Spatial Analysis of

Choice Neighborhoods Initiative

PLANNING GRANT APPLICANT NEIGHBORHOODS

U.S. Department of Housing and Urban Development | Office of Policy Development and Research

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1 Introduction

This report summarizes the findings of research on the first 3 years of the Choice Neighborhoods Initiative (Choice), a competitive grant program administered by the U.S. Department of Housing and Urban Development (HUD). Choice makes funding available for local actors in cities across the United States to plan for and implement revitalization activities in high-poverty neighborhoods containing severely distressed subsidized housing to transform them into sustainable, supportive mixed-income neighborhoods. This research focuses on one component of Choice, the Planning Grants, and the neighborhoods identified by Choice Planning Grant applicants. The following section provides more information in general about Choice and specifically about the purpose and approach of this research.

1.1 Choice Neighborhoods Initiative Summary and Purpose

Choice was proposed in 2009 as a component of a U.S. government interagency strategy to create new opportunities in neighborhoods characterized by high rates of poverty and severely distressed housing. Choice is a program that directs investment to these neighborhoods through competitive grants. This investment is intended to leverage additional public and private resources and investment to plan for and subsequently remake these areas into sustainable, mixed-income neighborhoods in which individuals and families will choose to live.

Choice was initially proposed as a replacement for the HOPE VI Program, a long-running program that awarded competitive grants to local public housing authorities for revitalizing severely distressed public housing. The HOPE VI Program was created in response to the findings of the National Commission on Severely Distressed Public Housing. Formed in 1989 by Congress to study the problem of physical and social deterioration in U.S. public housing, the commission issued a report in 1992 that recommended the rehabilitation or replacement of 86,000 public housing units identified as being severely distressed. The HOPE VI Program was initiated less than 3 months later via congressional appropriations under the label “Urban Revitalization Demonstration” program. Renamed HOPE VI the following year, the program awarded 262 Revitalization Grants totaling nearly $6.3 billion, along with 285 Demolition Grants and 35 Planning Grants totaling approximately $392 million and $15 million, respectively, during its 17-year history (HUD, 2013). New grants through the HOPE VI Program ended in 2010; completion of ongoing projects will continue through the end of the decade.

The stated intent of Choice is to build on the success of the HOPE VI Program, while making several changes based on the experience of HOPE VI. The first change made in Choice was to expand redevelopment and revitalization activities beyond the footprint of an assisted housing property. This change came from a growing recognition that issues such as deterioration and abandonment do not terminate at the property lines of an assisted housing complex. Transformation in the surrounding neighborhood is also necessary for sustained success. Choice requires program applicants to self-define neighborhoods that will be the target for revitalization through the program.

The second change was to expand the groups that could apply for the grants beyond simply public housing authorities. The pool of eligible applicants was expanded to include other actors, including cities and nonprofit organizations, to draw in other capable local actors and to encourage coalition and capacity building. Capacity building is also promoted through the awarding of Planning Grants to be used for the creation of “transformation plans” to guide future revitalization efforts. Thus, groups that wished to revitalize a neighborhood that met the requirements of the program but did not yet possess the capacity to successfully execute that wish could receive assistance with developing that capacity

(Donovan, 2009). The third change was to expand the pool of eligible properties from only public housing to include other HUD-assisted housing. This change substantially increased the number and ranges of properties that could be targeted and of neighborhoods that are eligible for the program.

At first, Congress did not fully endorse the switch from the HOPE VI Program to Choice. Instead, it allowed Choice as a demonstration through the Department of Housing and Urban Development Appropriations Act, 2010[1] which authorized the use of $65 million to fund grants. Choice has continued via yearly congressional appropriations for HUD, which distributes funds through a competitive grant process guided by a Notice of Funding Availability (NOFA) issued for each year. This research concerns the NOFAs for fiscal years (FY) 2010, 2011, and 2012. A fourth NOFA for FY 2013 has also been released and run, but it is not included in this research. Choice NOFAs contain general information and goals for the program, definitions and rules for applicants, and guidelines and procedures for applications.

Choice has three specifically stated goals:

1. Transform distressed public and assisted housing into energy-efficient, mixed-income housing that is physically and financially viable over the long-term.

2. Support positive outcomes for families who live in the target development(s) and the surrounding neighborhood, particularly outcomes related to resident's health, safety, employment, mobility, and education.

3. Transform neighborhoods of poverty into viable, mixed-income neighborhoods with access to well-functioning services, high-quality public schools and education programs, high-quality early learning programs and services, public assets, public transportation, and improved access to jobs (HUD, 2010: 2).

To achieve those three goals, Choice makes available two types of grants. The first type of grant is a Planning Grant. Planning Grants are small amounts of money that enable local public, private, and nonprofit organizations to form partnerships to develop transformation plans for redeveloping areas of high poverty and severely distressed subsidized housing. These transformation plans detail the range of activities and initiatives to be undertaken to revitalize a neighborhood in accordance with the goals of Choice and local priorities. Neighborhoods meeting the minimum criteria for the program that have an acceptable transformation plan—which may or may not have been completed as part of a Planning Grant—can apply for Implementation Grants. Implementation Grants provide partial funding for activities to revitalize a neighborhood. Successfully securing a Planning Grant does not automatically qualify an applicant or neighborhood for an Implementation Grant (HUD, 2010, 2011, 2012).

[1] http://www.gpo.gov/fdsys/pkg/PLAW-111publ117/pdf/PLAW-111publ117.pdf.

1.2 Purpose of Research

At present, a very limited amount of scholarly literature has been published about Choice. The few exceptions are an issue of *City and Community* (ASA, 2010), a small number of position papers published by the Urban Institute in 2010 (Smith et al., 2010) about how to monitor Choice going forward, and an interim report by the Urban Institute (2013) on the first five implementation sites. The main thrust of the Choice research agenda, including the Baseline Assessment being carried out by the Urban Institute, is focused on the Implementation Grant recipients. This research and research on future Implementation Grant sites is important. However, the Planning Grants are intended to be the primary (although not the only) generator of applicants for the Implementation Grants, meaning understanding the neighborhoods being targeted and coalitions being created will help better target the program and advise potential applicants on how best to identify potential neighborhoods and participants. Additionally, the Planning Grants are likely to reach a larger number of neighborhoods than the Implementation Grants.

Choice is intended to improve on the HOPE VI Program, building off of successes and avoiding failures (Donovan, 2009). The research on HOPE VI can provide a useful indication of what is understood about revitalizing neighborhoods with distressed, federally assisted housing and what requires further research. This report will begin to address two gaps in the existing literature. The first concerns the demographic and geospatial characteristics of neighborhoods targeted for revitalization. As noted in a recent issue of *Evidence Matters* (HUD PD&R, 2011), one key issue in identifying the effects of neighborhood revitalization efforts is properly defining the boundaries of and between neighborhoods. Whereas the HOPE VI Program was limited to public housing complexes, Choice allows considerably more flexibility for local actors to determine the boundaries of the neighborhoods being targeted. Although some of the characteristics of the chosen neighborhoods, such as poverty rate, are considered as part of the grant review process, the characteristics considered are limited. This report develops a more comprehensive profile of the demographic, economic, and physical characteristics of applicant neighborhoods and identifies underlying patterns where they exist. It also compares the characteristics of applicant neighborhoods with those of recipient neighborhoods to attempt to identify any key differences between successful and unsuccessful Planning Grant applicants. Finally, the applicant and recipient neighborhoods are placed within the context of demographic and spatial change in surrounding neighborhoods and the cities in which they are located.

The purpose of the profile and comparison of applicant and recipient neighborhoods is to identify whether specific spatial characteristics of a neighborhood better position it for sustainable revitalization. Some of the most recent work on the HOPE VI Program concerns exactly these issues. Castells (2010), through an analysis of three HOPE VI sites in Baltimore, Maryland, argues that the preexisting neighborhood conditions and the broad trends in neighborhood change within a city can greatly influence the effects of the program, particularly in terms of its ability to generate spillover improvements in surrounding neighborhoods. She argues that the most effective employment of the program is to target those neighborhoods that are stable or fit within a broader trend of neighborhood change. Zeilenbach and Voith (2010) found that HOPE VI had the greatest effect in neighborhoods with existing development pressures and established institutions. Neighborhoods with distressed public housing that were surrounded by stable or improving neighborhoods, had existing institutional presences, and were near transit lines experienced greater improvements than those that lacked these elements. This finding strongly suggests that the characteristics of the neighborhoods and of the neighborhoods *adjacent to* and *surrounding* those designated as recipients of Choice grants will influence whether revitalization efforts are successful and sustainable. In both cases, the authors

indicate that, although the research is suggestive, the samples are too small to draw conclusions for all neighborhoods.

Choice differs from the HOPE VI Program in that it expands redevelopment and revitalization activities beyond the boundaries of former public housing complexes in recognition that issues such as deterioration and abandonment often extend beyond those boundaries. Recent academic research on HUD programs, such as those mentioned previously, and policy papers such as the White House Neighborhood Revitalization Initiatives Report (White House, 2011) suggest that programs such as Choice will work best if targeted strategically rather than spread thin. They also suggest a symbiotic relationship between targeted neighborhoods and surrounding areas. This research will establish a demographic profile of the neighborhoods forming the baseline for establishing whether specific neighborhood characteristics lead to successful Planning Grant applications. Beyond providing information on the characteristics separating successful and unsuccessful grant applications, this report provides a baseline for tracking which neighborhoods successfully complete redevelopment plans that then move forward with implementation either independently or using a subsequent Implementation Grant. This description of neighborhood characteristics will help local partners better target their resources and partnerships and help HUD provide expanded guidance to potential local partners on the characteristics of neighborhoods that lead to successful implementation.

In addition, one key issue identified in the literature and in the Choice research NOFA is establishing whether the program actually catalyzed or contributed to the turnaround of neighborhoods or whether this turnaround was the result of ongoing patterns of neighborhood change, revitalization, and improvement. This research will create a baseline for neighborhoods identified in Planning Grant applications and for surrounding neighborhoods. This baseline will enable the tracking of the applicant neighborhoods, which can conduct further research on the program by helping to identify neighborhoods with similar demographic and geospatial characteristics that can be used to create counterfactuals.

1.3 Choice Neighborhoods Initiative NOFA and Planning Grant Neighborhood Requirements

This research focuses on the applicants for Choice Planning Grants under the FY 2010, FY 2011, and FY 2012 NOFAs. The FY 2010 NOFA made available $65 million for both Planning Grants and Implementation Grants. Of that number, $3 million was allocated to Planning Grants. Applicants were allowed to apply for up to $250,000 each, and 19 Planning Grants were awarded. The FY 2011 NOFA increased the amount available for Planning Grants to $3.6 million. Applicants for FY 2011 grants were allowed to apply for up to $300,000 each, and 13 Planning Grants were awarded. Total appropriations for Choice increased in FY 2012 to $115 million, of which $5 million was allocated to Planning Grants. Applicants were allowed to apply for up to $300,000. In FY 2012, 17 Planning Grants were awarded.

These NOFAs contain information and guidelines for applicants that aid in defining neighborhoods eligible for consideration as part of an application for a Planning Grant. For purposes of Choice, a neighborhood is defined as “the geographic area within which the activities of the Transformation Plan shall focus,” and Choice allows for applicants “to identify boundaries for the target neighborhood that are generally accepted as a neighborhood” provided that the neighborhood is “larger than just the footprint of the distressed public or HUD-assisted housing targeted in the application” (HUD, 2010, p11. In the FY 2011 and FY 2012 NOFAs, additional language was added to specify that neighborhoods would be “typically an area less than two miles wide” (HUD, 2011: 12). Within this definition, Planning Grant applicants are afforded substantial leeway in defining neighborhood boundaries. However, HUD does

"reserve the right to ask grantees to provide evidence that the target neighborhood boundary is generally acceptable" if the boundary appears to be drawn specifically to maximize eligibility criteria (HUD, 2011: 12).

In addition to that neighborhood definition, the NOFAs contain two other criteria. At least 20 percent of households within the neighborhood must be in poverty or have extremely low incomes, and the neighborhood must be experiencing high crime, high vacancy, or inadequate schools.

1.4 Research Design and Methodology

The data and analysis presented in this report are intended to address several interrelated questions related to the neighborhoods being put forward by Planning Grant applicants as appropriate and desired locations for development of a transformation plan and for subsequent revitalization. The specific questions are as follows.

- What are the physical, demographic, and geospatial characteristics of the neighborhoods identified in Choice Planning Grant applications? Do these neighborhoods exhibit patterns in demographic and geospatial characteristics?

- Where are the neighborhoods being identified located in relation to broader trends of neighborhood demographic and physical change within corresponding urban areas?

- Do the neighborhoods that have successfully received Planning Grants exhibit a pattern?

- What, if any, relationship exists between the selection criteria outlined for Planning Grant applications and the demographic and geospatial characteristics of the applicant neighborhoods?

The following hypotheses relate to the preceding research questions.

1. Neighborhoods that have been identified in Planning Grant applications do not substantially differ from each other in their socioeconomic characteristics, but they demonstrate considerable variance in their geospatial characteristics.

2. Neighborhoods that have been identified in Planning Grant applications demonstrate a clear pattern of deterioration during the past two decades related to measures of distress, including but not limited to population and housing unit loss and poverty and unemployment increases.

3. Neighborhoods that have been identified in Planning Grant applications are worse off than the adjacent areas, their cities, and their regions (as represented by their metropolitan statistical areas, or MSAs) across measures of distress, including but not limited to poverty, unemployment, and vacancies.

4. Neighborhoods that have been identified in Planning Grant applications are generally, but not universally, situated in locations that represent the next phase of neighborhood change within a city.

5. Neighborhoods that have been successful in securing a Choice Planning Grant are worse off than the unsuccessful applicant neighborhoods across measures of distress, including but not limited to poverty, unemployment, and vacancies.

The data and analysis that follow were assembled from two primary sources. Basic information about the neighborhoods identified by Planning Grant applicants was obtained directly from HUD. These data included the following information

- Applicant identification number.
- Name of the lead applicant.
- Applicant city and state.
- Name of the neighborhood being targeted.
- Number of housing units in the target neighborhood.
- Poverty rate in the target neighborhood.
- Extremely low-income rate in the target neighborhood.
- Geographic information about the neighborhood boundaries.

To support the application process, HUD developed an online mapping tool that applicants were required to use to identify their target neighborhood. Applicants used this tool to define the boundaries of the neighborhood, and the tool returned information about the proposed neighborhood, including the number of housing units, the poverty rate, and the rate of extremely low-income households. To support this research, HUD provided the data from this tool, including the applicant-defined neighborhood boundaries.

In addition to the data provided directly by HUD, data were gathered from the U.S. Census Bureau. TIGER files were acquired for each of the areas covered by the Planning Grant applicant neighborhoods and the surrounding MSAs. These files provided spatial data, including roads, railroads, waterways, census tracts, and city boundaries. Census tract boundaries included 1990, 2000, and 2010 boundaries. Demographic, economic, and housing data were also acquired. These data were drawn from the 1990, 2000, and 2010 U.S. decennial censuses and the 2006–2010 American Community Survey (ACS) 5-year estimates. The outputs of the mapping tool were incorporated into the dataset and analysis. The geographic information was merged with the TIGER, census, and ACS data to derive additional data on the applicant neighborhoods. All Choice Planning Grant applications and recipients for the first 3 years of the program were represented in the dataset. No sampling was involved; the dataset represents a 100-percent sample.

The merging of data was done using ArcGIS. Applicant neighborhood geographies received from HUD were consolidated from individual shapefiles by application year. The TIGER geospatial data for all MSAs containing one or more applicant areas were merged with census and ACS data. Demographic data used in this research were at the smallest possible geographic unit, the census tract. Over time, census tracts

have changed in a number of the applicant areas, requiring the reconciliation of census boundaries, which was done using census tract relationship files (U.S. Census Bureau, 2013). All geospatial data were projected in the World Geodetic System (WGS) 1984 Web Mercator coordinate system for compatibility and then merged.

Output tables were created for applicant neighborhoods, adjacent areas within 1/2 mile of the applicant neighborhoods, cities, and MSAs. Where applicant neighborhood boundaries did not follow census tract boundaries, data were allocated proportionally. Each applicant area was subsequently visually checked to identify any potential cases where too much or too little of a census tract was being included in the output tables and, in the few cases where issues were identified, corrections were made. Outputs were then cross-checked against the data provided by HUD and against information obtained from a sample of applicants (via project websites) to ensure that estimates in the output tables were accurate. The maximum variance between output-table values and HUD-provided values was 2 percent, with 91 percent of cases having a variance of less than 1 percent.

The output tables were then used to produce descriptive statistics (that is, means, medians, minimums, and maximums) for the applicant neighborhoods, their adjacent areas, their cities, and their MSAs. Where relevant, comparisons with overall U.S. statistics were also included. Applicant neighborhoods were also categorized based on criteria including year, region, and success (whether the application was funded) for additional analysis.

1.5 Summary of Key Findings

This report provides aggregate profiles for Planning Grant applicant neighborhoods. Detailed findings are provided in subsequent sections of the report. The general demographic, economic, and housing characteristics of the neighborhoods are largely unsurprising. The average applicant neighborhood is majority minority and has been since at least 1990. The average applicant neighborhood has a median household income below the average for the corresponding city, corresponding MSA, and United States, and the median household income has been declining, particularly between 2000 and 2010. Educational attainment in the average applicant neighborhood is primarily a high school education or lower, but the number of residents with some college or a bachelor's degree has increased during the past two decades. Poverty rates in applicant neighborhoods average approximately 30 percent and have grown worse during the past decade. Unemployment has also increased during the past two decades in the average applicant neighborhood, although labor force participation has increased. Housing tenure in applicant neighborhoods is decidedly rental, with very high vacancy rates. Housing units in these neighborhoods have a median age of approximately 60 years, with a substantial number built before 1940 and in the 1950s. Some regional variation exists in these data, particularly as they relate to Hispanic population (consistently larger in the West and Northeast) and age of housing (consistently older in the Northeast and Midwest). The average characteristics of applicant neighborhoods are largely consistent with the characteristics of high-poverty, low-income urban neighborhoods across the United States.

Some differences emerge in the demographic, economic, and housing characteristics of successful and unsuccessful applicant neighborhoods, most of which are linked to the geographic location of successful and unsuccessful applicants. The one consistent difference is that successful neighborhoods have higher poverty rates overall than unsuccessful neighborhoods.

With regard to the general characteristics of the applicant neighborhoods in terms of physical size, population, and numbers of housing units, no consistent emerging pattern appears across the applicant areas. All measures across the applicant neighborhoods vary substantially, and no consistent pattern of change emerged among the applicants in each of the first three grant cycles. This finding is consistent with the flexibility built into the program, which allows for applicants to self-define neighborhoods, although it might also suggest that the program lacks sufficient criteria to guide applicants to select neighborhoods appropriate for the program.

The areas adjacent to applicant neighborhoods are consistently better off in terms of economic and housing characteristics. They have higher median incomes, lower poverty rates, and lower unemployment rates. They also have lower vacancy rates, higher homeownership rates, and a newer housing stock. These findings may support the hypothesis that the target neighborhoods may be linked to the next phase of ongoing improvement in a city and may be selected to capture or create spillover effects. It is also possible that the most distressed neighborhoods were selected as applicant areas.

1.6 Structure of the Report

The remainder of this report is broken into four sections providing detail on the applicant neighborhoods and one containing concluding comments. Section 2 provides data and descriptive statistics on the general characteristics of the neighborhoods, including physical size, population, and population density. Information is presented on the overall characteristics and also is broken down by application year, successful and unsuccessful applications, region, and change over time.

Section 3 covers the housing characteristics of each neighborhood, providing information about tenure, vacancy rates, and age of housing stock. This information is also presented for successful and unsuccessful applications broken down by region.

Section 4 addresses the economic characteristics of the neighborhoods, looking at income, poverty, and employment. Statistics presented are broken down by race and ethnicity, successful and unsuccessful applications, and region. Each variable is also analyzed to examine change from 1990 to 2006–2010.

Section 5 provides information about the demographic characteristics of the applicant neighborhoods. This section specifically addresses race and ethnicity, educational attainment, age, and sex. For race and ethnicity, comparisons are presented viewing the applicant neighborhoods by successful and unsuccessful applications, by region, and by change. Change over time in educational attainment, age, and sex are also be considered. Each variable is also analyzed to examine change from 1990 to 2006–2010.

The purpose of the four previous sections is to provide information about the range and types of neighborhoods being identified by local applicant teams; to begin to identify emergent trends, patterns, and any outliers; and to explore the possible existence of trends or patterns of decline (Are applicants targeting neighborhoods to reverse decline?) or growth (Are applicants attempting to support ongoing growth?).

The report concludes with a section the reviews the key findings from the analysis. This section also highlights questions that remain unanswered from the analysis and suggests avenues for continuing this research. Finally, several recommendations are made about targeting Choice.

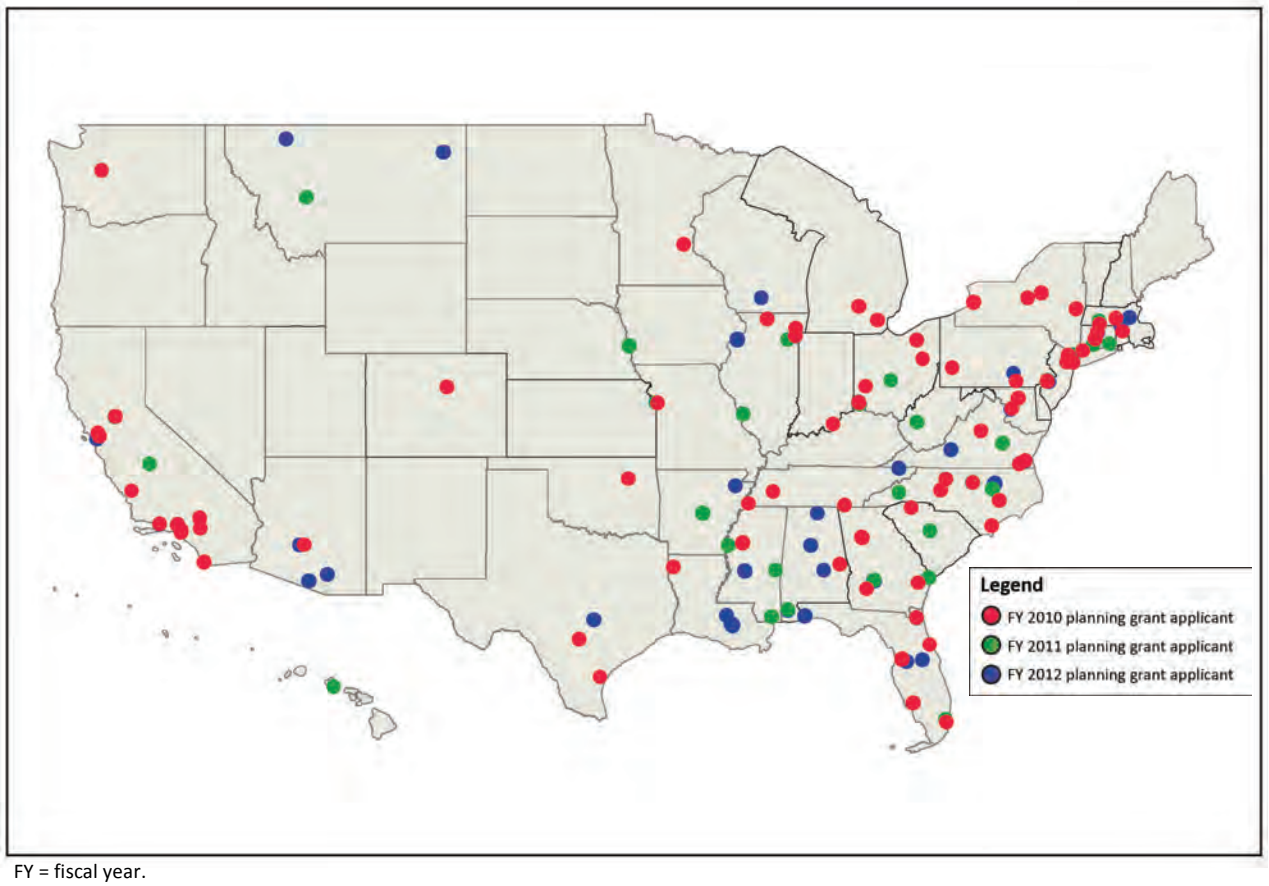
2 General Characteristics of Planning Grant Applicant Neighborhoods

This section provides data and descriptive statistics on the general characteristics of the Choice Neighborhoods Initiative Planning Grant applicant neighborhoods. The first part of this section presents a general overview of the distribution of Planning Grant applicants overall and by HUD and U.S. Census Bureau regions. The remainder of the section presents information about the physical size, population, and population density of each applicant neighborhood. This information is presented first based on the characteristics of all applicant neighborhoods and second categorized based on several comparative measures: by application year, by successful and unsuccessful applications, by region, and by change. The purpose of this section is to provide a general description of the neighborhoods and to begin to identify emerging trends and patterns in the data. Where appropriate, comparisons to adjacent areas, cities, and metropolitan statistical areas are also included.

2.1 Distribution of Applicants

Figure 1 shows a map of the geographic distribution of Planning Grant applicants throughout the United States. As this map shows, most Planning Grant applications, by far, have come from cities in the eastern portion of the country.

Figure 1: Choice Planning Grant Applicants Geographic Distribution (FY2010-FY2012)



FY = fiscal year.
Source: applicant files

Table 1 displays this information in tabular form, showing the number of applicants in fiscal years 2010 through 2012, broken down by HUD[2] and census[3] regions.

Table 1: Choice Applicant Neighborhoods, by Region

Region	Count			
	FY 2010	FY 2011	FY 2012	Overall
HUD region				
Region 1	6	4	4	14
Region 2	9	5	4	18
Region 3	10	6	5	21
Region 4	20	14	17	51
Region 5	12	6	4	22
Region 6	4	1	4	9
Region 7	1	3	1	5
Region 8	1	1	2	4
Region 9	12	9	8	29
Region 10	1	1	1	3
Census region				
Northeast	19	12	9	40
Midwest	13	10	5	28
South	30	19	24	73
West	14	10	12	36

FY = fiscal year.
Source: Applicant files

As table 1 indicates, applications for Choice come primarily from HUD Region 4, which includes mainly states in the Southern United States. This region has nearly twice as many applications as the region with the second most and accounts for approximately 29 percent of all applications. This predominance is also reflected in the large number of applicants in the South Census Region, which accounts for slightly more than 41 percent of all applications.

[2] HUD Region 1 includes Connecticut, Maine, Massachusetts, New Hampshire, Rhode Island, and Vermont; HUD Region 2 includes New Jersey and New York; HUD Region 3 includes Delaware, Maryland, Pennsylvania, Virginia, Washington, D.C., and West Virginia; HUD Region 4 includes Alabama, Florida, Georgia, Kentucky, Mississippi, North Carolina, Puerto Rico, South Carolina, Tennessee, and the U.S. Virgin Islands; HUD Region 5 includes Illinois, Indiana, Michigan, Minnesota, Ohio, and Wisconsin; HUD Region 6 includes Arkansas, Louisiana, New Mexico, Oklahoma, and Texas; HUD Region 7 includes Iowa, Kansas, Missouri, and Nebraska; HUD Region 8 includes Colorado, Montana, North Dakota, South Dakota, Utah, and Wyoming; HUD Region 9 includes Arizona, California, Hawaii, and Nevada; and HUD Region 10 includes Alaska, Idaho, Oregon, and Washington.

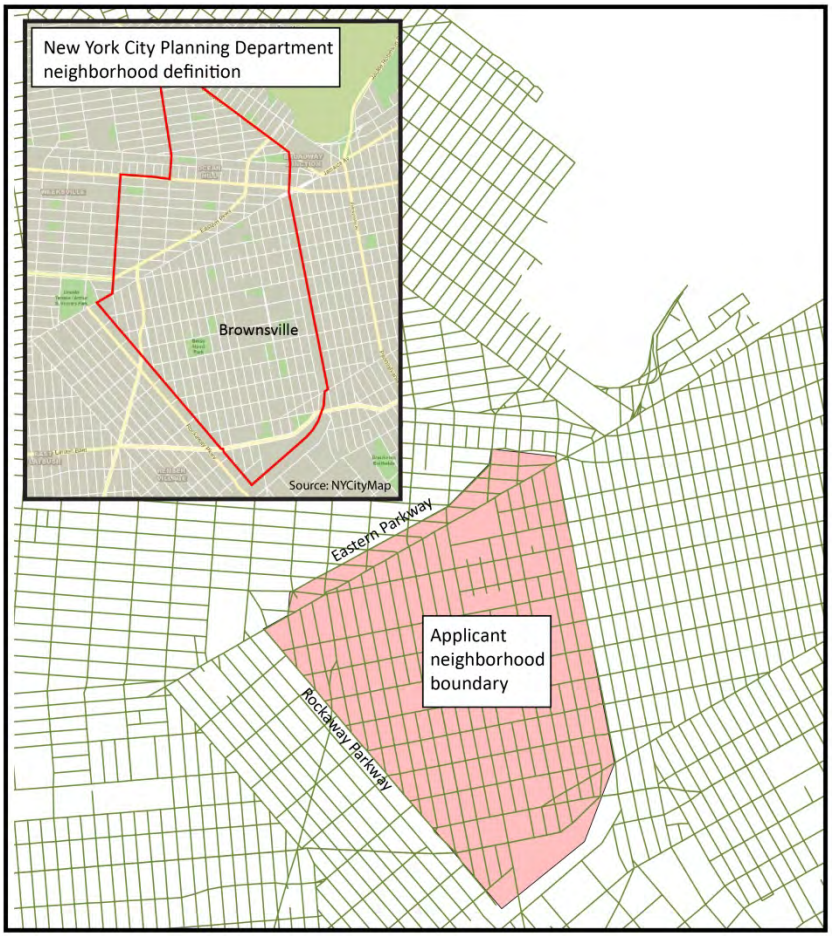
[3] Census Region 1 (Northeast) includes Connecticut, Maine, Massachusetts, New Hampshire, New Jersey, New York, Pennsylvania, Rhode Island, and Vermont; Census Region 2 (Midwest) includes Illinois, Indiana, Iowa, Kansas, Michigan, Minnesota, Missouri, Nebraska, North Dakota, Ohio, South Dakota, and Wisconsin; Census Region 3 (South) includes Alabama, Arkansas, Florida, Georgia, Kentucky, Louisiana, Maryland, Mississippi, North Carolina, Oklahoma, South Carolina, Tennessee, Texas, Virginia, Washington, D.C., and West Virginia; Census Region 4 (West) includes Alaska, Arizona, California, Colorado, Hawaii, Idaho, Nevada, New Mexico, Oregon, Washington, and Wyoming.

The large number of applications from the Southern United States is different from the pattern of HOPE VI grants, which included large numbers of Midwestern and Northeastern applicants and recipients. The reason for this variation is not readily apparent from the neighborhood data. One possible explanation is that expanding the pool of eligible assisted housing properties beyond strictly public housing complexes makes more areas in the South eligible for this program. A second possible explanation is that the HOPE VI Program has already redeveloped many aging public housing developments in the regions characterized by older housing stock, such as those regions covering the Northeastern and Midwestern states. Further, the prohibition on using Choice grants for revitalization activities for public housing complexes that were previous recipients of HOPE VI grants may also be a factor. These changes may open up neighborhoods in cities previously unable to participate in the HOPE VI Program to eligibility for grants and may prevent neighborhoods in other cities from applying.

2.2 Applicant Neighborhood Boundaries

Planning Grant applicants are afforded the ability to draw their own neighborhood boundaries. The selection of neighborhood boundaries varies considerably among applicants; some have drawn their boundaries based on existing neighborhood definitions and others have chosen to target newly defined neighborhoods. The neighborhood boundary for Brownsville, Brooklyn, New York represents an example of the first approach (figure 2).

Figure 2: Choice Applicant Neighborhood Boundary and Existing Neighborhood Definition—Brownsville, Brooklyn, New York

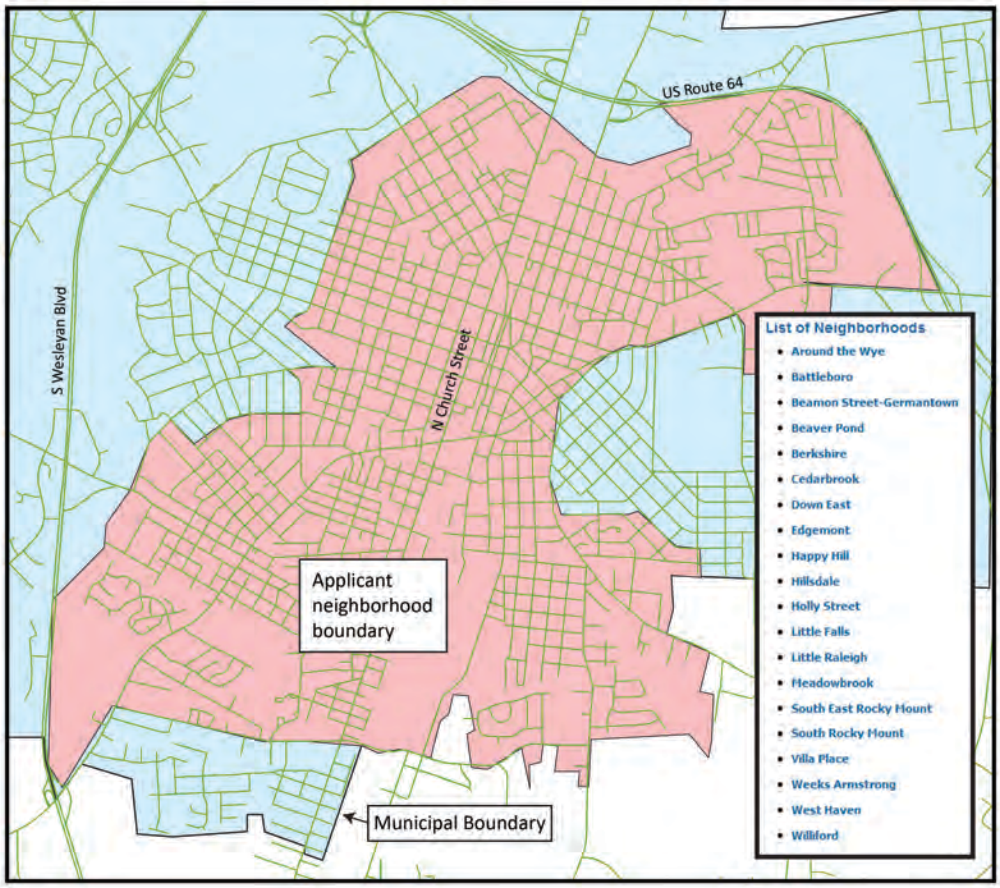


Sources: Applicant files; U.S. Census Bureau TIGER files; NYCityMap

Although the neighborhood identified for Choice does not encompass the entirety of the New York City Planning Department neighborhood boundary for Brownsville, it is clearly derived from this previously defined neighborhood area.

Other applicants have defined entirely new areas that do not correspond to any previously defined neighborhood. The neighborhood identified by Rocky Mount, North Carolina, demonstrates this approach (figure 3).

Figure 3: Choice Applicant Neighborhood Boundary and Existing Neighborhood Definition—Downtown, Rocky Mount, North Carolina

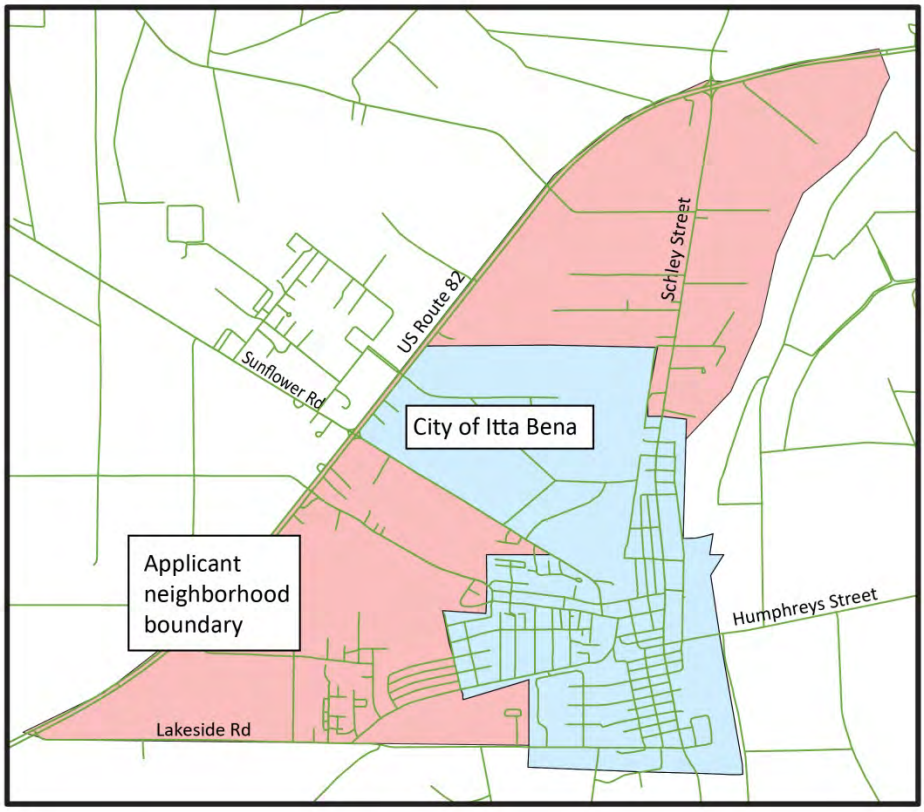


Sources: Applicant files; U.S. Census Bureau TIGER files; City of Rocky Mount

The neighborhood identified in this case does not correspond to any of the neighborhoods from the city's list of existing neighborhoods.

Finally, a few applicants representing very small jurisdictions designate the entire municipality as a "neighborhood" for purposes of Choice. A few neighborhoods even encompass an entire municipality and some of the surrounding area. An example is the applicant neighborhood for Itta Bena, Mississippi (figure 4).

Figure 4: Choice Applicant Neighborhood Boundary and Existing Neighborhood Definition—Itta Bena Neighborhood, Itta Bena, Mississippi



Sources: Applicant files; U.S. Census Bureau TIGER files

The ability to select the applicant neighborhood is an important feature of Choice that has produced a variety of results. In the Choice Notice of Funding Availability, HUD retains the right to request further information from applicants to support their selection of neighborhood. It is unclear how often this right is invoked. Minor changes in neighborhood definition can create significantly different results.

2.3 Applicant Neighborhood Physical Size

2.3.1 Physical Size Summary

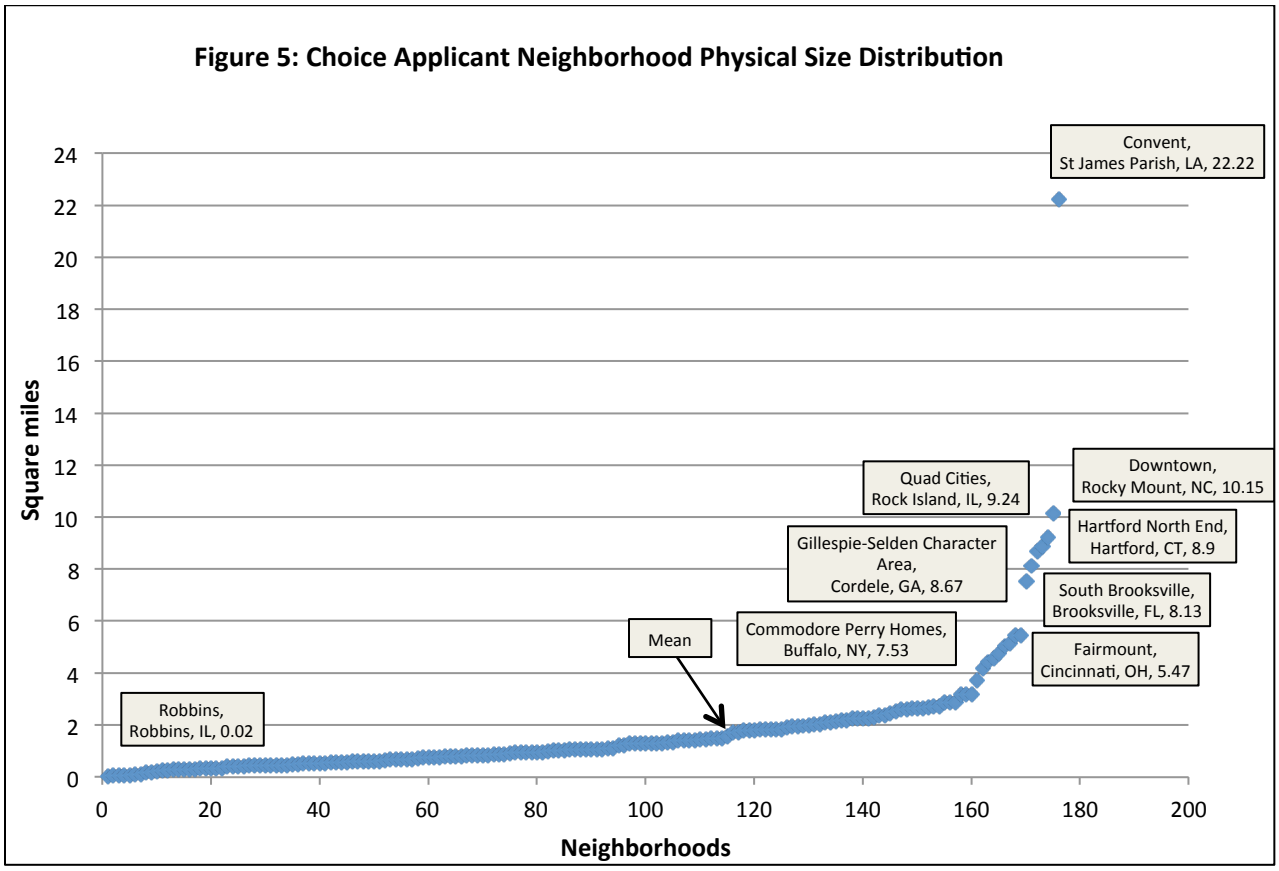
Table 2 shows a general summary of the physical size of Planning Grant applicant neighborhoods. Applicant neighborhoods range in size from a minimum of 10 acres (0.02 square miles) for the neighborhood in Robbins, Illinois (FY 2010), to a maximum of 14,223 acres (22 square miles) for Convent, St. James Parish, Louisiana (FY 2012). The average size of all applicant neighborhoods is 1,120 acres (1.75 square miles), but the median size is much smaller, at 697 acres (1.09 square miles).

Table 2: Choice Applicant Neighborhood Physical Size

	Acres	Square Miles	Neighborhood
Mean	1,120	1.75	
Median	697	1.09	
Minimum	10	0.02	Robbins neighborhood, Robbins, Illinois
Maximum	14,223	22.22	Convent, St. James Parish, Louisiana

Source: Applicant files

The mean is pulled upward by several physically large applicant areas. Because of the presence of these few very large applicant neighborhoods and their influence on the mean values for neighborhood size, the interpretation of physical size results uses primarily median values. Figure 5 shows the distribution of applicant neighborhoods by physical size.



CT = Connecticut. FL = Florida. GA = Georgia. IL = Illinois. LA = Louisiana. NC = North Carolina. NY = New York. OH = Ohio.
Source: Applicant files

With the exception of the seven largest applicant areas and a cluster of nine neighborhoods of between 3.18 and 5.47 square miles, the other applicant neighborhoods are fairly evenly distributed across the range of sizes. The neighborhood in St. James Parish represents a significant outlier; it is more than twice the size of the next largest applicant neighborhood, Downtown Rocky Mount, North Carolina (2012), at 6,493 acres (10 square miles). Only one of the seven largest applicant neighborhoods, Commodore Perry Homes in Buffalo, New York, at 7.53 square miles, was successful in securing a Planning Grant.

The FY 2010 application for Robbins, Illinois, has the smallest applicant area but does not represent a significant outlier. Another 6 neighborhoods are 0.10 square mile or smaller, and 37 neighborhoods are less than 0.5 square mile. None of the 7 smallest neighborhoods was successful in securing a Planning Grant.

2.3.2 Physical Size by Application Year

Table 3 shows the variation in physical size of applicant neighborhoods by applicant year. The numbers overall and for each of the grant cycles demonstrate a notable trend of having significantly smaller median than mean sizes because of the small number of outliers described previously.

Table 3: Choice Applicant Neighborhood Physical Size, by Grant Year

Grant Cycle	Acres	Square Miles	Neighborhood
FY 2010			
Mean	953	1.49	
Median	676	1.06	
Minimum	10	0.02	Robbins neighborhood, Robbins, Illinois
Maximum	5,205	8.13	South Brooksville, Brooksville, Florida
FY 2011			
Mean	928	1.45	
Median	697	1.09	
Minimum	56	0.09	Soledad Street/Chinatown, Salinas, California
Maximum	3,504	5.47	Fairmount, Cincinnati, Ohio
FY 2012			
Mean	1,566	2.45	
Median	778	1.22	
Minimum	126	0.20	Kuhio Park, Honolulu, Hawaii
Maximum	14,223	22.22	Convent, St. James Parish, Louisiana

FY = fiscal year.
Source: Applicant files

Median neighborhood size has increased over the three grant cycles. This increase was unexpected because the FY 2011 and FY 2012 NOFAs included new language intended to restrain neighborhood sizes. Whereas the FY 2010 NOFA contained no specific language regarding the physical size of a neighborhood, the FY 2011 and FY 2012 NOFAs included an additional phrase suggesting that neighborhoods are "typically an area less than two miles wide" (HUD, 2011: 11). Applying this criterion would mean that the typical neighborhood should be less than 4 square miles total. Although it is unclear if the change is the result of the addition of this language, the range of neighborhood sizes decreased in the second application year, and fewer applicant neighborhoods exceeded the new suggested threshold. Only one applicant neighborhood in the second grant cycle would have been in the top three the first year. However, two neighborhoods of more than 4 square miles were successfully awarded grants in the second grant cycle.

The FY 2012 grant cycle saw a substantial increase in the number of applicant neighborhoods of more than 4 square miles, from three in FY 2011 to eight, and a concurrent increase in average neighborhood size. This increase suggests that the limit is not constraining applicants. Even correcting for the significant outlier in St. James Parish, the FY 2012 grant cycle applicant neighborhoods are an average of 400 acres (0.60 square miles) larger than the first 2 applicant years. As noted previously, the median neighborhood size has also increased. If HUD is interested in constraining neighborhood size, it may need to add more specific language to the NOFA regarding ideal or maximum neighborhood size.

2.3.3 Physical Size by Successful and Unsuccessful Applicants

Table 4 shows the applicant neighborhoods by successful and unsuccessful applications, overall and by grant cycle. Both the overall numbers and the FY 2012 numbers have been adjusted to remove the St. James Parish numbers, which greatly skew the results.

Table 4: Choice Applicant Neighborhood Physical Size, by Successful and Unsuccessful Applicants

Grant Cycle	Acres	Square Miles	Neighborhood
Overall			
Min successful	126	0.20	Kuhio Park, Honolulu, Hawaii
Max successful	4,820	7.53	Commodore Perry Homes, Buffalo, New York
Mean unsuccessful*	1,065	1.66	
Median unsuccessful*	678	1.06	
Mean successful	1,191	1.86	
Median successful	779	1.22	
FY 2010			
Min successful	172	0.27	South Norwalk, Norwalk, Connecticut
Max successful	4,820	7.53	Commodore Perry Homes, Buffalo, New York
FY 2011			
Min successful	392	0.61	East Washington Street, Suffolk, Virginia
Max successful	3,061	4.78	Parkside-Kenilworth, Washington, D.C.
FY 2012			
Min successful	126	0.20	Kuhio Park, Honolulu, Hawaii
Max successful	1,824	2.85	Mills Memorial Apartments, Meriden, Connecticut

FY = fiscal year.
*Outlier (Convent, St. James Parish, Louisiana) removed.
Source: Applicant files

The table shows that the range of neighborhoods successfully receiving Planning Grants remains quite broad but is narrower than the range applying. The smallest successful application is Kuhio Park, Honolulu, Hawaii (2012), at 126 acres (0.19 square miles), and the largest successful application is Commodore Perry Homes (2010), at 4,820 acres (7.53 square miles).

It is worth noting that neither the Robbins neighborhood, the smallest applicant overall, nor the St. James Parish neighborhood, the largest applicant overall, were successful grantees. Indeed, none of the smallest 5 percent of applicant neighborhoods and only one of the largest 5 percent of applicant neighborhoods was successful in winning a Planning Grant. Although not definitive, this finding may suggest a preference against very small and very large neighborhoods.

Very small neighborhoods, such as the Robbins application (from 2010), may be viewed as representing areas too small to address the lessons learned from the HOPE VI Program on the need to move beyond narrowly focused revitalization efforts to sustain success. Until the approval of two neighborhoods of less than 0.25 square miles in 2012, no neighborhoods smaller than this size had been successful. The pressure to address a neighborhood of sufficient size may also be reflected in the pattern of repeat applications. In 85 percent of these cases, the revised applicant neighborhood was larger than the initial neighborhood. A subsequent application from Robbins was submitted in 2012 covering a much larger area (2,042 acres, or 3.19 square miles).

The larger neighborhoods, such as the 2012 St. James Parish neighborhood, may be viewed as too large to represent a cohesive neighborhood. The largest successful applicant, Commodore Perry Homes, is an outlier. No other successful applicant proposed a neighborhood of 5 square miles or larger.

2.3.4 Physical Size by Region

Table 5 breaks down the applicant neighborhood sizes by HUD and census region. The table shows considerable variation in the size of applicant neighborhoods based on these geographic areas.

Table 5: Choice Applicant Neighborhood Physical Size, by Region

Region	Count	Mean Size		Median Size		Minimum Square Miles	Maximum Square Miles
		Acres	Square Miles	Acres	Square Miles		
HUD region							
Region 1	14	1,095	1.71	551	0.86	0.27	8.90
Region 2	18	806	1.26	397	0.62	0.07	7.53
Region 3	21	585	0.91	428	0.67	0.06	4.78
Region 4	51	1,287	2.01	844	1.32	0.29	10.15
Region 5	22	1,228	1.92	926	1.45	0.02	9.24
Region 6	9	1,179	1.84	925	1.45	0.36	22.22
Region 7	5	895	1.40	916	1.43	0.49	2.28
Region 8	4	1,356	2.12	742	1.16	0.99	5.16
Region 9	29	932	1.46	837	1.31	0.09	5.05
Region 10	3	589	0.92	594	0.93	0.90	0.93
Census region							
Northeast	40	836	1.31	498	0.78	0.06	8.90
Midwest	27	1,167	1.82	925	1.44	0.02	9.24
South	73	1,001	1.10	703	1.10	0.23	22.22
West	36	950	1.48	805	1.26	0.09	5.16

Source: Applicant files

Median neighborhood sizes are largest in HUD Regions 5, 6, and 7. These regions represent the Midwest and portions of the South. Median neighborhood sizes are smallest in HUD Regions 2 and 3. These regions represent the Mid-Atlantic states and portions of the Northeast. Region 2 (New Jersey and New York) in particular has very small median neighborhood sizes.

2.4 Applicant Neighborhood Population

As with physical size, the population size of the applicant neighborhoods varied considerably. This section provides information about applicant neighborhood population sizes and growth or decline.

2.4.1 Population General Characteristics

Table 6 summarizes the basic information regarding population size. Applicant neighborhoods represent, on average, approximately 10 percent of the population of the cities in which they are located. The median value is approximately 3 percent.

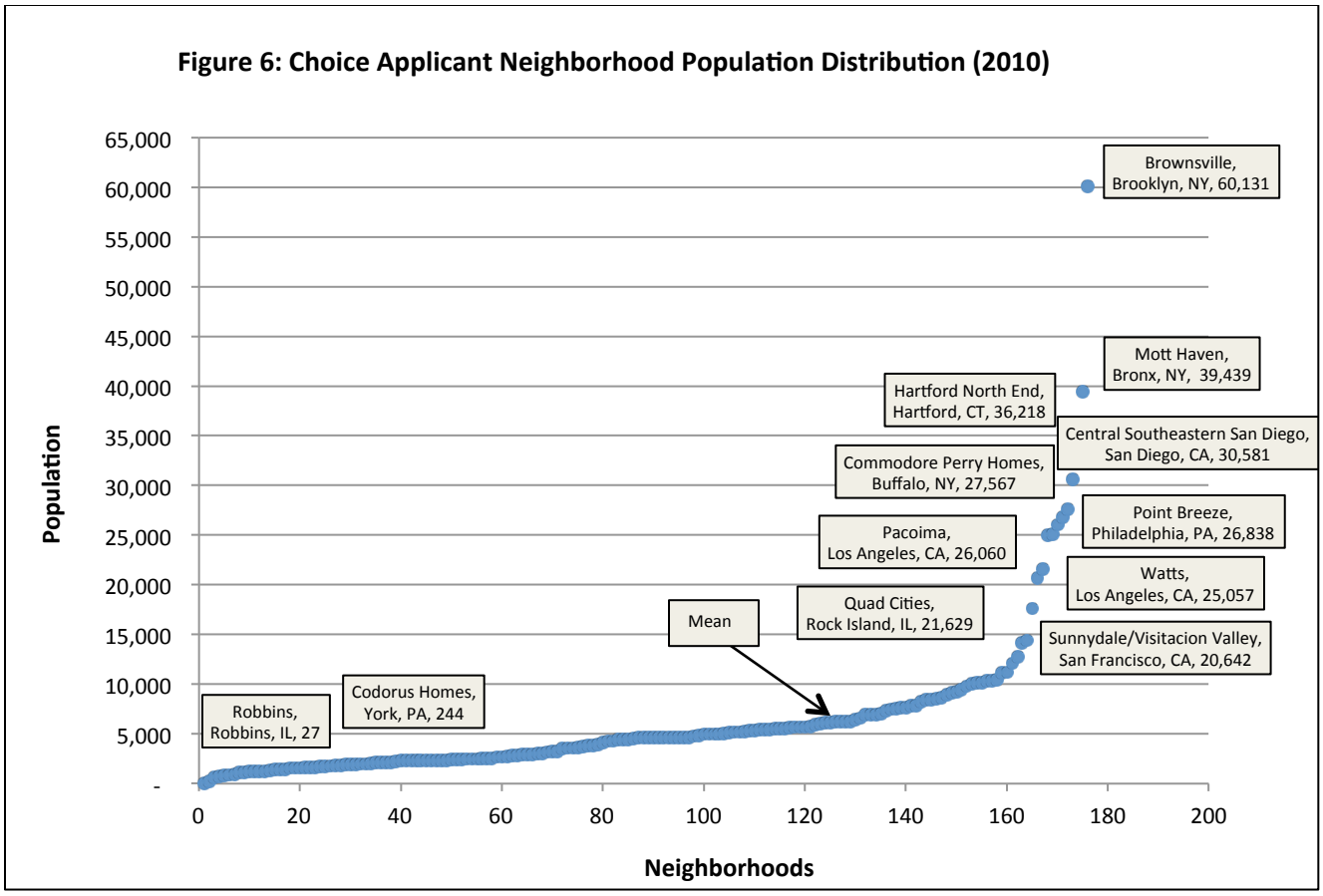
Table 6: Choice Applicant Neighborhood Population (2010)

	2010 Population	Neighborhood
Mean	6,291	
Median	4,601	
Minimum	27	Robbins neighborhood, Robbins, Illinois
Maximum	60,131	Brownsville, Brooklyn, New York

Sources: Applicant files; U.S. Census Bureau

The chart shows that applicant neighborhood populations ranged from as small as 27 for the neighborhood in Robbins (2010) to as large as 60,131 for Brownsville (2010). The average neighborhood population was slightly more than 6,200. Again, similar to physical size, the median is smaller than the mean, suggesting that the distribution contains outliers. Figure 6shows the distribution of neighborhood populations.

Figure 6: Choice Applicant Neighborhood Population Distribution (2010)



CA = California. CT = Connecticut. IL = Illinois. NY = New York. PA = Pennsylvania.
Sources: Applicant files; U.S. Census Bureau

A full 73 percent of neighborhoods were smaller than the mean, with 56 percent of all applicant neighborhoods having populations between 2,000 and 7,000. The 10 large applicant neighborhoods shown in Figure 6 have populations more than three times the average. Three of these neighborhoods—Mott Haven, Bronx, New York; Commodore Perry Homes; and Sunnydale/Visitacion Valley, San Francisco, California—received Planning Grants. The largest applicant neighborhood, Brownsville, has a population nearly 10 times the average. The smallest applicant area is also an outlier. The Robbins neighborhood has a population approximately one-tenth that of the next smallest applicant neighborhood, Codorus Homes, York, Pennsylvania.

One item of information identified at the outset of this research as being potentially useful for understanding applicant neighborhoods involved whether these neighborhoods were growing or declining. This information could be helpful for understanding whether Planning Grant applicants are targeting neighborhoods to reverse decline or to support growth. Table 7 shows the number of neighborhoods growing and declining for the preceding two decades and the extent of the average and median growth or decline.

Table 7: Choice Applicant Neighborhood Population Growth and Decline (1990–2010)

Period	Percent of Neighborhoods	Mean Change (%)	Median Change (%)
1990–2000			
Growing	42	20	10
Declining	58	– 14	– 11
2000–2010			
Growing	37	19	8
Declining	63	– 15	– 12
1990–2010			
Growing	34	37	17
Declining	66	– 22	– 19
Growing both	22		
Declining both	43		
Declining/growing	15		
Growing/declining	20		

Sources: Applicant files; U.S. Census Bureau

The overall trend suggests that more applicants are targeting declining neighborhoods than growing neighborhoods. More applicant neighborhoods experienced population declines between 1990 and 2010, with the highest percentage (43 percent) declining from both 1990 to 2000 and from 2000 to 2010. The same trend holds when considering only 2000 to 2010. The extent of neighborhood growth or decline is significant. Overall, neighborhoods that grew between 1990 and 2010 had an average growth rate of 37 percent and neighborhoods that declined during that period had an average rate of decline of 22 percent.

2.4.2 Population by Application Year

Applicant neighborhood populations overall are largely consistent across the three grant cycles. Table 8 shows the applicant neighborhood populations by year.

Table 8: Choice Applicant Neighborhood Population (2010), by Grant Year

Grant Cycle	2010 Population	Neighborhood
FY 2010		
Mean	6,721	
Median	4,374	
Minimum	27	Robbins neighborhood, Robbins, Illinois
Maximum	60,131	Brownsville, Brooklyn, New York
FY 2011		
Mean	5,506	
Median	4,619	
Minimum	772	Lee Walker Heights, Asheville, North Carolina
Maximum	25,037	Pacoima, Los Angeles, California
FY 2012		
Mean	6,422	
Median	4,500	
Minimum	594	Convent, St. James Parish, Louisiana
Maximum	39,439	Mott Haven, Bronx, New York

FY = fiscal year.
Sources: Applicant files; U.S. Census Bureau

Of the 10 largest neighborhoods by population, 6 were proposed in the first year of the program, including the largest neighborhood. The FY 2011 grant cycle had the smallest neighborhood average population, but FY 2010 had the most small neighborhoods. The mean population size declined during the second grant cycle, largely because of a decrease in the number of very populous neighborhoods, and then increased in the third cycle. This finding may be the result of normal fluctuations or may be linked to the slight changes in definitions and criteria among the NOFAs.

2.4.3 Population by Successful and Unsuccessful Applicants

The average and median population of applicant neighborhoods associated with successful and unsuccessful grants overall are essentially the same. No statistical difference exists between the population characteristics, as the overall numbers in table 9 show. These numbers are also statistically the same as the overall average and median applicant neighborhood populations.

Table 9: Choice Applicant Neighborhood Population (2010), by Successful and Unsuccessful Applicants

Grant Cycle	2010 Population	Neighborhood
Overall		
Min successful	1,165	South Norwalk, Norwalk, Connecticut
Max successful	39,439	Mott Haven, Bronx, New York
Mean unsuccessful	6,947	
Median unsuccessful	5,091	
Mean successful	6,038	
Median successful	3,801	
FY 2010		
Min successful	1,165	South Norwalk, Norwalk, Connecticut
Max successful	27,567	Commodore Perry Homes, Buffalo, New York
Mean unsuccessful	6,248	
Median unsuccessful	3,801	
Mean successful	6,249	
Median successful	4,887	
FY 2011		
Min successful	1,202	River District-Railyards, Sacramento, California
Max successful	10,302	Central Choice, Cleveland, Ohio
Mean unsuccessful	5,276	
Median unsuccessful	4,144	
Mean successful	6,163	
Median successful	6,147	
FY 2012		
Min successful	1,616	Lacoochee-Trilby, Dade City, Florida
Max successful	39,439	Mott Haven, Bronx, New York
Mean unsuccessful	5,441	
Median unsuccessful	2,959	
Mean successful	8,326	
Median successful	4,644	

FY = fiscal year.
Source: Applicant files; U.S. Census Bureau

The minimum and maximum successful applicant information suggests that, as with physical size, the largest and smallest overall applications are not successful, although the range is substantial. The variation within applicant years is more pronounced, with clear differences between successful and unsuccessful neighborhoods in FY 2012. In that year, the average and median successful neighborhood sizes were well above the average and median sizes of unsuccessful neighborhoods.

2.4.4 Population by Region

Substantial variation exists among the populations of applicant neighborhoods from different regions, as indicated in table 10.

Table 10: Choice Applicant Neighborhood Population (2010), by Region

Region	Count	2010 Population			
		Mean	Median	Minimum	Maximum
HUD region					
Region 1	14	7,990	6,040	1,165	36,218
Region 2	18	11,750	5,270	2,100	60,131
Region 3	21	5,029	4,144	244	26,838
Region 4	51	4,332	4,310	772	12,121
Region 5	22	6,218	5,148	27	21,629
Region 6	9	4,864	4,977	594	10,185
Region 7	5	3,109	3,529	962	5,199
Region 8	4	1,921	1,785	1,616	2,497
Region 9	29	8,438	5,566	822	30,581
Region 10	3	2,938	2,657	2,552	3,606
Census region					
Northeast	40	9,336	4,612	244	60,131
Midwest	27	5,642	4,672	27	21,629
South	73	4,370	4,310	594	12,121
West	36	7,290	4,591	822	30,581

Source: Applicant files

The most populous applicant neighborhoods are in HUD Regions 2 and 9 and the Northeast and West Census Regions. As the population distribution graph suggests, the average neighborhood populations in these regions are skewed by several very large neighborhoods, particularly those in New York City and Los Angeles. The least populous are in HUD Regions 8 and 10. However, both regions have very few applicants, meaning that the data might not be particularly indicative of the expected neighborhood population size in these regions.

2.5 Applicant Neighborhood Population Density

To further explore the differences among neighborhoods, equivalent population densities were calculated for each of the applicant neighborhoods using the size and population data. Densities are described on a population-per-square-mile basis. Equivalent population densities for the applicant neighborhoods vary substantially, and it is not surprising that dramatic differences are seen among different regions of the country.

2.5.1 Population Density General Characteristics

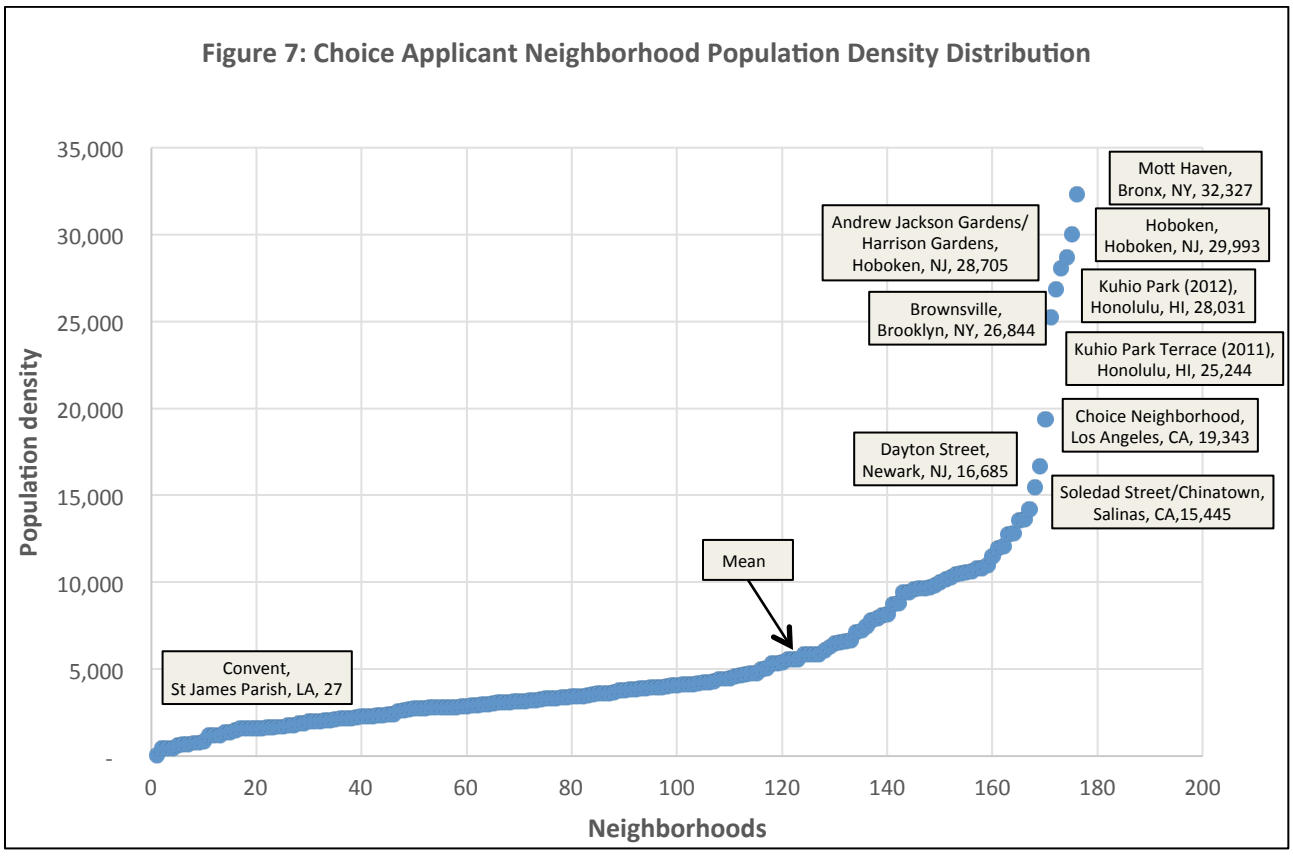
The overall average and median population density (population per square mile) for applicant neighborhoods is shown in table 11.

Table 11: Choice Applicant Neighborhood Population Density

	Population per Square Mile	Neighborhood
Mean	5,627	
Median	3,715	
Minimum	27	Convent, St. James Parish, Louisiana
Maximum	32,327	Mott Haven, Bronx, New York

Sources: Applicant files; U.S. Census Bureau

The substantial difference between the minimum and maximum equivalent densities illustrates the range of values. The difference between the mean and median suggests more less dense than more dense neighborhoods overall. Figure 7 shows the distribution of applicant neighborhoods by population density.



CA = California. HI = Hawaii. LA = Louisiana. NJ = New Jersey. NY = New York.
Sources: Applicant files; U.S. Census Bureau

It is not surprising that the least and most dense neighborhoods both represent substantial outliers. Nine of the applicant neighborhoods are more than twice as dense as the average neighborhood, although two of these applications are for the same neighborhood submitted in different years.

2.5.2 Population Density by Application Year

The applicant neighborhood population densities show remarkable consistency across the three grant cycles. The average population density in each year is virtually identical. The median density has declined each year (table 12).

Table 12: Choice Applicant Neighborhood Population Density, by Grant Year

Grant Cycle	Population per Square Mile	Neighborhood
FY 2010		
Mean	5,577	
Median	3,926	
Minimum	606	River District-Dos Rios, Sacramento, California
Maximum	29,993	Hoboken, Hoboken, New Jersey
FY 2011		
Mean	5,656	
Median	3,761	
Minimum	479	River District-Railyards, Sacramento, California
Maximum	28,705	Andrew Jackson Gardens, Harrison Gardens, Hoboken, New Jersey
FY 2012		
Mean	5,675	
Median	3,264	
Minimum	27	Convent, St. James Parish, Louisiana
Maximum	32,327	Mott Haven, Bronx, New York

FY = fiscal year.
Sources: Applicant files; U.S. Census Bureau

2.5.3 Population Density by Successful and Unsuccessful Applicants

Table 13 shows applicant neighborhood densities by successful and unsuccessful applicants. The overall range in applicant neighborhood densities remains very broad, from a low of less than 1,000 people per square mile to a high of more than 32,000 people per square mile. The densities of successful and unsuccessful neighborhoods show no discernable pattern. The data for FY 2010 and FY 2011 demonstrate a tendency for neighborhoods with lower average and median population densities to be successful. The exact opposite is true in FY 2012, when more dense neighborhoods had substantially more success.

Table 13: Choice Applicant Neighborhood Population Density, by Successful and Unsuccessful Applicants

Grant Cycle	Population per Square Mile	Neighborhood
Overall		
Min successful	479	River District-Railyards, Sacramento, California
Max successful	32,327	Mott Haven, Bronx, New York
Mean unsuccessful	5,348	
Median unsuccessful	3,599	
Mean successful	6,350	
Median successful	3,921	
FY 2010		
Min successful	1,650	Sun Valley Neighborhood, Denver, Colorado
Max successful	14,184	Central West Baltimore, Baltimore, Maryland
Mean unsuccessful	5,702	
Median unsuccessful	4,016	
Mean successful	5,200	
Median successful	3,661	
FY 2011		
Min successful	479	River District-Railyards, Sacramento, California
Max successful	8,153	Parkside-Kenilworth, Washington, D.C.
Mean unsuccessful	6,349	
Median unsuccessful	4,116	
Mean successful	3,681	
Median successful	3,301	
FY 2012		
Min successful	829	Lacoochee-Trilby, Dade City, Florida
Max successful	32,327	Mott Haven, Bronx, New York
Mean unsuccessful	3,614	
Median unsuccessful	2,786	
Mean successful	9,675	
Median successful	5,845	

FY = fiscal year.
Sources: Applicant files; U.S. Census Bureau

2.5.4 Population Density by Region

Population densities are dramatically different among regions. Table 14 shows these differences. The average densities are particularly striking with the neighborhoods in the most dense HUD region, Region 2, which has average population densities nearly 10 times that of the neighborhoods in the least dense HUD region, Region 8. Even using median numbers, Region 2 is seven times as dense as Region 8 and three times as dense as Region 4. Region 9 is also very densely settled.

Table 14: Choice Applicant Neighborhood Population Density, by Region

Region	Count	Population per Square Mile			
		Mean	Median	Minimum	Maximum
HUD region					
Region 1	14	5,519	4,898	1,921	11,969
Region 2	18	13,149	11,015	1,676	32,327
Region 3	21	6,576	4,443	2,054	14,184
Region 4	51	3,060	2,948	686	9,599
Region 5	22	4,034	3,273	1,204	10,528
Region 6	9	2,839	2,964	27	6,494
Region 7	5	2,185	1,963	1,673	3,267
Region 8	4	1,304	1,542	484	1,650
Region 9	29	8,227	6,555	460	28,031
Region 10	3	3,190	2,857	2,836	3,877
Census region					
Northeast	40	9,456	6,871	1,676	32,327
Midwest	27	3,692	3,067	1,204	10,528
South	73	3,536	2,996	27	14,184
West	36	7,064	5,853	460	28,031

Source: Applicant files

These data illustrate a fundamental difference between the densely settled, older industrial cities of the Northeast and other cities, including those with a densely settled Hispanic majority. The differences in densities have implications for the challenges and opportunities of transformation plans in these neighborhoods, which are discussed in more detail in the following sections.

2.6 General Characteristics Summary

The preceding review of the general characteristics of Planning Grant applicant neighborhoods illustrates the wide variety of neighborhoods being proposed. The range of neighborhoods based on physical size, population, density, and housing units is considerable, and no clear pattern emerges in the types of neighborhoods being proposed. The one notable pattern to emerge with regard to successful applicants is that, although varied, they are more tightly clustered than unsuccessful applicants. The largest and smallest neighborhoods do not have good records of success.

One of the original hypotheses considered was that the types of neighborhoods being proposed or selected for funding would begin to demonstrate consistency. This hypothesis was based on several notions. First, potential applicants might learn from previous applications (either their own or others) and refine their neighborhood definitions accordingly. Second, HUD might adjust its criteria or scoring to better reflect agency and program priorities (the addition of language related to neighborhood size in the FY 2011 and FY 2012 NOFAs seemed to suggest such adjustment was the case). However, through the first 3 years of the program a strong convergence toward an “ideal” neighborhood size, population, or density does not appear.

Patterns do appear to be emerging based on regional differences. Applicant neighborhoods in the Northeast and in parts of the Midwest and West have larger populations, higher densities, and more housing units than neighborhoods in other regions. Neighborhoods in the South and in parts of the West, however, have lower populations, lower densities, and fewer housing units. Neighborhoods in the Mid-Atlantic and Pacific states also are physically smaller than those in other divisions. These density differences may be important influences on the transformation plans of neighborhoods in these different areas. The different challenges faced by HOPE VI redevelopment efforts in more and less dense public housing developments are instructive. Building mixed-income neighborhoods in less dense areas can be accomplished by adding new market-rate units into an area and increasing densities without needing to reduce the number of public housing units on the site. For example, the NewHolly HOPE VI redevelopment in Seattle, Washington, achieved its income mix in part through increasing the site density. Building mixed-income developments at denser redevelopment sites without increasing densities further, removing public housing units, or both is considerably more complex. The Cabrini-Green HOPE VI redevelopment in Chicago involves plans for far fewer replacement public housing units on site than desired by residents or public housing advocates, in part because of a desire to create a mixed-income development while simultaneously reducing densities. The effect of the regional differences on both the transformation plans and implementation challenges should not be overlooked.

No agreement is emerging on what constitutes an appropriate or ideal neighborhood for the program. This lack of agreement may mean that the program is working exactly as intended by allowing for local actors to define neighborhoods that best reflect local priorities, conditions, and context. The variation in the applicant pool may simply reflect the reality that different cities have different needs and challenges, and the program is successfully providing the flexibility to enable local actors to identify and address them through the program. However, if specific agency and program needs and priorities are not being met by the wide range of applicant neighborhoods, more specific or stringent criteria governing physical size, population, and density may be advisable.

Of these characteristics, physical size is the most logical characteristic to restrict with additional criteria. The data from FY 2012 showed an increasing number of physically large neighborhoods. Although the lessons of HOPE VI indicate that choosing an area that is too small can result in problems for sustaining success, these physically large neighborhoods may also be problematic for two reasons. First, they may be too large to represent a cohesive neighborhood. Second, implementation may be more difficult because funds would be spread across a larger area.

3 Housing Characteristics of Planning Grant Applicant Neighborhoods

This section provides data and descriptive statistics on the housing in the Choice Neighborhoods Initiative Planning Grant applicant neighborhoods. This section covers the total number of housing units and more specific information related to housing, including vacancy rates, age of housing stock, and tenure.

3.1 Applicant Neighborhood Housing Units

As with the other basic measures reviewed in Section 2, the applicant neighborhoods vary substantially in the number of housing units they include. Although no clear trend exists, the housing unit numbers are more consistent than other measures, with more clustered around the mean. This finding may suggest that the number of housing units to be affected by a transformation plan is a particularly important factor for applicants defining their neighborhoods. Thus, physical size may vary because of density variations in different cities to accommodate what is deemed an appropriate number of housing units. In a similar way, population may vary based on vacancy rates and more or less population per housing unit, whereas the number of housing units may be more consistent across neighborhoods.

3.2 Housing Unit General Characteristics

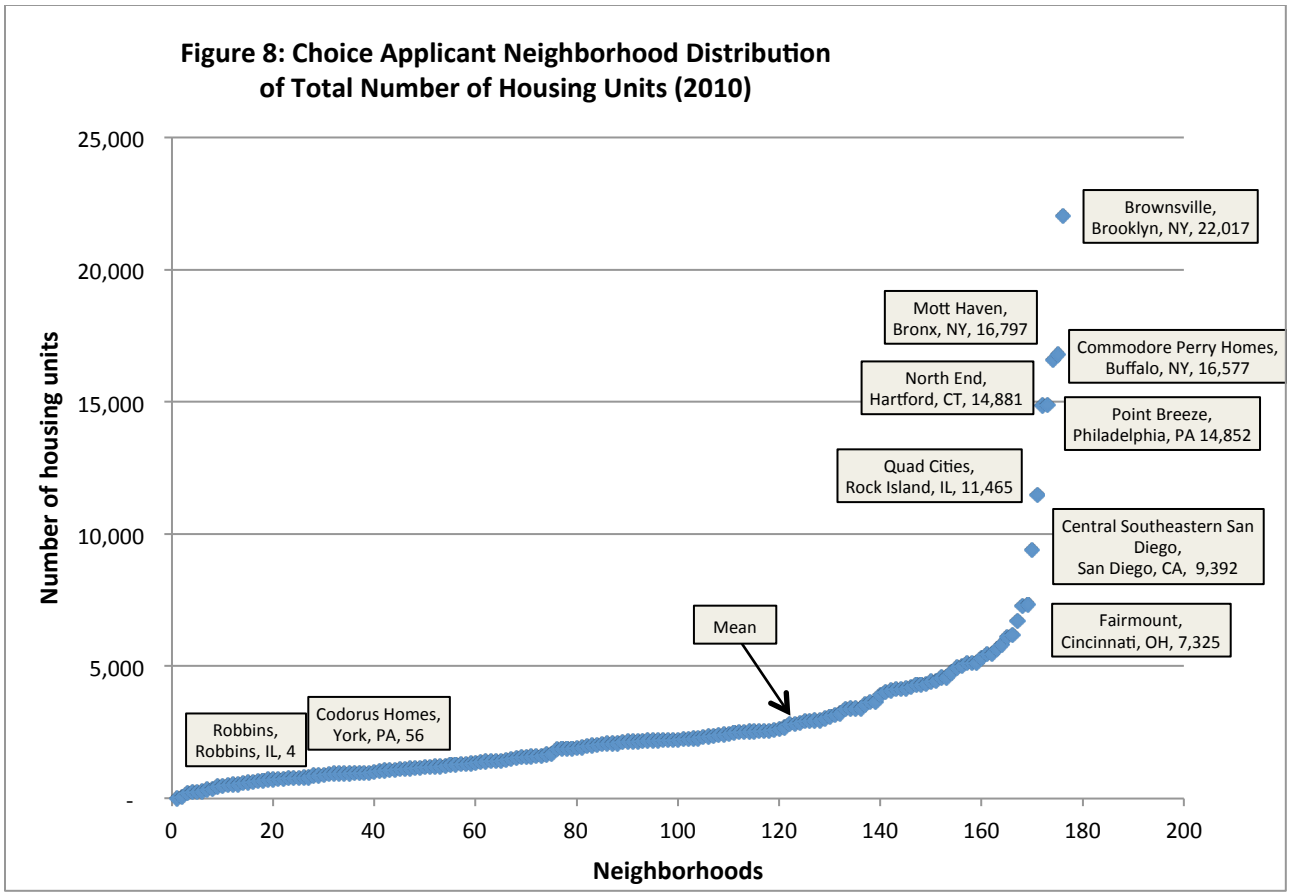
Table 15 shows the overall figures for the number of housing units.

Table 15: Choice Applicant Neighborhood Housing Units (2010)

	2010 Housing Units	Neighborhood
Mean	2,790	
Median	2,100	
Minimum	4	Robbins neighborhood, Robbins, Illinois
Maximum	22,017	Brownsville, Brooklyn, New York

Sources: Applicant files; U.S. Census Bureau

The median number of housing units in applicant neighborhoods is slightly less than the average, number indicating that more neighborhoods have less than the average number shown in the table. Figure 8 shows the distribution of housing units by neighborhood.



CA = California. CT = Connecticut. IL = Illinois. NY = New York. OH = Ohio. PA = Pennsylvania.
Sources: Applicant files; U.S. Census Bureau

Approximately 69 percent of all applicant neighborhoods have less than the average number of housing units (2,790), with 65 percent having between 1,000 and 5,000 units. Seven neighborhoods represent significant outliers. These neighborhoods represent either very large neighborhoods in moderately dense cities, such as Commodore Perry Homes, Buffalo, New York, or medium-to-large neighborhoods in very dense locations, such as Brownsville, Brooklyn, New York.

Unlike the population data, the housing unit data indicate that only slightly more applicant neighborhoods lost (52 percent) than gained (48 percent) housing units during the past two decades (table 16). Most (61 percent) grew rather than declined between 2000 and 2010. The reason for this result is unclear. One explanation may be that these numbers reflect the overheated housing market that existed pre-2007; many urban neighborhoods were growing, and these applicant neighborhoods were no exception. A second explanation may be that these numbers show that the applicant areas are locations where investment in housing is happening within applicant cities. In the latter case, the selection of these neighborhoods for Choice may represent a continuation of ongoing revitalization efforts.

Table 16: Choice Applicant Neighborhood Housing Unit Growth and Decline

Period	Percent of Neighborhoods	Mean Change (%)	Median Change (%)
1990–2000			
Growing	41	21	8
Declining	59	– 12	– 9
2000–2010			
Growing	61	15	7
Declining	39	– 11	– 6
1990–2010			
Growing	48	27	15
Declining	52	– 17	– 13
Growing both	30		
Declining both	28		
Declining/growing	30		
Growing/declining	12		

Source: Applicant files

3.2.1 Number of Housing Units by Applicant Year

Table 17 shows the data on housing units in the applicant neighborhoods. The housing unit data present no clear trends or patterns across the three grant cycles. The average, median, minimum, and maximum numbers all fluctuate, following no clear pattern.

Table 17: Choice Applicant Neighborhood Housing Units (2010), by Grant Year

Grant Cycle	2010 Housing Units	Neighborhood
FY 2010		
Mean	2,783	
Median	2,208	
Minimum	4	Robbins neighborhood, Robbins, Illinois
Maximum	22,017	Brownsville, Brooklyn, New York
FY 2011		
Mean	2,679	
Median	2,196	
Minimum	214	Soledad Street/Chinatown, Salinas, California
Maximum	7,325	Fairmount, Cincinnati, Ohio
FY 2012		
Mean	2,912	
Median	1,446	
Minimum	241	Convent, St. James Parish, Louisiana
Maximum	16,797	Mott Haven, Bronx, New York

FY = fiscal year.
Sources: Applicant files; U.S. Census Bureau

Although the average and median numbers for fiscal years 2010 and 2011 are very similar, the minimum and maximum applicant numbers highlight that these similarities are only surface. Despite the large overall range, a large number of housing units are clustered around the mean. In FY 2010 and FY 2012 approximately 63 percent of applicant neighborhoods had between 1,000 and 5,000 housing units, whereas in FY 2011 68 percent of applicant neighborhoods fell in this range.

3.2.2 Number of Housing Units by Successful and Unsuccessful Applicants

Table 18 shows the number of housing units broken down by successful and unsuccessful applicants in each grant cycle.

Table 18: Choice Applicant Neighborhood Housing Units (2010), by Successful and Unsuccessful Applicants

Grant Cycle	2010 Housing Units	Neighborhood
Overall		
Min successful	353	River District-Railyards, Sacramento, California
Max successful	16,797	Mott Haven, Bronx, New York
Mean unsuccessful	2,628	
Median unsuccessful	1,891	
Mean successful	3,210	
Median successful	2,248	
FY 2010		
Min successful	482	Sun Valley Neighborhood, Denver, Colorado
Max successful	16,577	Commodore Perry Homes, Buffalo, New York
Mean unsuccessful	2,908	
Median unsuccessful	1,928	
Mean successful	3,183	
Median successful	2,344	
FY 2011		
Min successful	353	River District-Railyards, Sacramento, California
Max successful	5,654	Southeast of Downtown, Little Rock, Arkansas
Mean unsuccessful	2,265	
Median unsuccessful	2,061	
Mean successful	2,901	
Median successful	2,248	
FY 2012		
Min successful	618	Lacoochee-Trilby, Dade City, Florida
Max successful	16,797	Mott Haven, Bronx, New York
Mean unsuccessful	2,551	
Median unsuccessful	1,593	
Mean successful	3,476	
Median successful	2,240	

FY = fiscal year.
Sources: Applicant files; U.S. Census Bureau

Two patterns appear to emerge from the data. First, successful applicant neighborhoods have higher average and median numbers of housing units than unsuccessful neighborhoods. This fact is true both overall and for each grant cycle, which seems to indicate a slight preference for neighborhoods that include more housing units.

Second, the range of successful applicant neighborhoods is smaller than the range of all applicant neighborhoods. The largest successful neighborhood (Mott Haven, Bronx, New York) is considerably smaller, at 16,797 units, than the largest applicant neighborhood (Brownsville), at 22,017 units. A smaller but still substantial difference emerges between the smallest successful neighborhood (River District-Railyards, Sacramento, California), at 353 units, and the smallest applicant neighborhood (the Robbins neighborhood in Robbins, Illinois), at 4 units. Thus, whereas no preference for slightly larger neighborhoods appears overall, as suggested by the size, population, and density data, very large and very small neighborhoods appear to have lower success rates than those of more modest size. There is virtually no difference overall between the average and median applicant between successful and unsuccessful neighborhoods.

3.2.3 Number of Housing Units by Region

The breakdown of housing units by HUD and U.S. Census Bureau regions shows little consistency across average number of housing units in applicant neighborhoods for most regions (table 19). The clear outliers are HUD Region 2, which has considerably higher mean and median numbers of housing units than any other region, and HUD Region 8, which has considerably fewer.

Table 19: Choice Applicant Neighborhood Housing Units (2010), by Region

Region	Count	2010 Housing Units			
		Mean	Median	Minimum	Maximum
HUD region					
Region 1	14	3,540	4,898	780	14,881
Region 2	18	5,365	11,015	1,174	22,017
Region 3	21	2,522	4,443	56	14,852
Region 4	51	2,114	2,948	457	6,095
Region 5	22	3,323	3,273	4	11,465
Region 6	9	2,430	2,964	241	5,654
Region 7	5	1,645	1,963	538	2,554
Region 8	4	707	1,542	482	887
Region 9	29	2,571	6,555	214	9,392
Region 10	3	1,184	2,857	969	1,505
Census region					
Northeast	40	4,354	2,451	56	22,017
Midwest	27	3,012	2,199	4	11,465
South	73	2,113	2,073	241	6,095
West	36	2,260	1,439	214	9,392

Sources: Applicant files; U.S. Census Bureau

The distribution graph (figure 8) suggests that one reason is the presence of several neighborhoods with very large numbers of housing units, particularly those in New York City. The New York City neighborhoods are also reflected in the Northeast Census Region. HUD Region 8 is home to two applications that encompass large, primarily rural areas with few housing units.

3.3 Housing Vacancy

Housing vacancy rates is one factor that, beyond poverty or extremely low-income rates, is considered when selecting Planning Grant recipients. This section presents information about housing vacancy rates in applicant areas.

3.3.1 Housing Vacancy General Information

Table 20 shows the vacancy rates for applicant neighborhoods and comparison areas for 1990 to 2010.

Table 20: Choice Applicant Neighborhood and Comparison Area Vacancy Rates

Area	Vacancy Rate (%)			Neighborhood/City
	1990	2000	2010	
Applicant neighborhoods				
Mean	12	12	14	
Median	11	11	14	
Minimum	N/A	N/A	4	Whittier, Boston, Massachusetts
Maximum	N/A	N/A	31	Greater Wright-Dunbar, Dayton, Ohio
Adjacent areas				
Mean	11	11	13	
Median	10	10	13	
Minimum	N/A	N/A	5	Arts District, Los Angeles, California
Maximum	N/A	N/A	32	ABC GG Providence, Columbia, South Carolina
Cities				
Mean	9	8	11	
Median	9	8	11	
Minimum	N/A	N/A	5	Helena, Montana (6th Ward West)
Maximum	N/A	N/A	29	Fort Myers, Florida (Dunbar)

N/A = not applicable.
Sources: Applicant files; U.S. Census Bureau

The mean and median vacancy rates in applicant neighborhoods are 14 percent. The vacancy rate in applicant neighborhoods stayed constant from 1990 to 2000 but increased during the past decade. This finding may be a further indication of the effect of the overheated pre-2007 housing market and the subsequent crash and rise in foreclosures.

The mean vacancy rate for applicant neighborhoods is slightly higher than the mean vacancy rate in adjacent areas and is higher than the rate in other census tracts in cities in which the applicant neighborhoods are located. The overall average vacancy rate in applicant cities is 11 percent. Vacancy

rates increased in more than three-fourths (74 percent) of all applicant neighborhoods between 1990 and 2000.

3.3.2 Housing Vacancy by Successful and Unsuccessful Applicants

A slight variation emerges between the vacancy rates in successful and unsuccessful applicant neighborhoods, as shown in table 21.

Table 21: Choice Applicant Neighborhood Vacancy Rates, by Successful and Unsuccessful Applicants

Grant Status	Vacancy Rate (%)	Neighborhood
Successful		
Mean/median	15	
Minimum	4	Whittier, Boston, Massachusetts
Maximum	31	Atlanta University Center/Westside of Atlanta, Atlanta, Georgia
Unsuccessful		
Mean/median	14	
Minimum	4	Worcester, Worcester, Massachusetts
Maximum	31	Greater Wright-Dunbar, Dayton, Ohio

Sources: Applicant files; U.S. Census Bureau

The vacancy rates are slightly higher in neighborhoods that successfully applied for a Planning Grant than in unsuccessful neighborhoods, but the difference is not substantial. In addition, the ranges of vacancy rates for successful and unsuccessful applicants are equally broad. Both include neighborhoods with very high and very low vacancy rates. For both successful and unsuccessful applicant neighborhoods, the median and mean vacancy rates are the same.

3.3.3 Housing Vacancy by Region

Vacancy rates in applicant neighborhoods vary substantially depending on the region of the country in which they are located. Vacancy rates in applicant neighborhoods by region are shown in table 22.

Table 22: Choice Applicant Neighborhood Vacancy Rates, by Region

Region	Count	Vacancy Rate (%)		
		Mean/Median	Minimum	Maximum
HUD region				
Region 1	14	11	4	20
Region 2	18	13	5	24
Region 3	21	15	6	30
Region 4	51	17	6	31
Region 5	22	18	9	31
Region 6	9	14	6	20
Region 7	5	18	14	21
Region 8	4	9	8	16
Region 9	29	8	4	21
Region 10	3	5	5	5
Census region				
Northeast	40	13	4	24
Midwest	27	18	9	31
South	73	16	6	31
West	36	8	4	21

Sources: Applicant files; U.S. Census Bureau

Vacancy rates overall are lowest in HUD Regions 8, 9, and 10 and the West Census Region. These regions cover cities in the Western United States with very low vacancy rates that are reflected in the applicant neighborhoods. HUD Regions 1 and 9, which are representative of Northeastern and Western states, have the lowest vacancy rates overall.

The highest vacancy rates are found in HUD Regions 4, 5, and 7. This finding is also reflected in the Midwest and South Census Regions. HUD Regions 4 and 5 share the highest overall vacancy rate (31 percent) and both have very high mean and median values.

3.3.4 Housing Vacancy by Neighborhood Racial or Ethnic Majority

Applicant neighborhoods with different racial or ethnic population majorities also demonstrate clear differences in vacancy rates. These results are summarized in table 23.

Table 23: Choice Applicant Neighborhood and Comparison Area Vacancy Rates, by Racial or Ethnic Majority

Area	Vacancy Rate (%)					
	American Indian (n = 3)	Asian and Pacific Islander (n = 3)	Black (n = 84)	Hispanic (n = 28)	Mixed (n = 50)	White (n = 8)
Applicant neighborhoods	8	5	17	12	13	11
Adjacent areas	15	17	13	14	12	11
Cities	12	9	13	9	11	11

Sources: Applicant files; U.S. Census Bureau

Applicant neighborhoods with majority Asian and Pacific Islander populations have very low vacancy rates overall (5 percent), some of the lowest among all applicant neighborhoods. Applicant neighborhoods with majority American Indian, Asian and Pacific Islander, and Hispanic populations have lower vacancy rates within the applicant neighborhoods than within surrounding areas. Majority Black applicant neighborhoods have the highest vacancy rates overall (17 percent), considerably higher than both adjacent areas and the cities within which they are located.

3.4 Housing Tenure

In the simplest terms, housing tenure refers to whether a housing unit is owned or rented. The following sections describe the tenure situation in Planning Grant applicant neighborhoods.

3.4.1 Housing Tenure General Characteristics

As with other characteristics, housing tenure in applicant neighborhoods is quite different from that which is found in adjacent areas and in the cities in which the neighborhoods are located. Table 24 summarizes housing tenure in applicant neighborhoods, adjacent areas, and cities.

Table 24: Choice Applicant Neighborhood and Comparison Area Ownership and Rental Rates

Area	Own (%)	Rent (%)	Neighborhood/City
Applicant neighborhoods			
Mean/median*	32	68	
Max owner	84	16	Convent, St. James Parish, Louisiana
Max renter	5	95	Choice Neighborhood, Los Angeles, California
Adjacent areas			
Mean/median*	42	58	
Max owner	74	26	South Brooksville, Brooksville, Florida
Max renter	9	91	Mott Haven, Bronx, New York
Cities			
Mean/median*	50	50	
Max owner	74	26	Joliet, Illinois (Des Plains Gardens neighborhood)
Max renter	22	78	Newark, New Jersey (Lower Broadway District neighborhood)

*Includes only occupied units.
Sources: Applicant files; U.S. Census Bureau

More of the occupied housing in applicant neighborhoods is rental (68 percent) than is owner occupied (32 percent). The housing stock in adjacent areas also includes a higher percentage of rental housing (58 percent) than owner-occupied housing (42 percent). Only 16 of the 176 applicant neighborhoods (9 percent) have more owner-occupied than rental units.

Ownership and rental rates in cities that include applicant neighborhoods are equal (50 percent each). By comparison, the homeownership rate in the United States overall was 65.3 percent in 2010 after having declined for nearly 3 years. Ownership rates exceed rental rates in 41 of the 176 adjacent areas (23 percent) and in 71 of the 176 applicant cities (40 percent). One potential concern with these figures

is that certain very large cities with high rates of renting (for example, New York City) could be skewing the results for cities, leading to an overestimate of the rate of renting in applicant cities. After correcting for the outlier cities in the dataset (New York City, Los Angeles, and Chicago), however, the owner and rental rates for applicant cities overall remained constant (50 percent each).

Although the rental rates are high in adjacent areas and cities, the percentage is substantially lower than in applicant neighborhoods. Rental rates in applicant neighborhoods exceed rates in adjacent areas in 143 cases (81 percent) and exceed rates in their cities in 151 cases (86 percent). On average, rental rates in applicant neighborhoods exceeded rental rates in adjacent areas by 9 percent and in their cities by 16 percent. In combination, these data suggest that one consistent feature of the areas being identified by applicants, in all but a few cases, is a high rate of renting versus ownership, which is true regardless of the size, density, and racial or ethnic makeup of the neighborhood and of the economic characteristics.

3.4.2 Housing Tenure by Successful and Unsuccessful Applicants

Regarding housing tenure, minor but clear differences exist between the applicant neighborhoods that were successful in receiving Planning Grants and those that were unsuccessful. These results are summarized in table 25.

Table 25: Choice Applicant Neighborhood Ownership and Rental Rates, by Successful and Unsuccessful Applicants

Grant Status	Own (%)	Rent (%)	Neighborhood
Successful			
Mean/median	28	72	
Max owner	65	35	Lacoochee-Trilby, Dade City, Florida
Max renter	5	95	Mott Haven, Bronx, New York
Unsuccessful			
Mean/median	33	67	
Max owner	84	16	Convent, St. James Parish, Louisiana
Max renter	5	95	Choice Neighborhood, Los Angeles, California

Sources: Applicant files; U.S. Census Bureau

Successful applicants for Planning Grants have, on average, higher rates of renting versus ownership in occupied housing units. Of the successful applicants, only two (Lacoochee-Trilby, Dade City, Florida, and Sunnydale/Visitacion Valley, San Francisco, California) had ownership rates that exceeded renting rates.

3.4.3 Housing Tenure by Region

Housing tenure in applicant neighborhoods is largely consistent across regions. Housing tenure by region is shown in table 26.

Table 26: Choice Applicant Neighborhood Ownership and Rental Rates, by Region

Region	Count	Mean (%)		Max Owner (%)		Max Renter (%)	
		Own	Rent	Own	Rent	Own	Rent
HUD region							
Region 1	14	21	79	37	63	7	93
Region 2	18	23	77	52	48	5	95
Region 3	21	31	69	52	48	7	93
Region 4	51	36	64	65	35	8	92
Region 5	22	30	70	54	46	11	89
Region 6	9	36	64	84	16	9	91
Region 7	5	36	64	48	52	20	80
Region 8	4	38	62	45	55	9	91
Region 9	29	34	66	56	44	5	95
Region 10	3	46	54	46	54	46	54
Census region							
Northeast	40	25	75	54	46	11	89
Midwest	27	31	69	52	48	5	95
South	73	34	66	84	16	7	93
West	36	35	65	56	44	5	95

Sources: Applicant files; U.S. Census Bureau

Applicant neighborhoods in HUD Regions 1 and 2 have the lowest levels of owner-occupied units and the highest levels of renting. These regions include several cities with very high levels of renting versus owning, including New York City. This finding is also reflected in the statistics for the Northeast Census Region.

The ownership rates across all HUD and census regions for applicant neighborhoods are below 50 percent. With the exception of HUD Regions 1, 2, and 10, the latter of which has only three applications (all in the same city), every region has ownership rates of between 30 and 38 percent.

3.5 Age of Housing Stock

A goal of Choice is addressing deterioration and distress in a neighborhood's housing stock. The age of the housing stock may be linked to this goal in a number of ways. Older housing units may have experienced longer periods of neglect and deterioration and may have historical environmental and health issues, resulting in more complications for revitalization efforts. Older housing stock, however, may be regarded as having more architectural character, may have been built using materials that were less common in more recent construction (for example, hard woods), or both, resulting in more desirable revitalization opportunities.

3.5.1 Age of Housing Stock General Characteristics

The characteristics of Planning Grant applicant neighborhoods and comparison areas related to the age of housing stock are displayed in table 27.

Table 27: Choice Applicant Neighborhood and Comparison Area Housing Unit Age

Area	Housing Units by Decade Built (%)								Median Decade Built
	2000s	1990s	1980s	1970s	1960	1950s	1940s	Before 1940	
Applicant neighborhoods	7	6	8	12	14	16	12	25	1950s
Adjacent areas	8	7	9	13	13	15	10	26	1950s
Cities	9	8	10	14	12	14	9	23	1960s

Sources: Applicant files; U.S. Census Bureau

The housing stock in applicant neighborhoods is older overall than the housing stock in adjacent areas and the cities in which they are located. Although the median decade built for the housing stock in both applicant neighborhoods and adjacent areas is the 1950s, and although more of the housing stock in adjacent areas was built before 1940, applicant neighborhoods have more housing stock built during the 1940s, 1950s, and 1960s. Applicant neighborhoods have also had less housing built in recent decades than adjacent areas. The housing stock in both applicant neighborhoods and adjacent areas is considerably older than in their cities.

As noted previously, this trend is both not terribly surprising and a source of potential. Older areas have had a longer period during which to experience deterioration and tend to be more centrally located within cities, near areas that were most negatively affected by post-World War II suburbanization and abandonment. These older areas also may have quality older housing stock that would offer strong opportunities for investment and revitalization, however.

3.5.2 Age of Housing Stock by Region

The age of the housing stock varies by neighborhood. The differences among neighborhoods largely correspond to the region of the country in which the neighborhood is located. Table 28 shows the age of housing stock in applicant neighborhoods broken down by HUD and census regions.

Table 28: Choice Applicant Neighborhood Housing Unit Age, by Region

Region	Housing Units by Decade Built (%)								Median Decade Built
	2000s	1990s	1980s	1970s	1960s	1950s	1940s	Before 1940	
HUD region									
Region 1	4	4	8	11	9	9	8	48	1940s
Region 2	5	6	6	11	13	18	9	31	1950s
Region 3	8	6	6	9	10	17	12	33	1950s
Region 4	8	7	9	14	16	19	13	14	1960s
Region 5	7	4	4	9	14	13	10	38	1950s
Region 6	8	8	7	14	15	17	14	16	1960s
Region 7	8	6	4	11	10	12	11	38	1950s
Region 8	1	9	13	29	12	15	10	12	1970s
Region 9	8	6	11	14	14	17	13	17	1960s
Region 10	11	15	12	16	15	14	16	2	1970s
Census region									
Northeast	5	5	6	10	11	14	9	39	1950s
Midwest	7	5	4	10	13	13	10	38	1950s
South	8	7	9	14	15	19	13	16	1960s
West	8	8	11	16	14	16	13	15	1960s

Sources: Applicant files; U.S. Census Bureau

Neighborhoods in the Midwest and Northeast have considerably older housing stock than neighborhoods in the South and West. In the Midwest and Northeast, nearly 40 percent of the housing stock was built before 1940. Housing in the South and West dates from much more recent decades, with less than 20 percent built before 1940 in each region and the highest percentage built during the 1950s.

The oldest housing stock in any HUD region is found in Region 1, New England. Nearly 50 percent of the housing stock in applicant neighborhoods in this region was built before 1940. The newest housing stock is found in Regions 4, 6, 8, 9, and 10. These regions represent Southern and Western states. These same trends are reflected in the census regions, in which the Midwest Region has the oldest housing stock overall and the South Region has the youngest. These divisions are not surprising given the historical development of U.S. cities and metropolitan statistical areas.

The trends seen in the applicant neighborhoods largely mirror the trends seen in applicant cities. Two differences are of note. Applicant neighborhoods in the Northeast tend to have newer housing stock than the overall housing stock of the cities in which they are located. Applicant neighborhoods have a higher percentage of housing built during the 1950s. One potential explanation is that applicant neighborhoods represent areas targeted by postwar urban renewal efforts. Applicant neighborhoods in the West have older housing stock than the overall housing stock of the cities in which they are located. As with the neighborhoods in the Northeast, more of the housing stock was built in the 1950s, likely because of the continued growth of these cities after the housing stock in applicant neighborhoods was built.

3.6 Summary and Conclusions

Vacancy rates in applicant neighborhoods are high overall. The rate varies among neighborhoods but is generally higher than in the cities in which they are located. Applicant neighborhoods also have higher rates of renting and lower rates of owner occupation than their cities. The vacancy rates have been increasing and the ownership rates decreasing in most neighborhoods, which may be linked with larger economic trends (that is, the housing crisis). Vacancy rate is one criterion for selecting grant recipients, which appears to be reflected in the higher vacancy rates in successful applicant neighborhoods compared with those of unsuccessful neighborhoods.

The age of housing stock in applicant neighborhoods varies by region, with the Midwest and Northeast having older housing stock than the South and West. These trends are not particularly surprising given the historical development of cities in different regions of the United States, but they have implications for revitalization approaches. Housing built in different decades employed different materials, were built to different construction standards, and had different design standards (for example, room sizes). Older units may be more likely to have certain issues such as lead paint or asbestos not found in later construction. These older units, however, may use more varied architectural styles and more durable materials such as hard woods not found in later construction.

4 Demographic Characteristics of Planning Grant Applicant Neighborhoods

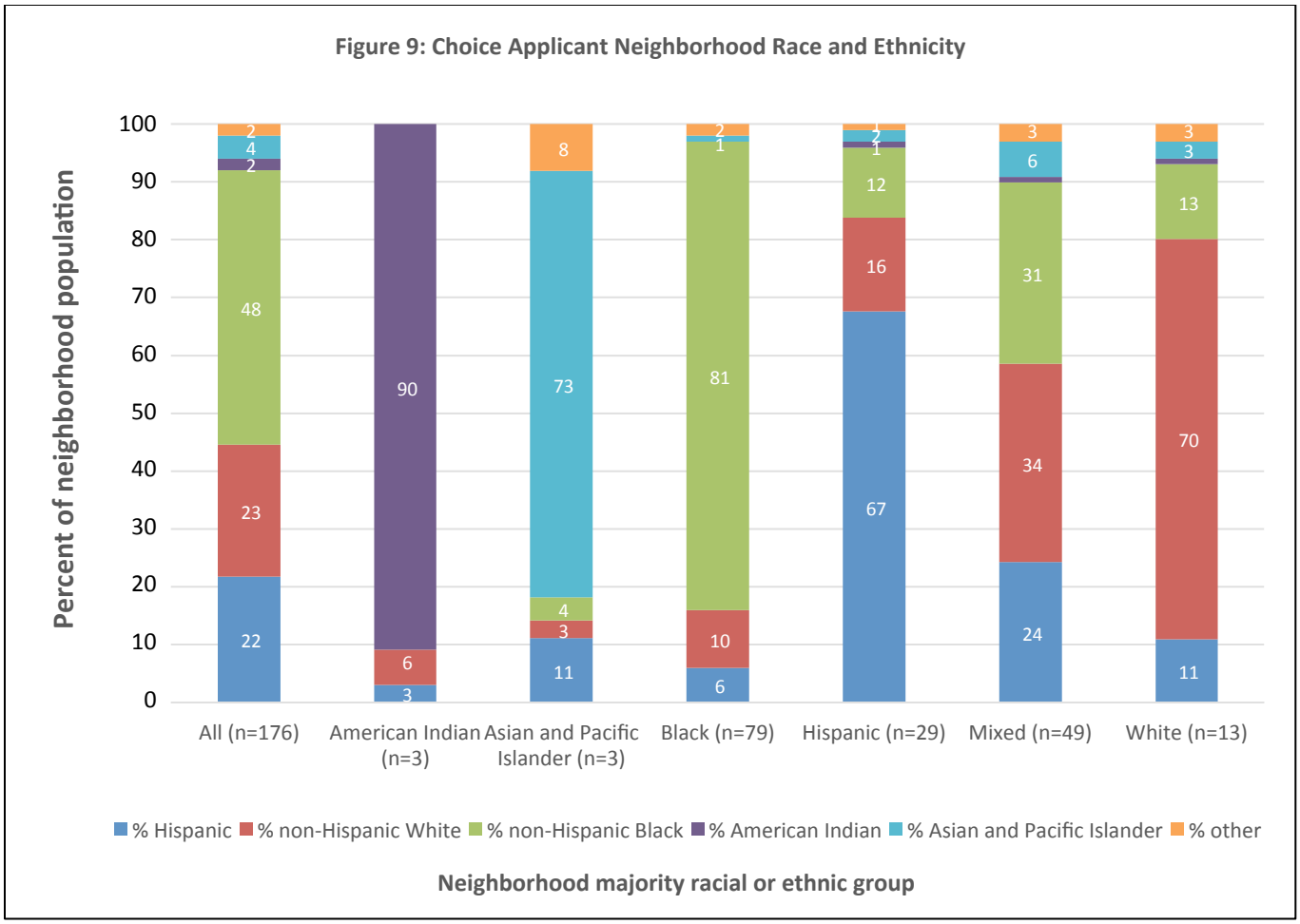
This section provides data and descriptive statistics on the demographic characteristics of the Choice Neighborhoods Initiative Planning Grant applicant neighborhoods. The specific topics covered in this section include the breakdown of applicant neighborhoods by race and ethnicity, educational attainment, age, and sex. This information is presented based on the characteristics of all applicant neighborhoods and then categorized based on comparative measures, as appropriate, for the specific characteristics. The purpose of this section is to provide more detail on applicant neighborhoods and explore patterns and trends related to demographic measures.

4.1 Race and Ethnicity

The overall racial and ethnic makeup of Planning Grant applicant neighborhoods is varied. The largest population overall in applicant neighborhoods is Black, with substantial numbers of Hispanic and non-Hispanic White (hereafter, White) populations and smaller numbers of American Indian, Asian and Pacific Islander, and other populations. The presence of many different racial and ethnic groups across all applicant neighborhoods masks the level of segregation within each neighborhood. This trend becomes visible when viewing the neighborhoods grouped by racial or ethnic majority.

4.1.1 Race and Ethnicity General Characteristics

Categorizing applicant neighborhoods by the majority racial or ethnic group provides a more detailed portrait of the neighborhood demographics. Figure 9 groups neighborhoods based on the predominant racial or ethnic group and presents a more detailed breakdown for each neighborhood grouping.



Sources: Applicant files; U.S. Census Bureau

Most (65 percent) Planning Grant applicant neighborhoods have predominantly minority populations. Of these majority-minority neighborhoods, the largest number (79, or 69 percent of majority-minority neighborhoods) are majority non-Hispanic Black. Majority Hispanic neighborhoods account for the next highest number (29, or 25 percent of majority-minority neighborhoods), with the rest either majority American Indian (2.5 percent) or majority Asian and Pacific Islander (2.5 percent). A small number of neighborhoods (13, or 7 percent of all neighborhoods) are majority non-Hispanic White. A substantial number of neighborhoods (49, or 28 percent of all neighborhoods) are mixed, with no clear majority population.

As Figure 9 shows, the applicant neighborhoods are not diverse; rather, they are quite segregated, which is particularly clear in majority Black neighborhoods. In the majority Black neighborhoods, on average, 81 percent of the population is non-Hispanic Black. In 28 percent of the majority Black neighborhoods, 90 percent or more of the population is Black. In 57 percent of the majority Black neighborhoods, more than 80 percent of the population is non-Hispanic Black. In majority Hispanic neighborhoods, on average, 67 percent of the population is Hispanic. In majority White neighborhoods, on average, 70 percent of the population is White. Asian and Pacific Islander populations make up 73 percent of the population in majority Asian and Pacific Islander neighborhoods. Majority American Indian neighborhoods are the most segregated, with 90 percent of their populations American Indian.

However, this is based on a small sample size of three neighborhoods that are all associated with reservation areas.

Approximately 20 percent of the neighborhoods have experienced a change in their majority population since 1990, with 4 percent changing from majority Black to majority White, 4 percent changing from majority White to majority Black, and 16 percent changing from either majority Black or majority White to majority Hispanic.

Four additional aspects differentiate these neighborhoods. The first is the pattern of growth and decline. All but one of the eight majority White neighborhoods is declining in population. For majority Black neighborhoods, 89 percent are declining. On the other hand, 64 percent of majority Hispanic neighborhoods and 54 percent of mixed neighborhoods are growing.

The second aspect differentiating these neighborhoods is the percentage of the population that are noncitizens. In the majority Hispanic neighborhoods, an average of 20 percent of the population are noncitizens. In five cases, the number exceeds 30 percent. The third and fourth differences are dealt with separately in the following sections.

4.1.2 Race and Ethnicity by Region

Planning Grant applicant neighborhood racial and ethnic populations vary by region. Table 29 shows applicant neighborhood race and ethnicity by region.

Table 29: Choice Applicant Neighborhood Racial or Ethnic Majority, by Region

Region	Count	Racial or Ethnic Majority (%)					
		American Indian	Asian and Pacific Islander	Black	White	Hispanic	Other
HUD region							
Region 1	14	1	8	52	18	15	6
Region 2	18	0	7	44	24	18	7
Region 3	21	1	4	43	16	30	7
Region 4	51	5	4	40	22	22	7
Region 5	22	5	1	45	20	24	6
Region 6	9	1	2	59	18	16	5
Region 7	5	0	6	42	32	13	6
Region 8	4	1	2	60	10	22	6
Region 9	29	1	1	54	19	19	6
Region 10	3	1	1	45	14	29	10
Census region							
Northeast	40	0	7	49	21	16	7
Midwest	27	4	2	44	22	22	6
South	73	4	4	41	20	24	7
West	36	1	1	54	17	20	6

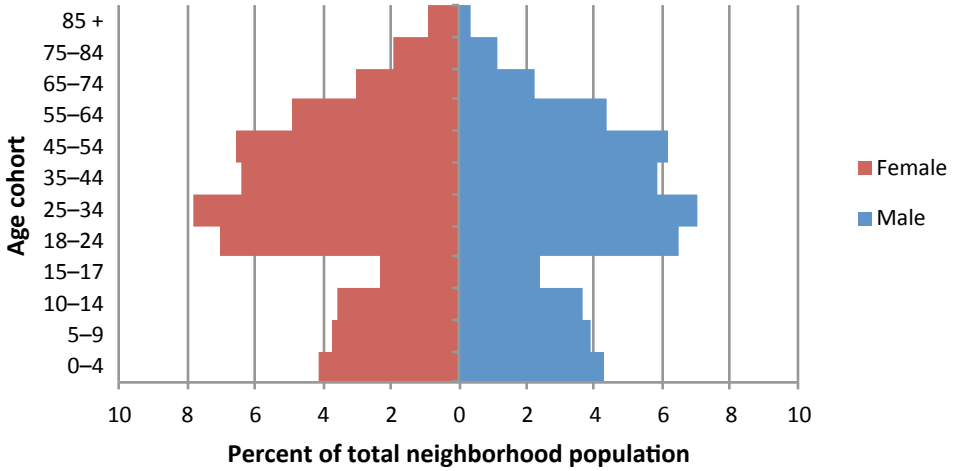
Sources: Applicant files; U.S. Census Bureau

4.2 Age and Sex Characteristics

The third difference between the applicant neighborhoods associated with the racial or ethnic majority is the age and sex cohorts. Figures 10 through 16 show the age and sex population cohorts for each neighborhood category. In reviewing these figures, note that some cohorts cover 5 years and others cover 10.

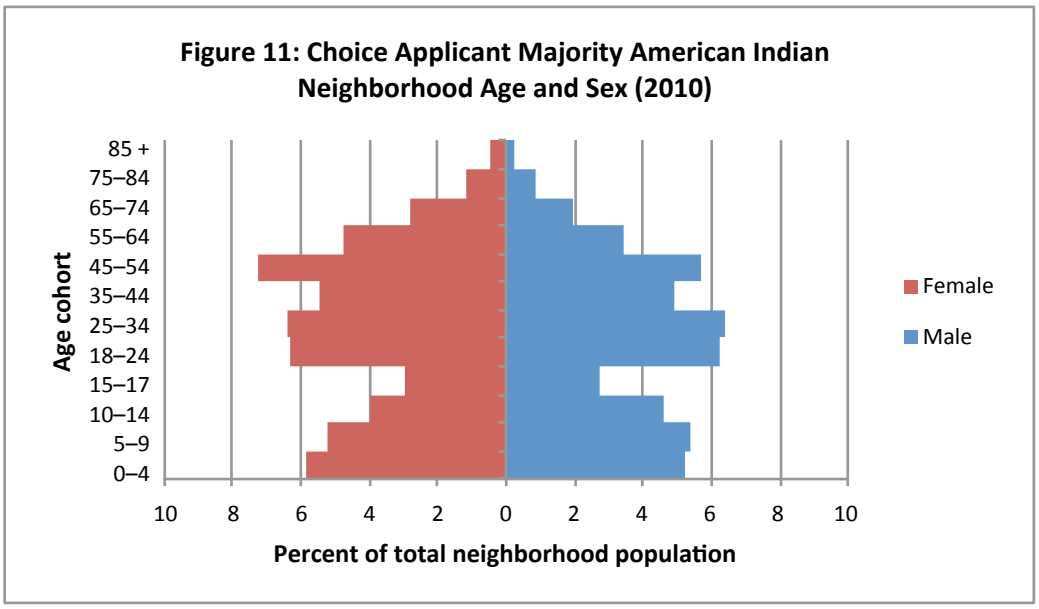
The overall applicant neighborhood profile includes large cohorts at ages 18 to 24 and 25 to 34. For children under age 18, the largest cohort is ages 0 to 4 (figure 10).

Figure 10: All Choice Applicant Neighborhood Age and Sex (2010)



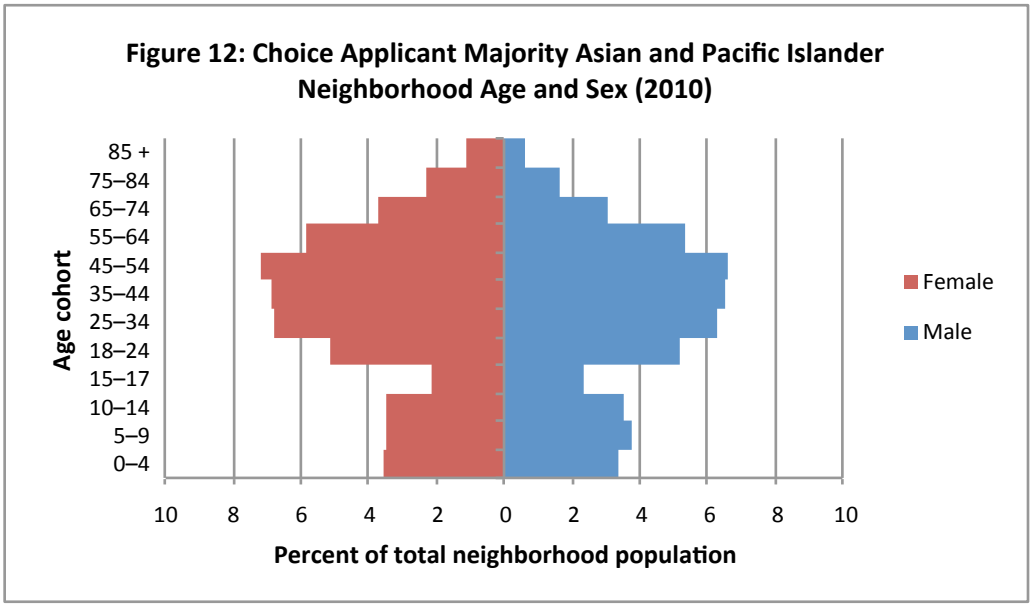
Sources: Applicant files; U.S. Census Bureau

Majority American Indian neighborhoods have a very different age and sex profile, with large cohorts of children and of adults ages 18 to 24, 25 to 34, and (especially females) 45 to 54 (figure 11). Elderly populations are very small in these neighborhoods.



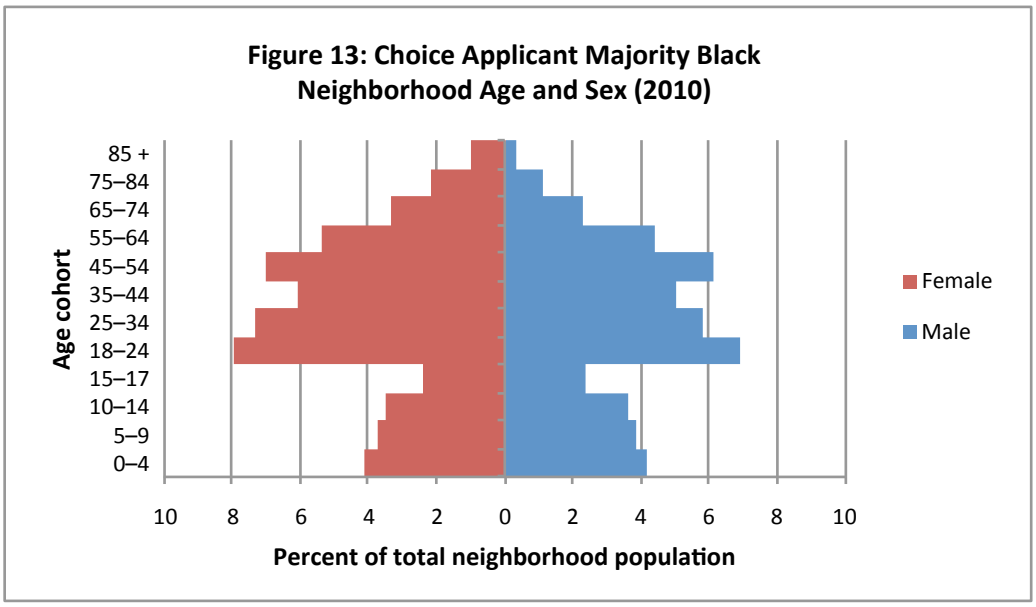
Sources: Applicant files; U.S. Census Bureau

Applicant neighborhoods with a majority Asian and Pacific Islander population, again, have a quite different age and sex profile that includes smaller cohorts of children than average and fewer 18-to-24 year olds (figure 12). The ages 35-to-44 and 45-to-54 cohorts are larger, as are those representing the elderly population.



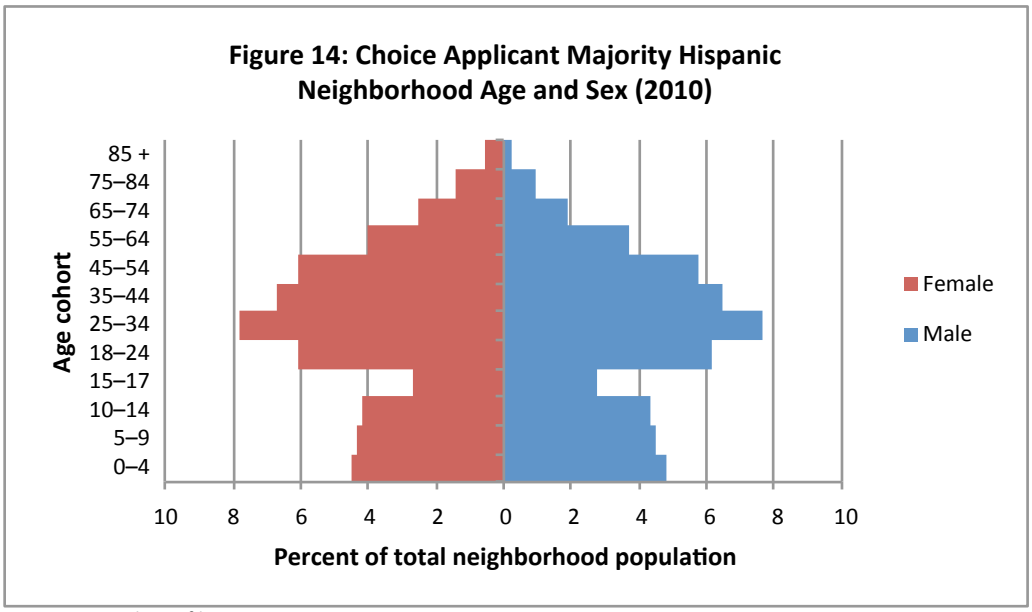
Sources: Applicant files; U.S. Census Bureau

Applicant neighborhoods with a majority Black population have a large cohort of those ages 18 to 24, particularly when compared with the average (figure 13). The age 45-to-54 cohort is also large. The entire chart also shows higher percentages of females at every adult age cohort.



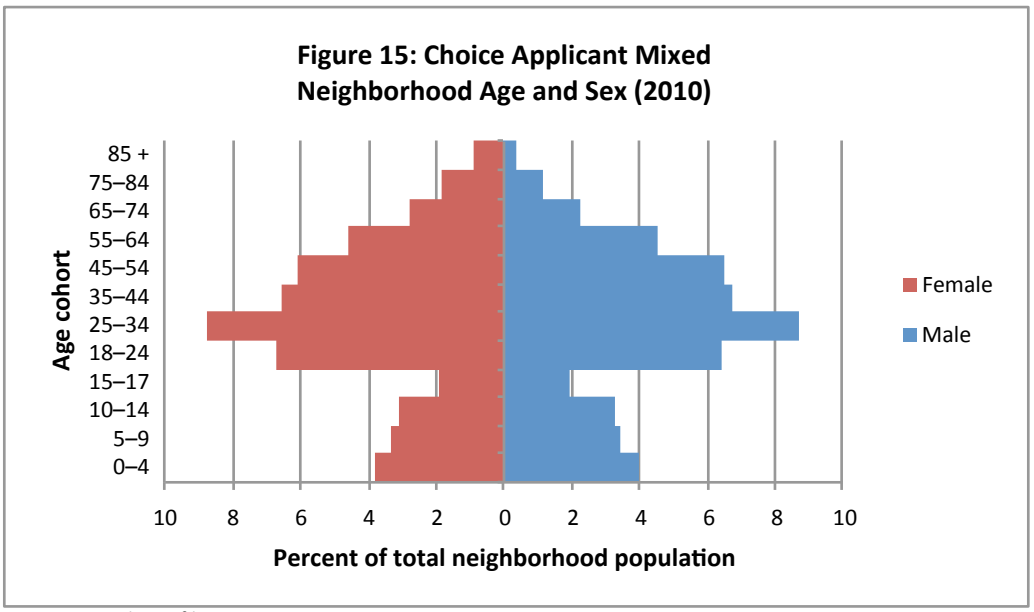
Sources: Applicant files; U.S. Census Bureau

Applicant neighborhoods with a majority Hispanic population are distinguishable as having larger cohorts less than age 18 (figure 14). The age 25-to-34 cohort is also larger than the average neighborhood.



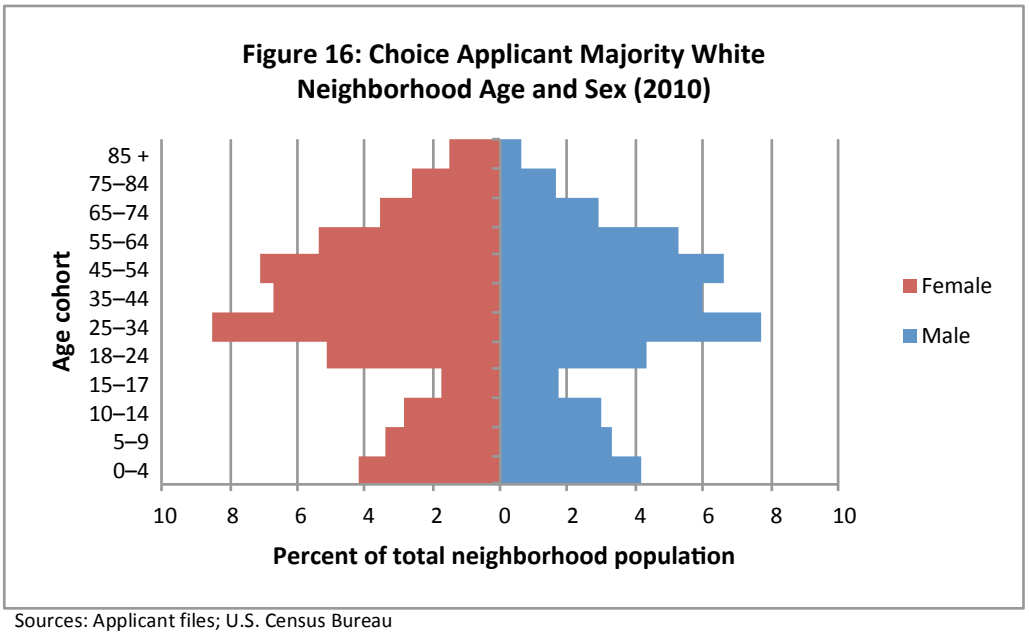
Sources: Applicant files; U.S. Census Bureau

Mixed neighborhoods have smaller populations at all age cohorts less than age 18 (figure 15). However, the age 25-to-34 cohorts for both males and females are the largest for any category of neighborhood.



Sources: Applicant files; U.S. Census Bureau

Applicant neighborhoods with a majority White population have the highest percentages of elderly populations, age 65 and older, of any neighborhood type (figure 16). These neighborhoods also have large cohorts of those ages 25 to 34 and 45 to 54.



Sources: Applicant files; U.S. Census Bureau

The differences in age and sex profiles in the applicant neighborhoods are important because they suggest different types of interventions. Neighborhoods with very large populations of children are more likely to need larger housing units and amenities tailored to children and families, such as schools

(perhaps suggesting opportunities to target other programs, such as the U.S. Department of Education's Promise Neighborhoods initiative, in these areas) and youth-oriented recreation facilities. Neighborhoods with larger elderly populations are likely to need facilities with greater accessibility and housing units that could facilitate aging in place. To the extent possible, applicants for Choice, and particularly for Choice Planning Grants, should be encouraged to think carefully about their age and sex profiles and address them in their transformation plans.

4.3 Educational Attainment

Educational attainment is closely tied with economic opportunities. It may also be a representation of the strength of the schools within a particular neighborhood or of the changing demographics of a neighborhood. Increasing educational attainment is often tied with the influx of professionals into working-class neighborhoods. The following sections describe the changing state of educational attainment in Planning Grant applicant neighborhoods.

4.3.1 Educational Attainment General Characteristics

Educational attainment across applicant neighborhoods has been increasing. The most notable change has been the steep decline in the percentage of the population over age 25 in applicant neighborhoods that have less than a high school education. Changes in educational attainment in applicant neighborhoods are shown in table 30.

Table 30: Choice Applicant Neighborhood Educational Attainment (1990–2010)

Year	Educational Attainment (%)				
	< High School	High School or Equivalent	Some College	Bachelor's Degree	Graduate Degree
1990	46	27	18	6	3
2000	40	29	20	7	4
2010	31	32	24	9	4

Sources: Applicant files; U.S. Census Bureau

The percentage of the population with less than a high school diploma or equivalent has fallen by nearly 33 percent, and the percentages of the population completing high school or equivalent, some college, a bachelor's degree, or a graduate degree have all increased. The greatest percentage gains have been in graduate degrees, although this category still comprises only a small fraction of the total population in applicant neighborhoods.

4.3.2 Educational Attainment in Comparison Areas

Although educational attainment has been increasing in applicant neighborhoods, the overall level of attainment lags behind that of comparison areas. Educational attainment in applicant neighborhoods compared with attainment in adjacent areas, applicant cities, and applicant metropolitan statistical areas is shown in table 31.

Table 31: Choice Applicant Neighborhood and Comparison Area Educational Attainment

Area	Educational Attainment (%)				
	< High School	High School or Equivalent	Some College	Bachelor's Degree	Graduate Degree
Applicant neighborhoods	31	32	24	9	4
Adjacent areas	25	30	25	13	8
Cities	19	28	26	16	10
MSAs	15	28	28	18	11

MSA = metropolitan statistical area.
Sources: Applicant files; U.S. Census Bureau

Educational attainment in applicant neighborhoods remains substantially lower than in comparison areas. The percentage of the population in the middle, having attained a high school education or equivalent or attended some college, is not substantially different from comparison areas. The percentage of the population over age 25, however, with less than a high school education is more than double that of applicant MSAs, the percentage of that population achieving Bachelor's degrees is one-half that of applicant MSAs, and the percentage of the population achieving graduate degrees is less than one-half of applicant MSAs.

4.3.3 Educational Attainment by Neighborhood Racial or Ethnic Majority

Information about the educational attainment in applicant neighborhoods, categorized by majority racial or ethnic population, is shown in table 32. As this information suggests, the applicant neighborhoods also vary considerably in educational attainment depending on racial and ethnic makeup.

Table 32: Choice Applicant Neighborhood Educational Attainment, by Racial or Ethnic Majority

Racial or Ethnic Majority	Educational Attainment (%)				
	< High School	High School or Equivalent	Some College	Bachelor's Degree	Graduate Degree
American Indian	31	38	25	6	1
Asian and Pacific Islander	29	36	22	11	2
Black	31	35	24	7	3
Hispanic	42	28	20	6	3
Mixed	27	30	25	12	6
White	21	31	24	15	9

Sources: Applicant files; U.S. Census Bureau

In the average applicant neighborhood, approximately one-third of the population over age 25 lacks a high school diploma or equivalent qualification, but the number is substantially greater in the majority Hispanic neighborhoods. Majority Hispanic applicant neighborhoods have the lowest level of educational attainment overall.

The highest level of educational attainment is in mixed and majority White neighborhoods, where the percentage of the population possessing a college degree or higher makes up nearly one-fourth (24 percent) of the population, double that in all but majority Asian and Pacific Islander and Mixed neighborhoods.

4.3.4 Educational Attainment by Successful and Unsuccessful Applicants

Applicant neighborhoods' educational attainment levels, broken down by neighborhoods successfully receiving Planning Grants and those that were unsuccessful, are shown in table 33.

Table 33: Choice Applicant Neighborhood Educational Attainment, by Successful and Unsuccessful Applicants

Grant Status	Educational Attainment (%)				
	< High School	High School or Equivalent	Some College	Bachelor's Degree	Graduate Degree
Successful	32	33	23	9	4
Unsuccessful	30	32	25	9	4

Sources: Applicant files; U.S. Census Bureau

Educational attainment of applicant neighborhood populations does not appear to contribute to the success of a Choice Planning Grant application. Educational attainment levels are nearly identical in successful and unsuccessful applicant neighborhoods.

4.4 Summary and Conclusions

Two-thirds of Planning Grant applicant neighborhoods have majority-minority populations. When categorized by majority racial or ethnic group, Planning Grant applicant neighborhoods show a high level of internal homogeneity. The lack of diversity within neighborhoods is not altogether surprising, but it does have implications for transformation plans and their implementation. The high degree of racial and ethnic homogeneity in these neighborhoods adds a complicating factor to attempts to create more diverse, mixed, and integrated communities. Whereas class differences are not always visible, racial and ethnic differences are. These visible differences may complicate efforts to attract higher income households with different backgrounds.

The demographic data on the applicant neighborhoods also reinforce a major trend observed in the general neighborhood characteristics. Applicant neighborhoods vary substantially in their racial and ethnic characteristics. As with the general characteristics, these variations suggest that factors such as regional differences and applicant priorities are creating a diverse set of applicant neighborhoods. This finding may be a positive reflection of the flexibility built into the program regarding neighborhood selection.

The different age and sex cohorts in the different neighborhoods may suggest different types of investments and amenities and different types of programming in the different neighborhoods. In particular, the higher numbers of young children and teenagers in majority Hispanic neighborhoods highlights the importance of coordinating with partners working in education and youth initiatives, including activities supported by Promise Neighborhoods.

Educational attainment is linked with positive economic characteristics. Educational attainment in applicant neighborhoods has been improving during the past two decades. These levels, however, continue to be lower than those in adjacent areas, applicant cities, and MSAs. This finding may have implications for the long-term economic success of these neighborhoods and suggest that developing human capital and improving physical characteristics in these neighborhoods may be key to sustained success.

5 Economic Characteristics of Planning Grant Applicant Neighborhoods

This section provides data and descriptive statistics on the economic characteristics of the Choice Neighborhoods Initiative Planning Grant applicant neighborhoods. The specific topics covered in this section are the breakdown of applicant neighborhoods by median income, employment, and poverty. The purposes of this section are to provide more detail on applicant neighborhoods and to explore patterns and trends related to economic measures.

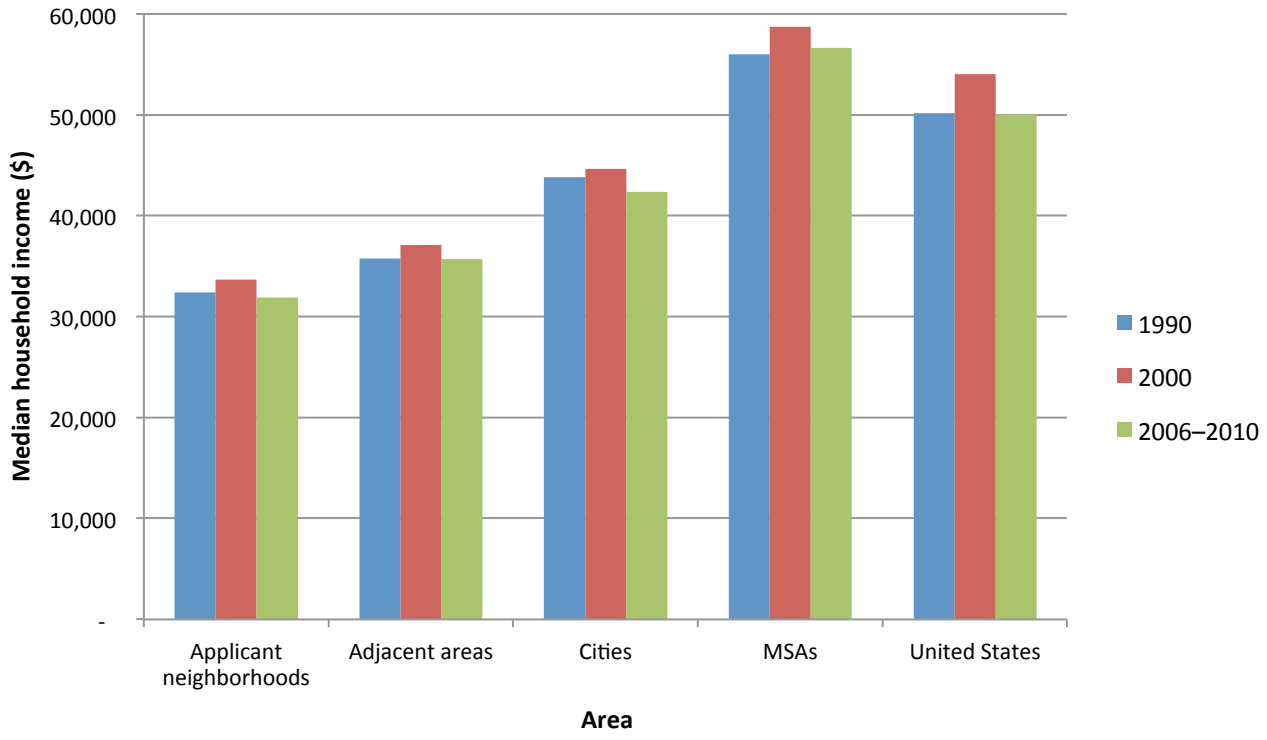
5.1 Median Household Income

Median household income is one important measure of the economic strength of a neighborhood. This section presents information about the median household incomes in Planning Grant applicant neighborhoods.

5.1.1 Median Household Income General Characteristics

Figure 17 shows the change during the past 20 years in median household incomes in applicant neighborhoods and in several comparison areas.

Figure 17: Choice Applicant Neighborhood and Comparison Area Median Household Incomes (1990 to 2006–2010)



MSA = metropolitan statistical area.
Sources: Applicant files; U.S. Census Bureau; American Community Survey 2006–2010 5-year estimates

All areas shown in figure 17 experienced decreases in inflation-adjusted median household incomes from 2000 to 2006–2010. With the exception of those in applicant metropolitan statistical areas, which remain slightly above 1990 levels, median household incomes at all levels were also lower in 2006–2010 than in 1990. These numbers compare across U.S. census and American Community Survey 5-year estimates, and although it is possible that the differences are exacerbated by the collection and estimation techniques used in these different datasets, the general trends are unlikely to change.

Figure 17 also shows that, as compared with all comparison groups, households within Planning Grant applicant neighborhoods have consistently lower median household incomes. It is not surprising that the differences are greatest between applicant neighborhoods and other census tracts within their MSAs.

5.1.2 Median Household Income by Region

Median household incomes in applicant neighborhoods demonstrated significant regional differences. Table 34 shows applicant neighborhood median household incomes by region.

Table 34: Choice Applicant Neighborhood and Comparison Area Median Household Incomes, by Region

Region	Count	Median Household Income ($)			
		Neighborhoods	Adjacent Areas	Cities	MSAs
HUD region					
Region 1	14	34,575	42,819	42,631	64,374
Region 2	18	40,216	42,798	47,603	61,413
Region 3	21	29,876	35,819	45,267	64,218
Region 4	51	25,992	28,061	36,466	45,490
Region 5	22	30,216	33,643	37,255	54,998
Region 6	9	27,603	31,053	41,520	48,338
Region 7	5	24,269	26,599	35,403	56,751
Region 8	4	31,171	35,509	33,570	59,349
Region 9	29	39,032	43,737	51,880	66,525
Region 10	3	52,941	57,380	61,592	69,698
Census region					
Northeast	40	34,939	40,872	43,271	61,908
Midwest	27	29,115	32,339	36,912	55,323
South	73	27,265	29,750	39,465	49,790
West	36	39,914	44,683	51,375	66,400

MSA = metropolitan statistical area.
Sources: Applicant files; U.S. Census Bureau

Median household incomes in applicant neighborhoods were highest overall in HUD Regions 2, 9, and 10. The lowest median household incomes in applicant neighborhoods are found in HUD Regions 4 and 7, which represent the Southeast and Rocky Mountain states. Region 7 has low median household incomes in adjacent areas and cities as well, but it has higher median household incomes in MSAs, whereas Region 4 median household incomes are low for all areas. These differences mirror broad regional differences in median household incomes. They may also reflect the preponderance in regions

with higher median household incomes of large cities with very high median household incomes, including New York City, Boston, and San Francisco, and in regions with lower median household incomes of more small cities.

5.1.3 Median Household Income by Neighborhood Racial or Ethnic Majority

Median household incomes vary by applicant neighborhoods when categorized by racial or ethnic majority. Table 35 shows median household incomes by neighborhood, based on majority race or ethnicity.

Table 35: Choice Applicant Neighborhood Median Household Incomes, by Racial or Ethnic Majority (1990 to 2006–2010)

Racial or Ethnic Majority	Median Household Income ($)		
	1990	2000	2006–2010
American Indian	22,611	27,387	28,697
Asian and Pacific Islander	53,823	56,443	55,896
Black	27,626	28,460	25,534
Hispanic	37,047	36,170	32,964
Mixed	36,831	39,274	37,285
White	34,207	38,958	42,844

Sources: Applicant files; U.S. Census Bureau; American Community Survey 2006–2010 5-year estimates

Median household incomes for majority Asian and Pacific Islander neighborhoods are high overall, whereas median household incomes in majority Black and majority American Indian neighborhoods are low. Median household incomes in majority Black and majority American Indian neighborhoods are below the median household income for all neighborhoods. Median household incomes in majority Hispanic neighborhoods have been falling during the past 20 years, while median household incomes in majority American Indian and majority White neighborhoods have been growing.

Median household incomes are lowest in majority Black neighborhoods. This finding is perhaps predictable given that Black median household incomes are lower across the entire United States and that the data on race and ethnicity for Choice Planning Grant applicant neighborhoods (see Section 4) indicate that majority Black neighborhoods are homogenous and isolated. Very low median household incomes may be an indicator of other, underlying issues such as unemployment or poor educational attainment. The combination of a highly concentrated minority population coupled with very low median household incomes may complicate the revitalization of some neighborhoods, as racial discrimination and the depth of subsidy necessary may make relocation or mixed-income housing more difficult to realize.

5.1.4 Median Household Income by Successful and Unsuccessful Applicants

Table 36 shows the differences in median household incomes in successful and unsuccessful applicant neighborhoods.

Table 36: Choice Applicant Neighborhood and Comparison Area Median Household Incomes, by Successful and Unsuccessful Applicants

Area and Grant Status	Median Household Income ($)	Neighborhood
Applicant neighborhoods		
Successful	31,122	
Min successful	15,591	Allenton Heights Redevelopment District, Jackson, Tennessee
Max successful	120,400	South Potrero, San Francisco, California
Unsuccessful	32,172	
Min unsuccessful	13,321	Cleveland Avenue, Winston-Salem, North Carolina
Max unsuccessful	92,647	Hoboken, Hoboken, New Jersey
Adjacent areas		
Successful	34,792	
Unsuccessful	36,091	
Cities		
Successful	42,898	
Unsuccessful	42,173	
MSAs		
Successful	58,095	
Unsuccessful	56,093	

MSA = metropolitan statistical area.
Sources: Applicant files; U.S. Census Bureau

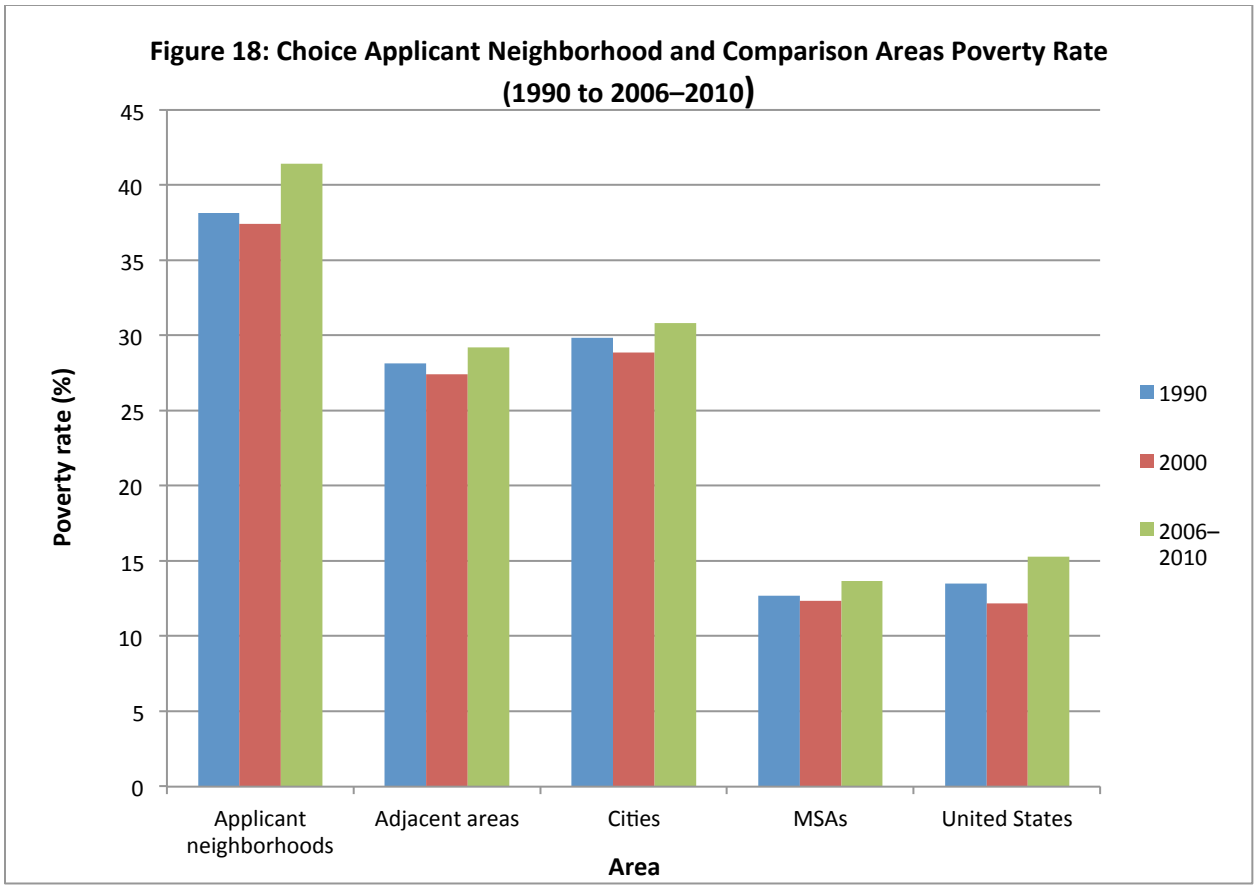
Median household incomes in successful and unsuccessful applicant neighborhoods show virtually no differences overall. The range of median household incomes in successful and unsuccessful applicant neighborhoods is equally broad, ranging from very low to very high. In addition, successful and unsuccessful applicants are virtually no different in terms of the median household incomes in adjacent areas, cities, or MSAs. Successful applicant neighborhoods had adjacent areas with slightly lower median household incomes than areas adjacent to unsuccessful applicant neighborhoods.

5.2 Poverty

The poverty rate in an applicant neighborhood is one primary measure used to determine Planning Grant eligibility. This section provides information about the poverty rates in Planning Grant applicant neighborhoods.

5.2.1 Neighborhood Poverty Rates General Characteristics

Poverty rates are a defining characteristic of Planning Grant applicant neighborhoods. Figure 18 shows poverty rates in applicant neighborhoods, how they have changed during the past two decades, and how they compare with other reference areas.



MSA = metropolitan statistical area.
Sources: Applicant files; U.S. Census Bureau Census Bureau; American Community Survey 2006–2010 5-year estimates

Poverty rates in applicant neighborhoods are very high overall (41.4 percent in 2010), much higher than in all comparison areas. Poverty rates in applicant neighborhoods are a full 10 percentage points higher than in adjacent areas and cities and are more than three times that of their MSAs.

Nearly one-fourth (24 percent) of all applicant neighborhoods had more than one-half the neighborhood population living below the poverty line. The neighborhoods with the highest poverty rates are Coffelt, Phoenix, Arizona (77 percent), and Central Choice, Cleveland, Ohio (74 percent). The two neighborhoods with the lowest poverty rates are Sunset Area, Renton, Washington (15 percent) and Sunnydale/Visitacion Valley, San Francisco, California (15 percent).

Poverty rates in applicant neighborhoods have remained extremely durable. As the data show, applicant neighborhoods have consistently had high percentages of their populations below the poverty line. Poverty rates overall declined slightly between 1990 and 2000 but increased again, by 4 percent, between 2000 and 2010. Poverty rates in applicant neighborhoods in 2010 exceeded poverty rates in 1990.

Although poverty rates overall were consistent, they varied among neighborhoods. Since 2000, 68 percent of applicant neighborhoods have experienced an increase in their poverty rates, while 32 percent have experienced declines. Of those experiencing an increase in the poverty rate between 2000 and 2006–2010, 62 percent witnessed substantial increases (more than 10 percent). Another 10 percent

of neighborhoods with increasing poverty rates had moderate increases (5 to 10 percent). One-fourth (25 percent) of neighborhoods with increasing poverty between 2000 and 2006–2010 had increases of 20 percent or more. Slightly less than one-half of the neighborhoods that experienced increases in poverty rates between 2000 and 2006–2010 (47 percent) also experienced increases in poverty between 1990 and 2000.

With the exception of three applicant neighborhoods in Los Angeles which experienced large population gains at the same time they experienced large drops in poverty, neighborhoods with significant declines in poverty rates also experienced significant population loss, suggesting that the declines were because of an out-migration of low-income households.

5.2.2 Neighborhood Poverty Rates by Region

Poverty rates showed no consistent variation across regions. Information about neighborhood poverty rates by region is shown in table 37.

Table 37: Choice Applicant Neighborhood and Comparison Area Poverty Rates, by Region

Region	Count	Poverty Rate (%)			
		Applicant Neighborhoods	Adjacent Areas	Cities	MSAs
HUD region					
Region 1	14	42	23	32	13
Region 2	18	38	26	32	12
Region 3	21	46	29	35	15
Region 4	51	43	33	3	13
Region 5	22	44	33	31	16
Region 6	9	33	31	29	11
Region 7	5	38	33	22	16
Region 8	4	36	29	30	17
Region 9	29	38	25	24	13
Region 10	3	33	10	20	9
Census region					
Northeast	40	45	39	37	14
Midwest	27	40	42	31	12
South	73	41	43	31	14
West	36	38	40	24	13

MSA = metropolitan statistical area.
Sources: Applicant files; U.S. Census Bureau; American Community Survey 2006–2010 5-year estimates

As table 37 shows, applicant neighborhood poverty rates are high across all regions. HUD Regions 1, 3, 4, and 5 have poverty rates of more than 40 percent. In all but four HUD regions, the poverty rates in adjacent areas are actually lower than the poverty rates in the rest of the city. Each region has nearly equal shares of very high-poverty neighborhoods and neighborhoods with increasing or decreasing rates of poverty.

5.2.3 Neighborhood Poverty Rates by Neighborhood Racial or Ethnic Majority

Applicant neighborhoods demonstrated a consistent variation based on racial or ethnic majority, as shown in table 38.

Table 38: Choice Applicant Neighborhood and Comparison Area Poverty Rates, by Racial or Ethnic Majority

Area	Poverty Rate (%)					
	American Indian	Asian and Pacific Islander	Black	Hispanic	Mixed	White
Applicant neighborhoods	40	27	45	42	38	31
Adjacent areas	37	14	34	29	23	21
Cities	37	10	36	31	25	22
MSAs	N/A	9	14	13	13	13

MSA = metropolitan statistical area. N/A = not available.
Sources: Applicant files; U.S. Census Bureau; American Community Survey 2006–2010 5-year estimates

Consistent with the data on median household incomes, neighborhoods with a majority White population had consistently lower poverty rates overall. Mixed neighborhoods had a surprisingly high poverty rate given the median household income data. This finding may suggest that these neighborhoods are changing and have a mix of not only racial and ethnic groups, but also of classes.

Majority American Indian, Black, and Hispanic neighborhoods had higher poverty rates overall, with majority Black neighborhoods having the highest average poverty rates. As with the median household income data, poverty rates in applicant neighborhoods, regardless of racial or ethnic majority, are remarkably persistent over time.

5.2.4 Neighborhood Poverty Rates by Successful and Unsuccessful Applicants

Poverty rates are one factor considered in selecting successful Planning Grant applicants. Table 39 shows the neighborhood poverty rates in successful and unsuccessful applicant neighborhoods and in comparison areas.

Table 39: Choice Applicant Neighborhood and Comparison Area Poverty Rates, by Successful and Unsuccessful Applicants (1990 to 2006–2010)

Area and Grant Status	Poverty Rate (%)			Neighborhood
	1990	2000	2006–2010	
Applicant neighborhoods				
Successful	40	40	45	
Min successful	N/A	N/A	15	Sunnydale/Visitacion Valley, San Francisco, California
Max successful			74	Central Choice, Cleveland, Ohio
Unsuccessful	37	36	40	
Min unsuccessful	N/A	N/A	15	Sunset Area, Renton, Washington
Max unsuccessful	N/A	N/A	77	Coffelt, Phoenix, Arizona
Adjacent areas				
Successful	29	28	31	
Unsuccessful	28	27	29	
Cities				
Successful	30	30	33	
Unsuccessful	30	29	30	
MSAs				
Successful	12	12	13	
Unsuccessful	13	13	14	

MSA = metropolitan statistical area. NA = not applicable.
Sources: Applicant files; U.S. Census Bureau; American Community Survey 2006–2010 5-year estimates

As would be expected, poverty rates in successful applicant neighborhoods are higher than poverty rates in unsuccessful applicant neighborhoods. The range of poverty rates in successful and unsuccessful applicant neighborhoods is nearly identical. Adjacent areas and cities of successful applicant neighborhoods also have slightly higher poverty rates.

5.3 Employment

The sustained success of neighborhood revitalization efforts may be tied to the economic success of the population. In addition to poverty rates, employment statistics provide a useful indicator of the economic situation in an area. Overall, Planning Grant applicant neighborhoods have demonstrated persistently high levels of unemployment and low levels of labor force participation. Information about the employment characteristics of applicant neighborhoods is presented in the following section.

5.3.1 Employment General Characteristics

Two measures of the general employment situation in applicant neighborhoods are labor force participation rates and unemployment rates. Tables 40 and 41 summarize these two characteristics in applicant neighborhoods and comparison areas for the past two decades.

Table 40: Choice Applicant Neighborhood and Comparison Area Labor Force Participation (1990 to 2006–2010)

Area	Labor Force Participation Rate (%)		
	1990	2000	2006–2010
Applicant neighborhoods	54	54	56
Adjacent areas	59	58	60
Cities	63	61	63
MSAs	66	64	65
United States	67	67	65

MSA = metropolitan statistical area.
Sources: Applicant files; U.S. Census Bureau; American Community Survey 2006–2010 5-year estimates

Labor force participation rates in applicant neighborhoods increased during the past decade but remain lower than those in comparison areas. Labor force participation rates have remained relatively steady in comparison areas over time.

Table 41: Choice Applicant Neighborhood and Comparison Area Unemployment Rates (1990 to 2006–2010)

Area	Unemployment Rate (%)		
	1990	2000	2006–2010
Applicant neighborhoods	15.5	16.2	17.0
Adjacent areas	11.0	12.0	12.9
Cities	8.5	8.9	10.5
MSAs	5.9	5.8	8.1
United States	5.6	4.0	9.6

MSA = metropolitan statistical area.
Sources: Applicant files; U.S. Census Bureau; American Community Survey 2006–2010 5-year estimates

Unemployment rates have increased over time in applicant neighborhoods and all comparison areas. Unemployment rates in 2006–2010 in applicant neighborhoods were very high, at 17 percent. By comparison, unemployment in adjacent areas was nearly 5 percentage points lower and in applicant cities was nearly 7 percentage points lower. The unemployment rate in applicant neighborhoods varied considerably, from as low as 4 percent in Riverside, Patterson, New Jersey, to as high as 36 percent in Sun Valley Neighborhood, Denver, Colorado.

Approximately 20 percent of neighborhoods had consistent unemployment rates (no more than 2 percent difference) in 1990, 2000, and 2006–2010. The unemployment rates in the other neighborhoods fluctuated over time. In 40 percent of neighborhoods, the unemployment rate differed substantially (greater than 5 percent difference) across decades.

As with many of the other characteristics, the overall trends in the preceding tables mask some variation between neighborhoods. In 17 percent of neighborhoods, a clear, positive trend emerged of increasing labor force participation, decreasing unemployment, and decreasing poverty. In more than 50 percent of all neighborhoods, however, the clear trend was more complicated: increasing labor force participation, decreasing or steady unemployment, and increasing or stagnant poverty rates.

The combination of the low labor force participation rate and the high unemployment rate shows a high percentage of the adult population not working or seeking work. Coupled with the stagnant median household incomes and persistent and even increasing poverty rates, however, this trend presents a troubling picture of applicant neighborhoods. More residents are seeking work but are either unable to find it or are able to secure only employment that does not pay enough to increase their household income or move out of poverty.

5.3.2 Employment by Region

Neighborhood unemployment rates varied by region. This information is presented in table 42.

Table 42: Choice Applicant Neighborhoods and Comparison Area Unemployment Rates, by Region

Region	Count	Unemployment Rate (%)			
		Applicant Neighborhoods	Adjacent Areas	Cities	MSAs
HUD region					
Region 1	14	15	11	12	8
Region 2	18	13	11	10	8
Region 3	21	17	12	9	7
Region 4	51	20	15	11	9
Region 5	22	20	15	12	8
Region 6	9	15	11	8	7
Region 7	5	22	17	14	7
Region 8	4	17	13	10	6
Region 9	29	14	12	10	8
Region 10	3	8	7	8	7
Census region					
Northeast	40	15	11	11	8
Midwest	27	21	15	13	8
South	73	18	14	10	8
West	36	13	11	10	8

MSA = metropolitan statistical area.
Sources: Applicant files; U.S. Census Bureau; American Community Survey 2006–2010 5-year estimates

Regional variation in applicant neighborhood unemployment rates follows a predictable pattern. Unemployment rates were lower in applicant neighborhoods in areas of stronger employment, including HUD Regions 1, 2, 9, and 10, and were higher in areas of weaker employment, including Regions 4 and 5.

5.3.3 Employment by Neighborhood Racial or Ethnic Majority

As with other characteristics, when the employment data are grouped by neighborhood race and ethnicity, a pattern emerges with respect to applicant neighborhoods. Tables 43 and 44 show labor force participation and unemployment in applicant neighborhoods categorized by majority racial or ethnic population.

Table 43: Choice Applicant Neighborhood and Comparison Area Labor Force Participation, by Racial or Ethnic Majority

Racial or Ethnic Majority	Labor Force Participation (%)			
	Applicant Neighborhoods	Adjacent Areas	Cities	MSAs
American Indian	57	57	51	N/A
Asian and Pacific Islander	58	63	66	65
Black	52	57	62	64
Hispanic	60	61	64	63
Mixed	59	64	66	64
White	62	64	61	64

MSA = metropolitan statistical area. N/A = not available.
Sources: Applicant files; U.S. Census Bureau; American Community Survey 2006–2010 5-year estimates

As with other economic indicators, labor force participation in mixed and majority White neighborhoods is highest, coming close to or exceeding rates in adjacent areas and cities. Labor force participation rates in majority Black neighborhoods are lowest, falling well below labor force participation rates in comparison areas. Although median household incomes are among the lowest in majority Hispanic neighborhoods, labor force participation rates are among the highest.

Table 44: Choice Applicant Neighborhood and Comparison Area Unemployment Rates, by Racial or Ethnic Majority

Racial or Ethnic Majority	Unemployment Rate (%)			
	Applicant Neighborhoods	Adjacent Areas	Cities	MSAs
American Indian	8	23	20	N/A
Asian and Pacific Islander	7	6	5	5
Black	21	15	11	6
Hispanic	15	12	11	6
Mixed	14	10	9	6
White	11	10	9	5

MSA = metropolitan statistical area. N/A = not available.
Sources: Applicant files; U.S. Census Bureau; American Community Survey 2006–2010 5-year estimates

Unemployment rates in majority Black neighborhoods are very high compared with unemployment rates in other neighborhoods. Unemployment rates in majority Asian and Pacific Islander neighborhoods are very low (one-third the rate in majority Black neighborhoods), which is likely attributable to the low overall unemployment rate in these cities and MSAs.

The unemployment situation in majority Black and majority Hispanic neighborhoods may prove particularly vexing; the unemployment rates in their cities are also quite high, indicating more widespread economic difficulties.

5.3.4 Employment by Successful and Unsuccessful Applicants

Unemployment and labor force conditions varied slightly between successful and unsuccessful Planning Grant applicant neighborhoods. Tables 45 and 46 show labor force participation and unemployment rates for applicant neighborhoods, grouped by successful and unsuccessful applications.

Table 45: Choice Applicant Neighborhood Labor Force Participation, by Successful and Unsuccessful Applicants (1990 to 2006–2010)

Grant Status	Labor Force Participation (%)			Neighborhood
	1990	2000	2006–2010	
Successful				
Mean	53	53	53	
Minimum	N/A	N/A	29	River District-Railyards, Sacramento, California
Maximum	N/A	N/A	76	South Potrero, San Francisco, California
Unsuccessful				
Mean	55	54	57	
Minimum	N/A	N/A	24	Old Town Somerset, Baltimore, Maryland

N/A = not applicable.
Sources: Applicant files; U.S. Census Bureau; American Community Survey 2006–2010 5-year estimates

Successful applicant neighborhoods had slightly lower labor force participation rates than unsuccessful applicant neighborhoods. It is very likely the lower labor force participation rates are related to the higher poverty rates in successful applicant neighborhoods.

Unsuccessful applicant neighborhoods had increasing labor force participation rates during the past 20 years, but successful neighborhoods did not demonstrate the same increase in overall rates. The range of labor force participation rates in both successful and unsuccessful applicant neighborhoods was wide.

Table 46: Choice Applicant Neighborhood Unemployment Rates, by Successful and Unsuccessful Applicants (1990 to 2006–2010)

Grant Status	Unemployment Rate (%)			Neighborhood
	1990	2000	2006–2010	
Successful				
Mean	17	18	19	
Minimum	N/A	N/A	5	Kuhio Park, Honolulu, Hawaii
Maximum	N/A	N/A	36	Sun Valley neighborhood, Denver, Colorado
Unsuccessful				
Mean	15	15	16	
Minimum	N/A	N/A	4	Riverside, Patterson, New Jersey
Maximum	N/A	N/A	34	Northeast Area, Kansas City, Kansas

N/A = not applicable.
Sources: Applicant files; U.S. Census Bureau; American Community Survey 2006–2010 5-year estimates

Unemployment rates in successful applicant neighborhoods were higher than in unsuccessful neighborhoods. Again, the higher unemployment rates are very likely related to the higher poverty rates in successful neighborhoods.

The unemployment rates in unsuccessful neighborhoods have remained relatively steady over time, but the unemployment rates in successful neighborhoods have been steadily increasing during the past 20 years. The range of unemployment rates is virtually identical in successful and unsuccessful applicant neighborhoods.

5.4 Summary and Conclusions

Regarding economic characteristics, including median household income, poverty rates, and employment, applicant neighborhoods are clearly more distressed than other neighborhoods. Applicant neighborhoods vary, with some neighborhoods faring better than others and some neighborhoods improving while others decline. The most important takeaway from these data is that, despite some differences, applicant neighborhoods are marked by persistent low incomes, poverty rates, and unemployment.

One particularly troubling trend in applicant neighborhoods is that of increasing labor force participation but stagnant household incomes and persistent or increasing poverty rates. This trend may simply reflect larger economic trends, as policies such as welfare reform encourage or require work, but wages are insufficient, particularly at the low end of the wage scale, to lift households out of poverty. It also may be an indication of the location and connectedness of the applicant neighborhoods and the availability of employment opportunities that pay living wages.

6 Summary and Conclusions

The Choice Neighborhoods Initiative provides grants for the planning and the implementation of revitalization activities in neighborhoods that are home to distressed, HUD-assisted housing properties. The program affords applicants the ability to define the neighborhoods they wish to target for revitalization activities. The primary purpose of this research was to build a profile of general characteristics of these applicant neighborhoods. The preceding sections of this report provided the results of this profile. This section summarizes those results.

In the introduction to this report, several questions were posed as a starting point for the research. These questions are used as a framework for summarizing the results.

- *What are the physical, demographic, and geospatial characteristics of the neighborhoods identified in Choice Planning Grant applications? Do these neighborhoods exhibit patterns in demographic and geospatial characteristics?*

  The neighborhoods identified by applicants for Choice Planning Grants vary in their specifics but have an overall profile that is largely consistent. With the exception of a small number (13) of majority White neighborhoods, the applicant neighborhoods have predominantly minority populations and have since at least 1990. The most neighborhoods (79) are majority Black. Sizable numbers of majority Hispanic (29) and mixed (49) neighborhoods also applied for Planning Grants. With the exception of the 49 mixed neighborhoods, applicant neighborhoods have mostly homogenous populations. Overall, the applicant neighborhoods are less diverse than their surroundings.

  It is not clear whether the selection of segregated neighborhoods was intentional on the part of applicants or whether target areas were chosen based on high levels of distress, and those neighborhoods also happened to be segregated. Whatever the reason, applicants should be aware of and particularly sensitive to the potential implications and complications that could arise from targeting a racially homogenous area for revitalization and redevelopment activities. Issues of displacement and racial or ethnic turnover should be explicitly addressed as part of planning for neighborhood transformation.

  Applicant neighborhoods have, on average, younger populations than the cities within which they are located. Age and sex cohorts in specific applicant neighborhoods vary, but trends emerge when considering the neighborhoods based on racial or ethnic majorities. Applicants should carefully consider the age of a neighborhood's population when planning revitalization activities and programming. The types of services, amenities, and accommodations provided may vary depending on the population age profile.

  Applicant neighborhoods also exhibit high levels of characteristics associated with neighborhood distress. Applicant neighborhoods have low median household incomes ($31,880), high levels of poverty (41.4 percent), and high rates of unemployment (17 percent) based on American Community Survey 2006–2010 5-year averages, and all three conditions have been consistently bad and growing worse. Applicant areas have lower median household incomes, higher poverty rates, and higher unemployment rates than all comparison areas, including adjacent areas and applicant cities. In particular, applicant neighborhoods have poverty rates 10 percentage points higher than adjacent areas or applicant cities and nearly three times the national average. The

differences between applicant neighborhoods and comparison areas are consistent across regions. Although neighborhoods vary somewhat, the dominant trend in applicant neighborhoods is one of continuing and increasing poverty and disadvantage.

Applicant neighborhoods have shown improvements in educational attainment and labor force participation during the past two decades. The percentage of the population in applicant neighborhoods with less than a high school education has decreased while the percentage with college degrees has increased. Labor force participation has also increased slightly, to 56 percent. Educational attainment and labor force participation in these neighborhoods continues to lag behind adjacent areas and applicant cities, however. It is also worth noting that the improvements in educational attainment and labor force participation have not brought improvements to median household income or poverty rates. In fact, as noted previously, these neighborhood characteristics have grown worse.

More than anything, that poverty, unemployment, and low incomes remain consistent despite improvements in educational attainment and labor force participation underscores the need for programs such as Choice to address what has become deeply entrenched disadvantage. The profile of the population in applicant neighborhoods also suggests, however, that the strategies to improve resident economic self-sufficiency will be vital to the success of revitalization efforts in applicant neighborhoods. Changing the built environment alone is unlikely to be sufficient.

Applicant neighborhoods also have a largely consistent profile with regard to their housing stock, vacancy rates, and tenure. Applicant neighborhoods have an aging housing stock. The median housing unit in applicant neighborhoods dates from the 1950s, with one-fourth built before 1940 and sizable numbers built in the 1940s and 1950s. The housing stock in applicant neighborhoods was consistently older than in comparison areas. The age of housing is a source both of problems and of potential. Older housing stock has had a longer period of time during which to experience neglect and deterioration, and it may have been built to outdated standards (for example, room sizes or finishes) or using problematic materials (for example, asbestos). It may also offer architectural styles or more durable materials (for example, hard woods) not found in more contemporary construction, however.

Housing in applicant neighborhoods also has high overall vacancy rates (14 percent) that have increased during the past decade. Vacancy rates in applicant neighborhoods are worse than in adjacent areas and applicant cities, although these comparison areas also have high vacancy rates overall. Vacancy rates in applicant neighborhoods vary considerably, from as low as 4 percent to as high as 31 percent. Vacancy rates are highest in majority Black neighborhoods.

Applicant neighborhoods also have low rates of ownership and high rates of renting. Ownership rates are lower and rental rates are higher in applicant neighborhoods than in adjacent areas or cities. The rates of owning and renting vary by neighborhood, but in only 16 neighborhoods did ownership rates exceed rental rates. The high level of renting in applicant neighborhoods may suggest strategies to increase ownership as part of revitalization planning. High rental rates, however, also suggest high percentages of the population may be more vulnerable to displacement from revitalization activities.

Applicant neighborhoods have a relatively consistent profile in terms of their demographic, economic, and housing characteristics, but they have no clear profile in terms of physical size,

population, density, or number of housing units. Substantial variation exists in all measures across the applicant neighborhoods, and no consistent pattern of change emerges among the applicants in each of the first three grant cycles. Applicant neighborhoods range in physical size from 10 to 14,223 acres, in population from 27 to 60,131, in density from 27 to 32,327 people per square mile, and in number of housing units from 4 to 22,017. Significant outliers exist for each measure, particularly at the high end, and those applications were unlikely to receive funding. Although substantial, the range of housing units is more tightly clustered around the median than the other measures. More applicant neighborhoods are losing population and housing units than are gaining them. This growth and decline exhibit considerable variation and no consistent pattern, however.

- *Where are the neighborhoods being identified located in relation to broader trends of neighborhood demographic and physical change within corresponding urban areas?*

  The areas adjacent to applicant neighborhoods are consistently better off in terms of economic and housing characteristics than the applicant neighborhoods. They have higher median incomes, lower poverty rates, and lower unemployment rates. They also have lower vacancy rates, higher homeownership rates, and a newer housing stock. Areas adjacent to applicant neighborhoods have experienced larger improvements, smaller declines, or both than applicant neighborhoods in these measures. In most cases, however, adjacent areas are also worse off than applicant cities. One exception is vacancy rate; on average, the vacancy rate in adjacent areas is actually lower than in the remainder of the city.

  The data and analysis are inconclusive regarding this question. They may support the hypothesis that the target neighborhoods are linked to the next phase of ongoing improvement in a city and may be selected to capture or create spillover effects. It is also possible that the most distressed neighborhoods were selected as applicant areas.

- *Do the neighborhoods that have successfully received Planning Grants exhibit a pattern?*

  The range of characteristics for both successful and unsuccessful applicant neighborhoods is broad. No agreement appears to be emerging on what constitutes an appropriate or ideal neighborhood for the program. Several patterns appear to be emerging, however, with regard to successful applicants. First, very small and very large neighborhoods appear to have a slightly lower likelihood of success. Successful applicants are more tightly clustered than unsuccessful applicants with regard to physical size, population, density, and housing units.

  Second, two fairly unsurprising patterns emerge from the data. Applicant neighborhoods with high poverty and vacancy rates are consistently more successful than applicant neighborhoods with lower rates of these two measures. This pattern is not surprising because both vacancy rates and poverty rates are measures specifically identified in the Choice Notices of Funding Availability as being important factors for determining eligibility for the program and selecting grant recipients.

  Third, successful neighborhoods had higher rates of unemployment than unsuccessful neighborhoods. Further, successful neighborhoods' unemployment rates have increased during the past two decades, while unemployment rates in unsuccessful neighborhoods remained

relatively steady. This finding may suggest greater economic disconnection and isolation in successful applicant neighborhoods.

No pattern emerged to differentiate successful and unsuccessful neighborhoods with regard to educational attainment, age, sex, median household income, labor force participation, or housing tenure.

- *What, if any, relationship exists between the selection criteria outlined for Planning Grant applications and the demographic and geospatial characteristics of the applicant neighborhoods?*

  Most applications for Choice Planning Grants, by a substantial margin, have come from cities in the eastern part of the country. A full 41 percent of applications have come from the South. This pattern of applications may be related to the selection criteria in the Choice NOFA that expands the pool of eligible assisted housing properties beyond only public housing complexes. This change may make more neighborhoods in cities in the South eligible for the program. The restriction in the Choice NOFA preventing applications for Choice funds from housing complexes that were already recipients of HOPE VI funding may eliminate some aging public housing developments in the regions characterized by older housing stock, such as those regions covering the Northeastern and Midwestern states. The preponderance of applications from the Eastern United States and the scarcity of applications from the Western United States, with the possible exception of California, indicate opportunities to expand the program in the western regions. This finding may suggest that additional dissemination of information, and possibly proactive recruitment of applicants, should be pursued.

  The ability afforded to Planning Grant applicants to select their own neighborhoods and the general lack of guidance regarding the size or population of these neighborhoods also appear to be influencing applicant areas. Some applicants have used existing neighborhood boundaries to guide their neighborhood definition, but others have identified new neighborhoods specifically for the program. The enormous range of neighborhood physical sizes, populations, densities, and housing units may be either an indication of the program's success in encouraging neighborhoods that respond to local needs and issues or of its need for clearer criteria to guide neighborhood definition.

  As noted previously, the criteria in the Choice NOFA on poverty rate and vacancies appear to be influencing neighborhood definition and application success. Because the mapping tool used by applicants provides specific information about poverty rates, it is not surprising that applicants would define neighborhoods that responded to the NOFA selection criteria related to this measure. As applicants are allowed to redraw boundaries using the tool to locate an area with a poverty rate in line with the requirements of the NOFA, tracking the evolution of the neighborhood boundaries drawn using the tool over time could provide a clearer picture of the effect of this measure on neighborhood definition.

The information and analysis presented in this report provide a basic profile of Planning Grant applicant neighborhoods. This profile highlights several areas for additional research—

- The neighborhoods successfully receiving Planning Grants are distinguishable from neighborhoods not receiving Planning Grants by higher poverty, vacancy, and unemployment

rates. This trend is not universal, however, nor do any other factors considered here clearly relate to a neighborhood's success in securing a grant. Other factors identified in the NOFAs, such as likelihood of success, also play a significant role in selecting grant winners. Further exploration of the role that other factors, such as applicant teams and structure of proposals, play is necessary to better understand the program and to provide additional guidance to potential applicants.

- As described previously, very few clear trends have emerged from the information and analysis presented here on applicant neighborhoods from the first three Choice grant cycles. As additional grant cycles are completed, an opportunity exists to add more applicant neighborhoods to the dataset. Analysis of this expanded dataset may begin to reveal trends and patterns. In addition, the existing dataset contains a small number of repeat applicants. Special focus on these neighborhoods may reveal more about how repeat applicants receive and respond to feedback.

- This analysis considered a narrow range of information about applicant neighborhoods that could be reasonably acquired, reconciled, and analyzed for 176 applicants in the time frame. Data could be acquired on numerous other factors, such as additional information about buildings, commuting, and crime. These additional characteristics could be added to the analysis of applicant neighborhoods to provide a more complete profile.

- Choice Planning Grant recipients are to use the grant to create a transformation plan outlining the activities and programs intended to revitalize a neighborhood. On completing their transformation plan, recipients can apply for an Implementation Grant to undertake these activities and programs. It is not necessary to have received a Planning Grant to apply for an Implementation Grant, and successfully securing a Planning Grant does not automatically qualify an applicant neighborhood for an Implementation Grant. Tracking the rate of success for Planning Grant recipients that apply for Implementation Grants may provide insights into the success of the Planning Grant portion of the Choice Neighborhoods Initiative.

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