but \$1.3 million of this amount is allocation of Community Development Block Grant (CDBG) and HOME funds (including disaster-related funds). Also part of planned funding is \$97.4 million from the state of Louisiana from a variety of sources and federal pass-through items (such as CDBG loans and multifamily bonds). LIHTCs are expected to yield \$276.7 million and private debt \$98.3 million.

The Iberville redevelopment alone accounts for \$190.2 million of the total budget, with Choice contributing \$10 million (Public Housing Capital funds account for \$43.3 million of the project, with \$103 million from LIHTC proceeds, \$23.4 million from private debt, and \$10 million in city commitments). The only other project to which Choice funds are allocated is the Eastern Adjacent Mixed-Use development, a \$75.2 million project for which Choice provides \$14.4 million.

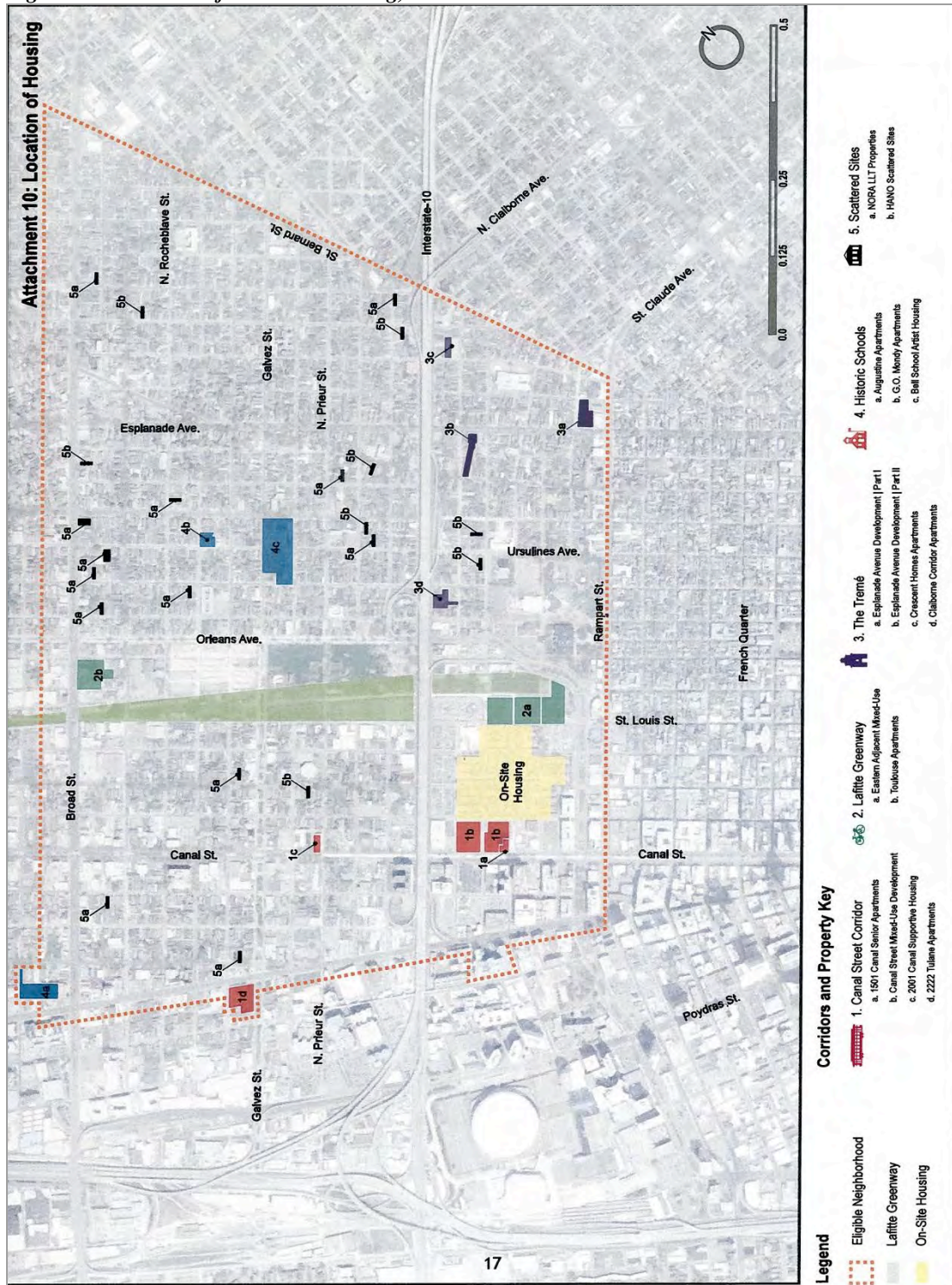
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<sup>137</sup> HANO. Choice Neighborhoods Implementation Grant: Round 2 Grant application, 2011, attachment 7.



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Figure 5.3. Location of Planned Housing, Iberville/Tremé



Source: Round 2 application attachment 10

#### 5.2.4 The People Plan

The people goals for Choice in New Orleans are ambitious, as they are in other settings (appendix D.3 provides a list of all New Orleans's goals). Its first goal is that “children, youth, and adults are physically and mentally healthy.” One way the plan attempts to achieve this goal is with the With Every Heartbeat is Life program, a community health education initiative that trains residents to educate neighbors about healthy lifestyles and raise awareness about risk factors. Urban Strategies plans to partner with Tulane Health Center to run this program. The plan also seeks to increase access to services at the existing neighborhood-based Tulane Health Center, including its relocation to a new facility in Iberville/Tremé. Choice also creates opportunities for children in the neighborhood to enter kindergarten ready to learn, including the Early Childhood & Family Learning Foundation expansion of services to the neighborhood and an expansion of childcare slots.

The people-based goal that “children are proficient in core academic subjects” involves efforts by the Recovery School District (RSD) to continue its implementation of comprehensive instructional reform strategies and to extend learning and teacher planning time. To work with local schools, the plan calls for Urban Strategies to hire a community education specialist to create a community education working group to identify resources to support underperforming schools, to provide outreach to Iberville parents, and to assist parents with special needs children. For older youth, the goal that “youth graduate from high school college- and career-ready” calls for RSD and Urban Strategies to develop outreach and advocacy strategies to connect youth from all high schools serving Iberville youth to the Boys & Girls Club, the Youth Empowerment Project, and the NOLA Youth organization.

The plan's goal that “households are economically stable and self-sufficient” is to be achieved largely through case management focused on the development itself, where local partners have committed more than \$2 million in services to families in Iberville. Urban Strategies will pursue a sector-based business-and employment-training program, especially focused on fostering connections to the construction sector and health sector, which will represent a major employer in Iberville/Tremé. It involves literacy training for youth and adults; a job readiness program run through the YMCA, Goodwill, and the Sojourner Truth Center; and a Youth Leadership Board to be run by Urban Strategies that will provide mentoring, job readiness, and career resources. Finally, the goal that “residents feel safe in their neighborhoods” will involve partnerships between Urban Strategies and the New Orleans Police and Safety Departments to implement a Neighborhood Watch Program and to integrate physical design principles that support a safe neighborhood. As shown in table 5.1, safety appears to be addressed through coordination with the police and through watch activities rather than through funded programs.

The Choice budget provides approximately \$4.5 million to support these goals, \$2 million of which is for case management, \$1.2 million for service coordination, \$500,000 for health services, \$100,000 for early learning, \$390,000 for education, \$350,000 for children and youth programs, \$160,000 for employment services, \$100,000 for safety, and \$120,000 for evaluation. Beyond this commitment, the round 2 application identifies \$24.5 million in leverage (table 5.1). It is not clear how much of this leverage was an existing commitment to residents in the area and

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how much was contingent on award of the grant, although Urban Strategies' own commitment of more than \$750,000 for case management—which is unlikely to have materialized in the absence of Choice—is notable.

**Table 5.1. People Leverage, New Orleans Choice Application**

Partner	Purpose	Amount (\$)
HANO	General resident services	1,715,000
Urban Strategies	Case management	753,880
Tulane Health Center	Health services	8,650,000
LSU Tulane Pediatric Clinic	Health services	500,000
Total Community Action	Head Start	962,000
ECFLF	Early childhood programs	5,153,580
Lagniappe Academies	Charter school	3,461,760
Boys & Girls Club	Youth programs	500,000
Partnership for Youth Development	Youth program development	700,000
YEP	Youth literacy	103,755
YMCA	Recreation	1,200,000
Good Work Network	Self-sufficiency	204,000
Job One	Workforce development	220,000
Home Builders Institute	Workforce development	100,000
YMCA Educational Services	Adult literacy	300,000
Total		24,523,975

ECFLF = Early Childhood & Family Learning Foundation. HANO = Housing Authority of New Orleans.

LSU = Louisiana State University. YEP = Youth Empowerment Project.

Source: New Orleans Round 2 application, attachment 18

#### 5.2.5 The Neighborhood Plan

In general, the Choice service area is described as an area that has experienced disinvestment but, because it is between the Superdome, the French Quarter, and the redeveloped Lafitte housing project, it is a place where the concentration of efforts might help extend economic development. Major initiatives described in the proposal—most of which are under way—included replacing the Circle Food grocery; working with the New Orleans Fresh Food Retailer Initiative; extending the Desire Street Car along N. Rampart St; reopening Louis Armstrong Park and Congo Square; and directing cultural investments toward local museums. The goals of these projects are to “invest in Iberville/Tremé as a Neighborhood of Choice,” “expand access to basic amenities and increase quality retail,” “enhance the cultural prominence of Iberville/Tremé,” “increase opportunities for education, training, and economic development,” and “design [the] neighborhood to be walkable and livable.”

Choice will provide \$1.5 million to support these goals, but the New Orleans Choice plan is less specific about the precise allocation of this budget than about other expenditures. The application states only that, “the Plan commits 5 percent of the Choice grant to competitively award Neighborhood Challenge grants for efforts that contribute directly to infrastructure, retail and



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jobs, and increasing cultural prominence,”<sup>138</sup> but does not detail how these grants will be advertised or specify a criteria for their award. The application also documents \$43 million in new leverage from the city and state, including \$39.2 million expected to be spent by the RSD for two planned elementary schools, \$2.2 million for street improvements by the city of New Orleans, and \$2.9 million for the Claiborne Corridor Study funded by the HUD/DOT Sustainable Communities Challenge grant mentioned previously.<sup>139</sup>

The neighborhood plan also describes many ongoing and recent investments in the neighborhood as evidence that a transformation is already under way. It documents more than \$1 billion in anticipatory leverage (expenditures in the past 5 years or recently committed for the next 2 years), including the city’s \$117.2 million for the Mahalia Jackson Theater for the Performing Arts, U.S. Department of Veterans Affairs medical center, and Nora Navra library; \$732 million in direct construction expenditures by BioDistrict New Orleans; KFK Group’s \$70 million adaptive reuse development of 1201 Canal Street; \$14.5 million in school reconstruction by the RSD; and \$76 million in non-HUD investment in the first two subphases of the Lafitte HOPE VI development by Providence Community Housing.<sup>140</sup>

#### 5.2.6 Summary of Theory of Change

Choice’s ambitions for Iberville/Tremé are significant, involving more than \$1 billion of leveraged funds in an effort that is described as transformative for the neighborhood. Because direct Choice investments are only a small part of this overall plan, it is worth understanding the contextual factors that might facilitate these significant interim and longer term changes, and Choice’s role within the broader investment and redevelopment ecosystem.

Based on analysis of interviews, some of these factors include:

- **Spatial opportunities.** Actors related to Choice described the neighborhood as one primed for development based on its adjacency to downtown and the French Quarter. Seen by some as a blighted area in the middle of the city, the Iberville/Tremé is also bordered by the Lafitte public housing development, which has been redeveloped into mixed-income housing under the management of a local nonprofit entity.
- **Demographic, economic, and policy changes throughout New Orleans.** Since Hurricane Katrina, the city has seen a tremendous inflow of public and private investments, in the form of Gulf Opportunity Zone (GO Zone) tax credits, GO Zone bonds, the FEMA settlement, and disaster CDBG funds, among others.
- **Cultural significance of the district.** Iberville/Tremé has been described as the historic cultural center of Black life in New Orleans, and as such a place where development and revitalization could have potential ripple effects throughout the city.

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<sup>138</sup> Housing Authority of New Orleans. “Choice Neighborhoods Implementation Grant: Round 2.” Grant application, 2011, exhibit D: 3.

<sup>139</sup> Housing Authority of New Orleans. “Choice Neighborhoods Implementation Grant: Round 2.” Grant application, 2011, attachment 21.

<sup>140</sup> Housing Authority of New Orleans. “Choice Neighborhoods Implementation Grant: Round 2.” Grant application, 2011, attachment 20.

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- **Greater coordination among co-located investments and processes.** Choice funding is a very small part of the overall investment portfolio and plan related to Choice—estimated at more than \$1 billion in public and private funds.
- **Direct support and opportunities for leverage.** Although \$30.5 million out of \$1 billion does not appear to be credible causal leverage, meaning that it did not precede and induce the other investments, the prestige of the Choice award was cited as something that could possibly allow for greater support from other public and private funders. In addition, some had hopes that the Choice award will open doors to federal funding opportunities from other agencies, such as DOT or the U.S. Department of Education (through an applied-for Promise Neighborhoods application).

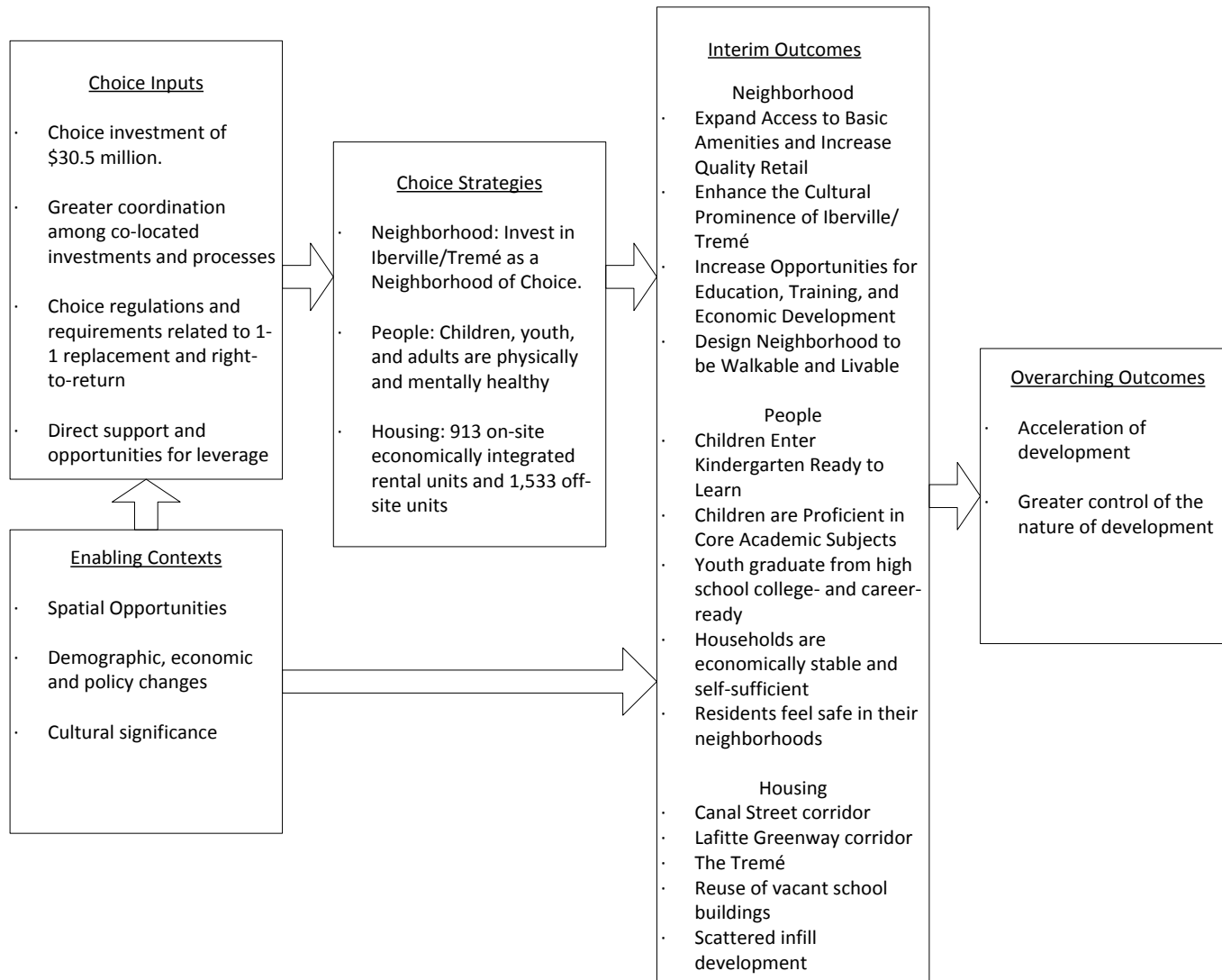
These contextual and institutional factors, combined with the directly funded and leveraged program activities within housing, people, and neighborhood categories described previously, were thought to result in the longer term goals of the Choice plan, as shown in figure 5.4. (These strategies are discussed in more detail in the preceding section). In addition to the specific outcomes outlined in the grantee plan, some actors believed that Choice would accelerate new investment and development in the area, while tempering the potential gentrifying effect of the coming neighborhood transformation by maintaining access to affordable housing.



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Figure 5.4. Theory of Change,



*Iberville/Tremé*

### 5.3 Early Implementation

#### 5.3.1 Relationships and Coordination

Choice within New Orleans has, to date, proceeded with significant internal coordination among core partners. A significant implementation success has been the level of coordination and the good working tenor among public and private stakeholders with a direct role in project implementation. Productive working relationships have emerged despite some historic interagency tensions, as between the city and HANO, and some historic city-community tensions, such as between the city and the BMOL. In general, research observations seconded interviewees' description of a collaborative work environment among these core partners. At the same time, this network has been for the most part limited to *internal* stakeholders, and as the project moves through regulatory processes and toward implementation, the ability of this group to coordinate with *external* stakeholders will be called into question. For example, while a working-group structure was created to engage external constituents outside of the development (and was held by the city to be a potential template for public engagement around planning activities throughout New Orleans) the process was put on hold in part because stakeholders who attended the meetings are not clear on what type of decisionmaking role they have within Choice, and also in part because of historic review processes. Public engagement on the Choice plan has received considerable attention, as there was significant mobilization of different city agencies toward the kick-off of a neighborhood input process. In this process, residents and organizational representatives were invited to take part in working groups that would contribute to Choice efforts in Iberville/Tremé. Although the initial meeting was successful and well attended, followup has been on hold until leaders can clarify how public input will inform specific Choice activities, especially around housing development. Residents of Iberville have not generally shown up at broad community meetings, but have participated in meetings held onsite that were specifically geared toward residents. Tenant involvement is discussed in the people section.

The partners often refer to a positive and solution-oriented working relationship with HUD.

#### 5.3.2 Target Housing: Progress and Challenges

The redevelopment of Iberville has made important progress since the grant award. As of September 2012, the environmental and historic review process of the target development site was under way. This review process will likely conclude by the end of 2012 and has raised issues that have required alterations to initial site plans. Onsite work is now expected to begin in December 2012 or early 2013, with buildings under construction in the early summer of 2013. The development of other housing in the neighborhood is on track, however. Development of 2222 Tulane, now renamed the Rosa Keller Building, is complete and beginning to accept residents.<sup>141</sup> The 18-story former Texaco building at 1501 Canal—only a block from the Iberville development—has been purchased and construction was slated to begin in April 2013, resulting in an anticipated 112 apartments for the elderly above ground-floor retail. On the process side, there have been other major accomplishments in the project, which include the development of a large, complex, functional working team among many parties, known as the Iberville Working

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<sup>141</sup> This development sits about 0.8 mile from Iberville, north of I-10.

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Team, which meets on a semimonthly basis. Interagency coordination has resulted in the creation and signing of an implementation agreement between HANO and project developers, HRI and MBS. The agreement also includes Urban Strategies as people leads. The agreement between the lead entities was developed in what was described as a good process that resulted in shared risks and rewards among developers. It also instituted a cap on developer fees, relying on cost efficiencies. For the target development, a draft reoccupancy plan was nearly complete by September 2012. The plan started with a survey of policies from other agencies for best practices and was developed in consultation with resident leaders. As planning continues, HANO has completed all the required internal relocations of residents within the housing development but is waiting for the completion of the review process to apply for relocation vouchers and begin relocating residents to offsite units (either at other housing developments, where space seems to be limited, or to Section 8 units). Housing implementation also faces important challenges, which relate mainly to the high ambitions of the local plan and its attendant coordination and financing challenges. The 2,400 units to be developed will require negotiation of extremely complicated and interdependent acquisition, development, political, and regulatory processes. These factors have forced HANO into a different role than it has traditionally practiced—essentially, serving as master developer for an entire neighborhood, as they put holds on properties and try to maintain site control on many different locations that are important for the overall neighborhood development plan. Given the interdependence of the overall plan, failure to acquire certain properties could result in changes to the overall plan and to other individual developments. One critical example of this is the former Winn-Dixie site, which recently went at auction to a bidder for twice its expected price. As discussed previously, the Eastern Adjacent Mixed-Use development was proposed in the Iberville/Tremé transformation plan for this site, and its 112 housing units account for the single largest allocation of Choice funds for hard-unit reconstruction (\$12.1 million). It is not fully clear why the site was lost or what else might have been possible to secure the site for Choice. Strategies are being pursued to make Winn-Dixie part of the Choice portfolio again.

Other examples of coordination challenges coming from the scale of development include one proposed site being redesignated by city council as a green space. Coordination with and among the consulting parties to the historic/environmental review process was challenging, with some parties pushing hard for minimal changes to the current site. Some on the Choice coordination team suggested that creating initial site designs with so many original buildings preserved (22 buildings in the initial plans) was a strategic error because it may have created a poor bargaining position for Choice. In response, the strategy has been to include resident leaders as much as possible so they can continue to press the need for the redevelopment and improvements to onsite housing. The review process itself for the target development has moved slowly and will likely require changes to the overall redevelopment timeline. HRI appears to have avoided the potential threat posed by the slow review process to its tax-credit application for the project by negotiating extensions.

Related to the ambition of the project is the amount of financing required to expand on affordable units. There was consensus among interviewees that there remains a significant financial gap around the housing plans, although most thought that this gap would be filled in some way. Interviewees also described challenges in layering federal resources to Choice investments. Many described ways that the funding landscape has changed dramatically since the

immediate aftermath of Hurricane Katrina, when developers working on the HOPE VI and other affordable housing projects were better able to combine funding streams. Interviewees thought those resources had dwindled and argued that tax credits are much more competitive both because of the financial crisis and the time elapsed since Hurricane Katrina. Interviewees also sometimes referred to a disconnect between the state and local strategies for affordable housing, exemplified by a delay of state bonds from the Louisiana Housing Finance Authority. This financing challenge may also be exacerbated by what public-sector actors call inflated developer expectations about per-unit costs and what the public sector will support; HANO has repeatedly had to explain to the developers that HUD places a maximum on the total cost per unit. The developers have agreed to partner to find additional funds through other alternatives, and developers have appreciated efforts on the part of HANO and the city to pull together key decisionmakers to bring them into greater alignment.

### 5.3.3 People: Progress and Challenges

New Orleans has already made significant progress in launching its people program. Like the other two Choice sites involving public housing redevelopments (San Francisco and Seattle), New Orleans almost immediately began working to launch case management services for Iberville residents. An experienced provider of services to public housing residents, Urban Strategies is the people lead for New Orleans (as it is for San Francisco). Urban Strategies has New Orleans-based experience from its work at Harmony Oaks (the former C.J. Peete, one of the Big 4), where it leveraged \$40 million in additional services. Urban Strategies launched operations for a community center within Iberville, started case management services to residents, conducted needs assessments on virtually every household, and leveraged already existing programs to which Urban Strategies may refer residents. As described previously, Urban Strategies' capacity-building efforts with the IRWT have been significant, and IRWT remains actively part of planning and implementation strategies. Urban Strategies is also aggressively pursuing funding from different sources, despite what stakeholders describe as "funder fatigue" with New Orleans.

Another success has been establishing role clarity. Urban Strategies is the lead partner coordinating strategies and managing implementation, with the exception of relocation planning, which was been managed by Urban Relocation Services, Inc., with reoccupancy plans drafted by a working group managed by HANO staff. While there are challenges in coordinating around education, as described in the following section, because of the multiple actors involved, Urban Strategies is the clear lead partner in the effort. There appears to be some struggle related to coordinating the relocation process and access to relocation vouchers, as access to these vouchers cannot be approved until the historic and environmental review process is complete.

There has also been substantial work to leverage Choice funds for local services. No Choice funds have been expended yet for activities related to people goals, in part because of Urban Strategies' successful efforts to bring in existing programs and build partnerships with other entities to provide supportive services. In addition, the team has pursued several grants to support service provision that will come online in the future: from JPMorgan Chase for data collection, from W.K. Kellogg Foundation for a planned HANO Career Academy (a training program for public housing residents and youth), and from the U.S. Department of Education for a Promise

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Neighborhoods implementation grant. Often Urban Strategies has pursued leveraging by persuading existing programs to locate services on site or to identify the Iberville/Tremé as a location for their services.

Strong early efforts have been made to coordinate housing, education, and social service support systems. Through Choice, the city and HANO have developed a strong working relationship that seems to carry over into other coordinating efforts. For example, the team is working to develop a HANO Career Academy to provide job training to youth and residents. The program may be physically located within the Choice footprint but was not part of the original planning and requires collaboration between HANO, city agencies, city council, the Orleans Parish School Board, and the Orleans Parish Criminal District Court.

Although case management systems are generally off to a good start, they are also among the challenges that the people team is working to surmount. Case management is not mandated and occurs in the context of a redevelopment process, meaning that residents are often uncertain about their future, and services may face logistical or space constraints due to demolition or construction. Furthermore, the encouragement of Choice to engage with different systems, especially public education, means that bridging silos between housing and schools is required. As a result, people strategies inherently possess some challenges related to (1) engagement of residents in an uncertain context; (2) balancing development-focused and neighborhood-focused activities, especially considering the availability of case management only to residents of the target development; and (3) the integration and coordination of different types of systems.

Because resident participation in case management is voluntary, many residents are not attending sessions, especially if they do not see the usefulness of services with little programming yet attached or are skeptical about service efforts because of past negative experiences in HANO properties. Another limitation to onsite programming is the lack of space, because the onsite community center accommodates only 30 to 40 people, with room for only one program at a time. The community center was created by the combination of the downstairs level of two housing units and is the only onsite space for programming as of September 2012. The space also serves as an office for case-management staff. Offsite space at the Sojourner Truth Neighborhood Center, within the Lafitte development, has also been used, but that space is also limited and access is sometimes an issue. To address space needs, Urban Strategies was working to develop a partnership with nearby Lagniappe Academy for temporary program space during construction while staggering use of the onsite space.

A second challenge concerns potential disconnects between communitywide and resident-focused people strategies. By design, Choice attempts to serve both public housing residents and also neighborhood residents, but the balance between these efforts and the relationship between neighborhood- and development-focused strategies is to be defined by the site. A diffusion of effort and confusion of roles may be the result, and Urban Strategies has needed to work through these potential tensions in the Choice Neighborhoods model. Because the IRWT has a primary role in planning these neighborhoodwide services but less connection to residents of the broader Iberville/Tremé neighborhood, the complexity of designing programming to target diverse constituencies may also be challenging. One example of this tension is a construction training program, which was pushed by the IRWT, but which drew little interest from Iberville residents.



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Another example is workforce development as it relates to the BioDistrict, which promises to add high-skill, career-ladder jobs; residents of Iberville do not appear to be the target for BioDistrict placement efforts, given their low educational attainment. A final challenge related to reaching Iberville/Tremé residents through place-based services results from the New Orleans school structure. Student attendance is not neighborhood driven, and, as such, neighborhood students attend schools across the city. For example, according to Urban Strategies, only 19 percent of Iberville elementary students attend nearby Craig Elementary, and only 26 percent of high school students attend Clark Senior High.

Related to this issue of development-focused vs. communitywide services, Choice places special emphasis on coordination with school reform efforts, another evident challenge in New Orleans (as in the other sites). This coordination may be especially challenging in New Orleans than other places given the decentralized nature of school governance in New Orleans.

Decisionmaking for public schools is shared between RSD and the Orleans Parish School Board (OPSB), with many decisions made at the school level by independently managed charter schools within each district. In addition, school reform efforts in the city are based on a certain level of competition among schools, making development of partnerships across schools more challenging and potentially political. Urban Strategies has hired an education coordinator to lead efforts to gather data, educate parents on standards for quality schools, and develop relationships with schools and districts. Some schools have been described as more engaged than others in early work. Although RSD is a named partner, its participation in the transformation team has not yet been evident.

#### **5.3.4 Neighborhood: Progress and Challenges**

The array of co-located activity in the area and the active participation of the city set the stage for further progress and leveraging of investments. Because Choice is not the primary vehicle for coordinating these investments, however, data collection about the myriad activities happening within the Choice footprint is difficult. The Choice team has engaged with other investment activity through a collaborative effort called NewCity. NewCity describes itself as a coalition of 70 different stakeholders in the Tremé and Lower Mid-City neighborhoods and has served as an informal planning and communication vehicle for much reinvestment activity in the area.

Significant signs of progress are apparent in the redevelopment of Tremé. The Choice footprint includes a large central swath of the city where many projects are under way or coming online.

- The University Medical Center (UMC) construction project, a 24-block medical complex expected to be complete by 2015, was under way as of late August 2012. Although the \$700 million construction project is expected to have significant local economic impact, with more than two-thirds of the contracts going to Louisiana-based companies, the resulting job creation for residents within the Choice neighborhoods was unclear, and the timing of the construction jobs may not coincide with construction training programs planned as part of the people component of Choice.
- The following two indicators are perhaps more obviously tied to Choice:
  - The planned creation of the Lafitte Greenway, construction of which will begin in early 2013 with the \$6.5 million basic construction plan complete in 2014,

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- resulting in a continuous green space running through the center of the Choice footprint.
- The pending construction and rehabilitation of seven public schools within the footprint as part of the School Facilities Master Plan.

The key challenges in neighborhood planning relate to coordination. Choice is only one of many much larger efforts under way in the broader neighborhood(s) of the New Orleans footprint. Like Alice Griffith, Iberville is physically isolated from the rest of its neighborhood footprint. Intensive focus by the Choice team on the Iberville site is important, given the need to redevelop those units as part of Choice. As long as broader planning efforts for the Tremé and the Seventh Ward are able to accommodate the needs of the Choice redevelopment, it may not be necessary for Choice *itself* to coordinate these efforts. At the same time, given the multiple processes at play in the area, including both the MasterPlan/CZO effort, and also the Claiborne Corridor Study, the ability of the city to maintain a vision about how Choice and other initiatives work together to create synergy for transformation should be followed over time.

There is one obvious challenge in the neighborhood plan, however, relating again to the integration of school planning with Choice. The Orleans Parish School Board and Recovery School District are amidst a citywide school construction plan proposing to spend up to \$160 million on renovations and construction of seven schools within the Choice footprint. Although the state-run RSD is a named partner for Choice, collaboration with schools has been limited and challenging because of the decentralized nature of school management in the majority-charter district with universal school choice for students.

## 5.4 Analysis of Key Accomplishments and Challenges

### 5.4.1 Assessment of Choice Neighborhoods Plans

Three important issues may be worth following over time, related to the nature of the plans and the ability of Choice to advance goals within them.

First, the transformational quality of the plan, one of the most extensive among Choice implementation grants to date, may require attention regarding its overall effect on neighborhoods. As described in the Theory of Change section, the scope of investments in the Choice plan is extraordinarily ambitious, taking advantage of proximity to downtown New Orleans, renewed interest in the Iberville/Tremé, and other public investments to claim substantial leverage in ways that might, over time, have the potential to accelerate private investment in the area. With these private investments may also come some concerns about the potential displacement of neighborhood residents because of speculation and gentrification. Although the plan expands significantly the number of subsidized affordable housing units in the neighborhood, this increase must also be weighed against the potential loss of unsubsidized units—something that has not yet surfaced in analyses, although housing vacancies and a general low density may allow for significant growth of market-rate housing to occur while maintaining or even expanding the neighborhood's affordable housing stock.

Second, given the scale of investments, the role Choice plays in moving investment forward in a controlled way will need to be assessed. HUD's direct investment of \$30.5 million does not credibly leverage the remaining \$1 billion; rather, New Orleans seems to be using Choice as a forum for different stakeholders to communicate about co-located investments in the area and to allay concerns about the loss of public housing units that might otherwise derail the transformation strategy. During the first year of the project, the greatest uses of coordination appear to be around the housing components of the project and less so around the people and neighborhood components of Choice. For the people or services component of Choice, this may be because Choice funds case management *within* the development but does not always result in clear avenues for additional leverage of services *outside* of the development. Despite the work of Urban Strategies to bring additional services to the neighborhood and coordinate with schools, HUD's description of Choice Neighborhoods as a transformational program that changes service availability and quality for an entire neighborhood is not yet apt, although its ability to leverage additional services should be followed over time. As described previously, the neighborhood component is also not yet deeply coordinated within Choice processes, although the relevant actors sit on both Choice and parallel steering efforts.

Finally, the ways that Choice's own distinctive policy requirements play a role should also be followed. In addition to Choice's coordination mechanisms, its tenant protections and its role in safeguarding overall affordability may also play a role in mitigating opposition and enlarging the scope of development. As described previously, the Choice Neighborhoods requirements related to one-for-one replacement and the opportunity to return may have defused opposition to the program.

#### 5.4.2 Assessment of Choice Neighborhoods Implementation

Overall, in New Orleans, coordination in planning and early implementation has been remarkably fluid, with a small number of experienced players making concerted progress. Housing was planned extensively by high-capacity private developers in conjunction with HANO. Internal relocation has started at the target development, but historic and environmental review processes have temporarily stalled deconstruction. Outside the Iberville, there is some early evidence that the extensive nature of the Choice footprint may be difficult to control in terms of more speculative or market-rate development, as evidenced by the loss at auction of the Winn-Dixie site. As described previously, securing financing for the entire 2,400 units will be an important issue to follow over time.

People-related strategies are led by an experienced and sophisticated provider of services to housing-assisted individuals in places undergoing redevelopment. Case management activities are well under way within the Iberville itself. As Urban Strategies has a charge in ensuring strong tenant engagement that facilitates good redevelopment progress, engagement from core leadership has been strong. As described previously, however, in some part because of the ambiguous and largely unfunded charge of Choice to improve services outside the development, there are fewer efforts under way outside of the Iberville at this point, although they are starting to launch.

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Neighborhood plans, in contrast, have significant co-located leveraged investments, although coordination of these activities through Choice is still nascent. At the moment, it appears unreasonable to expect that Choice will be able to exert significant direction over these activities, given that its own direct funding of neighborhood investments is limited. As described previously, coordination with the Recovery School District and the fact that students from the Iberville attend schools all over the city (making it harder to target reform efforts) are ongoing challenges that Urban Strategies is attempting to address.

## 6 San Francisco: Eastern Bayview/Alice Griffith

### 6.1 Overview of Place and Need for Intervention

#### 6.1.1 Neighborhood Background

In San Francisco, the Choice Neighborhoods program (Choice) is supporting the Eastern Bayview Transformation Plan. Eastern Bayview sits at the extreme southeast corner of the City and County of San Francisco, adjacent to the Hunters Point area and San Francisco Bay on the east and San Mateo County on the south (figure 6.1 shows the location of Eastern Bayview within the city of San Francisco). Its western boundary is the CalTrain tracks, a block west of 3rd Street. To the north is the Port neighborhood. The target development, the San Francisco Housing Authority's (SFHA's) 256-unit Alice Griffith development, occupies a 23-acre site at the southeast corner of the neighborhood. Three other SFHA public housing developments and HOPE SF sites occupy the northern extreme of the neighborhood: Hunters View, Hunters Point, and Westbrook Apartments. Redevelopment of Hunters View has already begun as part of the HOPE SF program described later in this chapter.

The original engine of neighborhood development in this area—comparatively remote from commerce and shipping activities in the city's northeastern quadrant—was the establishment of a commercial shipyard in 1870. The shipyard expanded dramatically after the U.S. Navy acquired it in 1940 from its commercial owners. Like other Bay Area shipyards, Hunters Point attracted migrants from all over the United States, but especially Black residents from the South Central states. Between 1940 and 1950, the city's population grew by 130,000; the Black population grew from less than 5,000 to more than 43,000.<sup>142</sup> The labor force of the Hunters Point Shipyard itself grew from 8,000 in 1943 to 18,000 in 1945.<sup>143</sup> Many of these new Black residents were employed in the shipyards and settled in Eastern Bayview, partly for convenience and partly because discriminatory housing practices blocked moves into most other San Francisco neighborhoods. Commerce in the shipyard began to decline in the 1950s, reducing economic opportunities of the area's residents. In 1974, the Navy ceased operations at the shipyard, terminating or transferring to other facilities more than 5,000 employees. A private company with a much smaller workforce leased the facility between 1975 and 1985 and a community of artists and several small businesses used the facility between 1985 and 1994. Federal military base realignments resulted in the yard's closure in 1994.<sup>144, 145</sup>

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<sup>142</sup> SFgenealogy (2011).

<sup>143</sup> Jacobson and Stallworth (2009); Rosen and Sullivan (2012).

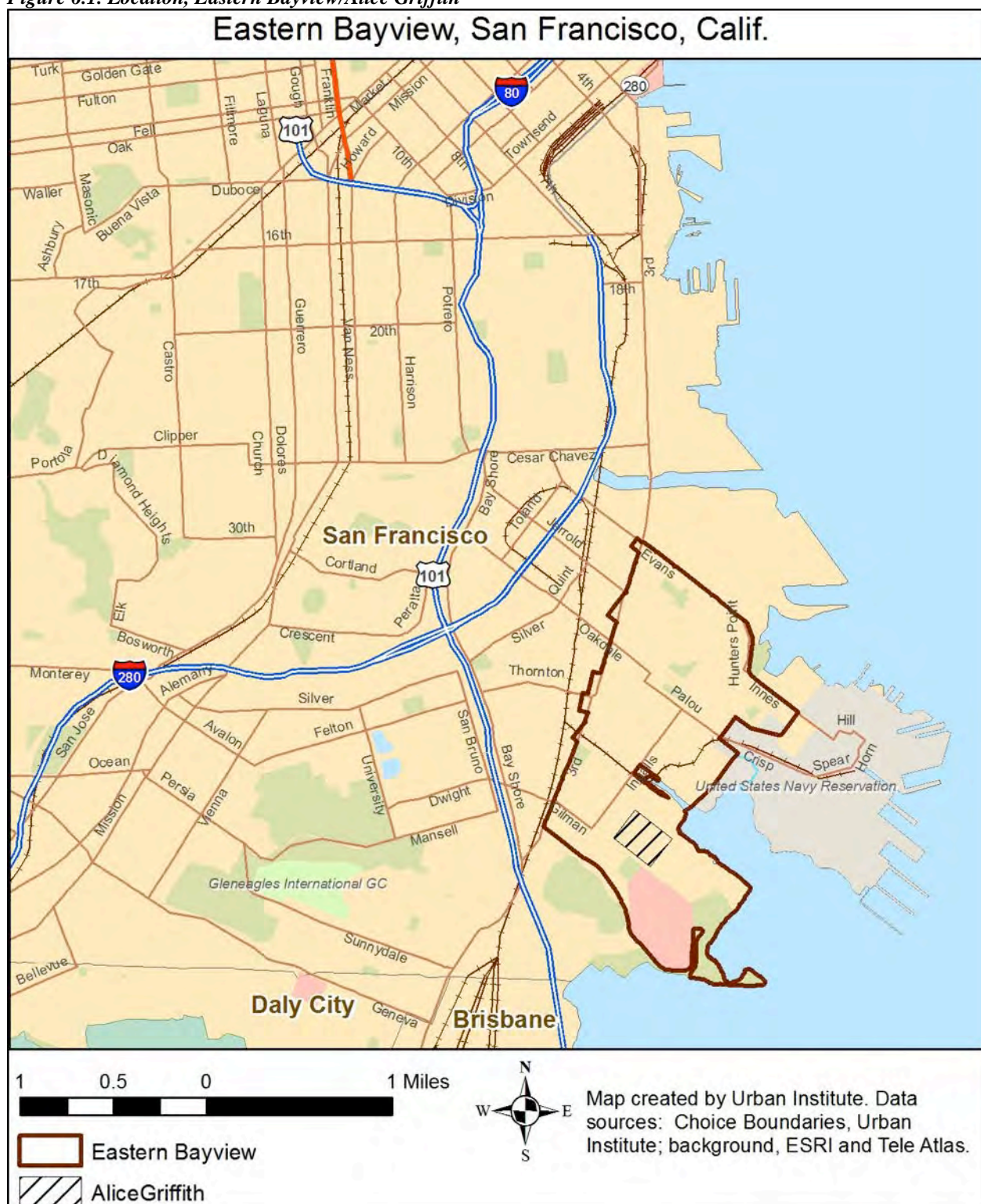
<sup>144</sup> Jacobson and Stallworth (2009).

<sup>145</sup> San Francisco Redevelopment Agency (1994).



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**Figure 6.1. Location, Eastern Bayview/Alice Griffith**



Another prominent feature in the neighborhood is Candlestick Park, the longtime home of the San Francisco Giants professional baseball and the 49ers professional football franchises. The Giants left the notoriously windy, foggy, and cold Candlestick for a downtown San Francisco stadium in 2000, and the 49ers will play their final game there at the end of the 2013 season in preparation for a move to the south end of San Francisco Bay starting in the fall of 2014. Candlestick Park and its parking lots occupy 83 acres of city-owned land immediately south of the Alice Griffith project. Although the original plan was to build a new football stadium surrounded by high-density housing and retail, the departure of the 49ers means that the land will now be used exclusively for retail and residential development.

In 2006-2010, 26 percent of residents in Eastern Bayview lived below the federal poverty level (compared with 12 percent for the city as a whole), and two in five children lived in poverty. The effects of poverty can be seen in the high incidence of chronic health problems and violent and property crime. The average household income in 2006-2010 was \$50,000 in Eastern Bayview; 54 percent of all households in Eastern Bayview had incomes of less than \$35,000. In Eastern Bayview, more than one-third (36 percent) of residents owned their homes and 70 percent of renter households were subsidized.

According to the Choice Neighborhoods round 2 application, Eastern Bayview has long been one of the centers of Black population in San Francisco. Maintaining that legacy is a key goal for many neighborhood residents. As shown in chapter 2, Black residents make up nearly one-half of the neighborhood's population (45 percent). Their share of the population has declined recently, however, as the Hispanic and Asian populations have grown. In 2010, Hispanic residents accounted for 27 percent and Asian-American residents for 19 percent of residents, with non-Hispanic White residents making up about 5 percent of the total.

For many years the neighborhood has lacked good shopping and retail, and a high-quality grocery store, and it is physically isolated from the rest of the city.<sup>146</sup> Eastern Bayview has community assets that position it well for Choice redevelopment, however. Located on a hill near the San Francisco Bay, the neighborhood offers scenic views that are likely to attract market-rate renters and buyers and promote economic diversity. Most residents report being within walking distance of a community center, library, public transportation, laundry, health clinics, and a pharmacy.<sup>147</sup> Although the Bay Area housing market has suffered during the past several years, it is still relatively strong even in neighborhoods such as Eastern Bayview, where vacancy rates are less than 5 percent.

The neighborhood's proximity to the Hunters Point Shipyard redevelopment may lead to living wage jobs for residents of the community in the future. With the planned massive redevelopment of the shipyard and Candlestick Point, secured by the approval by the San Francisco Board of Supervisors in 2010, the neighborhood is on the verge of an historic physical, economic, and social transformation.

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<sup>146</sup> A new 10,000-square-foot grocery store opened in the neighborhood less than 1 mile from the target development, Alice Griffith, in the fall of 2011.

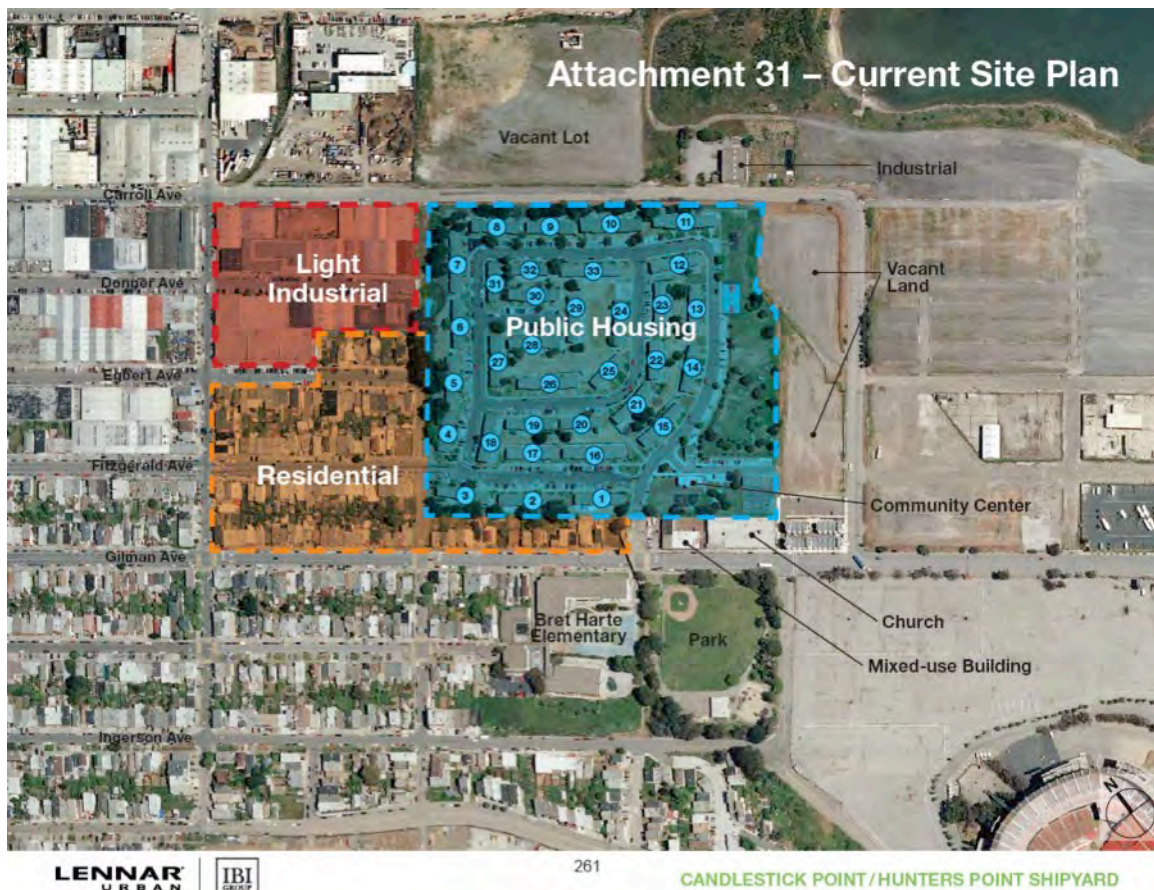
<sup>147</sup> Duryee-Browner (2006).



### 6.1.2 Target Development Background and Current Conditions

Built in 1963, the Alice Griffith housing development has 256 units in 33 two-story, townhouse-style buildings on 23 acres (figure 6.2 shows the current site plan). Crowding and environmental hazards are a problem within Alice Griffith buildings. Most rooms are small by current building standards, and more than one in five (23 percent) residents report living in overcrowded conditions, compared with 10 percent in San Francisco.<sup>148</sup> The units are contaminated with lead-based paint, asbestos, mold and mildew, dry rot, and vermin. Because all buildings are equipped with stairs, individuals with wheelchairs have extremely limited options. From a financial perspective, outdated sewer and water systems, inefficient appliances and heating systems, and substandard wiring present conditions that are below current building code standards and contribute to a high per-unit utility cost. Energy efficiency is a serious concern, as described in appendix A of this report.

*Figure 6.2. Site Plan as of December 2010, Alice Griffith*



Source: Round 1 application, attachment 31

The site is surrounded by a metal fence that restricts access to a single entryway. This entrance area, where individuals can spot law enforcement officers as they approach the site, attracts most of the site's criminal activity (such as drug dealing) and creates problems for emergency

<sup>148</sup> LFA Group (2012).

personnel. According to the application to Choice, accessible rear doors and windows, a maze of backyards and open spaces, poor lighting, lack of parking lot monitoring, and a series of dead ends also make the site dangerous and attractive for criminal activity. These poor design features also provide a challenging space for individuals with disabilities, who make up about one-fourth of the population.

As with the surrounding neighborhood, Alice Griffith also has a variety of assets, including an active community center (called the Alice Griffith Opportunity Center) and a large community garden. The Alice Griffith Opportunity Center was established in 2006 to offer residents access to technology resources and after-school academic assistance. The center also offers legal clinics, seminars and workshops, community events, regular, onsite orientations for employment training, and access to other offsite services offered by the Service Provider Network (SPN), a network of community-based organizations that offer services to residents of Alice Griffith and Hunters View.<sup>149</sup>

### 6.1.3 Alice Griffith's Residents at Baseline

At the time of San Francisco's application to Choice, 670 residents lived in 228 households in Alice Griffith (27 units were vacant). Median household size in Alice Griffith was 3 people, and approximately 70 percent of households had at least one dependent child who is less than 18 years old.

About one-half (51 percent) of Alice Griffith residents are Black and 16 percent of residents are non-Hispanic White; the remainder of the population is equal proportions Hispanic, Asian, and Pacific Islander. Most (70 percent) of Alice Griffith households have children who are less than 18 years old; 15 percent of all residents are children who are less than the 5 years old and 28 percent are between 6 and 15 years old. Working-age adults and seniors account for only 31 and 5 percent of Alice Griffith residents, respectively.<sup>150</sup>

Residents of Alice Griffith face a variety of challenges beyond their poor housing situation. Two-thirds of households live below the federal poverty level.<sup>151</sup> Only about 65 percent of heads of households have a high school education or a general equivalency diploma, or GED. Only 30 percent of nondisabled residents between the ages of 25 and 64 were employed at some point in the fiscal year 2010 to 11,<sup>152</sup> and more than one-half of household heads report needing help finding a job.

Alice Griffith residents also face a variety of health issues. In 2011, according to a survey by LFA Group, 21 percent suffered from asthma; 16 percent had diabetes, and 34 percent had high blood pressure.<sup>153</sup> And although 90 percent of residents had health insurance, about one-half reported using an emergency room within the previous year.

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<sup>149</sup> MBS (2011).

<sup>150</sup> LFA Group (2012); statistics for the city are from the 2010 Census, retrieved from MTC and ABAG (n.d.).

<sup>151</sup> LFA Group (2012).

<sup>152</sup> LFA Group (2012).

<sup>153</sup> LFA Group (2012).

## 6.2 Description of Choice Neighborhoods Planning Process, Goals, and Plans

### 6.2.1 Planning and Development Background in the Jurisdiction and the Neighborhood

California's laws and constitution and San Francisco's city charter and history of public activism create an environment of comprehensive, publicly engaged planning that is conducive for neighborhood transformations like those envisioned by Choice. California's laws require all of its cities and counties to adopt comprehensive plans for land use, transportation, housing, open-space protection, recreation, safety, and public facilities. California law stipulates that the comprehensive plan is a binding document for the jurisdiction. Strong public participation requirements and access of citizens to the ballot for referenda and initiative measures heighten public awareness of and involvement in planning. San Francisco's residents have been at the forefront of citizen-driven policymaking for generations. Citizens regularly adopt development-related initiatives and referenda at the ballot and generally support a high level of public spending for infrastructure.

Various redevelopment and antipoverty initiatives for Eastern Bayview have unfolded over the years, influencing the values and strategies evident in the current Choice approach. The most important existing plan, the *Plan for the Bayview Hunters Point Redevelopment Project*, was first formally adopted in 1969 and most recently reapproved with amendments in 2006. The plan gives the San Francisco Redevelopment Agency (SFRA) the "powers, duties, and obligations" for redeveloping the 702-acre project area, which includes Alice Griffith. The principles that characterize current efforts at Alice Griffith are evident in the redevelopment plan, with emphasis on owners' and residents' participation, involvement, and retention; increases in the affordable housing stock; stronger retail, commercial, and light-industrial uses, with special support for locally owned small businesses; and improved transportation access.

In 2005, Mayor Gavin Newsom launched the Communities of Opportunity (COO) Initiative after the release of the SFHA's so-called Seven Corners Study, which revealed that most families in crisis and involved with multiple human service systems lived within walking distance of seven street corners in the city. The COO was a comprehensive systems reform strategy designed to facilitate greater alignment and coordination among government agencies and increase resident engagement and influence on decisionmaking. The initiative was piloted in Alice Griffith, where resident leaders engaged in a planning process that resulted in the creation of a parent university, expanded daycare, resurfaced streets, planted greenery, refurbished housing and the building of the Alice Griffith Opportunity Center.

The COO initiative, which ended in 2011, laid the groundwork for Choice but did not measurably improve the lives of low-income households in Alice Griffith. Choice stakeholders reflected on the difficulty of generating excitement and momentum while managing expectations and not overpromising. They also note the need to institutionalize large-scale redevelopment initiatives to reduce the need to depend on political will; as a result, local leaders have focused on developing a strong network of deputy-level agency staff who come together to coordinate their work on the ground at public housing sites. Stakeholders also acknowledge that COO's dependence on agency directors, who often did not have sufficient time to devote to detailed service coordination, was a shortcoming of the initiative.



Mayor Newsom and his staff also recognized the need for additional redevelopment to add a housing component to the COO antipoverty strategy. SFHA had already redeveloped five sites with HOPE VI funds, and the city had originally hoped to win additional HOPE VI awards to continue redevelopment with eight more severely distressed sites (four of which were near four of the seven corners). With reductions in the HOPE VI budget, however, SFHA was unable to secure further redevelopment grants. Mayor Newsom called on the city to use the HOPE VI model to redevelop these eight sites using local dollars, mostly through municipal bonds and the local redevelopment agency.<sup>154</sup> This locally funded version of HOPE VI was dubbed HOPE SF.

In the fall of 2006, the Mayor's Office of Housing<sup>155</sup> assembled a HOPE SF Task Force<sup>156</sup> to develop principles for HOPE SF. The Task Force adopted formal guiding principles for HOPE SF that are highly consistent with the principles of Choice.

- Ensure no loss of public housing by replacing every distressed public housing unit with a high-quality public housing unit, with a commitment to minimize displacement of existing residents by phasing development and emphasizing onsite relocation.
- Create an economically integrated community that includes a housing ladder of public housing, affordable housing, and market-rate housing, with a priority on addressing the need for family housing.
- Maximize the creation of new affordable housing on the public housing sites while rebuilding as many distressed public housing sites as possible and fund the rebuilding of the public housing using profits from the market-rate housing.
- Ensure high levels of resident participation and involvement in HOPE SF planning and implementation, including the support of resident-driven occupancy criteria.
- Ensure that HOPE SF provides economic opportunity through appropriate job training and services and produces long-term, viable employment opportunities for the existing residents and contracting opportunities for local, small and disadvantaged businesses.
- Integrate HOPE SF with neighborhood plans to improve schools, parks, transportation, safety and other amenities in their communities.
- Create environmentally sustainable and accessible communities by committing to incorporating green building principles and design elements that meet the long-term needs of the community.
- Build a strong sense of community by including existing and prospective residents and neighbors in the planning and development process.

Hunters View—in the northern part of the Eastern Bayview neighborhood footprint—is a HOPE SF pilot site, and Alice Griffith is another. The other two are Potrero, to the north of the Bayview

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<sup>154</sup> Because of a lack of funding, the eight original sites were eventually narrowed down to five: Hunters View, Alice Griffith, Potrero, Sunnyside, and Westside. The future of Westside is uncertain.

<sup>155</sup> The Mayor's Office of Community Development (MOCD) actually co-convened the task force. Since that time, the MOCD has become a division of MOH.

<sup>156</sup> The deep involvement of MOH is a unique aspect of San Francisco's approach to housing transformation. It is typical in most other parts of the country that the housing authority takes the lead role on housing transformation. In San Francisco, the Housing Authority has focused its priority in daily operations of its properties, and MOH has sought to expand its portfolio from affordable housing to the redevelopment of public housing.

area, and Sunnydale at the southwestern edge of Bayview. In October 2012, Potrero and Sunnydale each received \$300,000 Choice planning grants.

Beyond its policies and principles, HOPE SF also has the Campaign for HOPE SF (the Campaign), a donor-advised fund and public/private partnership housed at The San Francisco Foundation (TSFF). The campaign director (a TSFF employee) staffs TSFF and its strategy is set by a Steering Committee, which is chaired by a vice president of Enterprise Community Partners (a housing intermediary that played the primary role in establishing the Campaign). Staff time of Enterprise's Senior Program Director for Public Housing is also dedicated to the work of the Campaign. The Campaign's members include major donor foundations, private sector representatives who provide funding to the Campaign, and two highly placed city staff (the mayor's budget director and the director of the Mayor's Office of Housing). Its goal is to raise and invest \$25 million over 5 years for HOPE SF.

As the Campaign has developed its investment strategy, it has helped to raise the visibility of HOPE SF and bring together a great deal of intellectual capital to support HOPE SF's goals. In 2011, the Campaign created three, cross-sector task forces to develop goals, priorities, and strategies for making significant improvement in resident outcomes in the three core areas—health, education, and economic mobility. The task forces were cochaired by high-level city staff and representatives of philanthropy, and their expert members came from foundations, city departments, nonprofit organizations, universities, and the community. The recommendations coming out of the task forces have shaped plans for campaign funding and the work that the Campaign has done to align its funding with public funding sources.

While HOPE SF and COO were being developed, hundreds of general public meetings were held to discuss broader redevelopment plan for Hunters Point Shipyard and, after the announcement of the departure of the 49ers in 2006, Candlestick Point. These meetings began in February 2007 and continued through August 2010, when the San Francisco Board of Supervisors approved agreements related to the larger mixed-use plan. The Hunters Point Shipyard Citizens Advisory Committee continues to provide citizen perspectives on revitalization issues and to ensure that the interests of residents, CBOs, and local business are considered.

The Lennar Development Corporation (Lennar) won redevelopment rights for Hunters Point Shipyard and Candlestick Point in 2008 and serves as the master developer for the area. Lennar executed a joint-venture development agreement with McCormack Baron Salazar (MBS), whereby Lennar is responsible for the horizontal infrastructure, and MBS is responsible for vertical development and assembling a design team and consultants. MBS also contracted with Urban Strategies in 2011 for support services, case management, and neighborhood services liaison work. In July 2010, the HOPE SF Service Provider Network (SPN) was formed to provide a broad array of services to residents of all ages in the Eastern Bayview neighborhood.

In exchange for redevelopment rights, Lennar executed a Core Community Benefits Agreement (CCBA) with a coalition of community groups called the Alliance for District 10 (AD10), which included the San Francisco Labor Council and the San Francisco Organizing Project. Under community benefits agreements such as the CCBA, developers commit to providing multiple benefits to the community (housing, jobs, open space, etc.) in exchange for community support

for the project (or at least nonopposition). As part of the AD10/Lennar CCBA, around 32 percent of all housing developed will be affordable, and Lennar will contribute to two funds: around \$25 million to the Community First Housing Fund and \$8.5 million to a workforce development fund.

### 6.2.2 The Choice Planning Process in San Francisco

Interviews with stakeholders in the Choice planning process describe Alice Griffith as an ideal site on which to focus this grant for several reasons. The buildings are in poor physical condition. The Alice Griffith site has relatively low residential density and sits within the Candlestick Point redevelopment plan area, providing additional space (mainly former parking lots) for creating an integrated mixed-income redevelopment. Work had already begun for HOPE SF on Hunters View. Public support is strong for mixed-use, large-scale redevelopment of the area—as long as community benefits are perceived as being guaranteed and adequate to keep the neighborhood diverse. For these reasons, the site was a good first choice for an implementation proposal.

Although revitalization plans at Hunters Point Shipyard and Candlestick Point call for increased density, SFHA had at one point considered rehabilitating and replacing Alice Griffith at the existing density. Analyses suggested that renovating Alice Griffith would have been economically infeasible, however. According to San Francisco’s Choice application, SFHA’s 2007 Immediate Needs Report produced a repair cost of \$57 million for Alice Griffith. This repair cost is 78 percent of HUD’s Total Development Cost threshold, much more than the 62.5 percent required for demolition approval. Rehabilitation also was believed to perpetuate the deficiencies that contribute to Alice Griffith’s distress. Although a complete rebuild of Alice Griffith’s 256 units could have addressed inadequate site layout and structural deficiencies of the buildings, this option was deemed infeasible given the extremely high cost of construction in San Francisco and very limited funding available for affordable housing. Inclusion of market-rate housing at a higher density level helped fill this financing gap and meet the density goals laid out for Hunters Point.

The redevelopment of the site at a higher density is motivated by more than just economic feasibility. It also responds to expected future market demand, and provides for a mixed-income neighborhood through the retention of existing affordable units and the addition of market rate units. As a local stakeholder stated, “anything less than a fully revitalized, mixed-income community at Alice Griffith would run counter to the city’s and SFHA’s policy objectives under HOPE SF.”

Residents and other community members have been engaged since the beginning of the revitalization planning process, although this engagement has not always been free of strife. The recurrent concerns voiced by residents at community meetings focus on the quality of the new housing, safety, job generation, and the opportunity to return. Historically, residents also have been distrustful of the city’s plans for their community, particularly when they were not informed of activities early in the process.<sup>157</sup> Residents also became concerned that planners would drastically reduce public housing in an effort to reduce costs and make the project

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<sup>157</sup> Rongerude (2009).

lucrative, and would not live up to their promise of ensuring that everyone currently living at Alice Griffith would be able to return to the newly developed housing.

The Alice Griffith Tenant Association (AGTA), the MBS development team, Urban Strategies (the MBS partner responsible for resident services and community building), and community-based partners worked together during the planning period to develop viable solutions to these problems. In response to residents' concerns, housing quality and site design were subject to an extensive community input process, and incorporated sustainable building features and materials, unit layouts, and site planning that should create excellent habitability and enhance public safety. Urban Strategies and AGTA have met with residents specifically to discuss the Choice grant and the effect an award would have on the residents and community.

The planning process also required considerable coordination between SFHA and the Mayor's Office of Housing, which took the lead in working with city agencies to secure their involvement. Many respondents describe high levels of collaboration and recognition by partners that this project is a high priority. This collaboration was not an easy task—one interviewee described the process of developing the plan as “ambitious and scary...getting everyone to implement something and not step on each other's' toes.”

The Choice application for San Francisco was submitted to HUD in the fall of 2010 and awarded in August, 2011. The team includes MBS as the lead applicant and housing lead, SFHA as co-applicant, SFRA as the neighborhood lead, and Urban Strategies as the people lead (with the San Francisco Unified School District [SFUSD] acting as the education lead). All Redevelopment Agencies in California were dissolved in February 2012 as part of the Governor's plan to help balance the state budget. After the dissolution of the SFRA, some projects—including Choice—and staff moved to the Community Development Division within the Mayor's Office of Housing. Additional team members on the application include CP Development Co., a joint venture led by Lennar and the Mayor's Interagency Council, which has since disbanded.

Appendix D.4 of this document includes a matrix of all the goals and actions included in the Eastern Bayview/Alice Griffith Transformation Plan.

### 6.2.3 The Housing Plan

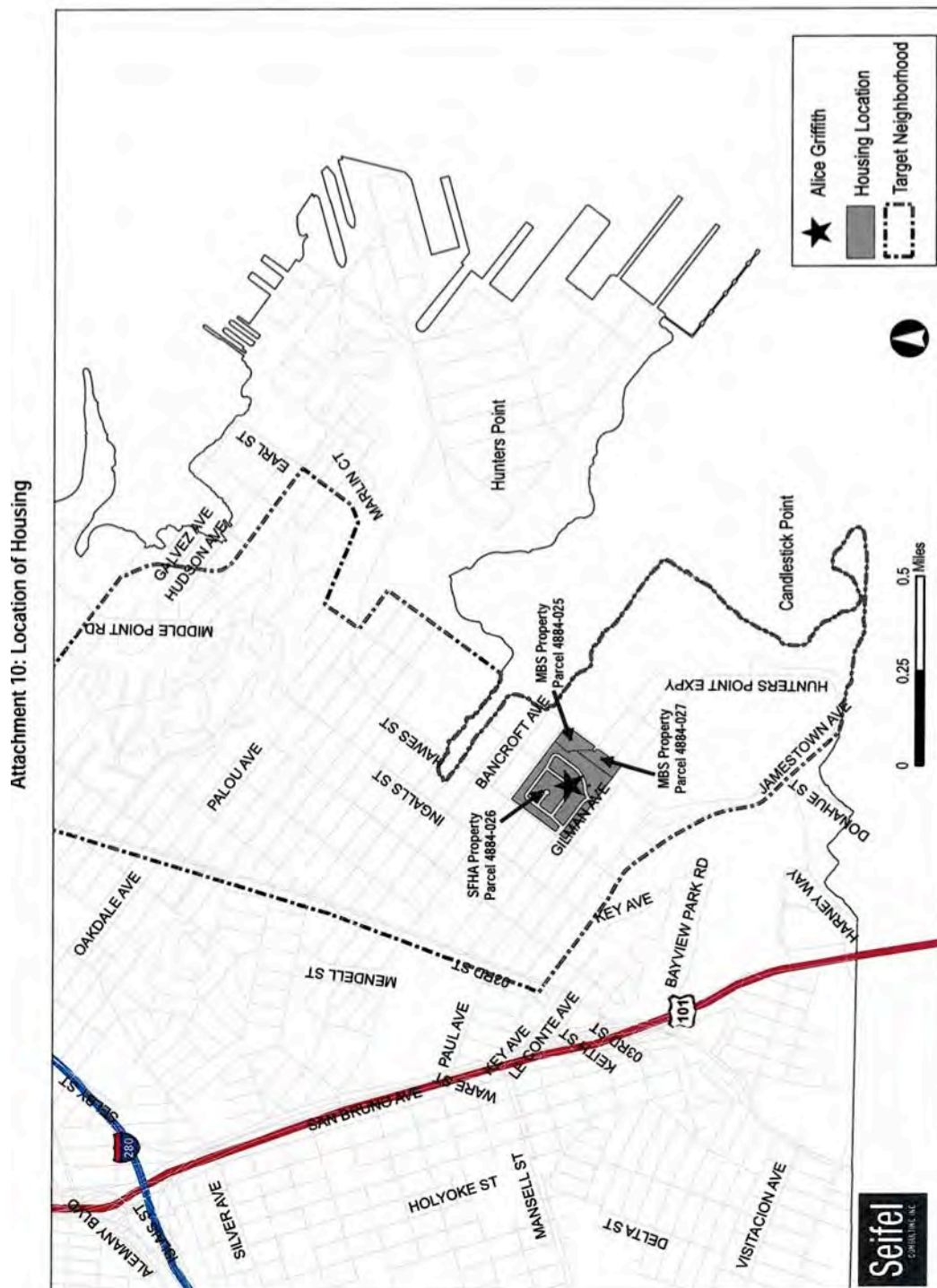
For an estimated \$130.3 million, MBS will construct 504 public housing replacement units on an adjacent parcel (figure 6.3 shows the plan for housing in the neighborhood). The plan promises one-for-one replacement of the existing 256 units, and the remaining 248 new units will be low-income housing tax credit (LIHTC) units. MBS is also lead developer of a senior housing building (121 additional units at 5800 3rd Street, adjacent to Alice Griffith). These units will be built as part of the Housing component, and they will be able to serve as a replacement/relocation housing option for seniors currently living at Alice Griffith. In later phases, Lennar will develop an additional 622 units as part of the neighborhood plan. About one-half of the 622 units on the Alice Griffith site will be market-rate units and the other half will be priced below market-rate to serve as workforce housing, affordable units, and inclusionary units.<sup>158</sup> The

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<sup>158</sup> The workforce units are meant to add an additional tier of affordable housing: units affordable to households with incomes that exceed the cap imposed on traditional affordable housing but are too low to afford market-rate units.

funding includes \$21.3 million from Choice funds, \$10.6 million from CP Development, \$4 million in third-party debt, \$62.1 million in expected tax-credit equity, and \$32 million from the master developer. The affordable housing will remain affordable for a minimum of 55 years.

Figure 6.3. Location of Planned Housing, Eastern Bayview



Source: Round 2 application, attachment 10



The plan for housing redevelopment addresses several environmental and site accessibility issues. The deconstruction process will include the safe removal of all lead and asbestos material and any contaminated soil on the site. Buildings will be constructed and finished with low- and no-VOC (volatile organic compounds) paints and adhesives, and construction will include sealing building envelopes to prevent water intrusion, insect penetration, and mold propagation. New appliances will be Energy-Star rated and each unit will have a programmable thermostat attached to its Energy-Star, central heating, ventilation, and air conditioning (HVAC) system. High-efficiency water fixtures and toilets will significantly reduce water consumption on the site. Most steep grades and hills that are barriers to pedestrian movement will be removed. Sidewalks and paths of travel will be designed to ADA (Americans with Disabilities Act) standards. HUD requirements will be exceeded: 10 percent of the public housing and LIHTC units will be accessible to people with disabilities and 100 percent will be visitable and adaptable. At least 2 percent of the accessible units will be wired for people with visual or hearing impairments.

The housing component of San Francisco's Choice plan also addresses the challenges of relocating residents. The plan splits the construction process into phases, such that the first phase will be on vacant land acquired by the city of San Francisco adjacent to Alice Griffith. After replacement units are completed and households relocate, Lennar will begin phased deconstruction of the vacant Alice Griffith buildings. This phased approach responds to residents' desire to remain in their neighborhood by ensuring that tenants are not forced to relocate off site. Tenants who do not wish to stay on site will have the option to relocate temporarily with a Housing Choice Voucher (HCV). Urban Strategies, SFHA, and a professional relocation specialist will work closely with any tenant household that temporarily relocates off site to provide relocation planning, mobility counseling, and assistance (for example, reviews of school options, benefits, reoccupancy plans, and services access). Urban Strategies will work closely with senior residents to assist voluntary relocation to 5800 3rd Street, the pending, service-enriched, senior housing development less than a mile from Alice Griffith. Residents who want to permanently relocate to higher income, diverse communities, regardless of whether they are located within San Francisco, are eligible to receive counseling and supportive services from Urban Strategies for up to 5 years. Urban Strategies will also offer case management support to residents and relocation technical assistance to SFHA to ensure that all residents are informed about SFHA maintenance of lease compliance requirements.

#### 6.2.4 The People Plan

The total budget for the people plan is about \$19.4 million, with \$4.6 million from Choice sources and \$14.8 million in leverage (table 6.1). The largest commitments are to education, health and safety, workforce development, and job training and placement. About \$2.2 million is budgeted for case management to be provided mainly by people lead Urban Strategies.

**Table 6.1. People Budget, Round 2 Application, San Francisco (Figures in thousands of dollars)**

	Total	Choice Neighborhoods	Leverage	Leverage Partners
Workforce development fund	\$2,715		\$2,715	CP Development
Job training and placement	2,283 <sup>159</sup>		2,283	SFRA, San Francisco Office of Economic and Workforce Development, Japanese Community Youth Council
Childcare	1,218		1,218	SFHS
Engagement and leadership development	190	190		
Program support and oversight	400	400		
Case management and staffing	2,220	2,010	210	SFHS
Urban Strategies travel and indirect expenses	145	145		
Education implementation	6,745	1,550	5,195	SFUSD, Edgewood/Parent University, 100% College Prep, FranDelJa Enrichment Center, First 5 Preschool, Parents for Public Schools
Employment program	810	120	690	SFHS, MBR/Green Streets
Health and safety program	2,517	45	2,472	Bayview YMCA, Boys & Girls Club, 3rd Street Youth Center and Clinic, SF Department of Public Health, SF Child Abuse Prevention Center
Mobility/homeownership/assets	25	25		
Office operations	90	90		
<b>Total people budget</b>	<b>\$19,357</b>	<b>\$4,575</b>	<b>\$14,782</b>	

MBR = McCormack Baron Regan. SFHS = San Francisco Human Services Agency. SFRA = San Francisco Redevelopment Agency. SFUSD = San Francisco Unified School District.

Source: Round 2 application, attachments 7 and 18

Adult services will be built with a work first approach, focusing on job readiness, transitional employment, and intensive job skills training with wrap-around health, mobility and family support services. This work also builds on the larger goal of greater economic diversity within the neighborhood, achieved by income mixing in the development and increasing incomes of current residents.

Children and youth services will be built on Urban Strategies' "Every Child, Every Need" model, focusing on increasing college and career readiness. Educational enhancements will be implemented in the neighborhood's three elementary schools. Positive outcomes will be achieved through SFUSD implementation of the Chicago turnaround model, including fostering principal leadership, increasing teacher effectiveness, using data to drive instructional improvements, and integrating education with wrap-around services via partnerships with family support nonprofit organizations. Other efforts will include enhancing early and preschool programs that build age-appropriate skills; constructing a high-quality early learning center at the renovated Alice Griffith site; and linking residents to Bridges to Success, a citywide effort to

<sup>159</sup> SFRA's funding for job training and placement has since been reduced by \$500,000.

double the number of at-risk youth attending college. Most of the health and safety programming also targets children and youth.

#### 6.2.5 The Neighborhood Plan

The final major domain for planned activities focuses on neighborhood development. Precise documentation of neighborhood expenditures is complicated somewhat by variation between the presentation of project costs on the sources and uses documentation (attachment 7, round 2 application) and letters documenting neighborhood leverage. These documents agree on the Choice funding: \$4,575,000, identified as contributions for the development of an early childhood education center and the opportunity center within the Alice Griffith.

The documents do not align entirely on what accounts for the leverage, but they do demonstrate a substantial ongoing commitment to neighborhood reinvestment. The SFRA documents more than \$162 million in expenditures or commitments in the neighborhood in the 5 years preceding the application.<sup>160</sup> In addition, there is extensive investment in the neighborhood planned through Candlestick Point-Hunters Point Shipyard Phase II Development Project. These investments together include many of the components necessary for transformation of the neighborhood into a mixed-income, high-opportunity community.<sup>161</sup>

- **Transportation improvements**, such as reconnecting the site to the surrounding neighborhood's street pattern and completing the Bayview Transportation Improvement Project and Candlestick Point-Hunters Point Shipyard Phase II Transportation Plan, which includes extensions of light rail and a Bus Rapid Transit connection that can connect neighborhood residents to other local and regional transportation options.
- **Neighborhood and housing stock reinvestment**, achieved through the completion of Hunters View, senior housing at 5800 3rd Street, and Carroll Station, a larger, mixed-use, market-rate project expedited to catalyze additional investments, as well as up to 6,724 housing units affordable to households at all income levels planned for Candlestick Point.
- **Retail retention and attraction** through San Francisco Shines, Third Street Façade and Tenant Improvement Program, Bayview Revolving Loan Program, and the Small Business Assistance Program, all of which are designed to decrease neighborhood blight, reduce vacancies, assist and retain existing businesses, and generally improve the neighborhood's economic center. In addition, Candlestick Point-Hunters Point Shipyard Phase II will develop an additional 755,000 square feet of retail space, 150,000 square feet of office space, and 50,000 square feet of community facilities.
- **Healthier food options**, through the expansion of an existing grocery store and private investments in a new healthy food venture.

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<sup>160</sup> About \$8.4 million of these committed and expended investments are tallied in the sources and uses attachment (round 2, attachment 7) as neighborhood leverage, an interpretation that is consistent with the practices on the other sites. The neighborhood leverage documentation includes one letter (attachment 19) from the city and county of San Francisco committing about \$930,000 in CDBG funds for the 5 years including the grant period; a documentation letter (attachment 20) on anticipatory leverage from the SFRA, documenting this \$162 million; and a documentation letter (attachment 21) on neighborhood leverage from CP Development identifying \$3.2 million in "horizontal infrastructure" that is otherwise accounted for on attachment 7 as housing leverage. Precise accounting for leverage is thus complicated (MBS, 2011).

<sup>161</sup> See Exhibit D, Vision for Neighborhood, Choice Neighborhoods round 2 application.

- **Job development and educational opportunities**, achieved through resident support services and through long-term job generation, with thousands of jobs forecasted to be generated through the Candlestick Point buildout (including thousands of new construction and permanent jobs).<sup>162</sup>
- **Public asset enhancement**, including the development or renovation of the Southeast Health Center, the Bayview Hunters Point Aging Campus/Multi-Purpose Senior Services Center, Bayview YMCA, the Bayview Opera House (which is considered an anchor institution), and the Bayview/Anna E. Waden Branch Library.

Moreover, the master plan for Hunters Point Shipyard and Candlestick Point includes extensive investments for the neighborhood, including architectural cohesion; compact, pedestrian friendly streets and walkways; disaster resiliency; access to transit and job opportunities; access to community spaces and recreation; defensible space; and microclimate appropriate landscaping.

#### 6.2.6 Summary of Theory of Change

San Francisco, like Seattle, has a very favorable enabling context for Choice (figure 6.4). Nearly all the controversy about development policy in Eastern Bayview has been resolved through a long period of planning and a citizen-focused initiative. HOPE SF provides momentum for the city's housing policy and background research that support the redevelopment, with redevelopment of the Hunters View housing development (at the northern edge of the Choice footprint) under way. The city has a strong commitment to mixed-use, mixed-income, transit-rich, environmentally friendly development and is extending light rail down Third Street through the neighborhood.

The redevelopment of Alice Griffith and the development of market-rate housing at Candlestick Point are mutually supportive and perhaps even mutually necessary. The market-rate development provides the necessary incentive for Lennar's investment in infrastructure that will also serve the redeveloped Alice Griffith. The Choice investment in Alice Griffith, for its part, provides an important long-term commitment to affordability in the neighborhood to satisfy citizens' and elected officials' desires for retention of a mix of households (and avoidance of gentrification) in Eastern Bayview. Improved housing and social supports for Alice Griffith residents could stabilize households and prepare them for life in a changed community. In fact, the grantee believes that the Alice Griffith plan is an integral part of the plans for Hunters Point Shipyard and Candlestick Point.

It is unclear, however, whether the Choice investment will affect the entire Choice footprint. The footprint's boundary stretches about 1.5 miles from north to south, and nearly all the Choice investment is concentrated at the southern extreme of the site. The plan does not establish goals or strategies to connect the investment to the broader Eastern Bayview neighborhood. Between the site and the rest of the neighborhood is a light-industrial area that city policy seeks to secure for blue-collar employment opportunities, suggesting that property-value spillover is not likely to ripple throughout the footprint. Most of the neighborhood investments mentioned in the Transformation Plan for the rest of the Choice footprint have already been completed or would

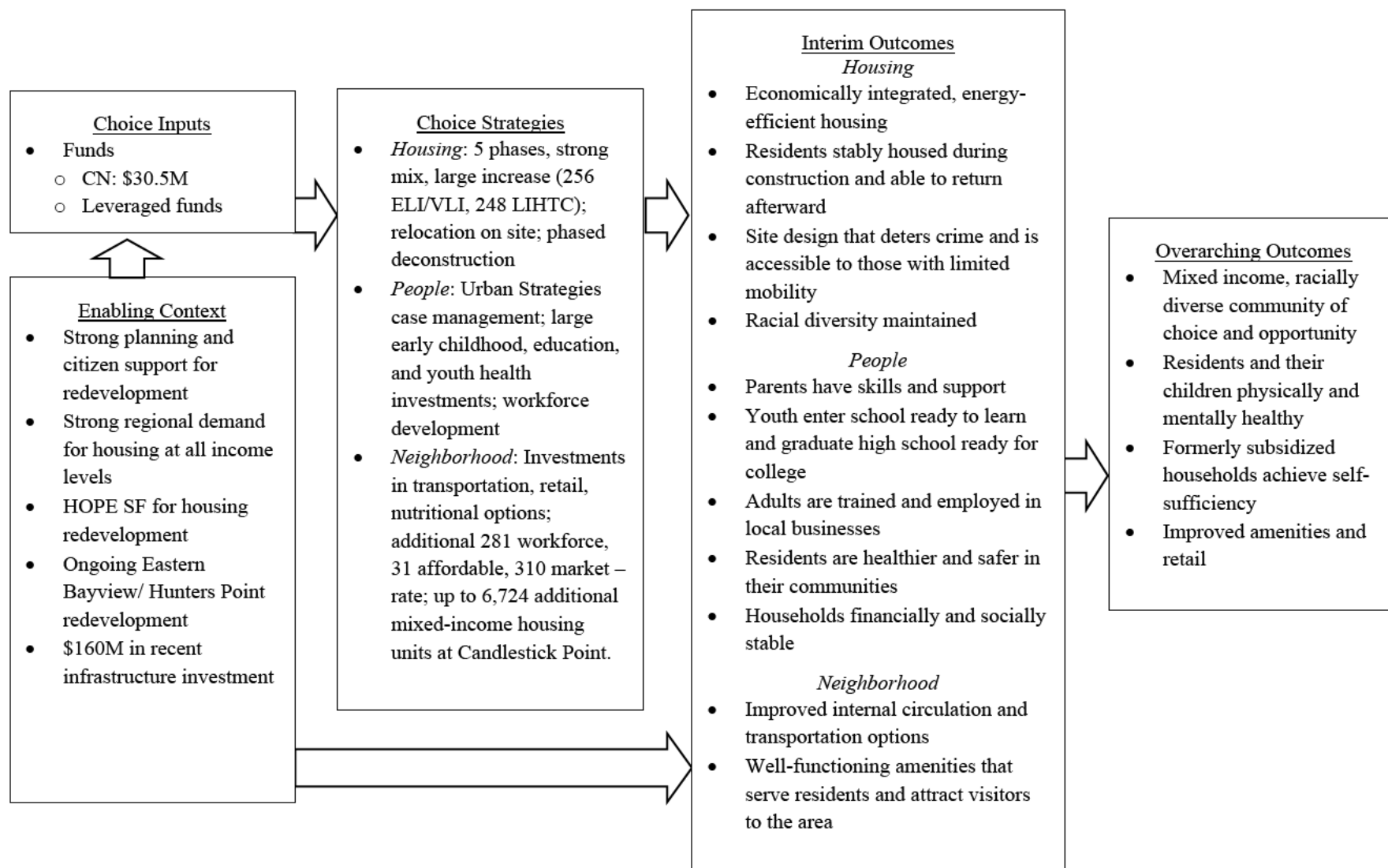
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<sup>162</sup> Economic and Planning Systems, Inc. 2010

have been finished even without the plan. Another perspective on how the Alice Griffith plan supports revitalization throughout the neighborhood includes the view that Alice Griffith residents remain disconnected from the rest of the neighborhood, and the presence of the distressed public housing undermines efforts to attract new residents and businesses to the neighborhood. In transforming Alice Griffith and building a thriving mixed-income community, the Choice plan is creating a virtuous cycle that can reverse this dynamic: the new layout of physical space and better transportation options, combined with supportive services offered to residents, will support public housing residents to become more integrated into the community—while at the same time making the neighborhood safer, more accessible, and more beautiful. These improvements in turn will attract to the surrounding areas new residents of other income levels, as well as foot traffic and businesses, which should have a ripple effect throughout the neighborhood.



Figure 6.4. Theory of Change, Eastern Bayview



## 6.3 Early Implementation

### 6.3.1 Relationships and Coordination

Two key themes emerge in a description of early relationships and coordination for Choice: the extent to which Choice relationships are embedded in the coordination around HOPE SF and the enormous complexity of HOPE SF relationships. HOPE SF has a complicated division of labor, with multiple collaborative bodies having overlapping jurisdiction for HOPE SF.

The collaborative bodies for Choice include the Choice implementation team and the site team at Alice Griffith. The Choice bodies coordinate with a series of HOPE SF committees and groups, including the City Services Team (CST—a team composed of deputy-level staff from social services agencies in the city), the Service Provider Network, the Campaign for HOPE SF, and the oversight committee.

MBS convenes the Choice implementation team every 2 weeks. The team includes multiple representatives from MBS, Lennar, the housing authority, the Mayor’s Office of Housing (MOH), McCormack Baron Ragan (MBR—the property management company), and Urban Strategies. During the meetings, members provide updates on the progress of offsite development, onsite development, and services for the residents. Representatives also discuss emerging challenges.

An important aspect of the work at Alice Griffith is the ability of the onsite Urban Strategies team to connect residents to local city-funded services. The CST has taken on the planning for service coordination at the HOPE SF sites. The CST also functions as an advisory group to MOH in HOPE SF implementation. This team addresses service coordination at *all* HOPE SF sites, not only Alice Griffith, so it does not have a formal connection to the Choice implementation team (although one executive staff member from MOH and one from SFHA serve on both teams).

This division of labor appears to be functional. The membership of the Choice implementation team and of the CST overlap substantially; also, the senior project manager from Urban Strategies has up-to-date information on the ability of residents to connect to local city-funded services. Some CST members feel somewhat out of the loop concerning Choice, however. It is possible that Alice Griffith would benefit from additional coordination with the CST.

Finally, there is an oversight committee for HOPE SF, composed of agency directors (from MOH, the Human Services Agency, the Office of Economic and Workforce Development, the Department of Public Health, and the Department of Children, Youth, and their Families), the superintendent of SFUSD, and the executive director of SFHA. The mayor’s budget director convenes this group several times a year to discuss high-level policy for HOPE SF.<sup>163</sup>

Staff at MBS think that the grantee team has a very good relationship with HUD. MBS also thinks that they are well prepared to participate in Choice because their goals and performance

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<sup>163</sup> The oversight committee has been less active in 2012 than it had previously; most of the city coordination takes place in the CST, and the CST members keep their principals apprised of important developments regarding HOPE SF.

metrics align with those that HUD has for Choice. MBS was also prepared ahead of time for the Choice principles, having been involved in conversations with HUD while HUD was developing the Choice model. In fact, HUD looks to San Francisco as a model for Choice Neighborhoods.

### 6.3.2 Target Housing: Progress and Challenges

Costs are not entirely predictable for housing redevelopment, but stakeholders in San Francisco are confident that among the various sources of financing (city funding,<sup>164</sup> Lennar funding,<sup>165</sup> Choice Neighborhoods, and LIHTC), developers will be able to complete all phases of construction at Alice Griffith successfully. Stakeholders describe several challenges in the redevelopment process, including:

- **How to match residents with replacement units.** Each Alice Griffith unit being demolished will be replaced with a new public housing unit of equivalent size, which stakeholders say is required by California redevelopment law. Residents have expressed concerns that they will not get a replacement unit the same size as the unit they lived in before redevelopment, but the grantee has assured residents that they will get replacement units with the appropriate number of bedrooms, based on their household size and composition.
- **Choice-funded vertical construction is dependent on non-Choice-funded horizontal construction.** Lennar is responsible for horizontal construction (infrastructure), and MBS is responsible for phase one vertical construction (buildings). At the time of this writing in September 2012, however, Lennar had not completed financing for infrastructure, and had sought a \$1 billion loan from the Bank of China. Stakeholders say that Lennar remains on schedule with horizontal construction, but delays could affect MBS's timeline for vertical construction.<sup>166</sup>
- **Decisionmaking around the layout of the development.** The grantee considered different plans for the layout of subsidized units within the redeveloped community. Because of the phasing of the project—with the subsidized units being built in early phases—they determined that it would not be feasible to integrate subsidized and market-rate units in the same buildings or on the same blocks. The lots and units designated as market-rate might remain vacant for several years, potentially attracting crime and diminishing the attractiveness of the community to market-rate buyers.

MBS's property management partner, MBR, will formally take over property management from SFHA when the new units are in place. MBR staff are already working on site at Alice Griffith and partnering with Urban Strategies to prepare residents for reoccupancy. This work includes partnering to ensure that households are in good standing on their leases and strategizing for how

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<sup>164</sup> \$100 million.

<sup>165</sup> \$87 million in cash subsidies.

<sup>166</sup> A deal was reached in early December, 2012 on the terms of a \$1.7 billion loan from the Bank of China to Lennar Urban for two San Francisco development efforts, including \$1 billion for Hunters Point Shipyard. See Brannigan (2012). In April 2013, the local newspaper reported that China walked away from the loan deal (see <http://www.sfgate.com/bayarea/matier-ross/article/S-F-China-development-deal-falls-apart-4427448.php>). LDC nevertheless plans to begin construction in summer 2013: <http://news.investors.com/041213-651771-lennars-sf-project-is-still-on.htm>.

to move families in a way that is least disruptive to current social networks. Some of this work is quite challenging because resident leadership thinks that the requirements for the opportunity to return are too strict. Resident leadership has voiced concern specifically around the issue of credit checks. They believe that the developer will use poor credit as an excuse to deny residents the opportunity to return. The grantee, however, has communicated that there will be no credit checks or re-screening, as required by the San Francisco Right to Return to Revitalized Housing Ordinance.<sup>167</sup> The larger issue seems to be one of miscommunication between the property managers and the residents; despite the fact that credit checks are not occurring, at the time of this writing in September 2012, resident leadership thought that it could not “get a straight answer” about the opportunity to return and said they have little trust that the rules for returning will be fair.

### 6.3.3 People: Progress and Challenges

Key to the implementation the people strategy is the SPN, the membership organization of Eastern Bayview community-based organizations that provide services at Alice Griffith and at Hunters View. The SPN meets monthly to discuss progress and challenges at the sites, and to exchange information. Urban Strategies can use these meetings to help make connections among service providers, and to encourage partnerships. In the past, the meeting has been convened by the services director, who also convenes the CST and is senior staff in MOH. However, this position was vacated in June 2012 and, as of October 2012, had not yet been filled.<sup>168</sup> During this time, the responsibility for convening the SPN has rotated among service providers, creating diffuse leadership that might limit the group’s ability to coordinate. When the new Services Director is hired, s/he might resume responsibility for convening the SPN.

Other supports are needed for coordination among the SPN to bring about systems change—in particular, capacity building for these organizations has been a long-standing need. The CST has planned for capacity building in the past (as did COO before it), but progress was limited. It will be useful to watch for changes over time in the capacity of community-based service providers, and to see how those providers can continue to support Alice Griffith residents more successfully.

Urban Strategies has had staff on site at Alice Griffith since 2010, preparing to conduct needs assessments with residents and implementing the service connection model (connecting residents with services in the community).<sup>169</sup> As of November 2012, 183 households were in active case management. Urban Strategies’ protocols call for a Family Development Plan (FDP) for each participating head of household, and an Individual Development Plan (IDP) for each adult within the household, both of which take a two-generation approach. FDPs focus on goals related to

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<sup>167</sup> San Francisco Administrative Code, Chapter 39, Sections 39.1-39.9.

<sup>168</sup> The position was filled soon after this report was drafted.

<sup>169</sup> Urban Strategies also provides service connection at Hunters View, which was the HOPE SF pilot site for this model. Although conditions were different at Hunters View (most notably, Urban Strategies was taking over from another nonprofit that had not met with success at the site), staff have been able to learn lessons at Hunters View and apply them to Alice Griffith. In particular, service connectors must act as a very consistent presence and be extremely patient when building trust. A lot of door-knocking is required, rather than waiting for residents to come to the Opportunity Center. It has taken less time for Urban Strategies to build trust with residents at Alice Griffith than it did at Hunters View, and there has been far less turnover among onsite staff.

housing stability and economic mobility for the whole household, whereas IDPs generally focus on individual education, employment and health goals. In July 2011, all adults, transition-age youth and parents/caregivers of children ages 0 to 18 at Alice Griffith began to receive comprehensive needs assessment and goal planning assistance along with referrals to community-based services coordinated with housing and school-based services. Alice Griffith has a service connector dedicated specifically to employment, working to place residents in job readiness and transitional employment programs. Urban Strategies also connects adults and children to programs that focus on education, leadership development, youth development, health, and mental health.

Urban Strategies also coordinates onsite programs. Programming for youth includes a youth health clinic (focus on education and health); after-school and summer programs for teens 14 to 17; a new onsite green jobs program; safety-focused programs for transition-age youth (16 to 24); and a summer breakfast program for children that provides breakfast and light snacks. During the summer of 2012, a big effort was made to enroll youth into summer enrichment programs and young adults into some form of job training. Urban Strategies was able to enroll 42 youth into job training, and 94 youth in a summer enrichment program.

An important aspect of the educational strategy is the partnership with the SFUSD. Beginning in the 2011–12 school year, SFUSD established “Superintendent’s Zones,” which include 15 schools in four neighborhoods: the Bayview, the Mission, Bernal Heights, and the Western Addition (6 of the 15 schools are in the broader Bayview Hunters Point neighborhood). The Superintendent’s Zone effort leverages federal dollars through the School Improvement Grant, and aims to raise the Academic Performance Index within 3 years. The Superintendent’s Zone provides an excellent opportunity on which Choice can capitalize, because HOPE SF has identified as a strategic priority to “support efforts to increase school quality at schools in or near HOPE SF sites.”<sup>170</sup> HOPE SF has a vision is that at least one-half of students at Alice Griffith will attend neighborhood schools; only 40 percent of the students currently do.<sup>171</sup> An active partnership exists between SFUSD and HOPE SF: the Superintendent’s Zone staff is housed at Hunters View and attends SPN meetings, and the Executive Director of Policy and Operations at SFUSD attends CST meetings and SPN meetings.

Alice Griffith residents have serious safety concerns; crime surged in the summer of 2012. The onsite Urban Strategies team is working with the police substation at Alice Griffith, youth programs for transition-age youth, community building efforts (such as social events and hiring outreach staff from the community), and reaching out to faith leaders.

Urban Strategies has experienced both successes and challenges in the area of resident engagement. The AGTA is active, and meets twice a month. AGTA members traveled to Harmony Oaks, a HOPE VI development in New Orleans, to meet residents and learn about their experiences with neighborhood transformation. Urban Strategies also has offered financial incentives for residents to host “living room meetings.” At these meetings, of which two had

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<sup>170</sup> This is the second strategic priority listed on p.4 of HOPE SF’s education task force report, with the official title: “Campaign for HOPE SF: Education Task Force Recommendations to Campaign for HOPE SF Steering Committee.” This report is not publicly available.

<sup>171</sup> LFA Group (2012).



taken place as of September 2012, residents invite at least four neighbors to their homes to discuss Choice, HOPE SF, and other housing issues. An Urban Strategies staff member attends these meetings. These get-togethers encourage connection among residents and connections between residents and service connector staff.

According to Urban Strategies staff, meeting resident participation goals for community building and service connection is challenging. The Alice Griffith Family Rewards Program was launched in August 2012 with seed funding from the Campaign for HOPE SF to address these challenges. The Alice Griffith Family Rewards Program is the local adaptation of an Urban Strategies initiative in Memphis, which rewards low-income families with cash payments for good attendance, good grades, steady employment, and preventative care visits to the doctor and dentist. The goal is to increase self-sufficiency, create healthy habits and promote social ties among neighbors. Urban Strategies has committed \$10,000 in Choice funding to supplement \$40,000 in funding from the Campaign, to support families with barrier removal, education, employment, health, and public safety.

In the future, Urban Strategies plans to continue to focus on youth education, youth development, community building, employment, and safety. Additional emphasis will be placed on health and mental health concerns. Urban Strategies will be able to take advantage of the offsite community health clinic, Center for Youth and Wellness, which has a January 2013 projected completion date. The clinic will be staffed by clinical social workers and physicians. The center will offer training to school administrators to identify trauma among youth. It also will provide counseling services for children and youth who have experienced or witnessed violence, or have family members affected by violence.

Further resources may become available in the near future for the Eastern Bayview people strategies through the Campaign. Between January 2013 to June 2014, the Campaign will expend funds in the areas of health (about \$435,000), education (about \$770,000), and workforce (about \$575,000). Although the plans for use of funds are still tentative (RFPs have not been drafted), general outlines have emerged of what could be available at Alice Griffith:

- Leadership training for residents, focused on developing a cohort of resident leaders and peer advocates to support service connectors in the areas of education and health.
- Emotional and technical support for site-based providers, to combat the problems of staff burnout.
- An attendance campaign, aligned with SFUSD approaches, to address the barriers to attendance that families and youth experience.
- A targeted employment program coordinated with programs funded by the Office of Economic and Workforce Development.

#### 6.3.4 Neighborhood: Progress and Challenges

Eastern Bayview has a great deal of potential, particularly with several investment projects already in the area. For example, the Office of Economic and Workforce Development administers the Third Street Façade and Tenant Improvement Program. Through grants and design assistance to property owners and merchants for façade, storefront and interior tenant

space improvement, this program seeks to improve the overall quality of the commercial sector on Third Street for business and patronage attraction. This effort was funded with \$500,000 in 2010 and with another \$300,000 in July 2012.

MBS also is developing housing units on 3rd Street (near Alice Griffith) for very low-income seniors. Seniors from Alice Griffith have the option to move into this housing—a visible sign of progress given that the new Alice Griffith units are still a few years out. Seniors from the site can have higher quality housing while remaining close to their original homes. Choice-funded activities, namely the development of an early childhood learning center and improvements to the Alice Griffith Opportunity Center slated for completion in June 2015, are still in the planning stages.

The major neighborhood challenge continues to be the work that developers need to do to make the area more attractive to market-rate renters and buyers. Public safety initiatives will play an important role, as will the Choice social services designed to support workforce development, and the SFUSD work (with Choice and other partners) to improve neighborhood schools.

Under the least promising circumstances, there will be greater demand for units in the Bayview/South of Market area between 2010 and 2030 than the number that will be included in the final Shipyard/Candlestick Point development. This bodes well for market-rate development. However, the Bayview area, which makes up only part of the Bayview/SOMA (South of Market) market area, may not be attractive to the market-rate buyers and renters. The full planned redevelopment focuses on creating a more vibrant neighborhood, but public perception may continue to be a challenge, especially in light of the fact that affordable housing units will be built first.

#### **6.4 Analysis of Key Accomplishments and Challenges**

The Choice neighborhood in San Francisco represents one component of HOPE SF, a much larger antipoverty initiative in which the city of San Francisco has engaged for years. Our review of documentation and interviews with stakeholders demonstrates San Francisco's commitment to transforming Eastern Bayview into a neighborhood of choice. Planners of HOPE SF, the larger umbrella initiative within which Choice falls, recognize that part of this transformation strategy must include redeveloping the four distressed public housing complexes in the neighborhood into mixed-income communities that will provide a safer home for current residents and attract market-rate buyers. HOPE SF has already obtained the funding for redevelopment of one of these housing complexes (Hunters View). However, according to stakeholders, the available funding would not have been sufficient for the redevelopment of Alice Griffith without Choice funding. From a funding perspective, then, Choice has accelerated the construction of Alice Griffith, which may have remained undeveloped for years as funding was being secured. According to one stakeholder, "The Choice grant was a catalyst; it forced the master developer to work on infrastructure sooner than they wanted to...Service pieces may not have been done had we not had the requirement or we would not have done them in a coordinated way." The Alice Griffith redevelopment must now move forward according to the timeframe committed to in the Choice proposal. Furthermore, for the housing redevelopment to proceed, the horizontal

infrastructure redevelopment at the Alice Griffith site must be prioritized and completed by Lennar.

It is difficult to discern the specific value added by Choice on the broader Eastern Bayview neighborhood, in large part because the initiative began after considerable funds had already been leveraged through HOPE SF to improve amenities and services. Choice funds dedicated to the redevelopment of the Alice Griffith Opportunity Center and construction of the Early Childhood Learning Center are clearly important to the success of the program, but also have been supported by other sources later in the process. The impact of Choice on the neighborhood ultimately might be its ability to accelerate the timeline for redevelopment, ensuring that the city continues to make investments in the community surrounding Alice Griffith.

The San Francisco Choice Neighborhoods plan, rooted in years of planning and collaboration among multiple stakeholders, has the potential to change the Eastern Bayview neighborhood dramatically. The area's proximity to the San Francisco Bay, along with the plan for a new rail line, the redevelopment of the Opera House, and the installation or renovation of various everyday amenities (such as an affordable grocery store, the rebuilding of the local library, and new retail spaces) will make the neighborhood more attractive to market-rate renters and homebuyers. Also, the investment of market-rate homebuyers is crucial for the success of the project. The development of neighborhood-based services and close attention paid by Urban Strategies to assisting Alice Griffith residents with relocation education and lease compliance will help achieve the other goal—shared by HOPE SF and Choice—of resident retention. Providing residents with living wages and long-term job opportunities will also be very important to the success of the Choice neighborhood.

## 7 Seattle: Yesler Neighborhood/Yesler Terrace

### 7.1 Overview of Place and Need for Intervention

#### 7.1.1 Neighborhood Background

In Seattle, the Choice Neighborhoods program (Choice) is supporting the Yesler Transformation Plan, which will be implemented in the Yesler neighborhood. Yesler is located east of Seattle's downtown core and on the southern slope of the First Hill neighborhood; it is bounded by the Interstate 5 (I-5) freeway to the west, three medical centers and Seattle University to the north, the Squire Park neighborhood to the east, and Little Saigon, a part of the International District, to the south (figure 7.1). Yesler is the smallest in terms of land area of the five implementation sites, at only 0.2 square miles. Seattle's wealthy residents led the development of the neighborhood, first known as Yesler Hill, as a haven from the growing central city and associated urban problems in the late 19th century.<sup>172</sup>

As Seattle grew, wealthy residents continued to move outward, eventually leaving the Yesler area. They were replaced by working class residents in the early 20th century, and increasingly by immigrants after World War II. Today, Yesler is one of the most diverse but poorest communities in Seattle, with 44 percent of households living in poverty.<sup>173</sup> The residents of Yesler are also more likely to receive public assistance (12.4 percent compared with 3 percent in the city overall), explained in part by the dominance of the Yesler Terrace public housing development in the neighborhood. Yesler Terrace covers 30 acres and makes up more than one-half of the 1,019 housing units in the neighborhood. Large plots of undeveloped, underutilized, or vacant land are also found in the neighborhood. According to the round 2 Choice grant application, little commercial or residential development has taken place in the neighborhood since 1980.

Seattle is home to many foreign-born residents (17 percent of the population), but an even higher proportion resides in Yesler (22 percent). Yesler also has greater diversity in languages spoken by its residents than Seattle overall, particularly for Asian languages (27 versus 9 percent). Languages such as Mandarin, Cantonese, Vietnamese, and Cambodian are commonly spoken in Yesler.

Issues confronting the Yesler neighborhood relate to high crime rates, poorly performing schools, unemployment, and insufficient transportation options to access other areas of Seattle. According to the Choice grant application, in 2007 and 2008 Yesler neighborhood's rate of Part 1 violent crimes rate was respectively 13.86 and 11.86 per 1,000 residents, more than double citywide rates during these years. Bailey Gatzert Elementary School, the main school serving the neighborhood's children, is a Title I school that has been determined to be low performing, according to the Choice eligibility guidelines. In the 2009–10 academic school year, fewer than two in five students in the third and fifth grades met proficiency standards on state reading or

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<sup>172</sup> Griffey (2004).

<sup>173</sup> The neighborhood characteristics in this chapter are drawn from the round 2 grantee Choice application. The geographic boundaries used in the grant application do not match those used in chapter 2 of this report. See section 2.3.2 and its footnotes for more details.



math tests. Data from the Census 2000 in the Choice grant application show that the Yesler neighborhood had an unemployment rate of 10.9 percent, more than twice Seattle's citywide average of 5.1 percent. Meager transportation options for residents have further entrenched unemployment.

**Figure 7.1. Location, Yesler Neighborhood/ Yesler Terrace**





### 7.1.2 Target Housing Background and Current Conditions

In the early 1930s, Jesse Epstein, a University of Washington law school graduate, wanted to turn Yesler neighborhood, suffering from drugs, crime, and prostitution, into a public housing development. In 1939, the Seattle Housing Authority (SHA) was created, with Epstein as its director. In 1941, SHA and Epstein created 863 low-rise row housing units modeled after worker housing in Sweden on 43 acres in the Yesler neighborhood. With each low-rise housing unit including a fenced-in yard, the Yesler Terrace apartments were notable for their contrast to the high-rise public housing sites constructed later in other parts of the country. Yesler Terrace was also notable for being the first racially integrated public housing project in the country. Major changes to the development include the construction of the I-5 freeway in the mid-1960s, which required demolishing 11 of Yesler Terrace's original 43 acres and 266 of its 864 units. From 1978 to 1982, SHA rehabilitated and modernized 456 of the remaining units.<sup>174</sup>

Today, Yesler Terrace is a 36.6-acre site containing 69 low-rise, two and three-story wood-frame buildings comprising 561 public housing units. (Figure 7.2 provides a site plan of the development.) The interior and exterior of these units are worsening significantly, the underground infrastructure is decaying, and the utilities are not sufficient.

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<sup>174</sup> Griffey (2004).

Figure 7.2. Site Plan as of December 2010, Yesler Terrace



Source: Round 1 application, attachment 31

- **Exterior.** Nearly all units face significant deterioration of foundations, roofs, cladding, and floors. Poor drainage in units leads to mold and vegetation growth causing decay in most homes. Mold growth is most prominent on siding and roof drains. There is also site-wide deterioration of water and sewer infrastructure. Community gathering areas are hidden and their benches and tables are seriously deteriorated. Play structures are more

than 15 years old and are at the end of their intended life span. The property does not meet standards for seismic resistance. Likewise, the floor framing does not meet standards for deflection, resulting in sagging and cracking of ceiling finishes. The development lacks site and dwelling-unit accessibility.

- **Interior.** According to the Choice grant application, the mechanical, electrical and plumbing systems are deteriorated sitewide and past their intended useful life. The interiors of units also have significant wear on surfaces, and vinyl tile or sheet vinyl floors have extensive damage. Leaking windows have caused water damage to wall finishes. Kitchens and bathrooms also have water damage. Many rooms do not have operating windows and have no ventilation. Room sizes are substandard and bathroom sizes are inadequate and would not meet Uniform Federal Accessibility Standards or standards required by and the Fair Housing Act. The Choice grant application also noted the high probability that lead-based solder was used in the copper piping of the plumbing systems in the houses, in which case lead could leach into the houses' drinking water.
- **Utilities.** Failing or decaying mechanical systems and inefficient utilities are common throughout the units. The Choice grant application notes that thermostats, kitchen ventilation hoods, bathroom exhaust fans, and washer and dryer hookups are rusted or degraded throughout the site. Because of the age of the buildings, Yesler Terrace residents consume 54 percent more water and 46 percent more electricity than High Point, one of SHA's HOPE VI redevelopments. Appendix A of this document provides an analysis of energy-efficiency issues at the project.
- **Safety.** According to assessments completed for the Choice grant application, none of the existing two- and three-story buildings in Yesler Terrace have fire sprinkler systems. An additional fire safety concern is the limited access to buildings due to the area's slope. Street lighting in Yesler is scant, and residents often must park their cars far from their homes. Architectural evaluators in the Choice grant application also expressed concern about the lack of defensible space within the site. Most unit entries are located on narrow, poorly lit paths, and residents lack surveillance of their own unit entries.

### 7.1.3 Yesler Terrace's Residents at Baseline

Yesler Terrace has 508 households with 1,239 residents; one-third of the households are single-person headed with children (31 percent). Working-age adults, ages 22 to 61, (38 percent), transitional age youth, ages 18 to 21 (5 percent), and children, ages 0 to 17, (39 percent) comprise most of the Yesler Terrace population, and one-fifth of the residents are seniors, ages 62 and older. One-fifth of residents report having a disability.<sup>175</sup> There are 159 households, with children, headed by a single adult and 78 percent of households are at or below the 2012 federal poverty line. The average income for all Yesler Terrace households is \$14,072, only 17 percent of Area Median Income. Although Yesler Terrace is centrally located near downtown Seattle, fewer than one-half of residents own cars, contributing to isolation and inability to access job growth in other parts of the city.

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<sup>175</sup> Data were collected by the grantee from a household survey, resident interviews and group meeting and a comprehensive data review conducted in April and May 2011.

Yesler Terrace residents tend to stay for extended periods of time. There is a very low turnover rate, and the vacancy rate is less than 2 percent. The average length of stay in Yesler Terrace is 8 years for families and 16 years for seniors.

Yesler Terrace's residents are culturally and linguistically diverse—46 percent of residents are African/African-American, 41 percent Asian/Asian-American, 10 percent White, and 3 percent American Indian/Alaska Native. More than 20 languages and dialects are spoken at Yesler Terrace—the most common languages after English are Vietnamese, Somali, Tigrinya, Amharic, Cantonese, Mandarin, Cambodian, and Oromo.

Parents report not knowing how to use the early learning resources available in the neighborhood and struggle with navigating the school system. In addition, many large families are hesitant to participate in the early learning services because they cannot enroll their children of all ages in the programs.

## **7.2 Description of Choice Neighborhoods Planning Process, Goals, and Plans**

### **7.2.1 Planning and Development Background in the Jurisdiction and the Neighborhood**

To coordinate planning in response to anticipated population growth, Washington State adopted a Growth Management Act (GMA) in 1990 that requires counties of a minimum size and growth rate and the cities within them to develop comprehensive plans guided by fourteen goals, which relate to transportation, housing, economic development, natural resource industries, property rights, and the environment. The GMA requires that comprehensive plans address a variety of housing for all income levels.<sup>176</sup> In response, the city of Seattle adopted its comprehensive plan, *Toward a Sustainable Seattle*, in 1994, and it has been continually amended and updated since then. The plan cites four core values that guide the city's vision for the plan: community, environmental stewardship, economic opportunity and security, and social equity. It is structured by an urban village strategy, described in the plan as "the approach of directing most new household and employment growth into places the plan designates as either urban centers or urban villages." Seattle's plan explicitly describes the importance of locating jobs and services close to housing as a way to lessen dependence on private cars, thus overlapping with Choice goals.

Among the plan's six designated urban centers is First Hill/Capitol Hill, which includes Yesler Terrace. The city has long looked at Yesler Terrace as a critical area for investment, especially given its location near downtown, the International District, and First Hill neighborhoods. Yesler Terrace is partially bounded to the north and to the east by stable institutions (Harborview Medical Center, Seattle University, and Bailey Gatzert Elementary School) and by the I-5 freeway to the west, so limited opportunity exists for new development in the surrounding area. Directly south of Yesler Terrace is Little Saigon, which was rezoned as part of the Livable South Downtown Ordinance that was passed in 2011. The ordinance allows for greater density through increased allowable building heights (new allowable height limits are 65 to 85 feet in Little Saigon) and for residential use in Little Saigon. Redevelopment has yet to occur in Little Saigon

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<sup>176</sup> State of Washington (n.d.).



since the ordinance passed, likely because of the current economic climate. Some redevelopment activity has occurred on the 12th Avenue corridor, which is the major north-south artery through the Yesler neighborhood. Capitol Hill Housing, an affordable housing development company, is currently constructing a mixed-use condominium building at 12th Avenue and Jefferson Street on what was formerly a vacant lot. SHA has been in communication with the 12th Avenue Stewards group, who regards the proposed affordable retail in the grantee's plan and the proposed plan in general as favorable for the southern end of 12th Avenue.

The principles of Choice are a comfortable fit in a city that has demonstrably valued providing affordable housing for its citizens. Seattle has greater city-funded affordable housing resources than many other cities. Seattle has had a Housing Levy since 1981, when voters first approved a tax to create a fund for affordable housing. In November 2009, the levy was renewed for 7 years, during which time it will provide \$145 million toward affordable housing.

The Seattle City Council passed a legislative package pertaining to Yesler Terrace on September 4, 2012. As part of that legislation, a cooperative agreement between the city and SHA commits up to \$8 million in city funds from the levy, Community Development Block Grant (CDBG), and Weatherization funds. The legislation stipulates, however, that if SHA wants to draw from the levy in the future, they must compete for those funds through the regular, competitive housing levy process.

According to many interviewees, there have been longstanding relationships at the upper management level among many of the government agencies involved in the redevelopment (Parks Department, Housing Authority, Office of Housing, Department of Planning and Development to name a few). There is also an interagency team managed by the Department of Planning and Development that has a point person from every department involved in the redevelopment. The team's purpose is identifying the key people from each relevant agency (parks, transportation, public utilities, light rail, housing, arts and culture, economic development, and so on) to coordinate redevelopment involvement.

In general, SHA has promoted extensive community involvement, having learned its benefits from previous HOPE VI projects. Community residents and stakeholders have influenced the Choice plan most explicitly in Seattle Housing Board of Commissioners' adoption of the Citizen Review Committee's Guiding Principles. The Citizen Review Committee was formed in 2006 and is made up of approximately 30 Yesler Terrace residents, community stakeholders, and stakeholders throughout the city. The Guiding Principles relate to social equity, economic opportunity, environmental stewardship, and one-for-one replacement housing.

#### 7.2.2 The Choice Planning Process in Seattle

SHA was the natural lead grantee for Seattle's round 1 Choice application. SHA acquired experience building mixed-income communities through previous HOPE VI projects at High Point, Rainier Vista, New Holly, and Westwood. These redevelopments are generally perceived as successful. These experiences demonstrated that SHA could sell land and use the proceeds for low-income housing development, a model also used for Yesler Terrace. SHA also gained experience in HOPE VI with the relocation process; with site design for defensible space; and



with tenant placement in ways that maximized families' access to outdoor play areas. Yesler Terrace differs from these previous developments in various ways, however. Most importantly, it is in the middle of the city and sits on a large site with very high potential for high-density redevelopment.

SHA has responsibility not only as lead applicant but also as the principal team member for all three of the plan elements (housing, people, and neighborhood). Because of SHA's control over most of the site, previous neighborhood planning in the Yesler area by the city and the Urban Land Institute, and ongoing tenant engagement, SHA could conduct a large amount of the planning work for the application without need for extraordinary coordination with other parties.

Their planning for Yesler Terrace did require a new zoning framework and important contributions from the city. On September 4, 2012, the city council unanimously approved rezoning, building design guidelines, street reconfiguration, and a public benefits package that includes three pocket parks, a Green Street loop, and a 10th Avenue pedestrian hillclimb to connect Little Saigon to the project area. (Two designs for the hillclimb have been explored, and the plan is to begin construction in 2013.) The Council's action was the product of close collaboration between SHA and other city agencies. The city and SHA worked through objections and concerns (from the community, the city, and from SHA) about the proposed legislative package. In response to controversy about SHA's plan to sell land to fund the development, the city approvals require SHA to explore long-term leasing as an alternative to outright sale of the land and to present the findings of that analysis to the Council. The city would also like to see more very low-income housing units built, and has required in the September 4 approval package that SHA provide an additional 100 low-income units should funding become available. They also require regular reporting from SHA on the financing and general progress of the project. In response to the concerns of Friends of Little Saigon, city council approved a resolution committing the city, its agencies, and SHA to working with Little Saigon to explore the feasibility of a mixed-use project that may include low-income housing, affordable commercial space, and a Vietnamese cultural center in either Little Saigon or Yesler Terrace.

SHA's Choice application envisions two phases for the redevelopment process. Only the first of these phases is part of the SHA's budget proposal in the application, and only part of this proposal was ultimately funded.<sup>177</sup> This complicates somewhat our description of the plan. (A matrix of goals and actions is included in appendix D.5.) Considering the necessity of seeing the whole as well as its parts, we describe here the overall plan and the portion included in phase I, noting the differences between phase I as proposed and as revised after the U.S. Department of Housing and Urban Development's (HUD's) initial funding allocation in August 2011.

The total budget of the proposed transformation (including all sources) is more than \$1.9 billion (round 2 application, attachment 7). More than \$1.5 billion of this budget is for the development of market-rate structures. Most of the remaining \$370 million is for costs associated with building the assisted and public housing: about \$290 million, plus about \$1.5 million for

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<sup>177</sup> SHA applied for additional funding in response to the FY 2012 NOFA, and received a second award in December 2012, information received after the time frame reflected in this report. This report only considers the application materials submitted and funding received as part of the FY 2010/2011 grant process.

relocation costs. About \$54 million is proposed for critical community improvements and \$18 million is designated for supportive services. After the private investment of \$1.5 billion, the most important source of funding for the development is an anticipated \$145 million in land sales by SHA.

The round 2 application (attachment 7) includes a proposed budget for phase I of \$127 million (\$27 million of which would be funded by Choice). Housing development costs amounted to \$37 million of this (\$17.2 million from Choice), neighborhood improvements about \$46 million (about \$5 million from Choice), supportive services \$18 million (\$4 million from Choice), administration \$1.6 million (\$500,000 from Choice), and relocation about \$500,000 (all from Choice). The round 2 application also lists about \$11.5 million in preapplication master planning costs, all of it spent by SHA for land purchase, developer fees, and administration. Appendix D.5 of this document includes a matrix summarizing the goals and actions in the transformation plan.

### 7.2.3 The Housing Plan

The key goals outlined in the Choice grant are deconcentrating poverty and creating a mixed-income community, constructing high-quality multifamily housing, decreasing residential water and energy consumption, and improving the accessibility of the neighborhood. SHA is responsible for leading the implementation of the housing component of the redevelopment. SHA is supported by the Seattle Office of Housing and will work with a to-be-determined master development partner to construct the affordable and market-rate housing. SHA will also lead relocation as it is required, but phase I does not include relocation.

At the end of the development process, SHA predicts a total of 5,000 units will be built in the target neighborhood. There will be 661 extremely low-income units (561 replacement units and 100 units developed by nonprofit partners at 30 percent of AMI<sup>178</sup>), 290 very low-income units (60 percent of AMI), 850 workforce units (80 percent of AMI), and up to 3,199 market-rate units. No site plan is offered for the overall neighborhood plan, but because the development will proceed in four phases, it is likely that each phase will target a specific geographic subarea of the development and replace it with a mix of market-rate, workforce, very low-income, and public housing units.

SHA has identified a block bounded by 12th Avenue, Yesler Way, Boren Avenue, and Fir Street as the location for most of phase I of the housing redevelopment (figure 7.3). This footprint, only about 1.75 acres, included 40 public housing units used by the YWCA as an emergency shelter at the time of application (that is, unoccupied by SHA tenants). All 40 public housing units on the 12th and Yesler block would be demolished and replaced with 79 project-based voucher and tax-credit units, 40 tax-credit-only units, 21 workforce units at 80 percent of AMI, and 80 market-rate units. The site plan calls for all the market-rate and workforce units—which will be constructed by Spectrum Development Solutions—to be in a building at the northwest corner of the site (round 2 application, attachment 26). SHA units are planned for three buildings wrapping around an interior courtyard, the largest of which rises to six stories above ground-floor retail at

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<sup>178</sup> The additional 100 extremely low-income units developed by nonprofit partners depend on the availability of Housing Choice Vouchers and capital subsidies. If the full 100 cannot be provided at 30percent AMI, the balance could be provided at 80percent AMI.

the corner of 12th and Yesler a short walk from Yesler's streetcar stop. About a block east, at 13th and East Fir, the application proposes redeveloping the vacant 18-unit Baldwin Apartments.<sup>179</sup> After the SHA project and the Baldwin Apartments are complete, they will accommodate current Yesler Terrace households as relocation proceeds, but no relocation is required for phase I. (Survey results in the Choice grant applications showed 90 percent of residents wanted to return to the revitalized development after completion and that the tenants give high priority to not moving more than once.)

Beyond the total Choice funding for the housing redevelopment (\$17 million), the application for phase I anticipates land-sale proceeds to provide \$3.3 million, tax-credit equity from Enterprise Community Partners to provide \$12 million, a state multifamily bond allocation of \$1.7 million, Seattle Office of Housing Levy funds of \$1.9 million, about \$500,000 in anticipated city CDBG funds, and \$500,000 in deferred developer fees. The estimated value of the market-rate construction in phase I is \$23.5 million.

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<sup>179</sup> The current plan is to provide 15 rather than 18 units in the Baldwin Apartments. Three units will be added to the housing stock in the 1105 East Fir building to compensate for the reduced number in the Baldwin.

Figure 7.3. Location of Planned Housing, Yesler



Source: Round 2 application, attachment 10

#### 7.2.4 The People Plan

The people plan focuses on “comprehensive, coordinated services in ‘pipelines’ addressing the needs of children and their families for education, self-sufficiency, and access to quality health care,” as identified in the needs assessment. It also includes a public safety element. The total



budget proposed for the people plan is slightly less than \$18 million, \$4 million of which is requested from Choice, \$7 million from new leverage commitments, and \$6.9 million from existing leverage commitments.

The plan requests slightly more than \$4 million for SHA to use for *supportive services* and makes SHA centrally responsible for providing case management. Data about Yesler neighborhood residents are expected to be “maintained by the SHA Supportive Services Coordinator and summarized within and across programs over time looking at both family-specific and aggregate data. SHA will use the data to celebrate success, identify residents who need the most support, and track progress on each health, education and self-sufficiency outcome. Data will also be used to identify where and when more coordination, policy changes or other system improvements are needed.”<sup>180</sup> Special procedures are identified in the application to support hard-to-house residents (families in crisis), 0- to 5-year-old children, school-age youth, transition-age youth, and elderly and disabled residents. The application provides that the Yesler Transformation Plan Evaluation Task Force, “a cross-domain evaluation committee, will regularly review outcomes and metrics. Continuous service coordination and case management efforts will be a hallmark of the Yesler neighborhood people component.”<sup>181</sup>

The *education* pipeline is discussed first in the round 2 application and remains central to the people investments that SHA retained after receiving partial funding in 2010 (as we discuss in the next section). The approach is informed by a place-based, cradle-to-career approach, such as demonstrated by the Harlem Children’s Zone, which the education partners often cite as an example. The application capitalizes on SHA’s established partnerships with Seattle University (lead education partner), the Seattle Office of Education, United Way, Neighborhood House, the College Success Foundation, Catholic Community Services, and Seattle Public Schools (SPS). It serves children of all ages, from Neighborhood House’s Parent Child Program that services 2- and 3-year-olds to the College Success Foundation’s Achievers Program that provides support as 11th and 12th graders navigate the college application process.

The application suggests that the partners will provide continuity between their programs, with the same participants moving from one age-appropriate program to the next, creating a pipeline of support for children to increase high school graduation rates, college acceptance rates, and success in college. Seattle University commits \$3.5 million as in-kind match funding for the education initiative, with \$2.1 million contingent on approval of the Choice application. Neighborhood House commits a total of \$3.2 million, including its work on both education and self-sufficiency, but this funding is a standing commitment rather than being contingent on receipt of Choice funds. SPS also pledges its commitment and recognizes the centrality of the redevelopment for improvement of the Bailey Gatzert Elementary School, where all neighborhood primary school children are districted. Only \$975 in matched funding is counted from SPS.

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<sup>180</sup> Seattle Housing Authority. “Choice Neighborhoods Implementation Grant- Round 2.” Grant Application, 2011, Exhibit C, page 27.

<sup>181</sup> Seattle Housing Authority. “Choice Neighborhoods Implementation Grant- Round 2.” Grant Application, 2011, Exhibit C, page 29.



The education plan has established clear goals for the intervention. These goals include increasing the percent of kindergarten children that are developmentally ready for school at the beginning of the year from 55 to 70 percent by year 5 of the intervention; increasing the percentage of third graders proficient on state reading tests from 55 to 65 percent; increasing the percentage of students who graduate from high school from 74 to 92 percent; increasing the number of students served in Seattle University's after-school and summer programs from 155 in the summer of 2011 to 400 in the summer of 2014; and increasing the percentage of youth that graduate from the target high school ready to take college credit bearing classes from 26 to 89 percent.

The discussion of education transitions naturally into the discussion of *self-sufficiency*, which adds asset-building and skill-building to the education goals. Key partners for self-sufficiency include Seattle King County Workforce Development Council, Seattle Community College District, Neighborhood House, Express Credit/ Express Advantage, United Way tax return assistance program, One Economy, Associated Recreation Council, SHA Job Connection and Section 3 staff, SHA Family Self-Sufficiency Program and Year Up. (SHA has not moved ahead with the self-sufficiency pipeline in light of the partial award of implementation funds.)

The *health* pipeline includes the development and operation of a small clinic in Yesler Terrace for medical and dental care and a school-based health clinic open to the public at Bailey Gatzert Elementary School. Both clinics would be staffed by Neighborcare Health, a Seattle-based provider, at the cost of \$4 million in matching funds. (The health component was not funded in the round I Choice grant.)

Intended interventions to make residents feel *safer* in their neighborhood focused on a partnership with the Seattle Police Department (SPD) to reduce robberies, assaults, burglaries, and larceny theft in the neighborhood. The SPD's commitment is \$17,500.

#### 7.2.5 The Neighborhood Plan

The overall transformation plan for the neighborhood envisions demolition of all the public housing in Yesler Terrace and its replacement with mixed-income housing, as described previously in the housing section. The neighborhood's infrastructure will be replanned to create a smaller number of blocks. Yesler Way, Broadway, Boren Avenue, and 12th Avenue will remain key streets, with the new First Hill Streetcar (under construction by the city of Seattle) connecting the site along Broadway and stopping at Broadway's intersections with Boren and Yesler Avenues. The \$134 million line is expected to begin operation in the spring of 2014. Streets in the neighborhood will also be realigned to improve circulation and create more workable blocks for development. The Washington Hall, a historic community anchor that hosts social and cultural activities, will be fully restored; a 0.5-acre community garden will be constructed; and a central and pocket park system will serve the needs of residents.

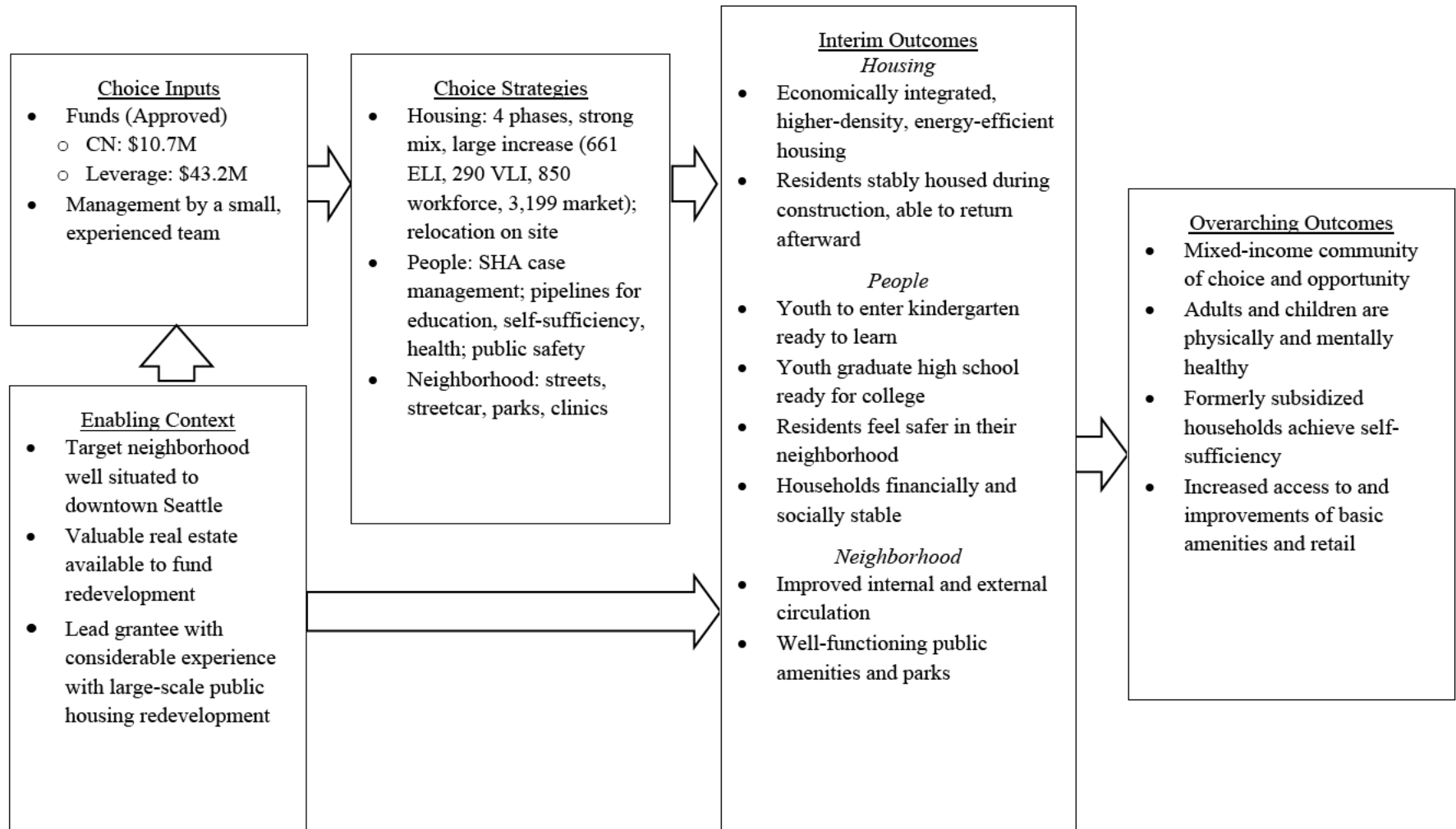
In the neighborhood component, the Seattle Department of Parks and Recreation will lead redevelopment of the park system and the city of Seattle will construct a streetcar system connecting the neighborhood to the rest of the city. The Seattle Department of Transportation is the lead agency responsible for the First Hill Streetcar.

Sustainable development will proceed by constructing green (LEED certified) buildings, reusing onsite water and using onsite energy sources. Equitable development strategies include making affordable 25 percent of retail space to local small businesses (7,000 square feet), involving low-income residents and minority-owned and women-owned business in the construction (14 percent participation from women and minority business enterprises), and incorporating community feedback and involvement into redevelopment plans.

#### 7.2.6 Summary of Theory of Change

The Yesler Transformation Plan capitalizes on Yesler neighborhood's favorable location within a strong real estate market; it proposes a large increase in new residents at a range of income levels, replacing not only the 561 current units but also 100 additional extremely low-income units if funding from land sales permits, 290 tax-credit units, and 850 workforce units at 80 percent of AMI (figure 7.4). The significant increase in affordable housing will be produced by a combination of funds from the city and federal subsidies from HUD, low-income housing tax credits, and bond proceeds. It will also be supported by land sales (or leases) to private-sector developers. The strength of the real estate market and the site's favorable location enable SHA to assume realistically that the neighborhood will ultimately have a strong income mix with about 3,200 market-rate units interspersed with the 1,600 below-market-rate units. A strong partnership between SHA and Seattle University and a mix of other education partners promises to create a strong education pipeline that improves opportunity for children and heightens the likelihood that young people will gain skills and find jobs.

Figure 7.4. Theory of Change, Yesler



### 7.3 Early Implementation

HUD approved the grant at only \$10,269,950 instead of the requested \$27 million, with \$7,229,950 designated for housing, \$1,540,500 for supportive services (the Choice people component), and \$1,500,000 for neighborhood investments.<sup>182</sup> The dollar amount changes by component are listed in greater detail in table 7.1. We discuss the effect of the reduced grant size in the sections on housing, people, and neighborhood.

Table 7.1. Round 2 Application Versus Approved Project Budget, Yesler/Yesler Terrace

	Application		Project Budget
	Choice	Match*	Choice
	Neighborhoods		Neighborhoods
<b>Housing*</b>	<b>\$18,852,664</b>	<b>\$20,248,000</b>	<b>\$7,229,950</b>
Construction	17,165,475		
Relocation	522,805		
<b>People</b>	<b>\$4,073,668</b>	<b>\$13,897,349</b>	<b>\$1,540,500</b>
SHA economic opportunity specialists	745,412		0
SHA supportive services coordinator	565,163		0
SHA family education engagement specialist	227,000		227,000
Education strategy with Seattle University	834,992		707,500
Database and reporting queries	92,601		0
Interpretation/outreach	25,000		20,000
Data from external agencies	25,000		17,500
Space and office material costs	40,000		0
Early learning with neighborhood house	300,000	3,158,661	300,000
College prep with college success foundation	510,000	205,950	368,500
Catholic community services for youth tutoring expansion	123,000	840,379	0
Workforce technology skills training coupled with English as a Second Language classes	35,500		0
Social Services Support Fund	25,000		0
Community building	25,000		0
Case management for seniors and disabled adults	500,000		0
<b>Neighborhood</b>	<b>\$4,073,668</b>	<b>\$9,088,700</b>	<b>\$1,500,000</b>
10th Avenue pedestrian hillclimb	800,000		650,000
Horiuchi Park P-patch	100,000	3,000,000**	100,000
Affordable retail space	1,400,000		750,000
Washington Hall rehabilitation	300,00	7,200,000	0
Face improvements	100,000		0
Sidewalk/tree improvements	1,373,668		0

\*Breakdown between construction and relocation (housing) and match amounts for award were unavailable for this draft. \*\*Dollar amount applies to all parks.

Source: HUD-approved budget for Yesler Transformation Plan

<sup>182</sup> The full grant was not awarded because the zoning at the time of application did not allow for the scale and density proposed in the transformation plan. After the city council passed the rezoning package on September 4th, 2012, HUD awarded SHA with a second Choice Neighborhoods grant of \$19,730,000. This report only includes analysis of the first round of funding received by SHA.

### 7.3.1 Relationships and Coordination

The resizing of the grant has not affected any of the project leads because SHA is the lead for the housing, people, and neighborhood elements of the transformation. SHA decided to retain the commitment to the education component of the plan, and Seattle University remains the education partner lead. SHA has accommodated the partial funding decision by maintaining its plans for most of the housing, but significant components of the people and neighborhood plans have been put on hold. The centrality of SHA, with its deep HOPE VI experience and excellent case management capabilities, has helped the project get off to a smooth start from a management standpoint.

The principal coordination challenge with HUD has been the evolving performance measurement requirements. Some SHA partners do not track the required data in the manner that HUD is asking for it. For example, HUD asks for public health data, such as the number of people diagnosed with asthma, but local hospital data measure asthma rates by the number of visits rather than the number of people. To address this challenge, SHA is working closely with HUD and Thomas & Herbert Consulting to discuss potential substitutions and still meet performance measurement requirements. SHA aims to strategically coordinate data gathering methods to maintain positive resident relationships and limit the frequency residents are surveyed per year.

Citizen Review Committee meetings continue, as do other opportunities for broader public participation in implementation. First, residents are helping shape the relocation process. An interviewee noted at a May resident relocation meeting that, rather than voicing opposition, most residents wanted to know who would be able to move into the new housing. Residents may not be happy about the plan, but they generally accept it because of SHA's community involvement efforts, according to this source. SHA scheduled a meeting for September 8, 2012, for residents to provide their input on a policy to determine who should have the priority in choosing housing options. The public is also contributing to the design and planning of the community garden project at Horiuchi Park. Two design workshops, with the use of language interpreters, were held in 2012 to develop a preferred design concept that incorporates community gardening plots. Residents are also contributing to the design of the 10th Avenue pedestrian hillclimb that will connect Yesler Terrace to Little Saigon. At least two design charrettes for the hillclimb have already taken place.

The development has encountered some opposition, particularly from the neighboring small business district Little Saigon. Some business owners fear the development will lead to rising rents in Little Saigon, and that they may be pushed out as a result. In the longer term, the transformation promises a very substantial increase in the density and height of buildings and the replacement of a very low-income neighborhood with a mixed-income neighborhood. This has fueled fears of gentrification and loss of community, a phrase used frequently in city council-hosted public hearings in July and August 2012.

Some observers also object to the sale of land to fund the project. There is concern that the land sale approach is too reliant on selling market-rate properties at sufficiently high prices to cover



the costs of full redevelopment plan. The city council requirement that SHA explore the alternative of long-term leasing is a response to this concern.

### 7.3.2 Target Housing: Progress and Challenges

Despite not receiving the full grant amount, SHA is still delivering nearly the same amount of housing, although there will be 20 fewer tax credit units than proposed in the grant application. HUD has provided 60 new Project-Based Housing Choice Vouchers worth approximately \$560,000 per year; this subsidy enables the grantee to maintain the same number of replacement units for the first phase of construction. The grantee noted the importance of replacing a substantial amount of low-income units for the first phase, something they noted that HUD understood.

Work on the first phase of housing is proceeding. SHA has worked with the YWCA to transfer the 40 units of extended shelter housing from Yesler Terrace to a site in Southeast Seattle. SHA is in negotiation with the YWCA about next steps, including the timing of the relocation. By late July 2012, SHA had completed 70 percent of housing design, with demolition expected in January 2013 and construction expected to start in March.

In recognition of the complexity of the development, SHA has issued a Request for Qualifications, or RFQ, for a master developer for the entire Yesler Terrace site. They expect to make a selection in early 2013 after an intensive vetting process.

A few challenges have arisen relating to the housing redevelopment. Davis-Bacon wage rates (prevailing wage) increased recently, straining the budget with an estimated 15-percent increase.<sup>183</sup> Another funding-related challenge relates to the use of Seattle Housing Levy dollars for the redevelopment. Affordable housing activists opposed this, arguing that the levy should be used to finance new affordable housing, not to replace existing housing.

A challenge perennially faced by SHA in housing development is how much parking to provide. With higher densities, a greater need for parking will exist, but how much parking will be necessary is unclear. Many Yesler residents do not have car insurance, so they are not registered with SHA and therefore cannot park in SHA's parking garages. Parking structures are also very expensive. SHA sometimes receives criticism if they do not provide sufficient parking, but they also hear complaints if they spend too much on parking.

### 7.3.3 People: Progress and Challenges

Choice resources dedicated to people activities were reduced from \$4 million in the application to \$1.5 million in the approved budget. Because it received a partial amount of funding from the Implementation Grant, SHA chose to focus the people component of Choice on the education pipeline and delay implementation of the other pipelines. SHA could continue its partnership with Seattle University partly because the university had already planned to spend \$1.4 million on programs for the neighborhood even before the Choice application, and much of the

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<sup>183</sup> Davis-Bacon affects wages that contractors and subcontractors who are working on federally funded contracts must pay laborers. The Act requires that wages be set no lower than locally prevailing wages.

remainder is an in-kind commitment that does not depend on Choice investment. One other education leverage partner, Neighborhood House, also pledged more than \$3 million, but this funding is entirely a pre-Choice commitment to operate programs in an existing facility on the Yesler site and therefore is not affected by the reduction in the grant. The health pipeline, however, has not moved forward because Neighborcare Health's community and school clinics were unfunded. It is unclear if Neighborcare's match of nearly \$4 million was contingent on Choice grant funds. Apart from education, the grantees have dedicated a small amount of money to public safety data tracking, specifically tracking 911 calls from Yesler Terrace.

The self-sufficiency pipeline and case management services were largely unfunded in the first round grant. Unfunded activities include hiring two new SHA staff (Economic Opportunity Specialists) charged with providing families with case management, intake, assessment; planning development and referrals to partner agencies; and creating a new case management program for seniors and adults with disabilities. Another unfunded position is a SHA staff Supportive Services Coordinator who would "oversee implementation of the people vision to ensure that commitments made in this application are fulfilled during the 60-month Choice Neighborhoods grant period and beyond." A Workforce Technology Skills Training computer lab coupled with English as a Second Language (ESL) classes was also unfunded.

The *education pipeline* appears to be making good progress. The SHA Education Engagement Specialist has developed education plans for 40 Yesler Terrace families with children attending a school in the Seattle school district. More than 100 Yesler resident students and an additional 100 students from surrounding neighborhoods participated in the summer of 2012 programming. This programming included kindergarten orientation, the elementary program, the middle school transition program, and the high school summer bridge program. Neighborhood House began its Parent Child Home Visits Program in Yesler. The educational metrics are largely framed in 5-year increments, so success in terms of scoring remains to be seen. Additional funding has also helped the education pipeline gain momentum. Thanks to a matching grant from the Gates Foundation, Seattle University has been able to hire a full-time data manager and program analyst position; the Choice budget and the Gates Foundation each cover one-half of the cost for the position.

Formalized communication among education partners has reportedly increased because Choice has added leverage and new contractual obligations for social service partners. One early success is the resumption and new coordination of after-school programs at Bailey Gatzert Elementary School. Two programs began in the 2011–12 school year, after a year of hiatus, but they were competing for students, rather than working together. Seattle University's staff convened the two programs' administrators to discuss their learning goals and thereby reduced competition between the two programs.

The education and early childhood programs do face challenges. It is challenging to earn trust from residents, who have universally experienced various forms of hardship, whether relating to cultural displacement, physical disabilities, or poverty. According to one Choice partner, nearly all Yesler resident families have suffered some sort of trauma. To earn trust, the partners have focused on recruiting volunteers that speak the same language; live in the same area as the

students and their families when possible; have the capability to create close relationships with the students.

An anticipated challenge (unrelated to education) relates to the transition in housing type and access to private back yards. Many residents (the Vietnamese residents, in particular) use their fenced-in yards as a space to garden. Interviewees emphasized the pride many community members feel about their personal gardens and expressed regret over losing them in the apartment-style buildings that will be constructed. A community garden will be created in Horiuchi Park and the 10th Avenue pedestrian hillclimb, but it will lack the convenience of a backyard and may be farther away from new homes than some residents are able to travel. A senior resident who lamented the loss of his private yard noted that it would be difficult for him to travel even a few blocks to a community garden. Some residents sell vegetables that they grow in their yards, a source of income they will lose in the new development. In addition, some Yesler residents use their yards to operate daycare businesses. Fenced-in ground floor yards are a requirement for operating a state-certified daycare business. Their businesses will be disrupted by relocation, but SHA will provide a diversity of replacement housing units, including direct ground access for three- and four-bedroom units, that may be an option for daycare providers.

#### 7.3.4 Neighborhood: Progress and Challenges

In the Choice application, \$4,073,668 was budgeted for community improvements. The reduced grant amount now allots \$1,500,000 for these improvements. In the approved budget, the hillclimb receives \$650,000 instead of \$800,000, Horiuchi Park receives the same amount as planned, and affordable retail development receives about one-half of the initial proposed amount: \$750,000. The rehabilitation of historic Washington Hall, façade improvements, and street improvements receive no Choice funding in the approved budget.

Key infrastructure initiatives predating Choice are progressing. SHA has held community design charrettes for the pedestrian hillclimb to connect Yesler Terrace with Little Saigon. Construction is expected to begin in the summer of 2013 with completion by the end of the year. Horiuchi Park, which will include a community garden, is in the design phase. Track work for the First Hill Streetcar, with simultaneous water main, storm drain, and other infrastructural improvements, has been under way since the spring of 2012.

SHA has a strong relationship and history of partnership with Seattle's Parks and Recreation department. The Department operates both Horiuchi Park, which is being redesigned to include a community garden, and the recently built Yesler Terrace Community Center, which is a vibrant community hub. Although not a budgeted part of the Choice application, SHA is also working with the Seattle Parks Department to develop a park adjacent to the Community Center. The Parks Department had been looking for additional park opportunities in the neighborhood. SHA is providing the land, while the Parks Department is committing \$3,000,000 to its development. This initiative will proceed as part of phase 2. A final plat for the target area will be completed next year.

Resources leveraged outside of Choice funds include a separate federal grant to convert the historic steam plant into an education and training center, including Head Start classrooms. SHA expects the renovation to be completed in 2013.

#### **7.4 Analysis of Key Accomplishments and Issues**

Although redevelopment would have gone forward without Choice funding, several interviewees cited pointedly the Choice Neighborhood Implementation Grant as invaluable in terms of its catalytic effect. Interviewees noted the importance of having the public money come first so that redevelopment becomes credible to the private market. There is also a fortunate synergy between the holistic aims of Choice and the integrated planning approach in Seattle.

Although the grantee's 15- to 20-year transformation plan for Yesler Terrace and the surrounding neighborhood is extraordinarily ambitious, it is supported by a confluence of favorable conditions, resources, partners, and the grantee's experience that indicate probable success in achieving its main goals. Yesler Terrace, in its proximity to downtown and to anchor institutions, is a strong candidate for the sort of mixed-use, holistic approach to urban planning that both Choice and the city's comprehensive plan promote. The plan is consistent not only with Choice ideals but also with state and local planning goals, and a similar redevelopment would have proceeded even in the absence of Choice. The plan has cleared a major political hurdle with the September 4, 2012 passage of the Yesler Terrace legislative package; now bearing the city's imprimatur and legislative backing, including the necessary zoning and regulatory framework, a sense of inevitability surrounds the plan.

The grantee still faces challenges, however. The first relates to the sheer enormity and complexity of the plan, which will take approximately 20 years to implement. It entails the redevelopment of an entire neighborhood and a drastic increase in scale. Adequate infrastructure, transportation and services must be coordinated, implemented, and integrated to support eight times as many housing units as exist currently. The intensely urban setting and the scale of this project differentiate it from the grantee's previous development projects.

The length of time required to implement the entire project may have certain negative effects. Residents have already expressed frustration regarding annoyances related to the construction of the First Hill Streetcar. Apart from construction-related traffic congestion, noise, and pollution, the neighborhood will be more vulnerable to crime as buildings are demolished and residents are relocated. The neighborhood already suffers from a greater violent crime rate relative to the city as a whole, and very little of the budget is dedicated to addressing crime. In the long term, however, the completed development will no doubt result in a more vibrant, pedestrian-friendly neighborhood, and mixed uses will contribute to more eyes on the street at different times of day.

Another challenge is that the plan depends heavily on land sales for a large amount of its funding, which makes it highly vulnerable to a recovering economy. Although the land is extremely attractive to developers, it makes funding uncertain to a degree.

Finally, the grantee will need to respond to criticism and contentiousness surrounding fears of gentrification and loss of community that could result from the disruption and reworking of the existing community that the redevelopment entails.



## 8 Cross-Site Analysis: The Plans and the Teams

The Choice Neighborhoods program is being implemented in contexts that have enough differences that local Choice strategies must vary substantially. This variation is especially relevant to the aspiration that Choice transform neighborhoods, because the cities and neighborhoods differ from one another so dramatically. Even the target developments and their tenants have important differences that must be kept in mind as we evaluate both implementation and impact of Choice. These differences in initial conditions are the subject of chapter 2 and can be examined further in a review of the first sections of each site chapter. In this chapter, we describe the key differences among the sites focused on aspects of Choice that have made the most progress, such as development of the plans and grantee teams.

First, we describe the institutional context for Choice planning, concentrating mainly on actors and decision-making in neighborhood planning and redevelopment both citywide and in the Choice target neighborhood. This review is important groundwork for understanding why each grantee chose its approach, goals, and partners for neighborhood transformation.

Next, we describe the applicant team, which ultimately became the grantee team, and review its planning process. Like the neighborhood planning context, the membership of the grantee team and its process for planning the transformation are also critical background for understanding the characteristics of each site's transformation plan and for anticipating the opportunities and challenges that may lie ahead in each site's implementation process.

Finally, the chapter contrasts the key features of the housing, people, and neighborhood elements of the transformation plans as approved by the U.S. Department of Housing and Urban Development (HUD). Like all plans, these documents are snapshots at a point in time of the grantees' best approximation of how they would carry out their work in ways that both improve the conditions of the tenants of assisted housing and lead to synergy in neighborhood improvement. This close analysis of the plans is not meant to imply that grantees should be expected to carry out their plans (that is, their applications) to the letter. Indeed, the grantees must deviate from their plans as necessary to respond to changing conditions; otherwise they risk not meeting the program's goals. Even so, as a baseline study, this analysis needs to set forth where the plans came from, who developed them, and what they meant to do when they applied to HUD for funding. Our next report, expected in final form in September 2014, will concentrate on how each site's Choice treatment evolved further between 2010 and early 2014.

### 8.1 Institutional Context for the Choice Neighborhoods Transformation<sup>184</sup>

The site chapters show that in this first round of implementation sites, Choice constitutes an important addition to long-running efforts to improve distressed housing projects and their neighborhoods. The target housing owners, lead grantees, cities, community organizations, and the broader public have been engaged to a large extent in all five of the sites, offering promise for success in Choice implementation. This effort begins with the housing owners. In every case,

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<sup>184</sup> Material for this section draws on analysis of the round 1 and round 2 applications, news reports from the communities, and our site visits and interviews.

the owners had already begun work on transformation of their developments well before HUD announced the Choice Neighborhoods program. Boston's Dorchester Bay Economic Development Corporation (DBEDC) began working on a renovation plan for Quincy Heights several years ago. Tenants of Grove Parc selected Preservation of Affordable Housing (POAH) to redevelop their project after the development's Federal Housing Administration-insured loan went into default under the previous owner. The Housing Authority of New Orleans (HANO), the San Francisco Housing Authority (SFHA), and the Seattle Housing Authority (SHA) had been working through their inventories of distressed projects until arriving at Iberville, Alice Griffith, and Yesler Terrace, respectively. HANO had already budgeted \$65 million in capital funds for the redevelopment of Iberville. For SFHA, Alice Griffith was the second project in the ambitious HOPE SF program—which anticipated Choice by embracing one-for-one replacement and offering tenants the opportunity to return to the redeveloped housing. For SHA, Yesler Terrace, slightly farther away from readiness, was still far enough along to have generated evaluation and recommendations by the Urban Land Institute. It seems safe to say that, although Choice helped these projects move more quickly toward redevelopment, they eventually would have proceeded in some form even without the new program.

Most of the target neighborhoods also experienced significant planning and investment between 2000 and 2010, momentum that has survived even the housing crash and Hurricane Katrina. San Francisco has made its way through years of public debate to arrive at an adopted redevelopment strategy for Eastern Bayview and the Candlestick Point area that will lock in housing affordability, secure light industrial work space, and improve infrastructure—especially transit—as a precondition to very substantial expected growth of market-rate housing. Seattle, with the smallest of the five neighborhoods (approximately 130 acres), has worked to improve the 12th Street commercial corridor for several years, and a streetcar line approved by city voters in 2008 is under construction. The site, mostly in the footprint of the Yesler Terrace development itself and with other parcels owned by other government agencies, is likely to yield very substantial growth as a consequence of these investments and its favorable position near Seattle University, major medical centers, and the central business district.

Iberville/Tremé, now nationally recognized as a center for arts and culture in one of the nation's cultural capitals, declined after Hurricane Katrina occurred, but population growth appears to have resumed. More than that, however, since Hurricane Katrina occurred, more than \$1 billion has been invested in and around Iberville/Tremé to rebuild infrastructure, housing, public buildings, and medical facilities. Because Iberville/Tremé has ample vacant land and underutilized sites, and is sited on relatively high ground near Tulane Medical Center and the French Quarter, it appears poised to capture substantial amounts of new housing and commercial development in the next two decades.

Woodlawn and the Quincy Corridor show less momentum for growth than the other three neighborhoods. In Woodlawn, the main force generating development and attracting new residents and businesses is the University of Chicago, which has made a \$2 billion commitment to its South Campus expansion along 10 blocks of 61st Street south of the Midway Plaisance. Woodlawn has also been part of the New Communities Program (NCP) since 2003, supporting work by a long-time consortium of community-based organizations to develop a neighborhood plan that was incorporated into the Choice Transformation Plan. Chicago's city and regional

housing market, however, is currently less robust than that in the other four Choice cities and metropolitan areas. Parts of Woodlawn—especially West Woodlawn—were significantly affected by the foreclosure crisis, leaving many houses and small apartment buildings vacant and abandoned. POAH has become an important force in redeveloping these foreclosed properties and will be bringing them back as affordable housing. Woodlawn has also experienced high levels of violent crime. The context for transformation in Woodlawn is decidedly mixed, then, between the promise of new investment and growth and threats from crime, foreclosure, and persistently concentrated poverty—including the concentration in the neighborhood of large numbers of HUD-assisted households.

The Quincy Corridor, finally, is changing gradually and will do so in the future mainly because the community wants it that way. Few neighborhood residents want wholesale transformation of its physical face; they want better access to opportunity for established residents and other low-income people who will put down roots in the neighborhood in years to come. This change means better access to regular rail transit service, exemplified by the Fairmount Initiative to bring new stations to the Fairmount Line. This strategy also includes expanded access to workforce development, education, health, and other services that do not currently reach all in the community who need them.

## **8.2 Grantee Teams and Their Planning for Choice<sup>185</sup>**

The grantee teams include a range of lead applicants and team structures. The lead applicants include a city agency (Boston), two housing agencies (Seattle, New Orleans), a national non-profit (Chicago), and a national for-profit developer (San Francisco). The least complicated structure is Seattle's, where the transformation plan is almost solely the responsibility of SHA, with Seattle University being responsible for education.

Boston and Chicago both have fairly complex team structures. In Boston's Quincy Corridor team, the Boston Department of Neighborhood Development (DND) serves as lead applicant and DBEDC as co-applicant. Three other community development corporations (CDCs), Boston Public Schools, and the Boston Office of Jobs and Community Services each serve as either a principal team member or as an additional entity. In Chicago, the lead applicant (POAH) is also the housing lead, and neighborhood-based organizations (Network of Woodlawn, Woodlawn Children's Promise Community, and others) lead the neighborhood and education implementation. At the time of the application, Jane Addams Hull House, a local nonprofit, was named the people lead, a role that has since passed to Metropolitan Family Services, another Chicago nonprofit organization. The city of Chicago is a co-applicant, but all the implementation leads apart from POAH are nongovernmental organizations.

In New Orleans and San Francisco, the teams bear the imprint of previous HOPE VI developments but in different ways. The New Orleans team lead is HANO, with the city of New Orleans as the co-applicant. One company, Iberville Revitalization Company, LLC, is the lead for housing, people, and neighborhood. This LLC is a joint venture set up exclusively for the Iberville/Tremé revitalization involving New Orleans-based HRI Properties and McCormack

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<sup>185</sup> This material is drawn from the site chapters of this report, which in turn rely on analysis of the round 1 and round 2 implementation applications and our site visits and interviews.

Baron Salazar (MBS). St. Louis-based Urban Strategies, a longtime collaborator with MBS, is working under contract with Iberville Revitalization Company to carry out the people strategy. The Recovery School District is listed as the education implementation lead. The San Francisco team is led by MBS with SFHA as a co-applicant; MBS is also the housing lead, Urban Strategies the people lead, the San Francisco Redevelopment Agency (SFRA)<sup>186</sup> the neighborhood lead, the San Francisco Unified School District as the education lead, and the Mayor's Interagency Council listed as an additional entity.

As discussed in the previous section, all five grantees began their planning and team-building for housing redevelopment well before HUD announced the Choice Neighborhoods program (and often before the Obama administration took office in 2009). It is natural that successful grantees in the first round of Implementation Grants would already have had housing redevelopment plans underway and would rely on established plans for target neighborhoods. Unlike the 2012 implementation applicants, some of whom received planning grants in FY 2010 or 2011, the FY 2010–11 applicants did not have the luxury of nearly two full years plus federal funding to work out the details of their plans and engage with tenants and the community.<sup>187</sup> Instead, the FY 2010–11 implementation grant applicants used their own resources to pay the considerable upfront costs of applying.

Although the housing strategies were underway, all five applications cited engagement by the applicant with tenants during the Choice application period. The New Orleans and San Francisco applicants cited Urban Strategies' experience engaging with tenants in previous HOPE VI redevelopments and long histories of work by the housing authority and, during the Choice process, working teams for both projects to rebuild the assisted housing with strong tenant input. POAH's unique story—having been selected by the tenants themselves—put the agency in a different and perhaps even stronger position than the other grantees to work on behalf of tenants' priorities. SHA, too, could cite involvement with Yesler tenants going back to 2006. In Woodledge/Morrant Bay, the grantee met with the Morrant Bay Tenants Association.

The lead grantees' direct involvement with neighborhood-wide planning either before or during the Choice application period, by contrast, varies. The SHA's Yesler development covers much of the small target neighborhood footprint; SHA has engaged actively in planning for the development and its vicinity. Instead of attempting to run their own neighborhood planning process to generate new visions for transformation, POAH and MBS logically identified partners with recent neighborhood planning experience: the Woodlawn NCP and the SFRA, both of which had recently conducted lengthy processes with ample citizen engagement for creating a neighborhood vision. Boston's DND and DBEDC engaged two other CDCs, Dudley Street Neighborhood Initiative (DSNI) and Project RIGHT (Rebuild and Improve Grove Hall Together), as team members in the transformation. These CDCs were selected not because they had developed recent neighborhood plans, but because they had organized the neighborhood and were committed to the Boston vision of incremental neighborhood improvement. The New Orleans team departed from the other teams' practice of selecting experienced city departments

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<sup>186</sup> After the dissolution of all California redevelopment agencies, many of SFRA's responsibilities were taken over by the Mayor's Office of Housing.

<sup>187</sup> Planning grantees in the first year of Choice began their planning grant applications in May 2010; the successful ones could use that support to apply for implementation grants due in April 2012.

or community organizations to advance the neighborhood plan, naming instead the Iberville Revitalization Company itself as the neighborhood lead.

The Boston and Seattle Choice applications document involvement with large numbers of community organizations and stakeholder groups as part of the Choice application process. In and around the Yesler neighborhood, SHA has met with tenants, neighborhood groups, and citizen advisory boards between 2008 and 2010. In Boston, in addition to participating in Choice planning meetings, many stakeholder organizations (DSNI, Project RIGHT, and centrally, DBEDC) have roles in the transformation plan.

In the other three sites, there is ample evidence that the grantees knew about and could capitalize on widespread community involvement in neighborhood planning starting well before Choice. Post-Hurricane Katrina recovery efforts in New Orleans have generated enough city and neighborhood planning—with very extensive community involvement—to provide an adequate basis for the transformation plan for Iberville/Tremé. In Woodlawn, the Woodlawn Organization (now Network of Woodlawn, or NOW), a member of the Choice team, has led intensive community-based planning as part of NCP, only the latest engagement in an institutional history going back to 1960. Eastern Bayview, finally, has been the subject of some of the best-publicized community-led planning processes in the nation. This public engagement has been conducted both at the site level, with HOPE SF, and in the broader neighborhood, where plans for redevelopment of Candlestick Point have been the subject of heated debate and a popular referendum.

One interesting issue that also varies across neighborhoods is the selection of boundaries. In Woodlawn and Iberville/Tremé, the plans used established ward or neighborhood boundaries; for Eastern Bayview, the boundary was set by the Eastern Bayview redevelopment plan adopted in 2008. The Yesler and Quincy Corridor neighborhoods, by contrast, appear to have been bounded according to the groups, opportunities, and threats most relevant to the Choice transformation planning process. The use of existing boundaries has much to recommend it. If a city already has plans and policies, they likely pertain to entire neighborhoods, and from a practical standpoint, these boundaries also often coincide with such statistical units as block groups and census tracts for which publicly reported data are made available regularly. Because Choice establishes a series of qualification criteria and neighborhood metrics, the mismatch between statistical boundaries and Choice boundaries is likely to pose challenges for the grantees and outside evaluators responsible for monitoring neighborhood change. The disadvantage of neighborhoods as large as those in San Francisco, Chicago, and New Orleans, of course, is that they may be too large for the housing transformation to have a measurable impact throughout the neighborhood.

### **8.3 The Transformation Plans**

Within these varying historic and institutional contexts, each grantee responded to HUD's Notice of Funding Availability, round 1 and round 2—both of which allowed for and encouraged approaches tailored to accommodate local variations—in ways that were appropriate and feasible. The plans that resulted have important and interesting points of convergence and difference, as will be shown in the next three sections.



### 8.3.1 The Transformation Plan: Housing Element

The five Choice plans vary dramatically in the scale of their ambitions for housing redevelopment. This variance relates in part to the **scale of the target developments**. With 74 buildings and 821 units, the Iberville development alone accounts for nearly two-fifths of the existing units and more than one-half the units slated for demolition by the 2010 implementation grantees (780 of 1,503 units). SHA's plan for Yesler Terrace, the second-largest development at 561 units, will ultimately result in the demolition of all these units, but the transformation plan submitted by SHA provides for demolition of only 40 units. Grove Parc and Alice Griffith are also large developments, with 378 extant units remaining in Grove Parc<sup>188</sup> and 256 in Alice Griffith, all of which are slated for demolition or conversion to nonresidential use. The scattered-site Woodledge/Morrant Bay development in Boston, finally, has only 129 units, 80 of which will be rehabilitated and 49 demolished.

The physical size differences among target developments parallel differences in the **amount of housing anticipated** and the **total housing budget** in the transformation plans.<sup>189</sup> The three largest investments—\$30.5 million each in New Orleans, Chicago, and San Francisco—support the largest and most complex plans. The New Orleans plan stands out as the most complex and ambitious. It anticipates 2,446 units, 1,694 with income restrictions and 752 without. The total housing budget is \$588.8 million, and the budget of the two projects in which Choice funds are used is \$265.4 million.<sup>190</sup> Beyond these two projects, the Iberville/Tremé housing plan lists at least 11 individual developments as part of the housing plan as well as a scattered-site component, with some projects especially designed for seniors, people with disabilities, formerly homeless people, and artists. Many of these projects were already well under way when the plan was submitted, and at least two are complete at the time of this report.

Chicago's plan is for 995 units (779 with income restrictions) and a total housing budget of \$224.9 million; Choice-funded components of the housing plan amount to an estimated \$144.2 million. Although nominally smaller in budget and units than San Francisco's plan, the Woodlawn/Grove Parc plan is at least superficially more complex. The Grove Parc site extends for three blocks along busy Cottage Grove Avenue and has many more neighbors than the large, mostly regular, and isolated sites of Alice Griffith and Iberville. The Woodlawn plan complements redevelopment on the Grove Parc footprint with significant amounts of housing rehabilitation and an affordable owner-occupied component.

San Francisco's plan calls for 1,126 units, 816 of them income-restricted and 310 not. The housing budget—pertaining to only the 504 units built with Choice funding—comes to \$130

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<sup>188</sup> At the time of the round 2 application, only 378 units were standing. The original Grove Parc development consisted of 504 units, but they had already demolished 126 units in pre-Choice redevelopment.

<sup>189</sup> The budgeted amounts listed in this paragraph, derived from attachment 7 of the round 2 applications (sources and uses document), generally include budgets for development beyond the unit counts listed. The unit counts, based on attachment 3 of the round 2 applications except for Yesler Terrace, often exclude some projects or phases not directly funded by Choice that are included in the sources and uses document. These differences complicate direct comparison among the sites and computation of leverage.

<sup>190</sup> This budget includes all four phases of the Iberville redevelopment and the East Adjacent mixed-use development, but only the first three phases of Iberville include Choice funding.

million of which is in the phases that include Choice funding. Although also ambitious, the Alice Griffith plan appears somewhat less complex than the Iberville or Grove Parc plans because it focuses the entire redevelopment on the footprint of the current development and two adjacent sites. The plan mentions that up to 7,850 units total may be built in the planning area but does not provide detail on most of these units, meaning that the transformation plan is framed to include only the Alice Griffith site and the two adjacent parcels. This departure from the practice in the New Orleans and Chicago sites will facilitate long-term analysis of whether San Francisco achieves its plan, but it also will complicate any analyses that compare its progress with that of the other two large sites.

Seattle's long-term housing plan is also extraordinarily ambitious, but the vast majority of the 5,000 anticipated units in the Yesler neighborhood will be built in future phases. Phase I of the project, the only part for which the housing authority applied (and which was itself only partially funded), includes 158 income-restricted units.<sup>191</sup> The housing budget for this phase comes out to \$127 million. Although only a small part of the eventual (15-year) build-out of the project, the housing components of the Seattle plan are somewhat complex. They include the rehabilitation of an 18-unit apartment building a few blocks from the Yesler Terrace footprint and the construction of a mixed-income, mixed-use development on part of a block that previously contained 40 Yesler Terrace units that were unoccupied by SHA tenants at the time of the application.

The Boston plan is the most modest of the plans, with 129 income-restricted units (none of which will be in mixed-income buildings). The total housing budget is accordingly smaller than the other three sites, at \$53.1 million<sup>192</sup> for Quincy Heights (currently named Woodledge/Morrant Bay). The Quincy Heights development also anticipates the most modest change in the neighborhood's physical aspect, with 80 of the units provided through rehabilitation and only 49 through new construction on scattered sites.

Choice will result in higher **population densities** in four of the five neighborhoods (and at least population stability in Boston), which will be achieved in part by a strong focus on retaining the original residents of each target development. Seattle, San Francisco, Chicago, and New Orleans all anticipate the creation of higher residential and population density on and adjacent to the original target development footprints; Seattle and San Francisco anticipate increases of both income-restricted and market-rate housing on the development footprint. The other two plans call for reductions in the number of assisted units on the original footprints, but the Iberville plan will increase the number of *occupied* units from the current 441 to 609 affordable units (according to the site's round 2 application), and the Grove Parc plan (309 income-assisted units on site) provides only a slightly smaller number of units than the 325 occupied units at the time of the round 2 application. (Both Chicago and New Orleans more than satisfy the one-for-one replacement requirement because they provide assisted housing development elsewhere in the neighborhood.) None of the five plans calls for development outside the Choice boundaries. The

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<sup>191</sup> Seattle was awarded a second Choice implementation grant of \$19.73 million in December 2012. Implications of that award will be discussed in our 2014 report.

<sup>192</sup> This is the Quincy Heights component only; attachment 7 also includes the Quincy Commons and Uphams West projects, both of which were funded and slated to begin construction in 2011. The total budget for these two projects is about \$15.9 million.

Boston plan reduces unit density in originally subsidized buildings to create dwellings and structures of adequate sizes but foresees new development on currently vacant or underused lots.

As with most contemporary affordable housing developments, including most of those built under HOPE VI, the five target plans call for extensive use of **mixed finance** to carry out the one-for-one replacement that Choice calls for. All the sites rely on federal low-income housing tax credits (LIHTCs). The least complex project, Boston's Quincy Heights, includes funding from three other federal sources, three Commonwealth sources, local government commitments, and a commitment from the Federal Home Loan Bank. The San Francisco team anticipates using a mix of Choice and LIHTC funding not only to rebuild all 256 of the Alice Griffith units but also to build an additional 248 units (for a total of 504 units funded by a mix of Choice and LIHTC). Boston's redevelopment relies on 4 percent tax credits to rehabilitate 80 of the planned 129 units, and Seattle's plan counts on tax-credit funding for 79 of the 97 units funded by Choice. The New Orleans team anticipates using a mix of LIHTC and Choice dollars to support the development of 416 of the 821 planned units. For the others, the team relies on 405 existing project-based Section 8 vouchers to provide long-term affordability. Chicago's plan includes Community Development Block Grants, HOME, and Neighborhood Stabilization Program funding, federal 9 percent and 4 percent tax credits, energy grants from the Center for Neighborhood Technology, and the Chicago Housing Tax Increment Finance, or TIF, and Housing Trust funds. It also assumes the continuation of project-based Section 8 in the new development. Private debt also contributes significantly to all these projects except Boston's. The Yesler Terrace plan is the only of these projects to rely explicitly on land sales for financing.

The projects have different approaches to **income mixing**. Boston's housing plan is 100 percent assisted (table 8.1); its housing vision is less explicit than the other plans regarding the development of market-rate housing in the neighborhood. The Chicago, New Orleans, San Francisco, and Seattle plans all include both market-rate and assisted housing, and their assisted components include units at a range of affordability levels. In each of these cases, income-restricted units are the majority, with a range from 66 percent (Seattle) to 78 percent (Chicago). San Francisco is notable for its inclusion of income-restricted workforce units above the moderate-income range resulting from government action (subsidy or regulatory interventions like inclusionary zoning). As mentioned previously, San Francisco identifies 310 market-rate units on the Alice Griffith footprint as part of its plan but also mentions more than 6,000 units overall—most of them market-rate units—to be developed in Eastern Bayview. Like San Francisco, Seattle anticipates future development of its Choice neighborhood to bring income mixing through construction of thousands of units of market-rate housing. Its phase I plan begins this process on a smaller scale with 80 market-rate units on the same block as all but 18 of the income-restricted units. In Chicago, the plan for Grove Parc also anticipates mixing market-rate rental units on the Grove Parc footprint with income-restricted units for people at extremely low-, very low-, and low-income levels. Chicago's plan is also the only one of the five plans to feature affordable (income-restricted) homeownership, targeted at households earning up to 80 percent of AMI; these for-sale homes are planned for sites elsewhere in the neighborhood.

*Table 8.1. Income Mixing by Site and Location, Five Implementation Sites, Round 2 Applications*

	<b>Boston</b>	<b>Chicago</b>	<b>New Orleans</b>	<b>San Francisco</b>	<b>Seattle</b>	<b>Total</b>
Units income restricted	129	779	1,694	816	158	3,606
Footprint	80	309	609	591	35	1,624
Neighborhood	49	470	1,085	225	123	1,982
Units not income restricted	0	216	752	310	80	1,328
Footprint	0	111	304	310		725
Neighborhood	0	105	448		80	603
Percent of units income restricted	100	78	69	72	66	73
Footprint	100	74	67	66	100	69
Neighborhood	100	82	71	100	61	77
Percent of total units income restricted	100	78	69	72	66	73
Footprint	62	31	25	52	15	33
Neighborhood	38	47	44	20	52	40
Percent of total units not income restricted	0	22	31	28	34	27
Footprint	0	11	12	28	0	15
Neighborhood	0	11	18	0	34	12

Source: Round 2 application, attachment 3, except Seattle (where numbers are based on estimates for phase I only)

Affordability periods for Choice-funded rental housing extend 40 years in Chicago, New Orleans, and Seattle; 55 years in San Francisco; and in perpetuity in Boston. Some of the future New Orleans rental housing will be built as LIHTC developments without Choice funding, with affordability terms to be determined when the credits are issued. The Chicago homeownership component carries income restrictions for 10 years, except for 75 units in which a Choice-funded second mortgage will be forgiven incrementally over a 10-year period.

A final point of difference among the sites is in their application for housing choice vouchers. HANO, SFHA, and SHA all have the authority to issue HCVs to tenants for relocation, but the situation in Boston and Chicago is more complex due to the fact that the target developments are not public housing and the housing authority is not a co-applicant. The availability of HCVs in Boston and Chicago has been contingent upon HUD working out an arrangement with the Boston Housing Authority and Chicago Housing Authority to dedicate HCVs for Choice households.<sup>193</sup>

### 8.3.2 The Transformation Plan: People Element

The five Choice sites vary considerably in their plans for people, in terms both of the residents of the target developments and of the surrounding communities. The clearest plans come from the three sites with housing authorities as leads. In each of these sites, the public housing authority

<sup>193</sup> Boston applied for HCVs after receiving its award and was approved; for more details, see chapter 3.

(PHA) has extensive experience in implementing HOPE VI and other redevelopment efforts, and, in two, the Choice team involves Urban Strategies, a national leader in best practices for sensitive redevelopment of public and assisted housing.<sup>194</sup> The San Francisco and New Orleans Choice efforts are both part of larger public housing redevelopment plans and both sites are partnering with Urban Strategies to lead their people component. Urban Strategies has been working with these two sites for some time as the lead service partner for HOPE SF and New Orleans HOPE VI initiatives and so has the advantage of already having partnerships with other service providers in the communities. The Seattle plan, where SHA is the lead, also proposes a very rich service plan including case management and extensive partnerships, modeled on the housing authority's experiences with its HOPE VI grants. Working within the context of HOPE VI, each of these grantees had already developed many of the relationships and institutions necessary to write an application that captured the strategies they already had in place.

All five Choice implementation sites have broad and ambitious goals for their service packages—virtually all promise improvements in physical and mental health, self-sufficiency, and academic outcomes for youth. Most have research-based, policy-relevant objectives, but the people strategies will require investments even beyond the often-strong commitments of leverage from partners. The two involving Urban Strategies are clearest in their intended investments in services for residents of the assisted development and in their strategies for maintaining or building partnerships with other community agencies. The San Francisco plan capitalizes on the existing HOPE SF Service Provider Network, which was formed to provide an array of services to residents of the Eastern Bayview Neighborhood. The total people budget for the 256-unit Alice Griffith is \$19 million over 5 years, including more than \$2 million for case management and substantial funds for childcare, workforce development, employment services, and health and safety services. The plan also calls for partnerships with the local schools and other service providers. Likewise, HANO's plan for Iberville includes \$4.5 million for services (including \$2 million for case management), with plans to leverage another \$24.5 million in health, workforce development, and youth services. Both sites plan to provide services prior to relocation and outreach to residents who move off site. SHA's plan also includes a very robust service package and plan, modeled on its HOPE VI initiatives.

The two PHA sites whose plans include large amounts of demolition, San Francisco and New Orleans, also provide excellent models for relocation. Under San Francisco's plan, the new development will be built in phases, starting with a currently vacant site, and groups of residents will move directly into the new public housing units as they become available, enabling them to move only once during the process. In New Orleans, HANO has already relocated residents onsite who wish to remain in the Iberville; Urban Strategies will provide services and supports for those who opt to move off site with vouchers. None of the plans devotes much attention, however, to ensuring that those who choose not to return also end up in better situations. The plans also do not provide detail about how the grantees will avoid negative effects on vulnerable residents, especially children and seniors, during the relocation process.<sup>195</sup>

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<sup>194</sup> Urban Strategies is a 30-year-old organization with extensive experience in providing case management and workforce services for HOPE VI and other mixed-income redevelopment initiatives.

<sup>195</sup> Sensitive approaches are necessary for these households, even when they are relocated temporarily while construction proceeds. See, especially, Popkin, Levy, and Buron (2009).



PHAs are not involved in the Choice projects in Boston and Chicago. As a result, neither grantee team could capture the details of long-standing practice as the basis for their people strategies. The Boston development—which is smaller than the others, with only 129 units—was in the pipeline for eventual improvement but was not as far advanced in planning for redevelopment as all four of the other projects. It may have appeared premature for this team to invest in relationship building and to design a very specific people strategy at the application stage, especially considering the strong community base of support enjoyed by many of the grant partners. In Chicago, POAH’s application identified Hull House, a deeply experienced local case management and service provision agency, as the people implementation lead. It could not have known that Hull House would be out of business within a few months of the award—a fact that undoubtedly resulted in lost momentum in the early period after the award. Had Hull House and POAH put significant effort into the people strategy at the plan stage, it is possible that this effort would have been wasted and that a new people lead would have had to start from scratch after Hull House’s withdrawal.

### 8.3.3 The Transformation Plan: Neighborhood Element

The neighborhood element varies widely across the five sites. In part this variation is a function of differences among the neighborhoods. Woodlawn, Iberville/Tremé, and Eastern Bayview each covers an extensive area, while Yesler’s footprint is very small and the Quincy Corridor is somewhere in between. Their racial compositions, positions in their cities, and mix of anchor institutions are all different. The cities have widely varying processes for neighborhood redevelopment, and the five neighborhoods also have different levels of recent and ongoing investment by the public and private sectors. The role of Choice neighborhood funding against this varied backdrop will be generally to complement and fill gaps in other, generally larger investment streams.

The differences among the neighborhood elements show clearly through their stated budgets. When Choice spending is added to neighborhood leverage in the round 2 applications,<sup>196</sup> the smallest total budget, for the Quincy Corridor, is \$4.7 million, about one-tenth the size of the largest, Iberville/Tremé’s \$44.9 million.<sup>197</sup> The difference is mainly a function of leverage claimed, with only \$1.3 million in neighborhood leverage for the Quincy Corridor compared with \$43.4 million for Iberville/Tremé. Beyond this planned budget, New Orleans documents more than \$1 billion in anticipatory investment in and around Iberville/Tremé. The Eastern Bayview and Yesler plans (as submitted) identify \$8.7 million and \$13.4 million, respectively, for neighborhood spending—a difference made more remarkable when considered that Eastern Bayview includes a much larger area than Yesler. The Woodlawn plan specifies \$27.3 million in expenditures, \$4.0 million of which is from Choice.

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<sup>196</sup> This spending excludes anticipatory neighborhood spending already completed or committed between 2006 and 2011.

<sup>197</sup> Our interpretation of the Tremé budget does not count the \$7.5 million acquisition of the Winn-Dixie site as neighborhood spending, because the site would be used for both replacement housing and nonresidential uses. If enough of it were included to lift the neighborhood share of the Iberville/Tremé grant to 15 percent of its budget, the total neighborhood budget would grow to \$47.9 million.

Four of the five plans support mixed-use development with their Critical Community Improvements (CCIs), the main item on Choice budgets counted as investments for the neighborhood element. Chicago and Seattle both designate CCI funds for retail spaces and streetscapes for improved pedestrian access and public safety on the footprint of their redeveloped housing projects. These funds are complemented by much larger city investments in transportation and park infrastructure, including Seattle's ongoing construction of the First Hill streetcar. New Orleans' plan supports mixed-use development, with an anticipated \$7.5 million needed to acquire the site of a shuttered Winn-Dixie grocery store and transform it into a mixed-use building that includes replacement public housing, a grocery store and retail uses.<sup>198</sup> The Iberville/Tremé plan features \$1.5 million reserved for neighborhood projects to be awarded through community challenge grants. The details of how these funds would be awarded were deferred until the award decision. The Quincy Corridor plan calls for spending all \$3.075 million of its CCIs for economic development projects on vacant properties, with precise funding decisions also deferred until after the award. San Francisco's proposed CCIs are physical spaces on the Alice Griffith footprint in which to offer youth and workforce programs.

Evaluating the impacts of these neighborhood plans will prove challenging, foremost because Choice is, in general, such a small part of recent, committed, and expected investments by the public and private sector. It may be most straightforward to judge the Choice impacts where projects are planned on, or immediately adjacent to, the target development's footprint. Examples of this include the acquisition of the Iberville Winn-Dixie site, which will be necessary for both replacement housing and a grocery store, and the funding for retail development and streetscape improvement as part of the redeveloped Grove Parc. San Francisco's CCIs also clearly fund development that would not have occurred in the absence of a subsidy program, but they are public rather than public-private projects and serve to provide physical space for those offering case management and other people services.

As context for neighborhood redevelopment in each of the first five implementation sites, it is also important to know the legal context for local government planning and development decisions. Broadly speaking, Washington and California both have a much more elaborate state statutory structure for local planning, with mandatory comprehensive plans and environmental review of private-sector development proposals. Citizen engagement in planning, zoning, redevelopment, and transportation is renowned in both Seattle and San Francisco.<sup>199</sup> The other three states have statutes that treat a comprehensive plan as an advisory document and do not require environmental analysis on private development decisions. Boston, Chicago, and New Orleans lack binding citywide comprehensive plans that position neighborhood redevelopment within a broader city and regional framework. The standard operating procedure for neighborhood planning in Seattle and San Francisco may help by providing a predictable framework for the Choice neighborhood transformation. The less standardized approach to neighborhood planning in the other three cities, by contrast, may enable participants in the transformation to develop flexible approaches that closely reflect the needs of each neighborhood.

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<sup>198</sup> Part of this spending counts as a housing investment.

<sup>199</sup> DeLeon (1992); Henderson (2009); Martz (1995); Sirianni (2007).

#### **8.4 Summing Up: Different Neighborhoods, Different Approaches**

This review of the context, grantee teams, and plans shows a wide variety in the first five Choice implementation grants. They range from improvements that are moderate and gradual to complete makeovers of the housing and the neighborhood. Some teams include predominantly local agencies and organizations; others involve national organizations; some teams have straightforward structures, and others are quite complicated. This variation, which offers great opportunity for learning in the coming years, will also influence decisions about how to evaluate the impacts of Choice Neighborhoods as a program.

## 9 Toward the 2014 Report

### 9.1 Looking Forward: Important Questions Raised on Choice Neighborhoods Implementation

The task order under which the evaluation was funded asked several questions related to the implementation of the Choice Neighborhood program (Choice). As an early look at implementation, this report provides information about grantees' goals and the problems they seek to remedy, the activities funded by Choice, and early information about planned and achieved leverage.<sup>200</sup> Based on early analyses, the final report will place special emphasis on the following topics:

- **Coordination within the grantee teams and with leverage partners.** Choice provides up to \$30.5 million to neighborhoods, but, to realize leverage, it is important for Choice implementers to have willing partners and effective collaborations among them, so as to employ their efforts on behalf of residents and enlist their help in attracting additional investments.
- **How Choice relates to pre-existing neighborhood redevelopment efforts and leads to local policy change.** The U.S. Department of Housing and Urban Development (HUD) made its first round of Choice awards to places where significant efforts already were under way on multiple fronts, related to the expansion of anchor institutions, and to housing, workforce development, or other economic development projects. As a result, an important issue to follow over time is how Choice relates to pre-existing processes and whether Choice catalyzes broader policy changes to encourage further coordination in each city's future neighborhood redevelopment work.
- **How Choice contributes to neighborhood change.** A body of literature suggests that substantial investments may be necessary to change neighborhood trajectories in areas such as housing values and accompanying population changes.<sup>201</sup> Direct Choice investments may not reach these thresholds, so an important question for Choice implementation is how Choice's *overall* improvement strategy may help achieve these goals over time. Accordingly, during the course of implementation followup, it will be important to examine (1) the use of Critical Community Improvement funds, an important direct part of the Choice budget; (2) the extent to which planned leverage materializes and additional leverage becomes available; (3) the relationships in place to implement neighborhood activities; and (4) how implementers' ability to bring additional resources to neighborhoods may contribute to—or cut against—the Choice Neighborhoods program's overarching goals to create mixed-income communities of choice.

By presenting early insights from the report related to these topics, this section presents an early baseline and a look forward to implementation issues to be assessed in the final report.

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<sup>200</sup> Because the second component of the task order relates to baseline data collection that has yet to be conducted on housing conditions, residents, their support systems, the opportunity and livability of the neighborhood, and other neighborhood conditions, these research questions are not necessarily informed by early implementation analyses and so are not discussed in depth here.

<sup>201</sup> Galster, Tatian, and Accordino (2006).

### 9.1.1 Choice Neighborhoods Grantee Teams and Leverage Partners: Momentum for Coordinated Implementation

Choice, as an intervention, emphasizes planning and coordination among different systems, including education, social services, and land use. Choice required that sites convene planning and public meetings during the proposal development process. As described within each of the chapters, relationships within Choice may be important not only to deflect opposition to large-scale, ambitious improvement initiatives but also to ensure that complex, multipart plans are effectively implemented and coordinated.

According to early research, three of five Choice sites are places where partners have histories of working together and processes in place to coordinate with each other. In the remaining sites, these ties and processes may need to be further developed, especially strengthening partnerships with city agencies and of anchor institutions. These early patterns of engagement do not represent any failure on the part of implementers; rather, they may suggest baseline implementation dynamics that Choice may improve on over time.

Housing efforts tended to have greater degrees of baseline collaboration and coordination than the other areas of Choice work. This tendency likely relates to the capacities of implementing parties and to the history of public-private partnerships focused on public housing and assisted multifamily redevelopment that have been under way for years (often through HOPE VI). Given that early implementation and Choice funding in these neighborhoods has focused on housing redevelopment, it may be the case that partners related to Choice's people and neighborhood strategies are ready to be involved but have not yet been called on to do so.

- **In Boston, the Quincy Corridor has potential partners in place to support housing, neighborhood, and service efforts, but early challenges to collaboration exist.** The target neighborhood area has a host of potential partners, but they do not all have a history of working together. In particular, the lead grantee, Boston's Department of Neighborhood Development has worked with other agencies, such as the Police and Public schools, but in more limited ways than Choice may require. Because Choice is newly launched in Boston, these levels of engagement are important to monitor over time and will be reported on in 2014.
- **In Chicago, Choice may require greater cooperation among core stakeholders in Woodlawn over time.** As described previously in the report, Preservation of Affordable Housing (POAH) is a relative newcomer to Woodlawn, having been invited by tenants of Grove Parc to step in when local organizations were unable to maintain the property over time for various reasons. POAH has reached out to local groups, and includes representatives from the University of Chicago and several other powerful community organizations as part of its neighborhood and people leads. These relationships, like those developing in Boston, are key to coordinating housing recovery and educational improvements and will be monitored over time for our 2014 report.
- **In New Orleans, early work has been marked by substantial agreement and strong relationships among implementers.** The redevelopment of the Big 4 projects after Hurricane Katrina was extraordinarily contentious. In part because of Choice's one-for-



one replacement requirement, and also because of the efforts of city hall, the Housing Authority of New Orleans, and other parties to act collaboratively and transparently, Choice has been less contentious within New Orleans. Partnerships between implementing agencies have been marked by strong ties and an ability to resolve disagreements. The final report will follow these early patterns of cooperation in implementation over time.

- **In San Francisco, high-capacity efforts related to HOPE VI development in Eastern Bayview and across the city provide a template for coordination.** Lennar Development Corporation, McCormack Baron Salazar, and Urban Strategies (the developers and people lead for Choice Neighborhoods, respectively) have a long history of collaborative work, including in San Francisco, on which to build. There is evidence of extensive coordination, with semiweekly meetings among the implementation partners and separate, regularly scheduled meetings among service providers. Although only about 40 percent of students from the Alice Griffith public housing community were estimated to attend local schools, a Superintendent's Zone that includes Eastern Bayview and surrounding neighborhoods may provide a further platform for coordination. These organizational and institutional factors would suggest a fairly strong infrastructure of relationships on which to build over time—something that is especially important given the ways that development in Alice Griffith is part of a much larger public-private partnership to transform the city's housing stock.
- **Seattle has many potential but fewer active partnerships in place during early Choice implementation, as a result of more limited funding directed to the site than initially anticipated.** The Seattle Housing Authority (SHA) leads both the housing redevelopment efforts related to Choice and also many case management activities, a fact that makes action around Choice more contained to a limited set of partners. The limited first-round investment by HUD has also led SHA to delay rollout of some programs for which community partners had committed a match. At the same time, Seattle University, the Gates Foundation, Neighborhood House, and other service providers have demonstrated continued interest in the area. Although the redevelopment of the neighborhood encountered some controversy at the level of the city council, within the SHA board, and within the Vietnamese business district of Little Saigon, these issues do not appear to have derailed early investments in Yesler.

#### 9.1.2 Choice Neighborhoods, Policy Reform, and Broader Coordination of Neighborhood Development

Beyond coordination within the Choice team and its immediate leverage partners, our activities in the remaining months of the evaluation will monitor the wider effects of Choice on how neighborhood development happens in these five cities. The task order emphasizes policy reform as a sign of the effect of Choice on local systems. In general, as described within this interim report, Choice has not yet produced such reform. Indeed, Choice does not yet even play a coordinating role over existing housing, service, or school reform efforts. Instead, the Choice grantees coordinate their activities with broader preexisting planning and redevelopment processes. This coordination may often prove adequate for effective results, however. This fact makes it necessary to revisit the task order's question so that evaluators look not for policy reform (an input) as but rather predictable and coordinated neighborhood development practice

(an outcome) as a sign of success. As we continue our work, then, we will explore whether and why additional policy change is necessary for coordinated neighborhood redevelopment and how Choice might help catalyze that change when needed.

Our interim report also observes variation within *each* site in the prominence of Choice within co-located housing, neighborhood, and people governance and coordination efforts. Within each of the sites, neighborhood and people-related activities were more often coordinated through other processes, such as local school improvement programs, rezoning efforts, or transportation and infrastructure initiatives. This dynamic is especially worth highlighting as it relates to educational activities. Under federal policy, Choice is meant to have a special connection with educational improvement efforts,<sup>202</sup> under the theory that local, quality schools are an important component of maintaining a mixed-income neighborhood, as residents of all income levels will want to reside in such a community. But in practice, citywide efforts to promote school choice or desegregation may cut against such coordination, as residents of the housing development and the neighborhood attend school in different parts of the city. In the remaining months of the evaluation, we will place special attention on learning from the efforts of these grantee teams to build strong partnerships with local school districts and charter schools while still concentrating on their core redevelopment in relatively small portions of their cities. In each site, we will continue to monitor the relationship between Choice and other preexisting programs.

- **In Boston, the Quincy Corridor is subject to a number of planning and improvement initiatives, and the exact relationship between these initiatives and Choice is still evolving.** Some of these citywide initiatives include the Circle of Promise efforts to improve Boston Public Schools; a host of antiviolence initiatives; and the Boston Main Streets Program, which promotes business district revitalization. In general, Choice is seen as a much smaller initiative than these other efforts and, as such, has yet to claim attention from them.
- **In Chicago, Choice has found a niche among local efforts, but its coordination with these systems has been limited so far.** An existing neighborhood collaborative among powerful local organizations known as the New Communities Program set a framework for community planning, especially among educational efforts. These activities, run through the Network of Woodlawn, or NOW, have not yet found concrete opportunities to coordinate with the bricks-and-mortar development led by POAH in the neighborhood.
- **In New Orleans, Choice was viewed as an important way of coordinating housing investments in a neighborhood poised for transformation.** Given the scale of housing investments planned for Iberville/Tremé (more than 2,400 units, with additional private development likely to be sparked by this effort), such coordination may be especially important. At the same time, important neighborhood investments such as the construction of a local greenway were being managed under separate timetables and processes than Choice, and educational improvement efforts tended to be more decentralized to local schools and therefore more difficult to coordinate.
- **In San Francisco, Choice coordination is embedded within the larger project of HOPE SF, the city's ambitious plan for transforming local public housing.** Because

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<sup>202</sup> Additional points are awarded Promise Neighborhood grantees for co-location in a Choice Neighborhood zone, for instance.

Alice Griffith was chosen as one of five HOPE SF sites, its redevelopment is more generally governed by this larger initiative. Starting in 2007, HOPE SF brought together private investors, developers, city and San Francisco Housing Authority staff, and other stakeholders to support redevelopment marked by some of the principles of Choice, including one-for-one replacement of affordable housing. In Hunters Point, redevelopment is also part of a broader Core Community Benefits Agreement with other community organizations. As appears appropriate, Choice reports up to these efforts, rather than the other way around.

- **Yesler Terrace dominates the small footprint of the Seattle Choice Site, making SHA the clear lead player in its development.** Seattle's Choice efforts appear to dovetail with the Liveable South Downtown ordinance, however, which allows for greater density through increased building heights and the development of residential buildings in the traditionally Vietnamese neighborhood of Little Saigon and in other South Downtown neighborhoods. Longstanding relationships among senior management government agencies involved in Yesler redevelopment may help facilitate communication among the adjacent neighborhoods.

### 9.1.3 What Implementation Challenges Should Be Followed if Choice Is To Achieve Ambitious Neighborhood Revitalization Goals?

Choice seeks to change “distressed neighborhoods and public and assisted projects into viable and sustainable mixed-income neighborhoods,”<sup>203</sup> an ambitious goal and one that has been historically challenging to achieve. In many previous instances, regional economic dynamics have been shown to hinder local improvement efforts,<sup>204</sup> political or social barriers may stymie efforts at successful mixed-income redevelopment,<sup>205</sup> and capacity challenges on the part of implementers<sup>206</sup> may make it more difficult to enact plans. In other cases, thresholds of investments that could make a difference for neighborhood trajectories have simply not been reached.<sup>207</sup>

Choice was designed with these factors in mind, as described in chapter 1. In selecting Choice sites, HUD sought to invest where communities had anchor institutions and could build on concurrent, co-located community improvement efforts. Although Choice does not provide levels of investment *directly* that might reach this threshold, its leveraged investments and ability to coordinate local action may do so.<sup>208</sup> As described in section 1 of this chapter, Choice implementers anticipate different degrees of leveraged investments within each of the five neighborhoods. In four neighborhoods, planned investments, existing relationships, and the ability to coordinate action is at a scale where it may be reasonable to expect some degree of neighborhood change to occur over the longer term, at some level of geography, if investments

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<sup>203</sup> HUD (n.d.).

<sup>204</sup> Rusk (1999).

<sup>205</sup> Chaskin, Khare, and Joseph (2012).

<sup>206</sup> Greenberg, Verma, and Seith (2009).

<sup>207</sup> Galster, Tatian, and Accordino (2006).

<sup>208</sup> At the same time, because of this mismatch between direct investments from HUD and reasonable neighborhood change expectations, it may also be a counterproductive dynamic to request progress assessments on neighborhood-level indicators that are not directly under control of Choice implementers, as is currently the case with Choice performance management.

go forward. At the same time, many investments appear as if they would have occurred in the absence of Choice—by design, because Choice attempted to build on existing commitments. Analyzing the extent to which Choice can add value to these processes, and otherwise alter or enhance them so as to realize the goal of creating mixed-income neighborhoods of choice, will be an important topic of the 2014 report.

Local plans expect to achieve neighborhood change more often by producing opportunities for higher income residents to move to the area than by changing the circumstances of existing residents. That is, planned people and neighborhood efforts to improve the well-being of existing residents may not reach a scale sufficient to improve educational or economic trajectories of those already living there. Accordingly, for Choice to realize its goals of producing mixed-income neighborhoods of choice for all residents, it will also be important over time to monitor the ability of particularly disadvantaged households (who are not assisted by affordable housing) to stay in the improved area over time, as these residents are the most likely to be displaced. The final report in 2014 will address these issues.

- **In Boston, the scale of housing investment in the plan is smaller than in other sites and, even if fully realized, may not produce transformational outcomes for an entire neighborhood.** The overall housing plan for the Quincy Corridor calls for the replacement of 129 units and the addition of approximately 70 more. Some partners questioned whether the overall goals of the Quincy Corridor plan were too ambitious for the scale of these investments, such as the stated aim to reduce the percentage of people living in poverty from 33 to 19 percent over 10 years. In Boston, it may be worth following how additional investments are leveraged through Choice to move toward these goals, or how other interim goals may be identified that are more under the control of local implementers.
- **In Chicago, POAH's plans for affordable housing investment are substantial.** A total of 995 new housing units are slated to be created within Woodlawn. Most of these units are targeted to low- to moderate-income Chicagoans, and therefore may not *change* the income mix in the neighborhood as much as make it easier for low-income individuals to stay in assisted units over time. At the same time, as described previously, coordination will be needed between Choice and other investments if expectations for leverage in the people and neighborhood goals are to be met.
- **In New Orleans, efforts to develop more than 2,400 units of housing, combined with approximately \$1 billion of investments in other improvements may have large spillover effects.** Many of these investments were under way before Choice, but, given the prominence of Choice for the neighborhood and its potential role in coordinating additional investments, it will be important to study how Choice helps advance these investments through public processes, especially when public opposition may arise in politically contentious environments. It may also be important to follow how affordable housing is maintained, given the increasing incidence of land speculation in the neighborhood.
- **Within San Francisco, Choice is embedded within the larger transformation of the Eastern Bayview area through other investments.** These investments include the redevelopment of several other housing developments, including senior and public housing, and a host of investments in cultural amenities. Many of these investments have

been slated to occur through the Bayview Hunters Point Redevelopment Project, re-adopted in 2006. Given this embeddedness, it will be important to follow how HOPE SF and Hunters Point redevelopment progresses in an effort to assess community change over time.

- **Seattle's current Choice activities are not at a scale that appears likely to leverage neighborhood change, but plans for the Yesler neighborhood are much more substantial.** Choice's initial \$10.27 million investment is aimed primarily at deconstruction of a 40-unit property currently used as an emergency shelter, to be replaced with approximately 221 units. Direct people-related investments are mostly for tracking and services to residents, and do not appear substantially targeted to other neighborhood residents; investments from Seattle University and Neighborhood House were already under way before Choice. In a very small neighborhood footprint, however, the anticipated development of 5,000 units, combined with infrastructure improvements such as the First Hill streetcar expansion, could significantly transform the target neighborhood, especially because 3,199 of these units were expected to be market-rate. Given the predominance of market-rate housing investments in the plan, affordability may become an issue for unsubsidized properties. The second round of Choice implementation grants provided Seattle with an additional investment, which will also be an important issue to follow in the 2014 report.

## 9.2 Research Activities in 2013

This report has provided an initial and partial look at the target housing developments, their residents, the surrounding neighborhoods at baseline, the transformation plans as presented to HUD, and the grantees' activities in launching the transformation. Much remains to be learned about current conditions and Choice implementation in the five sites, however. As described in chapter 1, our ongoing research activities include:

- A **survey** in 2013, which will supplement the information available from the grantees and HUD about target-development residents and provide entirely new information about neighborhood residents. The survey will also provide new information about the target development and the neighborhood based on residents' perceptions and experiences.
- Further rounds of **administrative and geographic data collection** from local sources and from future rounds of federal data releases will also provide information about the trajectory of the Choice neighborhoods within a broader city and metropolitan area context.
- During subsequent **site visits, focus groups** of residents and service providers will provide an opportunity for stakeholders to share information about the transformation. Additional interviews will explore continued progress and challenges in the five sites.
- Site-based employees will also continue to gather data through attendance at community **meetings** and through **interviews with key stakeholders**.

The results of the research will be presented in the form of two main remaining deliverables, both expected in the summer of 2014. The first is a final report, covering many of the same topics that this report covers, but with updated data and new analyses. The second is a baseline database, including key information used by the Urban Institute/MDRC team to support analysis



conducted for the baseline and final reports. The baseline database will also enable HUD to pursue continued research on Choice Neighborhoods over the long term as the effects of the program unfold.

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# Appendix A: Energy Scorecard Report



## Appendix A: Energy Scorecard Report

This report was prepared by CNT Energy under subcontract to the Urban Institute for the Choice Neighborhoods Implementation Evaluation under Task Order #1. It was submitted to the Urban Institute on October 3, 2012.

The report addresses the following research questions:

- What is the projected change in the quality of public and assisted housing?
- What are the estimated savings in energy costs expected from housing rehabilitation or redevelopment?
- What is the baseline energy use before housing rehabilitation or redevelopment?

## Scorecard

CNT Energy has developed a Scorecard of energy use for affordable multifamily housing that can be used to evaluate energy performance of buildings prior to redevelopment as well as post-occupancy for the HUD Choice Neighborhoods (CN). In this report the Scorecard is applied to sites in five cities (Boston, Chicago, New Orleans, San Francisco, and Seattle). This Scorecard is part of a baseline assessment of the physical quality of public and assisted housing developments.

The Scorecards presented here document the energy use of an average building at each of the five sites studied. Average buildings were benchmarked, rather than specific individual buildings, because energy data and building characteristics were often supplied by building owners on a site-wide total basis. Moreover, in some cases buildings in the study areas do not have individual utility meters.

## Benchmarking

The Scorecards are based on owner data from five cities and comparison data from national data sets. It is said that the best benchmark for a building's energy performance is itself, and that remains true with these sites. The specific building characteristics, use, occupants, weather, and other elements that determine energy use make each building and site unique. However, a range of energy use for similar buildings is reported for context.

Energy use intensity (EUI) as measured in thousand British Thermal Units (BTUs) per square foot per year is becoming a standard unit of measure in building energy efficiency reporting and is the basis of energy benchmarking in the Scorecards. More information on EUI and the other scorecard elements can be found at the end of this appendix.

The national and area average EUIs used in the Scorecards come from the U.S. Department of Energy's Residential Energy Consumption Survey (RECS).<sup>1</sup> Area average data are from RECS for units in multifamily buildings of five units or more in the building's Census Division (or state in the case of San Francisco where state-specific data were available).

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<sup>1</sup> U.S. Department of Energy, Energy Information Administration, *2005 Residential Energy Consumption Survey*, Revised January 2009.





## Appendix A: Energy Scorecard Report

The 2005 RECS was used because public use microdata were not yet available for the 2009 RECS at the time of this writing. The individual survey responses provided in the microdata are published with the corresponding heating degree days for the survey respondent's location, enabling weather normalization of the data, which allows them to be much more comparable data points. However, one limitation of the RECS survey as a comparison for multifamily buildings is that RECS only surveys individual residential units, rather than entire buildings, so may exclude significant common area energy uses in multifamily buildings.

Building EUIs for the study sites are presented in the context of a range of more and less efficient buildings for the area. These more and less efficient values were derived in part from the most and least efficient quintiles in the RECS data for multifamily buildings with five or more units in each Census Division. CNT Energy also used a database of energy use for over 100 anonymized multifamily buildings in the study cities provided by Bright Power.

## Methods

The redevelopment that is occurring at these sites presents a unique circumstance for energy benchmarking as the buildings are being actively demolished or renovated and occupancy is changing significantly. In New Orleans, for example, 2011 occupancy was just 50%. To adjust for this, the square footage of vacant units is subtracted from the gross floor area before calculating 2011 EUIs for these Scorecards. This method aligns with that of EPA's Portfolio Manager and Energy Star benchmarking methodology, which tracks vacant space separately from occupied space.

All data were weather normalized to examine energy use under an average year's climate conditions in each city, which prevents an extremely hot or cold year from overshadowing building efficiency patterns, but does not eliminate differences in energy use due to differing climates from city-to-city. National average data used for comparison were similarly weather normalized to represent a year with the average number of heating degree days nationwide. Weather normalization of energy data used a simple ratio of actual heating degree days for the data year divided by normal heating degree days, a method consistent with the level of granularity of the energy data available. Cooling degree days were not adjusted for, as the buildings studied largely did not have air conditioning (except for some window units). Electricity data was weather normalized in Seattle where units have electric heating and hot water; all other sites are only weather adjusted for natural gas data, because electricity use in these areas will not vary with weather.

The Scorecards here present an overview snapshot of energy use in the HUD Choice Neighborhoods buildings before rehabilitation and redevelopment. They can be used to build understanding of energy use patterns to target efficiency improvement and as a benchmark for comparison in estimating cost savings post-redevelopment.



## Appendix A: Energy Scorecard Report

### Scorecards

#### Chicago Grove Parc Plaza Building Energy Scorecard Summary

Figure A.1 shows that 14 of Chicago's Grove Parc Plaza's buildings with available energy use data averaged an Energy Use Intensity (EUI) of 150 thousand BTU per square foot per year (kBtu/sqft/yr.) in 2011, compared to an area average of 89 and a national average of 59. Similar buildings in this region ranged from a less efficient EUI of 190 to a more efficient EUI of 19. Electricity use and cost values for Chicago are estimated based on tenant electricity costs and owner electric utility data.

The average energy cost per month at Grove Parc Plaza was \$109 per unit in 2011, compared to a national average of \$86 per month for homes in multifamily buildings with five units or more. The weather adjusted cost per unit decreased in 2011 as prices declined; natural gas was \$59 and \$48 per month in 2010 and 2011 respectively. Estimated electricity costs were steady at \$61 those same years. These energy costs represent an estimate of the total of bills paid by the owners and the tenants and include energy used in common areas as well as individual units.

Natural gas made up the largest share of the 150 EUI for the average Grove Parc building. The total EUI was greater than the national average of 59. The EUI for natural gas alone was 141 in 2010 and 125 in 2011. The electricity EUIs were 25 for both of those same years.

Grove Parc Plaza was built in 1968. The buildings were heated with central natural gas boilers, and some units had window air conditioners. On average the buildings had 22 units each and an occupancy of 67% in 2011. The average building was 3 stories tall and had 40 bedrooms in a gross floor area of 18,652 square feet. The share of gross floor area that was conditioned was 100%. There were no in-unit laundry hookups, no common area laundry hookups, and no dishwashers.

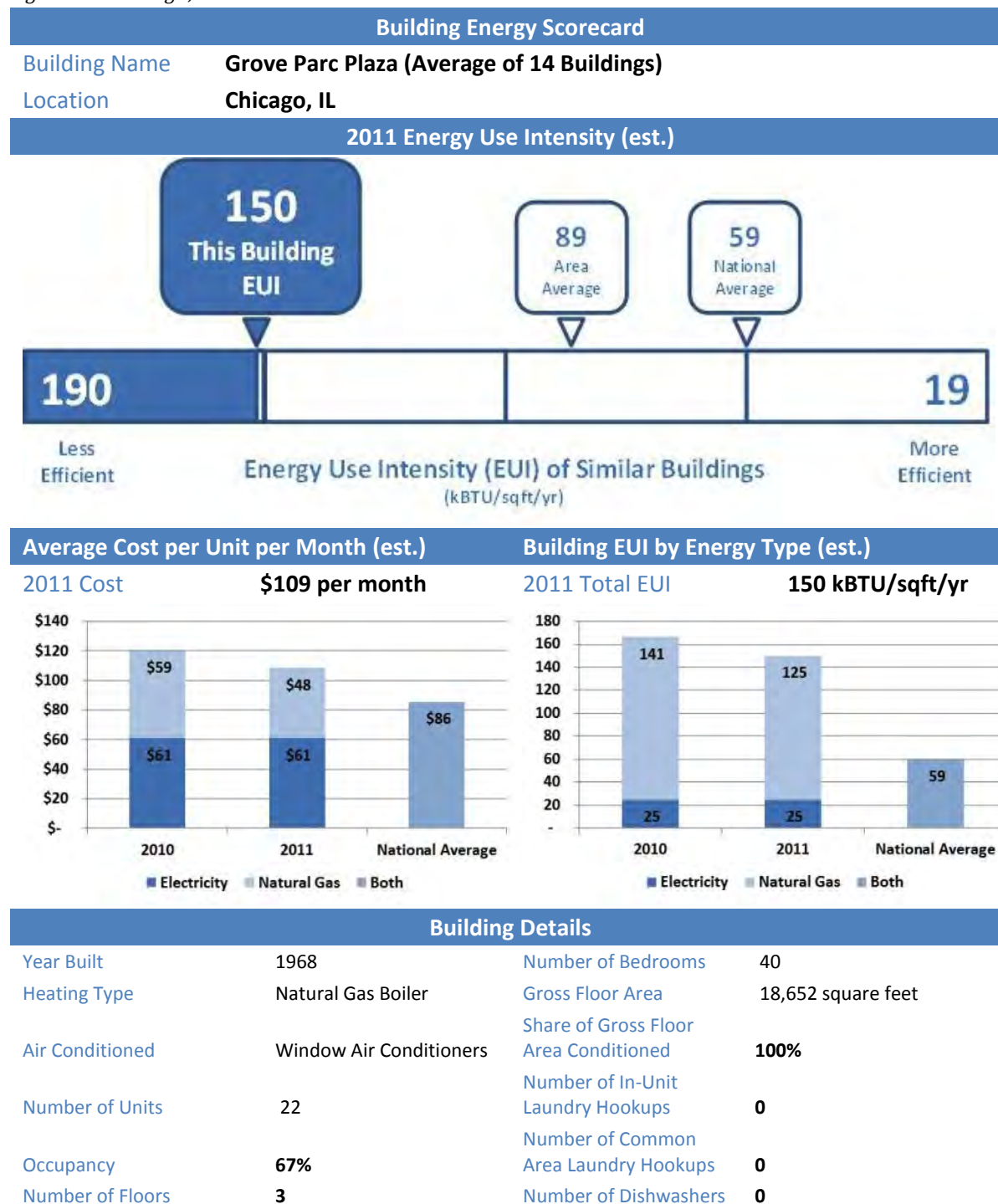
Grove Parc's energy use was much higher than the national average for multifamily buildings due in large part to Chicago's cold winters. The age and state of repair of the buildings likely played significant roles in Grove Parc's energy demand as well, as buildings with inefficiencies, such as insufficient insulation and air leaks require more energy to keep residents comfortable.

The number of window air conditioners and their usage is unknown, but if they were widely used the summer electricity consumption would have been greatly impacted by the same weatherization issues that influenced the winter heating demand. Grove Parc did not have major appliances, such as laundry machines, so its energy use would be even higher if those types of energy uses were present.



## Appendix A: Energy Scorecard Report

Figure A.1: Chicago, IL Grove Parc Scorecard





## Appendix A: Energy Scorecard Report

### New Orleans Iberville Building Energy Scorecard Summary

Figure A.2 shows that 71 of New Orleans' Iberville's buildings averaged an Energy Use Intensity (EUI) of 57 thousand BTU per square foot per year (kBtu/sqft/yr.) in 2011, compared to an area average of 27 and a national average of 59. Similar buildings in this region ranged from a less efficient EUI of 64 to a more efficient EUI of 10.

The average energy cost per month at Iberville was \$58 per unit in 2011, compared to a national average of \$86 per month for homes in multifamily buildings with five units or more. Only one year of cost data was available—spanning July 2010 to June 2011. The weather adjusted cost per unit was \$42 for electricity and \$16 for natural gas per month. The building owner pays the electricity, heating, and hot water bills at Iberville. There were 50 meters on-site for the 71 buildings in Iberville with some meters covering two buildings. Energy data were reported for the site as a whole.

Natural gas and electricity made up relatively even shares of the 57 EUI for the average Iberville building. The total EUI was slightly less than the national average of 59. The EUI for electricity was 30 and the natural gas EUI was 27 in 2011.

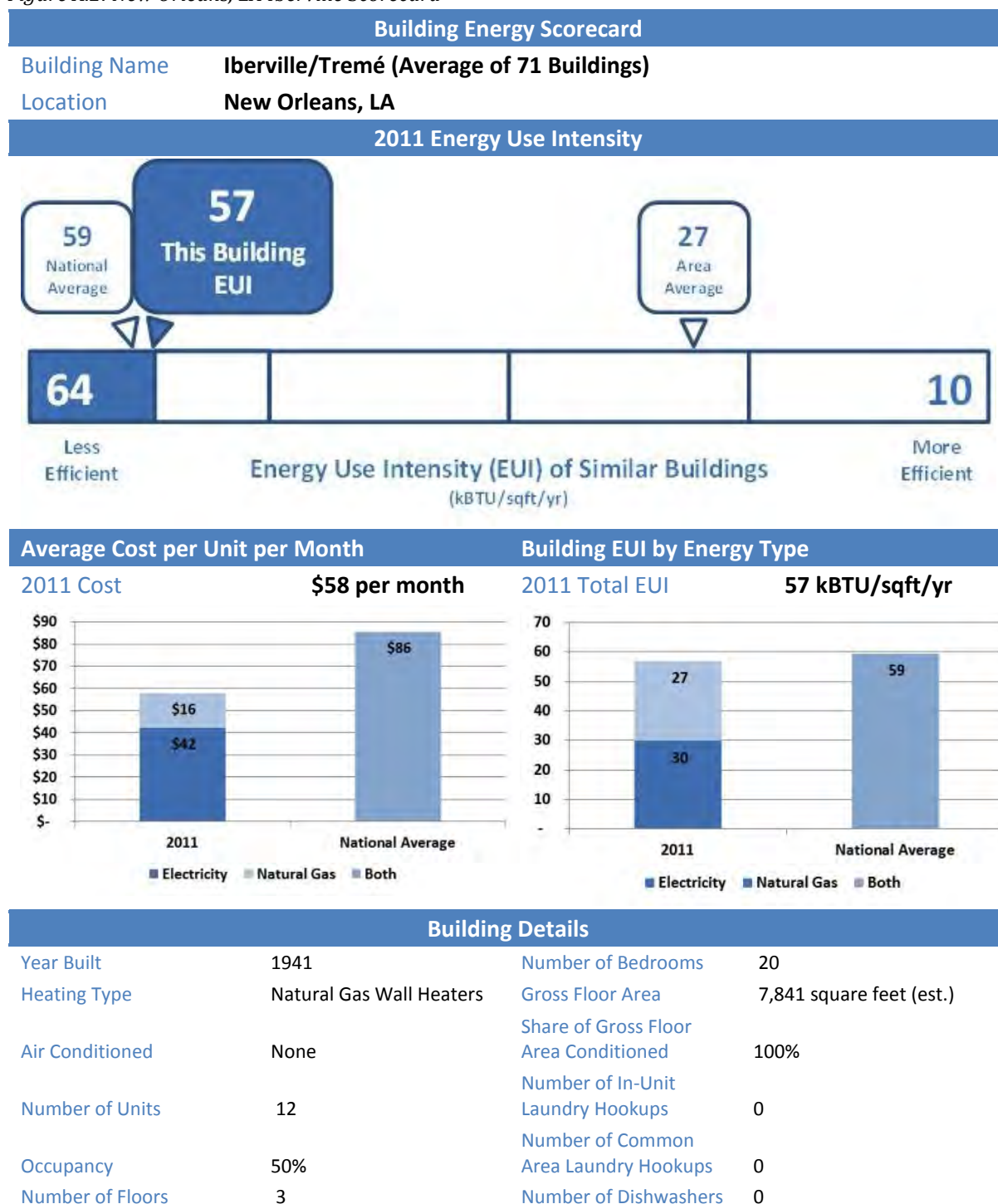
Iberville was built in 1941. The buildings were heated with natural gas wall heaters and there was no air conditioning. On average the buildings had 12 units each and an occupancy of just 50% in 2011 due to the redevelopment process. The average building was 3 stories tall and had 20 bedrooms in a gross floor area of an estimated 7,841 square feet. The share of gross floor area that was conditioned was 100%. There were no in-unit laundry hookups, no common area laundry hookups, and no dishwashers.

The average building at Iberville was more efficient than the national average, but energy use was higher than might be expected. Given New Orleans' temperate winters, with normal heating degree days of just 1,272 per year (compared to 6,329 in Chicago), the Iberville buildings likely did not require frequent heating. Though the summer is very hot, with 2,995 normal cooling degree days, the buildings did not have cooling systems, yet the average Iberville building had an EUI that was twice that of the average multifamily building in the area.



## Appendix A: Energy Scorecard Report

Figure A.2: New Orleans, LA Iberville Scorecard







## Appendix A: Energy Scorecard Report

### Boston Woodledge/Morrant Bay Building Energy Scorecard Summary

Figure A.3 shows that 11 of Boston's Woodledge/Morrant Bay's buildings averaged an Energy Use Intensity (EUI) of 168 thousand BTU per square foot per year (kBtu/sqft/yr.) in 2011, compared to an area average of 102 and a national average of 59. Similar buildings in this region ranged from a less efficient EUI of 238 to a more efficient EUI of 23.

Energy cost data for Woodledge/Morrant Bay were not available, but an estimate of energy costs was made using average energy prices in the region.<sup>2</sup> Monthly energy costs were an estimated \$152 per unit in 2011, compared to a national average of \$86 per month for homes in multifamily buildings with five units or more. The weather adjusted monthly costs per unit were estimated at \$14 and \$13 for electricity in 2010 and 2011 respectively and \$149 and \$139 for natural gas in those same years. Energy bills were a split responsibility with tenants paying the electric bills for their units and the building owner paying for heat, hot water, and electricity use in common areas.

Natural gas made up the vast majority of the 168 EUI for the average Woodledge/Morrant Bay building. The total EUI was nearly three times the national average of 59. The EUI for natural gas was 168 in 2010 and 163 in 2011, and the electricity EUI was 5 in 2010 and 4 in 2010.

Woodledge/Morrant Bay was built in 1920. The buildings were heated with natural gas boilers and there was no air conditioning. On average the buildings had 12 units each and an occupancy of 89% in 2011. The average building was 3 stories tall and had 28 bedrooms in a gross floor area of 8,799 square feet. The share of gross floor area that was conditioned was 92%. There were no in-unit laundry hookups, no common area laundry hookups, and no dishwashers.

Woodledge/Morrant Bay's energy use was much higher than the national average for multifamily buildings, likely due to Boston's cold winters and the age and state of repair of the buildings. The overwhelming share of the EUI that comes from natural gas use is indicative of a very heavy heating load. Indeed, Boston's Choice Neighborhoods round 1 Implementation Grant application states,

"Typical annual cost for gas for heat and hot water for the properties ranges from \$1,375 to \$1,690 per unit—about 60% to 75% higher than utility costs at comparable properties in the Dorchester Bay and Quincy Geneva portfolios. Outdated and inefficient heating systems; lack of insulation; poorly-fitting windows; and absence of low-flow showers and faucets all contribute to Morrant Bay's high energy costs."<sup>3</sup>

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<sup>2</sup> U.S. Department of Energy, Energy Information Administration, *Electric Sales, Revenue, and Average Price, Table 6*, 2012 and 2011. and U.S. Department of Energy, Energy Information Administration, *Natural Gas Prices: Massachusetts*, September 28, 2012.

<sup>3</sup> City of Boston Department of Neighborhood Development, "Choice Neighborhoods Initiative Round 1 Implementation Grant Application," undated.



**Appendix A: Energy Scorecard Report**

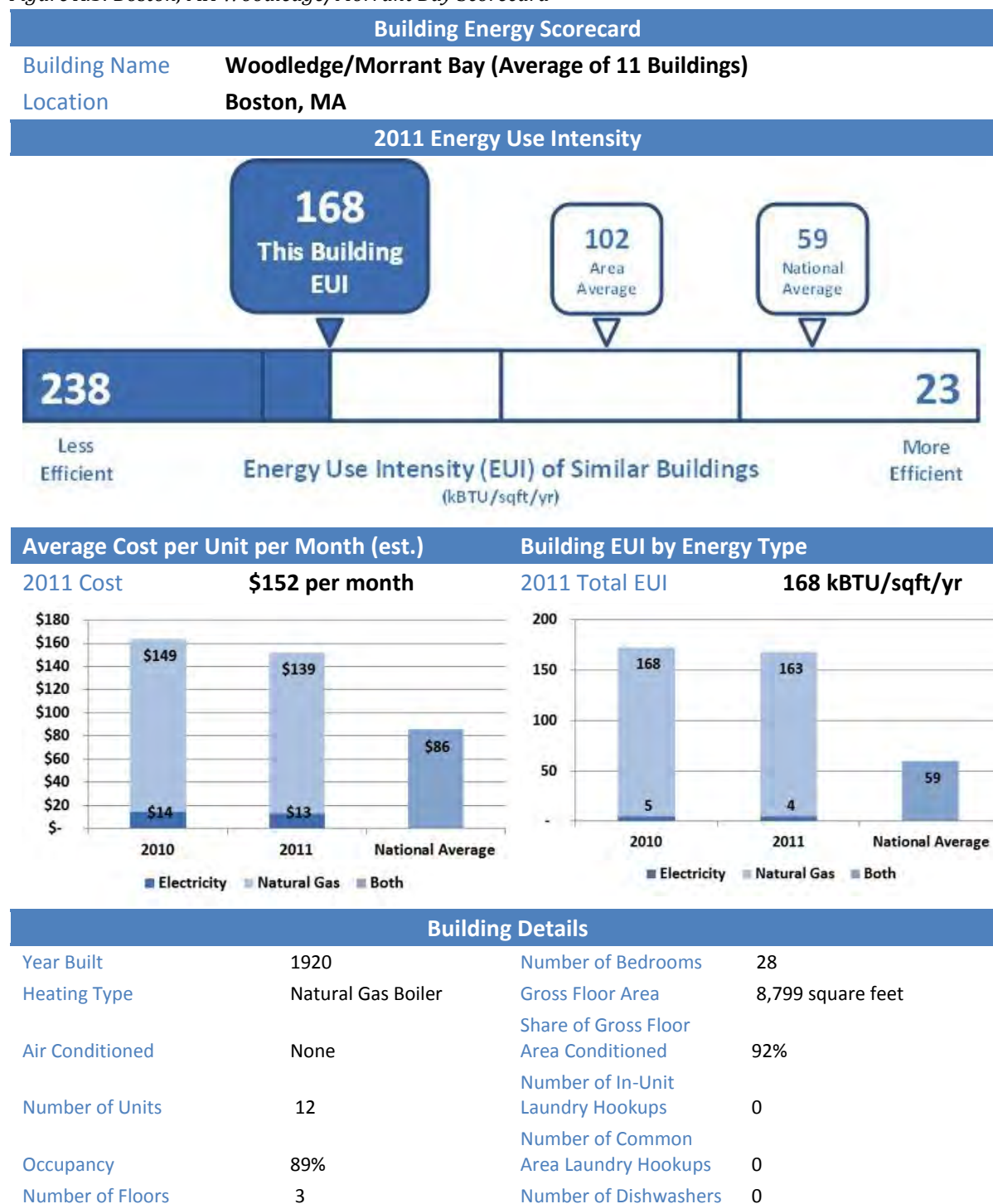
Woodledge/Morrant Bay did not have window air conditioners or major appliances, such as laundry machines, so its energy use would be even higher if those types of energy uses were present.

Data at Woodledge/Morrant Bay were reported on a building-by-building basis. Taken individually the building EUIs ranged from 113 to 208 in 2011, or a range from 33% below to 24% above than the average of 168.



## Appendix A: Energy Scorecard Report

Figure A.3: Boston, MA Woodledge/Morrant Bay Scorecard





## Appendix A: Energy Scorecard Report

### San Francisco Alice Griffith Building Energy Scorecard Summary

Figure A.4 shows that 33 of San Francisco's Alice Griffith's buildings averaged an Energy Use Intensity (EUI) of 98 thousand BTU per square foot per year (kBtu/sqft/yr.) in 2011, compared to an area average of 90 and a national average of 59. The area average EUI represents an average across all of California—the smallest geography at which RECS data were available. The California average EUI would be expected to be higher than San Francisco as it includes areas that typically require more heating and cooling, so the higher EUI at Alice Griffith is notable. Similar buildings in this region ranged from a less efficient EUI of 153 to a more efficient EUI of 32.

The average energy cost per month at Alice Griffith was \$145 per unit in 2011, compared to a national average of \$86 per month for homes in multifamily buildings with five units or more. The weather adjusted cost per unit has been fairly steady over the past three years with natural gas at \$81, \$83, and \$83 per month in 2009, 2010, and 2011 respectively, and electricity at \$61, \$69, and \$62 those same years. These energy costs represent the total of bills for the buildings and include energy used in common areas as well as individual units.

Natural gas made up the majority of the 98 EUI for the average Alice Griffith building. The total EUI was significantly higher than the national average of 59. The EUI for natural gas was 85 in 2009, 80 in 2010, and 75 in 2011, and the electricity EUI was 24, 24, and 23 those years.

Alice Griffith was built in 1962. The buildings were heated with natural gas boilers and there was no air conditioning. On average the buildings had 8 units each and an occupancy of 93% in 2011. The average building was 2 stories tall and had 22 bedrooms in a gross floor area of an estimated 7,727 square feet. The share of gross floor area that was conditioned was 100%. A 2009 energy audit indicated that the, "Site has central laundry and most apartment units have hook ups and portable units."<sup>4</sup>

Alice Griffith's energy use was quite a bit higher than the national average for multifamily buildings, which is significant because San Francisco has a temperate climate with just 2,652 normal annual heating degree days (compared to 6,329 in Chicago). The site underwent energy retrofits in the 1980's, and a 1992 study found that the retrofits reduced the site's energy use by 32% with attic insulation and other measures.<sup>5</sup> Nevertheless, the age and state of repair of the buildings likely played significant roles in Alice Griffith's 2011 energy demand. Additionally, the 2009 energy audit reports that the buildings were kept at an average temperature of 73 degrees during the winter, which is quite warm—many energy efficiency resources recommend a winter set point of 68 degrees during waking hours and lower during sleeping hours, though heating needs will vary. The overwhelming share of the EUI that comes from natural gas use is indicative of a very heavy heating load. Alice Griffith did not have window air conditioners, and there is little to no demand for cooling in San Francisco due to its cool summers.

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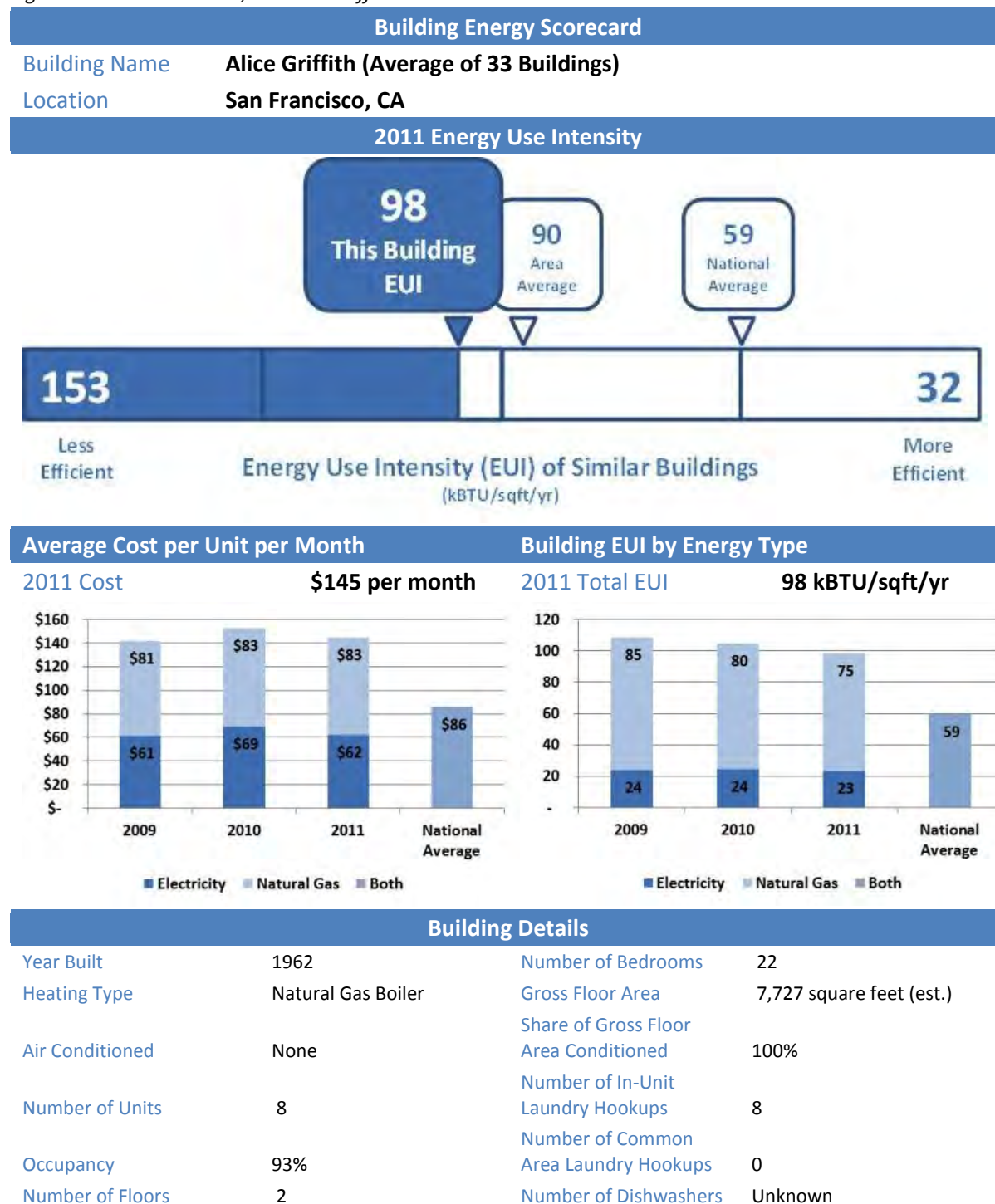
<sup>4</sup> Ameresco, *Energy Audit Report: San Francisco Housing Authority Alice Griffith*, March 31, 2009.

<sup>5</sup> Ronald Ritschard and Andrew McAllister, *Persistence of Savings in Multifamily Public Housing*, Lawrence Berkeley Laboratory, 1992.



## Appendix A: Energy Scorecard Report

Figure A.4: San Francisco, CA Alice Griffith Scorecard







## Appendix A: Energy Scorecard Report

### Seattle Yesler Terrace Building Energy Scorecard Summary

Figure A.5 shows that 65 of Seattle's Yesler Terrace's buildings averaged an Energy Use Intensity (EUI) of 38 thousand BTU per square foot per year (kBtu/sqft/yr.) in 2010 (the most recent year for which complete data were available), compared to an area average of 38 and a national average of 59. Similar buildings in this region ranged from a less efficient EUI of 115 to a more efficient EUI of 23.

The average energy cost per month at Yesler Terrace was \$62 per unit in 2010, compared to a national average of \$86 per month for homes in multifamily buildings with five units or more. Electricity was the only energy type used in the buildings. The cost per unit was \$48, \$49, and \$62 in 2008, 2009, and 2010 respectively. These electricity costs represent the total of bills for the buildings and include energy used in common areas as well as individual units.

Because electricity was the only fuel used the electricity EUI is the same as the whole building EUI and was 33 in 2008, 34 in 2009, and 38 in 2010. The total EUI was lower than the national average of 59.

Yesler Terrace was built in 1941. The buildings were heated with electric baseboard heaters and there was no air conditioning. On average the buildings had 8 units each and an occupancy of 97% in 2011. The average building was 2 stories tall and had 14 bedrooms in a gross floor area of 7,516 square feet. The share of gross floor area that was conditioned was 86%. There were no in-unit laundry hookups, no common area laundry hookups, and no dishwashers.

Seattle has a long history of hydroelectric power generation and very low cost electricity, which is why many Seattle buildings rely solely on electricity for all energy needs. Yesler Terrace's energy use was lower than the national average for multifamily buildings, which is due in part to Seattle's moderate winters. Notably, the EUI for the average building at Yesler Terrace exactly matches that of the average for the area of 38. A 2009 study of ten new multifamily buildings in Seattle also found an average EUI of 38.<sup>6</sup>

Yesler Terrace has significant room for energy efficiency improvement with redevelopment. A 2007 study found that units at Yesler Terrace used 24% more energy than their equivalents at a Hope VI redevelopment in Seattle that met modern building codes (New Holly) and 40% more energy than a Hope VI green building redevelopment (High Point).<sup>7</sup> Yesler Terrace is located in Seattle's 2030 District, an area that is working to achieve the Architecture 2030 Challenge targets for new buildings; this includes a goal EUI of 16 for new multifamily buildings beginning in 2010 and an EUI of 12 beginning in 2015.<sup>8</sup>

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<sup>6</sup> Ecotope, *Multifamily Billing Analysis: New Mid-Rise Buildings in Seattle*, prepared for City of Seattle Department of Planning & Development, December 2009.

<sup>7</sup> Cedar River Group, *Sharing the Benefits of Building Green: A Study of the High Point Community*, 2009.

<sup>8</sup> CollinsWoerman & Gibson Economics, *Yesler Terrace Sustainable District Study*, December 12, 2010.



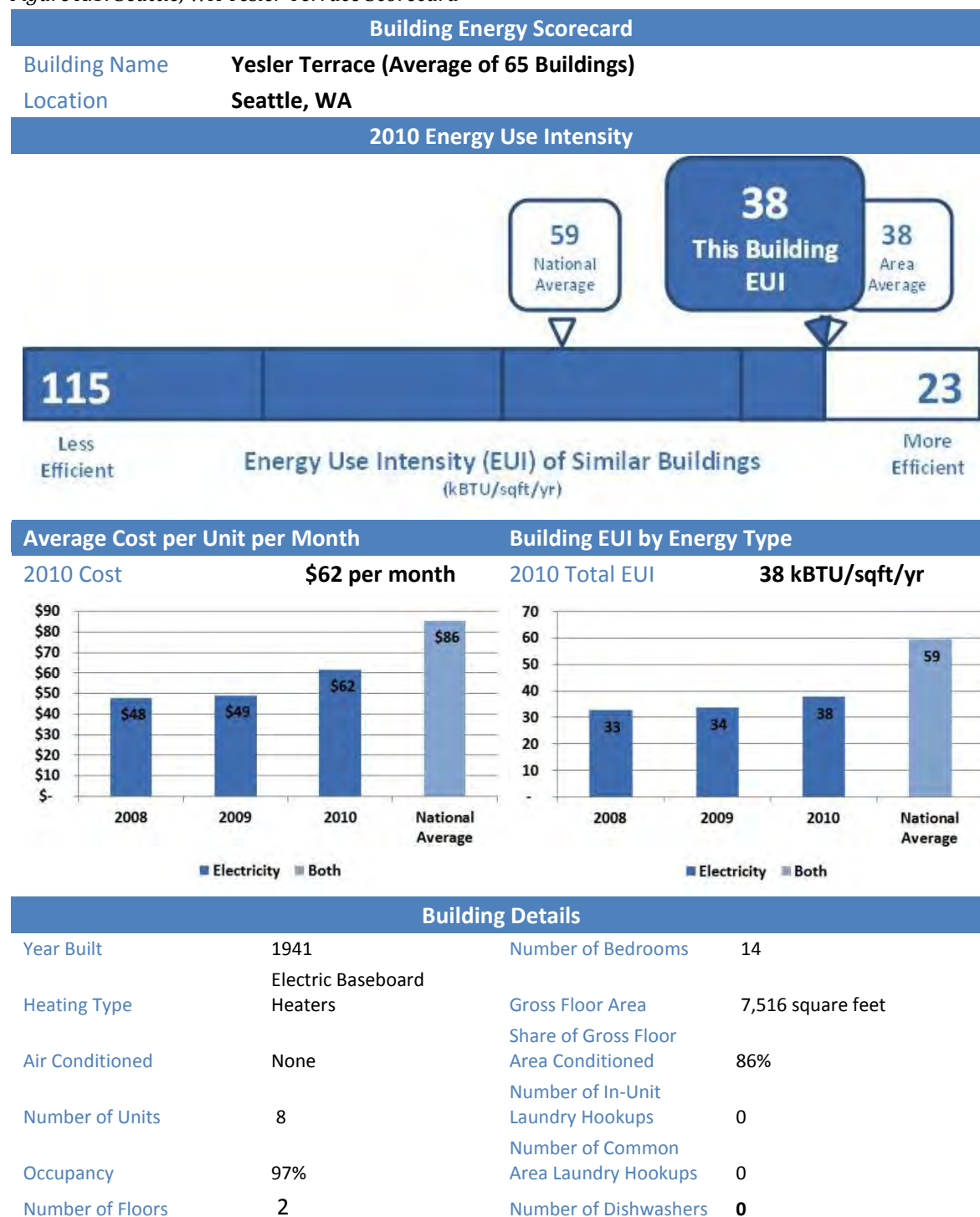
**Appendix A: Energy Scorecard Report**

Yesler Terrace also has 4 buildings that serve as YMCA Emergency Housing sites. These buildings were not included in the Scorecard average, because their energy use was reported separately and their usage patterns were likely quite different. Occupancy data for these buildings were unavailable, but assuming 100% occupancy these buildings had an average EUI of 49 in 2010, which is notably higher than the other Yesler Terrace buildings.



## Appendix A: Energy Scorecard Report

Figure A.5: Seattle, WA Yesler Terrace Scorecard





## Appendix A: Energy Scorecard Report

### Chicago Utility Data

Working with the building owner, Preservation of Affordable Housing, gas and electric utility data were collected for Grove Parc Plaza in Chicago. These utility data are in addition to the owner-reported data used in this study and allow for comparison between data from these two different sources.

The issues encountered in the process of gathering utility data in Chicago were typical of the challenges faced when working to assess multifamily buildings. Specifically, buildings were not individually metered, building addresses did not match utility records, and data for utilities paid by tenants were often missing or difficult to align with other building data.

The median difference in natural gas utility-reported and owner-reported data at 14 Grove Parc buildings was quite small at 3% and ranged from -27% to 21% on a building-by-building basis. Typical issues that cause such variance are billing estimates, inconsistent billing dates, and transcription errors. Because the building owner at Grove Parc pays all natural gas utility bills, the dataset for these buildings was relatively straightforward.

Comparatively, accessing electric utility data paid by tenants at Grove Parc was extremely challenging. Grove Parc tenants pay their own utility bills for in-unit electricity use while the building owner pays for common area electricity use. Utility records have not historically been set up to easily enable the roll up of accounts from multiple different customers, so data requested for Grove Parc buildings was often missing the vast majority of tenant accounts.

In the end, complete electricity use data for two buildings that share a common meter were gathered. The electricity use at these buildings was much higher than the average with an EUI of 56, as compared the EUI of 25 estimated for the 14 buildings in Grove Parc's Scorecard. These two buildings had some unusual characteristics, such as being the only buildings in Grove Parc with studio and one-bedroom apartments, as well as having the only elevators in the complex—both factors that will increase the EUI of a building. As a result, it was decided these two buildings were not enough of a representative sample to warrant adjusting the other building's electricity use upward in line with these buildings.

### Conclusion

All of the buildings studied were ripe for energy efficiency improvements, and will likely see better energy performance after redevelopment, barring the addition of new major energy uses such as air conditioning, elevators, and large appliances. Benchmarking and tracking energy use and costs will help drive ongoing energy improvements by allowing building owners to identify and address inefficiencies. Improving the efficiency of multifamily buildings will reduce costs and increase affordability.

Gathering the data necessary for these Scorecards posed many challenges, not least of which was that many of the buildings were not individually metered for energy use. Future benchmarking efforts would be well served by developing stronger energy data standards for buildings in HUD programs.



## Appendix A: Energy Scorecard Report

Historically, public housing authorities were only required to report energy expenditures to HUD on an agency-wide basis, and today's required property-by-property reporting of consumption data has been an improvement in transparency. But, building-level meters with automatic monthly reporting would bring a much deeper and more accurate level of understanding of building energy use patterns.

New utility initiatives are making energy data collection easier than ever before with online reporting systems. The days when building owners had to hand-enter data from paper bills into spreadsheets and survey residents to track usage and costs should be coming to an end. Supporting adoption of automated reporting in affordable housing would benefit owners and residents.

In many places around the country new building disclosure laws have been developed which encourage or require building owners to disclose energy use. As these policies are implemented data issues related to building energy benchmarking are coming into sharper focus. PlaNYC's, *New York City Local Law 84 Benchmarking Report*, makes a set of recommendations for improved data gathering and benchmarking that apply well to multifamily affordable housing, including automatic uploading of utility data, building-level metering, corrections to service addresses and building square footage, improvements to Energy Star Portfolio Manager, and the creation of evaluation and feedback systems to continually improve data over time.<sup>9</sup> Coordinating affordable housing benchmarking with benchmarking and disclosure policies such as New York City's will standardize and improve the practice for everyone involved.

## Additional Methodology: Scorecard Components

The Scorecard is made up of a set of four key components that are explained in detail here— Building Energy Use Intensity; Average Cost; EUI by Energy Type; and Building Details.

### Building Energy Use Intensity

Energy use intensity (EUI) as measured in thousand British Thermal Units (BTUs) per square foot per year is becoming a standard unit of measure in building energy efficiency reporting. It enables comparison by including all types of energy use, such as natural gas, electricity, and fuel oil. To calculate EUI annual energy use values are converted into common units and summed. Dividing this total energy use by square footage provides some normalization and comparability among buildings of very different sizes. This can be important in multifamily housing where buildings can range from 5 units to 150 units and more.

Figure A.6 shows the average building EUI for Boston, normalized for Boston's average weather, on a scale that includes a range of intensities as well as a national and area average gives the EUI context. The national average used in the Scorecard is the average value for apartments in buildings with five or more units in the U.S. from the Department of Energy's 2005 Residential Energy Consumption Survey (RECS) normalized for an average national weather year. The average RECS EUI of apartments in

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<sup>9</sup> City of New York, PlaNYC, *New York City Local Law 84 Benchmarking Report*, August 2012.

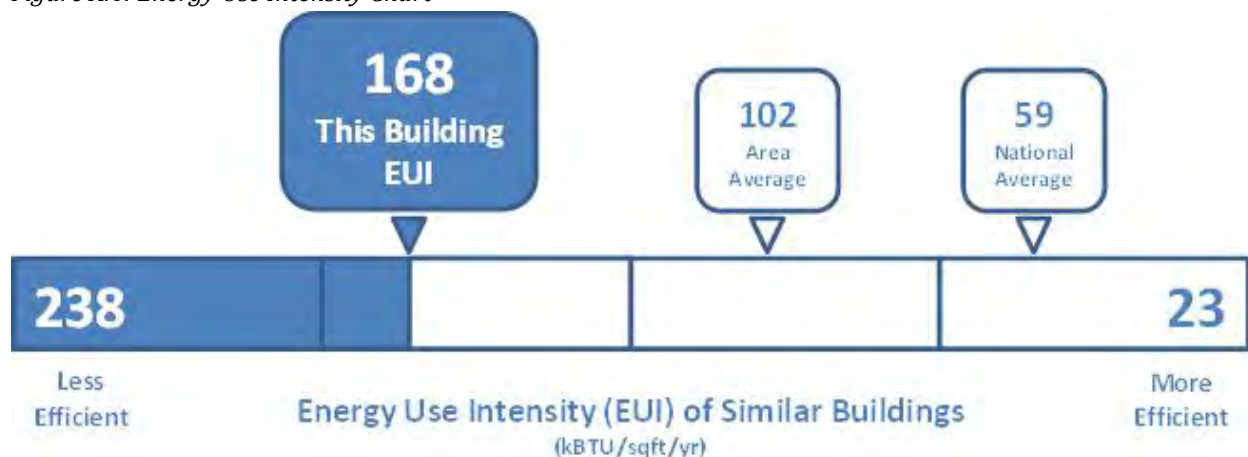




## Appendix A: Energy Scorecard Report

buildings with five or more units in the associated Census Division (or state for San Francisco) weather normalized for the average year's climate in the area is used as the area average. The "more efficient" and "less efficient" values represent the average of the upper and lower quintiles of the RECs microdata for multifamily buildings with five or more units in each region. CNT Energy also used a database of energy use for over 100 anonymized multifamily buildings in the study cities provided by Bright Power.

Figure A.6: Energy Use Intensity Chart



The EUIs for the buildings can be represented in two ways—the energy used on site, or the life cycle total of energy use including the source energy lost in the process of generating the electricity and transporting the natural gas used in the building. These two types are known as site EUIs and source EUIs. Site EUIs represent energy use as building owners and residents usually understand it. Source EUIs have the benefit of presenting the full energy use of a building from a global perspective. Unless stated otherwise, all of the EUIs presented here are site-based EUIs. Source EUIs are calculated using US EPA multipliers of 3.34 for electricity and 1.047 for natural gas. However, it should be noted that these national average multipliers may distort the impact of electric use in Seattle, which is largely hydropowered, so does not face the same source energy inefficiencies of the average fossil fuel power.

Table A.1: Site and Source Energy Use Intensity

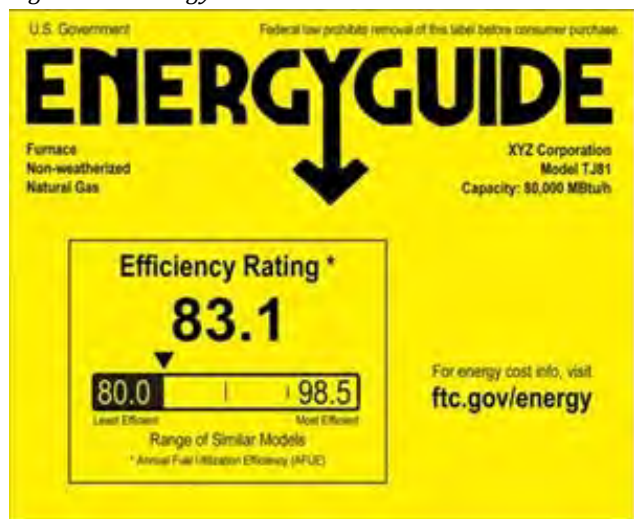
	2011 Site EUI (kBTU/sqft/yr.)	2011 Source EUI (kBTU/sqft/yr.)
Chicago (Grove Parc Plaza)	150	214
New Orleans (Iberville)	57	128
Boston (Woodledge/Morrant Bay)	168	186
San Francisco (Alice Griffith)	98	156
Seattle (Yesler Terrace)	38	127



## Appendix A: Energy Scorecard Report

The visuals for the EUI portion of the Scorecard are loosely based off of the federal EnergyGuide label for appliances (Figure A.7), which provides a quick glance look at how an appliance ranks in energy use in comparison to other similar items.<sup>10</sup>

Figure A.7: Energy Guide Label



## Average Cost

Where cost data are available it is useful to include them in the Scorecard as energy cost is a much more tangible factor for households and building owners than energy use. However, it should be stressed that energy costs vary significantly over time and by place. Costs should not be the primary metric to score building energy efficiency, as two buildings in two different places using the same amount of energy may have very different energy bills due to regional energy generation and delivery costs. Moreover, the same building using constant energy over time could have increasing energy costs due to changes in the energy market.

Utility costs are split in a variety of ways in multifamily buildings—owners may pay all energy costs; tenants may pay for electricity in their units while owners pay for heating, hot water, and common area energy use; or there may be some other split of costs. For simplicity and comparability cost data are reported here on a total average per-month, per-occupied-unit basis.

A national average energy cost value is presented as a point of comparison. The national average value is for multifamily rental buildings of five units or more and it is not broken out by fuel, because home energy fuels vary across the country—heating oil is common in the Northeast U.S., while other areas may use only electricity for all household energy needs.

<sup>10</sup> U.S. Federal Trade Commission, “Proposed 2012 Energy Guide Label for Heating Ventilation and Air Conditioning Equipment,” May 2012. <http://www.ftc.gov/opa/2012/05/images/energyguide-label.jpg>



## Appendix A: Energy Scorecard Report

### EUI by Energy Type

The third chart presented in the Scorecard is Energy Use Intensity (EUI) by fuel by year. This uses some of the same information as the first chart, but provides a trend if enough data points are available. It also shows the energy intensity of the different types of energy used in the building, which can be quite different than the breakdown by cost in the previous chart. As with the cost data, a national average is presented as a point of comparison, but the data are not broken up by energy type because different types of energy are used in different regions.

### Building Details

The building details section of the Scorecard provides information on some of the major factors that will impact the building's energy use. For simplicity's sake, not all variables affecting energy use are included here. Instead, the focus is on factors that could change and impact energy use after redevelopment or renovation. For example, if a redevelopment adds air conditioning the energy use of the new building will likely be much higher unless other efficiency improvements offset the new source of energy demand. On the other hand, measures of local climate are not included in the Scorecard, as they will not change upon redevelopment or rehabilitation. More information on the variables affecting energy use is provided in the next section.

### Variables Affecting Energy Use

#### Size and Occupancy

Multifamily homes tend to have higher energy use intensities on a per-square-foot basis than single family homes in large part because multifamily homes are smaller. There are typically more people and more appliances per square foot in a multifamily home than in a single family home. The more people there are, the greater the use of lighting, hot water, and other energy consuming appliances. Occupancy patterns can also affect energy use, for if household members are home during the day the unit will need to be heated, cooled, and lighted for more hours than if it was vacant during the day.

#### Age, Construction, and Weatherization

The materials that a home is built of, along with its age and state of repair, can determine how hard the heating and air conditioning have to work in order to keep the home at a comfortable temperature. If a home has been weatherized and improvements have been made to insulation, leaky windows, and other building elements it will be more efficient to heat and cool.

#### Appliances

Appliances such as refrigerators, stoves, clothes washers, and dryers are all major energy users. A home that has a lot of appliances or old, inefficient appliances will have higher energy bills. The trend in the last decade is that homes have more and more electrical equipment, but appliances are getting more efficient due to federal standards.



## Appendix A: Energy Scorecard Report

### Climate and Weather

The climate in which a home is located is one of the major drivers of its energy use. Because heating and air conditioning are typically a home's largest energy users, homes in extreme climates tend to demand more energy.

Heating degree days (HDDs) and cooling degree days (CDDs) are common units of measure for the influence of climate and weather on energy use. HDDs and CDDs are measures of the difference between a day's average temperature and a base temperature of 65 degrees Fahrenheit. This gives one a sense of how much heating or cooling might be required to make a building comfortable. These measures also allow one to compare actual weather with the "normal" average. Table A.2 shows 2011 actual and normal HDDs and CDDs in the five CN cities.

*Table A.2: Actual and Normal Heating and Cooling Degree Days in five CN cities*

		2011 Actual	Normal
Chicago	HDD	6133	6329
New Orleans	HDD	1231	1272
Boston	HDD	5137	5667
San Francisco	HDD	2960	2652
Seattle	HDD	5151	4694
Chicago	CDD	1033	827
New Orleans	CDD	3358	2995
Boston	CDD	1008	741
San Francisco	CDD	115	156
Seattle	CDD	121	184

The climates in the CN cities are significantly different from each other, so energy use patterns will inherently vary from site-to-site. The chart also shows that actual values are above normal in some places but below normal in others within the same year. A close-up look at Boston alone in figure A.6 shows that these patterns vary year-to-year even in the same place.

Energy data in the Scorecards are adjusted to "normalize" for weather, so changes in energy use due to weather do not overshadow other building energy use patterns. Best practice is to normalize a building's energy use on a month-by-month basis using regression analysis and separating base load energy uses from energy uses impacted by weather, but annual ratios of actual to normal HDDs were used in this study because only annual data were available.



## Appendix B:

### Geographies for Choice Neighborhoods Analyses





## Appendix B: Geographies for Choice Neighborhoods Analyses

This appendix is based on a memo titled “Census Geographies and the Choice Neighborhoods Initiative” submitted to HUD in September 2012. It describes the census geographies that are used in analyses of selected national data sources for the Choice Neighborhoods by the Urban Institute/MDRC team. The Choice Neighborhood boundaries were selected by the grantees using 2000 census blocks definitions.

Below is a list of data sources, sorted by the geography for analysis. As most future releases of data will use the 2010 definitions for geographies, we used the 2010 definitions whenever possible. Generally, data are aggregated for the Choice Neighborhoods based on the lowest level of geography available (points, followed by blocks or tracts). The maps that follow display the Choice neighborhood boundaries, census tract boundaries, changes in tract boundaries between 2000 and 2010 (if any), and the tracts selected for analysis in each Choice neighborhood. The maps for 2010 are displayed when there was no change in the definition of tracts intersecting with the Choice neighborhood between 2000 and 2010.

*Table B.1: Geographic Levels of Data Sources Used in CN Analysis*

Geographic Level of Source Data	Data Sources
Address-level data	InfoUSA National Center for Education Statistics (NCES) Common Core data Local reported crime data PIC/TRACS
Census Blocks, 2010	Decennial Census 2000 and 2010 Local Employment Dynamics, 2006-10
Census Block Groups, 2010	Fair Housing Equity Assessment Indices
Census Tracts, 2010	Census long-form 2000 American Community Survey (ACS) 2006/10 HUD U.S. Postal Service Vacancy data
Census Tracts, 2000	Boxwood-Means Home Mortgage Disclosure Act

Note: See appendix C for descriptions of data sources.



Appendix B: Geographies for Choice Neighborhoods Analyses

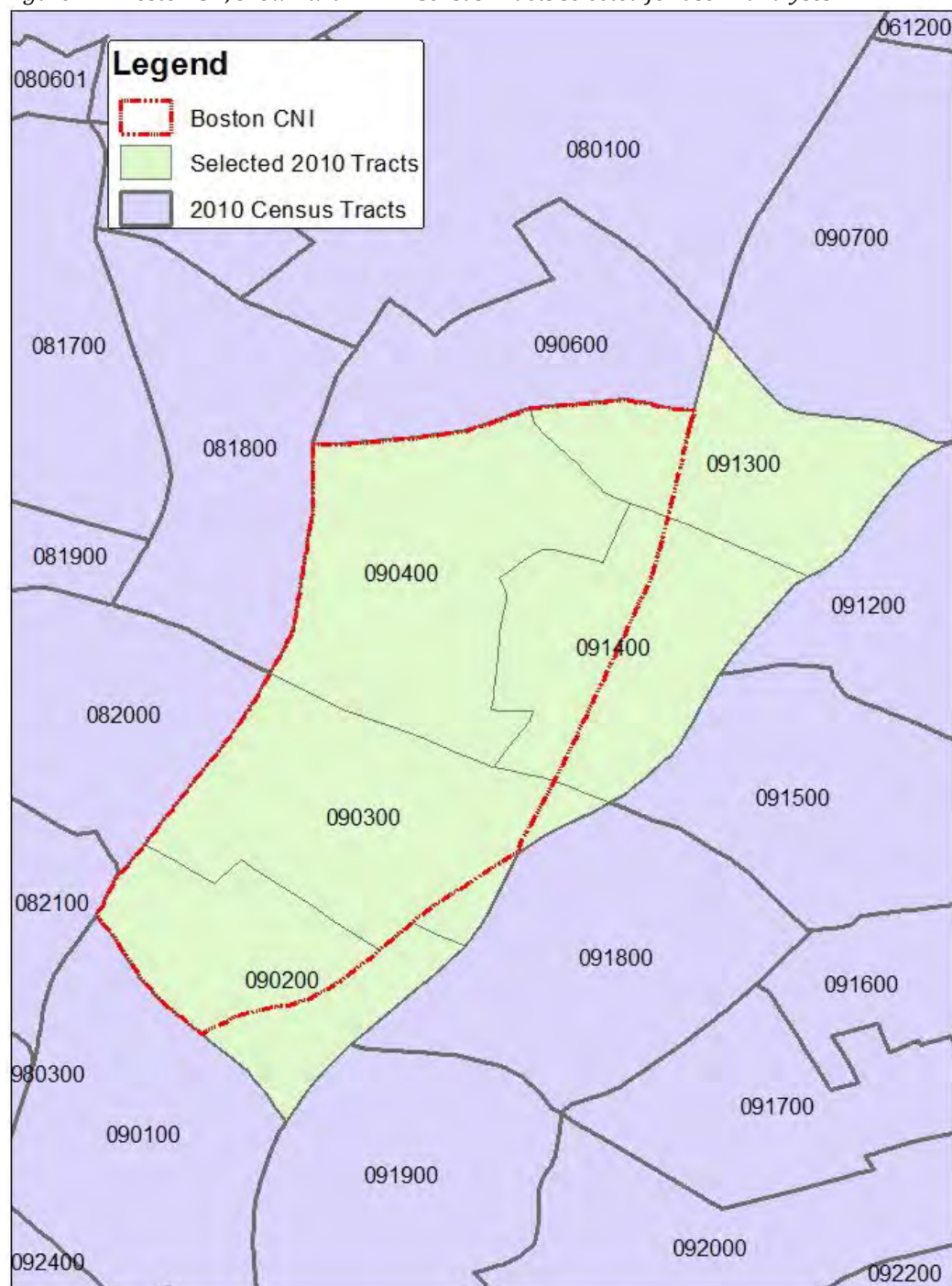
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## Appendix B: Geographies for Choice Neighborhoods Analyses

Figure B.1: Boston CN, shown with 2010 Census Tracts selected for use in analyses

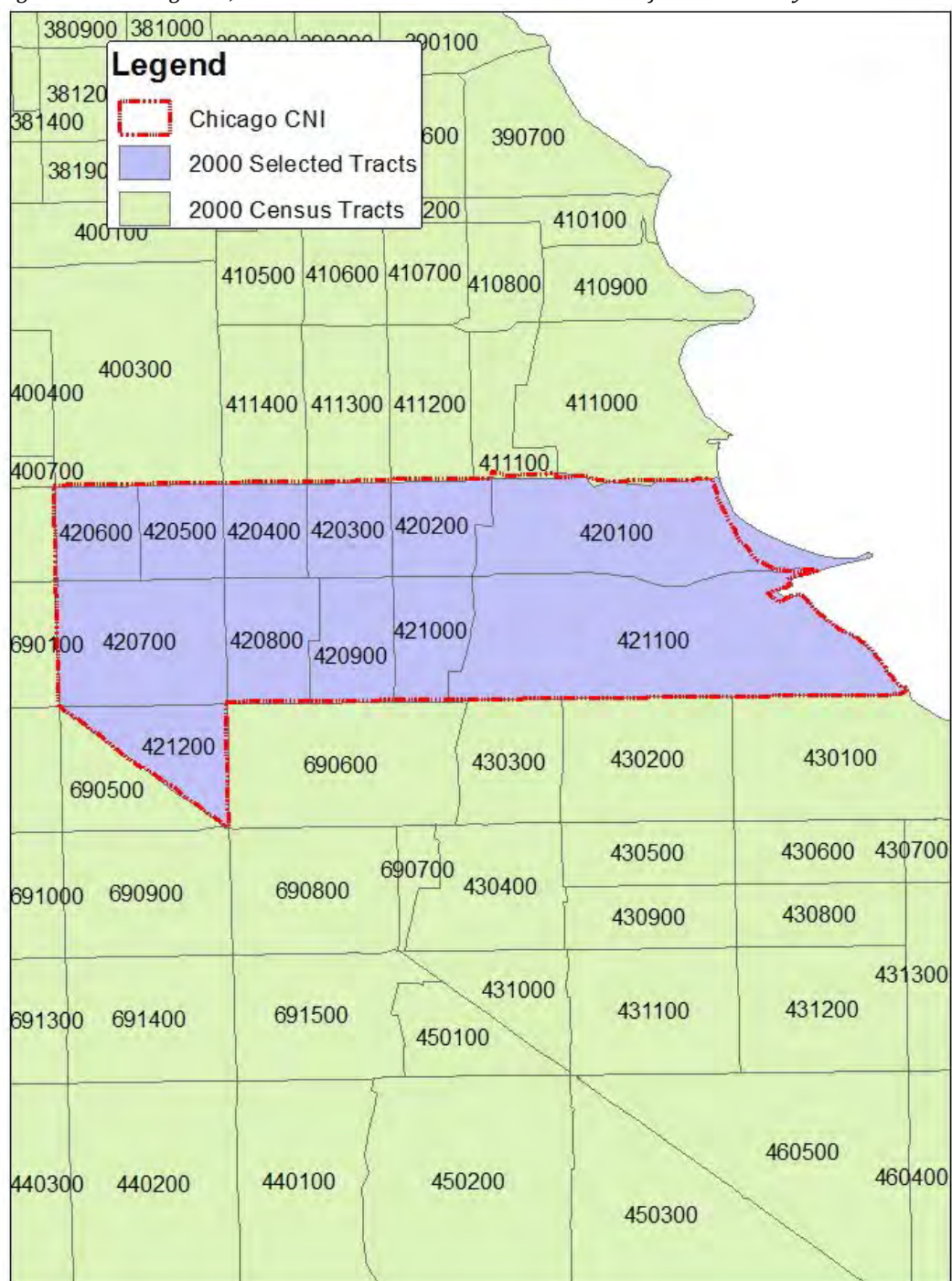


There were no changes in the tract definitions from 2000 to 2010 that affected the tracts that intersect with Quincy Corridor.



Appendix B: Geographies for Choice Neighborhoods Analyses

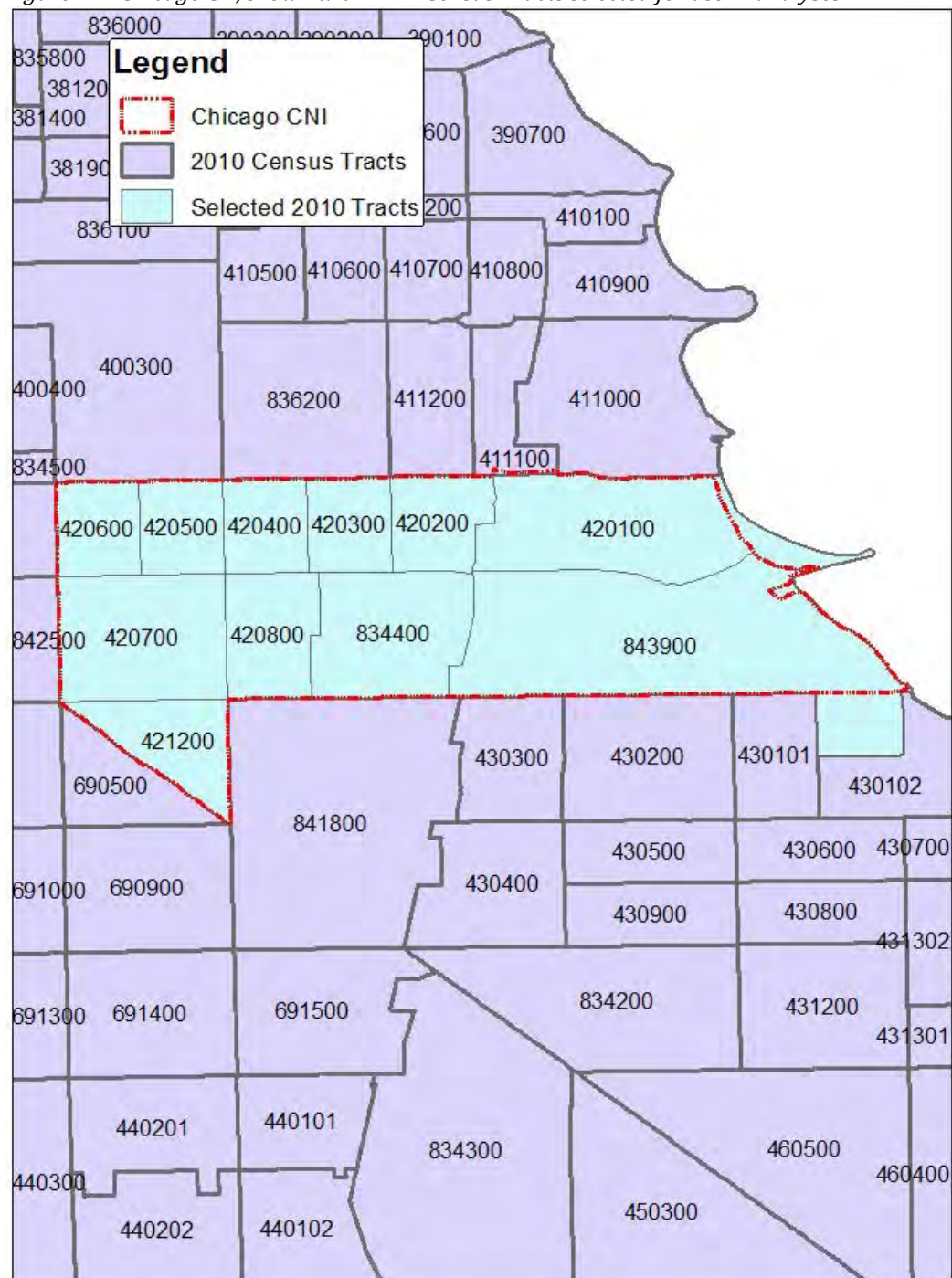
Figure B.2: Chicago CN, shown with 2000 Census Tracts selected for use in analyses





Appendix B: Geographies for Choice Neighborhoods Analyses

Figure B.3: Chicago CN, shown with 2010 Census Tracts selected for use in analyses



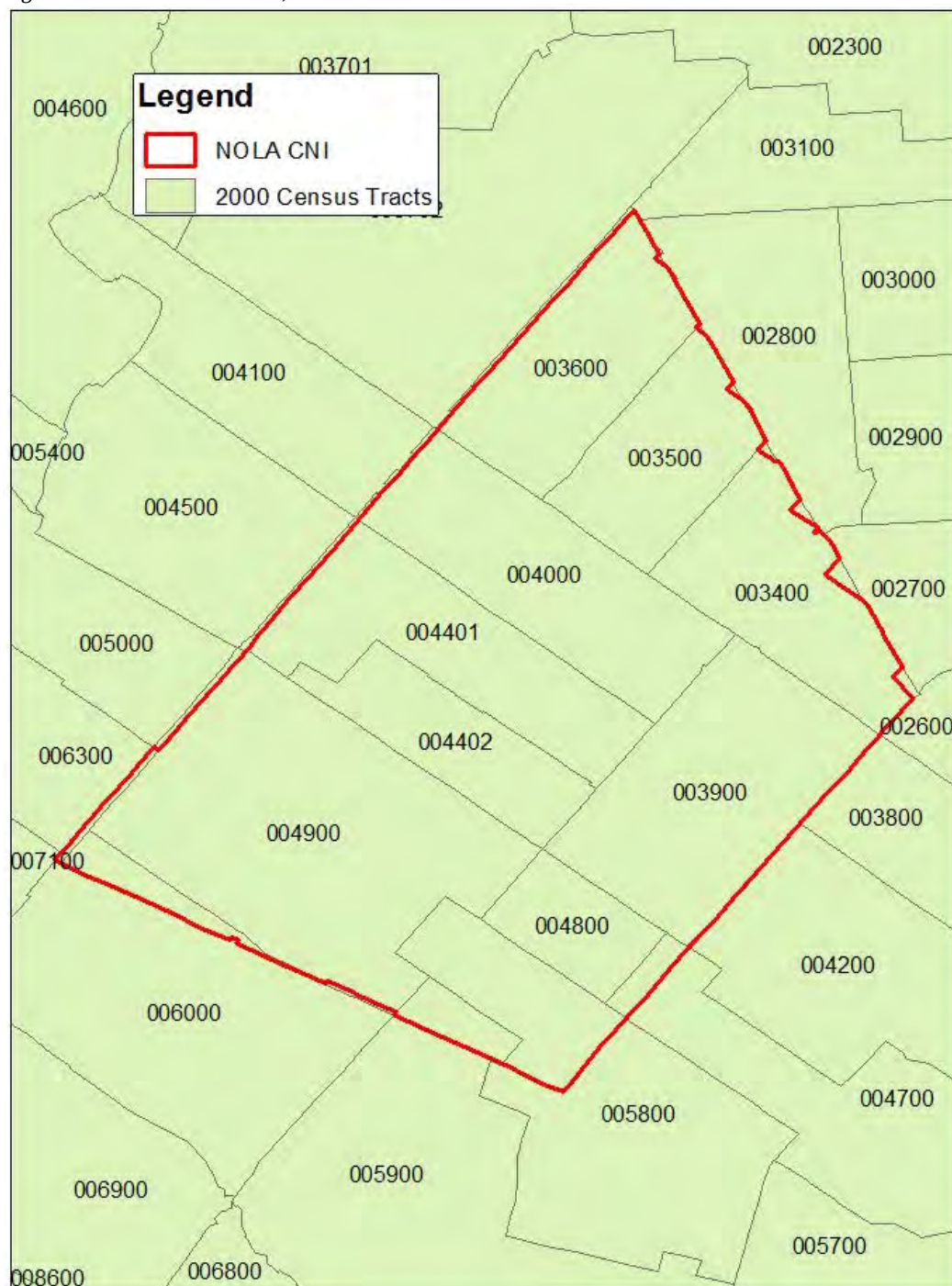
There were small changes in tract boundaries between 2000 and 2010 in Woodlawn. Tracts 420900 and 421100 were combined to create 834400, and 421100 was combined with a block from 430100 to create 843900.





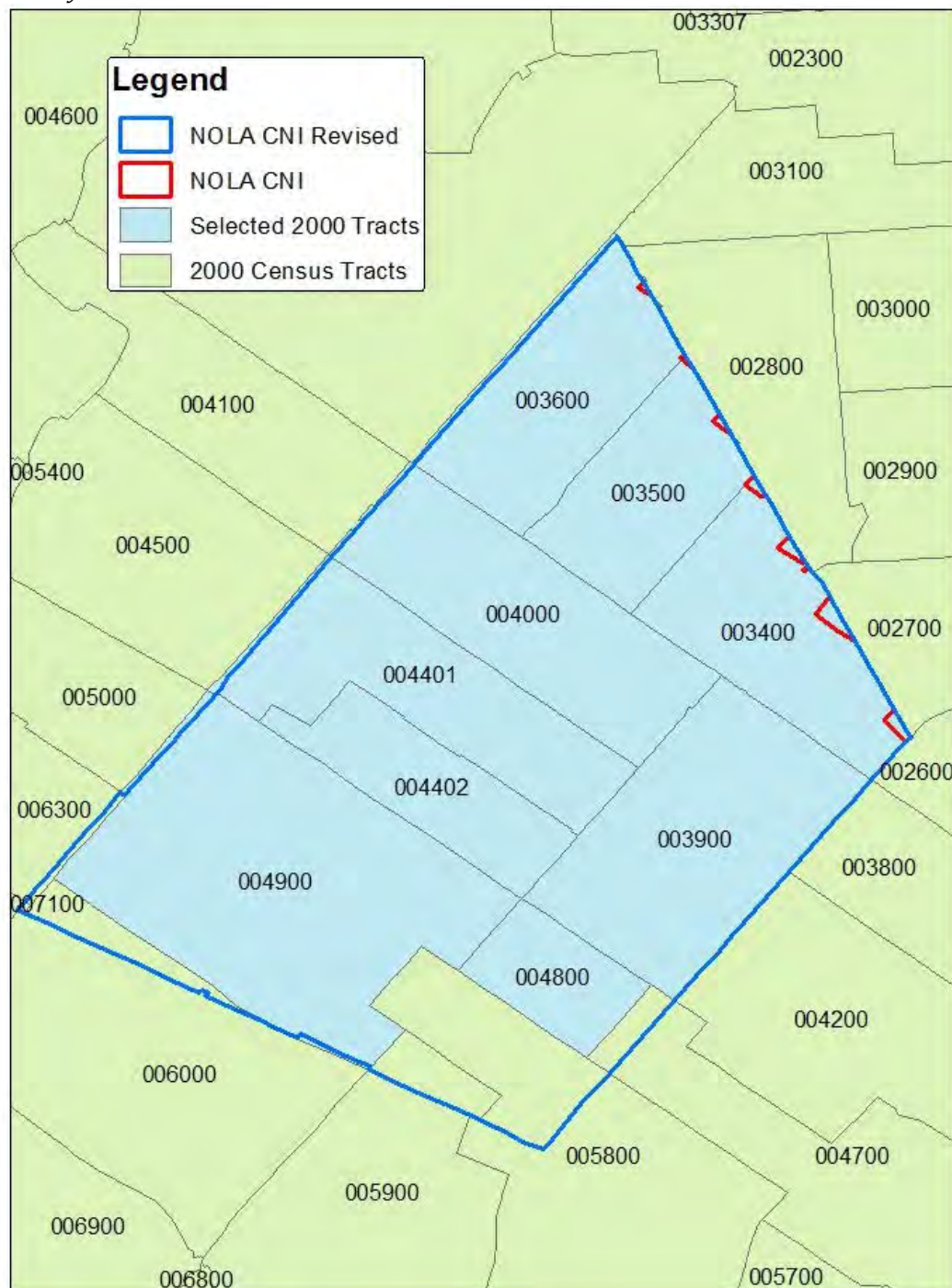
Appendix B: Geographies for Choice Neighborhoods Analyses

Figure B.4: New Orleans CN, shown with 2000 Census Tracts



## Appendix B: Geographies for Choice Neighborhoods Analyses

Figure B.5: New Orleans CN, shown with revised neighborhood boundary and 2000 Census Tracts selected for use in analyses

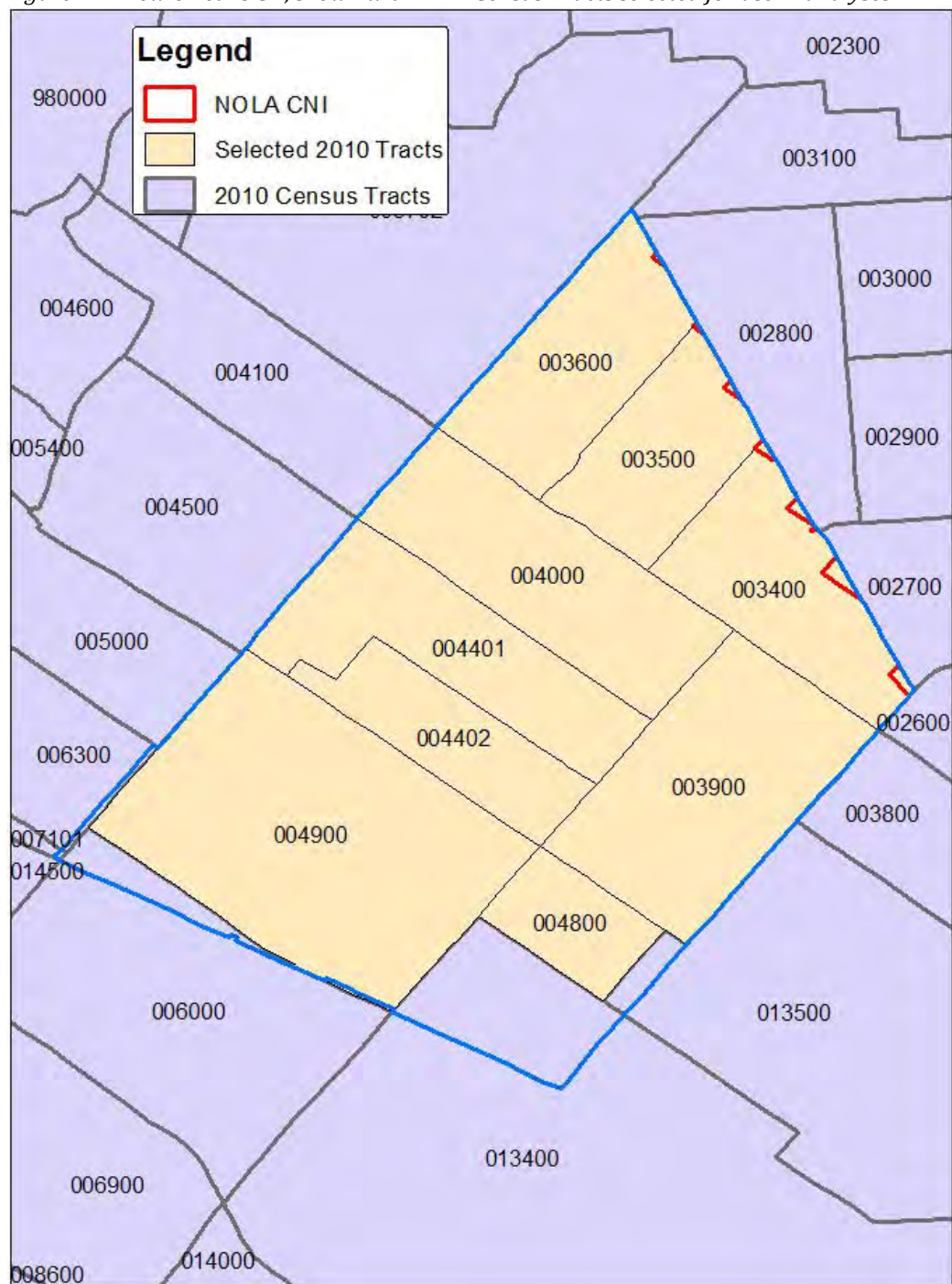


The list of target neighborhood census blocks included the round 1 New Orleans CN application (attachment 9) did not include several census blocks along St. Bernard Avenue. For analysis purposes, we included these small blocks, only a few of which had any population or housing units.



## Appendix B: Geographies for Choice Neighborhoods Analyses

Figure B.6: New Orleans CN, shown with 2010 Census Tracts selected for use in analyses



There were some small changes in tract boundaries between 2000 and 2010. Tract 004900 added an additional block; other tracts not selected for analysis (e.g. 013400 and 013500 above) were created from merging several tracts (2000-definition) together.





## Appendix B: Geographies for Choice Neighborhoods Analyses

Figure B.7: San Francisco CN, shown with 2000 Census Tracts selected for use in analyses

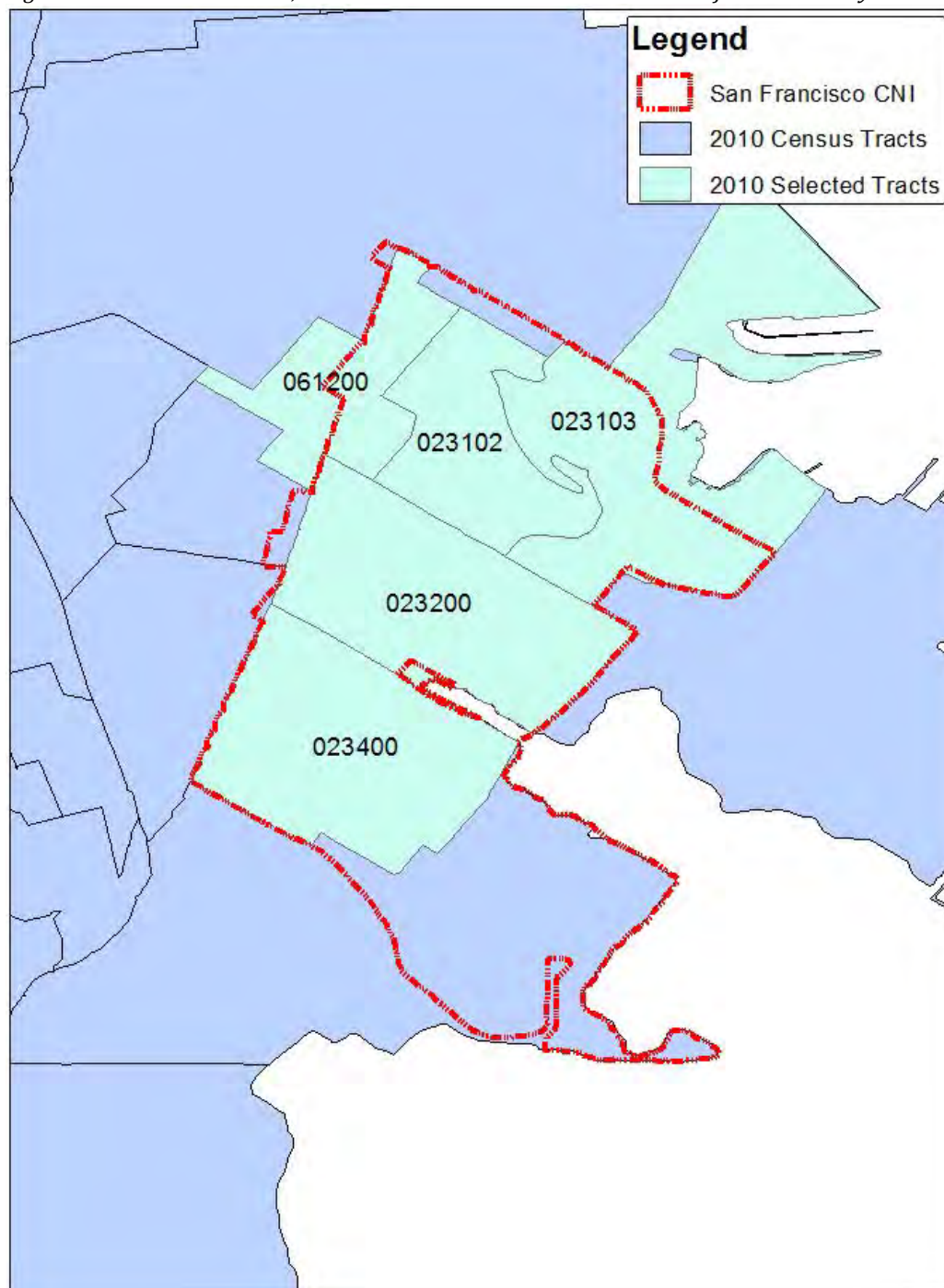


The list of target neighborhood census blocks included in the round 1 San Francisco CN application (attachment 9) included several census blocks west of 3<sup>rd</sup> ST and was missing one block in the middle of the area. We were advised that the grantee considers the west side of 3<sup>rd</sup> ST as part of the neighborhood and did not revise the boundary (census blocks on the east side of 3<sup>rd</sup> do not include the properties on the west side of the street). An additional 15 blocks would need to be selected to capture the entire length of the west side of 3<sup>rd</sup>.



Appendix B: Geographies for Choice Neighborhoods Analyses

Figure B.8 San Francisco CN, shown with 2010 Census Tracts selected for use in analyses



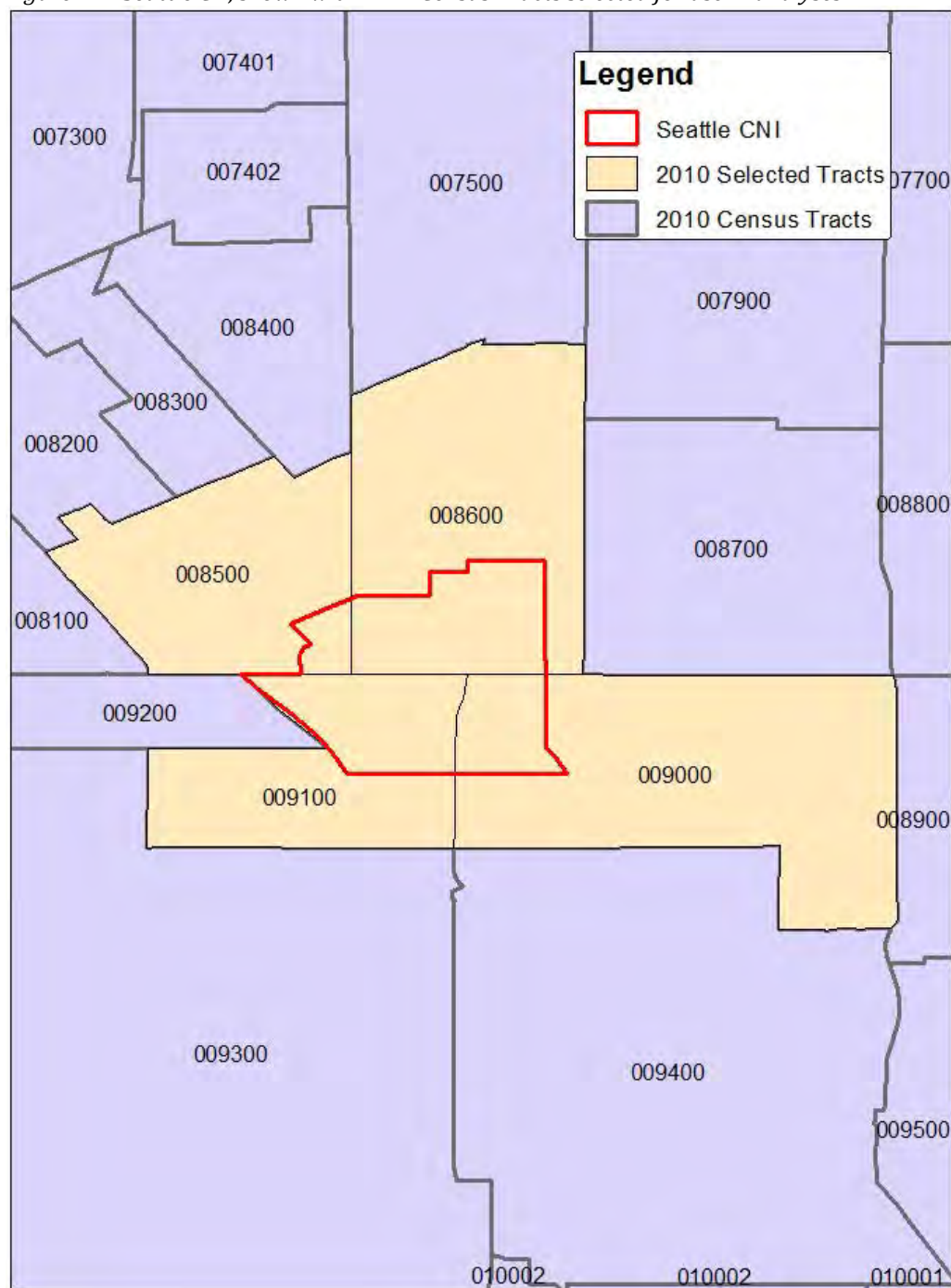
There were small changes in tract boundaries between 2000 and 2010. Tracts 023002 and 023101 were combined to create 061200.





Appendix B: Geographies for Choice Neighborhoods Analyses

Figure B.9: Seattle CN, shown with 2010 Census Tracts selected for use in analyses



There were no changes in tract boundaries that intersect with the CN area between 2000 and 2010. The CN boundary above is defined based on the census blocks (2000 definitions) listed in attachment 9 of the site's round 1 application. Census block 530330085003000 located on the west corner of the area above was not listed and was not included in our data analyses. It does contain portions of Yesler Terrace in addition to other housing units outside of the development.



# Appendix C:

## Description of Data Sources



## Appendix C: Description of Data Sources

The analyses presented in this Interim Report relied upon several different data sources. In this appendix, we describe each source and explain any relevant limitations for using that source.

### 1 American Community Survey (ACS)

The ACS is an ongoing statistical survey run by the U.S. Census Bureau, replacing the long form in the decennial census. The ACS has approximately 250,000 respondents monthly, totaling 3 million per year. Because of the smaller sample size compared to the decennial census, we need to pay much more attention to standard errors and confidence intervals with the ACS. ACS publishes 1-year estimates for geographies with more than 65,000 people and five-year files for all geographies down to block groups.

Because the ACS produces estimates based on a smaller sample than the Decennial Census long form survey, which the U.S. Census Bureau stopped conducting after the 2000 Decennial Census (see below), the estimates are subject to more sampling error than long form Census estimates. Combining census tracts to create neighborhoods (see appendix B) will result in more reliable indicators. Unfortunately, statistical testing is not recommended when creating neighborhoods from aggregate tables since adding standard errors for more than four geographic areas is considered unreliable. Because the census tracts have larger confidence errors, we avoid overstating small differences across neighborhoods or changes over time.

### 2 Boxwood-Means

The home sales data used for housing market analysis was acquired courtesy of PolicyMap.org. Boxwood Means Inc., a national real estate research firm, provided Policy Map with home sale prices and home sale volumes by census tract. Types of home sales included are residential single-family, townhouses, and condominiums. In addition, the Boxwood Means data includes only “arm’s length” transactions, which means that parties to the transaction are acting independently and the sale price reflects the true value of the property. Sales of vacant land (e.g., development lots), sales of less than \$5,000 in value, and sales of multi-family residential buildings are excluded.

### 3 Current Employment Statistics (CES)

Each month, the Current Employment Statistics (CES) program surveys about 150,000 businesses and government agencies (representing approximately 390,000 individual worksites) in order to provide detailed industry data on employment, hours, and earnings of workers on nonfarm payrolls.



## Appendix C: Description of Data Sources

### 4 Decennial Census

Every ten years, the Census Bureau conducts a national household survey. The federal government uses Decennial Census data for apportioning congressional seats, for identifying distressed areas, and for many other activities. Short form information is collected on every person and includes basic characteristics, such as age, sex, and race. Through 2000, the long form was sent to one out of every six households and collected more detailed information, such as income, housing characteristics, and employment. However, after 2000 the long form of the Census was replaced with The American Community Survey (see above).

The Decennial Census, while nominally a 100 percent count of the population, has historically had problems counting hard-to-reach populations accurately.

### 5 Fair Housing Equity Assessment Neighborhood Indices:

HUD's Office of Policy Development & Research (PD&R) has compiled a set of neighborhood data and analysis that will be available to program participants to support local planning efforts. The data is intended to support tracking three central equity principles: reducing segregation, eliminating racially/ethnically concentrated areas of poverty, and increasing access to areas of high opportunity. It represents a baseline effort to assemble consistent, nationally available data from a variety of sources in a single location and to provide examples of possible analytical strategies to examine racially-concentrated areas of poverty, segregation and integration, and access to neighborhood opportunity. Thus far the indices have been distributed for use in completing a Fair Equity Housing Assessment (FHEA) by grantees of HUD's Office of Sustainable Housing and Communities. We received permission from PD&R to use the data for this report. The methodology described below is copied from the "Draft FHEA Documentation," provided to the Sustainable Communities grantees in August 2012.

### 6 School Proficiency Index

The neighborhood school proficiency index uses school-level data on the performance of students on state exams to describe which neighborhoods have high-performing elementary schools and which have lower performing elementary schools. The data are from the U.S. Department of Education and represent the 2008/09 school year. The proficiency index is a function of the percent of elementary school students proficient in reading ( $r$ ) and math ( $m$ ) on state test scores for the  $i$ th school associated with the neighborhood ( $i = 1; 2; \dots; n$ ) where  $N$  is the maximum number of schools in any block-group in the state-distribution, and school enrollment  $s$ :



## Appendix C: Description of Data Sources

$$\text{Block group index value} = \sum_i^N \left( \frac{s_i}{\sum_i^n s_i} \right) * \left[ \frac{1}{2} * r_i + \frac{1}{2} * m_i \right]$$

Elementary schools are linked with block-groups based on a geographic mapping of attendance area zones from School Attendance Boundary Information System (SABINS), where available, or within-district proximity matches of up to the four-closest schools within a mile. In cases with multiple school matches, an enrollment-weighted score is calculated following the equation above.

## 7 Job Access Index

The job access index summarizes the accessibility of a given residential neighborhood as a function of its distance to all job locations, with distance to larger employment centers weighted more heavily. Specifically, a gravity model is used, where the accessibility ( $A_i$ ) of a given residential block-group is a summary description of the distance to all job locations, with the distance from any single job location positively weighted by the size of employment (job opportunities) at that location and inversely weighted by the labor supply (competition) to that location. More formally, the model has the following specification:

$$A_i = \sum_{j=1}^n \frac{E_j d_{ij}^{-\beta}}{\sum L_j}$$

Where  $i$  indexes residential locations and  $j$  indexes job locations, and distance,  $d$ , is measured as “as the crow flies” or by commute time (depending on availability) between block-groups  $i$  and  $j$ .  $E$  represents the number of jobs in tract  $j$  and  $L$  is the number of workers. The term  $\beta$  is a distance friction, it characterizes how rapidly a job opportunity should be “discounted” as distance increases. This discount factor is estimated parametrically by modeling the observed commute patterns in a region. The contribution of distance in the commute model below is the coefficient on the variable distance ( $d$ ):

$$C_{ij} = \alpha L_i^\delta E_j^\vartheta d_{ij}^\beta$$

Again,  $i$  indexes residential locations and  $j$  indexes job locations,  $C$  is the observed number of commuters for block-group pairing  $ij$ .

## 8 Home Mortgage Disclosure Act (HMDA) data

The Home Mortgage Disclosure Act (HMDA) requires most lending institutions to report mortgage loan applications, including the outcome of the application, information about the loan and applicant,





## Appendix C: Description of Data Sources

location of the property, structure type, lien status, and if the loan had a high interest rate. FFIEC collects the data in order to determine whether financial institutions are meeting a community's housing credit needs; to target community development funds to attract private investment; and to identify possible discriminatory lending patterns.

The HMDA data are not a good proxy for the general housing market in areas where cash sales make up a significant share of the home sales.

## 9 InfoUSA

InfoUSA is a commercial database marketing firm that maintains a proprietary database of more than 14 million U.S. businesses organized by industrial classifications. The company's researchers compile information from telephone and business directories and state and local government records, verifying records by telephone and updating records with U.S. Postal Service information files. The InfoUSA database was used to examine retail establishments, defined as those classified under NAICS code 44-45.

## 10 LISC Metropolitan Area Serious Delinquency

Each quarter, statistics on foreclosure and delinquency are available at the metropolitan area level on Foreclosure-Response.org.<sup>11</sup> Local Initiative Support Corporation calculates these statistics using data from LPS Applied Analytics.<sup>12</sup> The foreclosure rate used in this data is the share of first-lien mortgages that are in the foreclosure inventory, which are in the process of being foreclosed upon. The serious delinquency rate is the combination of the foreclosure rate and the share of first-lien mortgages that are 90 plus days delinquent.

## 11 Local Employment Dynamics

Time series data created under the federal-state Local Employment Dynamics (LED) Partnership provide details about America's jobs, workers, and local economies and communities. LED integrates existing data from state-supplied administrative records on workers and employers with existing censuses, surveys, and other administrative records. State-of-the-art methods to protect the confidentiality of the original respondents allow LED to release valid data for local or regional areas beyond traditional boundaries for public use. LED data are available at the block level and include the characteristics of workers and their jobs for those who work and those who live in a given area.

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<sup>11</sup> [http://www.foreclosure-response.org/maps\\_and\\_data/metro\\_delinquency\\_data\\_tables.html](http://www.foreclosure-response.org/maps_and_data/metro_delinquency_data_tables.html)

<sup>12</sup> See the full methodology paper for details: [http://www.foreclosure-response.org/assets/maps&data/MetropolitanAreaDelinquencyRates\\_Methodology\\_Oct2012.pdf](http://www.foreclosure-response.org/assets/maps&data/MetropolitanAreaDelinquencyRates_Methodology_Oct2012.pdf).



## Appendix C: Description of Data Sources

At this time, the Commonwealth of Massachusetts is not a full partner in the LED program, and data are not reported for Massachusetts in this report. Federal workers were added to the LED data in 2010; for the purposes of comparing these data overtime, we have removed federal workers from the 2010 data.

### **12 Local Area Unemployment Statistics (LAUS)**

The Bureau of Labor Statistics LAUS program produces monthly and annual employment, unemployment, and labor force data for the regions, states, counties, metropolitan areas, and select cities of the United States. State estimates (including those for the District of Columbia) are based on the Current Population Survey, while indicators for sub-state areas are based on data from several sources, including the Current Population Survey, the Current Employment Statistics program, and the Unemployment Insurance program.

### **13 National Center for Education Statistics**

National Center for Education Statistics (NCES) conducts an annual survey of state education agencies to obtain data for every public elementary and secondary school in the United States and its territories, which it then compiles and publishes as the Common Core of Data Public Elementary/Secondary School Universe Survey (CCD). The CCD has two main purposes: 1) to provide an official listing of public elementary and secondary schools and school districts in the nation as a basis for samples for other NCES surveys; and 2) to provide basic descriptive statistics on public elementary and secondary schools. Mostly derived from administrative records, data cover school characteristics such as the school level, grades taught, student-teacher ratio, and federal Title I funding eligibility, and also provide information on enrolled student characteristics, including race/ethnicity, free/reduced price lunch eligibility, migrant status, and gender.

### **14 Public and Subsidized Housing**

IMS/PIC is responsible for maintaining and gathering data about all of U.S. Department of Housing and Urban Development's inventories of Housing authorities, Developments, Buildings, Units, HA Officials, HUD Offices and Field Staff and IMS/PIC Users. Housing Authorities submit their tenant data from the HUD-50058 forms used during certification into the IMS/PIC system.

Tenant Rental Assistance Certification System (TRACS) is a HUD computer system developed to help improve financial controls over assisted housing programs by automating manual procedures and incorporating automated controls. HUD-assisted development owners are required to enter tenant data from the HUD-50059 forms used during certification into TRACS.



## Appendix C: Description of Data Sources

The PIC and TRACS databases can be used to calculate the number of HUD-assisted households in an area and identify the characteristics of those households.

### 15 Reported Crime Data (Various Local Sources)

In most cases, CN analyses aggregated address-level reported crime data to the CN neighborhoods and cities. For various reasons, the figures derived from these files may not match reported rates from other sources. In addition, low-income communities may have experienced under-reporting of crime incidents, so actual crime may be higher than these rates indicate.

- **Boston:** The data were provided to the Urban Institute by the Boston Police Department. Arson is not reported as part of Part I property crimes.
- **Chicago:** The data were downloaded from the City of Chicago's open data platform.<sup>13</sup>
- **New Orleans:** The data were provided to the Urban Institute by the New Orleans Police Department. These data represent raw reported crimes that have not been processed for reporting to the FBI. Preliminary analysis of the data results in violent crime counts that are 10 percent lower than those reported by the FBI.<sup>14</sup>
- **San Francisco:** The data were downloaded from the City of San Francisco's open data platform.<sup>15</sup> Preliminary analysis of local crime data resulted in violent crime counts 11 percent higher and property crime counts 6 percent higher than those reported by the FBI (see above). Homicide was not reported as part of Part I violent crimes on the open data platform.
- **Seattle:** The data were downloaded from the City of Seattle's open data platform.<sup>16</sup> Preliminary analysis of local crime data resulted in violent crime counts 41 percent below those reported by the FBI (see above). Therefore violent crime in Yesler is not included in this report. The local property crime counts were only 7 percent below the FBI counts and are used in the report. Arson is not reported as part of Part I property crimes.

### 16 U.S. Postal Service Vacancies Data

HUD has entered into an agreement with the United States Postal Service (USPS) to receive quarterly aggregate data on addresses identified by the USPS as having been "vacant" or "No-Stat" in the previous

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<sup>13</sup> See <http://data.cityofchicago.org/Public-Safety/Crimes-2001-to-present/ijzp-q8t2>

<sup>14</sup> See [http://www.fbi.gov/about-us/cjis/ucr/crime-in-the-u.s/2011/crime-in-the-u.s.-2011/tables/table\\_8\\_offenses\\_known\\_to\\_law\\_enforcement\\_by\\_state\\_by\\_city\\_2011.xls/view](http://www.fbi.gov/about-us/cjis/ucr/crime-in-the-u.s/2011/crime-in-the-u.s.-2011/tables/table_8_offenses_known_to_law_enforcement_by_state_by_city_2011.xls/view)

<sup>15</sup> See <http://apps.sfgov.org/datafiles/index.php?dir=Police>

<sup>16</sup> See <https://data.seattle.gov/Public-Safety/Seattle-Police-Department-Police-Report-Incident/7ais-f98f>



## Appendix C: Description of Data Sources

quarter. HUD makes these data available to nonprofit organizations and government agencies to explore their potential utility for tracking neighborhood change on a quarterly basis. The potential power of these data is that they represent the universe of all addresses in the United States and are updated every three months.

Indicators include:

- *Number of Addresses* - addresses (residential and commercial) that USPS has recorded in their database. Our CN analysis only uses residential data.
- *Vacant Addresses* - addresses that delivery staff on urban routes have identified as being vacant (not collecting their mail) for 90 days or longer.
- *No-Stat Addresses* – addresses that have been vacant a long time, or unlikely to become active addresses in the near term. These may include:
  - Rural Route addresses vacant for 90 days or longer
  - Addresses for businesses or homes under construction and not yet occupied
  - Addresses in urban areas identified by a carrier as not likely to be active for some time

## 17 WalkScore.com

Walk Score is an online resource that creates an index to measure the “walkability” of a neighborhood. The index measures how many amenities, weighted by type, are near by a location. Data on amenities is taken from Google, Educaiton.com, Open Street Map, and Localeze. Grocery stores receive the highest weight, other amenities types include: restaurants/bars; shopping, coffee, banks, parks, schools, books, and entertainment. Walk score uses a distance decay function to calculate the score of an amenity type, with those amenities within 0.25 miles receiving a full score and a cut-off at 1.5 miles. Two measures of “pedestrian friendliness,” street intersection density and block length, are also included in the score calculation and can reduce a score by up to 10%.<sup>17</sup>

Walk Score does not evaluate the quality of any of the amenities used in the index and some categories of amenities (like grocery stores) are not precisely defined, such that a convenience store or corner market would be given the same weight as a supermarket.

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<sup>17</sup> For more details see the white paper on methodology at <http://www2.walkscore.com/pdf/WalkScoreMethodology.pdf>



# Appendix D:

## Goals and Actions of the Choice Neighborhoods Implementation Grants





Appendix D.1., Goals and Activities, Boston (Quincy Corridor)

This appendix presents the goals and activities that each Choice site intended to pursue, as articulated in their round 2 applications.

**Boston**

Housing Goals & Activities	
Construction of Quincy Heights & Additional Properties	Develop the 14 separate developments into one focal development
	Ensure all of Quincy Heights have deeded affordability restriction in perpetuity
	Reduce total number of units from 102 to 80 in phase I
	Transfer three-city owned parcels to the developer to build 49 additional units
	Build Uphams West (to begin fall 2011)
	Rehabilitate 6 city-owned REO properties (13 units)
Improved Community Spaces	Build Quincy Commons (40 units)
	Build a large multi-purpose community space to be available to Quincy Heights tenants
	Add 28 parking spaces (2 handicapped)
Replacement Housing	Ensure the entire project is Enterprise Green Communities certified
	Ensure one-for-one unit replacement
Neighborhood Goals & Activities	
Reduced Violent Crime	Increase policing in neighborhood
	Target 240 gang members (PACT program)
	Engage in neighborhood watches
	Provide summer jobs programs and social service programs to at-risk youth
	Support Grove Hall Violence Intervention Programs (VIP)
Reduced Concentrated Poverty	Assist households to qualify for the earned Income Tax Credit
	Offer job training and placement programs
	Engage in economic development programs such as the Grove Hall Main Streets Program
	Provide financial assistance for commercial development projects with CDBG and the Section 108 program
Reduction in Households with Severe Housing Cost Burden	Develop additional affordable housing for the elderly under the Section 202 program
	Develop additional housing for low-income families with project-based subsidies, including mixed income housing
	Assist more households in applying for and obtaining public housing / Section 8 vouchers
	Provide assistance to families living in subsidized housing



Appendix D.1., Goals and Activities, Boston (Quincy Corridor)

Improvements to Vacant and Abandoned Properties	Dispose and redevelop all city-owned tax-foreclosed properties within target area and adjacent to the neighborhood, including the Former Pearl Meats Factory, 259 Quincy Street, and various city owned prosperities
<b>People Goals &amp; Activities</b>	
Improved Health Services	<p>Add a trauma coordinator to intervene with residents most affected by a homicide / serious violence, and to educate and support community about how violence affects community</p> <p>Attempt to increase health behaviors associated to school success</p> <p>Provide clinics and services for high risk pregnant / parenting families in area</p> <p>Integrate mental health care with primary care with some providers in target area</p> <p>Offer a senior support group</p>
Improved Childcare and After-School Services	<p>Work with Boston Public Schools to increase supports for families in target area schools</p> <p>Expand services on 11 academically focused after-school programs.</p> <p>More than double the number of target area residents in the Tenacity After-School program and Summer Tennis &amp; Reading program.</p> <p>Offer a summer camp / after school program</p> <p>Provide after school drop-in computer centers / intergenerational computer training</p>
Improved Youth Development Services	<p>Double the current level for summer jobs program</p> <p>Increase by over \$2,500 support to academically struggling target area students through career explorations and alternative education with the Boston Workforce Investment Act program</p> <p>Offer a re-entry program for gang-involved, adjudicated youth</p> <p>Provide assistance to families living in subsidized housing to improve their incomes</p>
Additional Job Training, Adult Education and EITC Services	<p>Increase job training and job placement services</p> <p>Ensure access to basic adult education services (ESL, other basic education)</p> <p>Double tax prep rates for Earned Income Tax Credits by adding a free tax preparation site in Choice Neighborhood.</p> <p>Offer re-entry assistance to former offenders</p>
Outreach, Service Coordination, Case Management	Provide funds for outreach, referral, and case management for all grant-funded and match-funded services.



Appendix D.2., Goals and Activities, Chicago (Woodlawn)

**Chicago**

<b>Housing Goals &amp; Activities</b>	
Blight Eliminated at Grove Parc	Demolish all original Grove Parc structures Develop 210 Section 8 replacement units: 19 rental units for households at 60% AMI, 111 unrestricted market rate rental units and 80 homeownership units on-site
Reduced Vacancy and Abandonment in the Surrounding Neighborhood	Develop 168 Section 8 replacement units: 78 rental units affordable to 60% AMI, 58 rental units affordable to 80% AMI, and 51 rental unit restricted to 120% AMI Construct 45 new homeownership units in the second phase of the Columbia Pointe Development Provide gap financing through the Woodlawn Housing Loan Fund to construct or renovate 100 units in abandoned or distressed properties
Mixed-income Development	Create a Woodlawn Housing Loan Fund to support the development of 175 units through 75 loans to Woodlawn homebuyers up to 80% AMI and gap financing for 100 rental or homeownership units
<b>Neighborhood Goals &amp; Activities</b>	
Improved Public Safety	Create a network of public safety stakeholders in Woodlawn called the “Woodlawn Public Safety Alliance” Implement a coordinated gang violence initiative Build new street lighting and “blue light” cameras capable of reading license plates Hire an additional Chicago Police Department community liaison officer in Woodlawn Identify and address vacant ‘nuisance’ properties to be targeted for the City Neighborhood Stabilization Program Support and extend network of community organizations that provide gang-alternative activities for youth
Reduced Rates of Poverty and Joblessness	Link Woodlawn residents to services through a satellite of the Center for Working Families in the Woodlawn Resource Center Create construction and permanent jobs through the neighborhood commercial and housing development
Reinvigorated Commercial Sector	Renew Grove Parc as a mixed-use corridor with a grocer or hotel on the Northern gateway and 20,000 square feet of commercial space near the CTA line Invest in streetscape improvements along 63rd Street and Cottage Grove, including pedestrian improvements, “traffic calming measures,” new crosswalks, and improvements to the elevated 63rd street CTA tracks. Provide resources for façade improvements for existing and new businesses Promote the neighborhood as a destination for businesses and consumers Attract new residents through redeveloped Grove Parc



Appendix D.2., Goals and Activities, Chicago (Woodlawn)

Strengthened Technology Access and Broadband infrastructure	Improve current fiber-optic backbone
	Develop a new, low-cost community wireless network
	Provide digital literacy training through the “Family Net Center” at the Woodlawn Resource Center
	Provide families with non-predatory financing options for purchasing a computer
	Create a neighborhood-based web portal to showcase Woodlawn’s assets
<b>People Goals &amp; Activities</b>	
Increased Health of Residents and Their Families	Connect residents to primary health care services
	Help families apply for subsidized health insurance
	Refer residents to services for medical, mental health, and substance abuse issues
	Enroll kids in the Healthy Kid Programs-infant care and well-baby check-ups, family immunizations, physical exams, and dental services
	Enroll adults in the Healthy Family Program, including adult fitness and nutrition, chronic condition management, tobacco cessation, and post-traumatic stress management
	Connect residents to the mobile medical care unit, health education, and fitness programs
Increased Opportunities For Early Childhood Education	Apply for additional Head Start Funding to serve more Woodlawn Children
	Identify a location for a new academic pre-school and parent center
	Educate parents about the importance of early childhood education
	Provide new parent training and support
	Enroll new parents in Baby College
	Expand parent leadership training
	Conduct regular parent outreach and education sessions
Improved Education Options For School-Aged Children	Significantly improve all of the Woodlawn community schools
	Develop instructional leadership to address underlying issues of stability and organization by educating parents about school mobility and creating a task-force to address teacher mobility
	Establish a strong foundation for learning in the early grades
	Expand the number of quality early learning opportunities
	Adopt 21 <sup>st</sup> century learning tools
	Institute college awareness
	Re-engage parents and community in Woodlawn Schools



Appendix D.2., Goals and Activities, Chicago (Woodlawn)

	<p>Ensure that all Grove Parc children are enrolled in school</p> <p>Recruit and train parent leaders</p> <p>Offer learning time programs to increase the number of children who are academically successful, socially engaged, and technologically sophisticated</p> <p>Connect students to college readiness programs for children between the ages of 6 and 16</p>
Increased Employment and Wage income While Improving Residents' Financial Conditions and Access to Public Benefits	<p>Provide Job coaching services</p> <p>Offer one-on-one financial and money management counseling, free tax preparation and screening for public benefits</p> <p>Connect residents to hard skills training</p> <p>Supply community jobs</p> <p>Provide young adults with 140 summer jobs and 330 school year apprenticeships</p>
increase Safety in the Neighborhood Through Youth Programs	<p>Provide youth empowerment programs</p> <p>Provide African American male youth with constructive alternatives to delinquent behavior</p> <p>Create a community policing program</p> <p>Employ anti-violence programs in Woodlawn elementary schools</p> <p>Use violence interrupters to intervene in conflicts</p> <p>Provide Grove Parc families with referrals to various youth activities</p> <p>Expand afterschool and summer programs</p>
Provide All Target Residents that are income-Eligible and in Good Standing the Right to Return to a New or Rehabilitated Unit On-Site or in the Neighborhood	<p>Minimize the number of resident moves, so that residents will have to move only once or twice at the most</p> <p>Apply for 146 housing choice vouchers to offer to residents if they desire to move outside of the neighborhood</p> <p>Track residents for at least five years after their initial move</p>
increase Economic Opportunities For Low and Very Low income Persons	<p>Provide Section 3 construction and property management positions to Grove Parc and Woodlawn residents</p>



Appendix D.3., Goals and Activities, New Orleans (Iberville/Tremé)

**New Orleans**

<b>Housing Goals &amp; Activities</b>	
Construct and Rehabilitate Housing in the Target Development	Construct 913 on-site rental units, 304 Replacement units for 0 to 50% of AMI, 305 targeted to 50 to 60% AMI, 304 market rate units
	Construct 112 units in the Eastern, Adjacent Mixed-Use Development (former Winn Dixie site)
	Redevelop several mixed-use clusters in the neighborhood to eradicate blight and attract Biomedical District employees
	Provide 142 senior housing units
	Rehabilitate Texaco building
	Develop 65 Units in Bell School Artist Housing
<b>Neighborhood Goals &amp; Activities</b>	
Iberville/Tremé is a Neighborhood of Choice	Reconnect street grid (includes deconstruction of 17 buildings)
	Return the streetcar named Desire
	Develop the Lafitte Greenway
	Study the removal of I-10
Expand Access to Basic Amenities and increase Quality Retail	Incorporate commercial space into the ground floors of new mixed-income, mixed-use residential properties
	Replace Circle Food grocery
	Identify an experienced retail developer to build a large-scale urbanized destination lifestyle center along Canal Street to serve both local residents and traveler
Enhance the Cultural Prominence of Iberville/Tremé	Develop site of the African-American Museum
	Preserve and revive the Mardi Gras Indian traditions
	Improve Louis Armstrong Park
	Restore Municipal Auditorium and Saenger Theater





Appendix D.3., Goals and Activities, New Orleans (Iberville/Tremé)

People Goals & Activities	
Children, Youth, and Adults are Physically and Mentally Healthy	<p>Implement “With Every Heartbeat is Life” (WEHL) program</p> <p>Increase access to services at the existing neighborhood-based Tulane Health Center</p> <p>Increase access to services at the Louisiana State University Tiger Care Pediatric Clinic (Clinic)</p> <p>Increase access to Catholic Charities Archdiocese of New Orleans’ Food For Families (FFF) program</p>
Children Enter Kindergarten Ready to Learn	<p>Implement outreach program to provide technical assistance to childcare centers</p> <p>Implement Total Community Action’s (TCA) Early Head Start and Head Start Program</p>
Children are Proficient in Core Academic Subjects	<p>Construction and rehabilitate all schools in Iberville/Tremé</p> <p>Hire a Community Education Specialist (CES) to create a Community Education Working Group to identify resources for supporting underperforming schools and to provide continued support to those schools that are performing well</p>
Youth Graduate From High School College- and Career-Ready	<p>Provide GED preparation and testing services</p> <p>Increase access to before/after school programming and provide enrichment activities</p>
Households are Economically Stable and Self-Sufficient	<p>Provide case management to help adults reach self-sufficiency</p> <p>Develop and implement an aggressive sector-based business and employment training program</p> <p>Provide literacy training for Iberville youth and adults</p> <p>Prepare Iberville residents age 16+ with job readiness skills</p> <p>Integrate programs with youth services</p> <p>Partner with the Mayor of New Orleans’ new Employment Task Force</p>
Residents Feel Safe in Their Neighborhoods	<p>Organize neighborhood watches</p> <p>Expand NOPD youth mentoring programs</p> <p>Integrate physical design principles that support a safe neighborhood</p>



Appendix D.4., Goals and Activities, San Francisco (Eastern Bayview)

**San Francisco**

<b>Housing Goals &amp; Activities</b>	
Construction of Target Development	Revitalize Candlestick Point into a mixed-income community to add 6,724 new units, mostly priced at market rates, to the neighborhood housing stock (long term)
	Demolish 256 existing units at Alice Griffith through phased deconstruction techniques and construct 504 units on the site
	Provide one-for-one replacement of the existing 256 units, with the remaining 248 new units will be a mix of LIHTC and market-rate units
	Build 622 additional units adjacent to the newly constructed Alice Griffith units as part of the Neighborhood plan (about half market-rate and the other half workforce housing)
	Focus on green practices Promote pedestrian/ADA Accessibility
<b>Neighborhood Goals &amp; Activities</b>	
Improvements to Transportation/Walkability	Implement Bayview Transportation Improvement Project, CP-HPS2 Transportation Plan Improve options for pedestrians, including Arelious Walker Stairway Improvements
Improved amenities	Rebuild Bayview branch library Rehabilitate Bayview Opera House Rehabilitate Joseph Lee Rec Center
Healthier Food Options	Expand SEHC Provide a New Fresh & Easy Market
<b>People Goals &amp; Activities</b>	
Case Management	Provide on-site case management
Positive Supports for Thriving Individuals & Families	Provide homeownership assistance
	Provide child care subsidies to residents
	Support parenting through parenting groups, literacy activities, and referrals for evidence-based sessions
	Provide new funding for new child care and family support center
	Co-locate 2 Human Services agency staff at AG Providing social and emotional services to referred clients



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**Appendix D.4., Goals and Activities, San Francisco (Eastern Bayview)**

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Enhanced Early Learning	Improve Connections to Proactive Health and Developmental Screenings Develop early child development center Increase access to high-quality preschool through PFA
Improved Education & Employment Options For School-Aged Children	Expand JCYC Summer Employment Program Provide after school tutoring, summer programming, college exposure Develop Principals as Change Agents Improve Teacher Effectiveness Staff the Superintendent's Zone Build Capacity for data-driven Instruction Integrate Holistic Student Supports Focus on quality middle and high school options (including community schools and extended learning time) and college and career preparation
Positive Youth Development & Community Safety	Expand summer camp opportunities for AG youth Expand Violence Prevention Curriculum Provide safety shuttle transportation and B&GC programming
Improved Employment Opportunities	Align public and private sector initiatives Fund an employment liaison to work with residents Enroll additional AG residents in job readiness, vocation skills training, and workforce development programs
Improved Health Services	Improve Access to Primary Healthcare Expand the Southeast Health Center Implement Community Health Outreach Worker Program



Appendix D.5., Goals and Activities, Seattle (Yesler)

Seattle

Housing Goals & Activities	
High-Quality, Mixed-income, Multi-Family Housing Meets the Needs of Current and Future Populations	Construct 661 extremely low-income units (30% AMI), 561 replacement units, 290 very-low income units (60% AMI), 850 workforce units (80% AMI), and up to 3,100 market-rate units Construct 119 public housing units east of Boren Avenue, 79 replacement units, 40 LIHTC units, 21 workforce units, 80 market-rate units, 18 one bedroom units in Baldwin apartment rehabilitation Decrease residential water and energy consumption and greenhouse gas emissions
Vulnerable Populations are Stably Housed and Receive Support During Relocation	Ensure that all households in Yesler Terrace that chose to return to the site return Minimize the number and percent of children and youth enrolled in a new school due to relocation Ensure that households make no more than one move prior to site completion
Neighborhood Goals & Activities	
Sustainable Development	District energy, water reuse systems Ensure that phase I site and housing construction meet green buildings standards set by Enterprise Green Community and LEED ND Develop on-site energy sources, storm water management
Affordable Retail Space	Develop affordable opportunities for retail and business (particularly local small businesses) Construct 7,000 square feet of affordable retail Participate in business façade improvements for existing business in target neighborhood
Community involvement in Planning	Involve low-income residents and WMBE [minority owned and women owned businesses] entities Invite WMBE entities to participate in discussions about construction Develop community governance structure - inclusive community organizations Ensure community involvement (including quarterly meetings of Yesler citizens Review Committee)
An internally and Externally Connected Neighborhood	Develop First Hill Streetcar Complete the pedestrian enhancement on 12th Avenue from Terrace to Jackson Streets, on Yesler from Boren Avenue to Broadway, and from Main to Jackson Street Provide more bicycle ways Develop improvement plans for Boren (West)



Appendix D.5., Goals and Activities, Seattle (Yesler)

Well-Functioning Services, Public Realm and Amenities	Fully restore Washington Hall to meet community needs Pursue Horiuchi Park P-Patch
<b>People Goals &amp; Activities</b>	
A Pipeline of Support For Children to increase Learning, High School Graduation Rates, and Successful Access to and Success in College	Support early learning activities, such as Early Head Start, Head Start, Parent-Child Home Program, Undergraduate "literacy assistants" Increase the number and percent of children enrolled in high-quality early learning programs
Youth Graduate From High School Ready For College	Increase the number and percentage of target neighborhood youth served by summer programming Increase the number and percentage of youth at Washington Middle School and Garfield High School who receive college prep services
Improving Community Health	Open a small health clinic in Yesler Terrace for primary medical and dental care, nutritional counseling, preventative care, therapy and other health services to increase the number of residents with a medical home Open a school-based health clinic, open to the public, at Bailey Gatzert Provide access to jobs and amenities within the neighborhood