

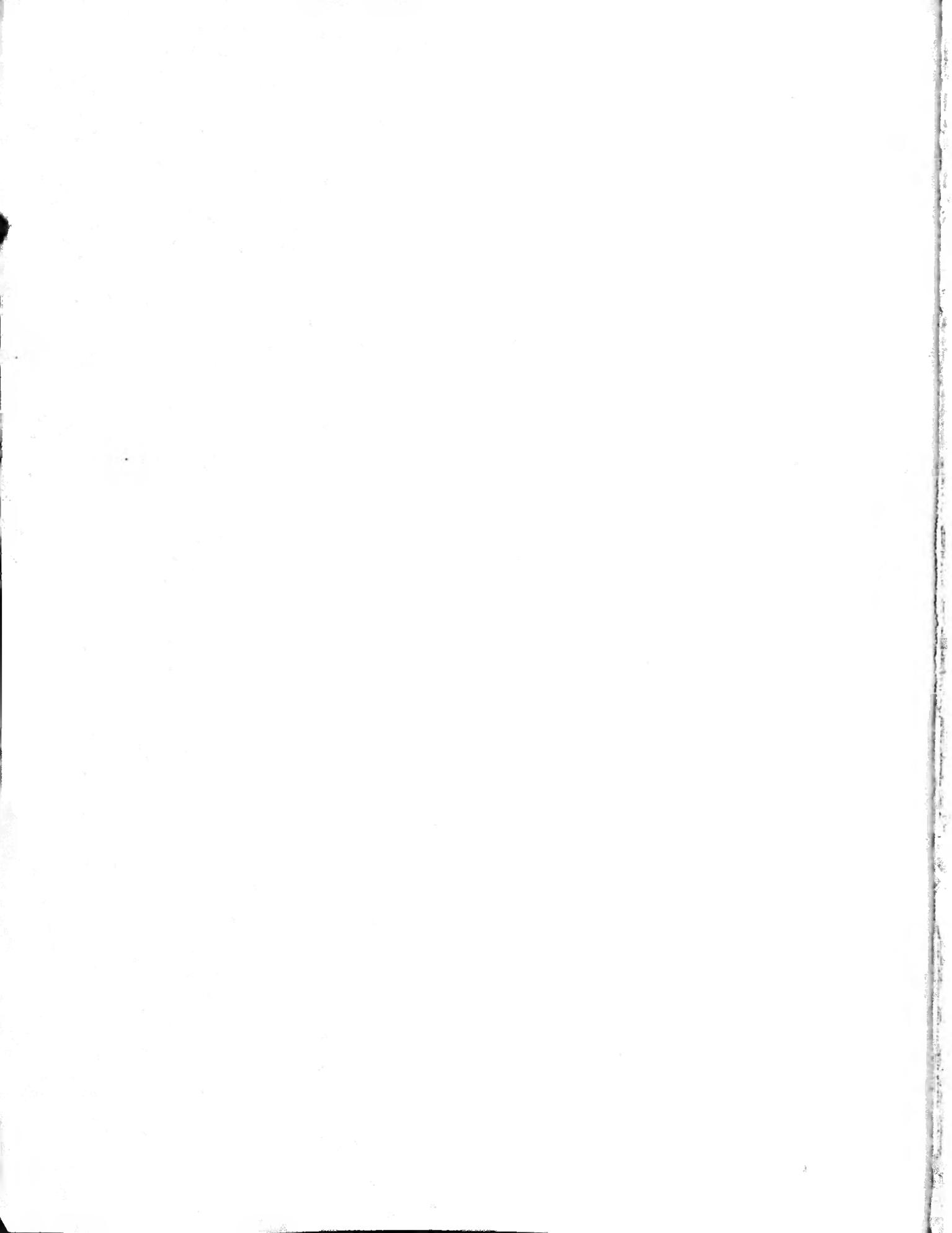


Case Study and Site Examination Reports



of the National Commission on Severely Distressed Public Housing





Case Study and Site Examination Reports

*of the National Commission on
Severely Distressed Public Housing*

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National Commission on Severely Distressed Public Housing

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Table of Contents

- Chapter 1. **Introduction to Case Studies**
- Chapter 2. **Chicago Housing Authority: Ida B. Wells and Lake Parc Place Developments**
- Chapter 3. **Cuyahoga Metropolitan Housing Authority: Olde Cedar Estate**
- Chapter 4. **Boston Housing Authority: Commonwealth Development**
- Chapter 5. **Housing Authority of New Orleans: Desire Development**
- Chapter 6. **Tacoma Housing Authority: Salishan Development**
- Chapter 7. **San Francisco Housing Authority: Robert B. Pitts Development**
- Chapter 8. **Puerto Rico Housing Administration: Las Gladiolas Development**
- Chapter 9. **Department of Public and Assisted Housing (Washington, D.C.):
Valley Green and Greenleaf Gardens Developments**
- Chapter 10. **Tampa Housing Authority: Central Park Village**
- Chapter 11. **Dade County Department Housing and Urban Development:
Liberty Square Development**
- Chapter 12. **Albany Housing Authority: Steamboat Square Development**
- Chapter 13. **New York City Housing Authority: Authority-wide Report**
- Chapter 14. **Conclusion: Summary of Case Study Findings**
-



Chapter 1

Introduction to Case Studies

INTRODUCTION	1-1
I. GOALS OF THE NATIONAL COMMISSION ON SEVERELY DISTRESSED PUBLIC HOUSING	1-1
II. ROLE OF CASE STUDY RESEARCH	1-2
III. SELECTION OF CASE STUDY SITES	1-3
IV. CASE STUDY PROTOCOL AND CONTENTS OF CASE STUDIES	1-5
V. SUMMARY OF MAJOR ISSUES	1-6
A. Lack of Project-based data	1-6
B. Need for Flexibility in Revitalization Options	1-6
C. Need for Comprehensive Planning	1-6
D. Need for Coordination with the Surrounding Community	1-6
E. Need to Involve Residents in Planning	1-7
F. Need to Consider Social Services as part of Property Management Services	1-7
G. Need for a Management Plan and Budget	1-7

INTRODUCTION TO CASE STUDIES

INTRODUCTION

Presented here is a series of case study reports that pertain to the operations of public housing developments. The reports have been prepared as a part of the research conducted by the National Commission on Severely Distressed Public Housing (NCSDPH). This Commission was created by the Congress (through enactment of Public Law 101-235, the Department of Housing and Urban Development Reform Act of 1989) and chose as part of its activities to study certain housing developments and agencies. Eighteen individuals were selected to serve as Commissioners of the NCSDPH and exercised oversight responsibility for the work of the staff and consultants retained to conduct this and other research. What follows is a brief discussion or background on the Commission and the case study research.

I. GOALS OF THE NATIONAL COMMISSION ON SEVERELY DISTRESSED PUBLIC HOUSING

In fulfillment of its legislative charge, the Commission has produced several documents that can be used by a wide range of those associated with the public housing industry. This volume of case studies contains the bulk of the Commission's detailed field research. Recommendations made by the Commission in its National Action Plan, which is included in the Final Report of the NCSDPH (released in August, 1992), were based on case study findings and policy statements developed in a series of working papers on severely distressed public housing. The National Action Plan outlines objectives for improving the public housing program, and also proposes strategies and specific action steps for addressing unfit living conditions in severely distressed public housing developments.

The Commission was charged by the Congress with achieving three objectives:

- identify those public housing projects in the Nation that are in a severe state distress;
- assess the most promising strategies to improve the condition of severely distressed public housing projects that have been implemented by public housing authorities, other Government agencies at the Federal, State, and local level, public housing tenants, and the private sector; and
- develop a national action plan to eliminate by the year 2000 unfit living conditions in public housing projects determined by the Commission to be severely distressed.

In addition, the NCSDPH also took direction from language describing the Commission and its functions in a statement from the *Congressional Record*:

It is expected that the Commission would approach this task with a goal of building on the positive efforts which already have occurred in some cities with respect to such developments. The Commission should focus particular attention on instances where, through the initiatives of local housing authorities,

tenant management groups or others, localities have been able to turn around their most deteriorated public housing developments.¹

The Commission took these comments to mean that specific instances of revitalized developments should be examined for the models they might provide. Case studies were chosen as the most direct, detailed research method for examining distressed conditions, revitalization models, and the process that PHAs undertook to accomplish revitalization.

By fulfilling these charges, then, the Commission was expected to evaluate the public housing program as it relates to severely distressed public housing in particular. With the results of this evaluation, the Commission was instructed to identify and make recommendations for strategies that are being tested around the country. The Commission's National Action Plan was to contain specific changes to the public housing program that would either modify existing policies or implement new ones to allow PHAs and HUD to effectively address severely distressed developments. The Commission has fulfilled these charges, and has made recommendations for modifying the public housing program, many of which could be useful for managing stable public housing developments as well.

Other forms of research conducted by the Commission supplemented that of the case studies.

II. ROLE OF CASE STUDY RESEARCH

By definition, a case study examines the workings of a particular process or problem and, in the hopes of discovering replicable insights, presents a comprehensive analysis of how one person or organization approached the problem or process. In terms of severely distressed public housing, a case study presents a complete picture of managing a severely distressed development. In most cases, Commission case studies focused on a specific development, but accounted, to the extent possible, for the entire environment in which public housing exists. Because each distressed development represents a local community, it was important to study the problems associated with that development in the context of its local environment. In general, the Commission believes that the public housing program should reflect and respect these local differences, and should be more flexible to allow PHAs to address them as they deem appropriate.

As practitioners in the public housing industry well know, the range of elements having an impact on public housing development communities is broad and complicating: local, state and federal laws, regulations and policies; neighborhood pressures, including crime and economic conditions; changing demographics; housing authority management capacity; physical condition and age of building structures; and funding cycles. Case study sites were chosen, in part, for the examples that they would provide of how these different factors influenced managing their particular distressed developments. For example, one strategy at the Cuyahoga Metropolitan Housing Authority was to decentralize its maintenance staff to better deal with an aging physical plant as it undergoes comprehensive modernization. Another example is the Wells Community Initiative, a non-profit organization that is conducting an extensive planning process to rehabilitate the Chicago Housing Authority's Ida B. Wells development.

Thus, a number of case studies served as in-depth, detailed studies of what constitutes severely distressed public housing, how some agencies have approached the planning process for revitalization, and successful revitalizations. The Commission does not expect that these case studies will serve as "one size fits all" models. Other PHAs can

learn, however, from the steps that the featured PHAs and resident organizations took to prepare themselves for turning around a development and what innovations might be applicable to their situations, e.g. how one PHA handled re-locating residents and re-occupancy. It is important to note that some of the case studies -- those featuring the Tampa, Tacoma and New York City Housing Authorities reviewed public housing that was not considered to be severely distressed.

III. SELECTION OF CASE STUDY SITES

Case study sites were chosen to address as many circumstantial aspects as possible. Most important, the Commission wanted to strike a balance between distressed sites and revitalized sites to get all views, the "before", "during" and "after" pictures. Among the revitalized sites, diversity was also important, so that the examples studied include developments that were comprehensively redesigned and those whose existing buildings were modernized. In addition to the management operations being studied, design analyses were conducted for several case studies as well. Included as sections in seven of the case studies, these design analyses are significant for their consideration of the impact of location, obsolete design, and comprehensive planning on distressed and revitalized developments.²

Another important factor in choosing sites was the type of distress being experienced at a development. Factors such as obsolete building design and mechanical features, lack of market appeal because of changes in demographics, high crime levels, and changes in residents' needs

Finally, the PHA itself, obviously, greatly affects the conditions at severely distressed public housing developments. Some sites were studied for their different organizational structure, i.e. where the PHA is a city agency and therefore operates with less independence. Some PHAs have been neglected or poorly run for many years and the development's condition is a reflection of this neglect; the development's turn-around may also be occurring simultaneously with the agency's.

Below is the list of case study sites and a brief description of each:

Ida B. Wells and Lake Parc Place, the Chicago Housing Authority. At the Ida B. Wells development, community members have formed the Wells Community Initiative, a non-profit organization, to plan and implement the development's revitalization in cooperation with the authority; extensive planning efforts address resident services, security, decentralized property management, and making and sustaining physical improvements. The Lake Parc Place development is a part of a demonstration program under which residents are selected based on a structured income mixing basis.

Olde Cedar Estate, Cuyahoga Metropolitan Housing Authority (Cleveland). Rehabilitation is being funded through comprehensive modernization funds, and resident services and economic development activities are an integral part of the revitalization process.

Commonwealth development, Boston Housing Authority. Site redesign was conducted to make the living environment serve residents' needs better; the revitalization process also involved very active resident participation, a private management agent, and a comprehensive resident services program.

Desire Development, Housing Authority of New Orleans. Suffering from years of neglect and site deterioration, the HUD-designated “troubled” housing authority and residents have begun to plan for comprehensive modernization of a first phase.

Sallshan development, Tacoma Housing Authority. While this development is not considered troubled, it does suffer from high crime levels, the difficulty of managing a large geographic area, and an aging physical plant.

Robert B. Pitts Plaza, San Francisco Housing Authority. In response to problems with families living in high-rises, the agency tore down one high-rise and reconstructed town houses with semi-private entrances; residents were involved and consulted throughout the process; smaller, more defensible recreational and common areas were created; and the units were designed to reflect local architectural styles.

Las Gladiolas II development, Puerto Rico Public Housing Administration. As the second largest public housing agency in the country with 99 percent of its housing stock serving families, the agency faces considerable management challenges. The modernization at Las Gladiolas II, a 380 unit distressed development, is being carried out simultaneously with other management changes; the PRPHA is being required by HUD to contract out some of its management operations and is in the process of one of the largest re-organization and agency restructurings in public housing.

Valley Green and Greenleaf Gardens, Department of Public and Assisted Housing (Washington, D.C.). Residents at Valley Green are working with DPAH to plan comprehensive modernization of the site with some redesign; and the agency selected Greenleaf Gardens as a test site for Operation Rebound, where the building was secured by police and brought up to code. DPAH is a city agency and worked with the Mayor’s office on both projects.

Central Park Village, Tampa Housing Authority. This development is not considered distressed, but was studied as an example of how one development is managed at a PHA cited for its extensive resident services program.

Liberty Square, Dade County Department of Housing and Urban Development (Miami). The 923 unit development is being modernized comprehensively and with innovative contracting techniques.

Steamboat Square, Albany Housing Authority. A marketability problem—poor site and mismatch between bedroom mix and waiting list needs—required that the authority redesign several high-rises, acquire units, and construct new town houses adjacent to the site, all with resident participation.

New York City Housing Authority. At NYCHA properties, good management practices and accommodations for high-rise living seem to mitigate the potential for conditions of severe distress, which are often associated with high-rise buildings in many parts of the country.

IV. CASE STUDY PROTOCOL AND CONTENTS OF CASE STUDIES

Case studies were conducted by consultants and staff to the Commission following a Case Study Protocol. The Protocol functioned as a standard approach guide that was applied to all case study research. The Protocol contained the following elements:

- a brief narrative on the rationale for case studies;
- a data collection list of all documents requested from participating PHAs;
- outlines of the contents for reports on distressed and revitalized developments;
- a schedule for conducting site visits and for preparing case study reports; and
- interview guides for structured interviews with PHA senior management staff and field staff, members and officers of resident organizations, HUD personnel from field or area offices, and staff from city departments in the PHA's city or service area.

The Case Study Protocol outlined the procedure for conducting a case study. Each case study consisted of team meetings of the participating consultants, an orientation session with the host PHA, designation of a PHA Project Manager to coordinate the site visit and data collection, site visits and interviews, assignment of a lead author to assemble the draft case study report, and submission of the draft report to the PHA for review.

At each development studied, the Case Study Team reviewed housing authority operations as they were conducted agency-wide, and then focused on operations at the featured development. In addition, each development had its own distinctive features, depending on geography, history of the agency, or other influences, that were highlighted in the case study.

In all case studies, a review of buildings' and sites' physical condition was the basic first step. Other elements of management reviewed at each case study site include how PHAs provide on-site management and social services, occupancy demographics, and the role of residents in trying to or succeeding in effectuating a turn-around.

In addition, for distressed developments, the emphasis of the case study was on issues of design and location (surrounding neighborhood) of the development, current physical condition, and a review of any PHA actions taken or programs initiated to address the conditions of distress.

At turned around developments, the case study team took a "before and after" approach, to the extent that PHA documents were available to make the comparisons. Thus, the "before" section tried to identify what resources had been committed to the development before it was rehabilitated, characteristics of the households served, neighborhood and location issues, and problems with managing the previously distressed development and delivering services. Telling the "after" story involved discussing what capital improvements were made (unit design, site work, and the creation of any non-dwelling facilities, building and system improvements), how procedures for providing on-site services were changed, changes in authority-wide management practices, and whether any simultaneous improvements were made by the local government to the area within or surrounding the development.

V. SUMMARY OF MAJOR ISSUES

The NCSDPH developed its National Action Plan, a policy document, based on several fundamental themes developed from its case study research. These themes evolved from the observations and analysis that can be found at the end of each case study and in Chapter 14 in this volume, and are summarized below.

A. Lack of Project-Based Data

When evaluating developments for their level of distress, it is important to have program financial data, demographic data, and building structure cost data at the project level. However, more often than not, this data was lacking or very difficult to assemble at the case study sites. Housing authorities need to be able to assess rehabilitation options based on current conditions at these developments. Also, data for the indicators identified by the Commission as signifying distress (see Chapter 2 of Working Papers volume for definition) should also be collected by development and monitored at developments that are suspected of becoming or already are considered distressed.

B. Need For Flexibility In Revitalization Options

Many distressed developments were constructed over a period of several years, and thus contain several different types of buildings. Obviously, one type of rehabilitation—i.e. modernization of high-rises or redevelopment of new building types—will not solve the site design and obsolete building structure problems for a site containing several types of structures. Another consideration is whether the rehabilitation will occur entirely on the original site, or whether some replacement housing can be acquired, constructed or rehabilitated elsewhere in the city. Finally, all of these options should allow for uses of funds in a manner such that rehabilitation efforts are not complicated by PHAs' having to seek funding from several different sources for one project, depending on the type of redevelopment being planned. Otherwise, it would be useful if HUD could permit multiple sources of funds to be used in a fully consistent manner (i.e. using one set of rules or guidelines).

C. Need For Comprehensive Planning

The Commission's definition of severely distressed public housing emphasizes that the characteristics commonly found in distressed developments are intertwined. Proposed solutions must therefore address multiple aspects of a development's distressed conditions. For example, security concerns are partly the result of depressed conditions in surrounding neighborhoods and partly a result of site design factors that inhibit effective police patrolling. Building redesign plans must also be considered with the housing authority's ability to effectively deliver property management and maintenance services in mind. If a PHA does not have the in-house maintenance capacity to provide certain kinds of maintenance required by the new structures being developed, it must be prepared to contract out for this service and also have an in-house service contract monitoring system. Security systems must also be designed to protect the investment in new building structures and site improvements.

D. Need For Coordination With The Surrounding Community

The conditions of severely distressed developments have been found to be closely related to those of their surrounding community. Public housing developments do not exist as entities separate from other city neighborhoods; they are an integrated element of their

surrounding community. Thus, economic development incentives for commercial activity in surrounding neighborhoods would help provide jobs for residents. Increased commercial activity, in turn, would likely lead to improved infrastructure conditions, decreases in criminal activity and a general improvement in the community's image.

E. Need To Involve Residents In Planning

Housing agencies undertaking comprehensive revitalization are consulting with residents from the start of a rehabilitation project through to the on-going management of a revitalized development. Because distressed conditions can at times reflect a development's physical state as well as its residents' sense of despair, and because any changes made to address these conditions must appropriately respond to residents' needs, resident involvement in planning is essential to sustaining the physical and management improvements.

F. Need To Consider Social Services As Part Of Property Management Services

Funding for public housing operations and the regulations governing public housing management reflect heavy emphasis on maintaining the "bricks and mortar" of public housing facilities. However, severely distressed public housing has a significant set of needs, primarily those of residents. Demographics studied³ and case study research show that residents of these distressed developments have very low income levels, low employment levels, and suffer from high crime incidences at their developments. Low education levels and substance abuse problems are also prevalent in these public housing developments. Social and supportive services are also essential, then, for residents to develop the skills to address these obstacles. These services should be eligible for funding, and supported by adequate funding levels, through the operating funds provided to public housing agencies.

G. Need for a Management Plan and Budget

Funding for the management and operation of the housing development before, during and after the revitalization program is important. The ability to develop a program for defining and providing needed operating services is needed. The Commission has recommended that PHAs with residents and HUD develop a management plan for housing developments that are to be revitalized and that the plan clearly indicate the services and funding needed before revitalization, during the revitalization program and after improvements are in place. It is important that funds be made available to sustain improvements and that the appropriate level of services be provided after the revitalization program is completed.

These themes are elaborated on in the NCSDPH's case studies in the following chapters. There are a number of other observations and recommendations which have been made by the Commission. The above is intended to highlight some of the items that may be of interest to those who will be reviewing the case studies contained in this document. The readers are also encouraged to read the *Final Report of the National Commission on Severely Distressed Public Housing* and the other working papers and research documents prepared by the Commission.

ENDNOTES

- 1 Congressional Record, Senate, S. 16599, November 21, 1989.
 - 2 See the list of case studies below for those containing design analyses.
 - 3 See Chapter 3, Resident Initiatives and Support Services, and Appendix A: "Occupancy Issues in Severely Distressed Public Housing" in the NCSDPH's Working Papers Volume for more detail.
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Chapter 2

Chicago Housing Authority: Ida B. Wells and Lake Parc Place Developments

EXECUTIVE SUMMARY	2-1
IDA B. WELLS: MANAGEMENT ASSESSMENT	2-3
I. THE CHICAGO HOUSING AUTHORITY AND ITS OPERATIONS	2-3
II. THE IDA B. WELLS DEVELOPMENT	2-15
III. STEPS TAKEN TO ADDRESS DEVELOPMENT CONDITIONS	2-20
IV. SUMMARY OBSERVATIONS	2-27
IDA B. WELLS: DESIGN ASSESSMENT	2-31
I. EXISTING CONDITIONS AT IDA B. WELLS	2-31
II. PROCESS FOR MODERNIZATION AND REDESIGN INITIATIVES	2-44
III. PRIORITIES AND OBSERVATIONS	2-52
LAKE PARC PLACE: MANAGEMENT ASSESSMENT	2-59
I. THE MINCS DEMONSTRATION PROGRAM	2-59
II. IMPLEMENTATION OF MINCS AT LAKE PARC PLACE	2-61
LAKE PARC PLACE: DESIGN ASSESSMENT	2-64
I. CONTEXT AND LOCATION	2-64
II. PHYSICAL IMPROVEMENTS	2-64
III. NEIGHBORHOOD ISSUES	2-73
IV. NEW DEVELOPMENT OF MIXED INCOME HOUSING	2-74
V. SUMMARY OBSERVATIONS	2-74

Chicago Housing Authority:
***Ida B Wells and Lake Parc Place
Developments***

EXECUTIVE SUMMARY

The Chicago Housing Authority is the third largest public housing agency in the country, managing over 41,000 units of housing, including over 15,000 family high-rise units, many concentrated in very large developments. Over a period of two decades, the CHA's public housing stock has suffered from a combination of inadequate management practices, aging housing stock, and demographic changes. By the mid 1980s, much of the public housing stock was severely distressed.

A turning point for the agency came in 1988 when the Metropolitan Planning Council succeeded in advocating for a new board and interim management team to address the serious conditions. Over the last several years, the CHA has begun to initiate a wide range of management and physical improvements, many of these initiatives targeted to the family high-rise developments that generally are the most distressed of the housing stock. Most of these strategies have stressed an integrated and concentrated set of management and physical changes guided by tenant, staff, and community input. The results are significant, yet the CHA is still confronted by an enormous challenge, with distressed housing far outstripping the available resources.

This case study focuses on three major initiatives by the Authority to address distressed housing conditions:

1. Operation Clean Sweep
2. the Wells Community Initiative
3. the Mixed Incomes in New Communities (MINCS) Demonstration

As a case in point of these initiatives, the *Ida B. Wells* development and nearby *Lake Parc Place* are featured. *Ida B. Wells* is a development consisting of over 2,800 units of housing in 138 buildings in a mixture of high-rise, mid-rise, and low-rise buildings. *Lake Parc Place*, the site of the MINCS Demonstration, was constructed in 1965 and consists of two high-rise buildings with 282 units.

The CHA initiated Operation Clean Sweep in 1988 to try to combat the extreme problems that existed in troubled high-rise developments. The objective was to remove illegal tenants, secure vacant units and prepare them for re-occupancy, and provide security improvements to prevent a return of criminal activities that had terrorized the developments. By the beginning of 1992, 45 buildings had been swept and 1,800 units rehabilitated. The impact of the swept buildings is significant. CHA information shows lower crime rates, higher occupancy rates, and higher rent collections in all the swept buildings.

At the *Ida B. Wells* development, residents, the CHA and the Metropolitan Planning Council have joined forces to form the Wells Community Initiative. This comprehensive planning entity may well offer a model on which other communities can base their inclusive community revitalization efforts.

The Lake Parc Place development is being operated as part of a U.S. Department of Housing and Urban Development (HUD) demonstration program called Mixed Income New Community Strategies (MINCS). Based on the theory that communities containing a range of incomes (from very low to moderate, or 20 percent of local median income to 80 percent of local median income) are likely to be more conducive to economic self-sufficiency among residents, this program seeks to encourage residents to save money for future investments such as homeownership or education. The Mixed Incomes in New Communities (MINCS) Demonstration was initiated by the CHA, and authorized by the Congress under Section 522 of the National Affordable Housing Act of 1990. The Demonstration attempts to revitalize troubled projects and urban communities by promoting a socio-economic mix of tenants. It permits the Authority to mix low-income tenants to 50 percent. The impacts have already begun to be recognized: rents are being collected at a 98 percent rate.

These initiatives, and other management initiatives of the Authority, are significant efforts to revitalize troubled public housing developments. The initiatives are demonstrating that improvements can be made, even in very large public housing developments with high-rise family buildings. The costs are substantial, and can divert needed administrative and capital funds from other Authority operations. While the CHA initiatives provide an important example of how to improve distressed high-rises, the need for resources must continue to be addressed.

MANAGEMENT ASSESSMENT

I. THE CHICAGO HOUSING AUTHORITY AND ITS OPERATIONS

A. Background

The Chicago Housing Authority (CHA), with its history of two decades of management and operational problems, now is in the process of undertaking two types of revitalization efforts at two particular developments, the *Ida B. Wells* development and the *Lake Parc Place* development. Efforts to improve severely distressed public housing at CHA properties have been heavily influenced by two factors: the role of the Metropolitan Planning Council (MPC) from 1985 to the present, and a strong public debate in Chicago about whether Chicago's high-rise public housing developments should be torn down and replaced with scattered site, low-density developments (which some argue would be more appropriate for families with children). The CHA has also been making agency-wide management improvements, which will be discussed.

The CHA is classified as a "troubled" housing authority, and as such is monitored by HUD under a Memorandum of Agreement. Occupancy levels, lack of financial controls, and poor agency and property management systems are the areas with the greatest deficiencies. The agency has a poor reputation among contracting businesses for its ability to pay promptly and work efficiently with other businesses, and thus it has had difficulty in the past finding vendors to provide goods or services. However, the agency has made sufficient progress in the past four years to convince HUD to increase its modernization grants from \$2 million in 1984 to \$200 million in 1992.

As the third-largest public housing agency in the country (the New York City Housing Authority and the Puerto Rico Public Housing Administration are larger), the challenge to the CHA is in making the agency's internal systems function efficiently for very large scale developments. The agency manages 41,624 units altogether; the agency's conventional public housing units total 38,689, of which 31,766 (82 percent) are family units.

Within its portfolio of family housing, over 15,000 of these units are family units in high-rise buildings, most of them concentrated in huge developments with thousands of units. A 1990 study by Chicago's Metropolitan Planning Council reports that "during the last twenty to thirty years these buildings have suffered from disinvestment, poor management and neglect. As a result, these buildings and developments are now plagued by well-documented problems--broken elevators, leaking roofs, empty apartments and high crime rates." By the mid-1980s there was a public debate stirring over whether they should be torn down, and by 1987 these deteriorated conditions and management problems had brought the agency to the brink of a take-over by HUD.

From the agency's creation in the 1930s through the early 1950s, Chicago's public housing authority was known as one of the best in the country, noted for its professional management, good design and scrupulous maintenance. However, the MPC summarizes the CHA's troubles in the 1960s and 1970s as follows:

High-rise buildings and huge, isolated developments were constructed; Chicago aldermen blocked construction of public housing in white and racially mixed neighborhoods; and the CHA closed its doors to partnerships with civic organizations and even to public oversight. During the 1970s the buildings and the quality of life within them deteriorated radically, especially in the family high-rise buildings. Families who had moved from slums into the brand-new, well-

kept public housing apartments saw maintenance and management decline, racial and economic segregation increase, and security within the buildings disappear, until many observers viewed the new housing as worse than what it had replaced. In the 1970s and 1980s, gentrification in surrounding neighborhoods increased the potential value of some of the sites to developers, and the question began to be raised, "Should we tear them down?"

A turning point came in 1988 when the MPC succeeded in advocating for a new permanent Board of Commissioners. An interim crisis management team was also formed, headed by a MPC Board member. Staff for the team came from the MPC Board and former staff members, as well as other housing, finance and management professionals.

The MPC had also started a research initiative, called "Rehabilitation and Reinvestment Strategies for the Chicago Housing Authority," which was intended to be a two-year research and policy effort to investigate ways to make Chicago's high-rise public housing better, and to inform a newly appointed Chicago Housing Authority board of potential options for improvement. The MPC research effort focused on three CHA buildings: 1230 North Burling in the Cabrini-Green development, 4414 South Cottage Grove in the Washington Park development, and 706 East 39th Street in the Ida B. Wells development. The initiative's time span has been expanded to ten years.

The public debate over high-rise buildings has existed since at least 1988, when a report was issued by the Advisory Council on the Chicago Housing Authority, appointed by the late Mayor Harold Washington. The Advisory Council recommended that the CHA undertake a building by building assessment of its family high-rise developments and then to begin the orderly disposition of family high-rise units, with a goal, for example, of razing 8,000 units over a ten year period. Newspaper editorials, Chicago Aldermen, reports from educational institutions, and magazine articles on the level of violence at CHA properties have continued this debate to the present. In 1990, Attorney Alexander Polikoff, executive director of Business and Professional People for the Public Interest, asked the U.S. District Court to bar the Chicago Housing Authority and HUD from rehabilitating four lake-front high-rises that had been vacant, except for thirty families, since the mid-1980s; Polikoff proposed that scattered site housing be provided as an alternative (the request was denied in 1991). Residents of high-rises have also been active in this debate: in May, 1991 the Henry Horner Homes Mother's Guild (the Henry Horner Homes development contains 1,774 apartments in 19 buildings) filed a class action suit in federal court against the CHA and HUD. At the time, nearly half the development's units were vacant. The residents charged the agencies with violations of federal law and tenant leases based on building code violations and letting so many units stay vacant so that "*de facto*" demolition had occurred.

In the context of this debate and the MPC's research efforts, a new Board Chairman, who also served until recently as the Managing Director (equivalent of Executive Director), has begun a series of management improvements that includes the "Sweep" program, resident initiatives, and security programs funded through the Public Housing Drug Elimination Program.

B. Housing Authority Operations

Because of the unique circumstances faced by the CHA and the advocacy of the Metropolitan Planning Council, the position of executive director at the CHA had, until recently, encompassed the responsibilities of both the board chairman and executive director. This arrangement was created to give the Managing Director the authority needed to achieve significant and immediate action to turn around the CHA. The person who filled this position was Vincent Lane, who brought to the job his experience as an

active participant in the MPC's public housing rehabilitation and reinvestment program, as well as his own prior experience in private business with subsidized housing. In late 1991, Lane resigned as Managing Director and continued to serve only as Board Chairman; the Chief Operating Officer was appointed as Acting Executive Director.

The CHA organizational chart follows a centralized model, with the Executive Director supervising a Deputy Chief Operating Officer, a Director of Housing Operations, Director of Finance/Administration, and a Director of Construction Management. Also reporting to the Executive Director are the Office of the Inspector General and Contract Compliance, the General Counsel, External Affairs Office, and the Central Advisory Council (CAC), which is the organization of resident Local Advisory Councils (LACs).

Resident involvement in the management of, and activities in, their developments occurs through a council structure. Councils can be organized for individual buildings, areas, or blocks; members of these councils are then elected to participate in Local Advisory Councils for a development. LACs meet regularly to discuss development programs and problems and to make recommendations to the managers of their developments regarding program and service needs, modernization programs, and operating budgets. There is a LAC office in each of the CHA's management offices. The Central Advisory Council is composed of the president or designated representative of each LAC. The CAC reviews the Authority's annual operating and modernization budgets and makes recommendations to the Authority on a wide range of programs and problems.

Housing Operations. The Housing Operations division is making a transition towards a more decentralized system and the creation of site-based management teams. The Housing Operations functions of property management, maintenance, and occupancy are located in the field, separate from other central CHA operations which are located downtown.

While the CHA is supporting targeted efforts to revitalize conditions at specific developments, it is also implementing management changes across all family housing, including decentralization for a greater management presence at developments, lease enforcement, and building sweeps combined with on-going security protection. Staff reported that the most distressed housing in the CHA's stock is found in the high-rises, but the bad effects of the high-rises spill over into the adjacent low-rises. Low-rises are also found to be distressed when they are surrounded by depressed neighborhoods.

Indicators of severe distress at CHA properties identified by CHA staff and residents include:

- drugs;
 - squatters living in vacant units; boarding up of vacant units;
 - gang activity;
 - frequent staff turn-over in site management and mechanic positions;
 - security in high-rise buildings, where guards are frequently shot;
 - physical distress, promoted by poor design; and
 - a lack of security for residents and CHA staff.
-

These conditions have led to high levels of criminal and gang activity, a lack of resident self-esteem and a sense of community, and a working environment that does not reward hard work or positive behavior.

The Housing Operations department's management strategies are focused mainly on complying with the CHA's Memorandum of Agreement with HUD, gaining control of some particularly distressed developments, and maintaining control of the buildings that have been swept. Executive staff report that they would like to be able to selectively demolish some sites and rehabilitate scattered site housing, but there is too much political opposition in the City of Chicago for this to happen. The Housing Operations department has also established a Technical Advisory Group to concentrate on improving specific areas, such as rent collection and special training in management and maintenance operations.

The current Director of Housing Operations has been serving since January, 1991, and is just reaching the point where changes will have an impact. After interviewing residents and staff on what changes were recommended, the first step was to decentralize the CHA's on-site property management structure. As an example, the Cabrini-Green development, with 3,591 units, formerly had one on-site manager who was assisted by clerical staff. In place of a single manager, three management teams were created for this development.

As part of the CHA's Memorandum of Agreement (MOA) with HUD, a proto-typical staffing pattern has been developed and the Ida B. Wells/Darrow Homes development is now managed according to this plan. The Management Operations division has established the following staff-to-unit ratios and is using these figures as reorganization goals:

Assistant Manager:	1:420 units
Clerk:	1:252 units
Janitors:	1:52 units
Maint. Supervisor:	1:10 janitors

This staff pattern has been achieved at the Ida B. Wells development and at the Robert Taylor Homes (used as a proto-type by the CHA) as follows in Table 1:

Table 1
Staffing Pattern

	Taylor Homes Prior to July 1991	Taylor Homes July, 1991	Ida B. Wells March, 1991
Mgt. Offices	1	2	1
Buildings	14	16	138
Units	2,207	2,501	2,808
Managers	1	2	1
Asst Mgr./Hsg. Asst.	1	8	9
Admin. Support	12	10	7
Bldgs/Grounds Supt.	1	2	1
Asst. Supt/Supv.	1	4	4
Maintenance Staff	40	42	47

To fill the positions created by the increase in property management teams, some new staff were hired and clerical staff were promoted. Sweeping staff changes were made to simplify the personnel hierarchy and make it more flexible across all developments and programs. Whereas the CHA at one time had three types of janitorial positions and twenty categories of clerks, it now has one classification of "janitor" and two types of clerks.

Other changes in staff operations include computer training and a reorganization of the Occupancy Department. Because computer facilities are limited, most staff are unfamiliar with them, but training is being provided to instruct staff on basic activities like recording move-in and move-out tenant data, and the Director of Housing Operations is working with a computer vendor to develop a field operations program. (Currently, the CHA's financial functions are conducted on a mainframe computer system which handles accounts payable, payroll, budget control, position control tenant accounting, leasing and purchasing; other functions are performed on personal computer based systems.) The Occupancy Department is being reorganized so that there is some central control over applications and tenant selection: the in-take and document control functions would be performed at central offices, and the leasing of units would be performed by site offices where files would also be maintained once an applicant was admitted. HUD has not yet allowed the CHA to purchase an automated work order system because it wanted the housing authority to establish its credibility and capability by putting together a manually recorded system, which is mainly tied to the swept buildings.

The Director of Housing Operations reports that the HUD Performance Funding System (PFS), through which public housing agency operating subsidies are calculated, does not allow for keeping up with basic expenses. The cost of supporting functions such as security, rubbish removal, elevator maintenance, and legal expenses combine to outstrip the CHA's annual PFS adjustment.

Security. For some years, the CHA has experienced substantial management and operational problems which result either directly or indirectly from drug related crime. Problems with gangs and gang related violence are considered to be of enormous concern to residents of CHA developments, the City administration, HUD, and senior CHA management. Crime statistics from the CHA's Public Housing Drug Elimination Program (PHDEP) show that serious assault was the most frequent crime committed in CHA developments, in 1988. The next most common crime was theft, followed by burglary, robbery, vehicle theft, criminal sexual assault and homicide. CHA residents were more likely to be the victims of crime than non-public housing residents of the City of Chicago: Police estimated that 80 percent of the crime in the projects is committed by 50,000 to 70,000 unauthorized residents, often gang members who move in with their girlfriends or take over apartments.

The CHA indicated that it was concerned over problems created by the high-rises and the layout of roadways leading to the buildings making security and policing difficult. They indicated that it was almost impossible to control access to buildings due to open elevator lobbies with several entrances or unsecured doorways. The design of the roadways, according to CHA, allows for easier drive-up drug services.

Therefore, in addition to the program of building sweeps described in the following section, the CHA increased spending on contract security guards services, hired its own security guards and created a PHA Police Force to supplement the Chicago Police Department (CPD) and the CPD public housing unit stationed in the Robert Taylor Homes development.

The CHA Research and Program Development Department, Public Safety Department and the Office of External Affairs have been jointly responsible for planning the CHA's Public Housing Drug Elimination Program (PHDEP). The program initially continued support for Operation Clean Sweep, security guards and training, tenant patrols and some security systems (equipment and installation of electronic key card systems to be installed in swept buildings). Housing development staff and representatives from the LACs were brought into the process of planning for the 1990 grant.

The CHA has targeted four major areas with its 1990 PHDEP grant of \$5.9 million. Its assessment of need for the programs in these areas indicated that residents in ABLA, Wells and Stateway developments were exposed to high levels of crime. Management had been hampered by gang and drug related activities which contributed to vandalism, increased move-outs higher vacancies and a greater number of maintenance work orders. The CHA was interested in reducing its costs attributable to vandalism, increasing occupancy and stabilizing the overall housing developments by reducing unit turn-over and increasing maintenance services.

The strategy was to build on the success of Operation Clean Sweep by providing training to security guards who would be stationed in the high-rise lobbies on a 24 hour basis following a sweep. The CHA believed that having the security guards and a training program would result in a higher level of guard service in family high-rises than contract security services, even though the per person cost of the Authority security guards is higher than that of contract guards.

The CHA has proceeded with the implementation of its in-house security guard program. Currently, 50 in-house security officers out of a total of 281 are paid for through the PHDEP. In addition to the security officers, the CHA also has approximately 180 police officers who work in conjunction with the Chicago Police Department's public housing unit of about 100 officers. The police and security force is supplemented by contract security guards and tenant patrols.

Tenant patrols support the post sweep operations and serve as a way for public housing residents to become involved in monitoring and reporting crime in their developments. The patrols work in conjunction with CHA security guard forces, private guards and the CHA Police Force, using radios to quickly report crimes to a base station. Patrols are active in all four housing developments and are put in place to conduct patrols following a sweep. It is important to note that members of the LAC that are employed by the CHA participate in the sweeps.

The cost of conducting sweeps, including the police and security guard personnel time, the maintenance and repair costs, and administrative costs associated with the operations, is estimated at \$175,000 per high-rise building or per 100 rowhouse units. This figure does not include interagency police costs.

For the 1991 grant, the CHA added another major program: Combatting Alcohol and Drugs through Rehabilitation and Education (CADRE). As of July, 1991 CADRE Centers had been established in all four housing developments. The CADRE Centers are staffed by a program site coordinator who is assisted by two prevention specialists and a case manager. The staff works in conjunction with community agencies assigned to particular developments. The total amount allocated in the 1991 grant application for drug prevention and intervention was over \$2 million.

This program is a major effort to combine drug enforcement activities with prevention and intervention strategies. Prevention activities empower families by offering services such as information (on counseling and other program services both within and outside the CADRE Center), referral services, education/life building skills, needs assessment, and community capacity building. The intervention strategies relate to assisting residents at risk by providing educational information, referral services, supportive counseling, workshops and conferences (e.g., effective black parenting), and structured alternatives to substance abuse and crime.

A major objective of the sweeps is to prepare work orders for all repairs that are noticed in the inspections. Until recently, the property management section of the CHA was to make the repairs. Now the responsibility for the repairs has been given to construction management because there has been some difficulty in keeping up with repairs and efforts may be made to reprogram modernization funds to further supplement this effort. The recent progress reports do indicate that significant levels of physical improvements are underway in swept buildings.

It is important to note that recently the CHA has entered into a consent judgement to increase activities to correct code violations. The judgement requires that \$31 million be identified by the CHA to address dangerous and hazardous conditions found in the developments by the City of Chicago. Funding is to be provided through the CIAP, operating and CDBG budgets, and not through the PHDEP. However, the extensive level of effort required to meet the terms of this order may divert some of the agency's capacity to address work orders generated as a result of sweeps.

Another major feature of the activities related to the PHDEP is the Wells Community Initiative (WCI), an effort by federal, state, city, CHA and residents to plan the comprehensive revitalization of the Ida B. Wells development. This effort is supported with funds from the PHDEP for sweeps, tenant patrols and the CADRE Center. Over \$40 million is being sought for additional property management and security services over the next five years to support the WCI. A major feature of the support services program is the introduction of team policing in the overall Wells community.

Another major objective of the sweeps is an occupancy rate in the swept buildings of between 90 and 95 percent. Based on the latest available information this has not yet been achieved. The occupancy rate for swept buildings at ABLA is 76 percent, 80 percent at Rockwell Gardens, 89 percent at Stateway Gardens and 83 percent at Wells. There was no information provided regarding unit turnover, which usually has a strong impact on the vacancy rate.

Maintenance. Maintenance service delivery is also undergoing a transition with the reclassification of many maintenance positions as janitors and improvements to the work order tracking system.

The critical maintenance issue for the CHA is negotiation with unions for a skilled maintenance mechanic's position. Routine maintenance is performed by janitors who are assigned to specific developments. These positions are supported by Fleet Maintenance, Emergency Services, Vacancy Reduction Crew, Non-routine maintenance crew, Streets and Sanitation Crew, the Elevator Division and additional craftsmen from Central Maintenance for major repairs.

This division of the labor force into janitors and skilled tradesmen is highly inefficient. It has resulted in situations where licensed plumbers have cleared stoppages when the work could have been performed by a trained maintenance mechanic at a lower hourly rate. Another example is a licensed electrician replacing receptacle plates. In an agency as

large as the CHA, many positions could be converted to utilize skilled maintenance staff. Chicago has a maintenance mechanic position, but the skill level is minimal. If upgraded to include more skills, the position would probably cost the CHA approximately \$16.00 per hour, as compared to the licensed trade workers who earn an average of \$20 per hour. By converting 250 positions, the savings would exceed \$2 million annually, a six percent savings in the \$35,000,000 maintenance labor budget.

Vacant units secured by Operation Clean Sweep are rehabilitated by a Vacancy Reduction Crew of 213 staff. This crew rehabilitates approximately 100 - 125 units per week. Once a vacancy is identified, the on-site staff boards up and cleans out the unit and, if no major damage or vandalism exists, turns the unit around. Often units cannot be turned around because the aluminum window frames have been stolen and there is a shortage of replacement frames. As of the end of 1991 there were approximately 6,265 vacant units agency-wide, a vacancy rate of 16 percent, but down from the CHA's vacant unit count of 7,238 in June, 1990.

A CIAP funded Force Account Vacancy Reduction program is also in place. Units needing moderate to major repair work are rehabilitated by the Force Account team; work on these units is estimated to cost approximately \$12,000 per unit. This operation has been transferred to the Construction Division (from Central Maintenance) because this Division's function was considered more similar to the type of work performed by the Force Account team. This re-assignment should also help alleviate the work load of Central Maintenance staff, who can concentrate on turning around routine vacancies, which in turn will free up on-site maintenance staff who had been doing some of the vacancy work.

The CHA's routine maintenance needs and Operation Clean Sweep places an enormous burden on the CHA's operating budget. A rough analysis of these two operating expenses will demonstrate the expense of catching up with neglected maintenance and trying to make an obsolete set of building and mechanical systems function beyond their capacity. The cost of non-routine maintenance is approximately \$20 million per year. Modernization needs are estimated at \$1 billion. With the CHA's Comprehensive Grant Program allocation of \$100 million per year less 20 percent for architectural and engineering costs, \$80 million per year is available for modernization. The difference between this \$80 million and the \$20 million needed for non-routine maintenance leaves \$60 million per year for the modernization backlog. At this rate of funding, it would take 17 years for the CHA to accomplish the needed modernization repairs.

Work orders from residents are called into site offices and assigned by the Maintenance Superintendent and Supervisor to on-site janitors or craftsmen. Under its 1991 MOA with HUD, the Authority has implemented a manual work order system. Information derived from this system indicates that emergencies in swept buildings are responded to in an average of 1.28 days and, excluding routine work orders being held for materials, the average for routine work orders is 3.49 days. The work order report agency-wide shows a 1.83 day average for emergencies and 3.67 days for routine. The backlog for work orders as of the end of 1991 was 18,534.

There is also a great backlog of work orders as a result of HQS inspections. At the Ida B. Wells development there is a backlog of 2,200 HQS items and another 2,000 work orders. A standard goal for a work order backlog is approximately ten percent of the number of units in a development. In this case, with 2,808 units at Wells the backlog is approaching twice the number of units. Maintenance staff make a rough estimate that completion of HQS inspections agency-wide would result in approximately 36,000 work orders alone. Estimating two hours per work item, a crew of 52 maintenance staff would be needed solely to accomplish these repairs.

Another efficiency issue is the standardization of repair parts. Standardization of plumbing supplies, locks, window types, and fixtures is essential to reducing costs and improving maintenance performance. Excessive numbers of materials greatly affects the efficiency of repairs and the cost of stocking many different types of the same part. Not only does stocking many different types of the same part consume additional space in the CHA's warehouse, but using parts to repair appliances for which they were not made because the old part is no longer manufactured can be quite dangerous in making electrical connections.

Other management tools that would reduce the maintenance work load are not fully utilized at the CHA. The agency is trying to reduce its Tenant Accounts Receivable, however, it usually takes nine months to complete the eviction process because of existing legal restraints. Stricter applicant screening would also result in less unit turnover, and thus fewer units to rehabilitate as frequently.

Residents and Resident Services. Demographics provided by the CHA indicate that the resident population is dominated by children, and the age group of 0 - 19 years represents 50 percent of the resident population. Children under 14 represent 47 percent of the family population. The most common form of household income is Aid for Families With Dependent Children (AFDC), from which 38 percent of all CHA households receive their income. A total of 7.25 percent of households report receiving earned income. CHA records also indicate that its resident population is 84 percent black, eight percent white, two percent Hispanic, 1.4 percent Asian, and four percent other.

The CHA devotes a considerable amount of its financial resources to resident services. Its total resident services budget was \$2.5 million for fiscal year 1991. The Office of Resident Programs funds 90 staff positions in the following programmatic areas: Education, Culture and Senior Programs; Social Service/Delegate Agencies; and the Resident Organization and Youth Services Department. Resident services staff work with the Local Advisory Councils at each development and notify residents of potential services through flyers, floor captain canvassing, agency outreach, churches and posting of announcements. In twenty buildings, residents volunteer to act as contact points for Resident Services staff and function in their place when necessary.

Resident services programs available to CHA residents includes:

1. Community Development Program - Resident leadership. Staff targets residents for executive board (two on each floor), trains them in tasks and places them on committees in each building. Examples of such committees are safety, beautification, recreation, health, and education.
 2. Summer Programs - Provides nutrition programs for 35,000 children per day.
 3. Chicago Intervention Network - Funded through the Illinois State Department of Human Services, this organization provides after-school arts programs, year round.
 4. Project Peace - Grievance counseling and conflict resolution at five schools funded through the McArthur Foundation.
 5. Youth Services Programs - Camps in the summer, mid-night basketball at four developments, networking began in 1988.
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6. Employee Housekeeping Inspections - Initiated as part of Operation Clean Sweep, inspection of vacant and occupied units for social service needs within 24 to 48 hours. In 72 hours, door to door canvassing surveys are completed by a team of 15 to 20 people, including security officers, inspectors, police officers and others.
7. CADRE (Combating Alcohol and Drugs Through Rehabilitation and Education) - This program, jointly managed by the CHA and the Center for New Horizons, provides family based substance abuse treatment programs, including prevention programs, and case manager services. Funded with drug elimination monies and coordinated with swept buildings, CADRE links residents with agencies for out- and in-patient treatment.
8. Mama Said - Resident-originated mentoring program for young and single mothers. Besides support and training, the program offers a food bank and peer counseling component.
9. Senior Citizens - Provide medical and social services to senior population and connects aged with community resources available.
10. CHA Youth Ambassador Choir - A choir of gospel singers, made up of 70 children and parents, participate in this program, which includes fund raising for appearance expenses.
11. Youth Entrepreneur Clubs, The Buck Starts Here - Teaches marketing and selling skills, then provides opportunity to develop products, such as making cards for the Christmas holidays.

There are over 100 agencies providing services on a regularly scheduled basis. These agencies employ at least fifty residents on site. CHA acts as a conduit for other agencies who provide services on site for their population. Staff and the LAC monitor the programs annually. They review proposals based on an identified needs assessment.

Additional services needed by CHA residents include:

- Mobile crisis unit to respond at site of drive-by shootings;
- Services for deinstitutionalized residents - the Authority needs to help on-site to secure environments for residents as well as disabled and homeless;
- Substance Abuse Services - in senior buildings for elderly; and
- Leisure time activities for elderly: the population has changed since 1965, but program rules have not been adapted to clientele changes.

Resident services are provided to residents in a number of ways. The City of Chicago provides a van for immunizations. A Public Health Nurse comes on site once a month to provide services to residents. The Boys and Girls Clubs of Chicago provide after-school activities on site, and the City provides parks programs throughout the municipality. There are some on-site libraries. In general, the CHA staff reported a good networking relationship with City agencies.

As part of the Metropolitan Planning Council's research on public housing improvement strategies, the MPC and some CHA residents conducted a Capacity Inventory of residents of CHA housing. The survey examined the work experience, life skills, job training needs and entrepreneurial interests of residents in three CHA family developments. The survey population was comprised of 138 residents from three developments who were interested in seeking economic development opportunities. Findings from the survey are summarized below:

1. While high unemployment rates prevail, 65 percent of the residents want to work and are available for immediate employment;
2. While there is an apparent motivation and a desire to work, 90 percent of the population remains unemployed because of many factors which keep them from entering or remaining in the labor force:
 - CHA residents have the skills to hold a job but most public housing residents see their job opportunities primarily in the service sector, where pay is low and benefits are few;
 - the costs associated with taking a low-paying job may result in increases in living costs for child care, transportation, rent and loss of medical coverage;
 - many CHA residents lack the minimum education required to find a job;
 - many public housing residents have received training that has not led to employment; and
 - while many residents are interested in starting their own businesses, they fear losing their welfare benefits if they have necessary business assets such as a car or a computer.
3. Enhancing the quality of life and promoting the self-sufficiency and self-actualization of public housing residents will require an investment in residents such as:
 - investing in comprehensive training programs that lead to stable and economically feasible jobs;
 - investing in entrepreneurial alternatives that will provide jobs for residents as well as bridge the gap in services that are inadequate or absent in their community; and
 - investing the time required to eliminate institutional barriers that promote welfare dependency.

Research and Program Development. The Director of Research and Program Development is heading up the CHA planning efforts for the Wells Community Initiative, featured in this case study, although she is also responsible for authority-wide planning. Her opinion of severely distressed housing is based on a surrounding community's viability, because public housing communities, while originally intended to be self-sufficient, simply are not self-sustaining and cannot be isolated from the community.

This premise of integration drives the Wells Community Initiative (WCI), which incorporates elements of residents' goals and objectives--which include public safety and physical improvements, basic property management necessities, and services for residents to create a plan for revitalizing one of the CHA's most distressed developments.

Part of this plan to gain control of the development and enable residents to participate in its management involves making the scale more manageable. The development is currently organized in four management clusters, but it will eventually be broken down into seven. The WCI's implementation plan, which began in 1990, spans ten years.

The WCI also plans to have a Task Force on Property Management, which will include representatives of large property management companies. The Research and Program Development department also is requesting funding for two planners to map out improvements to the site, property management, security, and increase the WCI's management capacity. The plan is covered in greater detail in the section specifically covering the Wells Community Initiative.

The Department of Research and Program Development also works closely with the six Resident Management Corporations (RMC) that operate at the Chicago Housing Authority. The CHA provides RMCs with technical assistance on day-to-day management and maintenance issues, resident screening and economic development. Two RMCs are participating in an on-the-job training program that focuses on property management, maintenance skills, and information on HUD regulations, CHA policies and procedures, and municipal codes.

Finance and Administration. The CHA's Finance and Administration department is especially concerned with severely distressed public housing developments because they are particularly high cost developments. Project-based accounting and budgeting was implemented at these developments four years ago, so that TARs, collection losses and budgeting are calculated on a development basis and it is readily apparent which of the CHA's developments consume its financial resources. The budget line items for elevators, security, vandalism, tenant accounts receivable, legal services, utilities, and vacancies at these developments soak up available housing authority operating funds.

The CHA is working with Resident Management Corporations in developing financial management skills, providing them with technical assistance in calculating the AEL for their operating budgets. Working with the CHA's six RMCs is part of the Memorandum of Agreement between the Authority and HUD. The project-based AEL calculations should allow for more realistic budgets and AELs because they take into account the age and condition of the project.

PHA revenues are limited by virtue of the rent ceiling regulations which force the CHA to house, *de facto*, only the lowest income households. In addition, the CHA does not currently practice strict lease enforcement for non-payment of rent (partly due to limited legal system resources) and therefore is sending a message of leniency to residents. The result is that the current TARs are approximately 78 percent of the CHA's rent roll. In response, the management department plans to change its rent collection policy so that payments will no longer be accepted at the development office if the resident is in arrears and brings in only a partial payment. The CHA is also one of four housing authorities nation-wide that is conducting a pilot income-mixing program based on the belief that allowing a broader range of incomes in a community will provide greater social stability.

However, as the CHA continues to sweep developments building by building, it finds that the program is having an impact. Project based accounting indicates gains are being made in the swept buildings. As of November, 1991, tenant accounts receivable (TARs) had actually decreased an average of 45 percent among 34 buildings that have been secured by the sweep program.

II. THE IDA B. WELLS DEVELOPMENT

The Wells Community Initiative represents a concerted, comprehensive effort by several groups associated with the Ida B. Wells development to improve the physical and social environment. Prompted by the MPC's work on public housing improvement initiatives, several groups targeted the Wells development as a pilot program to demonstrate a multi-faceted approach with heavy resident involvement. Thus, in step with the human services improvements being implemented by resident and non-profit organizations, the CHA is also planning a series of physical improvements.

The Wells development was chosen as the site for a comprehensive redevelopment effort in part because of its history in the community and the fact that its resident council is among the CHA's most organized. The Wells Resident Council holds regular tenant orientation meetings and has assembled a tenant orientation manual. One building's resident council is working towards resident management, and plans to start a laundromat business. This building is scheduled for redevelopment with MROP funds.

The development is one of the CHA's most distressed properties. It has sustained vacancy rates of 20 - 25 percent, very high crime rates, and severely deteriorated physical condition.

Some of the residents had also been participating in the MPC's "Rehabilitation and Reinvestment Strategies for the CHA" initiative. In exchange for resident participation in this initiative, the MPC provides them with the training needed to assume more responsibility for their developments. MPC offered a leadership training program featuring leaders of resident management corporations from around the country, and a non-profit called Citizens Information Service subsequently assisted the participating residents in holding referenda on resident management. In 1988, residents of the building at 706 East 39th Street, a Darrow Homes high rise building in the Ida B. Wells development, voted to pursue resident management.

MPC also conducted a survey of the development's living environment, including a survey of residents living in the study site and a land use survey of the surrounding area. For the living environment study, residents helped develop the survey and were trained in administering the survey instrument. Only one building from each of the participating developments (Cabrini-Green, Washington Park, and Ida B. Wells) was surveyed because the MPC felt that there was sufficient homogeneity within the high-rise population at each development. The survey yielded the following results:

- Ninety-three percent of the households in the Wells sample are female-headed, single parent households. The average age of the leaseholder is 37 years, and there are an average of 2.4 children under the age of 16 living in each household. Seventeen percent of the respondents are high school graduates, and 49 percent did not complete high school.
 - Seventy percent of the respondents indicate that their total household income is \$500 or less per month and that welfare is the major source of income, with 86 percent of the respondents receiving welfare as one source of income.
 - Eight percent of the residents are currently employed, 75 percent are unemployed, 11 percent are disabled and six percent did not respond. Forty percent of the employed residents used public transportation to get to work, 40 percent used a family automobile, and 20 percent did not respond. The average one-way trip to work is four miles.
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When eighty-six percent (those unemployed or disabled) of residents profiled their employment search activity, results indicated that fifty-seven percent are currently looking for work and 40 percent are not.

- Seventy-five percent of the residents indicated that they would like job training and 17 percent did not want training. Of those who want training, 18 percent want computer programming and data entry training, 16 percent listed nurse/nurse aide training and 14 percent indicated secretarial training.

A land use survey conducted by the MPC found that the business district patronized by most Wells residents is located 3.5 miles away, well outside the survey boundary's one mile radius. Two full-service banks residents use are within the survey boundary. Also within the survey area is a major hospital, two Chicago Department of Health clinics, 20 elementary schools, four high schools, a branch of the public library, four major community centers, a Department of Human Services Parent and Child Center, a large trade school, a YMCA, and the Illinois Institute of Technology.

Within the survey area, the most heavily represented businesses were liquor stores, small grocery stores, bars and lounges, currency exchanges, beauty parlors, and tire/auto parts and repair. These businesses combined represent 50 percent of neighborhood businesses. Also in the area are over 2,000 multi-family buildings, three large mid/upper income housing complexes, several mid/upper income townhouses, 19 federally subsidized low to moderate income housing developments, five nursing homes, and five senior housing complexes.

The Ida B. Wells public housing complex covers a 66-acre site on the south side of Chicago. It is bounded by 37th Street and Browning Avenue on the north, 39th Street on the south, Cottage Grove and Vincennes Avenues on the east, and King Drive and Rhodes Avenue on the west.

Table 2 below summarizes the buildings' physical characteristics:

Table 2
Building Physical Characteristics

Name	# Bldgs	Building Type	# Stories	Units	Age (yrs.)
Old Wells	124	Low-rise, townhouses	2-4	1,688	51
Wells Ext.	10	Mid-rise	7	640	37
Darrow Hom	4	High-rise	14	480	31
Total	138			2,808	

While these buildings have received piecemeal modernization over the years, no comprehensive modernization has ever been conducted. Some CHA staff believe that this history, and not necessarily the issue of families living in high-rise buildings, leads to severely distressed public housing, as evidenced by the following statement to the National Commission Severely Distressed Public Housing:

Over the years the methods of building management have changed but the design of the Wells development has not changed. Basic operational requirements such as refuse disposal is vastly different today than in 1940. Solutions for refuse disposal were not developed after the incinerators were closed or after

individual 30 gallon garbage cans were eliminated. . . The design of all of the Wells site is not compatible with the uses we experience in 1991. Changes to accommodate additional cars, greater security needs, and . . . controlled access to the site and buildings are needed.

The basic structures of the buildings at the Wells development are sound, but the physical condition of the property is severely distressed. The problem goes beyond typical deferred maintenance such as lack of painting, leaking faucets, deteriorating roof surfaces, and broken windows. At the Wells Development major system failures include:

- **Building structure:** The current condition of buildings allows for a good deal of energy consumption. Tightness of the envelope due to missing windows, missing doors, poor caulking, poor tuckpointing, poor ventilation requiring open windows to exhaust moisture, lack of insulation in exterior walls, lack of showers, and the central heating plant all add to energy usage.
- **HVAC:** The heating system is an old centralized steam system and is not performing well in getting heat into the high rises. A temporary fix was made by adding electric pumps to force the water up 14 stories, but this put a strain on the electrical system resulting in brown-outs. This system is distributing heating water over 65 acres and the underground lines are leaking, which creates many extraordinary repair needs. The system was converted from coal to oil to gas but the old oil tanks are still in the ground and need to be removed or an expensive monitoring system installed to ensure compliance with EPA regulations needs to be funded.
- **Water lines:** The hot water supply lines have calcified and will have to be replaced in order to get adequate water pressure to supply hot water. The cold water feed is a problem due to corrosion and some undersized lines. The insulation valves no longer work and many leak. This means that large sections of the site have to be shut down to make repair simple leaks which in turn causes air trap problems in the system. What should be a simple one person, one hour repair job could easily tie up two persons or more for a day.
- **Sewer system:** The development is served by a 50 year old combined sewer system which requires much more maintenance on the basins. The system contains a lot of sludge and some of the catch basins have caved in. The iron stacks and laterals in the basements are leaking, packed with grease, and in some cases undersized. Ninety percent of the elbows and hubs are reported as bad and leaking, flooding many of the basements. There are 161 basin tops missing and staff have not been able to obtain replacements. The Maintenance Supervisors reported that they address 40 stoppages a day, which usually requires three to four persons per day.

Most of these major systems problems were not caused by lack of maintenance, but are the result of systems reaching the end of their useful life and not being designed to carry their current loads. The life of most systems is 20 - 30 years, which has been exceeded in all three sections of the Wells development. Maintenance staff are not able to keep up with the work due to the many system failures that can only be solved by major modernization. Because of the condition of the site, preventive maintenance is not possible. The issue is not the number of work orders but the amount of time and effort involved because the repairs are no longer simple to fix. In order to keep up with the current problems, the Maintenance Superintendent estimates 20 more skilled trades positions such as plumbers, pipe fitters, plasterers and carpenters are needed.

Such maintenance problems also pose liability threats to the CHA. Several vacant units have been broken into and are thus accessible to children; these units have flooded basements from leaking pipes and have poor electrical service. Maintenance staff are aware of these conditions and try to pump out the basements and secure them, but this takes them away from completing other routine tasks in occupied apartments.

Lack of materials is also a critical issue at Wells. Items such as locks, faucet stems, lighting fixtures, toilet seats and plywood are in short supply due to funding problems. The overall maintenance budget for materials at the time of the site visit was \$154 per unit. As a comparison, an agency in the middle Atlantic states where the housing stock is in good condition spends an average of \$175 per unit per year for materials. In distressed public housing in the northeast area of the country, a more reasonable estimate of material cost would be at least \$225 per unit.

Total work orders at the Wells development stood at an average of 1,535 per month at the time of the site visit, with staff completing 805 work orders. For swept buildings in the Ida B. Wells development, emergency work order response time is approximately one day vs. 2.3 days for unswept buildings, and routine work orders are completed within five to seven days.

The Ida B. Wells maintenance staff contingent is shown in Table 3. This table also illustrates alternative staff levels based on the need observed as part of this site visit. At current staffing levels, the number of units per maintenance person is 40 units. While this meets HUD's required ratio of 40 to 1, the site is understaffed for the work load. After reviewing the work order and conditions at the site with the Maintenance Superintendent, the following additional site staff is needed to keep up with the work as shown in Table 3.

Table 3
Maintenance Staff Components

Suggested Maintenance Staff Components at Ida B. Wells Development

		Current Staff Levels Needed	With Additional Staff	Staff Needed After Mod.	After Mod. Including Vacan- cies
On-Site Supervisor	Maintenance Supt	1	1	1	1
	Maintenance Supervisor	1	4	3	4
Craftsmen assigned from Central Maintenance	Plumbers	2	6	4	6
	Carpenters	2	5	3	5
	Plasters	2	4	2	4
	Glaziers	2	4		4
	Pipe Fitters	3	5	1	5
	Electricians		1	1	1
	Painters		1	2	1
HVAC Mechanics assigned from Central Maintenance	Chief Engineer	1	1	1	1
	Operating Engineers	8	8	6	8
	Firemen	4	4	2	4
On-Site Maintenance	Janitors	47	47	47	47
	Maintenance Mechanics		4	4	4
Total Staff Units to Staff Ratio		71	93	76	93
		40:1	31:1	37:1	31:1

These additional 20 positions would increase the staff size to 91 maintenance persons and reduce the maintenance staff to units ratio to 31 to 1. Additional supervisory positions and clerical support (specifically, two more supervisors and four more clerks) would raise the total of maintenance staff, labor and administrative positions, to 98. The total staffing ratio of units to persons would then become 28 to 1. Once the site is renovated and modernization is completed, the staff levels could be reduced. If this occurs, Central Maintenance staff would probably have to perform the vacancy turn-over work. However, with the proposed staff levels shown in Table 3, site-based staff could perform the vacancy work.

The CHA estimates that modernization of the Wells development will cost approximately \$151 million. From 1987 to 1990, \$19 million in MROP and CIAP funds were provided for modernization. One of the seven story mid-rise buildings is 95 percent modernized,

and two more will soon be under contract. One of the major problems is that these newly modernized units (384) will be in a development of 2,808 units where 24 percent are vacant. Most of the vacant units have been stripped of windows, window frames and radiators. The day of the site visit, water was running out of a unit where the radiators had been stolen. This puts the entire site at risk for renewed vandalism and further deterioration.

However, to accomplish a five year comprehensive modernization goal means the CHA would have to secure \$43 million per year in the next two years. This will create a dilemma for the CHA under the Comprehensive Grant Program. The agency has a backlog of \$1 billion in immediate modernization needs, but will be receiving about \$118 million per year in Comprehensive Grant Program funds. The dilemma will be how to fund the modernization of systems based on their continued life cycle deterioration at approximately \$500 per unit per year, amounting to \$20 million annually, fund the emergency items such as roofing and heating systems amounting to millions annually, and have \$43 million in each of the next two years for the comprehensive modernization of the Ida B. Wells development.

III. STEPS TAKEN TO ADDRESS DEVELOPMENT CONDITIONS

A. Operation Clean Sweep

In order implement management improvements in its high-rise family developments, the Chicago Housing Authority first had to regain control of them. In many cases, drug dealers had wrested control of the property away from the residents using physical force, intimidation, and, in some cases, payoffs. With domination by the gangs and drug dealers, violent crime skyrocketed, vandalism flourished and low income housing managers were increasingly unable to provide safe, decent and sanitary housing for residents. Further, in particularly troubled developments, vacant units give drug dealers a base of operation and law enforcement agencies often refuse to intervene. Public housing managers and police realized that incident-oriented police procedures were not effective: look-outs spot police before they arrive on site; drug operations resume within hours of a police raid; and unauthorized residents and visitors were able to come and go as they pleased.

The CHA implemented Operation Clean Sweep in 1988 to combat the problems in its troubled high-rise developments. Buildings are swept one at a time to secure the buildings and then conduct modernization, routine maintenance and repairs. The program goals include:

- identification and repair of maintenance problems with troubled buildings;
 - identification of vacant units and preparation for occupancy;
 - identification of unauthorized residents;
 - controlling access to the buildings through the creation of a single entrance;
 - reduction of property and personal crime; and
 - identification of social service needs of residents and the restoration of community services.
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In the housing agency's MOA, it had planned to sweep 24 buildings in 1991. By January, 1992, 45 buildings had been swept and 1,800 units rehabilitated. The program was funded in 1991 with \$15 million from the Comprehensive Improvement Assistance Program (CIAP), the Public Housing Drug Elimination Program (PHDEP), and the Community Development Block Grant (CDBG) program, with additional funds from the CHA's operating budget as needed.

The buildings are swept by CHA staff police and maintenance crews, cleared of squatter residents who are not on the lease, and secured by closing off all but one main entrance with a 24 hour security guard. The maintenance crews perform basic clean-up (including graffiti removal) and repairs of hallways, elevators, stairways, unit interiors, and building envelope conditions (roofs and windows) to make them comply with building code requirements. A typical sweep scene was described by *Newsweek* magazine as follows:

The sweeps are intentionally dramatic events, aimed at demonstrating CHA's commitment to reclaiming its property. A force of nearly 200, including police and security officers, lawyers, housing inspectors and construction workers, descends unannounced on a single building at 9:30 a.m. While the cops wait in the hallways, teams of inspectors visit each apartment in turn, checking the occupants against the tenants named on the lease. Anyone else present is escorted down to the lobby, where workers are already building barricades to seal all but one entrance, secured by a guard posted in a "visitor's center." Lawful tenants are given identity cards. Visitors who show up at the lobby must be individually approved for entry by a tenant -- an adult, not a teenager.

Also, in the swept buildings, tenant selection is made stricter by use of criminal history checks and resident screening committees, composed of residents or representatives of an RMC or from the LAC, which make recommendations on an applicant's eligibility for their particular development.

B. The Wells Community Initiative

The Wells Community Initiative formally came into existence in the spring of 1989. Five groups came together to work on the redevelopment of the Wells community: Wells residents, the Center for New Horizons (a local services provider non-profit organization), the Ounce of Prevention Fund (a public-private partnership that conducts research, provides technical assistance, and supports social services programs), the Chicago Housing Authority, and the Metropolitan Planning Council. These groups intend this program to serve as a national model for revitalizing a severely distressed development by implementing an integrated set of social, physical and economic development programs.

The Wells Community Initiative is organized around four primary objectives reflecting the priorities set by the residents:

- to provide skills development and leadership to community residents so that they can fully participate in all decisions related to the development;
 - to increase the employment opportunities for community residents by providing a full range of employment training and support services;
 - to improve the physical condition of the community so that it becomes a safer, more attractive place to live and sustain a population of self-reliant residents, good schools, healthy businesses and institutions; and
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- to provide the necessary human services to decrease substance abuse, provide day care, improve public health services and respond to other needs as identified by the community.

The Wells Community Initiative will be governed by a voluntary 19 person board. The Board will include one board and one staff representative each from the Ounce of Prevention Fund, Centers for New Horizons, and the MPC; three from the CHA (including the Chairman); and ten residents. As the policy oversight body, the WCI Board provides technical advice, access to resources, and program oversight. The Board also approves the annual work program and budget and provides technical assistance in fund raising. Staff will include a Program Director, Deputy Director for Program Planning, Counselor/Intake Supervisor, and three Counselor/Intake Managers. Finally, several committees have also been formed in order to maximize resident participation, ensure coordination, enhance communication and build partnerships between public housing residents, the CHA, and the private sector. These committees are:

- the Coordinating Committee, comprised of representatives from the program action subcommittees, the partner agencies, and the Wells Local Advisory Council;
- the Resident Core Group comprised solely of residents and open to all residents of the Wells development; and
- Program Action Subcommittees comprised of residents and representatives from the relevant partner agencies, including the following subcommittees: Economic Development, Social Services, Security, Site Improvements.

There are two distinct but interrelated tracks in the Wells Community Initiative program. The first addresses the social service and employment needs of the residents in the Wells community, and the second addresses the property management, site and security improvements that are required for community revitalization. The vast majority of modernization needs at the Wells development will be funded under two HUD programs: the Major Reconstruction of Obsolete Properties (MROP) and the Comprehensive Improvement Assistance Program (CIAP; as of 1992, the Comprehensive Grant Program will replace CIAP funding). Additional funding is provided by the Public Housing Drug Elimination Program (PHDEP), and possibly the Community Development Block Grant (CDBG) program.

PHDEP funded Family Development Center will be the focal point of the first track. This Center is located in the Wells development and has been open for approximately one year. Families will be able to receive a wide range of services in an integrated fashion, including counseling, advocacy, job training, education, case management, and personal development. The CHA has received over \$1 million in public grants to fund activities and programs to serve the residents of Wells and will continue to aggressively seek additional funds to augment these efforts. A Victim/Witness Support Program was made possible with a two-year grant from the Illinois Criminal Justice Information Authority. The CHA has also received a planning grant from the Department of Justice to develop an alternative school in Wells. CDBG funds are also planned to support such programs as *Mama Said*, the inter-generational parenting program, and the CHA's Youth Ambassador Choir, both based in the Wells community.

To achieve the objectives of the second track (property management), the WCI partnership worked together for two years to prioritize the property management, site and community improvement needs of the Wells development through its various subcommittees. For property management and site improvements, the CHA proposes to develop

smaller, more manageable districts within the Wells development to create defensible site and building spaces within each district within Wells. The CHA proposes to use the natural boundaries of the Wells subdivision to divide the development into seven management districts with corresponding management teams. Physical changes such as perimeter fencing, cul-de-sacs, and street closures will be used to create distinct developments.

Additional property management improvements will be accomplished in two phases, the first of which involves identifying leadership and quality staff, and providing on-going staff development. Each of the seven management districts would have their own manager for approximately every 400 units. The second phase will focus on developing a Management Plan, which will include:

- Maintenance and management tracking systems;
- accountability based on dividing the development into smaller districts;
- financial plan;
- preventive maintenance plan;
- security plan;
- renovation of units, buildings and site; and
- new equipment under contract.

Management improvements, including the hiring and training of staff and the development and implementation of new systems, will be funded with a combination of public and private resources. CHA operating funds and CIAP management improvement monies will be targeted to implement this plan. They will be supplemented with private grants and in-kind services to cover such areas as systems planning and staff training in such areas as management, finance, information systems, marketing and customer service.

Security conditions will be addressed by creating a CHA police sub-station at the Wells development. Other site improvements will incorporate security features, such as building sweeps, perimeter fencing, and staffed security booths to control access to the development. Exterior lighting will also be re-installed. Funding for these improvements is planned to come from the CIAP/Comprehensive Grant and PHDEP programs.

The WCI improvements are estimated to cost \$186 million over five years; to date, over \$75 million in funding has been identified, leaving a gap of \$110 million. Table 4 displays the costs over five years by goal:

Table 4
Five Year Summary of Costs for the Wells Community Initiative

	Year 1	Year 2	Year 3	Year 4	Year 5	Total
Public Safety	9.77	5.77	5.57	8.58	11.68	41.36
Property Management	12.77	8.32	8.6	6.07	4.48	40.23
Physical Improvments	13.10	12.40	13.17	17.86	8.98	65.50
Social Services	6.59	13.18	19.78	19.78	19.78	39.55
Total	42.23	39.67	47.11	52.28	44.91	186.64

Source: Wells Community Initiative, "Summary of Costs for the Wells Community Initiative," 1991.

Table 5
Five Year Summary of Costs for the Wells Community Initiative

	Percent	Funded	Percent	Gap	Percent
Public Safety	22.16	10.41	25.17	30.95	74.83
Property Management	21.55	23.43	58.24	16.80	41.76
Physical Improvments	35.09	42.00	64.12	23.5	35.88
Social Services	21.19	0.00	0.00	39.55	100
Total	100	75.84	40.63	110.8	59.37

Source: Wells Community Initiative, "Summary of Costs for the Wells Community Initiative," 1991.

C. Management Improvements Affecting CHA Distressed Developments.

The Authority has begun to make some fundamental changes in its property management and maintenance systems. Changes include decentralization of service delivery, simplifying the structure of the maintenance labor force, and developing computer systems for better data tracking. This section highlights these improvements that directly affect severely distressed public housing.

Much of the emphasis in changes in property management practices is on establishing performance targets and measures by development, since the conditions vary so greatly across the CHA's properties. For example, the CHA has established development-specific leasing and Comprehensive Occupancy Plan goals to improve occupancy.

This kind of project-specific performance monitoring requires using segregated data by management indicator. By conducting reporting and analysis of performance indicators by specific categories (such as swept properties, small/unswept properties, senior housing, and "distressed" developments) the CHA will be better able to develop specific management strategies for targeted problems. For example, while the Authority's overall occupancy levels fell during the third quarter of 1991, high occupancy levels were being maintained in small/unswept developments (96.5 percent), senior housing developments (96.0), and properties swept before 1991 (85.5 percent). Occupancy rates of 72.6 percent were reported during this period for "distressed" developments with high-rise buildings and open lobby construction, the types of developments that are most plagued by crime, gang and drug activity, and vandalism.

Unit turn-around will also be used as a performance indicator, with properties segregated for monitoring purposes into swept building, renovated/long-term vacancies, and all other units categories. The CHA is also incorporating vacant turn-around time into its management evaluation criteria for the Merit Pay System.

The CHA's 1991 MOA established the following performance targets specifically for its swept properties in order to consolidate gains made in these buildings:

- increase occupancy to 97 percent;
- reduce TARs by ten percent;
- reduce work order backlog by five percent;
- conduct HQS update training seminars twice per year; and
- clean and paint all building common areas, including lobbies, stairwells and galleries.

To ensure that these goals are met, the CHA has appointed a special Area Director responsible for sweep operations and continued management of swept properties.

In the area of maintenance, the Authority has been using vacancy reduction crews to target specifically the backlog of over 6,000 vacant units (as of the end of 1991). To move families into these units as quickly as possible, the Leasing and Occupancy division has surveyed the waiting list and assembled a pool of public housing applicants who are willing to move into available units on short notice. The Authority has also succeeded in developing a reliable (manual) work order tracking system, which tracks work orders on a development-specific basis, and has been able to complete, as of November, 1991, over 91 percent of emergency work orders in less than 24 hours at swept properties. The CHA reduced its total work order backlog by more than 15 percent in eleven months.

Under the MOA, the Authority modified its management practices to provide greater oversight control over expenditures by issuing monthly reports for all department heads comparing budgeted to actual expenses. Performance standards are also being developed for all department heads. Stricter reviews of budget over-runs are being implemented.

The CHA's MOA places great emphasis on its occupancy levels, although the agency maintains that its occupancy rate is adversely affected by its large stock of distressed developments, which are generally comprised of large, high-rise buildings with open-air lobbies. As discussed earlier, these buildings are subject to heavy crime, gang activity

and vandalism, exacerbating the problems with leasing, turn-over and occupancy. While the agency's goal for 1991 occupancy levels was an average of 87 percent across all developments, levels across different types of developments varied greatly:

The CHA also notes that a building's vacancy rate will climb higher in the initial period after a building is swept. This is due, in part, to the recapture of units from unauthorized occupants and persons conducting drug and other illegal activities, and the abandonment of many units occupied by tenants facing intense scrutiny and pressure for payment of back rent, and/or expedited eviction processing. Also, many of the units vacated under these circumstances require substantial rehabilitation and are not available for occupancy for several months.

For vacancies, the CHA employs both vacancy reduction crews and Force Account labor. The vacancy reduction crews were rehabilitating units at a rate of 125 units per week in the swept buildings because vandalism is more easily controlled, and units are more desirable to residents. To improve unit turn-over time, the CHA has asked the LACs for assistance in notifying management when vacancies occur, especially if units are vacated during non-business hours.

The CHA's goal for reducing its Tenant Accounts Receivable (TARs) is reaching a level of ten percent or less for tenants in possession of units. The CHA will decrease its baseline TARs figure by pursuing a four point plan that encompasses automated collection procedures, increased participation of the Illinois Department of Public Assistance's Protected Payee Program, stratification of accounts by amount delinquent, and continued enrollment of renters in a delinquent account payment plan. HUD, in return, agreed to segregate amounts owed by tenants under protective payee plans and the delinquent resident accounts against whom CHA has initiated legal action.

Security initiatives were also an issue under the 1991 MOA. Although the CHA had developed a multi-faceted approach to providing security services at many of its developments, HUD cited its reliance on private contract security firms. In response, the CHA hired, trained and deployed three classes of CHA Security Officers. By the third quarter of its 1991 MOA, the CHA had spent \$7.7 million from federal operating funds on private contract security services, achieving savings of 34 percent for the same period one year earlier.

IV. SUMMARY OBSERVATIONS

Severely distressed public housing at the Chicago Housing Authority is characterized by very large properties managed as one development, obsolete heating and water systems serving entire developments, outdated design and building features and heavy drug traffic in developments with many vacancies and/or building features that afford drug dealers some protection for conducting their business.

The Chicago Housing Authority has implemented several strategies to confront these issues. These strategies are site-specific and are determined by building types, financial resources, and to some extent are dependent on resident involvement:

- Operation Clean Sweep was designed to secure high-rise buildings for residents and clear out unauthorized tenants; using strict security procedures to control access to buildings and rehabilitating vacated units for authorized tenancies, the CHA has worked to stabilize these developments.
- Comprehensive Rehabilitation at the Ida B. Wells development was considered the only approach to ensure that physical improvements and modernization work performed would have a lasting effect; by involving residents and incorporating their needs into the redesign plans for program space and updated facilities, a redeveloped Ida B. Wells community should sustain the improvements made.
- Modernized facilities and income mixing at the Lake Parc Place development are combined for a demonstration program seeking to prove that economic vitality is an important factor in any community, and that public housing can and must serve working poor families as safe, decent and affordable housing as well as families receiving public assistance.

The Chicago Housing Authority is hindered from implementing these strategies as widely as desired because of a lack of funding resources. Such programs are quite costly, and results are rarely seen immediately. Further, while good property management and secure living environments can save housing agencies money in lower modernization and capital improvement costs, the short term operating costs are high because of the constant need for security services and routine maintenance.

The CHA's work has shown that severely distressed public housing is not conclusively caused by whether a building is a high-rise structure. However, the nature of the problems at the CHA's high-rise buildings and the Ida B. Wells developments, as well as the concerns expressed by residents throughout this report, clearly demonstrate that comprehensive approaches must be taken. All improvements are inter-dependent; without appropriate supporting improvements, none will be sustained or effective. For example, at the Wells development, the CHA could concentrate solely on security improvements by installing security fences around clusters of buildings and posting security guards at all entrances. This would not, however, address the residents' clearly stated need for economic development assistance, and would result in closed off clusters of low-income families. Residents have requested assistance in job training and business development so that they can replace drug dealing as the most lucrative opportunity for income. Without sufficient security measures, however, they would not be able to concentrate on pursuing economic opportunities.

Further, even if the CHA devoted all of its resources to security and economic development, the obsolete physical plant at the Wells development would continue to require enormous amounts of money to operate it in its present condition.

The CHA is moving to implement strategies that have been shown to improve living conditions at high-rise developments, such as:

- sufficient on-site management;
- income mixing;
- active screening of prospective tenants;
- large families on lower floors; and
- security improvements.

The CHA is also moving to implement some of the agency-wide efficiencies it so clearly needs. Maintenance operations have already been modified to save money by simplifying the job structure. Now the CHA has one janitorial position, instead of 20, that can be assigned to any development regardless of the type of facilities. The agency would also benefit from a general maintenance mechanic position to perform slightly more skilled work in a number of areas (electrical, plumbing, carpentry).

Housing management operations are being revised to reduce the scale of property managers' responsibilities so that they can perform their jobs more effectively. Target ratios for the number of units assigned to one manager have been established and will be applied at swept developments. The CHA will also monitor performance of staff based on project-specific data, which will allow supervisors to take into account the particular circumstances and conditions (e.g. swept vs. unswept, number of staff assigned to a development) at each development.

Below are some of the observations and lessons from the CHA experience in addressing severely distressed public housing developments.

1. Developments' management structure has consisted of a very high ratio of staff to residents. For example, at the Ida B. Wells development (2,808 units) one year ago there were three property managers and five clerks; now there is a management team of 15 property management staff, one maintenance superintendent and 47 janitors. At Robert Taylor Homes, with 4,200 units, there were formerly four managers; now the development has an assistant manager for every 250 units.

Each severely distressed development should have a complete management team. For example, at the NYCHA each development is staffed with a property manager, a maintenance superintendent, several housing assistants, maintenance staff and administrative clerks. The property manager is the most senior position, and that person reports to a district administrator. With this system there is a clear chain of accountability and communication.

2. The CHA has implemented an initial form of project-based budgeting, and thus can more easily identify costs that make severely distressed developments much more costly to operate and maintain. There are several costs that absorb a large portion of the CHA's resources at severely distressed developments, including elevator maintenance, vandalism, legal services, pursuing tenant accounts receivable and rehabilitating vacancies.

Project-based accounting information could be used to recalculate the development's AEL at a reasonable level to allow the PHA to implement management improvements and perform the required maintenance work without limiting other management activities at the development.

3. CHA policies currently contribute to very low rent collection rates because 14 day notices to quit are not issued until a household is three payments behind; also,
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although households are required to set up payment plans, if they default the penalty is simply to set up another one.

Because lax rent collection practices on the part of a PHA send residents a message that the housing authority does not care about rent collection, and thus, the property, the CHA is making plans to adopt stricter lease enforcement procedures concerning non-payment of rent. The housing authority plans to start tracking households that are behind in their rent and stop taking rental payments.

4. There is no formal planning system to allow for coordination between CHA departments, such as Operations and Research & Program Development, other than executive staff meetings once a month. Housing agency procedures must take into account the need for coordination between departments which are all critical elements of any efforts to revitalize a severely distressed development.
5. Housing operations staff observed that severely distressed public housing occurs in low-rise housing when the developments are located in a depressed neighborhood and the adjacent high-rise buildings are also severely distressed.

Since severe distress affects housing developments regardless of building type, more emphasis must be placed on housing authorities' gaining physical control of buildings and being able to monitor who has access to the site and common spaces in the buildings. Working with residents to establish security procedures and perhaps resident patrols is a critical element of gaining control of buildings.

6. Tenant selection has historically been performed by each development, where the managers conduct eligibility determination. Under a decentralized tenant selection system, eligibility standards could be inconsistent and sometimes problem residents who were evicted at one development could even be re-admitted at another development.

In order to practice tenant selection consistently, a housing agency needs to have some central control over the process of screening and verifying applicants' eligibility. The CHA is currently re-organizing its tenant selection procedures to do just that. However, in order to give residents a larger role in their development's management and raise expectations at the swept properties, the CHA and residents are implementing resident screening councils. These councils review applicant files and make a recommendation as to whether they find the applicant to be suitable for a particular development; but they do not have the authority to determine an applicant ineligible for public housing.

7. The CHA has not been able to accurately complete its total tenant accounts receivable. Without this information, the housing authority is limited in its ability to identify which buildings, severely distressed developments, are losing the most rental income, and therefore where staff resources for rent collection should be concentrated. This observation is part of the CHA's Memorandum of Agreement with HUD, and staff are working on calculating the total of TARs. Rent roll data should be integrated with resident household data on a field operations computer system, which the CHA is in the process of designing with assistance from a computer systems consultant.
 8. Although the CHA has its own police force, there is still a great need for security protection at many developments. Funding through HUD's PFS calculation for operating subsidy is inadequate. Resident groups and the CHA stretch every
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definition of expense categories in any public program to try to include security services. HUD should consider security protection services an allowable expense with additional funding within a PHA's calculation of its Allowable Expense Level for determining operating subsidy.

9. Scattered site housing is difficult to manage because of the distances involved in coordinating among several sites. The CHA plans to place these units under private management, and is looking to non-profit Community Development Corporations to perform this function.
 10. A large portion of Chicago's public housing is distressed and is always accompanied by a high vacancy rate of 15 percent or more. The repair costs usually range from \$2,500 to \$20,000 a unit. The units in the lower cost range could continue to be available for occupancy but there is usually a lack of personnel and material to perform the work due to cost. Vacancy rehabilitation for units with major repair needs must be recognized as an eligible cost in the Comprehensive Grant Program as well as making some adjustment in the Performance Funding System for severely distressed sites.
 11. Landscaping for play areas and Day Care Centers is lacking at Ida B. Wells. Landscaping, space and use considerations must be considered in the redesign of severely distressed sites, but may contribute to Total Development Costs (TDC) exceeding 100 percent of HUD standards.
 12. Security is one the primary concerns of the CHA. Chicago has established guards in some of its high rises but cannot afford to staff all its buildings. There is no doubt that unless appropriate security is established in Chicago, modernization efforts will be ineffective. HUD should make allowances in the AEL for ongoing security personnel and additional modernization funds for fencing and surveillance equipment.
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IDA B. WELLS DEVELOPMENT: DESIGN ASSESSMENT

I. EXISTING CONDITIONS AT IDA B. WELLS DEVELOPMENT

A. Background

The Ida B. Wells development represents for the Commission a study of severely distressed public housing at a significantly large scale. With approximately 2,800 units in 124 low-rise buildings, 10 mid-rise buildings, and 4 open gallery high-rises, the issue of families living in elevator buildings is directly confronted. The Wells Community Initiative, a partnership of residents, Authority staff, and private/public organizations, has developed a comprehensive plan with four major components: physical improvements, public safety, resident services, and property management. Given the scale of the development, the funding requirements for community revitalization at Ida B. Wells are enormous and will require support and financial assistance beyond standard HUD programs.

The Wells Community Initiative focuses primarily on residents as the key to successful community revitalization. Substantial effort has been invested in resident empowerment and resident services; residents receive training to assess their own needs and to be active participants in developing strategies for remedying problems. At least one building-based Resident Management Corporation has been formed. Service organizations are providing new and more comprehensive resident services emphasizing health, education, and employment.

Physical improvements include comprehensive modernization on a building-by-building basis as funds are available. Although there are multiple design problems inherent in the original buildings, redesign is not being considered by CHA due to funding limitations, HUD program regulations, and local political constraints. High-rises will continue to be used for large families and their success will depend on a continual, 24 hour security presence in each entry lobby and on increased property management skills for tenant selection, lease enforcement, and responsive maintenance. Issues of scale are being addressed through these property management improvements rather than redesign; the site will be broken up into seven subdistricts, each having its own assistant manager and maintenance staff. This approach requires substantial, ongoing operational costs.

Turnaround of a distressed housing development of this scale requires comprehensive problem analysis and planning in the preliminary stages and the involvement of numerous actors inside and outside of the Authority. In Chicago, this planning effort was beyond the standard operational resources of CHA and was initiated by the Metropolitan Planning Council. There still is a need for a more detailed master plan which addresses the development's multiple design problems in a coordinated manner, however, incremental and unpredictable modernization funding has led the Authority to seek funding on a building-by-building basis.

The public housing development known as Ida B. Wells was originally designed to include 2,808 housing units on 65.7 acres. It was developed over a 20 year period, apportioned within the three major sub-projects shown in Figure 1:

- **The original Ida B. Wells development ("Old Wells")** -- The initial development, located on 45.2 acres bounded by King Drive, Pershing Road, Cottage Grove and 37th Street, was completed in 1941 and consisted of 1,688
-

units on either side of Madden Park. To the west are four-story walkups and to the east are three-story walkups and two-story row houses. Thirty-six (36) of these original units have been converted to non-residential uses. The initial site was to be exclusively for black residents based on the Neighborhood Composition rule that a housing development could not alter the racial composition of its neighborhood.

- **Ida B. Wells Extension** (“Extension”) — Opened in 1955, the Extension includes 10 seven-story buildings with central entrances and double-loaded corridors containing a total of 640 units on a 14.5 acre site. The extension is located to the northerly edge of Old Wells and west of Vincennes Avenue. It was one of 13 slum clearance efforts approved by Chicago’s City Council totaling 12,000 units, all in black neighborhoods.
- **Clarence Darrow Homes** (“Darrow”) — Built in 1961, Darrow includes four 14-story buildings with single-loaded open gallery corridors containing a total of 480 units. This part of the development is located at the southeast corner of the original Old Wells low-rise area, at 39th and Langley, on six acres.

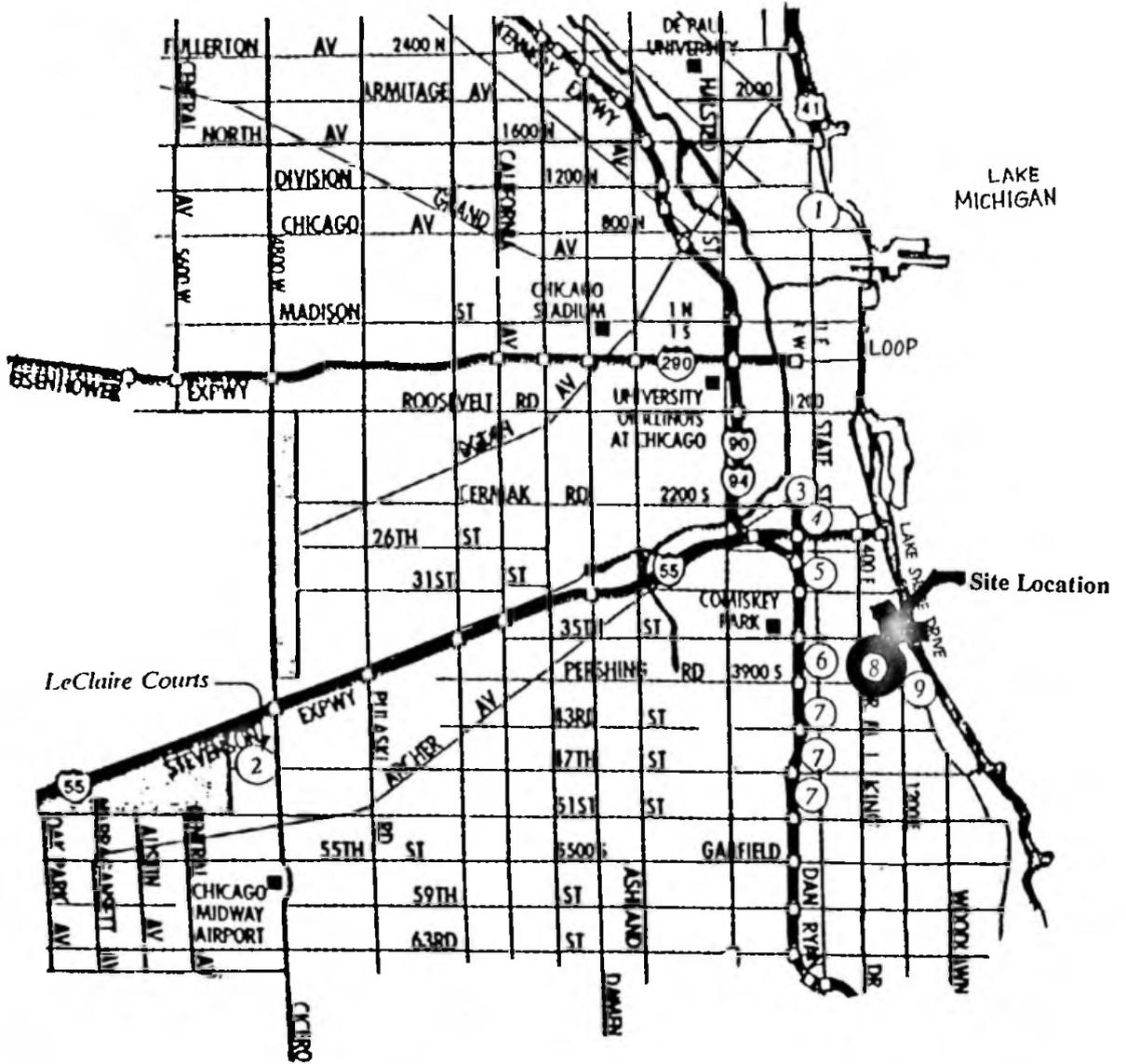
Ida B. Wells exhibits a wide range of problems. Buildings and the site are deteriorated, with vacancy of nearly 20 percent, although some proportion of this is attributable to construction on one high-rise in the Extension. Serious building systems deficiencies exist in terms of heating, mechanical and electrical systems, and exterior building envelope integrity. Crime is the second highest per capita in the entire CHA inventory, with a high occurrence of robbery and burglary. Drug use and youth gangs are prevalent, making security a particular concern. A program of building “sweeps” is being pursued to secure common entries and remove illegal occupants within the buildings.

B. Location and Original Design Characteristics

Ida B. Wells is located on the south side of Chicago, several blocks from Lake Michigan (see Figure 2). The area is well served by CTA bus routes, and due to its proximity to the Lake has attracted several moderate-income and non-subsidized developments to the north and south, including Lake Meadow Apartments, Lake Grove Village, and Grove Apartments. All have been developed with perimeter fencing and private security services. The surrounding area has a significant amount of vacant lots and buildings, with a particular concentration in the area to the east, between Wells and the Lake. Several other public housing developments are nearby, including Madden Park Homes immediately to the east, Lake Parc Place to the southeast, and Robert Taylor Homes, CHA’s largest development, to the southwest. There are several small retail outlets surrounding the development, interspersed with vacant lots, junkyards, and gas stations. The location of Madden Park within the development and Ellis Park at its northeast corner provides substantial open space, although gang activities and turf battles make these spaces unsafe and not uniformly accessible. Major strip shopping is found at 35th Street and King although many residents shop at more distant locations for a wider selection of goods within a low/moderate price range. The surrounding neighborhood has historical significance for Chicago’s Black middle class and recent trends indicate a reinvestment in the area.

Table 1 presents the original distribution of units and building types at Ida B. Wells.

Figure 2. Project Location



LEGEND

2	LeClaire Courts	(613 apts.)	6	Stateway Gardens	(1,628 apts.)
3	Hilliard Homes	(706 apts.)	7	Taylor Homes	(4,230 apts.)
4	Ickes Homes	(1,277 apts.)	8	Wells Development	(2,772 apts.)
5	Dearborn Homes	(800 apts.)	9	Lake Parc Place	(282 apts.)

Table 1
Ida B. Wells Development: As-built Information

	Old Wells	Wells Extension	Darrow Homes	TOTAL
CONSTRUCTION	1941	1955	1961	
SITE AREA (acres)	45.2	14.5	6	65.7
BUILDINGS				
Number	124	10	4	
Type	2-, 3- and 4- story walk-ups and rowhouses	7-story mid-rises	14-story high-rises with open galleries	
TOTAL #UNITS	1,688	640	480	2,808
UNIT MIX				
0 Bedroom	0	0	0	0
1 Bedroom	400	120	24	544
2 Bedroom	1,076	300	96	1,472
3 Bedroom	160	180	128	468
4 Bedroom	16	20	200	236
5 Bedroom	0	20	32	52
Other (non-residential use)	36	0	0	36
DENSITY MEASURES				
Units per acre	37	44	80	43
Total #Bedrooms	3,098	1,440	1,560	6,096
#Bedrooms per acre	68	99	260	83
Average #Bedrooms per unit	1.83	2.26	3.25	2.17
UNIT SIZES (Square Feet)				
0 Bedroom	-	-	-	
1 Bedroom	460	460	470	
2 Bedroom	640 Apt, 750 RH	665	670	
3 Bedroom	875 RH	820	825	
4 Bedroom	-	1,100	1,050	
5 Bedroom	-	-	-	
6 Bedroom	-	-	-	

It is interesting to note that Old Wells, despite having low-rise walk-ups and rowhouses, typically suitable for housing larger families because of the potential for easier ground contact and private entry, has the lowest proportion of large family units (3 bedrooms and higher), compared to the Extension and Darrow, which both contain 4 bedroom and 5 bedroom units. The average number of bedrooms per unit is 1.83 at Old Wells, as compared to 2.26 at the Extension and 3.25 at Darrow. Darrow, due to its site plan and 14 story high-rise buildings, has the highest density of the three segments of Wells, with 200 bedrooms per acre, compared to 68 at Old Wells and 99 at the Extension.

C. Existing Conditions

Table 2 presents a summary of the major materials and systems which exist at each of the three parts of Ida B. Wells.

**Table 2:
Ida B. Wells Development: Existing Materials and Systems**

	Old Wells	Wells Extension	Darrow Homes
Exterior Finish	brick balconies for 2nd egress in some locations; copper canopies over entries	concrete frame with brick infill	brick
Windows	thermopane, double-hung aluminum frame	metal casement	single pane, slider
Roof	concrete deck; some with slate pitched, some flat	concrete deck; 4 bldgs with ballasted membrane; 6 bldgs with original built-up roofing	concrete deck, ballasted membrane
Dwelling Units:			
• Walls	painted plaster	painted masonry	painted masonry
• Floors	vinyl tile	vinyl tile	vinyl tile
• Kitchens/baths	original	original	original
• Heat	hot water radiation	hot water radiation	hot water radiation
Mechanical	original, except for upgraded electrical service	original, except for one bldg just modernized with new bldg boilers compactor one elevator/bldg	original, with new standpipe and firepumps compactor two skip-stop elevators/bldg
Site-wide	central plant for all heat and hot water with site distribution grass remains at many front entries; concrete at rear yards	mostly paved with bituminous; some play equipment	mostly paved, some play equipment

Unit layouts are typically adequate with above-average storage facilities and reasonably sized kitchens. Some larger units (3 bedrooms and higher) often have an additional half bath. The distribution of large units by building type seems somewhat inappropriate, with the lowest scale buildings housing the smallest units. A summary of existing conditions and needs for rehabilitation follows:

Dwelling Units. Most aspects of the dwelling units in all sections of the development are severely deteriorated and need comprehensive modernization, including finishes, kitchens, bathrooms, doors, and mechanical system replacement or upgrade.

Building Exteriors. The different parts of Wells require substantial modernization. At Old Wells, recent roof and window replacements have been made, although basement spaces need renovations to accommodate new decentralized mechanical systems and front canopies and balconies require repair. At Wells Extension, roofs, windows, common entries, hallways and common facilities all require comprehensive modernization. At Darrow, doors and windows require replacement, while modernization will be required for entries and open gallery spaces.

Mechanical and Electrical Systems. The central heating plant and distribution is inefficient and should be replaced with building-based systems as each structure is renovated. Electrical services should be upgraded to contemporary load standards, with rewiring as appropriate. New risers will be required on most plumbing systems.

Site. The site has evolved into a largely paved and inhospitable area, which does not support an appropriate range of activities. Many hard surface areas are cracked and spalled and in poor condition, with poor definition of trash collection and dumpster storage areas. Additionally, most aspects of the development lack a defensible space concept which can assure surveillance and security of building-related spaces. A complete reworking of the site design will be necessary to define a range of areas across the site and to relate these to building clusters. The provision of parking convenient to building entries must be addressed. Significant fencing and site lighting will also be required.

D. Occupancy

Statistics on who lives at Wells are unreliable, as much of CHA's leasing information has not been fully computerized. In addition, there are many unauthorized residents living with friends or family or squatting in vacant units. Vacancy estimates as of the end of 1991 range from 20 percent to 25 percent, depending on how vacant buildings scheduled for comprehensive modernization are included in the total count. In 1984, only 17 percent of the units at Wells were vacant. Vacancy data in Table 3 was provided by the on-site management office for December 1991.

Table 3:
Ida B. Wells Development: Vacancy Distribution

	Old Wells/ Walk-ups	Extension	Darrow	Total
Total Vacancies	204	183	170	557
Existing Units	1,652	640	480	2,772
Percent Vacancy	12%	29%	36%	20%

The official CHA statistics show a monthly turnover rate averaging approximately 12 to 15 units per month, although CHA's manager feels this may be underreported, particularly in the Old Wells section where the maze-like configuration makes it difficult to observe move-out activities. Turnover is probably in a range from 150 to 200 families per year, or 5 to 7 percent of units annually.

According to CHA's 1991 Residential Accounting Detail Report, only six percent of the head of households at Wells are employed, down from 10 percent in 1984. The vast majority of Wells residents are dependent on public assistance, including over 50 percent receiving AFDC and 16 percent receiving SSI benefits. The majority of households (53 percent) pay monthly rent of \$50 to \$99; 31 percent pay \$100 to \$199 rent per month. Many of the apartments appear to be furnished and improved to a considerably better level than would be imagined based on reported income levels. Female headed households comprise 90 percent of all households, and 52 percent of the total population is under the age of 19.

In characterizing the residents of Wells, the manager noted that the new single mother households are becoming much younger in age; this average age is estimated at 22 years. There is a core group of approximately 300 to 400 households who are long-term residents of the site (more than 20 years) and who provide a stabilizing factor for the more frequent turnover of younger households. Some families have three generations living at Wells.

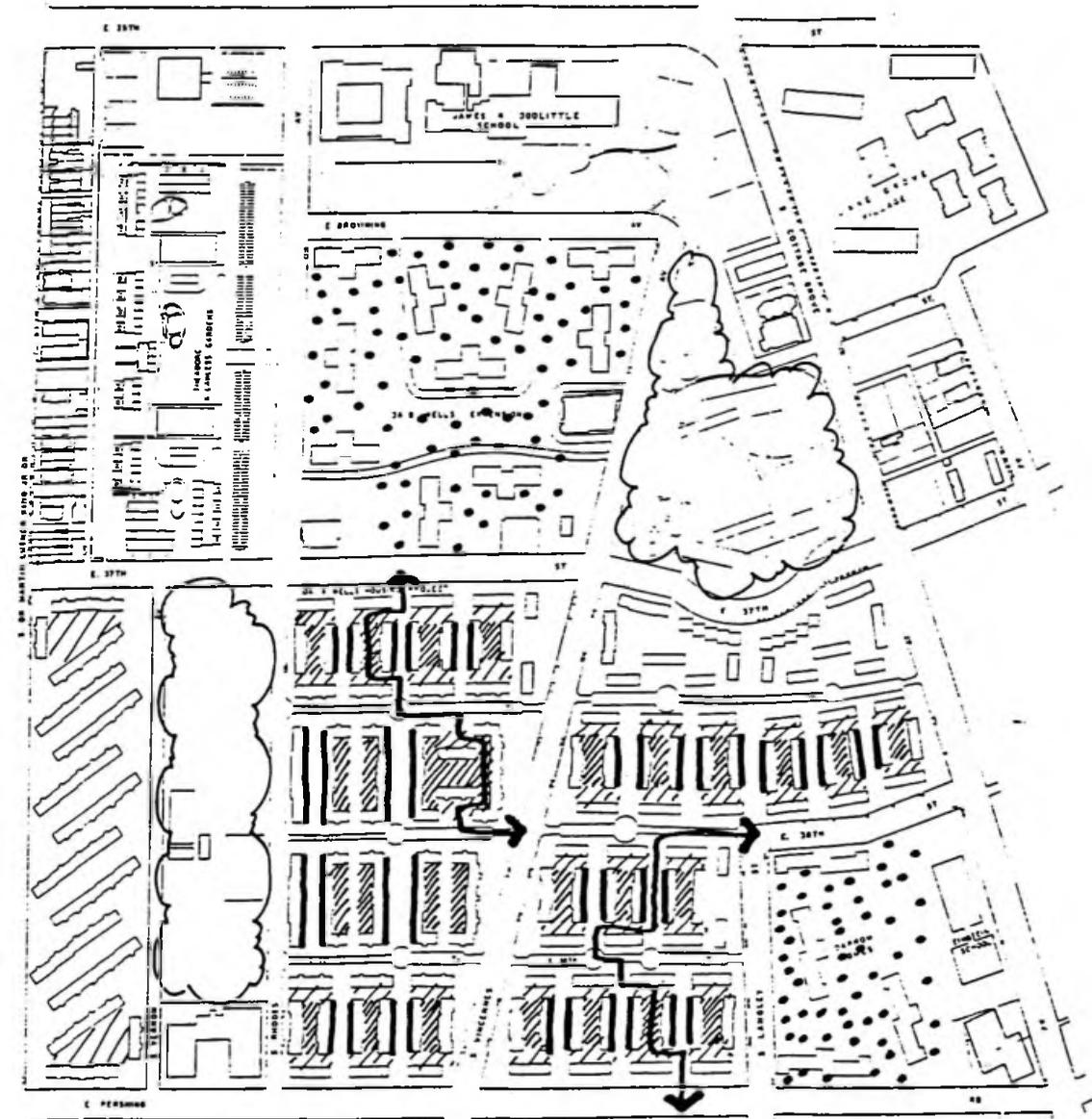
The majority of the households at Wells are small. Fifty-two percent include only one or two persons and only five percent of the households have more than five persons. No data was available on the waiting list. In general, there is a strong demand for one bedrooms by single males on general assistance who previously resided in roominghouses/SRO's. This population has been a source of many problems as they do not maintain their units; overcrowding is typical; frequent disturbances result in numerous police calls; and they have a high incidence of substance abuse and/or mental illness. The greatest demand for units is in the 2 bedroom to 3 bedroom range; the manager believes there is an ample supply of 4 bedroom and 5 bedroom units to meet waiting list needs.

E. Use and Activity Patterns on the Site

The site, comprising 66 acres overall in the three subsections of the development, consists of a variety of spaces and environments, ranging from the immediate building environment of each dwelling type to the several larger open spaces which exist within and nearby the site. Major site activities and related design problems on the exterior of the site are shown in Figure 3 and include the following:

- The pattern of buildings at Old Wells involves many small structures, closely spaced with inadequate access to front doors and limited opportunity for surveillance of nearby site activities. There are no fences or secure areas; thus free access is available through front and backyards. Accordingly, this is a difficult area to secure and creates many hiding places and routes of escape for drug dealers or other criminal elements. This problem is especially acute in areas where there is no through visibility, which can be particularly dangerous. The CHA indicated that the Chicago Police Department believe the design and layout of the Old Wells rowhouses contributes substantially to the overall crime and drug problems.
- Many Old Wells area buildings are relatively inaccessible by car. Roadways and parking are not provided to contemporary standards.
- Madden Park and Ellis Park, although providing useful open spaces, are territorialized by gangs who bar their use by others from rival turf.

Figure 3. Site Design Problems



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-  Hidden, insecure areas
-  Areas with difficult accessibility
-  Front doors with no access to parking or streets
-  Parks which are gang turf
-  High rise sites which are undefined and insecure
-  Short cuts (typical) through Old Wells area

Figure 4. Selected Views of Old Wells Section

Old Wells: typical front entries with canopies



Old Wells: 2- and 3-story buildings with rear balcony fire escapes



Old Wells: dead end, dangerous exterior spaces



Old Wells: view of Darrow Homes in distance

Figure 5. Selected Views of Darrow Homes and Wells Extension



Darrow Homes: view of complex from upper gallery corridor



Wells Extension: high-rise prior to modernization; broken windows evident



Darrow Homes: gallery corridor open to weather on left



Wells Extension: view from Old Wells

- Large portions of the site are paved indiscriminately, creating no sense of landscaping or private areas near buildings. Additionally, vehicles can move through the site at will, although CHA monitors and discourages cross-site traffic except on designated streets.
- Outdoor spaces in the Extension and Darrow areas are poorly defined and do not relate to building entries or parking lot locations. The large space in the center of the Extension is basically paved from building edge to building edge and defines no activity areas, thus inviting misuse and creating a dangerous environment.
- Several areas at the periphery of Wells include vacant and underutilized property which encourages hanging out and associated mischief. These include vacant lots to the south along Pershing and the schoolyard to the north of the Extension.

F. Design factors Contributing to Distress

Based on the site visit, discussions with CHA staff, and review of related documents, four major aspects of the design are considered to be contributory to the distressed state of the Ida B. Wells development and are discussed below:

- Scale and Density of the Development
- Poor Fit between Families and Building Types
- Site Design Inadequacies
- Building Design Inadequacies

Scale and Density of the Development. The overall scale of the Ida B. Wells site is massive. Despite the presence of several different building types across the 66 acres, the concentration of the original 2,808 units of public housing creates a distinctive enclave which will remain vast and readily recognizable no matter what approach is taken to conventional modernization. This scale of site development is significantly larger than any other nearby private development and is matched only by other CHA concentrations elsewhere on the South Side and in other parts of Chicago. However successful the redesign and related supportive programs, the CHA will face significant difficulties in addressing the economic and other types of segregation which are inherent in a project of this scale. The areas of the site which have the highest density, Wells Extension and Darrow, contain the highest concentrations of large family units, exacerbating conflicts among users and pressures for scarce ground space. Such densities are difficult to reconcile in areas with such a high proportion of vacant lots and properties.

Poor Fit between Families and Building Types. In general, high-rise apartments are ill-suited for large family occupancy. High bedroom counts and occupancy levels create high usage of common facilities such as elevators and halls, creating pressures on adjacent residents and wear and tear on building systems and finishes. Families are far removed from ground contact, making supervision of children from inside the unit nearly impossible. At Ida B. Wells, a strong anomaly exists: within the low-rise section of "Old Wells," containing a scale of building and the close ground contact which typically characterize large family accommodations, there is a relatively small proportion of large family units. Wells Extension and Darrow, which are higher density building types, contain substantially larger numbers and proportions of large family units (three bedrooms and higher).

The number of persons, particularly children, who share common areas has an impact on the manageability of a building. Large family units in high-rises create a particularly problematic environment. For example, in the Old Wells section of low-rises, a maximum of 8 units (with a total of 16 bedrooms), share a common entry and stairway. At Wells

Extension, 64 units (with a total of 144 bedrooms), share an entry and single elevator. At Darrow, 120 units (with a total of 390 bedrooms) access a single entry and two skip-stop elevators. This translates into 250-300 children in a 14-story high-rise who contribute daily to the wear and tear on elevators and hallways.

Table 4
Ida B. Wells Development: Percentage of Small and Large Units

	Old Wells	Wells Extension	Darrow Homes	Total Wells
Small Units (1 and 2 bedrooms)	89%	66%	25%	73%
Large Units (3, 4 and 5 bedrooms)	11%	34%	75%	27%

Each portion of the site seems to contain a family size mix which is least well-suited to its occupancy. This situation is exacerbated by the security situation and layout characteristics of the various segments. The high-rise buildings are easier to secure, as a single point of access control can be created to enhance security. Partially due to its problematic layout containing many buildings placed extremely close to one another with multiple points of entry. The low-rise portion of the site is inherently more difficult to secure. Despite these problems, it is the low-rise units which are in the highest demand.

Site Design Inadequacies. The original site plan juxtaposes three projects built at different times across a large, 66 acre site. Each project has a different prevalent building type and family mix: Old Wells includes 2- to 4-story units, including principally smaller bedroom sizes; Wells Extension includes 7-story mid-rises with double-loaded corridors and a range of bedroom sizes; and Darrow includes a range of unit sizes in 14-story high-rises with single-loaded open gallery corridors. Each segment of the site has a different pattern and character of site plan. None of the three major portions of the site relate to one another, nor to the typical street and block pattern of this section of Chicago. Even along Vincennes Avenue, which passes diagonally through the site from north to south, the buildings of Old Wells are laid out on a pattern which disregards this strong diagonal. Similarly, the walk-up buildings along King Drive are configured at an odd angle to the street which appears alien to other building patterns.

Major site design problems are shown on Figure 3 and summarized below. Old Wells has a particularly acute configuration problem as the buildings are closely spaced, creating many dead-end spaces which are not readily securable or visible from public streets and are not well suited to accommodate contemporary vehicular access or convenient parking.

A problem common to all the elements of the development is a lack of defensible space. Many segments of the site are poorly defined and, thus, belong to everyone and no one. In the mid-rise and high-rise segments, site spaces relate poorly to entries and do not define activity areas which relate to buildings. No fences or other defining elements, aside from the repetitive and somewhat arbitrary building forms, define the site spaces and articulate zones for activities which could fall under surveillance from nearby building entries. This problem is exacerbated by poor relationships between site parking areas and building entries, making it difficult for residents to park nearby their places of residence.

Building Design Inadequacies. There are multiple shortcomings in the buildings at Ida B. Wells. In general, the units are appropriately sized to their occupancies, with relatively substantial storage, particularly in Wells Extension although the largest family units have an odd bathroom configuration for their occupancy. Major building and unit-based concerns include:

- **Gallery high-rise units** — These units have inadequate skip-stop elevator service for the scale of each building and an inappropriate form of exterior corridor for Chicago's climate;
- **Reliance on a centralized, site-wide heating system** — The system is subject to underground distribution line heat losses, leakage of condensate returns, and overall obsolescence with very high difficulty of repair. CHA intends to replace this system with energy-efficient building-based heating over time, as buildings are comprehensively modernized.
- **Undersized electrical services** — Typical electrical services are undersized and not adequate for present day usage patterns;
- **Need for replacement of building components** — A large proportion of the buildings at Wells require replacement of kitchens, baths, windows, doors, and major finishes, due to either excessive wear and tear as well as obsolescence and old age.
- **Need for improved entry security and building fire protection systems** — The mid-rise and high-rise buildings require far more visible security stations and redesign of entry lobbies. Nearly all buildings require functional vandal-resistant entry systems which will enable residents to be aware of visitors while insuring security of common spaces. Contemporary fire protection standards require upgrading in selected instances.
- **Isolated location of common laundries** — At Darrow, common laundries were originally provided on each floor of the 14-story high-rises. Without adequate supervision and surveillance, these areas were vandalized, misused, and subsequently closed to residents.

II. PROCESS FOR MODERNIZATION AND REDESIGN INITIATIVES

A. CHA-Wide Context

The CHA's record of modernization of its over 38,000 units has been uneven, as shown by the HUD funding patterns from 1983 to 1991:

	Amount Requested	Amount Approved
1983	-	\$30,515,096
1984	-	2,101,800
1985	\$742,840,399	14,032,910
1986	100,096,916	8,910,500
1987	117,851,691	25,000,873
1988	75,822,102	30,742,280
1989	78,666,542	47,844,807
1990	139,340,000	90,810,059
1991	226,945,000	116,500,000

To date, CHA has been successful in expending these increasingly large sums of modernization funding. According to the new Comprehensive Grant formula, CHA is eligible for annual funding in the neighborhood of \$108 million. The CHA's five year Comprehensive Plan for Modernization (CPM), completed in May of 1991, estimates a total "hard" and "soft" cost of physical improvements at over \$1 billion or \$28,000 per dwelling unit. This current needs level is 10 times the expected annual funding level through the comprehensive grant program.

The Comprehensive Plan for Modernization (CPM) assumes that all CHA developments are modernized to minimum Housing Quality Standards. The consultants who prepared the CPM also developed redesign options and costs for selected CHA developments, but these have not been incorporated in the final CPM. Unit redesign and selective demolition to reduce the total number of CHA units were not considered, because of the high demand for low income housing in Chicago.

The CPM identifies a cost of \$54 million for the three Wells developments for the period 1991 to 1996. This represents 7.7 percent of the total CHA "hard" modernization costs, slightly greater than the 7.1 percent that the 2,808 on-site units comprises of the CHA's total inventory. It should be noted that these CPM estimates predate and are substantially below the modernization estimates which have been developed by the Wells Community Initiative, presumably because the latter estimates are the result of more detailed study.

The CPM gives security improvements a high priority, including "sweeps" of all family elevator buildings as well as selected senior and low-rise properties. Other goals of the CPM include fast action on building integrity, energy saving improvements, and related management improvements. Finally, the CPM recognizes that resident involvement is a key aspect of the modernization effort. CHA will try to expand resident initiatives while also exercising increasing care in screening its new residents and enforcing rules of the CHA lease.

As part of the CPM, modernization strategies were prepared for 119 individual developments, including three developments that comprise Wells. At Wells, these efforts paralleled the work outlined in the Wells Community Initiative. However, prior to the Wells Community Initiative, relatively little modernization had occurred at Wells and consisted primarily of roof replacements.

B. Modernization Efforts at Ida B. Wells

In addition to sweeps of many of the high-rise structures at Wells, an ambitious program for physical and social modernization has been initiated. As its initial step in this effort, the CHA has completed comprehensive modernization of one mid-rise building in the Wells Extension, with two additional buildings scheduled to be modernized as part of a \$8.4 million phased contract. The CHA intends to continue this level of renovation at Wells, subject to receipt of additional HUD funds. This initial effort includes the following scope of work at these three buildings:

- new baths, kitchens and unit finishes;
 - replacement of all windows and doors, including security hardware and frames where necessary;
 - hazardous material abatement;
 - elevator modernization to replace controllers, doors, hoistway, etc.;
-

- lobby and hallway improvements, especially at the entry level where a security station and glass block has been added to increase visibility;
- alteration of elevator lobbies on upper floors to recapture excess space into units;
- conversion of 4 bedroom unit on first floor to common laundry facility; and
- exterior facade renovations to brick, trim and entry.

The construction contract for the first building was \$2.6 million, or \$40,625 per unit. To enhance security and to monitor all coming and going activities, the front entry will be locked and all visitors will use a new intercom system to contact residents. Residents then signal the security guard for visitor entry. A security guard will be present 24 hours a day to control access to the building and monitor activities in the common laundry facility. No unit or building entry improvements were made in this first mid-rise to address 504 compliance issues.

Additionally, major improvements to the site at Wells Extension are proposed to reintroduce landscaping, relocate parking to be visible and more accessible to building entries, create tenant garden areas, install security fencing to define the area surrounding each building, and define a central green to replace the expanse of pavement at the center of the complex. Current design proposals call for the entire Wells Extension site to be fenced allowing for vehicular access at only entry point. Two million dollars has been requested for these site improvements (See Figure 6).

C. The Wells Community Initiative

Comprehensive revitalization of the Wells development is proposed in the Wells Community Initiative.

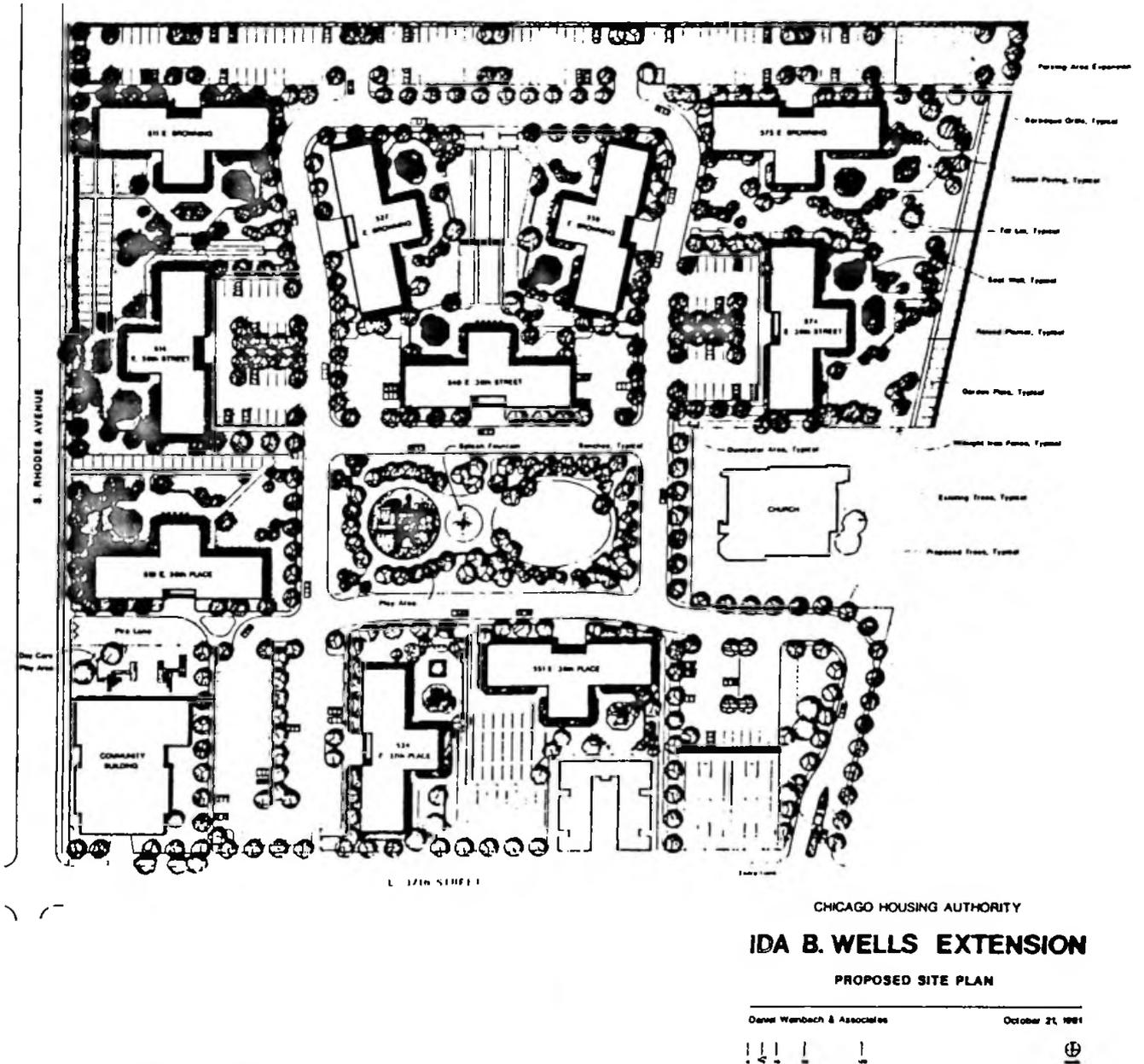
Overall Scope of WCI's Efforts. The objectives of the Wells Community Initiative are to:

- provide skills development and leadership training to community residents so that they can fully participate in all decisions related to the development and implementation of improvement programs;
- increase the employment opportunities for community residents by providing a full range of employment training and support services, by working with corporations to ensure that the training programs lead to real jobs, and by developing the community economic and institutional base;
- improve the physical condition of the community so that it becomes a safer, more attractive place to live; and
- provide the necessary human services to decrease substance abuse, provide daycare, improve public health services, and respond to other needs as identified by the community.

The WCI concept plan identifies two tracks for recommended improvements. The first deals with social service and employment needs; the second with improvements to the environment, management, and security. Highlights of each track include:

- **Track 1: Social Services and Employment** — WCI has, through efforts of its cooperating sponsors, identified major social service needs of Wells residents,

Figure 6. Proposed Site Improvements for Wells Extension



Source: Wells Community Initiative
Chicago Housing Authority, October 1991

including parenting and support programs, adult education, senior programs, child care, recreation, school performance enhancement, drop-out services, teen programs, health programs, drug prevention and treatment, and mental health treatment. WCI proposes to create a Family Development Center, renovating an abandoned church contiguous to the development, to provide a physical point of focus for these programs and to deliver coordinated social services.

- **Track 2: Physical Environment, Property Management, and Security Improvements** — detailed programs have been developed for each component of this track. Physical environment improvements will utilize CIAP and MROP funds to comprehensively modernize buildings and units. Property management improvements will include leadership training to involve residents more fully in management, creation of management systems, and division of the site initially into four management districts, eventually further subdividing into seven management districts. Decentralizing management will bring management functions and services closer to the population and physical resources which are served. Management in three of these districts will be privatized by the end of 1992. Security improvements will include “sweeps” of existing buildings (currently underway), perimeter fencing, round-the-clock security personnel in all mid- and high-rise buildings, lighting, and related training programs.

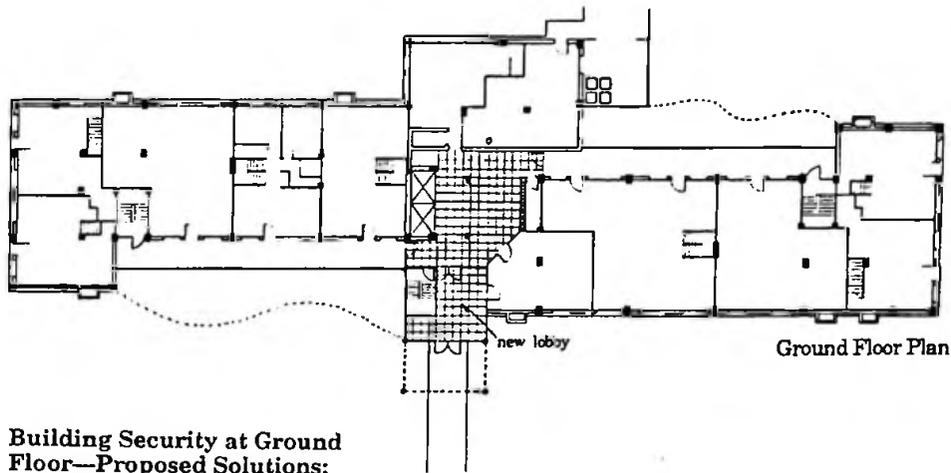
Design Proposals. Modernization of the elevator buildings at Wells Extension and Darrow are the first priority. These structures will be redesigned for secure entry, emphasizing common facilities on ground floors. Kitchens, baths, common areas and other building components will be upgraded as necessary. Major efforts will go into making surrounding sites defensible, with perimeter fencing and relocation of parking closer to buildings. Studies of low-rise areas to achieve comparable objectives are underway, but not complete. In general, it is the intention to retain existing unit plans and building configurations in the modernization effort. The process of developing proposals is being undertaken with heavy resident involvement, to insure that residents perceptions and knowledge are incorporated into the decision process.

The initial improvements are being made at Wells Extension, as noted above. Site improvements will include fencing around each individual building the newly landscaped grounds, including a tot lot, barbecue areas, tenant gardens, and other areas designed to support resident activities. Parking will be located close to front entries to the extent possible. The major paved area at the center of the Extension will be replaced with a landscaped area including sitting areas, play structures, and plantings (See Figure 6).

At Darrow, MROP funding has been allocated for modernization of one of the 14-story high-rises. Initial design proposals, prepared by the MPC's Task Force on CHA Rehabilitation and Reinvestment, include the following (See Figures 7 and 8):

- within units, modernization of kitchens, bathrooms and finishes, including installation of drywall (and insulation of exterior walls) over concrete block;
- replacement of all mechanical and electrical systems/risers and installation of new heating plant in basement;
- rehabilitation of existing elevator and exploration of eliminating skip-stop system;
- partial enclosure of elevator lobbies on upper floors and addition of new stairs to increase security of stair use;
- design of new entry lobby with security desk and installation of intercom system;

Figure 7. Proposed Building Improvements at Darrow Homes



Building Security at Ground Floor—Proposed Solutions:

Distinguish between public and private areas by building and enclosing a new entrance lobby and new exterior ground floor spaces.

Control access to the building and all service rooms:

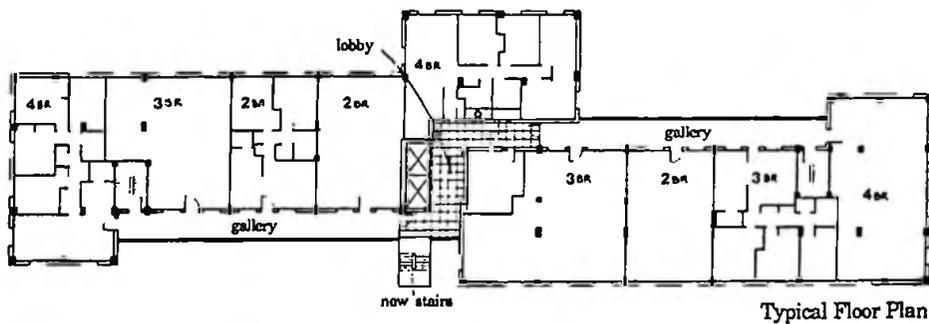
- ▶ Provide 24-hour staffed security desk
- ▶ Install intercom system to screen visitors

▶ Install security doors at stairwells and all access points including front entrance lobbies

▶ Relocate mailboxes into the secured lobby area

▶ Secure and monitor all electrical and mechanical rooms

▶ Relocate laundries to ground floor



Typical Floor Security—Proposed Solutions:

▶ Partially enclose, secure and modify the appearance of the galleries and install new elevator lobbies on all floors

▶ Install security windows/doors for each unit

▶ Install lockable doors on all storage rooms and entrances onto gallery wings

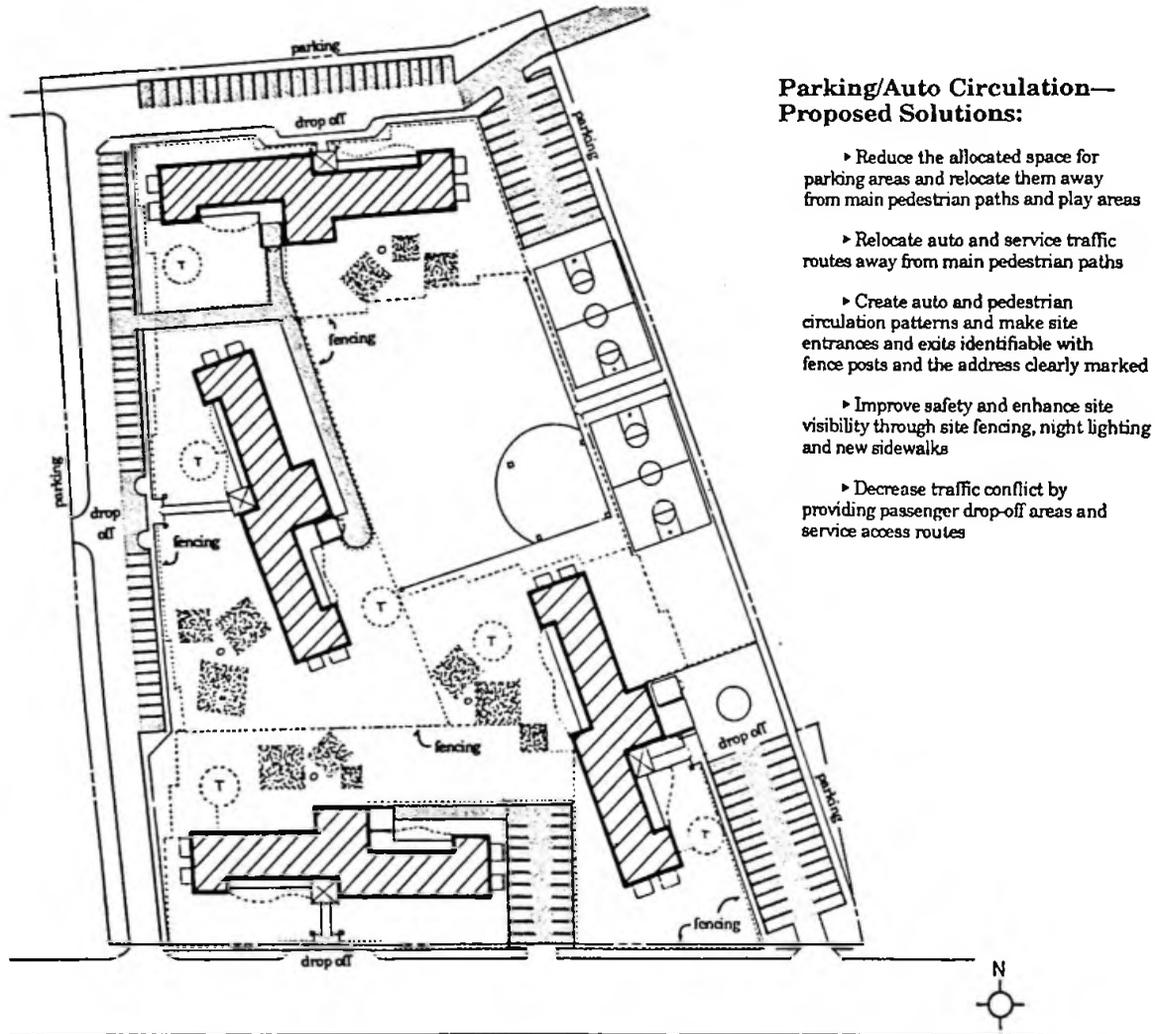
▶ Secure stairwells located at the end of each corridor for emergency and exit use at the ground floors only

▶ Provide appropriate lighting on galleries, specifically near the elevator lobby, stairwells and trash chutes

▶ Adapt laundryroom for storage

Source: **Living Spaces: Rehabilitation Manual for Darrow Homes**, Metropolitan Planning Commission, September 1989

Figure 8. Proposed Site Improvements at Darrow Homes



Source: *Living Spaces: Rehabilitation Manual for Darrow Homes*,
Metropolitan Planning Commission, September 1989

- relocation of laundries on each floor to first floor location; and
- relocation of parking, relandscaping of site areas, and installation of perimeter fencing to define building territory.

Initial plans call for phasing the above construction so that the building can remain partially occupied throughout the process. The cost estimate for construction work is \$1.5 million and excludes hazardous materials abatement, architectural and engineering fees, contingencies, and other soft costs. CHA has been awarded \$8.5 million in MROP funds, or \$70,833 per unit. A summary of proposed modernization costs at Wells is included in Table 5.

Table 5
Ida B. Wells Development: Proposed Modernization Costs and Funding Sources

	Scope of Work	Preliminary Cost Estimates (1992 dollars)	Estimated Funding	Status
Wells Extension	Comprehensive modernization of 640 units in ten 7-story mid-rises	\$28,000,000	\$28,000,000	\$8,400,000 CIAP funds in construction: one bldg completed; two under construction; remaining completed 93-94
	Site redevelopment	\$2,000,000	\$2,000,000	Scheduled 92-93
Darrow Homes	Comprehensive modernization of 480 units in four 14-story high-rises and site reconstruction	\$34,000,000	\$8,500,000	One high-rise in design; others scheduled for years 6-10
Family Development Center	Renovation of adjacent church into community facility	\$2,000,000	\$2,000,000	Scheduled 92-93
Old Wells	Comprehensive modernization of 1,688 units in 124 low-rise buildings	\$60,000,000		Scheduled in years 6-10 of the plan; design proposals in preliminary stages
Miscellaneous	Evaluation, minor improvements, preventive maintenance, major work (fences, kiosks, etc. in 'sweeps')	\$25,000,000	\$1,500,000	Scheduled in years 1-5
TOTAL		\$151,000,000 (\$54,100/unit)	\$42,000,000	For physical improvements over 10 year period

Current Status. Planning for physical improvements for the initial phases of WCI, starting at Wells Extension, is underway, with one building already renovated and two additional structures under contract. The first structure is now ready for occupancy. The total modernization effort is scheduled to take 10 years. Other major components of the Wells revitalization effort include public safety, property management, and social services. The overall program proposal for the comprehensive WCI effort has recently been circulated to sponsor agencies in an attempt to identify funding gaps and how each gap can be addressed. The estimated costs for the initial five year effort, for all components, are summarized in Table 6.

Table 6
Ida B. Wells Development: Summary of Funding Proposal for Years 1-5 (\$000,000)

	Total	Funded	Gap
Public Safety	41.36	10.41	30.95
Property Management	40.23	23.43	16.80
Physical Improvement	65.50	42.00	23.50
Social Services	39.55	0.00	39.55
Total	186.64	75.84	110.80

III. PRIORITIES AND OBSERVATIONS

A. Issues of Concern to NCSDPH

The planning and redevelopment effort at Ida B. Wells represents a unique community-based, cooperative effort to tackle multiple problems at a distressed public housing site through a process of resident empowerment and delivery of supportive services. Accordingly, the CHA design proposals which have emerged from that effort embody a step-by-step approach to securing and improving the site which will be implemented concurrently with a series of coordinated social services, public safety improvements, and management initiatives. Several comments are appropriate regarding these proposals, as they deal with their likelihood of success and the degree to which they will address the inherent causes of environmental problems in this setting:

Inherent Design Deficiencies. Several problems at Wells have been discussed in detail above, including the large scale of the site, the mismatch between unit distribution and the building types, and numerous problems with the original site plan, particularly the configuration problems at Old Wells due to the dense and dangerous building layout.

Lack of a Physical Development Master Plan. Despite the extended effort which has gone into the WCI from many parties, there is no overall master development plan for Wells. The various design participants, including CHA and MPC staff as well as volunteers from Chicago's planning, design, and development community, have time constraints which limit their ability to deal with the complexity and coordination of multiple design problems. As a result, site circulation plans for each sub-section of Wells are being investigated separately, do not appear to be benefiting from an overall site-wide strategy and plan which would relate the work of each sub-district to the whole. This is exacerbated by the relatively incomplete information which the CHA has on the attributes and needs of the current occupants as well as those on the waiting list.

Overall site circulation and parking distribution as well as site amenities and services to match the location of the population to be served, matching of household size to building type, and development phasing would all benefit from a more comprehensive development plan, allowing decisions on any one of these or other issues to be considered relative to all other related technical issues. Such a detailed master plan might also be of assistance in securing necessary funding from multiple agencies and in exploring and deciding priorities and sequence of work.

HUD's Program Constraints and the Regional Housing and Political Context. At Wells, as at nearly all other severely distressed public housing developments, efforts to address the problems of the physical environment are always colored by the requirements, regulations, and procedures of HUD. These include cost limitations which apply to the work, the amount of funds which can be feasibly programmed on a year to year basis to any given development, and the difficulty in considering even partial demolition options, due to HUD's one-for-one replacement requirements. There are additional political constraints in Chicago where the Gautreaux consent agreement prohibits the CHA from constructing additional public housing in neighborhoods which have a disproportionate share of the city's public housing, including the South Side. HUD and per unit cost limitations have not been perceived as a significant impediment to the work. However, if the scope of an overall plan for Wells should warrant more aggressive redistribution of large and small family units than the approach now being considered, per unit costs will increase.

Cost of the Overall Program. Wells is an inherently costly development to modernize, given that the strategy is comprehensive and includes improvements to the physical environment, public safety initiatives, more intensive property management, and social service programs. The total physical improvement cost for the 10-year effort is now estimated at \$151 million, or an average of \$54,000 per unit. However the capital improvement costs represent only a portion of the overall effort. To maintain the physical improvements, a 24-hour security presence is required in each elevator building, maintenance staff must be adequate to respond quickly to work orders, and residents must be trained to provide assistance in day-to-day operations and public safety issues. Costs of each program component have been projected over the initial five year period, yielding a total estimate of \$186 million, of which slightly under one-third would be devoted to physical improvements.

The costs of the services and management programs have not been estimated beyond Year 5. These future commitments may be difficult to estimate until the success of the initial effort becomes known. Indeed, the public safety costs increase from Years 1 through 5 suggesting that additional renovation will incur additional public safety commitments. Unless these costs decline and stabilize, they could represent a significant ongoing obligation, which would raise the price tag for the turnaround of such developments. An important mitigating factor to this concern is that a large proportion of these investments in social services is targeted to the residents, not the building stock, and should be expected to have other long range benefits.

The total physical development budget may exceed \$151 million (see Table 5), or over \$54,000 per unit. If the investment in public safety and security keeps pace with the five year estimate (a combined average of over \$16 million per year), the total expenditures at Wells could approach or exceed the cost of replacement housing, although practical constraints in the Chicago political arena and marketplace would most likely preclude such an approach.

B. Alternative Approaches

For comparative purposes, two alternative approaches to CHA's comprehensive modernization plan are outlined below: selective redesign/partial demolition and total replacement. While the local political context and HUD constraints place severe limitations on the feasibility of these alternatives, they do raise questions about the costs and benefits of stronger intervention in the planning and design process.

NCSDPH Illustrative Redesign Plan. This alternative attempts to address some of the inherent design deficiencies described earlier in the case study. It involves the selective demolition of buildings within the Old Wells section and Darrow Homes and the redesign of units to better meet the needs of large families with children. Approximately 378 units within Old Wells are to be demolished to accomplish the following objectives (see Figure 9):

- reduce density in Old Wells, making every building front accessible and visible to a street;
- reconfigure units in Old Wells, using primarily gut rehabilitation, to emphasize large family units, with maximum ground contact to privatized and defensible space; and
- enable a more accessible and serviceable layout which could accommodate parking near front doors and adequate vehicular access.

It is assumed that the Wells walk-ups along King Drive would remain, as these structures contain predominantly one bedroom and two bedroom units.

This strategy would require substantial site reconstruction throughout the development, especially within Old Wells, in order to create a workable and secure site plan. Figure 10 indicates the general site circulation strategy. This strategy would also assume completion of the Wells Extension modernization, as planned, but perhaps incorporating a "reclassification" of selected larger family units to reduce overall building density.

At Darrow Homes, a combination of actions is proposed, including:

- reclassification of units for fewer occupants to reduce density;
- demolition of one of the gallery structures (120 units);
- enclosure of exterior corridors and related modernization in buildings to remain; and
- site redesign to make each building's area secure and distinct.

A total of 498 units, or 18 percent of Wells would be demolished under this scenario. These units would be replaced primarily off-site through new construction (or acquisition), although some units could be reconstructed on the site of the demolished high-rise at Darrow. The overall site density would be reduced from 41 to 34 units per acre.

This plan is illustrative of an overall redesign strategy, the specifics of which can vary regarding the total number of units and location of buildings to be demolished. The overall goal is to reduce density in problem buildings and enhance resident security through site and building improvements. Without this level of change, it is quite possible that Old Wells will remain a difficult to manage center for the overall environment, thus negatively impacting the investment on improving the site periphery.

Figure 9. Potential Site Redesign Strategy

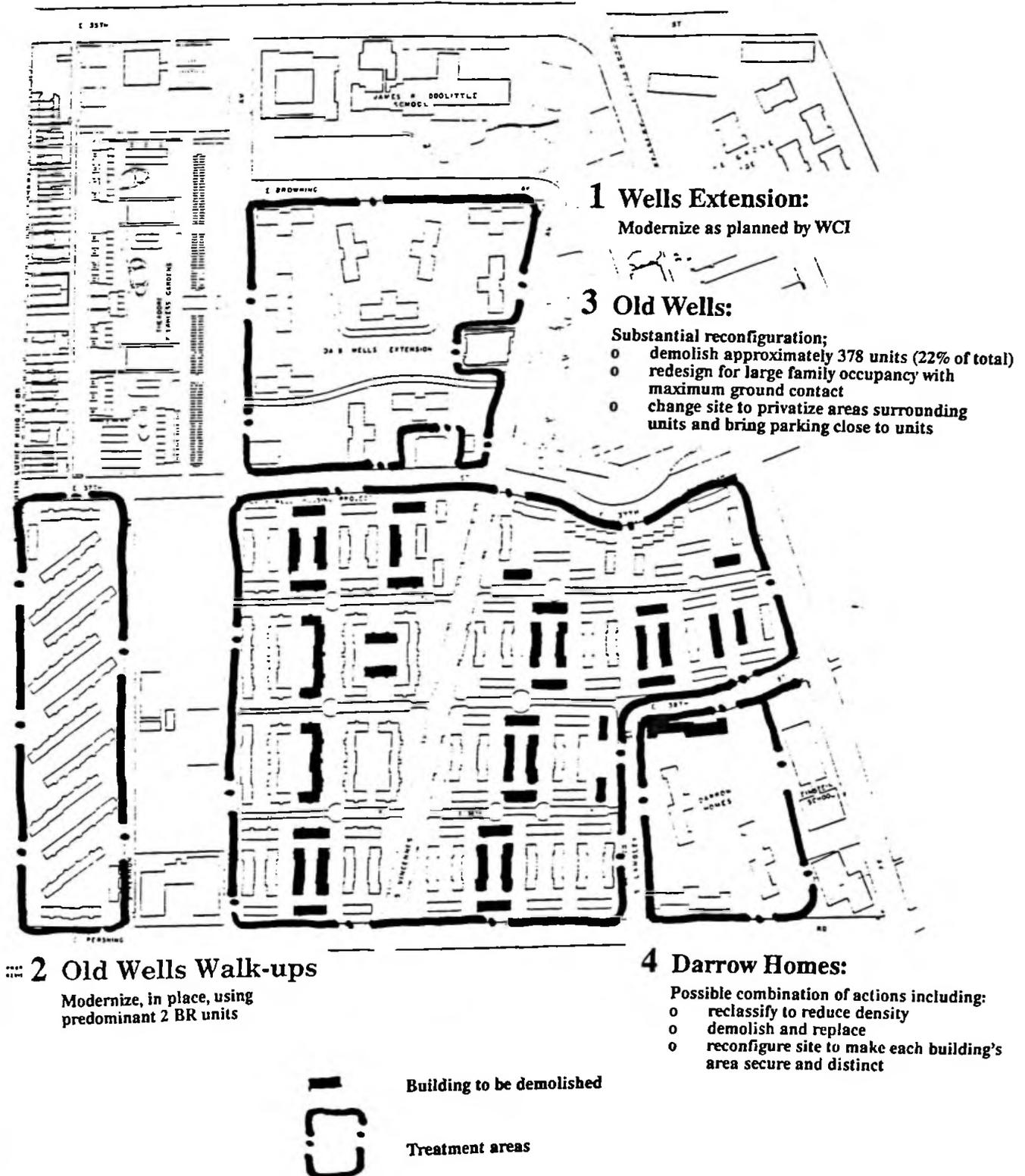
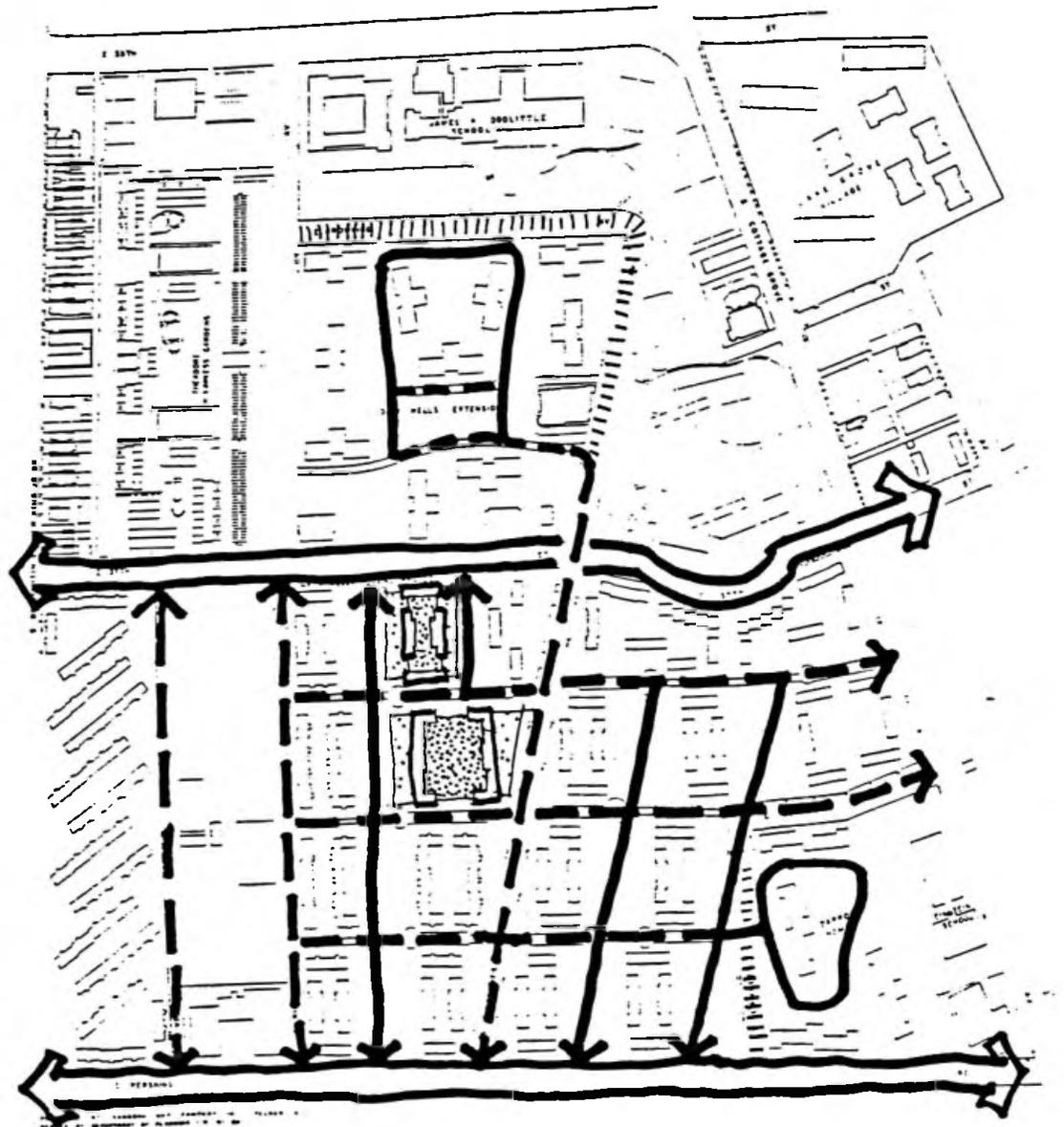


Figure 10. Potential Site Circulation



-  New Streets
-  Existing Streets, upgraded
-  Streets to be Eliminated
-  Building Fronts
-  Privatized Rear Yards
-  Privatized Front Yards

Total Replacement. This represents the most extreme design intervention and involves the demolition of all buildings with replacement of units both on and off the site, in building types and site configurations supportive of family living, safety and security. This approach would also have the greatest impact on the revitalization of the surrounding neighborhood. Many of the units could be replaced on the site using a low-rise, high density plan similar to successful UDC developments in New York.

Cost Comparisons. Preliminary cost estimates (in 1991 dollars) for the three reconstruction options including CHA's comprehensive modernization plan in the Wells Initiative, are presented in Table 7. HUD Total Development Cost (TDC) Limitations are also calculated for comparative purposes. The CHA plan is estimated to cost approximately \$126 million, or \$45,500 per unit. The NCSDPH Illustrative Redesign Plan is estimated at \$160 million, or \$58,000 per unit (based on CHA figures for modernization and new construction and NCSDPH estimates from similar efforts at other developments). Both alternatives fall below HUD TDC limitations of approximately \$209 million. The total replacement scheme, at approximately \$212 million, would exceed HUD TDC limitations if site acquisition and other soft costs were added to the base construction estimates.

While total replacement is not feasible for many reasons, including its overall expense, the redesign option may warrant further consideration. Although incrementally more costly than CHA's current modernization approach, it does address some of Wells' more serious design deficiencies and therefore enhances the prospects for long-term viability.

C. Wider Applicability of this Approach

There are several unique attributes of the WCI approach which, together, have had a cumulative effect on the planning and design proposals for Wells. As is often the case, many of the strengths of the current approach could evolve into potential sources of risk for the effort, should circumstances change in unforeseen ways in the future:

- The "bottom up" planning and design process is an important means to achieve resident involvement and empowerment. Thus, the sequential decisions reached through this grass roots effort have significance which may outweigh any subsequent second guessing or technical analysis. The successful continuation of this process may be dependent on continuity of leadership among the key parties throughout a relatively long term process of renewal.
- The multi-agency partnership, which will likely expand to secure gap funding, has the advantage of allowing participants to dare to dream about new initiatives, although it is subject to the risk of impairment if future circumstances impede the steady flow of funds. Additionally, the dependency on soft sources for gap funding increases the risk.
- The long term, staged approach which is necessitated by the scope of the physical and social problems at Ida B. Wells is inevitable when dealing with a housing development which has a significant resident population which must be part of revitalization and cannot be relocated off-site. The length of reconstruction time creates a risk that by the time of completion many factors may have changed, possibly warranting different solutions.
- Local political circumstances remove demolition from consideration, requiring a design approach which tries to mitigate the negative aspects of each building and the site configuration which the buildings define. This decision is also responsive to HUD's current rules which require one-for-one replacement of demolished units. However, to the extent that building and site layouts are dysfunctional, this policy perpetuates these conditions.

Table 7
Ida B. Wells Development: Cost Estimates for Reconstruction Options

	Total Units	Total Costs*	Cost per Unit
I. CHA COMPREHENSIVE MODERNIZATION PLAN			
Modernization of existing low rise units	1652	\$60,000,000	\$36,320
Modernization of existing mid rise units	640	\$30,000,000	\$46,875
Modernization of existing high rise units	480	\$34,000,000	\$70,833
New community building		\$2,000,000	
Total	2772	\$126,000,000 **	\$45,455
HUD 1991 TDC Limitations for this plan <i>Plan costs as percentage of TDC limitations</i>	2772	\$209,533,800 60%	\$75,589
II. NCSDPH ILLUSTRATIVE REDESIGN PLAN			
Modernization of existing mid rises	640	\$30,000,000	\$46,875
Modernization of 3 high rises	360	\$25,500,000	\$70,833
Demolition of one high rise (120 units)		\$200,000	
Demolition of selected low rises (378 units)		\$885,063	
Modernization of selected low rise buildings	528	\$17,650,512	\$33,429
Gut rehab of selected low rises for large units	746	\$45,915,943	\$61,550
New community building		\$2,000,000	
Total (for reduction of units on site)	2274	\$122,151,518	\$53,717
Replacement housing (off site)	498	\$38,097,000	\$76,500
Total (if seeking one-for-one replacement)	2772	\$160,248,518	\$57,810
HUD 1991 TDC Limitations for this plan <i>Plan costs as percentage of TDC limitations</i>	2772	\$208,719,000 76%	\$75,295
III. TOTAL REPLACEMENT PLAN			
New construction of rowhouses on and off site	2772	\$212,058,000	\$76,500
HUD 1991 TDC Limitations for this plan <i>Plan costs as percentage of TDC limitations</i>	2772	\$209,970,200 101%	\$75,747

* These figures represent 1991 construction estimates and do not include any soft costs, inflation for construction in later years, or site acquisition costs for replacement housing.

** This number does not include \$25 million of miscellaneous improvements listed in CHA's Plan.

LAKE PARC PLACE: MANAGEMENT ASSESSMENT

I. THE MINCS DEMONSTRATION PROGRAM

The Lake Parc Place Development is the CHA's experiment with mixed-income housing in a high-rise setting. As part of HUD's new demonstration program known as Mixed Incomes in New Communities, the CHA will rent up to 25 percent of the units in two recently renovated buildings to very low income families (20 to 50 percent of local median income). This is the third of the CHA's major strategies aimed at addressing severely distressed public housing.

Lake Parc Place was originally constructed in 1965, but has been modernized and updated with features more typically found in private market rental housing. Consisting of two high-rises with a total of 282 units, the buildings were rehabilitated at a cost of \$18 million. The rehabilitation included building system modernization, security fence, intercom/buzzer system, a 24-hour security guard, and landscaping. Resident households represent a range of incomes: 50 percent are from the CHA's waiting list (authorized by a HUD waiver) and 50 percent are selected by the development's private management company with incomes between 50 to 80 percent of median income. By employing a private management firm and requiring it to manage the development according to private rental market standards, the CHA hopes to create a public housing living environment that is desirable, and in which residents will take an active role in managing and protecting. Indeed, in the first month of operation, the private management firm reported receiving 1,000 inquiries per week on applications, and rents are being collected at a rate of 98 to 99 percent.

A. Goals of the Demonstration Program

The Public Housing Mixed Income New Community Strategy (MINCS) Demonstration is a unique self-sufficiency program which was proposed by the Chicago Housing Authority and subsequently adopted as Section 522 of the 1990 Cranston-Gonzalez National Affordable Housing Act. This section authorizes the development of a demonstration program with the Chicago Housing Authority and three other housing authorities identified through a nationwide competitive process. The intent of the program is to provide a more socio-economically mixed community in public housing than currently exists and to stimulate the private sector production of mixed income housing.

The demonstration program permits housing authorities to use operating subsidies to lease privately owned units in the neighborhood of an existing public housing development. These units can be either newly developed or recently renovated privately-owned affordable housing, with the goal of using the Authority's guaranteed annual subsidy commitment to leverage private investment in neighborhood housing. These private units are then subleased to current public housing tenants selected by the housing authority, who are typically very low-income (below 50 percent of median income for the area). The MINCS guidelines indicate that no more than 25 percent of the units in the privately owned projects may be leased under this demonstration.

To complement this private market stimulus, the Authority would rent an equal number of apartments in the public housing project to low-income families (with incomes between 50 and 80 percent of median income) who would pay rents sufficient to fully cover the Authority's average operating costs per unit. While the guidelines state that not

more than 25 percent of the units in the public housing project should be occupied by low-income families (as opposed to very low income households), exceptions can be granted for up to 50 percent of the units to be occupied by low income families if the successful revitalization of troubled public housing is contingent on a stable, socio-economically mixed resident population.

B. Requirements for Participating Families

Existing public housing tenants, who either currently reside in public housing or have been offered a unit, voluntarily participate in this Demonstration program. Participating families enter into a one-year lease, renewable over a seven year period, which includes an agreement to participate in a comprehensive program of services and incentives designed specifically to prepare them for a successful transition to the private rental market and/or homeownership. These services include remedial education, GED preparation, job training, childcare, substance abuse treatment and counseling, family counseling, and skills training in such areas as parenting, homemaking, and financial planning, emphasizing planning for homeownership. The Authority must provide for these services through its own resources or through coordination with public agencies, community-based organizations, and private entities.

In selecting the participating families, PHAs must establish written criteria based on factors that may reasonably be expected to predict the family's ability to successfully complete the requirements of the demonstration program by transitioning to non-subsidized housing within a seven year period. Program guidelines outline the selection criteria for participating families as follows:

- the employment history of family members;
- the children's participation in education programs;
- the family's record of maintaining its previous residence;
- the existence and seriousness of any criminal records of family members;
- ability of adult family members to complete training for long-term employment; and
- the status and history of substance abuse of family members.

To stay in the demonstration program and in the privately-owned unit, the head of the household must be employed on a full-time basis, and family members must remain drug-free, not engage in criminal activities, stay in school until a high school diploma has been received, and participate in the supportive services and counseling offered. If the family cannot meet these requirements, it must be offered another public housing unit or Section 8 assistance, unless the terms of the lease have been breached.

C. Financial Protections

To encourage completion of the program, certain financial protections are provided. Initial rents are set at 30 percent of adjusted income, or the Authority's ceiling rents, whichever is lower. Increases in earned income during the first year of residency do not affect the family's rent unless the family's earned income exceeds 80 percent of the area median. During the second year, half of the difference between the family's earned income for that year and its earned income at the beginning of the program is disregarded. After the second year, the family's rent is increased either to 30 percent of the family's adjusted income or the ceiling rent, whichever is lower.

The Authority establishes an interest-bearing escrow savings account for the benefit of each participating family. During the period of residency for each family, the housing authority must make periodic deposits into this account amounting to a minimum of five

percent of the rental charge per month. Any rent increases resulting from increased earned income must also be deposited in this account. The family can access these funds only when it successfully completes the program. The escrow funds can then be used for purchase of a home, for college tuition, or for other purposes approved by the Authority. Any increase in the earned income of families participating in the demonstration program is not considered as income or a resource for the purposes of calculating other benefits, until the family's income rises above 80 percent of the area median.

D. Coordinating Committee

To participate in the MINCS Demonstration Program, a coordinating committee must be appointed by the head of the local government to assist in the development of the implementation plan which details how the demonstration program will be carried out in the local jurisdiction. This coordinating committee reviews and monitors the program and the delivery of services, and makes recommendations for improvements to enhance the effectiveness of the effort. Each committee must have 12 members which include representatives from the following:

- local government;
- housing authority;
- HUD Regional Administrator;
- Resident Management Corporation (RMC) or Resident Organization (RO);
- local service providers/agencies;
- local businesses engaged in housing and real estate (except those involved in any aspect of the demonstration program); and
- local businesses engaged in real estate financing (except those involved in any aspect of the demonstration program).

The coordinating committee must also establish a subcommittee on social services to identify the specific services that are required for the successful implementation of the demonstration program.

II. IMPLEMENTATION OF MINCS AT LAKE PARC PLACE

A. Private Management at Lake Parc Place

The Authority selected the private property management firm of Rescorp/Williams to manage and conduct tenant selection for the development based on the firm's experience at other large rental properties where it has developed a full-fledged social services program. Rescorp/Williams has been on site one year, since initial occupancy, and has been carefully and consistently screening applicants for residency in this innovative program. As of July 31, 1992, 264 units were occupied and another 13 units have applications pending. The goal is to have the 282 units at Lake Parc Place fully occupied by September 1, 1992. The income mix is 50 percent very low income and 50 percent low income working households. The demand for residency at Lake Parc Place is strong from both income groups, as evidenced by a waiting list with over 2,000 names. The on-site private manager attributes much of this success to the physical and social amenities that are offered.

Rescorp/Williams staff assigned to Lake Parc Place, and paid for out of the operating budget the private management firm receives from the Chicago Housing Authority, includes:

- one site manager
- assistant manager
- rental agent
- receptionist
- social director
- assistant social director
- head and assistant engineer
- three full-time and one part-time janitor

In addition to the typical maintenance and management tasks performed by the private management company, Rescorp/Williams staff are responsible for the services and programs offered on site. Lakefront Community Organization (LCO) is a local community organization representing the residents and it gets involved in resident orientation, crime prevention, and other tenant concerns.

The rent-up of Lake Parc Place has occurred over a 12-month period. During this time only one resident has moved out of the building due to an excessive commuting distance to her place of work. Much time and effort over this past year has been devoted to the thorough screening of applicants which includes: credit report; security check; home visit; character letters; verification of present landlord; social security cards and birth certificates for all household members; review of current check stubs and utility bills; and children's report cards from school. This review provides information regarding any special needs of or problems with family members so that programs and services can be designed to specifically address these concerns. Clear guidelines for acceptable behavior, developed by the manager with tenant input, are described to all new tenants. All residents are required to go through a two hour orientation session before they can sign a lease, and must also be approved by a board of CHA and Rescorp/Williams employees. All relocatees, or residents from the original development, are required to go through the same screening procedures. Approximately half of the current residents are relocatee households.

B. Supportive Services

Several different programs and services are now offered on site and a more comprehensive range of activities and services is scheduled for the fall when the units are fully occupied and children are back in school. An on-site summer day camp currently operates from 9AM to 5PM every weekday, for a nominal fee of \$10 for the summer. Saturday trips to the park, the library, and other destinations are frequently subscribed to by many of the children. In the fall, the camp will be replaced by an after school program. Many of the children have poor reading skills which the on-site staff hopes to address through the development of programs, a library, and installation of computers.

Job development has been a major thrust in the past year and 12 residents on welfare have been hired by the contracted security firm on site. Another three unemployed residents are currently in janitorial positions and 15 are in training to assume positions as day care providers. Job development is provided directly by the on-site management staff. Eight residents are members of the volunteer resident patrol which receives funding from HUD, through the CHA, for office equipment and patrol clothing. Another 20 residents will start training in September for the resident patrols. The Lakefront Community Organization is also interested in economic initiatives such as the management of the on-site laundromats.

A CHA-funded "Effective Black Parenting Program" is offered on site, as is drug counseling through the Cadre program. A breakfast and lunch program is also provided at Lake Parc Place. With the rent-up of the development nearing completion, some of the staff efforts will be directed towards further identifying resident needs and providing services and programs on site to address these concerns. Participation in these programs is voluntary and is based on the specific needs of each resident. The only mandatory requirement which is written into the lease is that residents must be drug free and they cannot possess weapons. The staff plans to encourage development of, and organize elections for, a resident organization when occupancy reaches 95 percent.

C Income Mixing

Most residents cannot distinguish between a very low-income, or "welfare" family and a low-income "working" family earning 50 to 80 percent of median Chicago-area income. The families on public assistance have annual incomes of approximately \$6,200 while working families average four times the annual income. The manager believes that the mixing of different income groups has actually enhanced everyone. The relocatees who waited many years for the rehabilitation of the development are very enthusiastic about helping around the two buildings while the working families are more accustomed to paying rent and not getting involved in day-to-day issues. However, the manager has noticed increasing participation in the monthly meetings on the part of the low income "working" families. A similar pattern of 'slow but sure' involvement of the higher income residents in community activities has been found elsewhere when a troubled low-income public housing project is revitalized into a mixed income community. Many of the relocated tenants who return to the revitalized housing development have devoted many years and much hard work towards the realization of the turnaround effort and they have a vested interest in its continued success. Assimilating "new" residents into the community requires time and opportunities for interaction.

LAKE PARC PLACE: DESIGN ASSESSMENT

I. CONTEXT AND LOCATION

In selecting an appropriate development for the MINCS Demonstration Program, a key criterion for marketability to working families was location. In Chicago, the most prestigious addresses and the most valued locations are along the lakefront. Lake Parc Place provided such a location (see Figure 1). In addition, the two existing 15-story high-rises had two elevators and interior corridors, rather than the open gallery scheme of so many of CHA's family high-rises. Original units had good layouts so redesign was kept to a minimum and construction dollars were spent on amenities which would attract a low income working family. There has been no demolition of habitable area, although a few as-built units have been redesigned for non-residential uses including a central laundry, community room, and on-site management office.

The two 15-story high-rise buildings at Lake Parc Place were originally constructed in 1953 and 1956 as Olander and Olander Extension. The name was changed as part of the renovation effort to a name more similar in character to those residential addresses found along the lakefront. The concrete frame has a masonry facade and flat roof. Interior walls are cinderblock, and have been covered to encapsulate lead-based paint.

Table 1
Lake Parc Place: Unit Mix

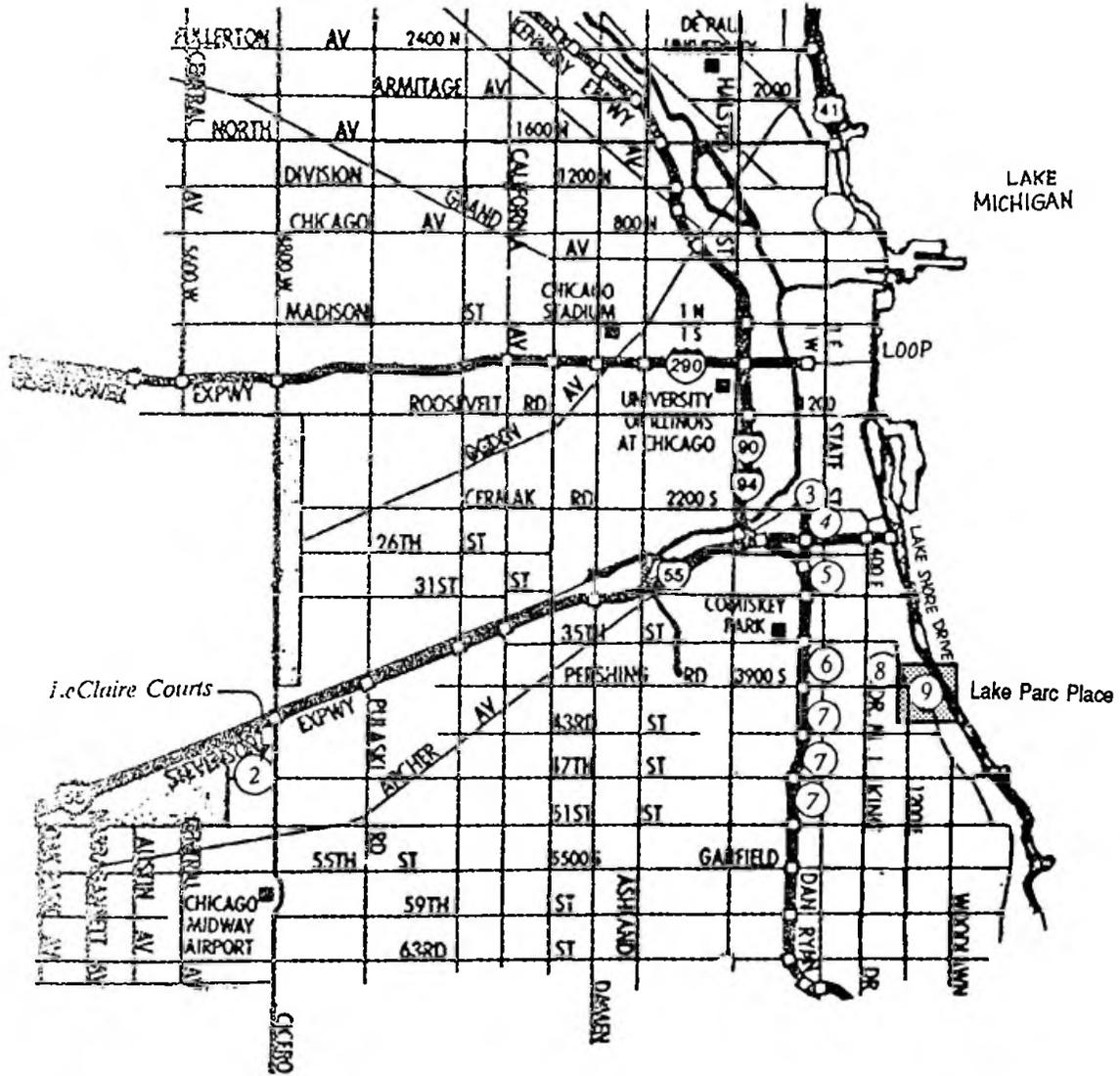
Unit Size	As-Built Units	Rehabbed Units
1 Bedrooms	65	56
2 Bedrooms	175	170
3 Bedroomss	59	56
4 Bedrooms	1	0
Total	300	282
Per building	150	141

Prior to selection for the MINCS Program, Lake Parc Place was a troubled public housing development. In 1985, one building was 27 percent vacant, while the other was two percent vacant. Of the 257 families in both buildings, 75 percent were one parent households, 10 percent were single non-elderly persons and another 4 percent were elderly households. Nine of 10 families were on ADC and the median household income of \$3,900 was below the \$4,500 median income for all CHA's conventional family housing program.

II. PHYSICAL IMPROVEMENTS

The original design documents for the substantial rehabilitation of Olander and Olander Extension were completed five years ago in house. Due to lack of funding, the construction contract was not awarded at that time. Several years later, a new

Figure 1. Location of Lake Parc Place



LEGEND

2	LeClaire Courts	(613 apts.)	6	Stateway Gardens	(1,628 apts.)
3	Hilliard Homes	(706 apts.)	7	Taylor Homes	(4,230 apts.)
4	Ickes Homes	(1,277 apts.)	8	Wells Development	(2,772 apts.)
5	Dearborn Homes	(800 apts.)	9	Lake Parc Place	(282 apts.)

administration at the CHA successfully lobbied for the MINCS demonstration program and selected the two 15-story high-rises on the lakefront as the most appropriate buildings for attracting a tenancy with incomes slightly higher than the very low income households found in Chicago's public housing.

In responses to the goals of the MINCS program, many design changes were made to the first set of construction documents to reflect the need of the demonstration program to attract the working poor. The Lake Parc Place high-rises would have to compete with the privately-owned subsidized housing developments for the working poor tenancy. Several key design features of the renovation program were included in the construction scope to improve marketability:

- improvements to enhance security both on the site and in the buildings, including site perimeter fencing and a locked entrance gate, wrought iron grates on first floor windows, and a 24-hour manned security station in the lobby;
- substantial investment in site improvements to maximize the "curb appeal" and to provide adequate recreation facilities, particularly for the children. The percentage of the construction contract allocated to site work greatly exceeds that spent on typical comprehensive modernization efforts;
- the provision of on-site facilities for resident services and programs, including toilet and kitchen facilities near the recreation areas, community room, laundromat, etc.; and
- unit amenities such as overhead ceiling fan/light in the dining area; a vanity in each bathroom; ceramic tile wainscoting in the bathroom and kitchen, by the stove; and mini-blinds on all windows.

Table 2 lists those capital improvements undertaken at Lake Parc Place which are not typical of CHA's standard rehabilitation efforts.

The rehabilitation cost (hard construction costs only) for Lake Parc Place, which includes complete building modernization, site redevelopment work, and total abatement of lead-based paint and asbestos, is \$17,964,689, for an average per unit cost of \$63,704. Using 1990 Total Development Cost Limits for the Chicago area, 100 percent of TDC is \$19,494,100. The MROP program permits up to 90 percent of TDC, or \$17,544,690. CHA received a waiver from HUD to exceed the 90 percent cost limitation guidelines. For comparison purposes, two of the mid-rises at the Ida B. Wells Extension were bid at approximately the same time; one has been completed and the other is under construction. The hard construction cost for these two buildings (totaling 128 units) is \$7,328,709, or \$57,255 per unit, a difference of approximately 10 percent in cost between Lake Parc Place and Ida B. Wells Extension. The added costs at Lake Park Place can be attributed to special marketing amenities and finishes and extensive site development costs.

Table 2**Lake Parc Place: Special Capital Improvements for MINCS Program****Building Improvements**

1. Replacement of all plumbing risers and installation of showers/shower heads in bathrooms; this was difficult due to the lack of adequate space in existing masonry shafts for all risers, runoffs and mixing valves (total riser replacement is usually included in major rehabilitation efforts);
2. New elevator cabs (two per high-rise) and machinery; elevator stops on each floor;
3. Vinyl clad double hung windows with stainless steel child guards;
4. Wiring (in conduits/risers) for telephone and cable TV;
5. Rewiring of intercom system: each apartment is connected to a 24-hour manned guard station in the lobby so residents cannot directly buzz in their guests -- they must be let in by the guard; intercoms in elevator cabs are directly connected to the guard station;
6. Cinder block interior walls were encapsulated to remediate the lead-based paint and to provide a stucco-like, more attractive appearance on the block walls;
7. Replacement of all lighting fixtures throughout the building;
8. Common laundry room in each high-rise and day care center in one of the buildings;

Unit Improvements

9. Kitchen: all wood cabinets; electric range hoods; wire shelving in pantry for storage;
10. Dining area: overhead light with ceiling fan;
11. Bathroom: ceramic tile floor and tub surround; vanities with Hollywood type lights;
12. Vinyl mini-blinds on all windows;
13. Closets: wood (rather than particleboard) closet doors; wire shelf and rod;

Site Improvements

14. Parking: on-site parking provided at ratio of one parking space for every two units; additional parking available on streets surrounding site;
15. Ornamental iron fencing surrounding site, with a locked, single gate entry at each building, with buzzer connected to guard's station;
16. Extensive outdoor recreation facilities including two basketball courts, one junior basketball court, barbecue grills, spray pool for children, cabanas for changing clothes, interlocking pavers for stage area, tot area, garden plots, etc; and
17. Interior support facilities with direct access at basement level including restrooms, park administrator's office, and kitchen facilities.

Figure 2. Views of Exterior of Lake Parc Place

The entire site is surrounded by fencing (ornamental along the front of the buildings). The gate is locked and visitors must buzz the security guard station inside the entry lobby to gain access to the site.



The front entrance is glazed so the security guard can observe activities at the front gate and front entrance before letting visitors into the building.



Figure 3. Views of Interior Common Areas

The elevator lobbies at each floor are attractive and well maintained. The large windows overlook the recreation facilities behind the buildings.

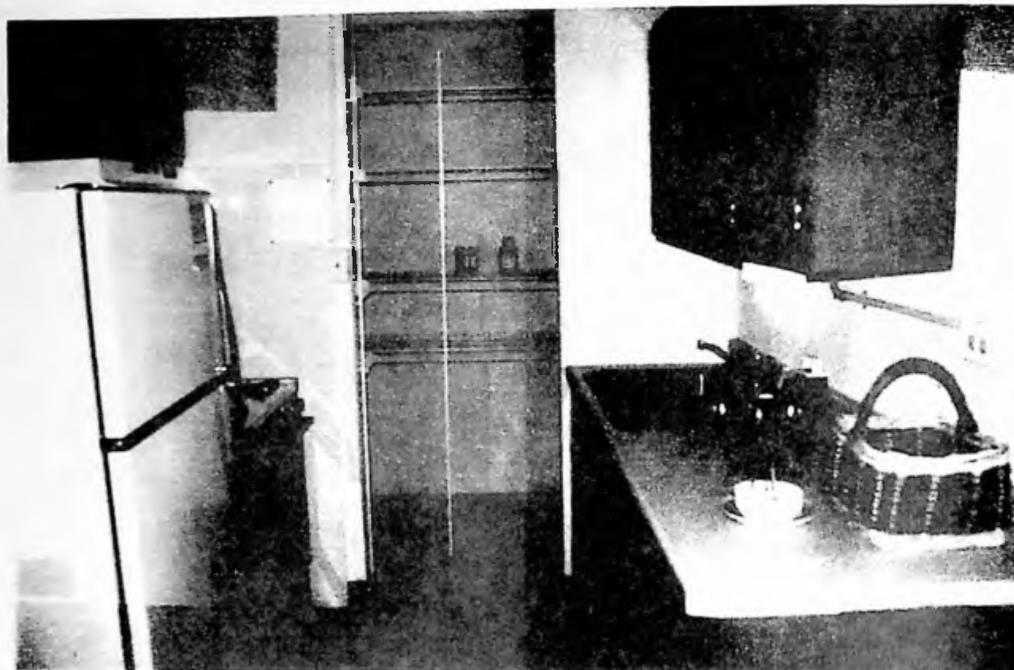


The interior hallway is well lit. Existing glazed block was cleaned for reuse because of its durability and easy maintainability. Lead-based paint on hallway walls was encapsulated with a product which leaves a stucco-like finish on the walls.



Figure 4. Views of Units

The kitchen was completely renovated and includes a large pantry for food storage. Ceramic tile on walls surrounding stove are easy to maintain.



Bedrooms accommodate double occupancy. All windows include child guards and mini-blinds.

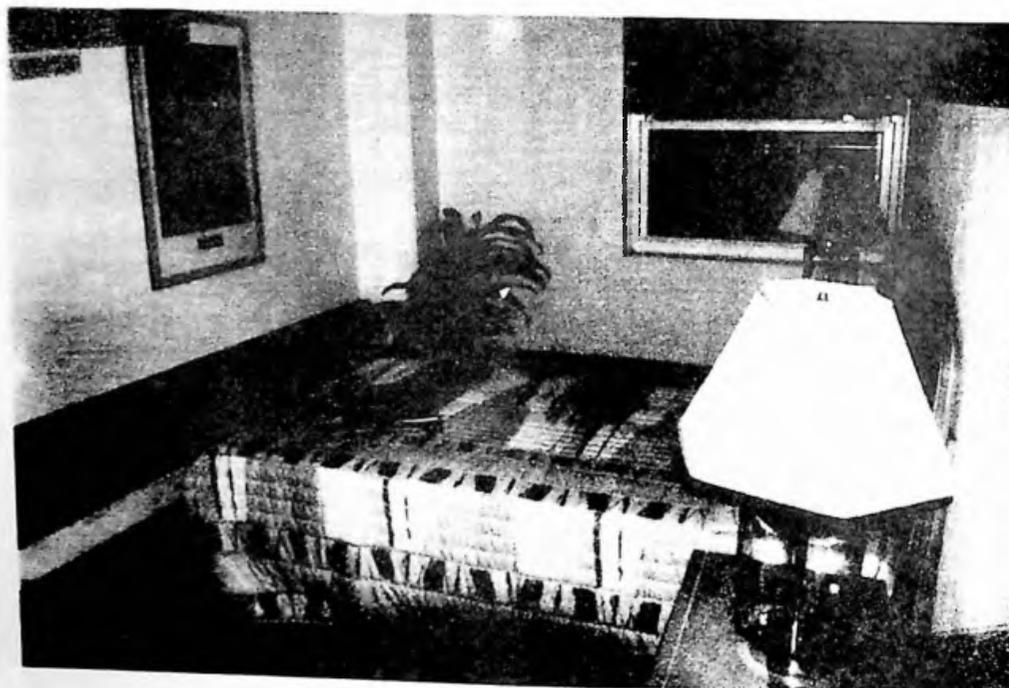


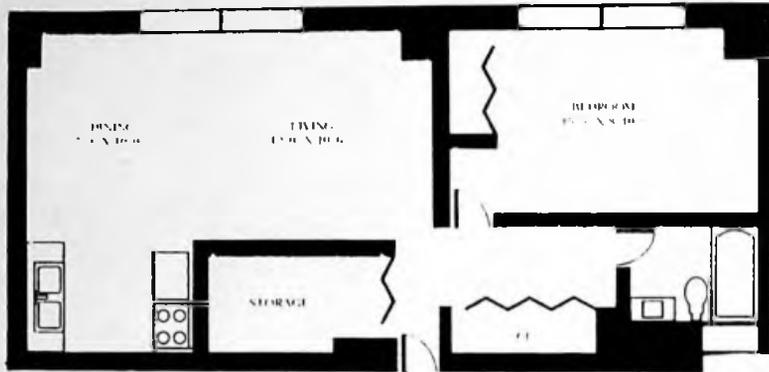
Figure 5. Views of Units

All bathrooms include vanities and Hollywood-type lighting over the medicine cabinet.

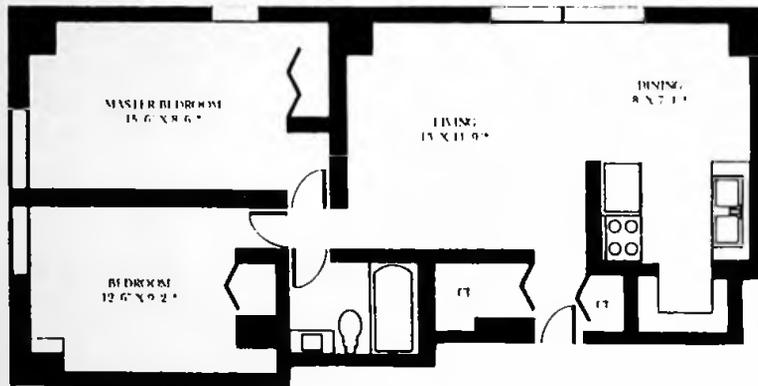


Figure 6. Typical Unit Plans

Typical one bedroom unit



Typical two bedroom unit



Typical three bedroom unit

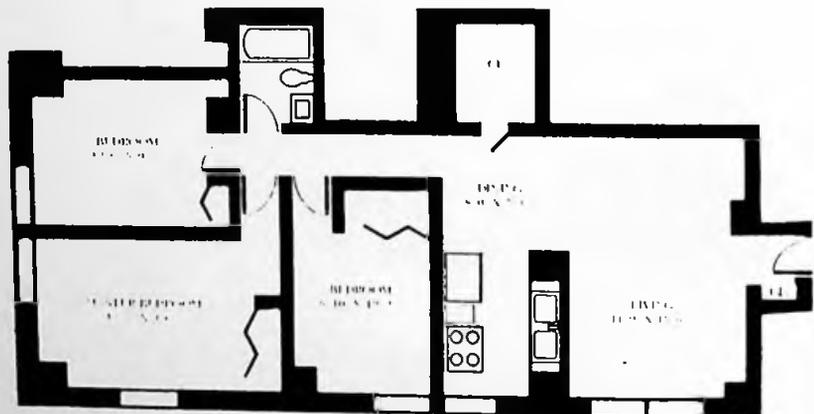
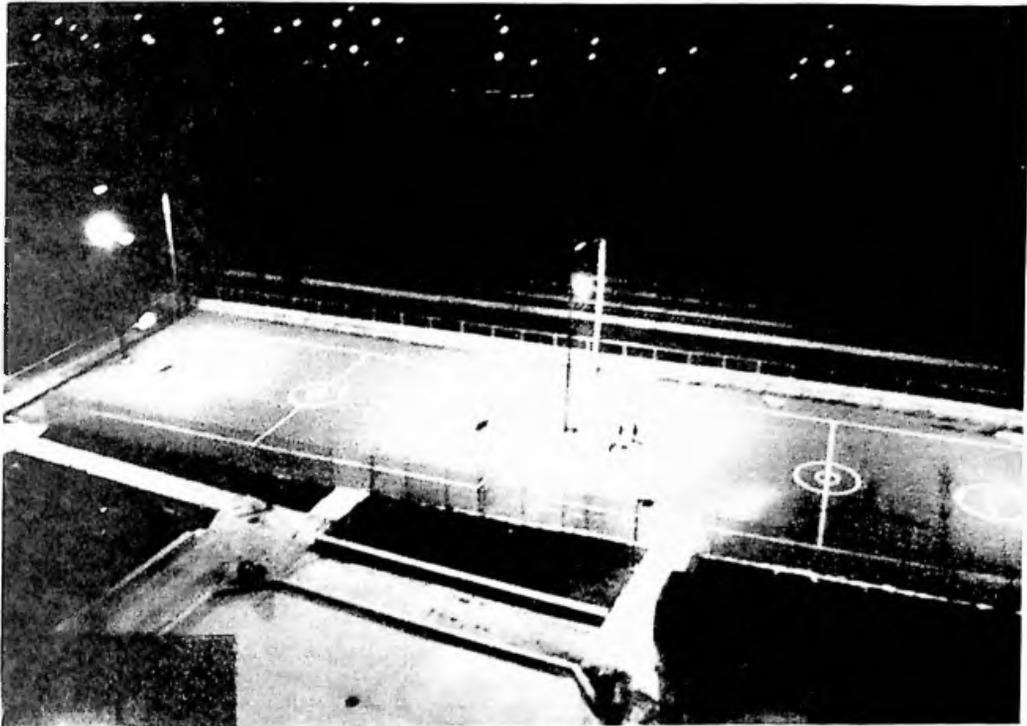


Figure 7. View of Recreation Facilities

On-site recreation facilities include basketball courts, spray pool with changing cabana, and playground. Toilet and kitchen facilities are available directly inside the high-rise for convenient use by children using the recreation areas.



III. NEIGHBORHOOD ISSUES

The park and recreation facilities provided on the fenced-in site were originally intended for use by tenants only. However, friction with neighborhood children over the use of this special amenity has led the Lake Parc Place management staff to open up the recreation facilities to neighborhood use, if children agree to obey the community rules of behavior. CHA and Rescorp/Willians agree that the MINCS Demonstration Program extends the concept of social change from the building level to the neighborhood level as well. Lake Parc Place staff met with local gangs to request a truce stipulating that the development was neutral territory and that all gang members should stay off the property. To date, this request has been honored and there have been few, if any, security problems on the property.

There are four vacant CHA high-rises adjacent to Lake Parc Place. The high-rise closest to the two renovated high-rises is scheduled for substantial rehabilitation pending receipt of an approval letter from the HUD Regional office. This third renovated high-rise will be added to Rescorp/William's private management contract and all three buildings will comprise the Lake Parc Place development. There currently are no plans for the three remaining vacant CHA high-rises near Lake Parc Place.

The third building was constructed in the 1960's and is similar in design to much of CHA's high-rise stock built during that decade which include exterior galleries and

exposed elevator shafts. Current design proposals call for the redesign of units and galleries to create an interior enclosed hallway and elevator core. To address concerns for livability as well as compliance with accessibility codes, a third elevator with enlarged cab and shaft will be installed. It is planned that costs associated with these additional improvements will be offset by substantially reduced site development costs for the third high-rise (due to less land area and the ability to use the extensive site amenities constructed in the first phase) so that per unit costs for the third building will be similar to per unit costs for the first two high-rises at Lake Parc Place. Current plans call for funding these capital improvements through the Comprehensive Grant Program. The CHA has preliminary plans and specifications for the proposed design work and is seeking to employ a new procurement method for a design/build approach. This would entail issuing an RFP requesting design/build qualifications and a maximum price rather than utilizing the conventional sealed bid approach based on a detailed set of contract documents.

IV. NEW DEVELOPMENT OF MIXED INCOME HOUSING

The CHA's Office of Development is currently working on plans for the new construction of private, mixed-income housing in the North Kenwood Oakland area, the immediate neighborhood surrounding Lake Parc Place. The actual target area is within a two mile radius of the two high-rise buildings. The goal is to produce 564 private housing units, of which 25 percent, or 141 units, would be reserved for very low income families. These 141 units replace the same number of units leased to low-income, working families in Lake Parc Place.

At the federal level, there are no funds to implement the new housing complement to the renovation work at Lake Parc Place. The MINCS program is unfunded to date so the CHA is actively pursuing state and local funds (e.g. tax exempt bonds, tax credits, phase-in abatement of real estate taxes, etc.) for new construction. Second and third mortgage positions from the city and the state have also been discussed. CHA is working with the city to identify appropriate city-owned parcels within the two mile radius of Lake Parc Place. An initial site has been acquired which will accommodate approximately 100 units. Because MINCS is a new and innovative program, rather than issue an RFP for a developer, the CHA is currently assembling a highly qualified development team to "guide" the complex financial package and construction program that must be designed and implemented. A pro forma has been developed and construction costs are estimated at \$60,000 per unit, similar to the per unit costs for extensive renovation of the existing high-rises.

New construction in the inner city in Chicago will be a challenge. The Chicago Rehabilitation Center has research that indicates that 50 percent of new housing starts in the 1980's occurred in one of four Chicago communities with the highest incomes. The urban renewal process in the North Kenwood Oakland area shows promising potential as development has crept up to the bordering edges. Proposed new construction of mixed income housing for the MINCS demonstration program is seen as the bridge between communities experiencing different levels of revitalization and reinvestment to date. Unrelated to the MINCS program, CHA has recently issued a Request for Developers for 160 units of turnkey housing on scattered sites comprising 25 to 30 units each. Another 115 turnkey units will be advertised in the future. These units will be a combination of both new construction and rehabilitation of existing structures.

V. SUMMARY OBSERVATIONS

The Lake Parc Place case study represents an innovative demonstration program which encourages income mixing within public housing and the transitioning of very low income tenants into non-subsidized housing. The MINCS Demonstration Program is in its very early stages in Chicago. The two renovated high-rises have been renting up over the past year and full occupancy is projected for September 1992; there are more than 2,000 names on the waiting list. The income mix is half very low income and half low income. Many of the welfare families have found jobs with the private security company under contract at Lake Parc Place or are training to become day care workers. A day camp program is provided during the summer which switches to an after school program when school starts in the Fall. Additional programs and resources such as a library and computers will be provided on-site to enhance the reading skills of many of the children. By all accounts, including the neighborhood residents, the demonstration program has been very successful. The next hurdle is the development of mixed-income private housing in the neighborhood, with 25 percent of the units set aside for very low income families. Still in the planning stages, CHA is working with the city and the neighborhood council to encourage the private development of 564 low-rise units.

Lake Parc Place is more than a test of incentives for self-sufficiency and the transition to non-subsidized housing; it is also a test of high-rise living. In more recent years, there has been a strong and articulate movement calling for the replacement of Chicago's high-rise public housing projects with scattered site, low-density developments more appropriate for families with children. Much of this battle has been waged around the four vacant high-rises adjacent to Lake Parc Place. In 1990, the U. S. District Court was asked to bar the Chicago Housing Authority and HUD from rehabilitating the four lakefront high-rises and instead to develop scattered-site public housing. Five months later, the court denied the request, but instructed the CHA to explore alternatives. The heated debate continues, but the MINCS Demonstration Program offers a new approach. Can the viability of high-rise public housing be improved if income mixing were required in all buildings? Are high-rises acceptable as a limited-term residential environment for families as they move towards self-sufficiency and away from subsidized housing? These are important questions to ask on behalf of Chicago's 15,000 family units located in high-rise structures and the thousands of similar high-rise structures around the country.

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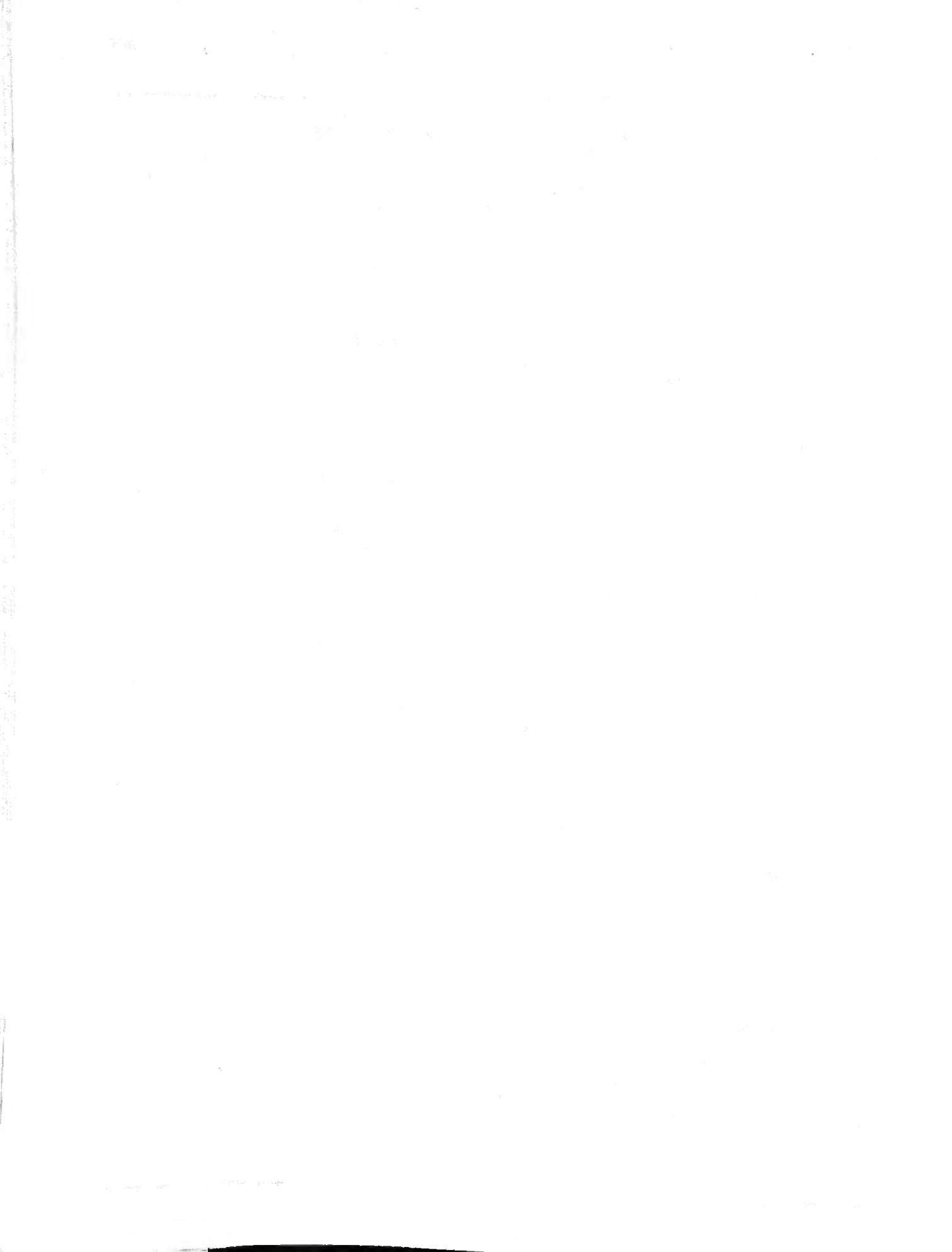
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Chapter 3

*Cuyahoga Metropolitan Housing Authority:
Olde Cedar Estates*

EXECUTIVE SUMMARY	3-1
MANAGEMENT ASSESSMENT	3-3
I. THE CUYAHOGA METROPOLITAN HOUSING AUTHORITY AND ITS OPERATIONS	3-3
A. Background	3-3
B. Memorandum of Agreement with HUD	3-3
II. OLDE CEDAR ESTATES	3-5
A. Description and Conditions	3-5
B. Maintenance at Olde Cedar	3-6
C. On-site Resident Services	3-8
III. THE CUYAHOGA METROPOLITAN HOUSING AUTHORITY IN 1991	3-8
A. New Directions in Agency Management	3-8
B. Field Operations At CMHA	3-9
C. Maintenance	3-10
D. Organizational Support for Maintenance Improvements	3-11
E. MOA Related Maintenance Programs	3-12
F. Central Administration and MIS	3-13
G. Resident Services	3-14
IV. CHANGES SINCE THE SITE VISIT	3-15
V. SUMMARY OBSERVATIONS	3-16
SELECTED BIBLIOGRAPHY	3-17

Cuyahoga Metropolitan Housing Authority:
Olde Cedar Estates

EXECUTIVE SUMMARY

The Cuyahoga Metropolitan Housing Authority (CMHA) operates nearly 11,000 units, half of which are located in Cleveland's very depressed Central Area. The difficulty in managing the Central Area's stock is illustrated by its vacancy rate of 29 percent, in contrast to the agency-wide rate of 17 percent. The Central Area contains four-fifths of the CMHA's unoccupied units.

A variety of reasons underlie the distress and lack of marketability of the agency's inner-city developments, including the CMHA's history of being unable to deal with maintenance and vacancy turnover problems. Designated a "troubled" public housing agency more than six years ago, it currently is operating under a HUD Memorandum of Agreement (MOA) that stipulates ten categories of required improvements, most of which relate to quality controls on administrative data.

Among the 5,482 CMHA units in the Central Area are the apartments at Olde Cedar Estates. The development, which is 55 years old and contains 640 units, serves as the focus of analysis for this case study. This site was selected because of its location in the Central Area which contains a cluster of CMHA developments that have become more difficult to market because of their distance from services and employment opportunities suitable for residents. Factors contributing to severe distress include socio-economic conditions, crime, non-rentals, very aged housing stock, deteriorating physical conditions, a lack of proper maintenance, crime and fragmented community structures.

For the past four years, Olde Cedar has been undergoing modernization of its units, which will be reduced to a total of 550. The comprehensive work plan includes removing environmental hazards, replacing basic systems and bringing them up to code, installing individual heating furnaces, reroofing, landscaping, installing security lighting and fencing, and creating a day care center.

The extensive improvements have made it possible to establish a well-organized model maintenance system at the development, without the burdens of deferred maintenance, infrastructure deterioration and vandalism. Now in the process of transformation from highly distressed to livable, Olde Cedar represents a success that the CMHA would like to see in other Central Area developments.

The CMHA has expended considerable time and effort to identify its organizational weaknesses, as a first step to implementing specific improvements. Many of the agency-wide improvements made in recent years have involved management controls -- which is appropriate, given the history of problems and the emphasis of the MOA. However, to some extent, this focus has tended to place the needs of residents secondary in planning and operations.

Efforts to address the MOA requirements have led to some interesting solutions, such as special initiatives to implement vacancy reduction, to upgrade the working conditions and attitudes of maintenance workers, and to reuse low-occupancy sites for a residential

rehabilitation program for female substance abusers. As the accomplishments at Olde Cedar are promising, so are the recent regionalization of the agency's operations and the emphasis on "customer service" and staff accountability.

Severe problems for CMHA, particularly in the Central Area, remain. Among these are marketing and turnover difficulties -- a reality that is likely to continue because private housing in the neighborhood is so inexpensive that it can compete with public housing for residents who obtain employment and even a modest level of economic security. The CMHA may have to develop creative new incentives to stem the exodus of its housing residents if it is to sustain and continue the progress it has made toward meeting MOA goals.

MANAGEMENT ASSESSMENT

I. THE CUYAHOGA METROPOLITAN HOUSING AUTHORITY AND ITS OPERATIONS

A. Background

The Cuyahoga Metropolitan Housing Authority (CMHA) has a total portfolio of 10,950 units; with 1,873 units unoccupied, the agency has an overall occupancy rate of about 80 percent. Half of the CMHA's units are in the Central Area of Cleveland; with 1,576 of those 5,482 units unoccupied, the area contains approximately 80 percent of the agency's vacant units.

The Central Area is one of the most physically, socially and economically depressed sections of Cleveland. The neighborhood's median income of \$4,280 is the lowest in the city. At the time of the site visit, almost one-fourth of the Central Area's residents were unemployed. The Central Area, which has the highest subsidized housing rate in Cleveland, lost over 62 percent of its population between 1960 and 1980. Supermarkets, drugstores, and other commercial conveniences cannot be found in the neighborhood.

One factor of particular relevance in Cleveland is that housing costs are low. The housing stock has matured since little new residential construction has occurred. These mature structures are readily available for rent or even homeownership, as down payments (at 20 percent) for single-family homes are often under \$10,000. Public housing residents who are able to obtain employment are quick to move into income levels that can support private sector rents or down payments for homes within metropolitan Cleveland. These residents with economic opportunity move-out into the greater community, leaving poorer and often unemployed households behind. If the housing economics of the city were different, the populations at the CMHA's developments might be more stable.

In their interviews, residents and individuals outside the CMHA identified the following factors as contributing to distress and a lack of marketability at the Authority's developments:

- Vacant units/maintenance problems
- Administrative controls on the applicant screening process
- More sensitivity to handicapped people
- Fair Housing Practices when assigning units
- Constant stress living in public housing /need for social service intervention

B. Memorandum of Agreement with HUD

The CMHA was designated by HUD as "troubled" in the fall of 1986. This was based on three major concerns: vacancies in excess of six percent, tenant accounts receivable (TARs) at 36 percent and deteriorating physical condition, with unexpended modernization funds over three years old of \$1.6 million.

Over the six years since the designation of the CMHA as "troubled," the list of MOA categories has increased. In the approved MOA for fiscal year 1991, there are ten categories:

Operating Reserve. CMHA agreed to submit an auditable balance sheet for the period ending December 31, 1990, to enable HUD and CMHA to negotiate an acceptable operating reserve level.

Operating Budget. CMHA agreed to maintain a budget in which expenses do not exceed income. HUD explicitly indicated that "public exigencies" could serve as a justification for an exception if the auditable balance sheet indicated an operating reserve above 15 percent of total routine expenses.

Utility Consumption. CMHA agreed to reconstruct the three-year rolling base of utility consumption data by March, 1991. This expense represents about 40 percent of the CMHA operating budget. Total utility costs are about \$14 million dollars for the federally assisted public housing program.

Comprehensive Occupancy Plan (COP). The CMHA agreed that the current COP would remain in effect even though both parties acknowledged that the 1991 target of 84 percent was not attainable given the actual rate of 68.7 percent, as of October 31, 1990. HUD agreed to review a proposed revised COP following a formal analysis of the vacancy problem. This MOA objective and the report have led to the implementation of an initiative that the CMHA dubbed "Operation Occupancy."

Rent Collection. CMHA agreed to submit an accurate tenant accounts receivable (TARs) report for the quarter ending December 31, 1990 and to negotiate an acceptable delinquency rate for tenants in possession. The agency also agreed to collect at least 90 percent of annual rent charges, as well as all year-end TARs.

Inspections and Repair. CMHA agreed to inspect all units for HQS and to fix all HQS findings by mid-February, 1992. In addition, all vacant units not in a modernization program were to be inspected to develop an assessment of work required to achieve habitability.

Preventive Maintenance (PM). CMHA agreed to implement pilot PM programs at three developments, including Olde Cedar, and to continue a roof inspection program.

Audit and Review Findings. CMHA agreed to adhere to all Corrective Action Plans for findings in four areas: procurement, salary administration, fiscal audits and occupancy.

Resident Initiatives. CMHA agreed to apply for PHDEP funds and to work with residents to develop strategies and programs; to establish a goal of selling 25 Turnkey III units to residents; and to expand and establish contractual relationships with the Lakeview and Valleyview resident management corporations and help the Lakeview Tenant Management Corporation (TMC) establish a convenience store. An apprenticeship program and resident employment goal of 30 residents was included as an objective.

As is evident from the above list, a large portion of the efforts under the MOA are directed to improve controls on administrative data collection. There are no requirements for resident initiatives outside of these cited above and a limited employment program for residents.

II. OLDE CEDAR ESTATES

A. Description and Conditions

Olde Cedar Estates consists of 18 three story walk-ups. Over the years, the property has deteriorated. Not only was there deferred maintenance, such as plastering and painting, but the basic systems -- including roofs, and heating, electrical, and plumbing -- have deteriorated and become obsolete and inadequate. Adding to these problems are environmental issues such as lead-based paint and asbestos. The only redeeming element is that the basic structure, including foundations and walls, is sound. Also, the units are seen as viable housing because they offer more privacy for the residents and are energy efficient.

Olde Cedar was constructed in the 1930s. For the past four years it has been undergoing the modernization of its units. Of the \$13 million budgeted for 1991-92 for renovations, half is MROP funds. Utilizing CIAP funds, 312 units have been modernized with 238 units remaining to be modernized. The modernization program for Olde Cedar includes a plan for converting the 640 units to a reduced total of 550 units.

Olde Cedar is located in the midst of a corridor surrounded by Cleveland State University, St. Vincent's School of Nursing and Medicine (two divisions), Cuyahoga Community College, Cleveland Juvenile Court, and ancillary services including rehabilitation and home health services. The site is also near the proposed stadium for the Cleveland Indians (professional baseball) and Cavaliers (professional basketball) teams.

The modernized portion of the site has been landscaped, giving a courtyard appearance with architectural features emphasizing a protected interior space. Entrance to the development is at two locations through the use of attractive steel fencing: the purpose is to limit foot traffic through the site, thus improving the security as well as appearance. The site is surrounded by old and new trees, and landscaped areas that are to include playground equipment and resident vegetable gardens are planned.

The uncompleted portion of the site has been sealed off with a 10 foot high chain-link fence to secure the area where there is lead-based paint delaminating and exposed asbestos pipe insulation. The fencing also keeps out transients and others who would seek shelter in these empty buildings. The buildings have been vacant for approximately four years as the CMHA and HUD have negotiated funding adjustments needed to complete modernization. Resolving the issue has prolonged the loss of development income to the Authority -- emphasizing the need to have some source of funding, such as MROP, to address the high cost of physical distress and/or obsolete design, or poor choice of materials. (The new Comprehensive Grant Program will be effective in handling major replacement needs such as roofs, doors, windows and heating plants. Given the extensive demand, the CMHA Comprehensive Grant formula allocation may not cover the up-front funding needed for completing the rehabilitation of all building systems and making the structural and architectural changes needed in many distressed housing sites, including the yet-to-be modernized portion of Olde Cedar.)

In the vacated portion of Olde Cedar, the old heating system has to be maintained because the central heating system that serves these buildings also serves the old administration building, which has not yet been modernized. These types of problems often occur where selective or piecemeal modernization is pursued. The condition of the mechanical plants and site-wide distribution heating systems and other utilities have made modernization costs at many of the Central Area developments high in terms of a percentage of the Total Development Cost (TDC) guidelines used by HUD to assess financial feasibility.

The modernization that has been completed is considered to be comprehensive. It has involved removing certain environmental hazards, replacing the basic systems and bringing them up to code, installing individual heating furnaces, and reroofing. The new design also calls for landscaped grounds, security lighting and fencing, and a day care center. The major difference between Olde Cedar and other sites in the Central Area is that the development has been totally modernized, making it possible to establish a well-organized maintenance system without the burden of deferred maintenance and infrastructure deterioration.

B. Maintenance at Olde Cedar

The maintenance services at Olde Cedar are more site-based than at other CMHA developments. Emphasis has been on setting goals, giving site staff increased responsibility and assuring accountability. A maintenance superintendent has been assigned to Olde Cedar. He is responsible for all maintenance and directs the on-site staff. He is also responsible for requesting specialized services from central maintenance and making quality control inspections on 10 percent of the work performed by the maintenance mechanics.

Accountability has been accomplished by assigning a "zone mechanic" for each group of 100 units. The zone mechanic is responsible for performing routine work orders, preventive maintenance on the apartments twice a year and simple mechanical repairs on the vacant units. The grounds and custodial work has been divided into five zones, with each zone having a grounds person who is responsible for mowing, landscaping, snow removal, leaves removal, shrub pruning, litter control and custodial work in stairwells and basement areas. Another grounds person works full time on garbage collection.

The 13-person staff at Olde Cedar consists of a supervisor (also covers Cedar Extension), two clerks, three service mechanic 4's, one service mechanic 2 and six grounds persons. The staff level and staff deployment seem reasonable for this site. However, the ratio of units to maintenance staff, not including the superintendents and administration or central maintenance support, is 31 to one. This exceeds HUD guidelines for maintenance staffing at a family development, which is 40 to one.

Work Orders. Work orders are written for all work that is done, including daily custodial and grounds tasks as well as each item found during a vacancy and preventive maintenance (PM) inspection. There are an average of 150 tenant-generated work orders per month at Olde Cedar. The on-site staff is very responsive to the tenant-generated service requests, most of which are worked within two days. These tasks are averaging about 30 minutes per work order.

The average work orders per month, including the 150 tenant generated work orders, is 475. The percentage breakdown of work orders is as follows:

Table 1
Olde Cedar Estates Development: Previous Work Orders

Work Orders	Amount	Percent
Tenant	150	32%
Vacancy	50	10%
Grounds/Custodial/PM	275	58%
Total	475	100%

Olde Cedar has an active and effective preventive maintenance (PM) program that was begun in June, 1991, with the first cycle being completed in November. The plan is to make two PM inspections per year in each unit, using HUD's Housing Quality Standards (HQS) as the minimum standard. Periodic inspections of buildings, roofs, furnaces, common areas, lighting and fire alarm systems are also conducted. All the PM work is accomplished by on-site staff. Since the first round of PM has been completed, the Supervisor indicates that work orders from tenants have been cut by one-half. This changes the percentages to:

Table 2
Olde Cedar Estates Development: Current Work Orders

Work Orders	Amount	Percent
Tenant	75	19%
Vacancy	50	12%
Grounds/Custodial/PM	275	69%
Total	400	100%

It is anticipated that the reduction in work orders will provide the on-site mechanic with more time to work on vacancies and to do more planned maintenance. Also noteworthy is that the revised monthly ratio of 75 tenant calls to 312 units is 24 percent at Olde Cedar, dramatically lower than the 7,000 tenant calls for 11,000 units, or 63 percent agency-wide.

The only central staff support that was indicated as needed at Olde Cedar was painting for vacancies; a need for other central support from licensed skills was not on record. However, trash pick up and extermination are still done by central maintenance.

Vacancy Turn-around. There are an average of 4.4 move-outs per month. The on-site staff is responsible for mechanical repairs, cleaning and floor waxing in the vacant unit. Central maintenance is called in for plaster work and painting.

The fact that the units at Olde Cedar are modernized greatly reduces the labor required to turn-over these units. The average vacancy requires about four hours mechanic time, eight hours for cleaning and 24 hours for painting, for a total of 36 hours. An average of 60 to 90 hours is required to turn-over older units that do not require total rehabilitation and are not being held for modernization.

At the beginning of the year, there was such a backlog of vacancies at the development that Olde Cedar had to have assistance from CMHA's special Operation Occupancy crew in order to turn-around vacant units. This work, involving 40 units was done with operating funds. While re-occupancy at Olde Cedar is currently averaging 32 days, the goal is 25 days. (The average re-occupancy time agency-wide is 42 days when modernization units and all efficiency units are factored out.)

Systems and Grounds. There are individual furnaces in each unit that are being maintained under the existing PM program. These units have been modernized, so that all utilities are individually metered independently of any central systems. This could allow for establishing a ceiling utility cost for tenants, such as is administered in the Section 8 program.

Typically, an individual building heating system (BHS) is most cost effective where heating is a large part of the utility cost. (BHS involves the use of a central heating plant in each structure that contains a series of smaller hydronic boilers that fire-up as demand increases.) However, based on local codes, this type of system would probably require 24-hour maintenance, which is not needed on hot water systems unless they are steam.

The condition and upkeep of the grounds at Olde Cedar appear to be good. The custodial requirements in maintaining the stairwells and basements are significant. This additional workload is reflected in the need for six grounds persons. Without the stairwells, basements and two management offices, the 12-acre site is now being serviced by three persons.

Maintenance and Lease Enforcement. With two inspections by maintenance and one by management each year, vandalism or abuse is easily identified. Residents are held accountable and charged for damage found by maintenance staff during preventive maintenance or during the annual inspections. In units where there has been a lot of deferred maintenance, however, it is very difficult to hold residents accountable. The staff is utilizing a list of standard charges as well as time and material charges where applicable. The superintendent indicated that the residents are responding, since it is easy to identify what repairs are needed due to abuse.

C. On-site Resident Services

As part of Olde Cedar's modernization plan, the Bingham Day Care Center relocated to the newly renovated development in July, 1991. The facility is currently servicing 125 children. Forty-five percent of those enrolled are children of residents.

To curtail the effects of drugs and crime, and enhance the security of the residents at Olde Cedar, the CMHA staff is working with the Cleveland Police, the councilmen and community groups to develop a strategy that addresses gangs, drugs and crime. Through the Public Housing Drug Elimination Program grant, CMHA has been able to provide six police officers to patrol the estate on foot two shifts a day, seven days a week.

III. THE CUYAHOGA METROPOLITAN HOUSING AUTHORITY IN 1991

A. New Directions In Agency Management

The Cuyahoga Metropolitan Housing Authority, which remains designated by HUD as a "troubled" public housing authority, is at a turning point. Considerable time and staff effort have been given to identifying organizational weaknesses, as part of a problem-defining stage prior to the implementation of specific improvements. Several types of organizational improvements have moved forward, most of which have been in direct response to priorities defined in the CMHA's Memorandum of Agreement (MOA) with HUD. In particular, the key requirement of vacancy control and reduction has been a major consideration in field operations. At the central office, great effort has been directed towards bringing financial records into an auditable condition, so that HUD and the CMHA can make exact determinations of the agency's financial status.

The CMHA is also looking beyond these day-to-day operational and administrative objectives. Under the direction of a consultant, they have instituted a Failure Avoidance Initiative, which is based on a thorough analysis of the potential points of operational failure that can occur at the CMHA. This represents a major step in the development of systems to improve the quality of services and the efficiency of program administration. The approach has created a set of senior staff assignments based on monitoring key

components of administration (task management) whose "failure" would have ripple effects through the organization's performance objectives. The documentation generated by this analysis has "textbook" qualities as to what could go amiss at a large PHA. As of the fall of 1991, some management system enhancements, as well as staff team building efforts, had been implemented.

Strategies to address the vacant units/maintenance problems, as well as programs funded by the Public Housing Drug Elimination Program that focus on substance abuse and crime, have been undertaken. Given the organizational issues related to program administration, it is understandable that actions to address certain issues are on hold. The approach of "first things first" -- such as management systems before social service needs -- is a clear requirement of the MOA and the performance indicators that HUD uses. The assumption is that correcting management systems is a precondition of being able to manage resources at a development. That generally requires that improvements start at the centralized level of a PHA.

B. Field Operations at the CMHA

Housing programs (property management) staff collect rent (currently at 94 percent of rent roll); enforce the lease (nonpayment processing includes three-day, 14-day and 30-day notices); inspect units (housekeeping mostly); and, in the Central Area, which contains most of the distressed public housing, direct site-based maintenance on a pilot program basis. Prior to 1986, all site-based maintenance had been under the direction of the property manager in a "standard" decentralized model. The current pilot program, which began in late spring of 1991, reflects a return to that model, in which delivery of all site services and lease enforcement is under the direction of the property manager.

For the pilot sites, vacancy preparation for units that were vacated during 1991 is handled by site maintenance staff. The program evidently has improved site conditions but the unit turnover rate slowed to the point that a CMHA program called "Operation Occupancy" was needed to pick up units at the pilot sites.

The Occupancy Department handles the entire application and assignment process, recertifications, marketing and outreach. At one point a marketing department did exist but dissolved due to a lack of coordinated staff follow-through. Given the occupancy problems at the CMHA, there is a need for a specialized unit for both occupancy planning (supply and demand analysis and trends) and marketing (advertising, showing units, targeted outreach and education on CMHA housing programs). Property managers do not handle any of the recertification documentation. Recertification staff travel to the developments to perform annual recertifications.

The CMHA waiting list is described by staff as follows:

- 1000 for one-bedroom family units
 - 430 for two-bedroom family units
 - 558 for three-bedroom family units
 - 86 for four-bedroom family units
 - 18 for five- and six-bedroom family units
 - 347 for elderly/disabled units, including more than half under 62 years of age
-

Efficiencies would appear to be marketable to the male disabled population under the age of 62, creating a mix in occupancy, which has been of concern to CMHA and many other PHAs. Changes in the composition of the waiting list reflect trends that have occurred in the demand for public housing in the Cleveland area, including: an increase in drug activities; more homeless applicants; grandparents obtaining guardianship of grandchildren (need to transfer from elderly to family); women under the age of 62 living in elderly buildings and having babies; and more rapid changes in household sizes, which leads to the under/overhoused conditions that require unit transfers.

CMHA staff have submitted a new Tenant Selection and Assignment Policy (TSAP) in the format of Administrative Order 31. It contains two major changes: homelessness as a weighted priority and only one choice (rather than three) for applicants at the top of the list. Both of these changes should help to fill units more quickly. Also, the agency has used one and two months of free rent as inducement for certain sites, specifically elderly buildings. There were over 700 phone calls after the last advertisement, but only 14 percent of the callers were over the age of 62.

Overall, the CMHA considers seven housing developments, all located in the Central Area, to be distressed. These are: Olde Cedar, (Cedar Extension Elderly and Cedar Extension Family), Carver Park, Outhwaite, King Kennedy Elderly, King Kennedy Family, Garden Valley and Woodhill. Preferred housing is located in the East and West Areas. Scattered-site public housing locations ranging in size from one to 24 units are marketable.

The following are housing program improvement strategies that are being developed:

- use of free rent/furnished apartments to assist marketing;
- creation of a substantial marketing function within the CMHA (both planning and outreach);
- lease enforcement directed towards rent collection, not eviction, through structured rent conferences/agreements and social services intervention;
- implementation of direct deposit program for those receiving welfare;
- a new MIS to track prior applicant history with CMHA, to avoid circumstances in which the household leaves without paying rent and then reapplies as a priority candidate;
- examination of the issue of ceiling rents and the disparity between the use of FMRs for Section 8 and the amounts that a recertification can establish as the new rents;
- use of "sweat equity" in lieu of rent for those that certify as "zero rent" households; and
- coordination of social services for families (the social service network for elderly appears to be strong already).

C. Maintenance

In order to assure accountability, all maintenance work is now done through the issuance of work orders. The on-site maintenance mechanic has a specific area of responsibility of approximately 100 units. All work orders generated by tenants are called into the central

system from which the MIS department tracks all work through completion and makes reports to the supervisors. The on-site superintendent reviews all tenant work orders as well as those generated by site staff. The superintendent then makes assignments to the mechanics, who are able to perform a wide range of maintenance tasks.

Most of the specialized maintenance requiring a high skill level is referred to central maintenance, which is staffed mostly by licensed tradesmen such as plumbers, electricians and carpenters. The agency has hired some additional force account union staff from the local shops to help with vacancy reduction, but due to high cost is now moving towards contracting for this work.

The superintendent is responsible for reviewing the status of repairs until they are completed. Work orders are also issued for preventive maintenance checks on all apartments, as well as for any repairs that are needed. The supervisor does quality-control checks on 10 percent of the units to assure staff are properly inspecting them and making repairs.

The basics of good management: setting goals, establishing performance standards and checks and follow-through appear to be working. The agency is also revising job descriptions and expects staff to perform and meet the requirements of the job descriptions.

D. Organizational Support for Maintenance Improvements

The current administration is making significant strides in turning around the operation of the Maintenance Department. The new executive director and chief of staff have made themselves accessible to staff, have gone to the sites, and have talked with workers, shop stewards and residents. These actions have let the staff know that they are considered important and that their ideas and input are needed. All levels of management and staff were consulted to determine where weaknesses, opposition and obstructions were in the system.

Maintenance shops have been cleaned up, which has improved working conditions and established the standards and attitude for improving the site conditions. The attitude developed in keeping the shops clean and in order was expected to carry over to site conditions.

Uniforms were purchased for the workers, allowing residents and CMHA supervisory personnel to identify workers. The workers could no longer hide or easily disappear from the site. This action has also instilled pride in the workers, who now have clean uniforms. It has shown that the agency cares for the workers and is moving towards a system to hold them accountable for their work. Similarly, tools were purchased and issued to workers, and a system was established to assure accountability for the tools. Having proper tools is very important to improving maintenance efficiency and raising production expectations. Making quarterly inventory on the tools emphasizes the attitude of accountability and responsibility.

A training program for maintenance mechanics is in place, which was important in getting cooperation from the workers and the unions in establishing production goals. (Many workers had been promoted who were lacking in the skills to perform the work). A basic program was established in which all mechanics were trained to assure a minimum skill level. Forty-seven did not pass, and these individuals are being retrained. If they do not pass again, they will be demoted or let go.

The union has become more cooperative in dealing with unproductive workers and making them comply with goals being established in the new job descriptions. The Personnel Department is establishing new job descriptions that include minimum standards -- so that, for the first time at the CMHA, supervisory staff will have the tools with which to evaluate the workers.

E. MOA-Related Maintenance Programs

Vacancies. The first part of the vacancy reduction strategy is stabilizing the current trends in turnover to avoid increased backlog. Turn-around time on all vacancies (re-occupancy) coming on line in 1991 and not in an approved CIAP renovation must average 50 days or less. Based on CMHA data, through August 31, 1992, there were 1,964 vacancies and the turn-around time was 42 days.

The second part of the vacancy reduction strategy is the implementation of the CIAP program that was funded in 1989 and 1990 to rehabilitate units that were in backlog prior to 1991. The agency hired approximately 70 (force account or "in-house" construction) union craftsmen and rehabilitated 246 units, including units that were gutted and required a major rehabilitation averaging \$10,000 to \$25,000 per unit. However, the MOA also required at least an overall reduction in backlog by the same amount at the end of the year. Because of the increase in vacancy rate, there was a need to keep a special crew to assist site staff on turning vacancies as well as to continue further reduction in the backlog.

On October 10, 1991, Operation Occupancy was initiated to put vacant units back on line as well as assist in the turnover of new vacancies. The various departments -- Occupancy, Management, Maintenance, Purchasing, Warehousing and Management Information Systems (MIS) -- have worked together, fostering a team effort which has been critical to breaking the bureaucratic grip on the departments. CMHA started Operation Occupancy with the goal of meeting the MOA. The agency then set its own internal goal of working 1,500 family vacancies in backlog prior to 1991. The Occupation Occupancy team of 40 force account union craftsman and 64 permanent CMHA staff had worked 556 units as of December 9, 1991, at approximately \$4,000 to \$4,500 per unit. Another group of 35 CMHA staff working elderly high-rises rehabilitated 70 units. Contracting is being utilized on 330 units; as of this report, 120 units had been contracted out, at an average of \$5,000 per unit.

The effort in vacancy reduction is admirable. However, a number of issues and concerns arise out of this process:

- With about one-fourth of permanent maintenance workers working vacancies, it has been necessary to reduce efforts in making HQS repairs, limiting the rest of the staff to just being able to work emergencies and urgent calls. The Authority is aware that once the vacancy backlog is under control, emphasis will have to be shifted to the work order backlog.
 - When accounting for overtime and temporary help, the maintenance staff equivalent is 446 persons or a unit ratio of 22 units per person. When compared to HUD's prescribed ratio of 40 units per person, it can be seen that in distressed housing, allowances are needed for additional personnel costs to turn-around the developments. If this agency's housing stock were in good condition, based on the maintenance needs, the unit ratio for up keep would probably need to be 30 to 1.
 - One of the Authority's methods of reducing backlog was through contracting.
-

Depending on the availability of contractors and contracting costs versus in-house cost, this could be a very viable solution to reducing long-term backlog without greatly impacting existing staff. However, having to get three bids on every unit to meet contracting requirements is very time consuming and often encourages a PHA to hire one contractor who cannot possibly do all the work in a timely manner.

- There needs to be a variance in the procurement procedures for vacancy reduction programs. The Authority should be allowed to negotiate utilizing a number of vendors to establish unit prices for work. Once established, all contractors could then be utilized to do the work using the same unit price scale. An independent estimate of unit prices could be obtained from a certified estimator to verify reasonability of the negotiated rate.

HQS. Provisions in the MOA require the inspection of all units by the end of the year and the repairs needed to meet HQS completed by February 15, 1992. The CMHA had a crew of maintenance staff making HQS inspections and repairs. This system appeared to work well and was well-received by the residents. Approximately 5,500 units were completed by October, 1991. However, it was necessary to pull HQS staff for Operation Occupancy. Managers and clerks are now being utilized to make these inspections, and the Authority will probably meet its goal of inspecting the units. However, its ability to complete the work items needing repair is in question.

Preventive Maintenance. Full PM programs were required to be operational on three sites. The MOA did not detail the PM required, but the CMHA has developed a very detailed program for Olde Cedar and as other sites are modernized, similar PM programs will be established. It has been suggested that management improvement funds or some percentage of construction funds be made available for staffing and materials to operate PM Programs for modernized projects.

An important part of a PM program that is lacking in most public housing programs, and in particular those with distressed developments, is the inspection of apartment interiors. These inspections provide for repairing items such as faucet and trap leaks, commode seals and tub caulking before major damage is created. Plumbing leaks are common in the most distressed housing, causing rotting and mildewed walls and floors, loose tile and falling plaster. These problems can be averted by simple checks once or twice a year, as is being done at Olde Cedar.

F. Central Administration and MIS

The central office provides administrative support to the developments through accounting and fiscal administration, modernization planning, personnel, procurement and MIS. The major improvements at the central level have centered on developing auditable financial data and improved controls to avoid a recurrence of the lack of controls that created the questionable data. In conjunction with these efforts, the CMHA has sought new senior-level personnel to help direct central departments. New directors for MIS, Accounting, and Procurement had been appointed within the six weeks prior to the site visit.

The Authority has recently installed a new computer system on which the occupancy module is the first program up and running. This system has project-based accounting and budgeting capacity, and there are plans to fully implement both during 1992. Prior to 1990, each Estate (development) had its own income and expense report. Budgeting by central departments is currently in place. However, all historical data is considered tainted as the CMHA has not been able to provide an acceptable audit report that fully

represents its financial operations since 1983. A major requirement of the MOA has been to clean up the utility data and to get the conventional housing program into a position of being able to be audited.

All audits since 1983 have been issued with disclaimers and between 150 and 225 findings. These findings are usually repeat items as prior findings were almost never closed. TARs is the only development specific set of findings, although inventory system and utility cost tracking were also lead items.

The CMHA currently collects 94 percent of rents. The TARs write off as of December 6, 1991 were \$581,143 for the agency, which included \$410,990 for Central Area developments and \$6,558 for Olde Cedar. These figures re-emphasize the CMHA's difficulties in operating the developments in the Central Area.

The CMHA is looking towards a COP revision, a PFS recalculation and community business and foundation grants to supplement resources. The last item has been problematic as the executive director has only recently been successful in accessing the influential Cleveland Business Roundtable. The CMHA has been successful in finding about \$5.5 million through such techniques as utility adjustments, use of Section 8 to reimburse certain salary costs, a reimbursement for development costs at the Jefferson and West Fifth development, a Medicare contributions recovery and reimbursement of CIAP administrative costs. These all are recovered funds, not new money, and actually can be retraced back to mistakes or oversights in the initial financial management planning. Utility adjustments were the major source, providing about \$2 million for 1989 and 1990.

G. Resident Services

By the end of December, 1991, CMHA was to establish a Department of Community and Social Services. Currently, the CMHA is involved in a consortium approach to respond to the substance abuse problems of its residents. With the Cleveland Metro Health Center, through the endorsement of the Progressive Action Council, the CMHA has been awarded a federal grant of \$2.1 million over the next four years for the establishment of on-site drug and alcohol treatment services for the residents. The Metro Health Center serves as the treatment agency and is the fiscal agent for the program.

To help deal with the shortage of current inpatient services in the city, especially low-income individuals, the CMHA is developing a 90-day residential program for female drug abusers at the Outhwaite Estates. It will accommodate women and their children and will include child care on-site and 24-hour security. Open to all residents and waiting-list-eligible applicants, the program will address such themes as parenting, self-esteem, family development, job development and education. After completion of the treatment program, participants will transfer to drug- and alcohol-free recovery villages permanently. The pilot recovery village will be located near Outhwaite and will be the first in a series of such communities to be established throughout the CMHA area. The Program is open to all residents and waiting list eligible applicants.

The CMHA is applying for funds under a primary health care grant and developing a social service plan with the help of a local university professor. Some of the needs to be addressed include homeless prevention, direct deposits and crisis intervention programs. In general, though, in terms of resident initiatives, the agency sees its commitment to resident empowerment reflected in their relationship with their city-wide resident organization, its hiring of residents as employees, and its utilization of resident volunteers on specific projects throughout the estates.

IV. CHANGES SINCE THE SITE VISIT

Subsequent to the case study visit, the CMHA has undergone major changes. The agency has restructured its entire estate maintenance and management operations into five regions in order to add an additional level of oversight. The regionalization is based on a management philosophy that makes "customer service" the primary emphasis, which means serving residents better.

A regional customer service director heads each region and reports to the chief operating officer. Each region has a regional housing director and a regional maintenance director, as well as a social service coordinator and quality control person. Through a team concept, it is expected that the overall management of the regions (covering estates) will be greatly enhanced.

The Occupancy functions of leasing and re-examinations are now done at the regional level instead of centrally. In order to improve rent collection, help residents and avoid excessive move-outs, managers are required to exhaust social service intervention alternatives before evicting residents. Finally, as part of the ongoing effort to install an authority-wide computer system, the regional offices have the responsibility for entering and maintaining much of their own data.

The CMHA maintenance system has been changed dramatically by the regionalization. Before the regional approach was implemented, each development reported its maintenance work orders to a central location. The work order was then assigned to the estate staff, and left as their responsibility. With the regionalization, work orders are still called in by residents to a central location but are printed out at the appropriate regional office. The regional office then has the responsibility of making sure that the on-site estate staff (which has been reduced to nine employees at Olde Cedar) completes the work order. The five regions or mini-maintenance authorities add a level of oversight and monitoring that has made staff more responsive to the needs of residents. The regionalization holds the regional maintenance director accountable for making sure work orders get done, and the quality-control mechanism checks a sample of service requests with residents to ensure that they are satisfied with their service.

Similar changes have been made to materials management since the regionalization. Prior to the restructuring, each development had its own warehouse. Such a system is difficult to manage and hard to keep stocked. With the consolidation of materials management inventories to at least one warehouse in each region, real inventory and a reorder system can be instituted in each region, making materials easier to track, and guaranteeing that supplies will be available when needed for repairs.

The CMHA has not yet been able to assess its restructuring. However, by placing primary emphasis of the regionalization on adding oversight to make sure the agency is responsive to residents' needs, CMHA hopes that their new philosophy will materialize into an improved public housing program.

V. SUMMARY OBSERVATIONS

The CMHA has made great efforts and good progress in addressing the requirements of the MOA. However, the MOA is primarily concerned with operating statistics and not quality-of-life issues at the agency's developments. Many of the improvements at the CMHA have been directed toward implementing management controls. These efforts are entirely appropriate given the regulatory requirements of a conventional low-rent housing program that receives federal funding. Accountability is often more important than impact when tax dollars are involved. However, often times when improvements to management systems become the priority, the social support services needs of the program clients may become secondary.

In the case of the CMHA, issues such as marketability and social services have been given some attention, but have become limited in scope. The resident organizations that are receiving funds and assistance are those specified as a requirement of the MOA.

The efforts to address the requirements of the MOA have led to some interesting solutions. Operation Occupancy can be considered a model vacancy reduction program in terms of the techniques being used. Seeking to reuse low occupancy sites by tying services for certain populations to housing such as the program for rehabilitated female drug abusers at the Outhwaite development also represents a promising technique.

Olde Cedar is a development halfway from demonstrating distressed conditions to a successful turn-around. Whether this success can be replicated at other locations in the Central Area remains to be seen. The experiences with the developments in the Central Area point to a major weakness in intervention strategies for distressed developments. If local housing economics support housing costs that can be competitive with a PHA's program, then very few actions by an Authority will be able to draw applicants or facilitate the retention of working poor households.

If the CMHA is able to continue its efforts with adequate resources, it will likely reach its MOA goals. How it will sustain these gains is another question, as the housing market and a continued, gradual exodus of the population out of the city proper will put pressure on occupancy levels. The agency needs to have the ability to develop incentives for residents to remain in CMHA housing once they have acquired skills and obtained employment.

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Chapter 4

*Boston Housing Authority:
Commonwealth Development*

EXECUTIVE SUMMARY	4-1
MANAGEMENT ASSESSMENT	4-3
I. THE BOSTON HOUSING AUTHORITY AND ITS OPERATIONS	4-3
A. Background	4-3
B. Challenges Facing the BHA Today	4-4
II. THE COMMONWEALTH DEVELOPMENT	4-6
A. Redevelopment History	4-6
B. Management Features Since Redevelopment	4-8
C. Management Plan	4-9
III. OBSERVATIONS	4-13
A. Comparison to Franklin Field	4-13
B. Public vs. Private Management and Other Factors	4-14
DESIGN ASSESSMENT	4-15
I. COMMONWEALTH BEFORE REDEVELOPMENT	4-15
A. Location and Layout	4-15
B. Design Factors Contributing to Distress	4-15
C. Other Factors Contributing to Distress	4-20
II. REDEVELOPMENT PROCESS	4-22
A. Initial Planning Stages	4-22
B. Developer's Kit and Selection Process	4-23
C. Relocation and Construction Phasing	4-24
III. DESIGN FEATURES OF THE REDEVELOPMENT EFFORT	4-25
A. Site Redesign	4-27
B. Building Redesign	4-27
C. Unit Redesign	4-30
D. New Construction of Community Facilities	4-30
E. Construction Costs	4-36
IV. FINDINGS AND OBSERVATIONS	4-36
A. Commonwealth Today	4-36
B. Issues of Concern	4-38
C. Wider Applicability of this Approach	4-39
SELECTED BIBLIOGRAPHY	4-41

Boston Housing Authority:

Commonwealth Development

EXECUTIVE SUMMARY

The Boston Housing Authority (BHA) owns and operates more than 8,000 family units, in addition to 35 developments for the elderly. The agency has had a long history of mismanagement and litigation. In the late 1960s and early 1970s, conditions became increasingly substandard, prompting BHA residents to initiate a class action suit in 1975 that resulted in 15 years of court oversight.

By the time a receiver was appointed in 1980, conditions throughout BHA developments were appalling, vacancy rates had soared, vandalism and disrepair had taken over, and many units were uninhabitable. In four years of receivership, the BHA stemmed the tide of increasing vacancies, secured renovation funds and implemented major rehabilitation efforts. In 1984, the court granted the powers of the receiver to Mayor Flynn, who appointed Doris Bunte as BHA administrator. Under the Receiver, the BHA succeeded in preventing the total deterioration of its housing stock; under Bunte, progress was made in improving living conditions, maintenance performance and code compliance.

In 1990, the Massachusetts Superior Court issued its Final Order and Judgment, terminating its active supervision of the BHA. Under Bunte's leadership, the agency has become known for some successes as well as failures in the challenging task of managing Boston's public housing stock.

One of the more distressed BHA developments in the 1970s was Fidelis Way, now known as Commonwealth. Built in the Allston/Brighton section of the city in the early 1950s, the complex consisted of 13 structures rising three and six stories. By 1980, the development's vacancy rate reached 42 percent, and buildings and units showed the effects of years of negligent management, lack of routine maintenance, and no significant modernization of systems and equipment.

Between 1982 and 1984, the complex underwent substantial redevelopment, transforming the 648-unit development described in court documents as "disgusting," "dangerous" and "horrendous" to a 392-unit development later described by the same court as being among "some of the best housing in the City."

The effort began with a modest state planning grant to study revitalization alternatives. With input from residents, the BHA and the neighborhood, the planning recommendations included reducing the density of the development; minimizing large units accessed by elevator; providing housing for the elderly, community facilities, day care and parking; and, as necessary, demolishing buildings to achieve these goals.

The turnkey method of construction used for the Commonwealth involved turning empty buildings over to a private developer at a nominal cost, the rehabilitation of these structures according to a defined set of standards, and sale of the buildings back to the BHA for a predetermined amount of money. Reconstruction took place over three years in two phases, with half the site conveyed to the developer at the beginning of construc-

tion and the remaining properties conveyed on a building-by-building basis. The cost of the redevelopment was \$31.6 million — \$26.2 from HUD and the remainder from the state.

Along with physical redevelopment, the institution of an effective management system has been critical to improving and stabilizing Commonwealth. Since 1983, the development has been managed by a private company, in accordance with the Management Plan signed by the resident organization, the BHA and the company. The firm has worked concertedly and well with residents; its maintenance operations and staffing provide an effective model, with evidence of clear advantages of private versus public management.

Commonwealth's turnaround effort can be characterized as a comprehensive treatment of all aspects of community living, including:

- major redesign of the site, buildings, units and community facilities;
- enhanced property management through the private firm; and
- community facilities and programs to serve the needs of residents.

Most importantly, the residents played an active role throughout the entire multifaceted redevelopment effort, from initiating the planning study, to helping select the development team and management firm, to ongoing participation in daily operations. The cooperative relationship between management and residents has helped develop high levels of concern and responsibility, thus minimizing vandalism and deterioration. The site and buildings are well maintained — although sustaining the reinvestment does and will require constant management attention and preventive maintenance resources.

After eight years, the redevelopment is viewed as very successful. What was once one of the BHA's most severely distressed properties is now the preferred choice of BHA applicants. The success is attributed to several factors, including the intervention of the courts; Commonwealth's location in a relatively stable neighborhood; resident leadership and involvement; planning that involved all parties; application of state-of-the-art design standards; adequate funding; and improved property management. While Commonwealth's future is not likely to be idyllic, it can look ahead with confidence, having at its disposal the experiences and assets to eradicate problems that other public housing developments can only hope to mollify.

MANAGEMENT ASSESSMENT

I. THE BOSTON HOUSING AUTHORITY AND ITS OPERATIONS

A. Background

It is widely acknowledged that, beginning in the late 1960s, a devastating pattern of neglect began to take its toll on the BHA's conventional developments. In 1967, a privately sponsored study reported severe management problems with maintenance far below acceptable standards. By the early 1970s, violations of the State Sanitary Code were widespread, vacancies had risen to unprecedented levels and residents were successfully publicizing their plight in local media.

Several suits were brought before state and federal courts that demonstrated these conditions, but for a variety of reasons, the courts were unwilling to intervene aggressively. Then in February, 1975, Armando Perez and eight other residents filed a complaint on behalf of all BHA residents in Housing Court, alleging that Sanitary Code violations "caused irreparable physical and/or emotional injury." The eventual result was the issuance of a consent decree mandating a variety of improvements, and for two years the BHA and the court struggled under that framework.

During this time, conditions in the developments worsened dramatically. The court described the most wretched conditions: walls broken and crumbling, units without doors, refuse and excrement littering hallways and basements, pipes leaking, and children playing among broken glass, abandoned cars, and rotting mattresses. From 1977 to 1979, vacancies climbed from 13 percent to 32 percent. By that point, the court found that the BHA's "incompetence in quickly rehabilitating and rerenting vacated apartments" permitted many apartments to "fall prey to vandalism and become non-repairable except at enormous cost." The court went on to blame "the inability and unwillingness" of the Authority's Board of Commissioners "to provide even the barest minimum of housing services to its tenants." It further blamed the political leadership of the city for "actively contributing" to the deterioration of BHA properties through patronage hiring:

With few exceptions, the Mayor's appointments to BHA's Board of Commissioners were both unable and unwilling to govern BHA in compliance with not only legal, but also humane norms.

The Court concluded that receivership was "the only remedy which has not yet been attempted," and "the last opportunity to retain the possibility of decent, safe and sanitary low-income housing." In February, 1980, the Massachusetts Superior Court appointed Lewis H. Spence as Receiver, giving him broad powers to bring the BHA into compliance with the State Sanitary Code and all other laws regulating the conditions and habitability of housing.

Under Spence's control, the BHA was successful in stemming the tide of increasing unit vacancies, obtaining control of vacant apartments, securing funding for rehabilitation and reoccupancy of vacant apartments and implementing major redevelopment efforts. Developments that once demonstrated to the court "shocking physical and social decay" were transformed into "some of the best housing in the city."

The BHA remained in its initial form of receivership until October, 1984, when the court granted the new mayor of Boston, Ray Flynn, all the powers and responsibilities previously provided to the Receiver. Mayor Flynn, in turn, appointed Doris Bunte to be BHA Administrator.

Bunte inherited an agency with major challenges: systemic problems in maintenance and field management were noted by the court as it transferred power to the Mayor, as well as continued high vacancy rates and serious deficiencies in developments that had not undergone redevelopment. But by 1987, the court noted substantial accomplishments in BHA maintenance performance and code compliance under its new Administrator. In 1990, the Superior Court issued a Final Order and Judgment, terminating its active supervision of the Boston Housing Authority. In this order, the court noted that "the BHA's conditions have improved in the past decade to such an extent that it is easy to forget how intolerable conditions had become by 1979."

As it exists today, the BHA defeats all generalities; few sweeping statements can be made about this large urban authority. Even the question of whether it fits the federal definition of "troubled" is debatable, ultimately depending on whether the HUD Regional Administrator will use his discretion to acknowledge the existence of difficult development and neighborhood conditions.

During the past 15 years, the BHA has been both the object of ridicule and scorn, and of high praise; it has been condemned as incompetent and corrupt, and yet many of its programs and developments have been touted as national models. Much of its housing stock is typical of some of the more troubled developments in the country, yet the BHA has also been at the forefront of innovative efforts to redevelop and rescue what were once thought to be nearly uninhabitable housing developments. The BHA can claim credit for hosting one of the first Resident Management Corporations (Bromley-Heath), one of the most ambitious mixed-income redevelopment efforts (Columbia Point), and arguably one of the most successful privately managed redevelopments and the subject of this case study, Commonwealth.

B. Challenges Facing BHA Today

The problems currently facing the Boston Housing Authority are daunting, yet typical of many large urban housing authorities. These include three main challenges:

- **Physical:** modernizing and redeveloping more than 12,000 aging units.
- **Managerial:** improving the agency's management systems, especially financial management.
- **Social:** effectively countering the rising tide of violence and crime within its developments and neighborhoods.

Physical. Over two-thirds of the BHA housing stock was constructed in the 1940s or 1950s, and is comprised of flat-roofed, three-story brick walk-ups with approximately 15 to 25 units in each building. According to the 1990 Comprehensive Modernization Plan, the typical BHA unit has seen "little or no improvements beyond some emergency or code compliance work" since the date of construction and "all systems are near or beyond their expected lifetimes and in need of replacement."

In 1990, the BHA estimated that nearly \$440 million would be needed to achieve long-term viability for nearly 8,000 of its neediest federal units. At a per-unit cost of over \$55,000, this estimate exceeded the calculated TDC cap by \$53 million. In addition, the

BHA proposed viability upgrades that would have replaced flat roofs with pitched roofs, created separate entrances wherever possible, and constructed or improved its nonresidential facilities. The cost of these viability upgrades was estimated at an additional \$50 million.

Under the 1992 Comprehensive Grant Program (CGP), the BHA expects to receive approximately \$30 million in modernization funds from HUD each year. With that funding, the BHA plans on completing more than 400 physical improvement projects over the next five years. If the 1990 estimates are accurate, this CGP funding will have only a modest impact on the long-term viability of the BHA's units.

Managerial. Recent assessments of the BHA's management systems detail several areas of concern; HUD recently found deficiencies in occupancy, modernization scheduling, rent collection, energy consumption and operating reserve levels.

The BHA's financial condition is especially precarious, the result of depletions of its operating reserves during the past five years. As of March 31, 1991, the BHA's operating reserves were a negative 5 percent. This shortfall has been attributed to a variety of causes, including cost overruns, large legal settlements and inadequate income stemming from problems related to the Comprehensive Occupancy Plan.

In an effort to improve its financial position, the agency recently requested approximately \$10 million from HUD in retroactive Performance Funding System (PFS) subsidy, but as of this writing, only \$3.5 million has been approved; the balance is pending further review. The agency has eliminated 166 positions during the past three years, implemented furloughs for senior staff, and developed stricter budget controls. Even if the BHA receives the balance of its requested PFS subsidy, it will continue to see deficits in operations and reserves in the future.

Social. Along with many other large urban housing authorities, the BHA faces a monumental challenge as it confronts the rise in drug-related crime in its developments. If they were not so sadly familiar, the statistics would be shocking:

- Drug-related crimes at BHA developments increased by 75 percent between 1985 and 1989.
- A drug-related crime was committed on BHA property an average of once every two hours every day during the first six months of 1990.
- The single largest category of arrests made by BHA public safety personnel were for drug-related crimes.
- Narcotics violations for the first half of 1990 were nearly six times greater than for the same period in 1985.

While the majority of drug-related crimes are occurring in only a few developments (one development alone accounts for 40 percent of all reported narcotics crimes), there is evidence that these crimes are spreading to developments that were once considered relatively safe. One such development is Commonwealth, which has experienced an increase in drug-related crimes of 173 percent since 1985.

The BHA has developed a comprehensive plan for combating drug-related crime and its spread, including enhanced security operations, social services for its residents, economic and educational opportunity programs, and community empowerment programs. The

BHA has received cooperation from the city police, through the direct commitment of Mayor Flynn. Utilizing operating, modernization and Community Development Block Grant funds, the BHA established its own Investigative Police Force. Arrests have increased 2.5 times since these actions were taken; however, this is putting a severe strain on the operating budgets of its most distressed developments.

The Authority has pursued efforts to evict suspected drug dealers, as well as those who are violent or substantially disruptive. The BHA did obtain a waiver of Administrative Pre-Court Grievance hearings to expedite serious cause evictions, but there is a need for a special committee of the judiciary, law enforcement, the BHA and residents to develop streamlined processes leading to timely evictions while also protecting rights of due process. Evictions for cause are taking nine months or longer to settle, while drug cases are averaging three months.

II. THE COMMONWEALTH DEVELOPMENT

We are now entering apartment 392.... The walls in this apartment have flaking and chipping paint. I am now entering a vestibule just off the bathroom. The walls in the vestibule appear to be disintegrating as a result of leaks. I have just entered the bathroom which is literally disgusting... We are now entering 27 Fidelis Way... Looking down to the cellar it is absolutely filthy and disgusting with rubbish and trash. It smells of excrement and other noxious odors....

-Judge Paul Garrity, recording his observations during his visit to Fidelis Way, April 11, 1979

Built in the early 1950's, Fidelis Way consisted of 648 units in 13 buildings rising three to six stories in Allston-Brighton, a neighborhood at the western edge of Boston (see Figure 1). By 1980, the vacancy rate had reached 42 percent. The buildings and units showed the effects of negligent management, lack of routine maintenance, and no substantial modernization of systems and equipment. Roofs were leaking, heating systems were functioning poorly or not at all. The plumbing pipes were of poor quality and there were major interior plumbing leaks, with paint and plaster coming off the walls and large holes in the walls where repairs had been attempted. Floor tile was coming up, electrical hazards were common and considerable trash littered the common areas.

A. Redevelopment History

While the construction phase of the redevelopment took place during the years of the BHA's receivership, the seeds for change were planted in 1978, when the BHA was awarded \$50,000 by the Massachusetts Executive Office of Communities and Development (EOCD) to develop a feasibility and financing plan for the redevelopment. At the time, Fidelis Way was a state-aided public housing development, receiving funding and regulatory oversight from EOCD.

With the \$50,000 planning grant, the BHA hired Community Planning and Research, Inc. (CPR) to develop detailed strategies for redesign and resident services. Another consultant, E. Denis Walsh Associates, was also hired to identify potential marketing and refinancing options for the development. From the beginning, residents provided the initiative and much of the leadership for the redevelopment project. It was largely because of the active involvement of the tenant association at Commonwealth, carrying with it strong support from the surrounding neighborhood, that its redevelopment became a high priority for the BHA. Working in collaboration with neighborhood groups, BHA

FIGURE 1: LOCATION OF COMMONWEALTH DEVELOPMENT



management, social service providers, and consultants, the residents were able to exercise significant authority in the redevelopment process.

The decisions that came out of the planning process were jointly agreed upon by tenants and BHA management: reduce density, minimize large units accessed by elevator, reduce interior common areas, provide housing for the elderly, community facilities, day care and parking, and, when necessary, demolish buildings to achieve these goals. The constructive spirit of the group created a positive force for change and established the tone for the working relationship between the residents and management, a tone that continues to the present day.

In January of 1981, the receiver requested \$30 million from HUD to redevelop Fidelis Way. While that request was turned down, a financial package was developed that pulled the pieces together. Utilizing turnkey methods and the "federalization" program then offered through HUD, BHA tapped \$20 million in unexpended development funds already in its possession, and combined that with another \$6.2 million from HUD and \$3.8 million from the State. The property was purchased from the state by HUD, then turned over to a developer in turnkey fashion for the redevelopment.

At intensive sessions during the planning stages of the project, specific design features were settled upon by all parties involved, including density goals, square foot guidelines, parking requirements, and criteria for entries, outdoor space and living areas, kitchens, baths and other systems, and building features. These became part of a developer's kit that served as the basis for requesting comprehensive proposals for a development team which included the developer, architect and contractor.

The reconstruction occurred in two phases. Half the site was conveyed to the developer at the beginning of construction and the remaining buildings were conveyed on a building-by-building basis. This allowed the Authority to accommodate relocation needs. A private consultant managed the relocation process, which was critical to assuring families were properly taken care of and positive attitudes were maintained during construction. Some moved, using Section 8 Certificates; others stayed on site, relocating to nearby units. This allowed management to consolidate residents into a few buildings while others were rehabilitated.

The construction phase lasted three years, exceeding the original plan of two years. The delay resulted in cost overruns, bringing the final redevelopment cost to \$31,566,275, including "soft costs." Additional funding was found by applying for funding through a relatively obscure state legislative provision known as Chapter 884.

By late 1984 the project was complete. The original 648 units had been reduced to 392 units in five six-story buildings: two designed for elderly persons and three for families. The three-story walk-ups were converted to triplexes with private entrances. Now, eight years since completion, occupancy remains close to 100 percent, and the property is well maintained, showing almost no signs of wear.

(For a more detailed description of the physical changes made during redevelopment, please see the Design Assessment section.)

B. Management Features Since Redevelopment

The developer, John M. Corcoran and Company, served as interim manager during the construction phase, and made sure that low-maintenance materials were installed.

Corcoran made adjustments during the construction process as residents raised concerns and gave input on materials and equipment.

Working with the Authority and the residents, Corcoran developed a Management Plan, and in 1983 a division of the firm, the Corcoran Management Company (CMC), was awarded the contract to manage the site after construction. When CMC took over the development, the company trained its managers in giving orientation sessions for new residents. In addition, CMC developed a "Commonwealth Apartments Residents Handbook" that covered maintenance responsibilities, rent, damages, community rules, evictions, Commonwealth Housing and Health Improvement Program (CHHIP), the Commonwealth Tenants Association, and agencies in the neighborhood.

(It should be noted that the residents at Commonwealth were not interested in pursuing the resident management model; they did not believe they had the interest or the skills to tackle the day-to-day operations of a public housing development. They preferred to play an active role in the selection of the private management firm and in the development of the community rules in the lease.)

C. Management Plan

The Management Plan is structured as a Memorandum of Agreement between the Commonwealth Tenants Association, the Boston Housing Authority, and the Corcoran Management Company, all of whom are signatories to the document, making it legally binding. Under the agreement, CMC is evaluated annually by the BHA, and the CTA is authorized to make periodic site inspections and report its findings to the BHA and CMC. The Management Plan contains copies of all relevant forms used by CMC, including income and medical verification forms. Training materials used by property managers are incorporated into the Management Plan.

The following subjects are covered in the Management Plan: tenant selection, rent and utility allowances, damages and charges, community rules, eviction policy, maintenance, resident services, tenant orientation, security, personnel policy, budget and the lease. The maintenance section is of particular importance. It emphasizes CMC's maintenance program of preventive maintenance, corrective maintenance, and janitorial and grounds maintenance. Inspections (unit and buildings), apartment turnover procedures, and preventive maintenance schedules and forms are all included as part of the Management Plan.

Resident Participation. The residents of Commonwealth are well-organized, committed to their development, and proud of their accomplishments. Incorporated in 1979, the Commonwealth Tenants Association is governed by a 15-member executive board and meets monthly. New residents of Commonwealth are encouraged to attend meetings.

The CTA takes credit for initiating Commonwealth's redevelopment, designing, negotiating, and now monitoring the BHA's first Resident Employment Policy, negotiating the Commonwealth Relocation Agreement and jointly developing the Management Plan with Corcoran. New residents of Commonwealth are encouraged to attend meetings.

Service Delivery. Section 8 of the Management Plan covers Resident Services; the section lays out the long-term objectives for providing services at the development, and clearly states the responsibilities of the CTA, the Commonwealth Housing and Health Improvement Program and CMC in this process. Long-term objectives for providing services included, at the time the Management Plan was written (April, 1983):

- developing plans for multiple-year funding;
- adapting service delivery to a broader community scale, rather than small intensive groups; individuals would still be provided support at times of crisis;
- promoting family and elderly interaction; and
- ensuring that on-site services do not duplicate off-site services available, and promoting the integration of these services with others in the Allston-Brighton community.

The main service provider at the development, CHHIP is a multi-service organization open to all residents of Commonwealth that offers information and referral services, advocacy, job counseling, translation services, tutoring and educational assistance, and special groups such as exercise classes and support groups. While initially CHHIP's funding came mostly from Chapter 884 monies and a CMC budget line item, the three involved organizations planned to develop individual funding strategies as well as collaborate on ways to work jointly in programming and raising private funds.

In 1986, in order to increase resident participation in the delivery of social services and reduce duplicative administrative costs, CHHIP was organizationally merged with the Commonwealth Tenants Association. As a result, the CTA, whose members were elected every two years by all Commonwealth residents over the age of 18, became the primary agency responsible for tenant participation in management/maintenance, advocacy and social service delivery.

Between 1986 and 1990, the CTA enjoyed a significant growth in resources from which it was able to support expanded social service delivery. This included five staff positions — an executive director, administrative assistant, community organizer, employment and training outreach worker, and a social worker — as well as a family day care system for approximately 20 infant/toddlers and pre-schoolers. These programs were funded almost exclusively from state funds, most of which were made available through a state budget line-item specifically targeting supportive social service funding for public housing residents. Of the estimated \$255,000 in the CTA's FY89 budget, only \$40,000 was raised from private sources. No funds were available from the federal government.

However, in 1990 state government experienced dire financial difficulties and its Public Housing Supportive Services Program (SSP) and a significant portion of its day care program. As a result, the CTA laid off all of its personnel and its family day care system collapsed. The same year, the BHA was able to introduce an on-site youth worker through its federally funded Drug Elimination Program grant. However, this was the only on-site service-related position at Commonwealth until early 1992, when the CTA's own efforts were successful at raising sufficient funds to restore its executive director position and a small mentoring program for youth. Overall, from FY89 to FY93, the CTA's available funding for social services programs has experienced a net decrease of \$167,500.

The CTA has invested considerable organizational energy into efforts to restore state SSP funding and has worked with the BHA in designing a CGP-funded Resident Initiatives program that will increase community capacity and family support services. The CTA believes strongly that publicly funded supportive services are critical for an adequate social service delivery system in public housing.

Other social service agencies and neighborhood services are listed in the Resident Handbook, given to all new residents. Using this resource, a resident can easily locate fuel assistance programs, emergency food services, day care centers, after-school programs, legal services and welfare assistance.

Routine Maintenance and Work Order Systems. An analysis was made of the work orders at Commonwealth for the months of June and December, 1991. The analysis shows that the items creating the majority of service requests are stoppages, faucet leaks, door locks, bulb replacement and heating. These items are typically the items that create much of the work orders in any site. The heating problems did seem high for well kept boiler systems — the fan coil units in the ducts of the heating system for the high-rise building are failing. About 50 of the approximate 1,000 motors have been replaced. The original oil-fired steam boilers are still in use and well maintained but cannot be expected to last more than five more years.

There were no work orders for tile or floor damage and only one for plaster. This indicates there are no major leak problems, the typical cause of loose tile and damaged plaster. Another indicator of the overall condition of apartments is the annual average number of work orders per unit. Commonwealth had 1,581 tenant-initiated work orders in 1991. This is four per unit per year, a very good ratio.

BHA's 1992 Comprehensive Grant Program Executive Summary estimates that approximately \$790,000 will be spent at Commonwealth on physical and management/operations needs. This includes replacing 23 boilers, removing underground oil tanks and converting to gas heat, pointing and waterproofing brickwork, and improving elevators.

Maintenance Staffing Issues. The on-site maintenance staff consists of a supervisor, a mechanic and four janitor/groundspeople. They handle the routine work orders from residents, make repairs generated through the annual sanitary code inspections, make routine checks and work preventive maintenance items on the boiler equipment, make mechanical and carpentry repairs on vacancies, and perform routine janitorial tasks in building common areas. When there are repairs that require more technical skills, they call either a contractor or the union hall for the needed skilled labor.

The on-site maintenance staff is relatively small, with one person per 64 units. However, it must be remembered that a considerable amount of the work is being contracted out.

Control at Commonwealth is site specific. The on-site workers have authority to make decisions at the site level and therefore have considerable responsibility for and control of their work. This approach is operating very well at Commonwealth. The centralized functions of the management company support the site operations where the action occurs rather than the decision-making at central operations. The maintenance staff work together as a team and take pride in keeping the apartments in good condition. Key workers live on-site and have assumed more personal responsibility for the properties.

The work at Commonwealth is done quickly and efficiently. Work orders by tenants are called into the site office and reviewed by the manager and the maintenance supervisor, who have the authority to deal with their problems

without becoming entangled in bureaucratic approval processes; they can easily plan and direct their staff, setting priorities on the work orders as they see fit.

At the time of the site visit, Commonwealth had only three outstanding work orders. The September 30, 1991, Quarterly Management Report, showed 18. Even 18 outstanding orders indicates good work habits and response time for a 392-unit development.

Security. The redevelopment of Commonwealth can be credited with reductions of crime rates at the development. The number of reported crimes of any type declined sharply in the years following the completion of redevelopment. In 1985, there were 47 crimes reported, 11 of which were drug-related. Within two years the total number of crimes was reduced to 19 — a reduction of nearly 150 percent — even though occupancy levels during that period rose substantially.

While Commonwealth has experienced dramatic improvements in its physical conditions and its management as a result of redevelopment, there are larger socio-economic forces at work that are wreaking havoc within many BHA properties, and which threaten to disturb the relative security at Commonwealth. Although the development still ranks very low on the overall scale of drug-related crimes, (19th out of 22 developments), it is experiencing a dramatic increase in the rate of crimes, ranking seventh of 22 developments. According to the Boston Police Department, drug-related crimes at Commonwealth increased 173 percent between 1985 and 1990.

These statistics indicate that drug-related crime is spreading from the most troubled neighborhoods into areas that were until recently considered relatively safe. The BHA is aware of these trends, and is taking steps to intervene. The biggest factor in preventing the intrusion of drugs into a community is the organizational capacity and determination of the residents, working in close association with management. In the case of Commonwealth, all of the elements appear to be present.

Rent Collection, Vacancies, Occupancy. The 1990 Comprehensive Plan for Modernization reports that, during the summer of 1989, rent collection rates averaged around 91 percent.

The number of outstanding vacancies at Commonwealth at the time of the site visit in January, 1992 was three. The average turn-around time for maintenance is 12 days and total vacant turn-around time is 56 days. The maintenance time is good but total reoccupancy time is high.

In 1988, BHA signed a Voluntary Compliance Agreement with HUD, dramatically changing its methods of tenant selection in response to discrimination complaints by reducing the ability of applicants for conventional housing to choose the developments where they will be placed. Prior to the agreement, Corcoran had somewhat greater control over placements; under the current arrangement, applicants are selected through a centralized tenant selection process at the BHA headquarters, removing the local development's control.

The BHA as well as management at Commonwealth indicated that since the individual sites no longer have their own waiting list, the rejection rates have increased considerably. However, CMC and many residents feel that as a result of these changes, a greater number of "undesirable" residents are moving into the property.

IV. OBSERVATIONS

The successful redevelopment of Commonwealth eight years ago, combined with the application of effective management systems since, has insulated Commonwealth from the nearly overwhelming challenges facing many of BHA's other developments. While Commonwealth's future is not likely to be idyllic, it can look ahead with confidence, having at its disposal the experience and resources to eradicate problems that other developments can only hope to mollify.

Indeed, Commonwealth looks very well maintained with no evidence of vandalism or neglect, either on the site or in the buildings. It is BHA's flagship redevelopment effort. In a recent survey where BHA waiting list applicants were asked which family development they would select if they had the choice, Commonwealth was more than twice as popular as any other development.

A. Comparison to Franklin Field

During the period of Commonwealth's redevelopment, another property, Franklin Field, was redeveloped utilizing more conventional, publicly-managed techniques. The overall conditions at the two properties were similarly desperate, and the goals for redevelopment were shared: reduce density, provide direct outdoor access for family units, eliminate dangerous common corridors and stairs, improve security through redesign, and provide play areas, parking, and other amenities.

There is one very significant difference between the two developments. Franklin Field is located in the heart of a very troubled neighborhood in Boston's inner city, while Commonwealth's surrounding neighborhood has always been relatively stable and secure. Any comparison, therefore, must be made with the understanding that it may not be entirely fair because Franklin Field has been laboring under the enormous added burden of a very poor and struggling surrounding neighborhood.

Despite the differences in neighborhood, BHA staff feel that the difference between Franklin Field and Commonwealth is more attributable to the adversarial atmosphere that has existed between the on-site managers and residents at Franklin Field, as compared to the spirit of cooperation found at Commonwealth. The reconstruction at Franklin Field was accomplished with little input from the residents. As a result, the residents felt interested in the solution, they were not an effective part of the process, and their concern for and pride in the reconstruction was never developed. The results are vandalism, a lack of care by residents and a property that is deteriorating.

At Commonwealth, tenant-requested work orders are low, four per unit per year. Franklin Field averages 7.2 work orders per unit per year, surprisingly high for a development so recently completed, and has a disturbing work-order backlog of 22 percent, as compared to Commonwealth's 5 percent. This means it is now having serious problems and needs additional attention or it risks deterioration and needing major modernization once again.

Another interesting work order statistic is the average number of days to complete work orders. The comparison indicates once again that the performance at Commonwealth is good when compared with other sites. Common-

wealth has an average work order turnaround of five days, whereas Franklin Field averages a 13-day turnaround.

Incidents of crime as reported in the September 30, 1991, Quarterly Report indicate that the incidents at Franklin Field are 10 times higher than at Commonwealth.

These statistics indicate serious problems at Franklin Field, while Commonwealth shows healthy patterns and a responsive management structure. It is a leap to attribute these differences solely to the advantages of private management over public; yet the question is raised in dramatic fashion by these numbers, leading observers to consider other dimensions of private management that may help preserve the public's investment in low-income housing.

B. Public vs. Private Management and Other Factors

The use of private developers and managers appears to have been a very important factor in the high level of success at Commonwealth, and for that reason the BHA continues to support the use of private management. However, the BHA has pursued this option at other sites without the same levels of success. During interviews with BHA staff, the reasons given for that lack of success were that the other management firms were too small and lacked adequate knowledge of maintenance and contracting methods. They also lacked the support staff that CMC has had available and the requisite expertise in maintenance, contracting, fiscal management and management of residents.

Public or private, there are several management factors that increase the likelihood of success for a development, factors that are on display at Commonwealth. One major factor is that CMC does not need to operate within a large bureaucracy through which decisions have to flow. The lesson is that the closer the decisions are made to the work, the more effective they will be.

CMC has some additional advantages in staffing and deployment that the Boston Housing Authority does not have. The company can hire maintenance mechanics, who have the capability of working on 90 percent of the service requests and maintenance problems. BHA has to hire skilled and unskilled tradespersons who specialize in particular areas. This increases the cost of maintenance and makes it more difficult to assign work so it can be done as efficiently as possible. The difference in cost is a major concern where routine vacancies occur requiring minor carpentry, plumbing, tile and electrical work. A maintenance mechanic would be able to work all tasks in the unit with one visit. With a system of tradespersons it would require four workers in the unit, each with individual service priorities. It often takes a couple of weeks to get all the trades in to complete the work. Then someone usually has to come back into the unit to clean up.

CMC can utilize both union and non-union skilled tradespersons of their choice when a special skill is needed. The BHA would have to call the union hall or hire a union contractor and would have to take who was sent to them and, in the case of contracting, have to accept low bidder with limited ability to negotiate.

DESIGN ASSESSMENT

I. COMMONWEALTH BEFORE REDEVELOPMENT

A. Location and Layout

The Commonwealth development was originally constructed in 1950 as 648 units on a 14.2 acre site. Located on a hillside, the site offers dramatic long-distance views of Boston and Cambridge. Originally named after the only street running through the site - Fidelis Way - it is currently named after Commonwealth Avenue, one of Boston's main east-west routes, which provides easy access to downtown Boston via car or public transit. Commonwealth Avenue is zoned for multi-story apartment use, so the development's mid-rise buildings are similar in scale and style to the privately owned buildings along this major artery. Prior to redevelopment, Commonwealth was the most dense development in the area; today its density is similar to that found in the surrounding neighborhood.

Although the development was first built as state-aided public housing, it was similar in design to the "no frills" approach used in federal public housing constructed during the same time period. Of the 13 structures on site, seven were six-story mid-rises and the remaining six buildings were three-story walk-ups (see Figure 2). The mid-rise structures were constructed side by side, with each building having a separate entrance and elevator. Each entrance provided access to 30 units, with five units per floor. The three-story walk-ups were arranged as a series of attached buildings with each entrance providing access to 12 units, with four units per floor.

B. Design Factors Contributing to Distress

Scale and Density of the Development. The primary concern at Commonwealth focused on the total number of units appropriate for the site and the neighborhood. Density of BHA family developments ranged from a low of 8 units per acre on a site with two-story townhouses to a high of 71 units per acre at a development with mid-rise and high-rise structures. At 46 units per acre, Commonwealth fell in the mid range for BHA developments.

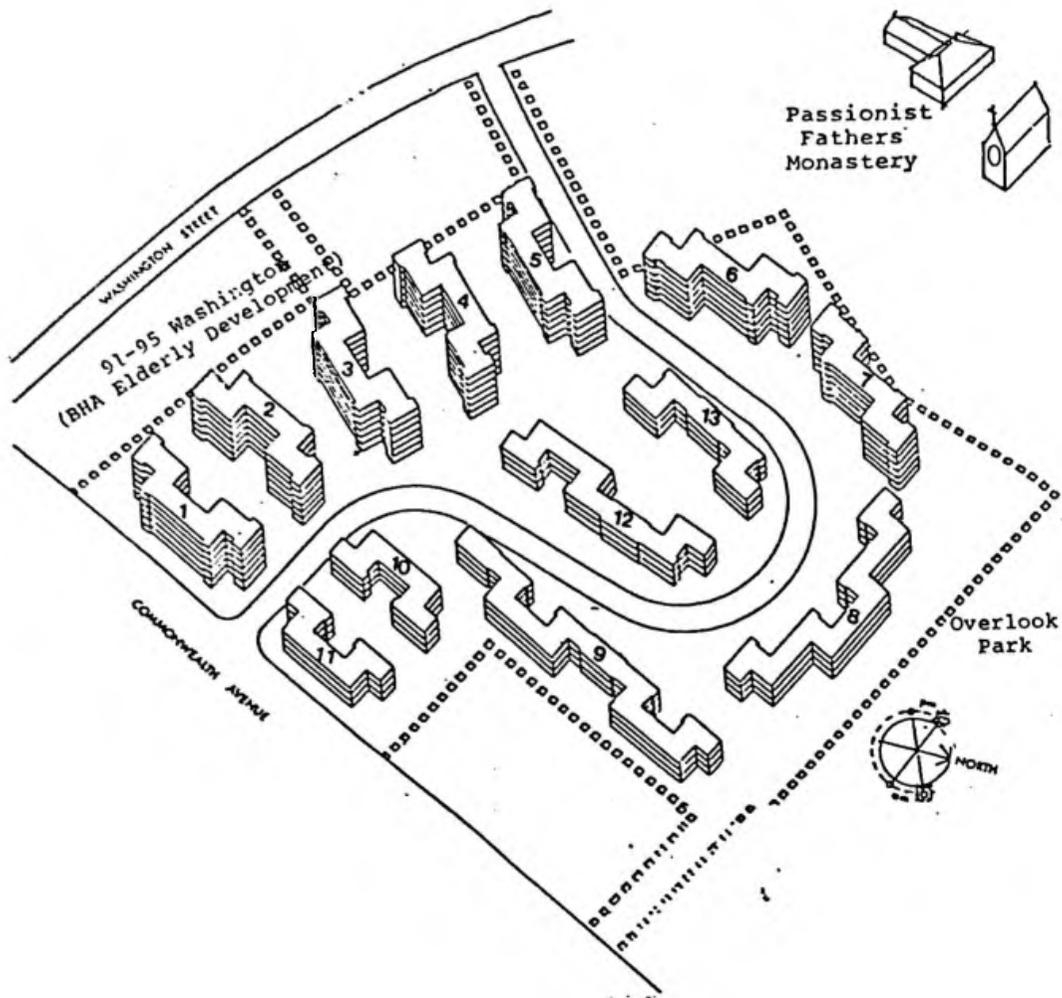
In the context of the surrounding neighborhood, Commonwealth was larger and more dense than other multifamily projects found along Commonwealth Avenue. Other than isolated pockets of high-rise development along this major artery, there were no areas of similar density in the immediate vicinity which is comprised of one-, two-, and three-family residences. Planning consultants, neighborhood representatives, and Commonwealth residents agreed that a reduction in the total number of public housing units was necessary for the long-term viability of the development.

Site Design Inadequacies. The original Fidelis Way was a long, curved road through the site which invited speeding and threatened the safety of children playing outside. As a one-way public street that was entered off Commonwealth Avenue and exited on Washington Street, it served as a convenient shortcut for neighborhood traffic seeking to avoid the traffic light at the intersection of Commonwealth Avenue and Washington Street. Many of the buildings, particularly the mid-rises, were perpendicular to this street and were difficult to find and access by car. Parking was inadequate and many residents drove over paved site areas to park directly in front, or in view, of their units.

Figure 2: As-built Characteristics

As-built Unit Distribution

	3-story Walk-ups	6-story Mid-rises	Total
1 bedroom units	72	0	72
2 bedroom units	0	336	336
3 bedroom units	114	84	198
4 bedroom units	42	0	42
Total	228	420	648



The center of the site became a “no man’s land” and a security problem because it wasn’t associated with any building, was not accessible by car, and could not be seen by security patrols driving through the site on Fidelis Way (see Figure 3). Poor nighttime lighting contributed to the security problems. With much of the site paved over with asphalt, the undifferentiated site lacked “defensible space” qualities.

Interior Common Areas as Security Problems. Sixty-five percent of the original units were in elevator buildings, with 30 families sharing an entrance and a single elevator. The remaining 35 percent of the units were in walk-up buildings where 12 families shared an entry. Interior common areas in both the walk-ups and mid-rise buildings were a continual source of security problems. Replacement of building entry doors and locks proved futile; the doors were either damaged soon after installation or residents failed to keep the doors locked to keep unauthorized visitors out. Some buildings had volunteer “building captains” charged with opening and closing entry doors; others were completely open.

The common areas in the elevator buildings were particularly problematic because many more families and their visitors used these areas and it was difficult to get the cooperation of all households in monitoring the traffic and activities in these common areas. Elevators were frequently out of service and constantly in need of repair, which contributed to excessively high operating costs. When out of service, some families had to walk up four or five flights of stairs littered with debris, graffiti, and human waste, to reach their unit. Located at interior corners of buildings, entries were difficult to find, not visible from the outside, and dark, dangerous areas to pass through when entering or leaving the building. The stairways in all buildings opened directly onto roofs and provided easy escape routes for those being pursued by security personnel. In addition, easy access to roofs created continual maintenance problems.

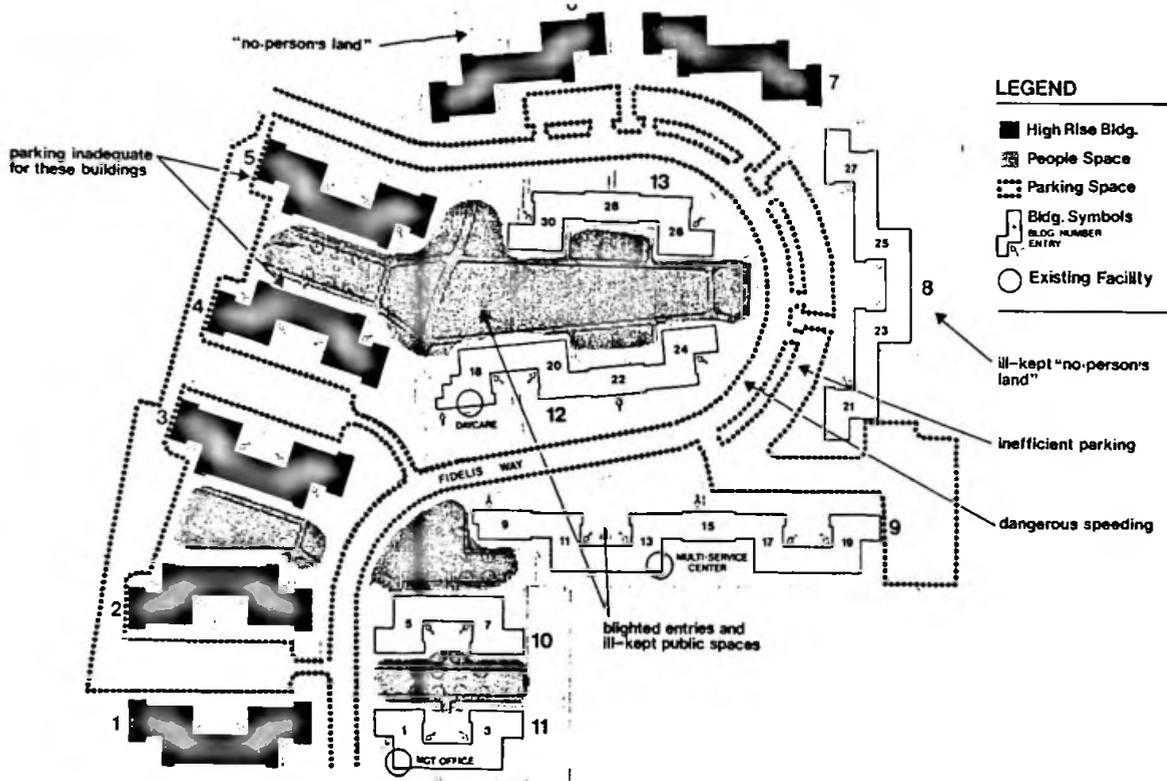
Poor Unit Design. The as-built units at Commonwealth were generally below HUD MPS and, on average, about 30 percent smaller than contemporary design standards for subsidized units, according to standards used by the Massachusetts Housing Finance Agency (MHFA). As illustrated in Figure 4, entry circulation cut diagonally across small living rooms, kitchens were undersized and did not provide adequate space for a dining table to accommodate family members, storage was insufficient and many bedrooms did not accommodate furnishings for double occupancy.

Table 1
Commonwealth Development: Unit Sizes and Design Standards (square feet)

Unit Size	Commonwealth As-built Units	HUD MPS	Contemporary Design Standards*
1 bedroom unit	530	580	600-700
2 bedroom unit	640	740	800-950
3 bedroom unit	865	840	1200-1500
4 bedroom unit	1025	960	1400-1600
5 bedroom unit	--	--	--

*Massachusetts Housing Finance Agency Architect’s Guide

Figure 3. Site Design Problems



Commonwealth Development / Site Plan

EXISTING CONDITIONS

CPR Inc. / 1979

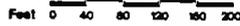
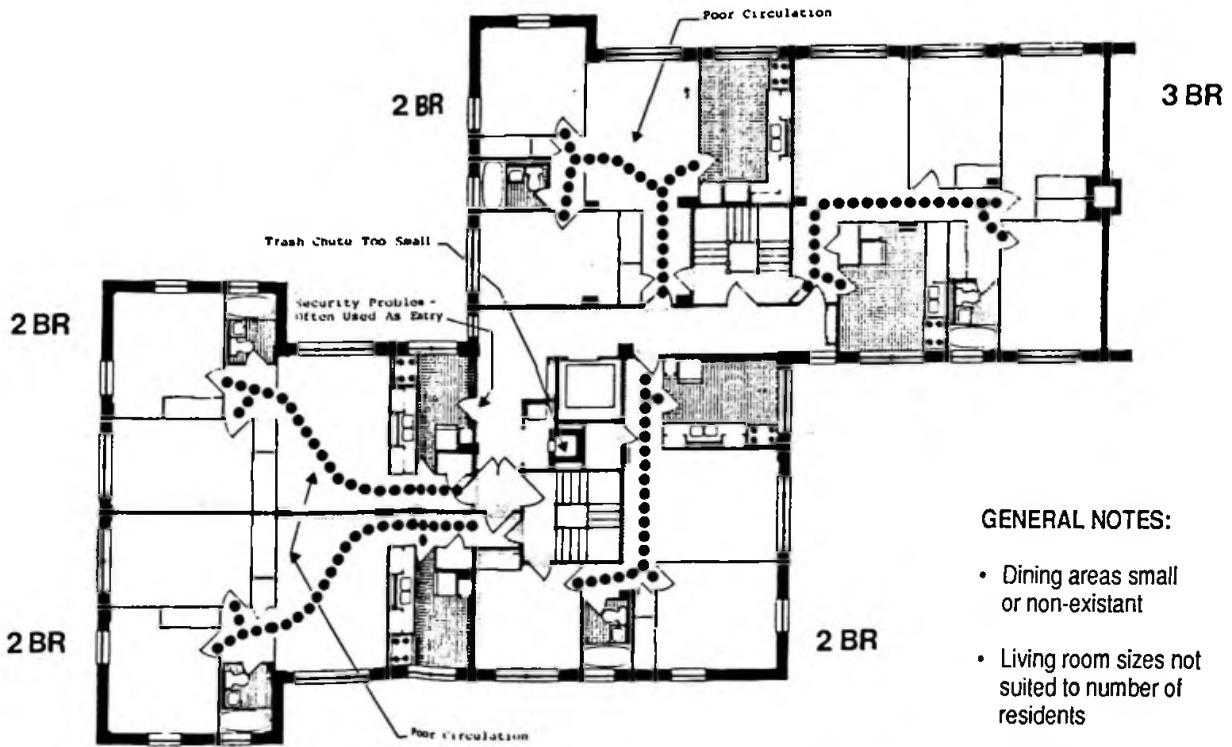


Figure 4. Unit Design Problems



GENERAL NOTES:

- Dining areas small or non-existent
- Living room sizes not suited to number of residents
- No second bath for 3 bedroom units
- Bathrooms small and with no storage space

Commonwealth Development / Building A
EXISTING CONDITIONS
CPR Inc. / 1979



Lack of Appropriate Community Facilities. The few nonresidential facilities present at the development in the late 1970s were located in basements or units. The management office and maintenance facilities were in basement locations at the 'front' of the site closest to Commonwealth Avenue. The day care center and teen center (when in existence) were also in basement locations that were inappropriate, unattractive, and at times subject to sewerage backups from occupied units on upper floors. Social service providers were scattered in various units, and the resident organization had an office in a unit which was not large enough to accommodate resident meetings and large group activities.

C. Other Factors Contributing to Distress

Physical Conditions/Modernization History. The original construction consisted of a flat plate concrete frame with brick and block exterior walls. Interior partitions at hallways were glazed concrete blocks; partitions within units were either plastered concrete block or gypsum walls. Windows were the original double-hung wood sash with no storm windows. Roofs and skylights were partially replaced with modernization funds.

By 1975, when the development was 25 years old, the basic structure of the buildings remained sound but there was substantial deterioration of the original building systems and finishes. The major building risers in the six-story mid-rises, composed of inferior-grade copper, began to fail. Pipes frequently burst, severely damaging floors and walls, resulting in uninhabitable units. Broken or clogged roof drains resulted in the flooding of many of the roofs. The building-based heating systems (two oil-fired steam boilers in each building basement) were failing and were not expected to make it through another winter. One of the more vivid images of the deterioration at Commonwealth was a photograph of a large, frozen cascade of ice extending from the sixth floor to the ground. As illustrated in Table 2, modernization funding during the 1970s totaled less than \$3,000 per unit and was used primarily for repairs of the heating system and roofs. Residents and on-site BHA staff indicated that inadequate funding and the length of time it took to complete a work item contributed significantly to the rapid deterioration of the development. By 1980, almost half of the units were vacant and uninhabitable due to the rapid deterioration of the systems.

Table 2
Commonwealth Development: History of Modernization Improvements

1971	\$133,640	Zone controls, peepholes, security doors and locks, mailboxes, exterior security lights
1973	\$561,029	Appliances, roof repairs, masonry repairs, overhaul oil burners, paint occupied units, exterior doors, penthouses
1975	\$ 60,000	Apartment rehabilitation (CETA crews)
1976	\$342,121	Community center renovations, hallway lighting, roof repairs, boiler repairs
1977	\$588,725	Boiler repairs
1978	\$155,000	Social service space renovations, skylights, hallway color panels, roof repairs
	\$1,840,515 (\$2,840/unit)	Total (prior to redevelopment)

Occupancy. During the 1970s, there were noticeable changes in the demographic characteristics of BHA residents. As the population declined due to increasing vacancies, the new families were younger and more likely to be single parent, female-headed households. Commonwealth's residents generally mirrored these trends. However, as the BHA's mean family size was decreasing, the households at Commonwealth were increasing to 3.5 persons per household in 1981.

Table 3
Commonwealth Development: Demographic Characteristics of Residents

	1969	1975	1978	1981
Total population of development	1,781	1,650	1,266	1,026
Percent single parent households	28%	73%	85%	-
Percent of female-headed households	-	70%	79%	82%
Percent of household heads over 60	51%	39%	13%	11%
Percent of household heads under 31	4%	17%	21%	-
Mean family size	2.88	2.92	3.23	3.54
Percent of household heads non-White	8%	30%	55%	57%
Length of residence less than 5 years	-	50%	51%	-
Length of resident more than 20 years	-	7%	10%	-

Source: BHA State of the Development Report 1979

Commonwealth's vacancy rate increased from two percent in 1975 to 42 percent in 1979 to 49 percent in 1980. This rapid increase was attributed to physical deterioration and to the opening of a new BHA housing development for the elderly three blocks away, to which approximately 80 elderly Commonwealth residents elected to move.

Despite the decision of elderly residents to move, Commonwealth's waiting list in 1979 reflected a growing demand for one bedroom units. In general, the existing residents were larger in household size than the applicants on the waiting list. The BHA undertook a careful analysis of existing residents and waiting list applicants to arrive at a unit mix for the redevelopment program that would meet both the current and projected needs of low-income residents.

Table 4
Commonwealth Development: Unit Distribution Information

Unit Size	Existing Units	1979 Residents	1979 Waiting List
1 bedroom	72 (11%)	26 (7%)	84 (23%)
2 bedrooms	336 (52%)	167 (44%)	143 (40%)
3 bedrooms	198 (31%)	150 (40%)	99 (28%)
4 bedrooms	42 (6%)	34 (9%)	32 (9%)
Total	648 (100%)	377 (100%)	358 (100%)

Resident Services and Facilities. In 1978 there were four on-site social service programs. The Commonwealth Housing and Health Improvement Program (CHHIP), originally focused on health education and improved health care for residents, had enlarged its services to include general information and referral, including the organization of a food-buying cooperative. The Fidelis Way Day Care Center provided full-time day care for 20

to 25 children ages three through five from the development and the surrounding neighborhood. The After School Drop In program operated as funds were available, and the Commonwealth Teen Center received technical assistance from city-wide programs to hire resident youth to organize and renovate the Teen Center.

The needs of residents far exceeded what these facilities and programs provided. A 1979 planning study identified the primary gaps in resident services as: lack of day care for children under three years of age; need to increase tenant awareness and utilization of community services; and need to expand employment and training opportunities.

Property Management. In addition to Commonwealth's design deficiencies and poor physical conditions, on-site management was not in control of the development. Key operations problems included fragmentation of BHA staff responsibility, frequent personnel changes in key management and maintenance positions, rapid population turnover, and confusion over court-ordered actions.

Attempts at modernization were minimal; whatever meager funds were available took an excessive amount of time to obligate and expend. Vacancies became an increasingly major problem as most of the vacant units could not be rented quickly due to vandalism, major systems problems, and lack of staff and resources to prepare and rent units. Court ordered rent-up procedures exacerbated the problems by requiring that Commonwealth house two White households for every minority applicant, at a time when the majority of waiting list applicants were either Black or Hispanic. (For a more detailed description of management issues, see Management Assessment section.)

II. REDEVELOPMENT PROCESS

By the late 1970s, it became clear to all participants that the piecemeal approach to improvements was not keeping pace with the rapid deterioration of the physical systems. Without major intervention of a coordinated and comprehensive nature, the entire development would be uninhabitable.

The primary catalyst for Commonwealth's redevelopment effort was a state-funded planning study. Although small, the grant became an important mechanism for organizing residents and establishing a comprehensive planning process involving residents, the surrounding neighborhood, and the BHA.

A. Initial Planning Stages

In 1977, the Massachusetts Executive Office of Communities and Development awarded \$50,000 to the BHA to undertake feasibility studies for the revitalization of the Commonwealth development. The BHA contracted with Community Planning and Research, Inc. (CPR) to develop comprehensive plans for the physical redesign of Commonwealth and improved programs for resident services, and with E. Denis Walsh Associates to identify the most feasible refinancing and marketing options. Early estimates for the cost of substantial physical rehabilitation ranged from \$15 to \$20 million.

A Project Steering Committee, which included Commonwealth residents, key BHA personnel, neighborhood representatives, and social service providers, was formed to work with CPR throughout the study. This committee was the central decision-making entity for issues involving redesign and resident services. Residents worked closely with

BHA staff and neighborhood groups and institutions over a two year period to arrive at a report in 1979 which outlined several strategies for revitalizing the deteriorated site.

Highlights of the final recommendations included:

- retain the development for low- and moderate-income families, with strong emphasis on rehousing the existing residents at Commonwealth;
- substantially rehabilitate units, buildings, and site to contemporary standards;
- provide professional and competent management and maintenance service to the residents;
- develop ways to increase resident input in management and maintenance;
- increase resident training and employment opportunities; and
- provide better program and social service delivery.

The CPR report recommended that the total number of units at Commonwealth be reduced from 648 to 450, with an emphasis on providing more three bedroom units to meet the needs of current residents and those on the waiting list. The proposed 450 new units was slightly more than the 420 occupied units at the time of the study.

During the time period of the CPR study, 14 acres of church-owned land adjacent to the development were proposed for sale to a developer. Concerned about the implications of development on such a large parcel of land, the Monastery Hill Planning Task Force was formed in May of 1979. This Task Force included representatives from neighborhood service agencies and institutions, city and state planning organizations, funding and regulatory agencies, and community organizations, including the Commonwealth Tenant Association (CTA) and CHHIP. After months of negotiations, the Task Force recommended that limited development could occur on the Monastery parcel only if it could leverage substantial funds for the rehabilitation of Commonwealth. The land was unexpectedly sold to a local hospital which indicated it had no plans for expansion on the Monastery Hill site and, as a result, the Task Force turned its attention to the Commonwealth site. Broad community support was generated for redevelopment of 450 units, with the reduction in density viewed as necessary for the long-term success of the revitalization effort.

B. Developer's Kit and Selection Process

With the assistance of a design consultant, the BHA prepared a Developer's Kit to invite interested private parties to bid on the reconstruction of Commonwealth. The Kit included a description of the development and its residents, BHA design and construction requirements, HUD standard reporting forms and procedures, and the evaluation process. Proposers were requested to submit information regarding development team members (developer, architect and contractor); proposed designs for units, buildings and site work; and a fixed construction price. Highlights of the design program as described in the Developer's Kit included:

- reduce density from 648 as-built units to approximately 450 rehabilitated units, using contemporary spatial standards;
 - minimize the number of children living in mid-rise elevator buildings by renovating upper floor units for small family occupancy and providing private-entry duplexes for large families at the base on the structures;
 - design two mid-rises for elderly occupancy to meet the neighborhood demand for elderly housing;
 - provide private, at-grade entries for as many large family units as possible;
 - redesign the site to provide greater access to buildings; and
 - construct non-residential facilities, including a management office, maintenance facility, community building, and day care center.
-

On September 30, 1981, the BHA received six proposals, ranging in price from approximately \$25 million to \$35 million, for the substantial rehabilitation of the Commonwealth development. The proposals were reviewed by BHA departments; the Commonwealth Tenants Association; the Massachusetts Housing and Finance Agency, for review of the developer's capacity as a construction borrower; and the Massachusetts Executive Office of Communities and Development. The CTA hired an architect to work with them so that they could be fully informed as to the content, significance and implications of the technical aspects of the six proposals.

The selection process involved two months of detailed evaluation of proposals and interviews with each of the six development teams. In addition, BHA staff met with representatives from the City of Boston, its Neighborhood Development Agency, the Mayor's Office of Housing, and the Allston/Brighton Community Development Corporation and interested neighbors to discuss the development proposals and to explain the reconstruction process and time schedule. The BHA made a unanimous recommendation, and received HUD's concurrence in January 1982, to award the turnkey contract to the development firm of John M. Corcoran and Company.

C. Relocation and Construction Phasing

The turnkey method of construction used for Commonwealth involved turning empty buildings over to a private developer at a nominal cost, the rehabilitation of these structures according to a defined set of design and construction standards (detailed in a Developer's Kit), and the sale of these buildings back to the BHA for a predetermined amount of money. Given the on-site relocation needs of the existing resident population, the reconstruction proceeded in several stages and required an elaborate process of conveyance and purchasing.

At the start of the redevelopment effort in 1981, there were 290 families at Commonwealth. The BHA hired a relocation consultant to survey the needs of each household, to relocate families either on or off-site, to monitor their compliance with the rehousing agreement, and to oversee their relocation back to a redeveloped unit. The BHA and the residents spent six months negotiating a package of relocation benefits and procedures. Approximately one-third of the families remained on-site during construction; the other two-thirds moved off-site, either to private housing using Section 8 certificates or to other BHA developments. Costs for relocation included \$200,000 for the consultant and \$690,000 for relocation expenses (an average of \$3,000 per household).

Substantial repairs were undertaken in the few buildings that were used as on-site relocation resources. To make these buildings habitable, risers and roofs were replaced in two mid-rises; vacant unit rehabilitation was necessary in all cases. Vacancy rehabilitation for relocation purposes accounted for \$639,000 of the "soft" costs.

Of the original 290 families at Commonwealth in 1981, 167 households (58 percent) returned to the redeveloped site. Of the 42 percent that were not rehoused, some elected to take the replacement housing payment of \$4,000 (a few used it as downpayment on a house); some senior citizens chose a one-time move to an elderly development; and a few with pets did not return because of the no-pet policy. All Commonwealth residents were given the right to rehousing unless they were evicted or in the process of being evicted.

The reconstruction effort occurred in two phases. At the execution of the Contract of Sale in 1982, BHA conveyed half of the site, with vacant buildings, to the developer; the remaining buildings were conveyed on a building-by-building basis due to relocation

requirements and the need to stagger reoccupancy. Originally projected to take only 22 months, the construction effort extended to three years. The development team was required to comply with BHA's minority participation program (25 percent employment of minority employee person hours and 20 percent expenditure of the final purchase price for minority business enterprises) and a resident participation program for selected residents to serve as apprentices and laborers in the work force.

Table 5
Commonwealth Development: Timeline of Redevelopment Process

1950	Commonwealth (Fidelis Way) constructed as 648 units of state-aided public housing
1975	Vacancy rate: 2%
1978	Vacancy rate: 23%
1979	Planning studies undertaken for Commonwealth revitalization Resident and community consensus to rehabilitate 450 units Vacancy rate: 42%
1980	Request to HUD to reprogram existing development funds for turnkey effort HUD approves request and obligates \$26.2 million Relocation consultant hired Vacancy rate: 52%
1981	State provides \$4.5 million to supplement HUD funding BHA issues Developer's Kit and receives six proposals; selects John M. Corcoran & Company Relocation consultant surveys residents; rehousing agreements are signed
1982	HUD approves developer selection Detailed design process with developer's architect, residents, and BHA RFP issued for interim private management; firm is selected Contract of Sale for Commonwealth signed between developer and BHA First phase construction commences
1983	State provides additional funding to cover "soft" costs of redevelopment Separate competition for private management of site (after redevelopment) is announced; Corcoran Management Company, a division of JMC, is selected
1984	First phase reconstruction available for reoccupancy Second phase construction commences
1985	All reconstruction completed and buildings reoccupied

III. DESIGN FEATURES OF THE REDEVELOPMENT EFFORT

Given available funds of \$26.2 million, the selected developer submitted a design for 392 units rather than the target goal of 450 units. Two mid-rises were demolished, reducing the number of elevator buildings from seven to five, and community facilities were constructed in their place. Although the 'topping off' of the mid-rises (reducing the number of stories from six to three) was considered, the demolition of complete buildings

was preferred to create areas for new construction of community facilities and to address building access and parking issues. Highlights of the redesign are described below and summarized in Table 6.

Table 6
Commonwealth Development: Physical Characteristics

	Before Redevelopment	After Redevelopment
Construction dates	1950	1983-85
Site Area	14.2 acres	14.2 acres
Buildings	7 6-story mid-rises 6 3-story walk-ups	5 6-story mid-rises 6 3-story rowhouses
Units		
Small Units	63%	67%
1 bedroom units	72 (11%)	140 (36%)
2 bedroom units	336 (52%)	123 (31%)
Large Units	37%	33%
3 bedroom units	198 (31%)	92 (24%)
4 bedroom units	42 (6%)	32 (8%)
5 bedroom units	0	5 (1%)
Total Units	648 units	392 units
Density Measures		
Units per acre	46 units per acre	28 units per acre
Total # bedrooms	1,506 bedrooms	815 bedrooms
Bedrooms per acre	106 bedrooms per acre	57 bedrooms per acre
Bedrooms per unit	2.3 bedrooms per unit	2.1 bedrooms per unit
Unit Sizes		
1 bedroom	530 sf	620 sf
2 bedroom	640 sf	950 sf
3 bedroom	865 sf	1,380 sf
4 bedroom	1,025 sf	1,425 sf
5 bedroom	--	1,825 sf
Community Facilities		
Type of facilities	Tenant office Day care center Management office Maintenance shop	Community building Day care center Management office Maintenance shop Central laundry; mail Tenant offices
Square footage	--	15,000 sf
Comm Fac per unit	--	23 sf Comm Fac per unit

A. Site Redesign

A new two-way street has been constructed through the center of the site to provide greater vehicular access to all parts of the development. A secondary loop road provides access to the fronts of the low-rise buildings; parking has been provided for 261 cars (.7 parking space per unit) in front of unit entries. To discourage speeding and make the site safer for children at play, pedestrian crosswalks have been designed as raised speed bumps and the once curved road has been reconstructed with right angle turns to slow traffic (see Figure 5).

As outlined in the BHA's design guidelines, the site has been reorganized to reflect a hierarchy of space from private yards at the unit edge to tot lots shared by two buildings to public walkways along the street edge. Fronts of units and buildings are carefully planted and maintained by management while fenced-in back yards are provided for each large family unit. These private yards are the maintenance responsibility of the resident and the responsibilities are described in the lease. The care and use of these private outdoor areas varies from household to household.

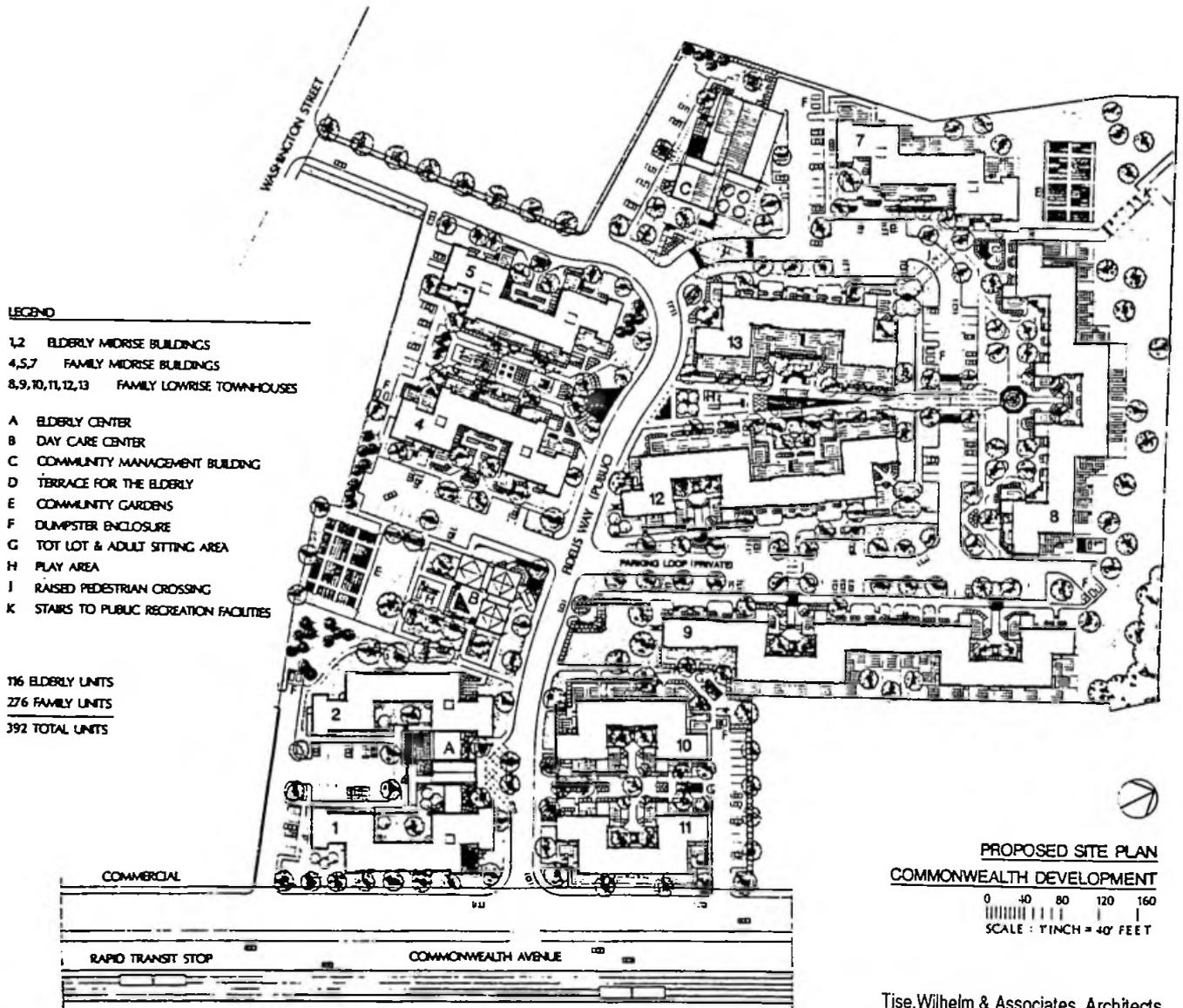
Recreation facilities for all age groups have been provided. Small, fenced-in tot lots with seating nearby for adults are located across the site. Playground equipment, which includes refurbished structures from the original site plan, are located between buildings and along major pedestrian pathways to encourage their use. City-owned basketball courts and other playground facilities available to the north of the site were renovated by the city Parks and Recreation Department prior to redevelopment. An outdoor patio at one of the elderly buildings overlooks a large, fenced in playground at the adjacent day care center so that the elderly can watch children at play. Community gardens are available at the northern corner of the site. In addition, the private management firm is noted for beautiful landscaping at all of its properties, and the well maintained shrubs and flowers at Commonwealth make a striking impression when visiting the site. Housing research has indicated that landscaping and site layout contribute highly to resident satisfaction, even more so than the architecture of the buildings.

B. Building Redesign

Two of the mid-rise structures were demolished and the remaining buildings were substantially redesigned to eliminate, to the extent possible, common entries and stairways and to minimize the number of children living in elevator buildings. Three of the remaining five mid-rises have been renovated to include smaller units (1 and 2 bedrooms) on upper floors (3-6); large family duplexes with direct private entries are located on the first two floors (see photos in Figure 6). This has substantially reduced the number of children in elevator buildings from approximately 60 per address to fewer than 20.

The shared entries for the units on the upper floors are identified by large canopies; a glazed vestibule has been added to increase opportunities for visual surveillance and to reduce vandalism and security problems associated with elevator lobbies. A closed circuit video camera in the lobby provides views of all entering and exiting activities; residents can tune into a cable network on their TV to monitor these activities and to check on visitors to the building. A small common laundry facility is located directly off the first floor lobby for use by residents in the smaller units that do not have washer/dryer hook-ups.

Figure 5. Commonwealth Site Plan After Redevelopment



Tise, Wilhelm & Associates, Architects

Figure 6. Views of Rehabilitated High-rises

View of high-rise
from pedestrian
crosswalk in front
of Community
Building



Private entries to
duplex townhouses
at base on high-rise



Two of the five mid-rises have been renovated for elderly occupancy. To encourage the development of an active elderly community and to enhance security, a link between the two buildings was constructed (see Figure 7). This link includes the only entrance to the buildings, a waiting lobby, a community room and the mailboxes. These two buildings are located at the corner of the site closest to public transportation and away from the more active recreation areas for older children who can be threatening to the frail elderly. A drop-off area at the front door provides convenience for those waiting for rides or returning from an outing.

The three-story walk-ups have been completely gutted and redesigned as large family duplexes and triplexes (see Figures 8,9 and 10). Each unit has a front and back door and private yard; all common areas have been eliminated. Front doors are painted different colors to emphasize the private entries and to encourage personalization.

C. Unit Redesign

Unit sizes were enlarged to contemporary spatial standards for subsidized housing, as defined in the MHFA Architect's Guide (these standards exceed HUD Minimum Property Standards). The large family units (3, 4 and 5 bedrooms) are approximately 40 percent larger than the original unit designs (see Table 6). Increasing unit sizes provides for the following:

- an entry hallway separate from the living room so cross circulation is avoided
- a large dining area directly adjacent to the kitchen which can be used as an informal family room
- a larger kitchen to accommodate several family members at one time
- a separate area for the washer and dryer in large units
- one and one half bathrooms in three bedroom units and two full bathrooms in four and five bedroom units
- minimum of 120 square foot bedrooms to accommodate double occupancy
- increased storage throughout the unit, including coat closet, additional closet space in bedrooms, linen closet and bulk storage room

To meet federal and state regulations, 10 percent of the elderly units and five percent of the family units have been designed for handicapped occupancy.

D. New Construction of Community Facilities

A day care center and a community/management building were constructed on the sites of the demolished mid-rises. The two-story day care center can accommodate up to 65 children from the development and the surrounding neighborhood (see Figure 11). The community building includes the multi-purpose community room and kitchen and offices for the CTA; a common laundry facility for families in larger units who do not own washers/dryers; a central mail facility for the townhouse units in the three-story buildings (USPS no longer delivers to new private addresses); and the management office. Maintenance facilities are located in the basement of the mid-rise directly across the street from the management office. As new construction, the day care center and the community building offered a design opportunity to substantially alter the image of institutional public housing.

Figure 7. New Link Connecting Elderly Mid-rises

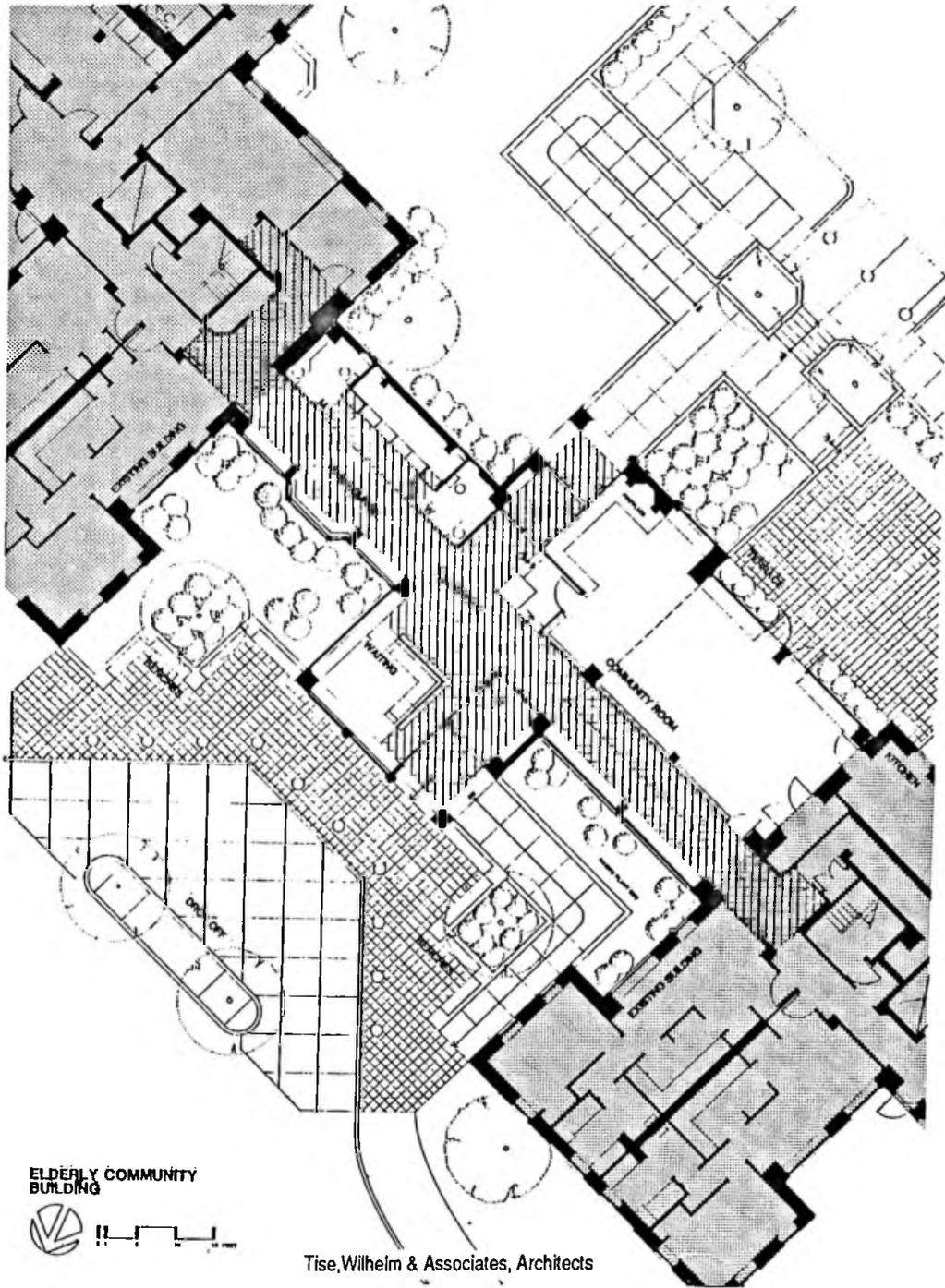


Figure 8. Redesign of 3-Story Walk-ups into Duplex and Triplex Units

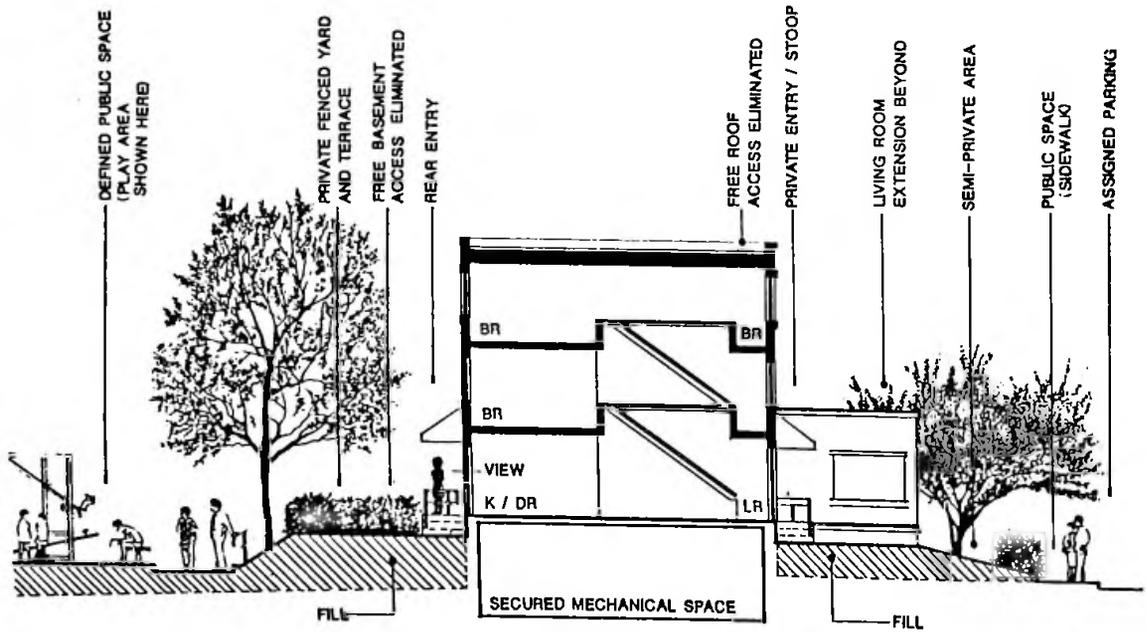
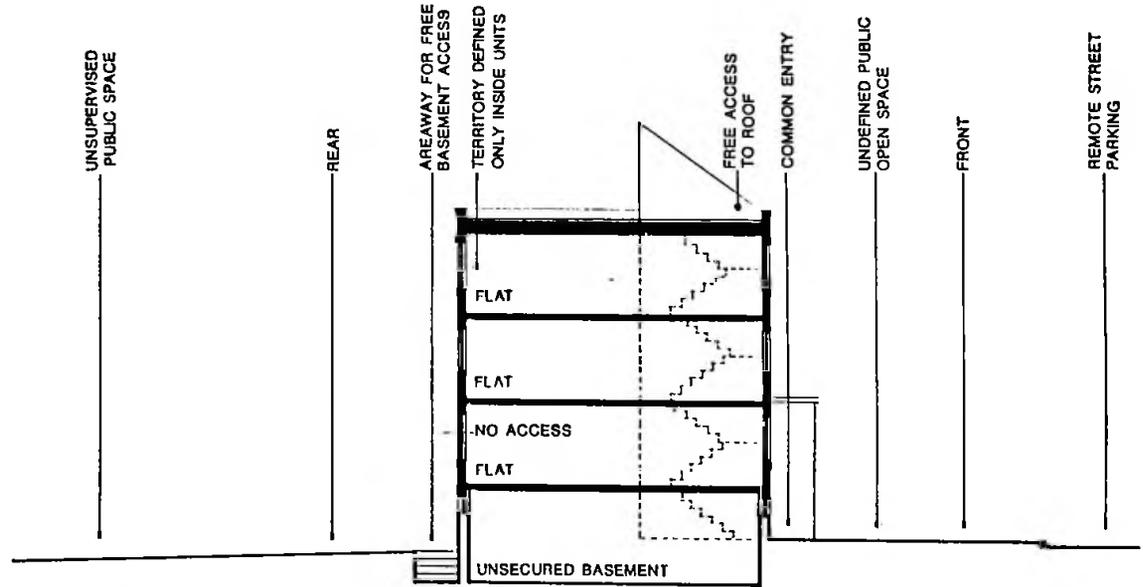


Figure 9. Triplex Unit Layouts for Large Families

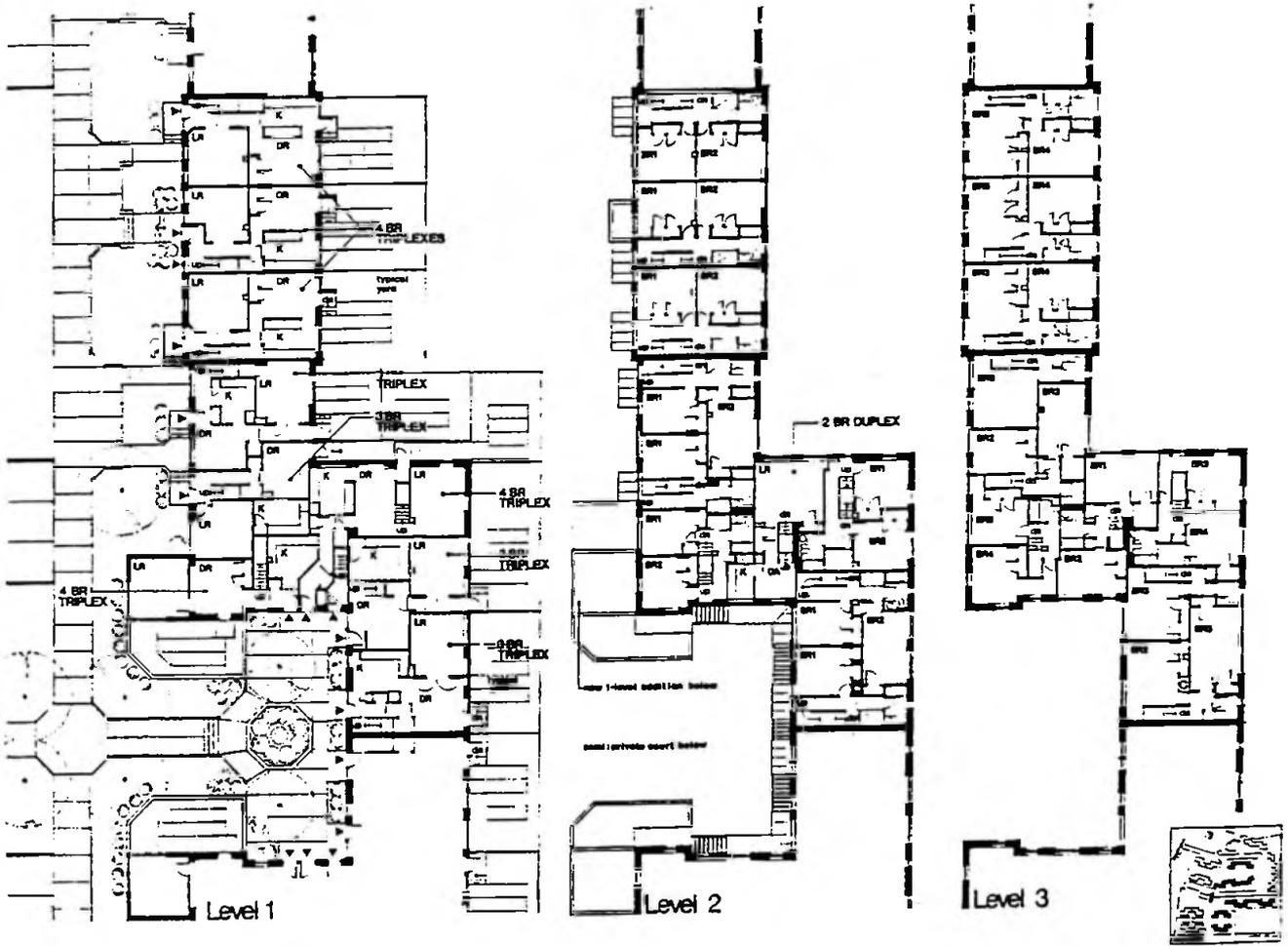


Figure 10. Views of Redesigned Low-rise Buildings

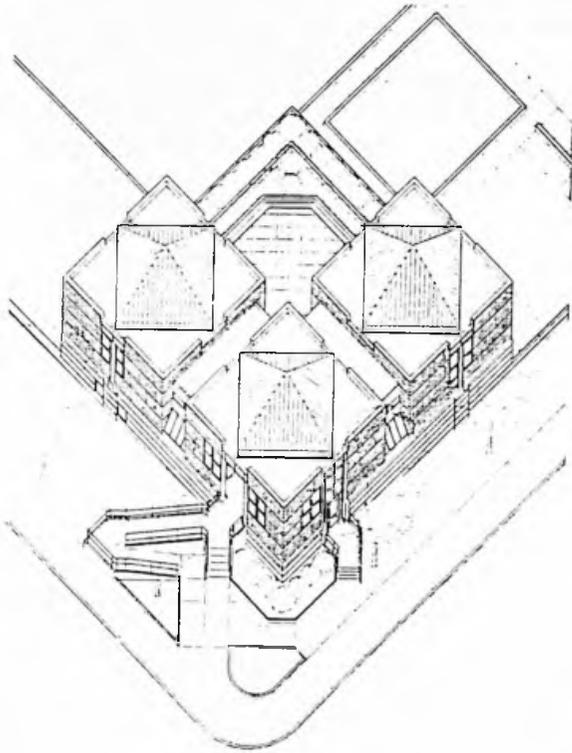
View of new street
and parking in
front of low-rise
buildings



View of private
entries to triplexes
in low-rise
buildings; all
common
entries and
hallways
have been
eliminated



Figure 11. Views of Community Facilities



Commonwealth Day Care Center



Management Office and Community Building

E. Construction Costs

The total cost for the redevelopment of Commonwealth was approximately \$31.6 million in 1983 dollars (see Table 7). This includes \$26.4 million for construction and another \$5.2 million (or 20 percent) for soft costs. HUD funds of \$26.2 million covered the cost of construction and State funds (which included the Chapter 884 funds, modernization funds and arbitrage earnings of approximately \$666,180) were utilized primarily for soft costs. At the time of redevelopment, it was estimated that the TDC limit for the 392 unit reconstruction program was approximately \$28 million. Using this figure, the total redevelopment costs for Commonwealth were approximately 113 percent of TDC (in 1983 dollars).

Table 7
Commonwealth Development: Redevelopment Costs (1983 dollars)

	Total Costs	Per Unit Costs
"Hard" Costs for Construction		
Buildings	18,994,000	
Community Facilities	338,000	
Site	3,020,000	
Additional Costs	4,017,400	
Subtotal	\$26,369,400	\$67,300 (83%)
"Soft" Costs		
Developer's Architect	825,000	
BHA Inspecting Architect	220,000	
Management Plan	61,000	
Security	808,000	
BHA Administration	1,160,600	
Vacancy Rehabilitation	639,000	
Relocation Benefits	690,000	
Relocation Consultant	200,000	
Resident Services	627,000	
Subtotal	\$5,230,600	\$13,300 (17%)
Total Redevelopment Costs	\$31,600,000	\$80,600 (100%)

IV. FINDINGS AND OBSERVATIONS

A. Commonwealth Today

The Commonwealth turnaround effort is eight years old and by all accounts has been very successful. What was once one of BHA's most severely distressed developments, characterized by vacant and uninhabitable conditions, is now the preferred choice of BHA applicants. The site and buildings are well maintained and show very little evidence of eight years of occupancy by families with children. But maintaining this level of reinvestment requires constant management attention and preventive maintenance resources, which, to date, the private management company has been very effective at delivering.

In the 1990 Comprehensive Plan for Modernization, funds for the following physical improvements have been requested.

- Immediate Needs:
 - Replace heating circulation pumps
 - Repair/replace inoperable building roof vents
 - Repair/replace inoperable whelan unit heating system motors
 - Replace entrance doors and alarm system
- Five Year Plan:
 - Repair/replace common area tile floor
 - Repair walkways
 - Repair hydrants
 - Repair elevators

While none of these work items represents a major cost, to ignore these needs today may lead to more costly repairs or replacement at a later date. In lieu of replacement reserves that private developers can accumulate for property repair and replacement, BHA should consider setting aside a certain percentage of their Comprehensive Grant allocation for the recent redevelopment efforts so that some funding is assured and competition for modernization funds is appropriately between developments of similar age, size, and need.

The redevelopment effort at Commonwealth has had a major impact on the residents. Prior to redevelopment residents were afraid to say they lived at Commonwealth; some children got off public transportation several blocks from the site so they wouldn't be associated with the deteriorated development; residents lacked self-esteem. Today the environment is different. Residents now say they are "happy, pleased, and proud to be living at Commonwealth." Residents in general are better educated; there is a lower percentage of AFDC families, and a higher percentage of employment. Residents look out for one another and act like a large "family" in supporting one another and in enforcing the rules of the lease - rules that were developed by the residents themselves. There is a continual effort to draw new residents into the Commonwealth community, including the increasing numbers of East Asian families and Russian speaking elderly.

The demographic profile of Commonwealth residents has changed since redevelopment (See Table 8). There has been little shift in the racial composition of the development. The number of elderly has substantially increased due to the two renovated high-rises for elderly occupancy. This increases the number of adults on site as well as the percentage of residents receiving Social Security/SSI. More importantly, however, is the major shift in income levels. Today 25 percent of Commonwealth households are in the high income tier (over \$20,000) and 61 (16 percent of the total households) report incomes over \$35,000. The income statistics for Commonwealth are higher than the average for BHA family conventional public housing. In the lower tier, 52 percent of Commonwealth residents as compared to 60 percent of BHA families reported incomes below \$10,000. One-fourth of Commonwealth residents as compared to one-fifth of BHA family residents reported incomes over \$20,000.

Table 8
Commonwealth Development: Demographic Comparison

	Before Redevelopment 1981	After Redevelopment 1992
Total Households	290	389
Total Population	1,026	1,006
Adults	420 (41%)	616 (61%)
Children	606 (59%)	390 (39%)
Elderly	38 (4%)	155 (14%)
Race		
White	43%	40%
Black	40%	38%
Hispanic	16%	14%
Other	1%	8%
Elderly Household Heads	31	124
Source of Income		
AFDC	48%	14%
Social Security/SSI	10%	36%
Employment only	19%	20%
Combination of above	13%	—
Interest	—	15%
Other (GR, Wkmn. Comp., etc.)	7%	15%
Distribution of Income Groups		
Low	77% (< \$7,000)	52% (< \$10,000)
Moderate (\$7-11,000)	18% (\$7-11,000)	23% (\$10-20,000)
High (over \$11,000)	5% (> \$11,000)	25% (> \$20,000)*
		*61 households have incomes greater than \$35,000

Source: BHA Tenant Demographics Report

B. Issues of Concern

Overall Cost of Redevelopment. The total redevelopment cost of \$31.6 million (for 392 units funded by \$26.2 million from HUD and \$5.4 million from the State) in 1983 would be \$39.5 million in 1991 dollars. In 1991 dollars, the total cost of the Commonwealth redevelopment effort would exceed HUD TDC limits (\$33,250,000 in 1991) by 19 percent.

The ability of the State to contribute additional funding beyond HUD TDC limits was critical to the success of this revitalization effort. At severely distressed developments where this level of treatment is necessary for long-term viability, additional funding from local and state sources - above TDC limits - should be pursued. Where not available, a waiver to HUD TDC limits and additional HUD funding should be explored.

Reduction in Unit Count. While the original goal of the Commonwealth redevelopment effort was to reduce density from 648 as-built units to 450 renovated units (a reduction of 30 percent), given limited HUD funding, only 392 units were rehabilitated. This resulted in a total loss of 256 units, or 40 percent of the original development.

As this effort preceded HUD's one-for-one replacement rule, these units were not replaced. If revitalization of Commonwealth occurred today, the one-for-one rule might have a substantial impact on the overall design program, as replacement housing in the Boston market is difficult to come by. The acquisition of existing private market condominiums - a program currently underway using State funds - would be one method for procuring replacement housing in Boston.

Ongoing Needs Within BHA Context. BHA owns and manages more than 8,000 family units, in addition to 35 developments for the elderly. With only 392 units, Commonwealth represents only a fraction of BHA's public housing portfolio.

In 1990, BHA estimated the total need to modernize the conventional family units at nearly \$440 million with an additional \$50 million needed to address issues of long-term viability. If current funding is factored in, the total unmet/unfunded need for family housing is approximately \$400 million (the calculated HUD TDC cap is \$380 million). According to the Comprehensive Grant formulas, BHA is eligible for \$30 million annually. At this rate of funding, it would take more than 13 years to address current needs, assuming there are no additional accrual needs.

Given the severity of the conditions at developments that have not been revitalized, modernization needs at Commonwealth - while critical to its continued successful operation - are low priority within the larger BHA context of needs. Consideration should be given to identifying a separate funding program for preventive maintenance at redevelopment sites which does not compete directly with funding needs of currently distressed projects.

C. Wider Applicability of this Approach

Comprehensive Approach. The Commonwealth redevelopment effort illustrates a comprehensive approach to addressing severely distressed conditions. It involved major redesign treatments, including a reduction in density; the utilization of private management to provide enhanced property management services; and the coordination of resident services geared to the identified needs of Commonwealth families. In addition, the residents were active participants in neighborhood development activities and, in turn, the neighborhood was a strong supporter of the revitalization of public housing on the Commonwealth site.

To emphasize the need for a comprehensive approach, the BHA appointed a Redevelopment Director whose primary responsibility was managing the revitalization effort and coordinating the involvement of all parties within the BHA and those external to the BHA including the City, the State, MHFA, and the neighborhood. Commonwealth redevelopment meetings were scheduled monthly with key BHA department heads and staff to review progress, resolve outstanding issues and establish action agendas. Large-scale redevelopment efforts may benefit substantially from identifying a coordinating project manager who works with all BHA departments and residents and is the source of all information. (This differs from standard line authority approaches where to get information on management policies, financing and budgets, capital improvements, and resident initiatives at a specific project, each department must be contacted separately.)

Role of Residents. Commonwealth residents played an active role in all phases of the redevelopment effort including lobbying for, and participating in, the planning study which identified revitalization priorities and strategies; hiring an architectural consultant to advise residents on the technical merits and shortcomings of the six proposals for the reconstruction effort; and participating in detailed design review with BHA design staff and the developer's architect.

Having invested substantial time and effort at Commonwealth over the years, residents have a strong commitment to protecting this investment by being actively involved in day-to-day conditions and operations. Residents contact and work with the manager as soon as potential problems are identified; one resident acts as mediator between families and the manager to arrive at solutions to problems that benefit both parties. In general, residents have a clear commitment to their community which extends beyond their individual units.

Post-Occupancy Evaluation. Although indicators such as physical condition, improvement/repair needs, vacancy and turnover rates, etc. can be used to measure the success of a redevelopment effort, the most telling measures may be linked to resident levels of satisfaction and self-sufficiency. These are much harder to document in a three day site visit, other than in anecdotal information. There is a need to undertake detailed post-occupancy evaluations of revitalized sites to better understand the multifaceted treatment plans that have been implemented so that successful and cost-effective strategies can be replicated at the severely distressed developments that still need attention.

The Boston Housing Authority redevelopment experience raises a number of issues that could benefit from more detailed investigation. For example, in the early 1980s the BHA had three major redevelopment efforts underway at Commonwealth, West Broadway, and Franklin Field. These efforts were initiated under Massachusetts' troubled public housing rehabilitation program, which sought to address comprehensive changes in design, management and resident services.

The level of design intervention and the overall per unit reconstruction costs were quite similar at all three developments (far exceeding HUD TDC caps). The redesign programs for these redevelopment efforts had similar themes:

- reduction in density
- integration of large housing sites into the surrounding neighborhood fabric
- minimization of the institutional image in favor of more residential characteristics
- development of community facilities for resident organizations and programs to serve residents
- creation of a variety of unit types to serve different household needs
- definition of outdoor space to mark territory and ownership
- involvement of residents in daily management responsibilities

Although the design strategies were similar, these three developments are located in substantially different neighborhoods and involve unique resident organizations. How do the success indicators at the privately managed Commonwealth compare to those at Franklin Field and West Broadway, which are under BHA management? What resident services are present at each of the sites today and what progress have the resident communities made toward self-sufficiency? Under what conditions can a strong management presence with resident participation overcome design deficiencies so that expensive redesign is not always necessary? These are important issues that should be explored in further study.

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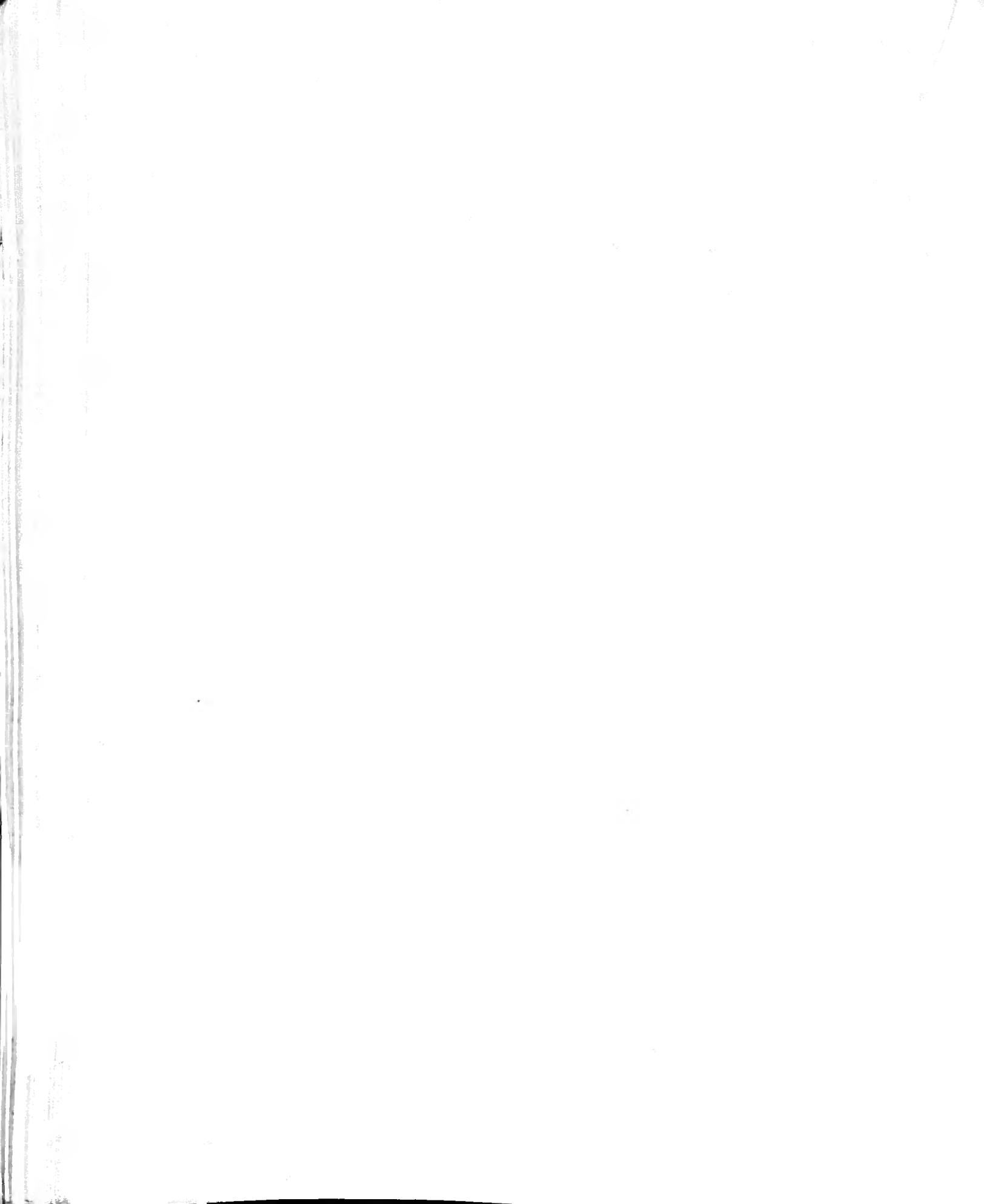
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Chapter 5

*Housing Authority of New Orleans:
Desire Development*

EXECUTIVE SUMMARY	5-1
MANAGEMENT ASSESSMENT	5-3
I. THE HOUSING AUTHORITY OF NEW ORLEANS	5-3
A. Background	5-3
B. The Memorandum of Agreement with HUD	5-3
C. Authority Management Operations	5-4
II. THE DESIRE DEVELOPMENT	5-7
A. Description of Occupancy and Physical Conditions	5-7
B. Property Management Operations at Desire	5-9
C. Maintenance Operations at Desire	5-9
D. Resident Services	5-10
E. Desire Development Budget	5-11
III. STEPS TAKEN TO ADDRESS DEVELOPMENT CONDITIONS	5-11
A. HUD Participation and Oversight of the Operations of HANO	5-11
B. MIS Improvements	5-12
IV. SUMMARY OBSERVATIONS	5-14
DESIGN ASSESSMENT	5-16
I. EXISTING DEVELOPMENT CONDITIONS	5-16
A. Context	5-16
B. Location and Original Design Characteristics	5-16
C. Existing Conditions	5-20
D. Occupancy	5-24
E. Use and Activity Patterns on the Site	5-25
F. Design Factors Contributing to Distress	5-25
II. PROCESS FOR MODERNIZATION AND REDESIGN INITIATIVES	5-29
A. HANO Context	5-29
B. Prior Modernization Efforts at Desire	5-31
C. Previous Initiatives	5-33
D. Current Master Plan Proposal	5-34
III. ANALYSIS OF DESIGN FEATURES AND OPTIONS	5-35
A. Highlights of the Proposed Master Plan	5-35
B. Implementation of the Master Plan	5-36
C. Estimated Costs	5-36
D. Alternative Approaches	5-39
IV. FINDINGS AND OBSERVATIONS	5-42
SELECTED BIBLIOGRAPHY	5-46

Housing Authority of New Orleans:

Desire Development

EXECUTIVE SUMMARY

The Housing Authority of New Orleans (HANO) operates 12,242 units in 10 developments plus an additional 1,484 scattered-site units. Most of the housing stock is very old and in need of substantial modernization.

HANO is a troubled PHA that is currently involved in a unique model of intervention by HUD. Under an unusual Memorandum of Agreement with HUD, HANO is required to hire a professional services firm to provide technical assistance in management. The HANO Board of Commissioners and Executive Director remain in place, but the private firm provides a Managing Director, creating a parallel structure within the senior executive levels of the organization.

The Desire Development is HANO's largest development and also one of the nation's public housing sites. It consists of 1,832 units in 257 two-story walk-up buildings constructed in the early 1950's on a 97 acre site. The development is bound by industrial uses and railroad tracks, isolating it to some extent from surrounding residential areas.

The development has a disproportionately large number of large units. Nearly three-quarters of the units have three or four bedrooms, while the demand for those units with the Authority is very low. Eighty percent of the residents are below the poverty line, and the unemployment rate is 24 percent.

In recent years, five residential buildings have been demolished, and 17 of the buildings are used for non-residential purposes. Two schools originally on site have also been demolished, and a city-owned swimming pool sits abandoned. The vacancy rate has increased dramatically from 5 percent in 1987 to over 50 percent in just five years, influenced by the deterioration of the environment which is largely related to escalating crime and drug problems as well as the low demand for large family units.

Desire exhibits a wide range of physical problems resulting from poor initial construction, deferred maintenance, and a lack of modernization funding. The buildings are severely deteriorated, and several buildings have been completely gutted by acts of vandalism. The units and mechanical systems are in need of substantial modernization, and the vacant units become a more prevalent factor as residents have abandoned the development and its unsafe environment.

Many of the physical problems relate to the original construction. The development was constructed on a former swamp and dumping ground, resulting in site subsidence problems from the start. Wood frame construction was used as a lower cost alternative to the masonry construction used in all other HANO developments; many of the wood frame structural elements must be replaced due to moisture problems and termite infestation, and the lack of fire stops has compromised the buildings. There is a general consensus that the site is too large for management or security control. Parking is supposed to occur in the alleyways that are not secure, and residents have taken to parking in their yards while drug deals have moved into the alleys.

Despite these severe conditions, there is a commitment to modernization of the development. A sense of community that exists among residents and a significant salvageable housing resource provides a counter-argument for reinvestment.

There have been numerous efforts by HANO to revitalize the Desire Development. Over \$12 million has been expended, and attempts to obtain additional funding from HUD were not successful because they failed to comprehensively address the problems and needs. However, recently a Mayor's Task Force has developed a strategic plan which includes:

- major site reconfiguration, including demolition of 40 percent of the units;
- creation of 4 neighborhoods and management sub-districts;
- addition of homeownership opportunities to the development; and
- inclusion of economic development initiatives within the development

Reconfiguration of units is expected, but will be specified at later stages.

Total costs for implementation of the Master Plan are estimated at \$96 million, including \$9 million for the economic initiatives. When adding the estimated cost of replacement units required by the demolition of units under the Master Plan, the total cost rises to \$117 million. This is comparable to the costs of alternatives to the redevelopment, with total replacement estimated at \$108 million and a comprehensive modernization estimated to cost \$112 million.

While it falls short of a comprehensive plan for redevelopment, the Master Plan sets a framework for more detailed planning to occur. It has included all of the major actors in the process (including residents, HUD, the City, and PHA staff), and created a fast-track planning and decision process for a severely distressed development. It incorporates economic and homeownership initiatives that are designed to help both the residents and revitalize the neighborhood. It addresses the large size of the development by breaking it down into four sub-districts for management purposes as well as a neighborhood identity. Based on the expectation of continued cooperation among the parties in the refinement of the Master Plan, this case provides a useful and instructive example of the framework for addressing the redevelopment needs of a large, severely distressed public housing development.

MANAGEMENT ASSESSMENT

I. THE HOUSING AUTHORITY OF NEW ORLEANS

A. Background

The Housing Authority of New Orleans (HANO) operates 13,427 units of public housing, including 1,826 units at the Desire Development which is the subject of this case study. The Authority operates as a decentralized organization, with properties divided into four regions for management purposes and most property management and maintenance personnel assigned to sites.

The Authority has been classified by HUD as a "troubled" authority. As a result of the troubled conditions of the Authority, HANO entered into a unique Memorandum of Agreement with HUD in 1989 that requires HANO to hire a professional services firm to participate in its senior management structure. This arrangement is described below.

B. The Memorandum of Agreement with HUD

The U.S. Department of Housing and Urban Development (HUD) has taken a unique approach to addressing its responsibilities to enforce the requirements of the Annual Contributions Contract (ACC). As part of the Memorandum of Agreement (MOA), HUD has required the Authority to hire a professional services firm to provide technical assistance. A technical assistance contract by itself is not unusual, but HANO is further required by the MOA to install an individual from this firm as a Managing Director to be responsible for all daily operational activities.

This model of intervention is not a receivership nor does it constitute direct supervision of the agency by HUD. The Board of Commissioners remains in place. In fact, there is an Executive Director position that is still being filled. This arrangement has created a parallel structure within the senior levels of HANO.

The MOA is negotiated each year between HUD and a "troubled" public housing authority. The most recent set of targets made available are from the MOA executed in 1989.

MOA targets from 1989 included:

- Attain an operating reserve level in which the reserve, less the amount of tenant accounts receivable (TARs), was at least 30 percent of operating receipts.
 - Bring and keep expenses below income;
 - Keep utility expenses within 5 percent of current levels;
 - Decrease the vacancy rate from 12.9 percent (in 1989) by 5 percent. The current rate is 16.59 percent based on 2,228 vacancies;
 - Increase rent collection to 90 percent, which would have required a 9 percent jump in collection;
 - Bring vacancy turnover to under thirty days average per unit. This goal is hampered because no data is sufficient to develop a baseline of past performance;
-

- Meet Housing Quality Standards (HQS) against a baseline of only 18 percent for all 13,427 units;
- Bring TARs down from its 18 percent level to 6 percent;
- Develop a RFP, procure and install a new Management Information System (MIS);
- Successfully compete for CIAP by increasing the flow of modernization funding from \$5.7 million to \$25 million a year for six years.

Although performance may have improved in some areas, little progress was made from 1989 through 1991. This lack of progress led to the renegotiation of the MOA and the hiring of a new management contractor.

The firm currently under contract to the Authority is C.J. Brown Property Management, Incorporated, the second firm selected to provide technical assistance and a Managing Director. Despite the selection of C.J. Brown, there has been resistance to this effort, including a staged take-over of the Central Office by residents in support of the Board of Commissioners. One of the outcomes of the take-over was the appointment of one of the resident leaders to the Board by the Mayor of New Orleans.

At the time of the site visit by the NCSDPH, it appeared that C.J. Brown was just beginning to have success in addressing the requirements of its contract. Work had begun on the development of a redesign strategy for Desire to take advantage of a \$1.7 million MROP grant awarded in November, 1991. These funds were in addition to the \$29.4 million in 1991 CIAP funds that HUD guaranteed to HANO as part of the MOA. HUD also guaranteed HANO an additional \$990,000 in Public Housing Drug Elimination Program (PHDEP) funds and waived the vacancy rule which would have required HANO to use a 97 percent occupancy rate for the computation of its subsidy under the Performance Funding System (PFS). This waiver permitted \$1.3 million in additional subsidy to be awarded to the Authority.

C. Authority Management Operations

HANO is basically a decentralized organization with property managers assigned to the developments as well as a majority of the maintenance staff, including trades such as plasterers and mobile equipment operators. Properties are divided into four regions for management purposes.

The operations of the Housing Authority of New Orleans (HANO) are complicated by the presence at the Authority of a management consulting firm, C.J. Brown Property Management, and its relationship to the HANO staff in place. A parallel decision-making structure makes the transference of C.J. Brown's expertise to current Authority staff difficult, at best. Interviews with the site-based property manager clearly indicated that the organizational improvement strategies were not reaching down to the line staff. If HUD is going to replicate its actions in New Orleans or elsewhere, steps to avoid role conflicts, such as whether the consultant is providing technical assistance or direct administration, need to be resolved. It may be useful to negotiate a balance between direct and indirect interventions in selected areas.

Maintenance Operations. The Central Maintenance Division (CMD) is housed at a central location that includes the warehouse and a very active automotive repair shop. The warehouse is organized and secure. There are also mini-warehouses at the site with a

two-week supply of materials. The materials are tracked on a manual stock card system, so how the usage is determined and stock updated is unclear.

Shop spaces are maintained at the developments. These spaces were secure but not well laid-out. Excess scrap lumber from the board-up shop was piled high. CMD has a special renovation crew, a sewer and welding crew, an electrical crew, a graffiti crew, a grass cutting crew, a tree pruning and subsidence crew, a roofing crew, an automotive crew, and a refuse removal crew.

HANO collects its own trash with thirteen trucks, only about half of which are operating at any time. Pick-up occurs on Saturday, which appears to be overtime. HANO staff claim that the cost in-house is \$555,000, which is less than the bids HANO reported receiving in the \$580,000 to \$600,000 range. However, the in-house costs appear to exclude supplemental contracts for truck repairs, in-house truck repair costs, and the costs of the trucks themselves, which raises questions about the cost effectiveness of in-house collection.

HANO has limited MIS support for operations. It does not have a work order system, and all development level activities such as recertifications and resident data is manual. As a result, operational analysis is very time consuming and requires lead time if information is needed for planning purposes. There appears to be little timely feedback, not only to property level staff, but also to any staff level in the organization. Problems pertaining to the lack of feedback and information make it difficult to identify issues of concern at the property level on a timely basis.

Central Office Services and Financial Management: The Central Offices of HANO primarily provide financial administration and accounting support to the developments. This includes such functions as personnel and procurement for the Authority. Senior staff for Property Management and for Construction and Maintenance are based at the Central Office. The staff from C.J. Brown who are assigned to day to day operations share office spaces with their peers within the HANO administration.

Financial management at the Authority is centralized with the exception of certain components of rent collection/tenant accounting which is handled on site. The Desire development has nine project administrative staff listed in the budget back-up, of which three are listed as housing management and six are listed as clerical (three accounting clerks and three clerk typists). The accounting clerks are responsible for rent collection which is operated by accepting cash. Much of the activity in the internal audit area relating to public housing based operations pertains to the auditing of cash collections through surprise "cash counts," although the cash count schedule is listed in the office of the internal auditor.

Even though most of the financial and record keeping system at HANO is manually operated, a PC based General Ledger System has been installed and an older Burroughs system is used for Tenant Accounting (rent collection and related tenant information), payroll and rental assistance (i.e. Section 8). A MIS Plan has been developed which will call for the bidding of a new automated data processing system which may provide for a utilization of the computer system purchased previously by HANO but disapproved by HUD (see further comments in section on MIS below).

HANO Budget: Despite the limitations with the current financial management system there are monthly income and expense reports that are generated for the use of staff and the Board of Commissioners. It appears that the housing management area of the agency does use these reports since there are project-based budgets for the agency. However, it does not appear that the financial area of the agency is very much involved with analyz-

ing expenditures or interacting directly with housing management. There is a budget preparation process which involves the participation of department heads and housing managers which begins about six months prior to the due date for submission of the budget request (July 1st of each year). Details regarding this process are sketchy and it seems that ultimately the Board decides on the distribution of expenses proposed and that HUD actively participates in the decisions regarding allocations of expenses. The management firm of C.J. Brown expects to be very involved in the budget process for the coming year. For the current fiscal year, HUD made a number of significant modifications to the budget request in the following areas:

- Administrative Salaries - reduced by HUD
- Administrative Expenses Other than Salaries - reduced by HUD
- Ordinary Maintenance and Operations - reduced by HUD
- Protective Services - reduced by HUD due to funds made available through the Public Housing Drug Elimination Program
- Insurance - increased by HUD at the request of HANO
- Employee Benefit Contributions - increased by HUD to cover local retirement plan expenses
- Replacement of Equipment - reduced by HUD
- Betterments and Additions - increased slightly by HUD based on reclassification of equipment replacement
- Total HUD Contributions - reduced by HUD since Comprehensive Occupancy Plan percentage is higher than actual projected occupancy plan percentage

Since the Authority is listed as a "troubled" PHA, HUD has the opportunity to conduct a line item by line item review of the Authority's operating budget request. Based upon reviews of correspondence and the interviews with HUD and HANO staff, HUD closely reviews budget and expenditure activity at the Authority.

HANO Operating Reserve: According to information provided by the local HUD Office, the Authority's operating reserve for the Fiscal Year 1991 (year ending September 30, 1991) was \$4,460,435, which is approximately 24 percent of maximum or less than 21 percent when excluding tenant accounts receivable (TARs). This amount is less than the 30 percent minimum recommended by HUD. The reserve level projected for the end of the current fiscal year is \$1,593,191. This is based on a current year deficit after all amounts are adjusted by HUD, which could result in an operating reserve level of less than 9 percent of maximum.

Even though the above is approved by HUD, it represents an adverse change in the Authority's financial position. It is further aggravated by the potential pay-outs considered as contingent liabilities for pending general liability type insurance claims that may not be covered by the insurance policy in effect at the time of the incidents. HUD and the Authority have indicated that the claims against the agency could result in HANO being placed into financial "receivership" by a local court.

Impact of Occupancy Levels on PFS: A major shortfall in funding is likely to result from the use of the current Comprehensive Occupancy Plan percentage by the Authority. The Authority has indicated that it has requested that it be permitted to adjust its Comprehen-

sive Occupancy Plan (COP) to reflect its actual occupancy percentage and to reflect its vacancy reduction and redevelopment plans. Based upon HUD's recent attempts to change the COP program, the agency is unclear as to whether it can amend its plan and proceed with a proposed waiver of the current regulations to allow for the resubmission of a "ten year" COP. Based on the current percentage of occupancy compared to the plan percentage, the Authority could possibly lose as much as \$300,000 or more in operating subsidy and is likely to lose more in subsidy if the vacancy rate at Desire increases due to units being held for the eventual redevelopment of the site, as is being contemplated by the Authority and HUD. However, there is language in the new MOA which indicates that HUD will grant the waiver requested.

Another issue raised in the review with financial management staff was the steady decline in rent roll which has been experienced by HANO. The decline in rent roll appears to have resulted from the decline in average income of households in occupancy. This conclusion is reached after adjusting the rent roll for vacancies and examining the PFS worksheets and rent billing reports. Based upon this review, the average monthly dwelling rental has declined from \$85.51 to \$75.67 since September, 1988. This is a decline of over 13 percent and contrasts sharply with the projected growth in income per the HUD PFS dwelling rental income adjustment formula of 3 percent per year.

In other words, instead of having increased by approximately 12.5 percent, the average dwelling rental income has decreased by over 13 percent. Based on discussions with HANO staff, the Authority has not received an adjustment to reimburse it for the decline in rental income. A projected amount of the adjustment that should be due for the fiscal year just ended is over \$490,000. The local HUD staff indicated that while they do grant such adjustments, they felt that HANO had been deficient in conducting annual re-exams and could not support such a request. It seems that the decline in rental income may be accentuated by a poor history of conducting re-exams, however, there is strong evidence that even from the limited analysis performed as part of the site visit that the adjustment for the decline is probably "supportable" in part.

II. THE DESIRE DEVELOPMENT

A. Description of Occupancy and Physical Conditions

The Desire development (LA1-14), a large family low-rise housing development which consists of 1840 units (1826 units are listed for funding purposes under the Performance Funding System), was opened to residents in 1956 and fully occupied in 1957. The development was built in two phases totaling 1860 units. HANO documentation indicates that the final cost of the development was \$23,686,436, or \$12,735 per unit. Structures containing twenty units were demolished because of damage caused by Hurricane Betsy in 1965. Desire is the largest development in the HANO portfolio.

The development is located in a portion of New Orleans Parish near the navigational waterway that links Lake Pontchartrain to the Mississippi River for commercial shipping and barge traffic. Desire was constructed on a large but marginal site in a commercial area of New Orleans Parish that never developed the retail and community infrastructure to support the development. The development's location near commercial activities has never translated into employment opportunities for residents. Over the last decade, the New Orleans economy has seen the loss of manufacturing jobs, and although New Orleans remains a major commercial seaport, this industry has also suffered in competition from other U.S. seaports and lower U.S. export levels. Although it is located on the same side of the Mississippi River as HANO's Central Office, and closer to the central maintenance facility and HANO warehouse than many of the other family developments

in the portfolio, it is an isolated community that is separated from retail amenities and services by major highway, industrial land, and railroad right of ways.

The 97.6 acre development contains 261 two-story buildings. The land was created through landfill and dumping, and therefore the site suffers from extensive settling. Many of the front stairways to the building entrances have had as many as two full concrete steps added to overcome 24 inches of ground settlement around the foundations of the structures. The structures are built on pilings which have remained solid as the ground around them has sunk.

The Desire site was created by landfill and dumping and has settled two to three feet around the structures requiring a past program to extend the concrete steps. The choice of materials for the development, wood frame with brick veneer, in a geographic area known for its high water table, heavy rains, and high humidity, has created a maintenance burden that has taxed a maintenance delivery system not known for its efficiency. In 1965, Hurricane Betsy flooded the site up into the first floor units. The wood floor joists in many of the structures are still showing the long term effects of rot. Substantial reconstruction is required to replace the joists in place. Several residents are reported to have sustained injuries falling through floors, creating potential legal and financial liabilities for HANO.

The development had no community facilities until 1968 when a large facility was constructed in the central portion of the site. However, given the large acreage of the site, families on the periphery of the site did not easily avail themselves of the facilities. The scale of the development has been a major impediment to a stable community structure.

The structures are two-story walk-ups of wood construction with a brick veneer. The walls are plaster over a wood lath construction. The buildings have gabled roofs with hips at either end of the structures. Many of the roofs have clay tiles at the roof ridges, which contribute a distinctive look to an otherwise conventional, rectilinear design. The roofs have a system of gutters and downspout for drainage.

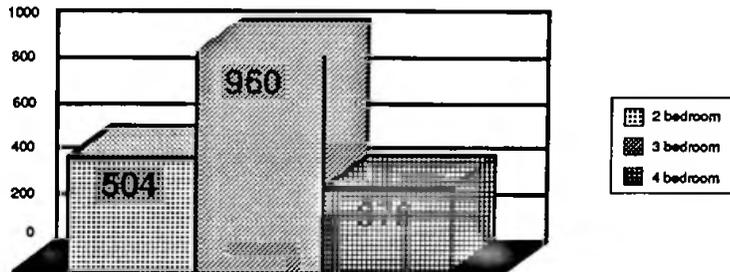
Heat in most of the units is provided by gas space heaters. The four bedroom units have wall-mounted heating units installed with vents cut above the doors of each bedroom to facilitate the movement of heat throughout the units. In 1975, the electrical system was upgraded with 220 volt service, so window-mounted air conditioners could be installed by the residents.

The declining physical conditions of the site, in conjunction with weak community ties, have created a downward spiral in occupancy levels. As structures increasingly became vacant, units were being used as "clubhouses" for residents and non-residents for social and drug-related activities. Many structures have been gutted by fires, vandalism, and removal of salvageable materials from vacant units.

Throughout this decline of Desire, the delivery of services and the operations of HANO have not been effective. The current backlog of modernization is estimated at between \$50 and \$60 million.

The breakdown of bedroom types at Desire is as follows:

DISTRIBUTION OF BEDROOM TYPES



B. Property Management Operations at Desire

Property Management staff collect rent, perform recertifications and annual unit inspections, work on evictions and rent payment agreements and provide social service referrals. The property manager at Desire is supported by two assistant managers, two clerk typists, two housing counselors (HQS inspectors) and three accounting clerks. Given that there are still over 900 residents in place, this appears to be a reasonable staffing level. The ratio of units to management staff is about 300:1 for accounting clerks and about 450:1 for the assistant managers and clerk typists.

Issues raised in staff interviews during this site visit include increasing the security deposit from its current \$75, transition from a consolidated waiting list to a development specific waiting list which resulted in a dramatic increase in the refusal rate, difficulty of getting appliances, and the adequacy of the appliance allowance given to those for which HANO cannot provide appliances.

There had been a full scale training program for maintenance staff with training books and a full curriculum. When HANO stopped preventive maintenance in the late 1970s and focused on resident calls only, it marked the start of the physical slide of the developments to its current condition. Senior maintenance staff indicated that increased staff training and minimum performance and skill requirements would help them to increase the quality and quantity of work performed.

C. Maintenance Operations at Desire

There are 478 maintenance staff for a ratio of one maintenance employee to every twenty-eight units (1:28) in the Authority. At Desire, there is one maintenance employee per 33 units (1:33). Adjusting for the large number of vacant units at Desire, this ratio drops to 1:16 for occupied units.

While this would appear to indicate over-staffing of the development, a substantial backlog of work orders exists due to the large acreage, the major level of work that

appears to be required is for unit turnover, board-ups, and other types of basic maintenance activities. A backlog of about 1,100 work orders existed as of August 1991, the most recent summary of work orders provided. During the most recent month documented, 921 work orders were received and 859 work orders were completed.

Flooring problems (rotted boards and joists) were the most numerous category of work item with 296 work orders shown. The windows and ceilings (leaks from overhead) were also major categories. HANO-wide, the backlog had been reduced from January 1991 to August 1991. At the start of 1991, there were 6,122 work orders in the backlog and at the end of August there were 5,088. There is a "time value" schedule for seventy-one of the most common maintenance work items. This schedule of services appears to provide some level of guidance, but there are no systematic tools available to track and verify maintenance performance.

The Per Unit Month (PUM) for maintenance salaries Authority-wide is \$48.18, and at Desire it is \$45.13. Salaries allocated to Desire range from \$31,500 for the "Housing Director of Maintenance" (which is fully allocated to Desire although this position is responsible for all property level assignments) to \$9,840 for a Laborer.

The PUM for materials Authority-wide is \$15.52 and at Desire it is \$10.93. As Desire is only 51 percent occupied, the materials PUM should be about \$7.50 - \$8.00, the PHA average, but the additional costs appear to be attributable to the board-up program and major unit renovations, including major subflooring repairs.

In terms of contract costs, the Authority-wide PUM is \$6.42 and at Desire it is \$3.08, which may be consistent with the low occupancy levels. The services contracted for Desire are consistent with other developments except that 70 percent of all contract costs are for a single contract for "structural" repairs. Structural repairs appear to be defined as a range of major rehabilitation activities such as flooring, piping, wall repairs, etc.

D. Resident Services

As discussed in greater detail in the design case study, there are extensive resident needs at Desire. The development is viewed as a haven for drug activity due to the site density and its overall isolation from many major institutions and other activities in the city of New Orleans. As a result of these problems, HANO commissioned a direct contract with the New Orleans Police Department (NOPD) to increase security services. This contract was put into effect approximately two years ago.

The original site design did not include a community building which was added to the site in 1968 at a cost of \$500,000. This center includes a gymnasium, meeting rooms, classrooms, a day care center and a health clinic. This facility has been maintained and offers a full range of programs including after-school and recreational programs. There is an on-site methadone drug treatment center located in a deprogrammed unit adjacent to the community buildings.

The social services programs are located in the community building and are operated or overseen by the Community Services Division of HANO, which was founded by HANO and the Louisiana Division of Family Services under the Title XX program. This program runs homemaker services that range from chore services for the elderly to child care. Health clinics run by Community Services provide basic guidance on medical needs and caretaking. There are also transportation and escort (accompaniment) services for all residents but especially the disabled and young.

Other than the methadone center, the services which are available at Desire are generally available at all large family development sites. The effectiveness of these programs is hard to gauge as few specific statistics were available for the reviewers. It was evident from the site visit that the facility is actively used by portions of the development. However, given the size of the site it is doubtful that all residents find the community building convenient for casual use.

E. Desire Development Budget

The budget for Desire is approximately \$4 million with non-utilities expenses consisting of \$2,031,130, or \$92.69 per unit per month. It is unclear whether this budget covers area-based or central office overhead expenses. An analysis appears to indicate that the budget does not include non-project specific and overhead expenses and therefore, is understated. This assumption is based on the fact that the total non-utilities expenses projected for the current fiscal year (Authority wide) is \$26,839,800, or \$166.58 per unit per month, which is 79.7 percent more on a per unit per month basis than the amount for the Desire development budget that was provided. Typically, non-utilities expenses for a large family public housing development are above those for the Authority average overall. The Desire budget is referred to for illustrative purposes only. It is important to note that utilities costs alone exceed rentals (e.g. rentals only appear to cover approximately 70 percent of utilities costs and about 35 percent of total costs). Rental income on a per unit basis (adjusted for occupancy) has been declining steadily for at least the last three years.

III. STEPS TAKEN TO ADDRESS DEVELOPMENT CONDITIONS

A. HUD Participation and Oversight of the Operations of HANO

With the advice and assistance of the HUD Regional and Central Offices, the HUD Area Office has formed a Troubled Projects Team, which gives attention to the operation of HANO. As indicated above, the agency has hired a management firm to assist in the overall operations of the public housing program. HUD has been a strong participant in the hiring of the management company and has approved the selection of the past and the current firm. It has also been involved in meeting with the Mayor and in recommending changes to the current Board of Directors which was recently replaced at HUD's urging.

HUD has also received from the previous management company a request for over \$7 million in operating subsidy adjustments for correcting past errors in the calculation of the Authority's Allowable Expense Level. HUD has indicated that it passed these adjustments on to the HUD Central Office and the adjustments were disapproved. It should be noted that a similar situation exists in Chicago which has also been rejected by the HUD Central Office (this request is for over \$37 million). As indicated above, the Authority may also be entitled to an adjustment of almost \$1.2 million in rental income reconciliations for the past three fiscal years, however, HUD has indicated that the Authority's inability to demonstrate that the adjustments are not related to failure to conduct timely re-examinations of households for income will likely result in a negative recommendation by the HUD Field Office on such a funding request. These issues result in the Authority having less than it otherwise would under the PFS.

HUD has indicated that it has made available approximately \$160 million for the activities of HANO for last year and will likely make this amount available again this fiscal year. An examination of this representation indicates that HUD is including in its analysis amounts provided as part of the PFS subsidy eligibility and funds under the Comprehensive Grant Program. When the modernization funds are backed out of the

analysis, only \$370,000 in incremental Voucher and Section 8 funds remain other than subsidy and existing rental assistance commitments. It should be noted that the PHDEP and MROP grants have not been included. The adjustment here is being done to reflect the fact that a substantial portion of the \$160 million is primarily based on previous commitments or formula and not based on current discretionary funding increments for this fiscal year.

In the discussions with HUD, two other major issues, the adequacy of funding under PFS and the viability of the Desire housing development, were covered. For PFS, HUD staff indicated that they felt a major problem with HANO was that it is overstaffed with individuals without appropriate job descriptions or compensation rates for the agency. This was attributed to the Civil Service Systems in which HANO is required to participate. The HUD staff felt (and this was in some respects shared by HANO and C.J. Brown staff) that the classification system under civil service impeded productivity and operating effectiveness. HUD seemed to feel that a reduced number of correctly classified individuals would result in more cost effective and efficient operations. Overall, HUD felt that the PFS funding level for HANO could be adequate for their operations.

HUD indicated that they never made a formal judgment that the Desire housing development was non-viable but rather have waited for a program that made sense from the perspective of rehabilitating the site. They indicated that the one-for one replacement rule has impacted their view toward the redevelopment of Desire. Since units demolished must be replaced, they have looked more closely at the rehabilitation approaches for Desire as any massive redesign that reduces density will create the need to develop a replacement housing plan consistent with the requirements of 24 CFR 970.11.

HUD has an architect which works as part of the Troubled Projects Team. This architect has been part of the review of the Mayor's Task Force on Desire. The current redesign approach calls for reducing density at Desire (by an estimated 600 units). The HUD staff has expressed no objection to a plan like this even though it potentially would result in the replacement of as many as 600 units. It should be noted that HUD and the Administration's budget request for next year does not include any funds for MROP, public housing development or replacement housing units.

HUD staff have expressed an interest in the MROP program. They have provided MROP funds to Desire (\$1,788,234) in FY 1991 and appear interested in providing funds in FY 1992 under MROP, if the funds are available. It seems that they feel this program is well suited to a housing development in severe distress such as the Desire development.

Overall, HUD staff have had an active role in the operations of HANO. The role of HUD seems targeted toward the financial and management operations of the agency and also seems to reflect a need to address conditions at certain "hard to manage" housing developments such as Desire. HUD seems concerned over the number of liability claims against the agency and indicates that this is a reason why they are hesitant to provide more operating funds. As indicated above, there is a concern that some claims could result in the agency having funds taken away for settlement of the claims by the courts and may even result in having the agency placed in a financial receivership.

B. MIS Improvements

As indicated above, many of the financial systems used by HANO are manual. There is a significant reliance on the use of management information systems which are based on manual preparation. HANO's few automated systems are not well integrated. A PC based General Ledger System has been installed to generate reports on a more timely basis. The use of a small PC based system is out of the ordinary for such a large and

complex agency. All individuals interviewed expressed a lack of satisfaction with the availability of information and the quality of information.

As indicated above, the Authority's management firm of C.J. Brown is greatly interested in proceeding with a comprehensive MIS solution for the agency. The plan apparently has been prepared but has not been provided to the reviewers. A two page synopsis of the management company's current MIS problems and short term and long term approach was provided to the Case Study Team. This exhibit does not constitute a full MIS plan, and it is assumed that the management company understands this to be the case. Based on interviews, it appears that a RFP will be developed for obtaining a full automated data processing system which will cover (at least) the following components of the agency's operations:

- General Ledger
- Accounts Payable
- Budget Management
- Tenant Accounting
- Purchasing
- Inventory Control
- Fixed Assets
- Section 8/Vouchers
- Payroll
- Tenant Selection
- Maintenance Work Orders

The above are the basic systems which it appears will be included in the MIS Plan. It should be noted that the Authority does have a system and some software that it purchased approximately two to three years ago which it is attempting to install with HUD approval. HUD disallowed the purchase of this system but apparently is being asked to allow the use of the system now, under C.J. Brown supervision or oversight. It is expected that this system will have an impact on the competition under an open selection for a new system. It appears that the agency and the management company feel that the Authority cannot progress soundly in the areas of finance and operations management without an adequate and fully functioning automated MIS.

It should also be noted that many of the improvements planned by C.J. Brown are intended to help address a number of audit findings at the agency. The agency's audit firm is part of the C.J. Brown team and is considered a major participant in the management improvement program for HANO. The most recent audit has not been released, however, the 1989 audit indicates numerous findings in compliance and internal control areas. The findings are typical of an agency in major management distress.

IV. SUMMARY OBSERVATIONS

The efforts at HANO to improve conditions at Desire and throughout the Authority have become very important since the MOA was developed in 1989. This MOA contained many objectives which are difficult to achieve for HANO. In some cases, HUD has appeared to be hesitant to commit certain additional resources.

The current partnership between C.J. Brown, HANO and HUD in the time frames provided shows some promise. This is reflected in the new MOA which explicitly commits HUD to providing all resources due to HANO, such as full modernization funding available under the Comprehensive Grant Program, a waiver allowing the use of a more favorable occupancy rate for PFS, and other funding sources such as competitive grant programs such as PHDEP and MROP.

One of the most difficult problems is the lack of sound management information. A careful implementation of a sound and well developed MIS system can only help HANO to improve its operations as decisions can be based on timely information, all parties will have the same information, and analysis of needs and resources can occur with a degree of precision.

The Desire development will present a substantial challenge to HANO, but the initial redesign options that were available at the time of the site visit by the Case Study Team show promise. If municipal and HUD support remain high, some form of redesign will begin to turn the site around.

One major observation is that knowledge of the major improvement activities at HANO have not yet reached the developments. For instance, selected residents have been brought into the process of redevelopment at Desire but most of the improvements are directed towards the central administration of HANO. Given the poor information on HANO performance, this emphasis is appropriate, but greater efforts to inform line staff and the average resident are needed for improving community participation and raising expectations. It appears that field operations will have to wait as larger issues are addressed, but the public relations aspect of any major improvement program is essential to prepare staff and residents for the new capacities and expectations.

Overall, it seems that the Authority recognizes that it must proceed with the following steps in order to address conditions of severe distress.

- Improve the commitment of resources at the public housing development level;
- Develop a system for tracking income and expenses at housing developments;
- Develop and install a management information system which will enhance data required for decision making;
- Implement internal auditing of development-based operations;
- Improve staff capacity and skill levels, including rates of compensation;
- Direct efforts toward minimizing subsidy losses, including additional subsidy for agency operations through amendments to the COP and through technical corrections to the PFS;
- Pursue capital funding through MROP and attain full formula funding through the

Comprehensive Grants formula; and

- Proceed with redevelopment programs such as those underway for Desire.

HUD seems to have taken an approach which is directed toward improving agency performance in the following ways.

- Facilitate the use of outside management expertise to improve agency operations;
 - Provide focused attention toward the agency and take a more aggressive posture toward operations;
 - Become involved in promoting city involvement with the public housing program including support from the Mayor and changes to the Board of Commissioners;
 - Examine and make determinations about operating and capital funding; and
 - Participate in an oversight role in the development of programs for addressing severely distressed public housing (i.e. Desire housing development).
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DESIGN ASSESSMENT

I. EXISTING DEVELOPMENT CONDITIONS

A. Context

The Desire Development, one of the nation's largest public housing sites, was authorized in 1951 and constructed in two phases between 1953 and 1956. As recently as the late 1970s, Desire had vacancy rates of under one percent. However, with the influx of illegal drug traffic, associated crime, and changes in family composition, residents moved out of Desire. Abandoned buildings have created a blighting influence, encouraging hanging out and criminal activities, leading to further moveouts. In a series of in-depth articles written for the New Orleans local newspaper in 1989, the following measures were used to indicate the level of deterioration at the Desire Development:

- 65 percent of the households at Desire are headed by women as compared to 15 percent citywide.
- 64 percent of Desire residents are under age 18 compared with 32 percent citywide.
- Fourth graders in the public school on site are in the bottom 6.8 percent of the nation in achievement test scores.
- 550 of the 1800 units, or 31 percent, are vacant (1989).
- There are seven times more murders per capita in Desire than the city average.
- In March of 1989, 11 percent (\$10,000) of rents went uncollected.

The vacancy rate at Desire has drastically escalated over the past three years and half of the units are currently vacant. There does not appear to be any immediate end in sight for the rapid deterioration of the physical environment and the disintegration of the resident community unless a major intervention occurs.

Some believe the Desire Development has not gradually deteriorated over the decades, but rather that it was doomed to failure from the very beginning. The site was too big for police to patrol or the manager to walk; minimum design and construction standards were followed; and construction on a former swamp and dumping ground led to site subsidence problems and broken underground pipes before the first tenant moved in.

B. Location and Original Design Characteristics

The Desire Development is located on 97 acres of land which was originally a cypress swamp used for land fill. As illustrated in Figure 1, it is bounded on two sides by railroad tracks and is adjacent to the Industrial Canal. Over time, industrial uses have evolved on two sides of the property. There is an existing neighborhood to the west and HANO's Florida housing development is to the south. The Florida Development, comprised of 734 family units, was constructed several years before the Desire Development. Although adjacent to one another, these HANO developments have substantially different histories and characteristics which have led to severely distressed conditions only at the Desire Development. Florida is located on the preferred side of the railroad tracks in a stable neighborhood and was constructed to much higher standards, including concrete and masonry construction, balconies, and carpeting.

The Desire Development is located in the Desire/Florida Area Neighborhood, a predominantly Black neighborhood in the northeast section of New Orleans. It was designated as a Community Development Neighborhood Strategy Area by the City of New Orleans and CDBG funds have been targeted to the area to address problems of

physical isolation, limited services and amenities, deteriorated infrastructure, and substandard housing. While many improvements have been made to date, additional funds and programs are necessary to continue the reinvestment strategy.

Figure 2 shows Desire's location in Orleans Parish, approximately four miles northeast of the Central Business District. Interstate 10 provides convenient access by car. Public transportation, which is provided by the Regional Transit Authority, is very important to the residents at Desire as their rate of public transit usage for the journey to work is twice the City average. Two bus routes serve the development and travel along the Desire Parkway through the center of the site.

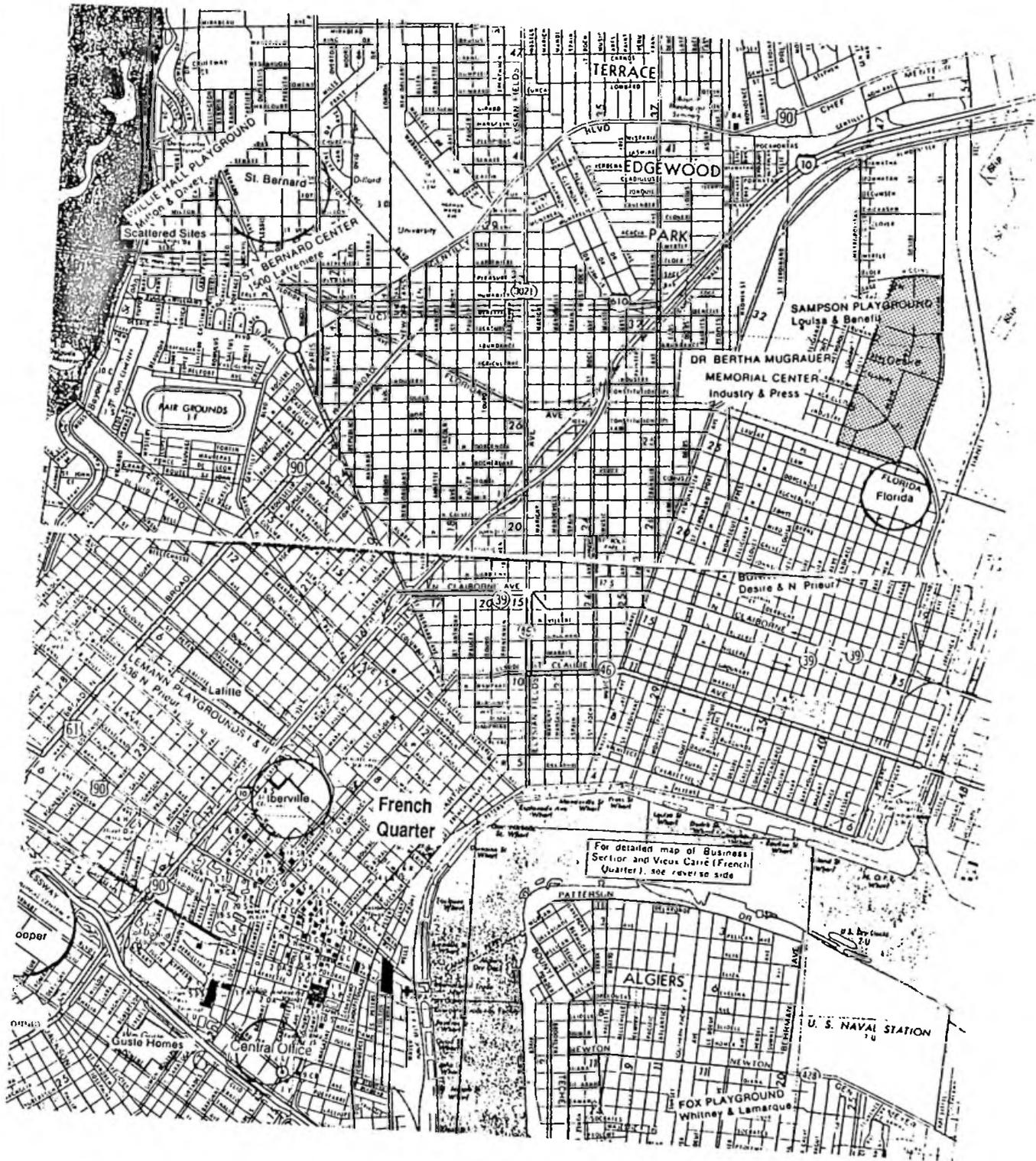
The original 262 two-story buildings were constructed with wood frame and brick veneer with wooden floors and plastered walls. A crawl space is provided under the first floors, with modest ventilation openings cut through the brick walls. The roofs are supported on trusses, with an open attic, not in compliance with today's fire protection standards. Table 1 presents key physical characteristics.

Table 1
Desire Development: As-built Information

CONSTRUCTION	1953-56	
SITE AREA (acres)	97	
BUILDINGS	262 2-story walk-ups	
TOTAL UNITS		
2 BRs	504	27%
3 BRs	960	52%
4 BRs	376	21%
	-----	-----
Current Total	1,840	100%
Total As-built	1,860	
DENSITY MEASURES		
Units per acre	19	
Total # bedrooms	5,392	
# bedrooms per acre	56	
Average # bedrooms per unit	2.9	
UNIT SIZES (square feet)		
2 bedrooms	675 sf	
3 bedrooms	825 sf	
4 bedrooms	1,000 sf	
NON-RESIDENTIAL FACILITIES		
Management office	3,920 sf	
Maintenance facility	9,680 sf	
Community building	15,000 sf	
Child care facility	6,710 sf	

Total	35,310 sf	

Figure 2. Location of the Development



A community center building was added in 1968, which includes a gym, meeting and classrooms, day care, and health care facilities. The facility now serves as headquarters for many resident programs and activities as well as the Desire Residents' Council.

The social decline at the Desire Development has resulted in part from its location in the City of New Orleans and population shifts which have occurred there due to changes in the economy. According to initial 1990 Census counts, the City population is approximately 500,000, down 11 percent from the previous decade. This loss of population has resulted in a lower occupancy rate and an excess of housing units; according to the 1990 Census, the occupancy rate is 82 percent which indicates that more than 35,000 units are vacant and rent reductions are standard. As a result, many of the public housing residents, once they find employment, leave deteriorated public housing to find affordable low-income housing in the private market.

The New Orleans housing stock is old; more than one-third of it was built prior to 1940. Much of it has not been upgraded to contemporary standards and, due to the housing oversupply, has been abandoned. In some neighborhoods, as many as half of the buildings are vacant or abandoned, leading to increased vandalism and fires. The investment climate in most neighborhoods, including the neighborhood directly surrounding the Desire Development, is almost non-existent. All of the City's housing stock, whether public or private, suffers from moisture problems due to high humidity and flooding and soil subsidence as a result of a location below sea level.

In 1965, significant water and wind damage occurred as Hurricane Betsy struck New Orleans, flooding apartments in the front third of the Desire development. This flooding started problems of rust on termite shielding as well as wood rot, contributing to later problems with first floor joists.

C. Existing Conditions

Of the original 262 buildings, 257 remain; five buildings have been demolished due to extensive fire and/or structural damage. The fifth building was recently demolished, reducing the overall unit count from 1,840 to 1,832. Seventeen (17) of the units are currently used for non-residential purposes such as the Residents Council office and drug abatement programs.

The Desire Development exhibits a wide range of physical problems resulting from poor initial construction, lack of modernization funding, moisture problems due to high humidity and flooding, and deferred maintenance. Buildings and the site are severely deteriorated; several buildings have been completely gutted through acts of vandalism. Windows have been broken or removed; interior partitions have been stripped down to the wood dividing studs; all fixtures and finishes have been removed or damaged beyond repair. Some of the vacant units are open to the weather and to further damage by vandals, although HANO is currently attempting a board-up campaign to secure all vacant units. Serious building systems deficiencies exist in terms of heating, mechanical and electrical systems, and exterior building envelope integrity. The main street through the development, Desire Parkway, has settled on both sides of the center culvert, creating a dangerous surface to navigate; total replacement is necessary.

A summary of existing conditions and needs for rehabilitation follows:

- **Dwelling Units** - most aspects of the dwelling units in all sections of the development are severely deteriorated and need comprehensive modernization, including mechanical system replacement. Significant water damage has occurred to wooden floors, particularly on first floors; floor replacement is required.
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- **Building Exteriors** - front canopies are severely deteriorated, requiring replacement; roofs, windows, common entries, hallways and common facilities all require comprehensive modernization, subject to possible redesign if common entries are eliminated; basement crawl spaces require waterproofing and adequate ventilation. Desire is the only development with dirt floors in the crawl spaces; all other developments have concrete pads.
 - **Mechanical and Electrical Systems** - building-based mechanical and electrical systems need replacement to meet codes and contemporary durability and use standards. Although some upgrading has been done, the electrical services does not meet current code requirements. Electrical service is currently brought to buildings on overhead feeders which are subject to vandalism and outages during storms. Building-mounted security lights have been vandalized. New risers will be required in most plumbing systems.
 - **Site** - site settlement has caused a host of problems, ranging from exposure of building foundations to poor drainage to the likely breakage and need for replacement of sewer systems. A complete reworking of the site design will be necessary to define private, semi-private, and public areas and to provide adequate recreation facilities for children of different ages. The provision of parking convenient to building entries must be addressed as more than 40 percent of the current parking areas are more than 100 feet away from building entries. The current ratio of .7 vehicles per unit is less than standard for apartment complexes. Significant fencing and site lighting will also be required.

As part of the preparation of a Comprehensive Plan for Modernization (CPM), a Viability Analysis was undertaken for each development. To be considered viable, and eligible for modernization funding, a housing development must meet HUD-established criteria in the following areas: vacancies, modernization costs, and structural, locational and environmental conditions. If CIAP funds cannot adequately address the identified deficiencies that led to a determination of non-viability, then the development is determined to be non-viable and alternative funding programs and strategies, such as the Major Reconstruction of Obsolete Projects (MROP) program, must be pursued.

In the 1990 HANO CPM, Desire was determined to be non-viable based on the following factors.

- **Vacancy rate** - with a vacancy rate of 40 percent in 1990, Desire substantially exceeded HUD's threshold of 15 percent vacancies.
 - **Modernization costs** - the cost limit for standard modernization is 62.5 percent of the cost of new construction, according to HUD-established prototype cost limits. The cost limit for viability determination is 125 percent of the standard modernization limit. At Desire, the estimated costs for modernization to ensure long term viability were approximately 154 percent of the standard modernization cost limit.
 - **Environmental factors** - Desire is within 3000 feet of two railroad tracks and within 15 miles of three airports, conditions considered to have a negative impact on residential developments.
 - **Structural conditions** - Several of the wood frame structural elements, including the common stairways, have deteriorated due to moisture problems and termite infestation, and must be replaced.
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Figure 3: Selected Views of the Desire Development



Edge of development abutting settlement high truck traffic and industry.



Desire Boulevard showing on either side of culvert.



Typical courtyard with mature trees.



Community Center entry. Note ponding and foundation settlement.

Figure 4: Selected Views of the Desire Development



Exterior; heavily damaged building.



Interior; vandalized building.



Rot and water damage to floor joists and wall on ground floor.



Boarded up unit; in process of vacancy rehabilitation.

The HANO 1990 Comprehensive Plan for Modernization proposed a wide range of solutions to address the conditions and problems at Desire, including selective demolition of unsound structures, major renovation of remaining buildings, new construction of replacement units, and creation of homeownership opportunities. Many of these approaches have been incorporated in the current Master Plan for the Redevelopment of Desire.

D. Occupancy

There has been a steady decrease in population over the past 12 years, from 8,575 residents in 1980 to 3,395 residents in 1992. The household size has also been decreasing. See Table 2 for details regarding the shifts in occupancy. It is interesting to note that while the total number of residents was decreasing, the overall percentage of children under 18 years of age has substantially increased. The typical family at Desire today is a young female head of household with three children.

Table 2
Desire Development: Population Trends

	1980	1990	1992
Total Population	8,575	4,164	3,395
Persons over 65	1%	2%	3%
Persons 18-65	41%	40%	29%
Persons under 18	58%	58%	68%
Total Households	1,778	986	900
Average Household Size	4.8	4.2	3.8
Vacant Housing Units	4%	—	50%

Source: Master Plan for the Redevelopment of the Desire Housing Development LA 1-14, 2/92.

Table 3 further highlights the distressed nature of the population at Desire, when compared to both the immediate neighborhood and the City at large. Desire has a much higher percentage of unemployed persons and high school dropouts. This results in very low household incomes and a high percentage of households below the poverty line.

Table 3
Desire Development: 1980 Statistics for Employment, Income and Education

	Desire Development	Adjacent Neighborhood	New Orleans
Household income	\$5,914	\$10,844	\$17,122
Persons below poverty level	80%	32%	26%
Employed persons over 16 years of age	37%	51%	56%
Unemployment rate	24%	8%	7%
High school graduates	27%	40%	59%

Source: Master Plan for the Redevelopment of the Desire Housing Development LA 1-14, 2/92.

E. Use and Activity Patterns on the Site

Two elementary schools, the Dunn and Lockett (Moton), were constructed in the middle of the development during the initial construction period in the mid 1950s. This decision to locate two public schools on the site, specifically for children living at Desire, proved to be problematic. First, the schools were not large enough to adequately serve the entire community; classrooms were so overcrowded that two shifts were instituted. Second, this location only served to isolate residents even more from activities in the neighborhood and from other parts of the City. Some children were reported to rarely leave the site. The Moton School was demolished in 1980 and the Dunn School was demolished ten years later. The community is served by a new school on an off-site location. The original school sites, each five acres in size, are used as play areas by the children and will need to be incorporated in the redevelopment plan for Desire.

Although there are large open areas on the site for children to use, there is very little recreation equipment to encourage constructive play activities. A city-owned swimming pool in the center of the site has been abandoned; security fencing surrounding the half empty pool cannot keep determined youth from climbing the fence and playing in a hazardous facility.

Parking is located in alleyways off the main interior streets; not always visible from the street and security cars driving by, these areas become locations for drug dealing. Almost half of the parking spaces are more than 100 feet from unit entries so residents drive their cars over the yard areas to park close to their units.

Crime is a very serious problem at Desire. HANO developments have a much higher per capita rate for violent crimes than the City of New Orleans. In 1990, 64 of the 130 homicides reported in New Orleans occurred in HANO developments. Most of these homicides (72 percent) were drug related, with crack being the primary drug of use. Within the HANO developments, Desire has some of the highest crime statistics, particularly for violent crimes. Drug dealing occurs openly on the site. The number of unsecured vacant units and buildings exacerbates the drug dealing and criminal activities by providing unsupervised and hidden locations for illegal activities that threaten the safety and security of remaining residents at Desire.

Figure 5 shows the location of vacant buildings on the site. It appears that the vacancies are random and not related to any pattern affected by the site design. Buildings along the street and at interior locations on parking lots have similar vacancy rates and there are no edges of the development that are more affected by vacancies than others. The figure also identifies some of the key site characteristics that impact the development.

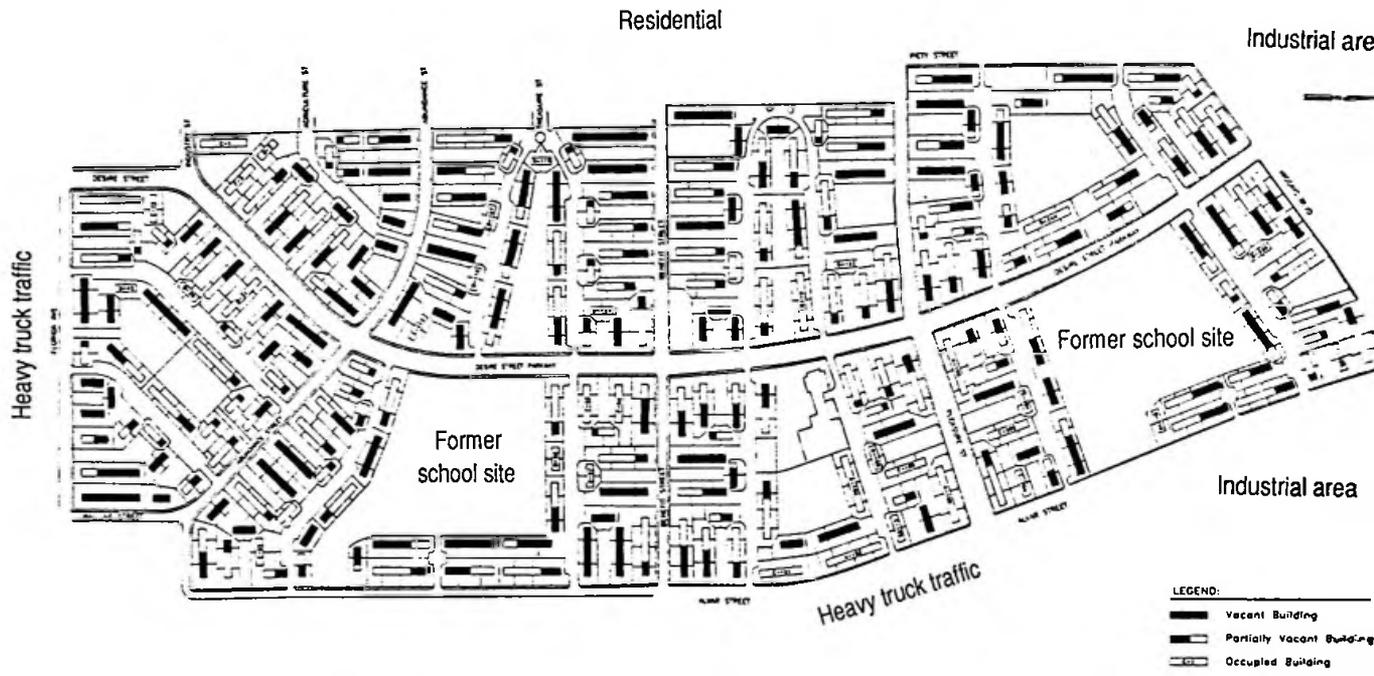
F. Design Factors Contributing to Distress

Based on the site visit, discussions with HANO staff, and review of related documents, several major aspects of the design contribute to the distressed state of the Desire development:

- Initial Construction Inadequacies
- Scale of the Development
- Location
- Site Design Problems
- Building and Unit Design Problems

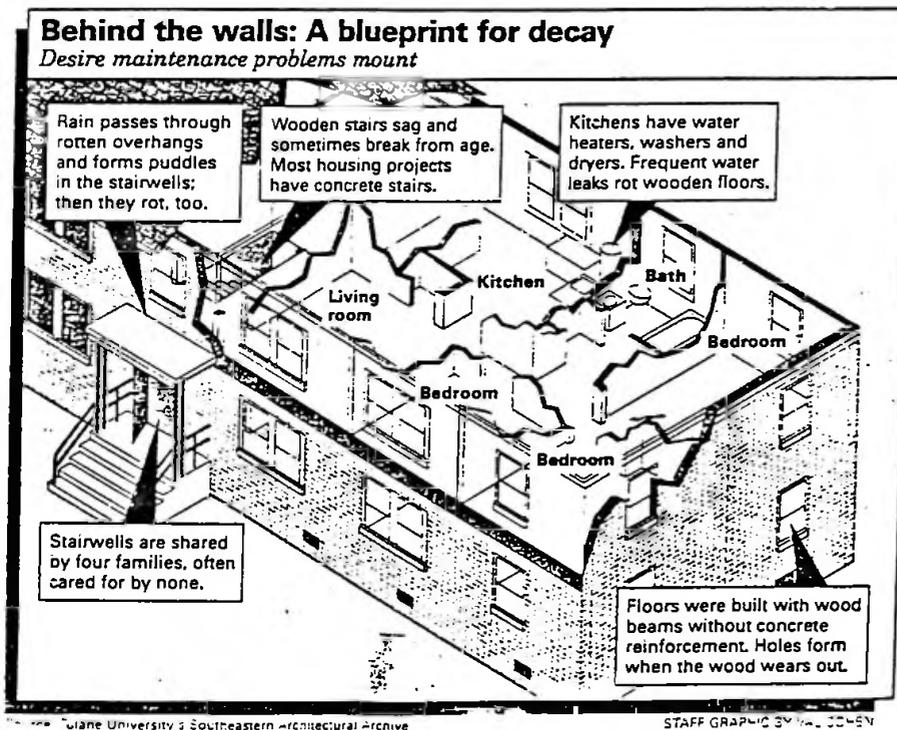
Initial Construction Inadequacies. A major difference between Desire and other HANO developments was the use of wood and brick veneer construction, which was insisted upon by the U.S. Public Housing Administration as an economy measure. Desire is the

Figure 5. Vacancies and Site Design Problems



only public housing development in New Orleans which uses this type of construction. A few years after the Desire development was constructed, HANO concluded that public housing in New Orleans should utilize solid masonry, which provided savings in both maintenance and insurance costs. The wood frame buildings are vulnerable to fire damage, as they do not have conventional fire stops between units, exacerbating the risks associated with wood frame construction. The combination of wood construction, dirt floor crawl spaces, and moisture and flooding has led to serious problems associated with rot and termite infestation on first floors. Figure 6 provides a diagram of the typical maintenance problems that have plagued the Desire buildings due to poor construction. Many floors have had to be replaced by scabbing sound joists to existing members to replace rotted timber. HANO has a continuing concern with liability exposure because of floor collapse in damaged units which have not yet been repaired. There have been a large number of injury claims and high monetary awards against the Authority.

Figure 6. Diagram of Desire Maintenance Problems



Scale of the Development. The Desire Development is HANO's largest; it is also one of the largest public housing sites in the country, covering approximately 100 acres. Although the original density is quite low at 19 units per acre, compared to other distressed housing developments in more dense urban areas, the scale and repetitiveness of the development makes it difficult to differentiate one part from another and difficult for effective management, as on-site HANO personnel cannot readily cover the entire site area. Table 4 compares the Desire and Florida developments which are adjacent to one another. Although Florida is more dense, it is the overwhelming size of the Desire site which is problematic. In addition, Desire has a high percentage of large family units; the average unit size is 2.9 bedrooms and today's average household size is 3.77 persons. This contributes to a very low ratio of adults to children which affects the development's manageability.

Table 4
Desire Development: Comparison of Scale

	Desire Development	Florida Development
Total Units	1,860	734
Site Area (acres)	97	26
Building Type	2-story walkups	3-story walkups
Unit Distribution		
1 bedrooms	0 (0%)	156 (21%)
2 bedrooms	504 (27%)	302 (41%)
3 bedrooms	960 (52%)	129 (18%)
4 bedrooms	376 (21%)	147 (20%)
Density Measures		
Units per acre	19	28
Total number of bedrooms	5,392	1,735
Bedrooms per acre	56	67
Ave. bedrooms per unit	2.9	2.4

Location. Desire suffers from its location on the edge of an industrial area. It is adjacent to the Industrial Canal and the Almonaster-Michoud Industrial District. Heavy truck traffic on Alvar Street and Florida Avenue, serving the industrial area, creates noise and dangerous conditions. Two railroad tracks on the eastern and southern edge of the site are within 500 feet of Desire's property line. One of the lines runs as many as 20 diesel trains a day; the trains average 15-20 mph and disrupt vehicular traffic flow in and around Desire. A major elevated expressway, Interstate 10, is several blocks to the north and west of the development. To the south, the Florida public housing development is visible across the railroad tracks. Only to the west does Desire border, across a relatively wide street, a conventional residential neighborhood, although it too is somewhat deteriorated. Accordingly, the development has a sense of isolation and separateness from the abutting residential community of New Orleans which contributes to a sense of alienation on the part of residents and engenders a neglect by municipal officials.

Site Design Problems. Another recurring problem, which has been sporadically addressed by HANO over the years, is substantial ground subsidence in the area, owing to the instability of the area soils from the previous land fill operations. Some fill was added, but today many ground areas have subsided as much as 18 inches, leaving footings and foundation walls exposed. This has not harmed building stability, as pile foundations were originally used; however, many ground floors are now significantly farther above grade than the original design, requiring the addition of supplementary steps.

Many other problems have resulted from the ground subsidence. A box culvert located in the middle of Desire Street Parkway is supported on pile foundations while the street on either side was built conventionally. The street has subsided approximately one foot, leaving a central high band in the median where the culvert sits, undisturbed

below. Additionally, many of the original landscape plantings have been lost, through vandalism and/or neglect. There are many problems of site ponding, both in roads and on landscaped areas, where areas have settled differentially, creating swales which do not drain after the frequent area rainfalls.

Finally, the site lacks definition of public and private areas. Back and front yards are not defined, leaving large areas of the site, although relatively open and often grassy, belonging to no one and everyone. Parking areas, inconvenient to unit entries, are often overlooked as cars pull up next to buildings on grassy areas and sidewalks.

Building and Unit Design Inadequacies. The building design configuration stacks units over one another, clustered around a small shared hallway. This creates difficult security and overcrowding situations where four large families share a common hallway, as evidenced by substantial deterioration of materials and finishes in hallways and the constant breaking of security hardware on entry doors. Additionally, stacking of families living above one another in this type of construction creates noise intrusions which are the source of resident complaints. Problems with unit layouts include: insufficient storage; only one bathroom for 3 and 4 bedroom units; insufficient space to accommodate sit-down dining in most apartments; and no storage space for garbage, which must be stored inside units between thrice weekly pick-up dates. Units are heated unevenly by one space heater located in the hallway in the center of the unit. Because units are accessed through a shared hallway and not directly from the outside, there are no opportunities for claiming private territory at the unit edge; all area around the buildings is very public in nature which exacerbates the crime problem on the site.

II. PROCESS FOR MODERNIZATION AND REDESIGN INITIATIVES

A. HANO Context

The Housing Authority of New Orleans manages a total of 13,726 units; 12,242 units are in ten developments and the remaining 1,484 units are at scattered sites located throughout the City. As illustrated in Table 5, the majority of this housing stock is very old and in need of substantial modernization.

Table 5
Desire Development: Age of HANO Public Housing Units*

Age Span	Number of Units	Percent of Total
45-50 years old	5,373	44%
34-38 years old	4,874	40%
26 years old	1,995	16%
Total	12,242	100%

*excluding scattered sites

The 1990 Comprehensive Plan for Modernization estimated total modernization needs in excess of \$440 million, or \$32,400 per unit. The breakdown of these needs is presented in Table 6.

Table 6
Desire Development: HANO Comprehensive Modernization Needs

Recommended Actions	Estimated Costs
Conventional developments (10)	\$400,435,705
Scattered sites	\$19,160,286
Handicapped accessibility	\$6,640,000
Additional non-residential space	
Community facilities	\$5,778,080
Maintenance facilities	\$1,562,736
Administrative facilities	\$1,973,075
Extraordinary Maintenance	\$8,557,391
Total	\$444,107,273

Source: Comprehensive Grant Formula Characteristics Report for LA001 New Orleans, 1991.

HANO's record of modernization funding has been very sporadic over the years, as illustrated in Table 7. Planning for systematic improvements is difficult given such an unpredictable funding environment. This will be remedied soon with the Comprehensive Grant Formula which is expected to provide approximately \$33 million annually for modernization improvements. However, this will present a substantial challenge to the HANO Modernization staff to effectively and efficiently obligate this level of funding.

Table 7
Desire Development: History of HANO Modernization Funding

Fiscal Year	Funds Approved	
1975	\$7,061,951	
1976	\$6,524,000	
1977	\$3,218,519	
1978	\$4,495,685	
1979	\$9,060,000	
1980	\$7,300,000	
1981	\$18,910,320	
1982	\$21,693,300	
1983	\$4,035,892	
1984	—	
1985	\$393,388	
1986	\$2,000,000	
1987	\$14,646,929	
1988	\$4,769,359	
1989	\$5,788,265	
1990	\$15,000,000	
1991	\$29,000,000	CIAP
	\$1,700,000	MROP
Total	\$155,597,608	
<i>Average</i>	<i>\$678/year/unit</i>	

Source: 1990 Report on Physical Needs Assessment of the Housing Authority of New Orleans, Louisiana conducted by Engineering Associates, Inc. for the Management Group of America, Inc.

B. Prior Modernization Efforts at Desire

A chronology of key events with regard to Desire development is included in Table 8.

Table 8
Desire Development: Timeline of Key Events

1951	Authorization for development of Desire is granted in July
1953	Bids are received for two phases of construction; the two bids totaled \$23,686,436 for 1,860 units, or \$12,735 per unit
1956	New units are occupied; occupancy reaches 13,542 persons by 1958
1962	HANO concludes that all public housing should be of solid masonry construction; although more costly initially, the long-term reduction in maintenance costs and insurance rates offsets the initial expenses
1965	Hurricane Betsy strikes New Orleans and Desire sustains considerable water and wind damage; one third of the development floods above apartment floor level; flood damage leads to rotting floors and termite infestation
1968	Desire Community Center is constructed for \$500,000; it houses a gym, meeting areas and classrooms, day care center, and health center
1970	Shootout between militant Black Panthers and police brings attention to conditions at Desire; consultant recommends converting buildings to two bedroom townhouses and apartments for \$30 million
1974	Desire selected by HUD to participate in Target Projects Program (TPP); Desire receives \$2.2 million for much needed deferred maintenance to arrest physical deterioration; development divided into three management zones
1979	Desire vacancy rate: 1 percent Development houses approximately 10,000 residents
1987	Desire vacancy rate: 5.7 percent
1988	HUD undertakes comprehensive review of HANO operations and concludes that the deteriorated conditions throughout HANO's housing stock are due, in large part, to mismanagement of operations; HUD directs HANO to contract for private management
1989	Desire vacancy rate: 30 percent HANO contracts with The Management Group of America, Inc. (TMGA)
1990	Comprehensive Plan for Modernization is completed; Desire is considered non-viable; HUD declares selection process for private management firm inappropriate; RFP reissued; vacancy rate is 44 percent
1991	C. J. Brown Associates hired by HANO for private management of the Authority; vacancy rate reaches 50 percent
1992	Architects work with Desire Task Force to prepare Master Plan for Redevelopment

Starting in 1974, with the Target Projects Program (TPP), HANO initiated a series of repairs and upgrades to Desire, including deferred maintenance, electrical upgrades, security improvements, and selective modernization of kitchens, bathrooms, and water heaters. To deal with security problems in the shared hallways, steel building doors, an intercom system, and electrically operated locks were installed. However, given the constant flow of children in and out over the course of a day, residents began leaving building entry doors propped open and security efforts were diminished.

In addition to these physical improvements, the development was divided into three zones to enhance management effectiveness. Each zone had an assistant manager (who reported back to a site manager), account clerks, maintenance staff, and other support staff. While somewhat successful, this effort ended in 1977. Some thought it would have worked more efficiently if each zone had an autonomous manager responsible for the entire operation of the zone.

Over the years additional modernization was undertaken at Desire, but it was inadequate to stem the growing tide of deferred maintenance and physical deterioration through use and obsolescence. Table 9 identifies over \$12 million in modernization work funded at Desire. It is interesting to note that more modernization funding was spent at Desire in the 1970's (\$8,487,321) than in the 1980's (\$4,376,382). This lack of modernization funding at a development more than 35 years old has contributed substantially to the severity of problems at Desire.

Table 9
Desire Development: Prior Modernization Efforts

Scope of modernization work	Funding	Source
Electrical renovations, steel security doors, steel window guards	\$4,669,621	1974 Mod
Kitchen and bath renovations; water heaters and space heaters	\$3,817,700	1975 CIAP
Emergency electrical repairs	\$500,000	1980 CDBG
Electric meters	\$1,500,00	1982 CIAP
Renovation of 55 units	\$720,872	1984 CDBG
Rodent control	\$65,574	1987 CIAP
Roof replacement	\$1,445,622	
Fire extinguishers	\$27,600	
Clean-up under buildings	\$7,314	
Smoke detectors	\$109,400	1989 CDBG
Total	\$12,863,703	

Source: Exhibit 18A, Prior Modernization Efforts at Desire, HANO, updated.

C. Previous Initiatives

The revitalization of Desire has been discussed by HANO staff, the New Orleans community, and HUD for many years. Given the extensive level of renovation required, in excess of CIAP limitations of 62.5 percent of total development costs, HANO has pursued MROP funding. Over the years the scope of work has changed substantially and the costs have increased. In 1987, HANO proposed to convert 250 four bedroom units to 500 one bedroom units and modernize the remaining units, for a total estimate of \$48.7 million. Demolition was not proposed until 1990 as part of the Comprehensive Plan for Modernization and in an MROP application.

All funding applications until recently have been rejected by HUD due to lack of comprehensive planning and attention to problem solving. These proposals have been prepared by HANO modernization staff, utilizing Means renovation and construction costs, with little to no involvement from other departments in such areas as management improvements, public safety programs, and resident services. Only recently has HUD partially funded a first phase of the Desire redevelopment effort with a \$1.7 million MROP grant, which is to be used in conjunction with approximately \$10 million of CIAP funding that HANO has been awarded. Table 10 provides a summary of the unsuccessful proposals that have been prepared and submitted to HUD for the redevelopment of Desire.

Table 10
Desire Development: Prior Funding Requests for Redevelopment

Year	Estimates	Type	Scope of Work	HUD Response
1987	\$48,700,000	MROP application	Convert 250 4BRs to 500 1BRs; comprehensive modernization of 2,090 total units; no demolition	HUD questions viability of site
1988	\$57,000,000	MROP application	Same scope as 1987 application; costs updated	No response
1990	\$91,804,020	Comprehensive Plan for Modernization	Comprehensive modernization of 1,840 as-built units and surrounding site	Planning document
1990	\$60,400,000	MROP application	Demolition of 716 units; comprehensive modernization of 1,124 units; replacement housing	Proposal lacks plan for management improvements, resident services, and security approaches; HUD recommends submitting application for single phase which can be viable on its own.
1991	\$10,000,000	MROP application	Comprehensive modernization of 208 units and surrounding site, for viable first phase	MROP funds \$1.7 million for 34 units; \$10 million of CIAP funds to be used to complete first phase.

D. Current Master Plan Proposal

Last year HANO was awarded funding for the first phase of a comprehensive redevelopment effort at Desire. As HANO is required by HUD to award the construction contract by September 1992, all parties are working under severe time constraints in an effort to provide comprehensive and consensus-based decision-making to guide the Desire redevelopment effort for years to come.

The Mayor's Task Force on the Redevelopment of Desire has taken the lead role in the planning effort. The Mayor's Task Force had its origins back in 1987 when a Community Action Group was established as a result of community disapproval of a housing plan. In 1988, TMGA, the private management firm contracted to work with HANO, approached the Mayor to use this same task force for the Desire redevelopment effort to ensure broad community representation. The members of the Mayor's Task Force include representatives from the Residents Council, local and state government, HUD, HANO, the private management team, the Desire Housing Corporation, the Baptist Church, and other neighborhood organizations. The president of the Desire Residents Council is the chairperson of the Task Force and residents are taking an active role in all decision-making.

This Task Force sponsored a three day workshop with planning and design consultants hired to develop a Master Plan for the entire site and to prepare contract documents for the first phase of construction totaling \$11 million. The intensive workshop setting proved to be a very efficient and productive method for eliciting resident and community priorities and recommendations for revitalizing the Desire development. Over the course of these three days, the participants held 11 different sessions to address issues ranging from site design and economic development to homeownership, management improvements, and relocation. All parties reached consensus on the goals and objectives outlined in Table 11.

Table 11
Desire Development: Goals and Objectives of the Master Plan

-
- Reduce the total number of housing units.
 - Provide sufficient housing for existing residents as a minimum.
 - Create multiple (2-4) neighborhoods within the Desire community.
 - Accommodate a mixture of ages and family size in each neighborhood.
 - Create a unique visual identity for each neighborhood.
 - Provide opportunities for homeownership.
 - Increase square footage, modernize, and improve space utilization within units.
 - Provide adequate parking in close proximity to units.
 - Improve vehicular access to individual buildings.
 - Provide centralized and decentralized recreation facilities including passive recreation areas.
 - Incorporate landscaping elements into the plan.
 - Improve security on the grounds and within the units.
 - Provide for the establishment of social services programs within the community.
 - Identify locations suitable for economic development.
-

III. ANALYSIS OF DESIGN FEATURES AND OPTIONS

A. Highlights of the Proposed Master Plan

The Master Plan establishes the physical framework for more detailed design work in later stages. It is designed to be flexible yet provide guidance in addressing the goals and objectives defined by the Mayor's Task Force. Highlights of the Master Plan are presented in Figure 7 and include the following:

Four distinct neighborhoods. Although the scale of the development will be reduced from 1,840 units to a maximum of 1,228 units, it will still be very difficult to manage as the total area of the site has not been decreased. Four separate neighborhoods are identified ranging in size from 222 units to 452 units. These neighborhoods are defined by major streets running through the center of the development - Desire Street Parkway (running north and south) and Benefit Boulevard (running east and west) which is also the entry for the development. Each neighborhood will be run as a separate management and maintenance entity with facilities located within each of the four areas.

Each neighborhood will also have its own recreation facilities, including water play area and tot lot, and design features to distinguish it from the other neighborhoods. Each will accommodate a mixture of ages and household sizes like a typical neighborhood; the Mayor's Task Force did not support the creation of a special area for senior citizens only.

Selective demolition of existing structures. Approximately one-third of the total building area will be demolished. Most buildings are severely deteriorated and substantial renovation of all structures is required. Given wood frame construction, there is very little cost savings associated with retaining any interior partitions or elements. Specific demolition plans are based on the appropriateness of a building's location in the overall site design and not on the condition of the building itself. Demolition plans take into consideration spatial relationships between buildings, relationship of street to unit entries, and parking locations.

Unit design. Although specific details regarding unit designs and building redesign were not included in this Master Plan phase, there is acknowledgment that existing units are poorly designed and fall below contemporary spatial standards. Units will be redesigned and enlarged.

Areas for non-residential development. In dealing with the constraints of existing funding programs, the Master Plan only identifies potential locations for social service programs and commercial development. Providing a detailed program, spatial requirements, development mechanisms, and funding sources was beyond the scope of the consultant's contract. In general, a commercial core and social services facilities have been located at the entry of the development so that the surrounding community can easily access services on site and the services are convenient to residents coming and going on a daily basis.

Redesigned site. In Figure 8, buildings are demolished and parking areas added so that most buildings front on streets with parking nearby. The goal is to provide one-to-one parking for each unit with additional parking spaces available for visitors. Given the large size of the site (100 acres), residents have requested that recreation areas be provided in decentralized locations within each neighborhood as the central recreation building is not convenient to all units. Recreation areas include tot lots and water play areas which are particularly useful for enduring hot and humid summers in New Orleans. Landscaping elements are considered important for the overall aesthetics of the development and for visually defining the individual neighborhoods.

Homeownership opportunities. Providing opportunities for residents to own their homes as a step towards self sufficiency has been a recurrent theme throughout the planning process. Government programs and the involvement of non-profit organizations will be necessary. An important aspect is to provide some homeownership opportunities on the site so that current public housing residents who can afford to buy their own home can remain in the community as a role model and stabilizing influence. The Master Plan calls for five buildings along Piety Street, comprising 44 units, to be renovated for single family units with the assistance of the HOPE 3 program. Cooperative housing is proposed for three or four buildings clustered around a courtyard (HOPE 1 and HOPE 2). New construction of 56 single family units near the commercial core and on the former Dunn School site is also proposed.

Economic development. While not within the scope of the master plan contract, strategies for encouraging the location of small businesses and commercial enterprises on or near the site, for both employment opportunities and convenient access to daily services, are presented in the Master Plan. Consideration was given to identifying a location that would attract customers from the adjacent neighborhood in addition to residents of the development. A list of those businesses most likely to succeed in this location was prepared. Job opportunities associated with the modernization effort were listed as the most immediate source of employment and training for these opportunities was encouraged.

B. Implementation of the Master Plan

Given the large scale of this redevelopment effort and relocation requirements of the approximately 900 families currently on site, the reconstruction of the site will be phased over a five-year period. This is an ambitious schedule which will require careful coordination between many different parties. Six phases have been identified in Figure 7 and are outlined below:

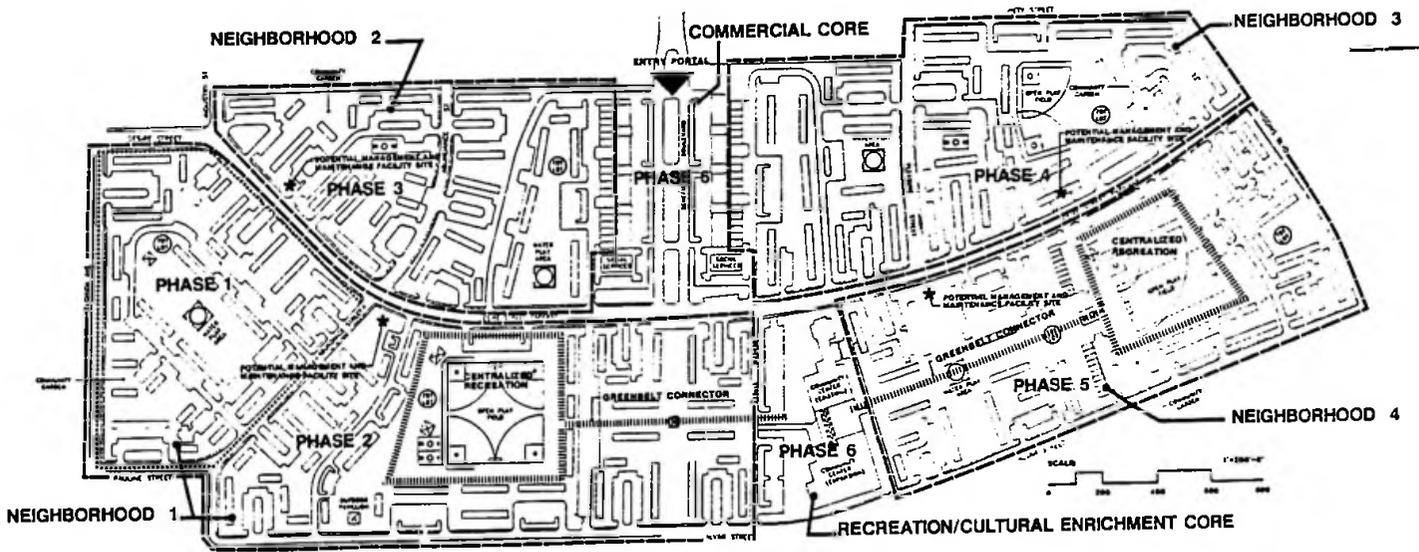
- Phase 1 - selected for its containment within defined streets so that the initial impact will be greatest.
- Phase 2 - the remaining section of Neighborhood 1 which will complete the first functional neighborhood.
- Phase 3 - this includes Neighborhood 2 and completes the reconstruction of the southern half of the development.
- Phases 4 and 5 - this completes the residential portion of the site, including Neighborhoods 3 and 4.
- Phase 6 - the Commercial Core and the Recreation/Cultural Enrichment Core which unifies all residential neighborhoods and links the development to the adjacent community.

Relocation will follow Federal regulations and will involve on-site moves and temporary housing. Relocated residents will be offered moving and related costs; these costs are included as part of the 'soft' costs of redevelopment.

C. Estimated Costs

The design consultants have prepared preliminary cost estimates summarized in Table 12. These costs appear to be for 'hard' construction costs only and do not include costs associated with relocation, management improvements, resident initiative efforts, etc. It

Figure 7. Proposed Redevelopment Program



is unclear whether the construction costs include design fees or an inflation factor for work bid in years subsequent to 1992. The total cost estimate for the 5-year, 6-phase reconstruction effort exceeds \$96 million. Based on an estimate of 1,228 post-reconstruction units on the site, including 56 new units for homeownership, this results in an average per unit cost of \$78,630. However, \$9 million of this total is scheduled for new construction of the Commercial Core and the Recreation/Cultural Enrichment Core, which is not fundable under HUD CIAP and MROP regulations. Deleting these costs reduces the overall construction figure to \$86 million, or approximately \$70,454 per unit. HUD 1991 Total Development Cost (TDC) Limits for row dwellings in New Orleans ranges from \$56,450 for a two bedroom unit to \$78,100 for a four bedroom unit, including construction and 'soft' costs associated with development. In the private sector, new residential construction is averaging \$45,000 per unit.

The design consultants are assuming that the average per unit renovation cost is \$45,000 which is comparable to similar work in the private sector. However, there are several characteristics of the original Desire development which increase the total per unit cost closer to \$70,000. These include the need to demolish approximately one-third of the existing structures, reconstruct the main street through the center of the site, and redesign and re-landscape approximately 100 acres of land subject to severe subsidence problems.

The total construction figure for the residential component of Desire's redevelopment effort, estimated at \$86 million, breaks down as follows: 7.5 percent for site and building demolition; 65.5 percent for building rehabilitation; 3 percent for new construction of units; 19 percent for replacing the site infrastructure (roads, parking, utilities, drainage); and 4.5 percent for site landscaping and recreation amenities. More than 20 percent of the construction costs are related to site improvements; most redevelopment efforts devote far less of their construction budget to site work.

Table 12
Desire Development: Summary of Construction Costs

Demolition	
• Buildings	\$2,652,300
• Site	\$3,275,000
Building Modernization	
• Residential	\$51,515,274
• Non-residential	\$250,000
New Building Construction	
• Residential	\$2,332,800
• Non-Residential	\$9,125,000
Site Development	
• Parking, roads, utilities, drainage	\$15,056,940
• Landscaping	\$1,970,000
• Recreation, park amenities	\$1,600,000
Subtotal	\$87,777,314
10% Contingency	\$8,777,731
TOTAL	\$96,555,045
Per Unit Cost (1,228 units)	\$78,628
Total Without Commercial Core	\$86,517,454
Per Unit Cost (1,228 units)	\$70,454

Source: Master Plan for the Redevelopment of the Desire Housing Development LA 1-14, 2/92.

D. Alternative Approaches

Although the proposed Master Plan has been adopted by HANO, the residents, HUD, and the City, as the most appropriate approach for the redevelopment of Desire, the plan still requires further refinement and development. Following are observations on the current master plan approach and an analysis of potential alternatives to the selected approach to reconstruction. The purpose of this section is to provide NCSDPH as assessment of options for a severely distressed development.

Issues to be Refined in the Current Master Plan Proposal. As of the date of this assessment, the Master Plan has not yet been developed to include any detailed information regarding building and unit redesign issues. The design consultants were constrained by time deadlines for the Master Plan and therefore scheduled building design decisions for the next phase of design development.

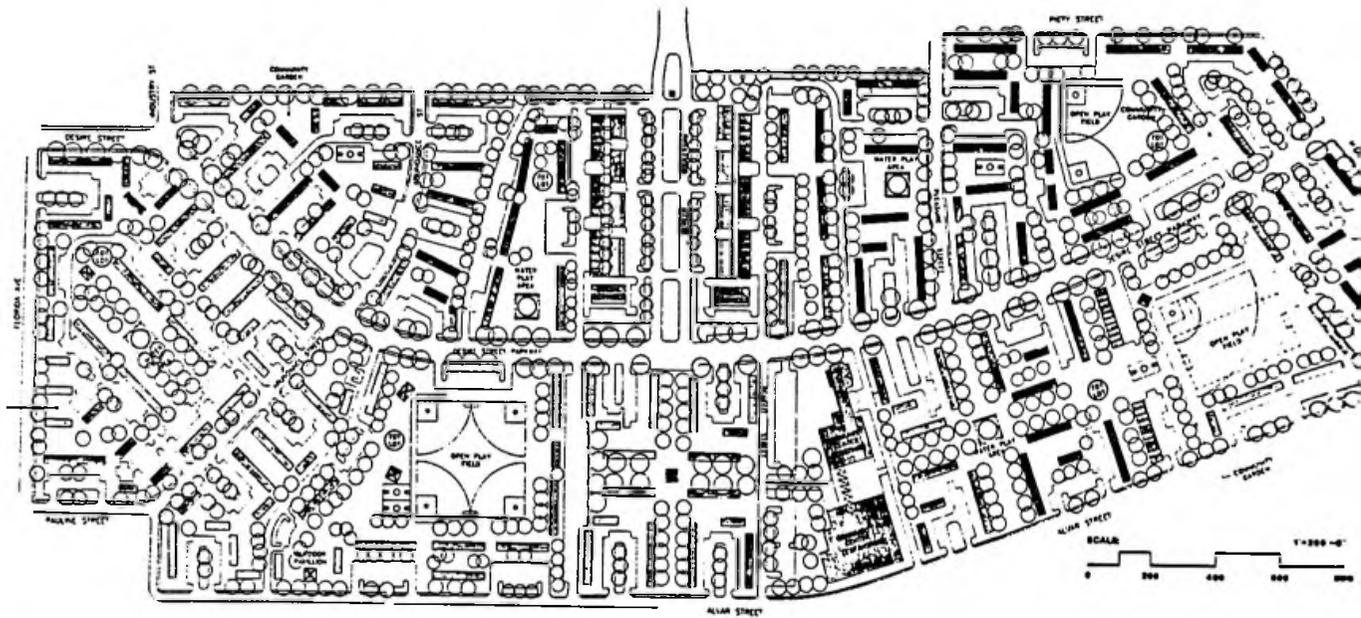
There are several planning decisions that can (and should) be made at this stage which have an impact on the site design and costs. One decision involves the basic unit type (i.e., flats vs. townhouses) and the other involves the unit mix, or distribution of units by bedroom size.

Redesign of the family units as townhouses is likely based on the following:

- residents have stated a strong preference for enlarging unit sizes and for townhouses with private entries and private yards;
- given the level of restoration necessary in the deteriorated buildings, and inexpensive wood framing, there is very little, if any, cost savings associated with retaining the flats rather than redesigning existing structures for townhouses; most of the existing common stairways are structurally unsound and would have to be replaced;
- experience over the years has shown that the common hallways at Desire have been a major management problem, are susceptible to drug and other criminal activities, and are in constant need of maintenance and modernization; and
- by creating townhouses, each family has access to a private front and back yard, which is important not only for family activities such as children playing, gardening, and cooking outdoors, it also defines the edge of buildings for private use and serves as a means for discouraging unwelcome outsiders from loitering on the site. Defining more of the site for private resident use eases the maintenance and management burden at such a large development.

The other critical decision involves unit distribution by bedroom size. Desire was originally constructed with an unusually high percentage of large family units (77 percent are three and four bedrooms), which has resulted in a high ratio of children to adults and contributed to management problems. Table 13 shows the current bedroom distribution, with an emphasis on very large units, existing household sizes at Desire based on management information on family composition, and the HANO waiting list. It will be important to address this issue in the redevelopment program. The number of four bedroom units can be substantially reduced to meet only the needs of current residents (153) due to the surprisingly little demand Authority-wide for four bedroom or larger units. There is also an existing need at Desire for one bedroom units as well as a sizable waiting list. Many of the adults who have raised their children at Desire want to remain in their community where they have developed a network of friends and family members. It is not unusual to have three generations of family members living in a development,

Figure 8. Proposed Site Plan



providing important support for one another. The older adults are stabilizing factors and important community members and providing smaller units for their continued residency at the development should be considered. Once a target unit mix has been decided, a more refined total unit count can be developed if space standards for each unit size and the total habitable area in existing structures are known.

Table 13
Desire Development: Unit Mix Information

Unit Size	Current Bedroom Distribution	Existing Household Sizes	HANO Waiting List
1 bedroom	0	77 (9%)	1458 (33%)
2 bedrooms	504 (27%)	244 (27%)	1615 (36%)
3 bedrooms	960 (52%)	388 (43%)	1322 (30%)
4 bedrooms	376 (20%)	153 (17%)	48 (1%)
5 bedrooms	0	34 (4%)	9
6 bedrooms	0	3	0
7 bedrooms	0	1	0
Total	1,840	900	4,452

To date, the Master Plan focuses on the redevelopment of the existing site and the provision of homeownership opportunities on the site. There is little discussion of replacement units which will be required given HUD's one-for-one replacement rule. Costs for these units have not been included in the plan to date but must be addressed if the cost of the entire program is to be evaluated.

Cost Comparison of Alternative Approaches. For comparative purposes, Table 14 presents the costs of alternative approaches to the revitalization of the Desire Development. The options include comprehensive modernization and total replacement.

In the comprehensive modernization approach, the existing structures are renovated and no demolition is proposed. Some redesign of unit interiors is possible to address unit mix needs. Costs are based on the modernization figure of \$45,000 per unit used by the design consultants in the Master Plan. Additional costs for site work are also based on the Master Plan estimates.

Another approach involves abandoning the existing site and developing replacement housing throughout the neighborhoods in New Orleans. The City has an overabundance of vacant and abandoned buildings, particularly in the Community Development Neighborhoods serving low-income populations. Many of these structures are available from HUD, the Veterans Administration (VA), or the Resolution Trust Corporation (RTC) at prices below \$25,000. Rehabilitation estimates range between \$15,000 to \$30,000, resulting in a renovated property of anywhere from \$40,000 to \$55,000. Distributing this level of investment throughout the neighborhoods would have a substantial impact at the City level. Experience has shown, however, that scattered site housing is particularly difficult to maintain.

When comparing the figures for the alternative approaches, it is interesting to note that there is very little difference in cost between the different strategies. Although only rough estimates, these approaches do not appear to exceed HUD TDC limits for the area. The Desire redevelopment effort will cost more than \$100 million before it is completed.

Table 14
Desire Development: Costs for Alternative Approaches to Redevelopment

HANO MASTER PLAN PROPOSAL*	
Demolition of one third of site and buildings	\$5,927,300
Rehabilitation of 1,172 units	\$51,515,274
New construction of 56 units for homeownership	\$2,332,800
Renovation of existing non-residential facilities	\$250,000
Site improvements	\$18,626,940
Contingency (10%)	\$7,865,231
Subtotal	\$86,517,545
Replacement housing (612 units @ \$50,000/unit)	\$30,600,000
Total	\$117,117,545
COMPREHENSIVE MODERNIZATION	
1,840 units @ \$45,000/unit	\$82,800,000
Renovation of existing non-residential facilities	\$250,000
Site improvements	\$18,626,940
Contingency (10%)	\$10,167,694
Total	\$111,844,634
TOTAL REPLACEMENT	
Demolition of existing site and buildings (est.)	\$6,000,000
Replacement housing in community (1,840 @ \$50,000/unit)	\$92,000,000
Contingency	\$9,800,000
Total	\$107,800,000
HUD 1991 TDC LIMITS	
1,840 units on existing site; assume RH (504 2BRs, 960 3BRs, 376 4BRs)	\$121,560,400

*Does not include new construction of the Commercial Core and Cultural Center

IV. FINDINGS AND OBSERVATIONS

Although the redevelopment plans for the Desire Development are in their preliminary stages, and this comprehensive effort has been constrained by the need to meet serious deadlines, there are several aspects of the approach and the master plan recommendations that deserve comment.

A. Issues of Concern to NCSDPH

Inherent Design Deficiencies. The discussion in an earlier section of this case study highlighted major inherent design shortcomings at Desire, including initial construction inadequacies, the large scale of the development, location at the edge of an industrial area and isolated from other residential neighborhoods, severe site problems, and building and unit design inadequacies. Given the relatively modest density of the Desire

site, approximately 19 dwelling units per acre, the relatively workable layout of buildings, and the flexibility of the low rise buildings due to wood frame construction, most of the building and unit problems can be addressed through relatively straightforward redesign measures. The large scale of the development will be addressed primarily through the creation of four separate neighborhoods, reinforced by site and building design features. The site problems can be adequately addressed through replacement of the site infrastructure and redesign of the site elements. However, the problem of location is a more difficult issue which will require enhancing the existing residential fabric so it is a stronger environmental force than the industrial uses along two edges. This may require rerouting truck traffic, developing adequate recreation facilities for families with children, and integrating the development with the adjacent residential neighborhood to reduce feelings of isolation.

Opportunities for Neighborhood Reinvestment and Economic Development. Desire is an isolated enclave of extremely low income families and high unemployment rates. There are few employment opportunities in the immediate neighborhood; the industrial areas draw employees from a greater distance while the small local establishments, many of which are owned by recent immigrants, have limited need for additional help. The long-term success of this revitalization effort will depend, to a large extent, on providing economic development opportunities for residents at Desire as well as residents in the surrounding neighborhood. This includes encouraging the establishment of new businesses to provide local services, the renovation of existing abandoned structures or new construction in the neighborhood to stimulate additional investment by private owners, and creating linkages to job markets to increase employment opportunities. These are efforts which require specialized skills not typically found within existing Authority staff structures and which rely on developing relationships with the City and local businesses. It is unclear how HANO will be coordinating this effort.

Need for a Comprehensive Plan and Planning Process. The Master Plan, recently prepared by the design consultants in a remarkably short time frame, provides a general framework for the physical redevelopment of the site and establishes the importance of a comprehensive approach which includes management improvements, resident services, and economic development programs. However, the details of this approach are lacking and greater clarity is needed for: (1) identifying the person or persons responsible for specific improvements and programs; (2) preparing the implementation plan to accomplish established goals; and (3) monitoring progress along a predetermined schedule. The design consultants have been very successful in structuring a participatory process which has produced a framework for all design and construction activities and a cohesive working group dedicated to the Desire redevelopment effort. The Authority must now harness this substantial momentum for a more comprehensive planning effort which involves all aspects of HANO operations.

Loss of Units on Site. For many years there has been a shared perception by HANO and the New Orleans community that the Desire Development is too large. Although it has a relatively low density of 19 units per acre, it is the sheer size of the development in terms of total number of units and acreage that makes it very difficult to manage. Demolition of one third of the units (a number which has been on the table for many years) serves two purposes: small neighborhoods with separate identities, amenities, and managers can be created to make the site more manageable; and replacement units off site can be used to stimulate much needed neighborhood reinvestment in other parts of New Orleans where the current economic climate has contributed to a large stock of vacant and deteriorated houses. In a tighter housing market with decreased opportunities for finding replacement housing, the extent of on-site demolition may be questioned.

Cost of the Redevelopment Effort. The total cost of construction for the Master Plan as proposed is almost \$100 million. With limited MROP funding at the national level, HANO may have to use a large portion of their Comprehensive Grant funding, over a multi-year period, for the Desire redevelopment effort. This will have an impact on the availability of funds for much needed modernization work at other HANO developments which may be on the verge of distress if current physical problems are not addressed. In addition, almost \$10 million of this total amount is earmarked for non-residential construction of commercial and large-scale community structures which are not eligible for funding under CIAP and MROP. Other funding sources, such as CDBG, the City, HUD community development programs, or private business concerns, will have to be aggressively pursued to secure funding at this level.

Scale of the Construction Effort. The Master Plan calls for close to \$100 million of construction work over a 5 year period, for an average of \$20 million per year; this is in addition to proposed modernization work at other HANO developments. For the five year period from 1986 - 1990, HANO received a total of \$42 million for all developments, an average of \$8 million per year. According to the Comprehensive Grant formula, HANO is entitled to \$33 million annually for the next five years. This effectively quadruples the annual dollar volume of HANO's modernization effort and will require an increase in the number of staff as well as in their experience level.

Current modernization staff salaries are in the \$15,000 range and this will not attract the level of experience necessary to run this scale operation. Not only does this challenge the capacity of HANO's modernization staff, it will also place substantial demands on local contractors to perform on very large public sector contracts. With the downturn in the local and national economy, there has been very little building in New Orleans. The Authority may need to prepare general contractors for the volume of upcoming work and may find it necessary to bid contracts in smaller packages to attract more contractors.

B. Lessons from this Approach

The Desire case study offers many insights into the problems and opportunities confronting severely distressed public housing which have implications for redevelopment efforts elsewhere in the country.

- Redevelopment efforts should be used as an opportunity to stimulate neighborhood reinvestment and economic development. As part of this large-scale effort, PHAs should have access to funding programs for commercial revitalization near the distressed site and economic development opportunities for residents of both the development and the typically distressed surrounding neighborhood.
 - Homeownership opportunities should be explored on the site, or directly adjacent to it, so residents can remain part of their community as their income level increases. This also provides strong incentive for existing residents to become more economically self-sufficient.
 - Adequate funding should be provided through the MROP program so that the Authority does not have to tap limited CIAP funds which are needed for capital improvements at other sites that may become distressed if their modernization needs are not addressed.
 - Large scale developments, in terms of both total number of units and site acreage, are difficult to manage and should be disaggregated into smaller neighborhoods for management purposes. The physical improvements for both the site and the buildings should be utilized to reinforce the definition of neighborhoods.
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- The role of the City is key as public housing is an important community resource and has substantial impact on the health and vitality of city neighborhoods. City participation during planning is strongly recommended. Much of the infrastructure on public housing sites is the responsibility of the City and their cooperation and funding of such items as roadway repairs, sewer repairs, parks, and installation of street lights will be an important resource.
 - The development of a master plan through a structured participatory process is essential for producing both a framework to guide all subsequent decisions and a cohesive working group dedicated to the revitalization effort. Requirements for broad participation should be included as part of the planning process and the residents should be encouraged to play an active role, including chairmanship of the committee or task force. Task forces are a useful mechanism for redevelopment efforts if they include residents, key PHA staff, neighborhood and city representatives, program and service providers, and private business interests. The inclusion of HUD in this task force, if not in a participatory role, at least as an observer, should be encouraged.
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Chapter 6

*Tacoma Housing Authority:
Salishan Development*

EXECUTIVE SUMMARY	6-1
MANAGEMENT ASSESSMENT	6-3
I. THE TACOMA HOUSING AUTHORITY AND ITS OPERATIONS	6-3
A. Overview and Objectives	6-3
B. Current Management Operations	6-4
C. Resident Initiatives	6-4
D. Relationship with Local Government	6-4
E. Of Special Concern: Drugs, Gangs and Crime	6-5
II. THE SALISHAN DEVELOPMENT	6-6
A. Description	6-6
B. Level of Distress	6-7
C. Manageability	6-7
D. Salishan Alliance for Community Services	6-8
E. Social Services Available	6-8
III. STEPS TAKEN TO ADDRESS THE PROBLEMS	6-9
IV. SUMMARY OBSERVATIONS	6-11
DESIGN ASSESSMENT	6-12
I. OVERVIEW AND DEVELOPMENT CONTEXT	6-12
A. Location and Physical Setting	6-12
B. Building Characteristics	6-14
II. PHYSICAL CONDITIONS	6-16
A. Modernization and Maintenance History	6-16
B. Conditions and Needs Today	6-16
III. DESIGN CONCERNS	6-19
IV. SPECIAL CONCERN	6-20
SELECTED BIBLIOGRAPHY	6-21

Tacoma Housing Authority:

Salishan Development

EXECUTIVE SUMMARY

The Tacoma Housing Authority (THA) has 1,457 conventional public housing units, of which about 1,300 are family housing. The agency faces some of the same concerns as much larger public housing authorities — namely, an influx of drug-related and gang-related activity and its negative impact on residents' security. These issues are compounded by aging facilities.

To prevent its developments such as Salishan from becoming distressed, the THA has had to find ways to work with and unify its ethnically diverse population to combat criminal elements on the premises. Operating under a management plan adopted in 1989, the Authority has acted aggressively to provide a safe living environment in the face of increased drug trafficking and gang activity throughout Tacoma.

The problems are most obvious and most entrenched in the THA's larger family developments, including Salishan. By far the largest of the THA's properties, Salishan is comprised of 855 units, 60 percent of the agency's total family stock. Built in 1944 as temporary housing for shipworkers, the development was intended to be a self-sufficient community, with its own amenities. Divided from other neighborhoods by physical barriers, the sprawling 100-acre development today has several facilities for social service programs but is in an area that lacks amenities like convenience stores, supermarkets, banks and other basic commercial establishments.

Most of Salishan's families have a single head of household, and about 2,000 of the 3,500 residents are youths under the age of 18. The resident population is 54 percent Southeast Asian and Pacific Islanders, 21 percent white, 16 percent black, seven percent Hispanic and two percent Native American. The ethnic diversity limits unity among residents, who tend to remain strangers because they do not share a common language or common culture. Nevertheless, a strong resident council has emerged, the only one in the THA's developments; with the housing agency's backing, it has been instrumental in anti-crime efforts and is exploring the possibility of resident management.

Despite its shortcomings, Salishan's primarily two- to four-unit wood-frame buildings provide much-needed family housing in Tacoma. The development does offer certain advantages, such as yards for children to play in, access to public transportation, and a variety of on-site health, counseling, educational and recreational programs. The development has a move-out rate of three percent, versus the overall THA rate of two percent. With a good turn-around time for units and the THA's waiting list of approximately 500 applicants, Salishan is usually at full occupancy.

Although the Salishan development is not considered distressed, its residents have been confronted with an unprecedented level of criminal activity in recent years. Incidents include three drive-by shootings during a five-month period in 1991. Security has become the predominant concern of residents and THA staff alike.

In response, the THA has applied for and received grants from HUD's Public Housing Drug Elimination Program; works closely with the Salishan's resident council; has collaborated with Safe Streets, a community non-profit organization; and has pursued relationships with social service providers, both public and private. The City of Tacoma has become more involved, with a stated intention of creating more affordable housing in the neighborhoods surrounding some of the THA's developments.

In addition to the dominant concern of security, the condition of Salishan's nearly half-century-old buildings and infrastructure require attention. There has been a lack of regular systems upgrade or replacement, and many of the structures and site system components are serving beyond their expected usefulness; it is something of a tribute to the care taken by the residents and THA personnel that the property is in as good shape as it is today.

Design-related aspects of this case of particular interest include:

- The issue of deferred maintenance and replacement at a very old public housing development, causing concern that the reinvestment in repairs cannot significantly stave off physical deterioration of the buildings and systems.
- The size and isolation of the site, which effectively create an enclave that has internal difficulties.
- The estimated cost of a comprehensive modernization, which outstrips the expected funding allocated to the THA, potentially leading to a future distressed situation.

The problem of physical deterioration is readily soluble with capital reinvestment, albeit expensive. The problem of the development's isolation is a function of location and may be an inherent attribute that is much more difficult to remedy.

MANAGEMENT ASSESSMENT

I. THE TACOMA HOUSING AUTHORITY AND ITS OPERATIONS

A. Overview and Objectives

The City of Tacoma has a population of 176,664, which is 78 percent white and 11.4 percent black, according to the 1990 U.S. Census. The Housing Authority's units comprise approximately five percent of the city's rental housing stock, and the Tacoma Housing Authority reports that the market for low-income affordable housing is tight. The THA has 1,457 conventional public housing units of which approximately 1,300 are family housing. The agency also manages another 3,000 units of Section 8 housing.

The THA has a track record of good management and making a conscientious effort to maintain its housing stock in good condition. With a move-out rate of two percent, a waiting list of approximately 500 applicants and a unit turn-around time of 12 to 16 days, the THA has little problem keeping its units occupied. However, most of its family housing stock is located in what are considered to be the less desirable sections of the city. Aging facilities and density are problems in family developments. One, Salishan, is the size of several neighborhoods combined, and another, Hillside Terrace, is in an area that has been depressed for several years but has received some attention in the recent past due to neighborhood activist groups.

Under the direction of the current Executive Director, the THA has re-assessed its goals and objectives and implemented several new management policies that are ultimately intended to improve residents' living conditions. The Director has stated his top three concerns as:

- lack of funding for capital improvement;
- need to reorganize service delivery systems to accommodate change in racial mix of residents; and
- crime activities in surrounding neighborhoods that spill over into public housing developments.

To address these concerns, the Authority is operating on a management plan, which includes a mission statement and an accompanying set of goals and objectives, that was developed in 1989. The THA Board of Commissioners, using the Venture for Quality Housing as a model, worked with a consultant and held a retreat in 1989 to conduct an internal organizational assessment of its purpose and objectives. This self-assessment was not prompted by any particular events or circumstances, but was simply seen as pursuing sound business practices.

Improving residents' quality of life and the provision of adequate numbers and types of housing units were the main objectives expressed at the Board of Commissioners' planning session. More specific goals stated to achieve those objectives included resident empowerment, development, more resident services, and establishing partnerships between residents and services agencies, the Tacoma Police Department, city agencies, and housing interest groups. The goals and objectives also stated basic property management priorities for the THA.

B. Current Management Operations

All of the THA's management operations are centralized and located at the Salishan development, where applications are taken and annual reviews are performed. Maintenance activities are managed and dispatched from that location. Housing authority budgeting is also centralized, although the THA is trying to implement project-based budgeting and accounting in the next budget cycle.

The THA's property management structure includes 12 on-site resident managers who are on duty in the evening hours. They are responsible for checking out maintenance calls and responding to emergencies; they also patrol the grounds and write citations for violations of THA rules. Compensation is provided in the form of salary and a rent, telephone and utility payment abatement. Resident managers are considered an important part of the THA's property management system, as they provide first-hand information on conditions and events in the development. When these staff positions were added in 1980 there was an immediate reduction in maintenance overtime.

Lease enforcement is another tool that the THA has concentrated on recently to maintain control over its developments. The Housing Authority has revised its application packet to request much more information, uses a tenant screening company, and holds orientation sessions and review with new residents regarding occupancy procedures and the THA's expectations of residents.

C. Resident Initiatives

The THA dedicates a full-time staff position, a Special Projects Coordinator, to applying for grants and coordinating with residents and the one resident council, the Salishan Alliance for Community Services (SACS). Another full-time staff position is dedicated as the Drug Elimination Coordinator. The THA is developing resident initiative efforts such as special needs programs, formal resident training, trades apprenticeship and homeownership.

For fiscal year 1992 CIAP and Comprehensive Grant Program expenditures, the THA has established a requirement mandating of contractors that at least five percent of those hired to complete the contract be public housing residents. To help contractors identify potential workers, the SACS agreed to develop a labor pool list of qualified Salishan residents.

D. Relationship with Local Government

Although in the past the THA has been left on its own by the City of Tacoma, the current city administration is making affordable housing a priority and dedicating funding resources for housing development. When the THA and City originally signed a Cooperation Agreement, the housing authority negotiated a low Payment In Lieu of Taxes and as a result has received minimal city services; the THA pays for its garbage collection. Despite a long history of separation between city resource planning and housing authority operations, the City has considerable latitude to influence THA activities, as the Mayor appoints the THA Board of Commissioners, and the current city/housing authority relationship is dramatically different.

City CDBG allocations and general fund contributions to the THA have increased somewhat over the past two years. The Mayor has indicated that her administration plans to coordinate with neighborhood advocacy groups to focus on the Eastside (where Salishan is located) and Hilltop (where Hillside Terrace is located) neighborhoods for

new development and to include the THA and Washington State Housing Finance Commission (WSHFC) in development activity.

Issues that need to be addressed through planning are homelessness and gang problems, as well as specific neighborhood problems. The City adopted a Comprehensive Housing Plan in December, 1990 and now is focusing on developing new housing and providing tenant assistance, and has formed a Housing Consortium to plan neighborhood revitalization. Also, the THA and the City jointly operate a HUD-funded rental rehabilitation program and also participated in the past in a homestead pilot program.

Resources currently dedicated to housing identified by the Mayor's office include:

- 65 percent of the City's annual HUD Community Development Block Grant;
- \$2 million in bond authority for low-interest rate single-family mortgage financing from the WSHFC;
- City funds to assist homeownership: the THA plans to acquire foreclosed units, and City funds secured from UDAG repayment funds will be used for appraisals and inspections;
- a portion of the City's CDBG allocation for non-profits to fund housing counselors to screen applicants for homeownership and down-payment assistance;
- low-interest loans from the Puget Sound Bank (as authorized by the WSHFC);
- a Special Purpose grant of \$750,000 from HUD to provide assistance to non-profits to administer homeownership and rental rehabilitation programs in the Salishan and Hilltop neighborhoods;
- a proposed HUD Special Purpose grant of \$1 million for housing development in the Hilltop neighborhood area; and
- a study of homeownership strategies in the Hilltop area.

Housing authority staff participate in other local government and community organizations such as the Community Summit, a city-organized coordinating council; Safe Streets, a community non-profit organization; and a neighborhood group called the Citizens Advocating for a Safe Eastside (CASE). The THA participates jointly with other public agencies in a HUD-funded Youth Sports Program and HUD's Rental Rehabilitation and Moderate Rehabilitation programs with the City.

E. Of Special Concern: Drugs, Gangs and Crime

Tacoma's deep-water port and proximity to a major airport make it a drug traffic crossroads; gangs have moved into the city to control the drug trade and crime has risen sharply in the past three years. Criminal influences spill over into the THA's housing, particularly into Salishan and the Hillside developments;

Based on information assembled for a HUD Public Housing Drug Elimination Grant application by the THA, the following crime statistics illustrate conditions in Tacoma neighborhoods.

- Since 1984, the City has experienced a 51 percent increase in violent crimes. Tacoma Police Department and Pierce County Sheriff's Department cite drugs and gangs as primary causes.
- The Police Department's Gang Specialist reported that there are 560 known and identified black and white gang members and associates in Tacoma-Pierce County. One hundred and fifty of them are under 18 years of age, and 45 females are involved with these gangs. About 45 gang members are from California gangs (Bloods and Crips). These numbers do not reflect the gang members in the more ethnic gangs such as the Mexican Posse, the Oriental Local Boys, the Samoan Pirus and the Samoan Bloods.
- A police lieutenant for Area 4, which includes the Salishan and Hillside Terrace developments, reported in August, 1991: "Crime is more intensified now. While the Hilltop has drug-related crime concentrated in several pockets, the Eastside of Tacoma is riddled with criminal activity... Of the few arrests made in Salishan, many are of people who don't live there but are in the development."

II. THE SALISHAN DEVELOPMENT

A. Description

Salishan is the oldest Tacoma Housing Authority development and by far the largest, comprising 60 percent of the THA's total family housing stock. Named after the Native American word meaning "many people of color coming together", it was developed as temporary housing for World War II shipworkers in 1944. The original development was conceived as a self-contained community, with shops, schools, and services, substantially larger than the 855 units that remain today; portions to the south and east of the current site were demolished in the 1960s when it was perceived that they were no longer needed. The remainder of the development was taken over for the management by the THA.

The development's buildings are mostly duplexes and four-plexes, with some single-family homes; all are side-by-side and constructed of a wood frame with vinyl siding, pitched roofs and individual heating systems. These multi-family structures have front and back yards; the backs of buildings face large, common quadrangles of space and the fronts face streets. Most of the units have two or three bedrooms, with 60 apartments having one bedroom and 49 units having four bedrooms.

Other features of this development include the Eastside Neighborhood Center (ENC), owned and maintained by the THA, which houses social services programs; several small parks throughout the property; the Lister Elementary School, which has 543 students; and a converted dwelling unit and converted school building that houses several non-profit service agency and school programs. Public transportation is available, as a bus route runs through the development.

The resident population at Salishan is made up of 54 percent Southeast Asian and Pacific Islanders, 21 percent Caucasian, 16 percent African American, seven percent Hispanic, and two percent Native American. The fastest-growing tenant application category is Hispanic, chiefly from Mexico and Puerto Rico. Among Salishan's 3,500 total residents are approximately 2,000 youth under the age of 18. The majority of families have single heads of household; of these, 95 percent are women.

The average length of residency is 6.3 years. The units are nearly 100 percent occupied excepting recently vacated units being made ready for new occupancy. The turnover rate is approximately 20 to 30 units per month; this is a significantly higher ratio than other THA's developments. With a waiting list of more than 500, the THA has no problem filling those vacancies which do occur.

The Eastside area of Tacoma contains other subsidized housing developments, so that there is a heavy concentration of low-income families living in one section of the city. Salishan is isolated from other communities by geographic barriers: the western edge of the development is bound by Portland Avenue, a major traffic artery that has no cross-street connections to other neighborhoods; and a wide gully, often used as an escape route and hide-out by gang members, bisects the development and creates a north-south open space trail.

For families, the available housing market in Tacoma is fairly limited, and Salishan has some benefits not found at other housing. For instance, there is play space for children adjacent to units, and there is easy access to the public transportation system. The THA estimates that Salishan's move-out rate is three percent.

B. Level of Distress

Many of the buildings are reaching the end of their useful life. Housing authority staff noted that extensive deferred maintenance began to surface in 1989, which has accelerated the buildings' deterioration. The funding requirements for comprehensive modernization are estimated to be approximately 29.9 million, or more than \$35,000 per unit. (For further discussion, see Design Assessment section.)

While the development is not considered to be "severely distressed" according to the NCSDPH's definition, several negative elements compound problems there, including:

- The development spreads out over 100 acres and 75 city blocks; the size and sprawling layout of the development make it difficult to maintain by the THA and difficult to patrol by police.
- The development's western border is Portland Avenue, considered by city residents as the dividing line between desirable neighborhoods and poor neighborhoods; Portland Avenue is a main artery and an acknowledged limit for commercial activity. Salishan residents are thus somewhat removed from the city and necessary services. For example there are no convenience stores within the development, and most residents do their grocery shopping and banking a mile and half away.
- There is little unity among residents: a block which typically has about ten homes may include three to five different ethnic households, and many neighbors are strangers; they do not share common cultures or a common language.

C. Manageability

While the development has some positive features, the dominant aspect of life in Salishan, according to residents and THA staff, is violence perpetrated by gangs from without the development. The staff complement assigned specifically to the development consists of one senior housing manager, one housing manager, and two resident managers (on duty after business hours). They and residents attest to the fact that crime has risen markedly in the past few years.

In response to drug and gang problems, the THA implemented a complaint log in May, 1991. Typical resident complaints include: "Excessive foot traffic... Known drug persons seen at unit... Gang persons seen inside and outside unit... Excessive traffic and noise... They're waving guns around." Complaints to the Authority grew from a reported nine in June to daily in July and August, 1991. Other serious occurrences include: three drive-by shootings within the Salishan development in a five-month period; a THA staff person driving an authority vehicle being threatened by gang members shouting obscenities at her; and persistent harassment of resident managers.

The fear of reprisal or being hurt by gang members and dope dealers inhibits reporting crimes. This is particularly true with the Southeast Asian residents (Cambodian, Vietnamese and Laotians). Neighborhood social service workers frequently report accounts of clients and families who confide that they have been physically threatened or victimized. This situation leaves the Asians especially vulnerable to robberies, coercion and intimidation. Culturally, they do not trust nor use authority persons such as the police. As a consequence, it is difficult to get them to report criminal activity. However, recently the level of evictions for gang and drug activities has dramatically increased.

Residents interviewed reported that gangs' presence has been steadily increasing over the last five years. The gangs are oriented to Salishan's various ethnic communities, including Mexican, Asian, and Samoan. Rather than identified with a particular segment of the development, the gangs are apparently associated with certain families or groups of occupants and thus pose a situation that is continually changing. Gang members often strike up relationships with residents and move in to units as unauthorized tenants. They use public housing units as a base for drug dealing or simply a free home, and often refuse to leave until the resident enlists the THA or police for forcible eviction.

D. Salishan Alliance for Community Services

The Salishan Alliance for Community Services, which has applied for 501(c)(3) non-profit organization status, has been in existence for several years and is quite active in trying to meet residents' needs. SACS has collaborated with the THA on implementing the Public Housing Drug Elimination Program grant, serves as an ombudsman for resident concerns, and participates in the formulation of policy for the use of the Eastside Neighborhood Center.

SACS has received a \$49,000 Technical Assistance Grant (TAG) from HUD in fiscal year 1990 to explore the feasibility of establishing a Resident Management Corporation and to conduct a survey of Salishan residents' capacity for undertaking resident management. SACS has been exploring the possibility of managing the development, and is looking into starting some resident ventures such as lawncare and laundry, and the possibility of dual management of Salishan with the THA. SACS has also set as a goal the establishment of an on-site child care center.

A short-term TAG grant of \$10,000 was received by THA to conduct training of resident leaders and prepare them to be trainers for other residents. This grant was used to contract with the non-profit organization, Safe Streets, which recruited resident leaders from several ethnic communities and held workshops on community mobilization and communication networks in early 1992.

E. Social Services Available to Salishan Residents

The Eastside Neighborhood Center (ENC) abuts the administration building grounds and offers social, educational, health and recreational programs to the Salishan residents.

Outside resources and volunteers provide the programs and activities, which include recreational activities, medical services and social support services. In 1988, volunteers gave some 24,000 hours of service and through the resident council, the ENC won national recognition for this achievement. The Center also hosts a Mid-Night Basketball Tournament that is attended by youth from around the city.

Because the ENC is the most active common facility for residents, the THA ensures that residents have access to the Center. There have been periods during which residents were afraid of gang members in their colors hanging around, drug dealing in the parking lot and shootings in front of the Center. The THA has hired a private security firm to guard the Center and uses Public Housing Drug Elimination funds to purchase specialized police services. The Tacoma Police Department's Special Emphasis Team (SET) mission is focused on sting and undercover operations to arrest drug dealers and on flood patrol missions in concentrated areas of the development to keep gang appearances low. Since the inception of these two efforts, the level of gang activities has decreased markedly. The Center has again returned to its previously high level of recreational activities.

In addition to ENC, two other service facilities are located within the Salishan development: the Little Lister Center and the Indo-Chinese Cultural Service Center. There are no state or local government services provided on-site.

The various non-profit services available to residents include several youth programs, an after-school hours program provided by the Metropolitan Parks District (MPD), family education, counseling and assistance (including for particular minorities such as Cambodian and Indo-Chinese residents), and substance abuse counseling and health services (20 agencies altogether). The City of Tacoma and the Tacoma Police Department have offered the assistance of advisors to work on specific project design, implementation and data resources as well as planning for addressing security and physical safety concerns.

The park spaces located throughout the Salishan development are maintained by the MPD, which is seeking funding to rehabilitate the grounds and equipment. The THA and the MPD recognize the need to develop recreational facilities for different age groups, so that younger children can play in areas with appropriate equipment and high school-age youth will also have facilities and activities to engage them. Currently, older kids hang around in gang colors and paraphernalia, largely for appearances' sake, and their presence can be intimidating to young children.

III. STEPS BEING TAKEN TO ADDRESS THE PROBLEMS

With residents' security being such a prevalent issue at Salishan, actions and plans now focus on addressing the influx of gangs, drugs and violence.

The THA has tried to combat negative impacts by implementing much stricter applicant screening procedures and has hired a screening company to perform tenant history and credit checks. These practices have been in place for two years (since 1990). The THA is also trying to implement criminal history checks, but the state agency that processes these requests charges \$10 per request, and at 200 applicants per month the THA is hard pressed to identify funds to pay the charges. Housing authority staff report that the more thorough background checks have resulted in rejecting more applicants but cannot yet report on any impact on problems in its developments.

Residents and social service providers estimate that a majority of THA family residents are negatively affected by a member's involvement with drugs, so the needs are great. In

the THA's Drug Elimination Grant application, residents' needs are based on the following community elements: boldness of gangs, involvement of family members in drugs, recruiting by gang members of kids into drug-related crime, poor family communication and interaction skills, language gap between non-English speaking parents and English-speaking children, and functional illiteracy.

Housing authority staff recognize a need for and would like to see on-site such services as a welfare office, child and protective services, counseling (including mental health counseling) and job training. The THA has offered to provide state and local agencies space for programs at Salishan by taking a unit off-line. In order to provide adequate recreational facilities and social services, the THA is in the process of developing a "services row" across the street from the Eastside Neighborhood Center. The ENC, which currently houses medical, social and recreational services and activities, will be dedicated solely to youth programs, while three units across the street are planned to be converted from dwelling units to space for social and medical services providers.

The THA has been working closely with the Safe Streets Campaign, which tries to work with residents in a grassroots fashion, organizing decentralized patrolling systems which include public housing developments. Safe Streets activities include community forums, block watches, neighborhood patrols, education about gang symbols and graffiti, and neighborhood property clean-up campaigns. Police SET missions also conduct high-visibility patrols through the developments. Finally, a subcommittee of SACS called Residents In Force for Freedom (RIFF) has been implementing security programs at the Salishan development.

The THA has received Public Housing Drug Elimination Program grants of \$246,000 in fiscal year 1990 and \$291,400 for FY 1991. The THA's first grant was used to:

- provide Tacoma Police Department Special Emphasis Team missions (bicycle and foot patrols) in Salishan (approximately 20 percent of funds);
- physical security choke point improvement to the Eastside Neighborhood Center and exterior lighting;
- Awareness Academies (workshops) presented by Tacoma police to residents and THA staff;
- Boys & Girls Clubs Smart Moves Drug Refusal Skills Program for youth at Bergerson Terrace;
- Cambodian Language School for Salishan and Hillside Terrace Cambodian children; and
- van transportation for Salishan residents and youth to travel safely to alternative activities and family/parenting programs.

The FY 1991 funding is being used to continue these initiatives and to provide drug counseling and parenting skills by an organization called Parenting Plus. Other efforts to improve the development's security include programs supported by an allocation of \$52,000 from the State's Department of Community Development for a Public Housing Gang and Drug Intervention Project; approximately \$47,000 of this grant was also used for SET Missions.

IV. OBSERVATIONS

The THA and its Salishan development offer an example of public housing that faces the same concerns of very large urban housing authorities: gang- and drug-related activity, compounded by aging facilities. Affecting the resources and possibilities for the future are the following observations:

Security is the primary concern. Because of a lack of communication among residents due to language and cultural barriers, the THA is working to bridge cultural gaps and promote joint implementation of security measures, such as block watches and patrols.

Non-profit organizations provide a wide range of services at the development and coordinate closely with the THA in administering its Public Housing Drug Elimination Program funding. The THA has developed a plan to provide on-site space for local and/or state government services.

Salishan has a very active resident council through which the THA works to provide resident services and apply for grant funds.

The THA use of a TAG grant to cultivate and train resident leaders, particularly among the dominant ethnic groups, is a good model for developing resident capacity and empowerment, especially the effort to recruit resident leaders among each minority community represented in a development.

The City of Tacoma has embarked on a major effort to develop new housing and homeownership opportunities, and the THA has taken steps to inform public housing residents of these opportunities.

Originally built as a self-sufficient community, Salishan has several facilities to support it: the "Little Lister" school (originally a school and now used for program space by non-profit organizations), the Lister Elementary School, the Eastside Neighborhood Center, and park space. The THA uses these spaces to host programs that are available to Salishan residents as well as residents in the surrounding communities, and thus tries to break down some of the isolation of the Salishan development.

Salishan's buildings and systems are close to the point of outliving their usefulness. Deterioration is likely to accelerate, and the cost of repair and replacement will increase accordingly.

The THA has developed a long-term, comprehensive revitalization plan for the Salishan development that takes into account the physical needs of the development, what residents would like to see happen at the development, and management improvements that would improve the living environment at Salishan and in the east section of the city. Since modernization will include utility systems upgrades, the THA could look into leveraging private investment for this portion of the modernization expenses by conducting performance contracting, which is now permitted under HUD's Performance Funding System regulations.

Vacant lots adjacent to the Salishan development that used to contain housing units are now being "land banked" by the City of Tacoma. The THA has become involved in the planning process for this vacant land to ensure that the proposed uses contribute to meeting residents' needs for basic services (banking, gas stations, pharmacies); the THA could also consider promoting some sort of "linkage," under which a percentage of development profits are dedicated to creating community facilities.

DESIGN ASSESSMENT

I. OVERVIEW AND DEVELOPMENT CONTEXT

The Salishan development presents two major design issues: (1) the site and buildings were developed in 1944 as temporary housing and, nearly 50 years later, are due for major systems and materials replacement; (2) the 100-acre site was originally designed to be "self-sufficient" and is isolated from nearby communities. The former problem is readily soluble with capital reinvestment; the latter may be an inherent attribute of the location and difficult to remedy.

The design of buildings, units and site follows a traditional, almost suburban, pattern of curvilinear streets, open front and back yards, and small-scale development. With few exceptions, this layout works well at the scale of the street and unit and, excepting the sameness and repetition of building appearance, does not have the image of traditional public housing.

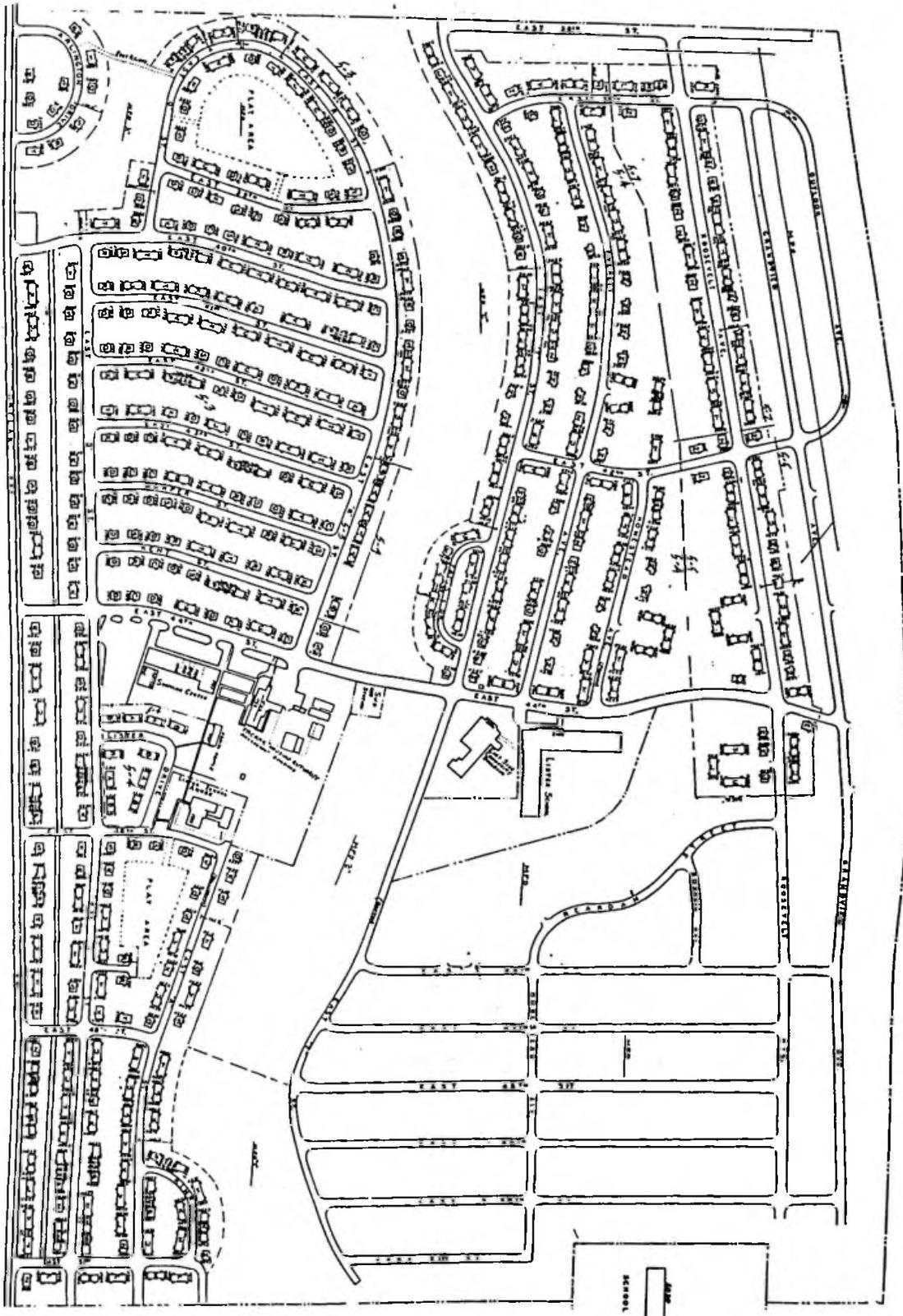
Despite the perception of many residents that crime is a significant problem at Salishan, none of the persons interviewed could identify a section of the development or particular physical attributes of the design or layout which are associated with gang and drug activities. Criminal activities and public safety problems seem to be associated with particular families or groups of occupants.

A. Location and Physical Setting

Salishan is sited, as is most of Tacoma, on a relatively steep hillside sloping down to Puget Sound. The development is relatively large, nearly 100 acres, and is isolated from nearby conventional housing:

- to the west -- Salishan is bounded by Portland Avenue, which is a major arterial climbing up the hill and the location for a mix of small commercial uses and a library in the portion abutting Salishan. Portland Avenue serves as both a westerly edge to the development and as a barrier between Salishan and uses to the west. The traffic on Portland Avenue is sufficiently heavy that those housing units which front on the Avenue are not allowed to have either curbside parking or driveways on this street, requiring all vehicular access to be from an alley to the rear.
 - to the east and south -- a substantial portion of the abutting property is the site of the abandoned and demolished portion of the original shipworkers' housing. Original streets still remain on this property, blocked off from Salishan by tire barriers, although all housing units have been demolished. The land has been turned over to the Metropolitan Park Department, although no park improvements have been made. Portions of the streets are used for training of truck drivers and for police training purposes. Due to the isolated quality of this property, it is often used as a refuge for gang members and as an escape route.
 - to the north -- other private housing continues down the hill, although the westerly half of Salishan is configured with a loop road which does not provide any access to the abutting area. The easterly half on the development does have direct access to abutting residential areas via East 38th Street, although the Salishan, uphill edge of this street is vacant and overgrown, accentuating the separation of Salishan from conventional housing further down the hillside.
-

Figure 1: Salishan Site Plan



The only east-west access street across the entire development connecting to Portland Avenue is East 44th Street, which is the site of the on-site community facilities. The uphill side of this street contains a neighborhood center, the site of a gymnasium, recreational and social service programs, the THA Management and Maintenance headquarters, and the Lister Magnet School, to which approximately 200 children are bused daily.

Along the north-south axis, a substantial gully splits the entire development, linked across only by East 44th Street. The gully is overgrown and steep, serving as a location for litter and dumping, and is perceived to be potentially dangerous, as it can provide a refuge or escape route for those engaged in illegal activities. Major site issues are summarized on Figure 2.

B. Building and Unit Characteristics

The buildings at Salishan are low density, consisting of small, principally one-story structures containing from two to six dwellings units each. Only a few of its buildings are two-story six-plexes. The buildings are nearly all oriented to curvilinear streets, most of which have sidewalks and grass lawns. Buildings are placed on concrete block foundations, with ventilated crawl spaces, and are clad with vinyl siding. The structures are wood framed, with double-hung, single-glazed windows, small entry canopies, and composition shingle roofs. Within this basic building types, many variations occur to provide a small measure of individuality to each structure: hipped roofs, gabled roofs, various colors, front vs. side entries, etc. To the rear of the rows of structures are grassy back yards, accessed through rear doors from kitchens, containing drying yards and small wood storage structures used for mowers, barbecue grills, and other outdoor equipment of residents.

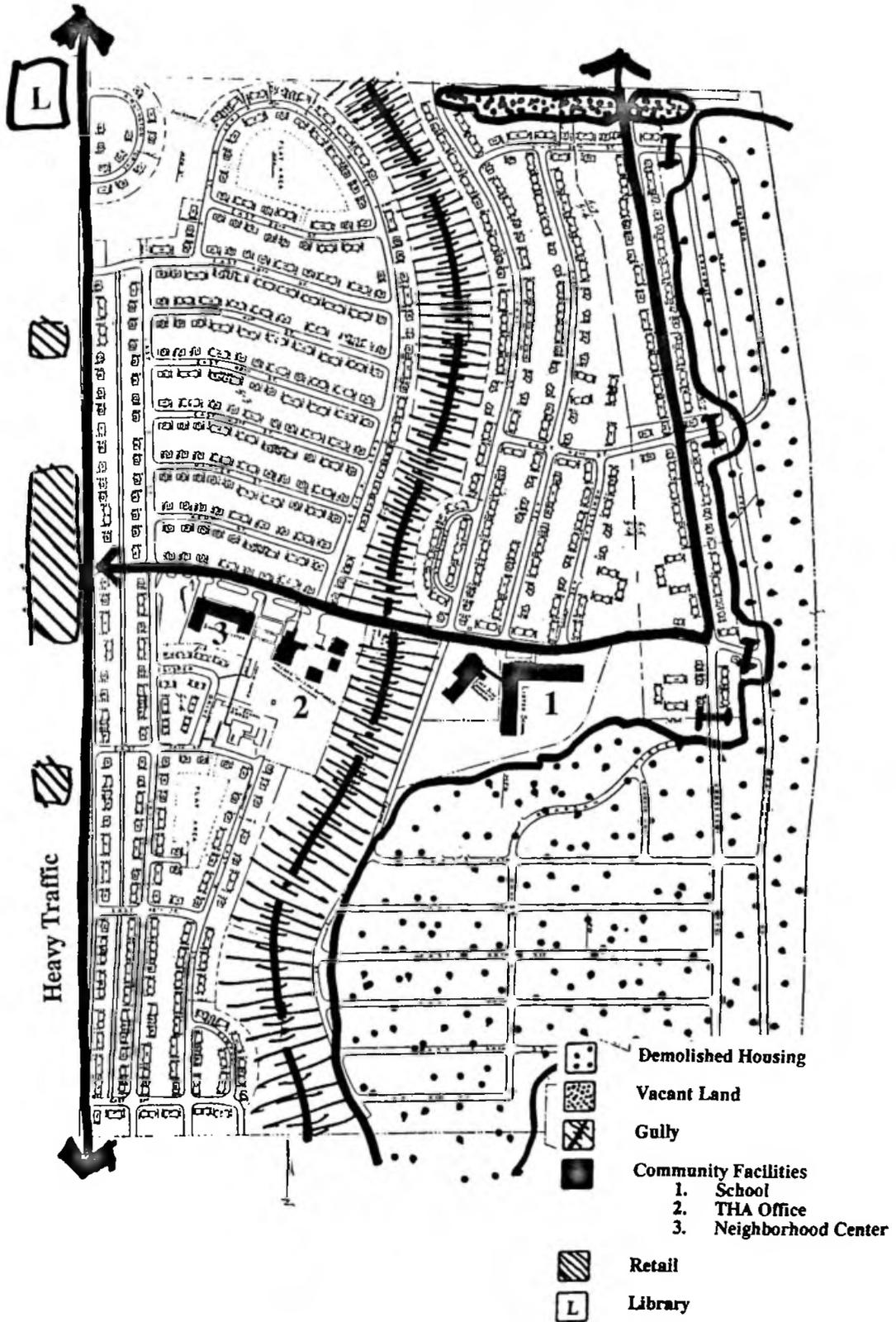
As shown in Table 1, Salishan is designated as four separate developments, although it is administered by THA as a unit. The majority of the development is comprised of two- and three-bedroom units, with a modest number of larger and smaller units.

Table 1
Salishan: Unit Distribution

	1 BR	2 BR	3 BR	4 BR	TOTAL
WA 5003	20	181	275	36	512
WA 5004	40	112	83	5	240
WA 5005	0	29	20	4	53
WA 5007	0	28	18	4	50
TOTAL	60	350	396	49	855

The layout and size of units is generally adequate, although the three-bedroom and larger apartments have only one bathroom. Additionally, despite efforts to maintain controls on occupancy, THA believes that many families, particularly the Southeast Asians, include "extended" members, often exceeding the maximum number of occupants.

Figure 2. Major Site Issues



II. PHYSICAL CONDITIONS

A. Modernization and Maintenance History

The THA has received a relatively modest amount of CIAP funds, with a total approved amount over recent years including:

1986	\$150,800
1987	\$33,207
1988	\$76,800
1989	\$764,930
1990	\$1,633,100

Of this total, only approximately \$75,000 has gone to Salishan, despite the fact that it is the oldest housing and by far the largest development in the THA's inventory. The THA has applied regularly, but has not been granted CIAP funds for the Salishan development. When the new Comprehensive Grant program goes into effect, the Authority will have to decide how much of the approximately \$4 million per year will be allocated to Salishan.

Substantial maintenance expenditures are made at Salishan, accounting for approximately 60 to 65 percent of the \$1,279,000 total THA maintenance budget. This is attributable both to the age of the development and the fact that there is turnover at Salishan of 200 to 300 units per year. THA has a sizable and well-trained turnover crew and typically repaints all units on turnover and also carries out other standard maintenance work, such as replacement of damaged equipment or fixtures with THA standard items. The turnover crew can complete a unit and make it ready for occupancy in 11 to 14 days.

B. Conditions and Needs Today

Figures 3 and 4 show views of existing buildings, site conditions and community facilities at Salishan. In general, the combination of low-density, multiple detached structures and relatively timely maintenance presents an attractive setting, especially in comparison to denser developments in more heavily urbanized settings.

However, there are many physical conditions problems with the building stock, principally related to the age of buildings and site systems reinvestment:

- Walls are uninsulated.
- Kitchens and baths require replacement. Kitchens have original particle-board construction which has deteriorated; baths are poorly configured, lacking showers, and have very low tub surrounds which can lead to wall water damage.
- Roofs have been replaced on an as-needed basis. Moist conditions lead to growth of moss between roofing shingles, requiring periodic scouring.
- Most plumbing risers are near the end of their useful life and should be replaced.
- Electrical service is substandard, in terms of total available amperage, panel configuration, and frequency and spacing of outlets.

Additionally, THA maintenance staff believe that most underground utilities have reached the end of their useful life and need replacement. This could be a significant expenditure, although detailed costs have not been prepared. THA's Maintenance Director estimates

Figure 3. Views of Existing Buildings and Units



Front entry (living room) showing deteriorating porches



View to rear out kitchen window; rear yards with storage sheds



Typical kitchen; original cabinets wearing out, but well-maintained

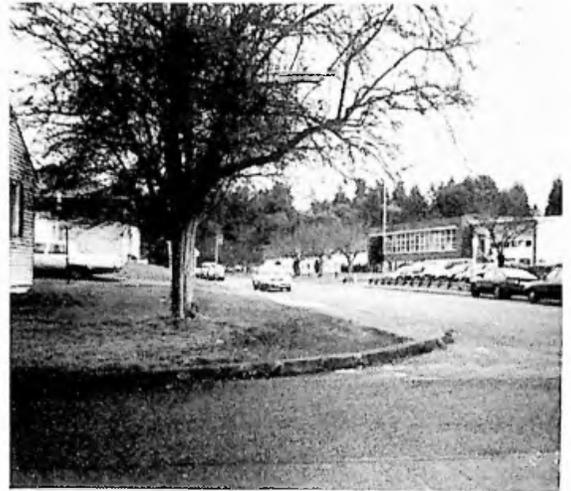


Six-plex unit, with four 2 BR units

Figure 4: Salishan: Views of Site and Community Facilities



Typical street with one story buildings with front yards and parking



View of school adjacent to housing



View of Tacoma Housing Authority Central Office



View of neighborhood service center adjacent to THA offices

that the cost of subsurface site utilities and other related site work could be as high as \$10,000 per dwelling unit and that the cost of other building and unit renovations would approximate \$25,000 per dwelling unit.

The THA's five-year CIAP Funding Request includes \$1,430,000 for Special Purpose 504 funding and \$29,925,000 for Comprehensive Modernization over three years.

III. DESIGN CONCERNS

Salishan is certainly not a severely "distressed" development in terms of design; the basic configuration of one-story, two- and four-unit buildings lined on conventional suburban streets with front door parking and grassed front and back yard areas would be considered close to ideal by many of the nation's public housing residents. Nor is the overall configuration considered contributory to the problems of crime and drug use which are perceived at the development. The units are, in general, well laid out and appear adequate for their designed occupancies.

The problems which do exist are more attributable to the age of the buildings and infrastructure, built in 1944, and the lack of regular systems upgrade or replacement over 48 years, well beyond the useful life of most building and site system components. It is probably a tribute to both the responsible behavior of the residents and the effective practices of THA personnel that the buildings and site are in as good a shape as they are in today.

In addition to the building and site components which were identified for replacement and/or upgrade above, a series of modest changes might be entertained as part of a comprehensive modernization program at Salishan:

Portland Avenue units. These units have poor access, as they are not allowed curb cuts and must rely on an alley to the rear for vehicular access. This makes the rear, kitchen door effectively serve as the front door. Further, inadequate off-street space is available for parking along the alley. If major changes are made to the units as part of a major modernization program, consideration should be given to reorienting these units so that they face the alley. This would deprive these units of the back yards found elsewhere at Salishan; therefore, smaller fenced yards should be considered. It may be appropriate to reverse the living room and kitchen locations in these units, fencing the yards along the heavy artery, Portland Avenue.

Large family units. These could be increased, perhaps increasing the number of four bedroom units and even creating, through combinations of units, some units with five or more bedrooms. This would recognize the needs for larger accommodations that characterize the extended families of the Southeast Asian population which has been increasing at Salishan.

Handicapped access. No handicapped-accessible units exist at Salishan, which is a major shortcoming. As part of any modernization effort, an appropriate number, based on survey data of population needs, should be created. Selection of units for handicapped accessibility should probably be based on site accessibility, as the natural terrain and the location of building first-floor levels make some units more suitable for handicapped access than others.

Other site improvements. Site improvements should be undertaken in cooperation with other agencies. A program of improvements to park spaces within the development is

underway with CDBG allocations; this should be continued. In the long range, the City of Tacoma wishes to create a nature walk through the gully, which carries the longitudinal length of the development and continues towards the lowlands below. This should be encouraged, as it would eliminate an environmental nuisance, replacing it with an amenity. Eventually, development of additional housing may be considered on the portions of the original site to the south and east that were demolished. Conceivably, this could be in conjunction with homeownership initiatives to encourage a greater integration of Salishan with the adjacent community. Resident management initiatives underway may prove to be a first step in this direction.

IV. SPECIAL CONCERN

Several aspects of this case, dealing with a low-rise, low density development, may be of particular interest:

Very old building stock. At Salishan, ordinary maintenance of buildings and site is not likely to be adequate to guarantee its survival indefinitely. If current trends are continued, Salishan may be vulnerable to failure of building and system components. Without appropriate reinvestment, Salishan will inevitably start to deteriorate, over a period of years, at an accelerated rate. If the pattern of other similar environments is followed, failures in basic site service systems and building equipment may lead to resident apathy and neglect, risking the evolution of what appears today to be a relatively well-kept development into an environment with multiple problems.

The isolation and size of the site. The site is isolated in every direction from other parts of Tacoma, reinforcing the sense that Salishan is an enclave, separate from other parts of the community. The location of community services and a school on the property mitigates this somewhat; the school draws from a wider area and is targeted to be rebuilt as a "magnet," which may have a more diverse population. To address this isolation will require a concerted effort on the part of both the THA and the community, who have evidenced some history of cooperative funding for recreational activities. Open space improvements, supportive development of surrounding vacant lands and better linkage to existing communities could all be pursued cooperatively. The scale of the site creates some inherent management difficulties, which might be mitigated through a breakdown into multiple management entities.

The high estimated cost of comprehensive modernization. Modernization needs outstrip the expected funding allocated to THA, potentially leading to a future distressed condition. With an overall estimated capital grant to THA of \$4 million per year, if Salishan were to get its "fair share" of capital reinvestment, it might take 12 to 14 years to comprehensively modernize. Such a delay for a project of this age and condition would be neither reasonable nor prudent. Without potential access to programs such as MROP, for which Salishan would not qualify due to its high occupancy rate, Salishan is not likely to be modernized for many years. There is substantial risk that Salishan may become "distressed" over such a long time period. Should there be another fiscal mechanism that would allow accelerated reinvestment in a project which, though inherently sound, is old and tired out?

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Chapter 7

*San Francisco Housing Authority:
Robert B. Pitts Plaza Development*

EXECUTIVE SUMMARY	7-1
MANAGEMENT ASSESSMENT	7-3
I. THE SAN FRANCISCO HOUSING AUTHORITY AND ITS OPERATIONS	7-3
A. San Francisco Housing Market	7-3
B. Recent Management History of SFHA	7-3
C. Management Objectives for Improving Severely Distressed Public Housing	7-4
II. THE ROBERT B. PITTS DEVELOPMENT	7-6
A. The Original Development: Yerba Buena Plaza West	7-6
B. Redevelopment Process	7-6
C. Management Operations at the Development	7-8
III. STEPS TAKEN BY SFHA TO ADDRESS DEVELOPMENT CONDITIONS	7-10
A. The Decision to Redevelop	7-10
B. Management Improvements	7-13
IV. SUMMARY OBSERVATIONS	7-15
DESIGN ASSESSMENT	7-16
I. EXISTING CONDITIONS	7-16
A. Yerba Buena Plaza West	7-16
B. Background on SFHA's Modernization Efforts	7-16
II. PROCESS FOR REDEVELOPMENT	7-20
A. The Initial Redesign Process (1982-1984)	7-20
B. The Decision to Demolish (1984-1985)	7-21
C. Design for New Construction of Robert B. Pitts Development	7-25
III. ANALYSIS OF THE DESIGN	7-25
A. Key Design Features	7-25
B. Comparison of Original, Rehabilitation, and Replacement Designs	7-26
C. Comparison of Costs	7-31
IV. FINDINGS AND OBSERVATIONS	7-32
SELECTED BIBLIOGRAPHY	7-34

San Francisco Housing Authority:

Robert B. Pitts Plaza Development

EXECUTIVE SUMMARY

The San Francisco Housing Authority (SFHA) has made significant progress in improving its management operations and the conditions of its developments, and has recently been removed from the HUD's list of "troubled" housing authorities. The SFHA manages 6,700 units of conventional public housing in 47 developments. Its waiting list, which is currently closed, has 1,700 applicants.

One of the SFHA's developments is Robert B. Pitts Plaza, a 203-unit townhouse development built new and occupied in 1991 as a replacement to a former 332-unit, high-rise development that was plagued by high crime rates, neglected maintenance, vandalism, and vacancies of 30 percent. Under a rare set of circumstances involving a lawsuit settlement agreement, the SFHA was funded by HUD and the City to redesign the development from scratch. In the place of the high-rise Yerba Buena Plaza West development, the Authority was able to construct the townhouse style development now known as Robert B. Pitts Plaza. The commitment to this project also preceded the Congressional requirements for one-for-one replacement.

The new development is designed to blend into the neighborhood, with on-the-street entrances for most units, private yards, and building and site design to eliminate invisible and unsafe areas. Common areas are organized into a hierarchy of spaces, with different areas for different age groups. Common facilities, including the on-site management offices and service space, are located centrally in the center of the larger block to increase staff surveillance. Parking has been divided into a series of smaller lots visible from the apartments.

The new development has also benefited from a significant set of management improvements implemented by the SFHA, including

- decentralized maintenance operations;
- project-based budgeting and accounting;
- increased emphasis of resident involvement and resident services; and
- more aggressive property management practices for screening, rent collections, and lease enforcement.

While the long-term goal is resident management, the Authority has concluded that it cannot adequately support resident management with its currently decentralized property and financial management systems. However, it is planning a methodical transition that includes private management and creation of site-based systems that will ultimately support resident management.

The design assessment takes advantage of a unique situation where a public housing development was demolished and a new development constructed on the same site. It permits a comparison of the original development, a rejected modernization plan, and the replacement development. Also, an unmodernized development similar to the original

development sits a few blocks away, enabling a “before and after” comparison.

Of particular interest here are:

- the planning and design process—an elaborate planning process was used to secure resident input and diagnose the environment and its use;
- the design and costs of the modernization effort that was ultimately rejected—it had included a number of features worth consideration in other locations, including reconfiguring lower units for large family grade access, single-point lobby entry control, elimination of upper floor central corridors, and site design to create sub-zones for different age groups; and
- the redevelopment planning which involved residents and created a development that integrates successfully into the neighborhood with the features noted above.

The process of redeveloping Robert B. Pitts took a decade to complete, and was a costly project. Nevertheless, the resulting process and redeveloped projects are models for addressing the needs of severely distressed family public housing. The efforts to analyze all options, involve residents, and diagnose environmental factors have yielded a new public housing development that appears poised to provide a decent living environment for San Francisco families for many years to come. The related management initiatives contribute to the prognosis, and the long-run goal of resident management should sustain cooperation between residents and SFHA management to maintain this living environment.

MANAGEMENT ASSESSMENT

I. THE SAN FRANCISCO HOUSING AUTHORITY AND ITS OPERATIONS

Like the San Francisco Housing Authority's (SFHA) development featured in this site examination, the Robert B. Pitts Plaza, the SFHA has made a comeback in recent years and has recently been removed from the U.S. Department of Housing and Urban Development's (HUD) list of troubled housing authorities. The SFHA manages 6,700 conventional public housing units, 4,491 of which are family housing and 2,209 are elderly units; these units are distributed among 47 developments. The SFHA provides thirty-six percent of all publicly assisted housing in the City. This includes forty-six percent of all publicly assisted family units and twenty-six percent of all elderly units. The current waiting list for access to a public housing apartment—which is currently closed—consists of 1,700 applicants.

A. San Francisco Housing Market

The SFHA operates within a tight housing market because of the city's geographic features. The city is geographically small, 47 square miles in area, with a population of nearly 725,000, and is surrounded on three sides by water. The city is one of the largest employment centers in the area. In response to these market conditions, landlords have replaced housing with more profitable office and commercial space, and the cost of living has risen.

According to recent analysis of the 1990 Census, there has been a significant change in the ethnic population of the city. Whites are no longer the city's majority with only 47 percent. Latinos make up about 14 percent (an increase of 20 percent from 1980). Asians and Pacific Islanders make up 28 percent (an increase of 43 percent from 1980). African-Americans are about 11 percent of the population, and Native Americans make up most of the remainder.

San Francisco's household incomes are substantially lower than regional averages due in part to a large concentration of single persons and lower income households in San Francisco. According to information on 1988 household incomes (compared to HUD income categories), 36 percent of the households are of very low income (50 percent or less of median income) and 16.6 percent are considered low income (51 percent to 80 percent of median). This amounts to an income of less than \$29,000 for a family of four for more than 52 percent of the City's households.

B. Recent Management History of SFHA

The SFHA's current administration began in May, 1989, and has made several significant changes since then. The Authority's management structure has been reorganized around the functional tasks required of a housing agency (rather than on an executive structure basis). This organizational structure places more emphasis on specific management activities and improvements being carried out at the SFHA. When restructuring the SFHA, the Executive Director made decentralization of field operations (property management and maintenance) a priority while also consolidating financial management functions under one department. The following new departments were created: Finance and Administration, Management and Operations, Planning and Design, and Construction and Rehabilitation (the latter two formerly operated as one department).

When the current Executive Director's administration began, the SFHA had been on HUD's "troubled" housing authority list since 1984. The SFHA was originally considered a "financially troubled" PHA due to low operating reserves. A Memorandum of

Agreement (MOA) was executed in September, 1989, which cited the following areas of poor performance: low operating reserve levels, low occupancy rate, lengthy vacancy turn-around time, insufficient unit inspections, lack of management/maintenance, need for development stabilization, and high tenant accounts receivable. This MOA expired but was unfulfilled, so that a HUD review of the agency was conducted in September, 1990, which led to negotiation of a new MOA starting July, 1991. The current MOA focuses on three areas of improvement, none of which relate to the SFHA's financial management. The three areas that the administration is still focusing on are resident rent collection, annual unit inspections, and vacant unit turn-around time.

To address other areas needing improvement, the SFHA created units within departments to focus on specific tasks. For example, within the Management Operations Division are the Rent Collection Unit—which targets the SFHA's poor but improving tenant accounts receivable record by closely monitoring rent payments with assistance from the new position of Delinquent Revenue Monitor—and the Relocation Unit, which was created in anticipation of extensive modernization work to be conducted at other family developments. The Office of the Executive Director has also been expanded to include Resident Services and Internal Audit, a sign of the importance attached to both addressing residents' needs and implementing sound management controls at the highest level.

C. Management Objectives for Improving Severely Distressed Public Housing

Based on the MOA and a Comprehensive Plan for Modernization (CPM) prepared by the Authority for the Comprehensive Improvement Assistance Program (CIAP), the SFHA is moving to implement management improvements identified for the CPM. The emphasis is on development-specific management in order to account, as fully as possible, for the individual conditions which apply to each public housing community.

Based on assessments by authority staff, the SFHA has two large family developments, Hayes Valley (314 units) and Yerba Buena Plaza East (276 units, the other half of the former Yerba Buena Plaza West development) which are considered severely distressed. In general, the conditions at these developments consist of:

- history of poor and neglected maintenance;
- poor physical design which often lends itself to crimes being committed on housing authority property;
- inadequate police protection services, which permits activities to go on within the development that would not be tolerated elsewhere in the city; and
- the resident population consists mostly of single parents and children who are vulnerable to the criminal activities conducted on SFHA property.

The Authority has moved to decentralize field operations in order to improve conditions at these developments. The SFHA's properties are now divided up into three districts, two for family housing and one for elderly developments. Each district has a District Manager, with a staff of several senior managers and property managers. Maintenance activities are conducted via seven mini-warehouses, which allows for a more timely response to emergency requests, better planning and reduced travel time and costs to the Authority. Maintenance services are provided on two levels:

- at the development level, the property manager and maintenance superintendent control the work flow, enabling the development staff to plan and schedule work orders and to dispatch quickly appropriate craft personnel; and

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- at the central maintenance level, tasks are performed which require specialized work beyond the technical scope of the development level.

Decentralization of field operations was driven by the need to improve the SFHA's performance by emphasizing conditions at individual developments. The SFHA has determined that management decision making must take place at the development level and not be tied to the central office. Thus, the person delegated responsibility for establishing managerial priorities on the SFHA's organizational chart is more likely to be someone on the property management or district-oriented maintenance staff. Bringing this capacity closer to the development level through revised functions for property managers is intended to provide each development with the type of tailored management oversight needed. For example, decisions to repair exterior lighting or removing graffiti are best made at a local level and not based on central office estimations as to which item provides greater benefit in terms of site control.

In keeping with the theme of decentralization, resident involvement has taken on more importance as a strategy for improving conditions in family developments. The SFHA is examining the potential for resident management at three of its developments: Robert B. Pitts (a reconstructed site), Holly Courts, and Alemany. The Authority selected these three developments as the first sites for resident management because they are currently or soon will be undergoing substantial modernization. The Authority believes residents will have a greater chance for success in management if they are not simultaneously fighting serious physical viability and maintenance problems.

Although the SFHA originally planned to turn the three developments over to resident management corporations, it concluded that the agency had insufficient ability at this time to set up systems capable of supporting resident management. The Authority currently has centralized budgeting, accounting, management and maintenance systems. In addition to training public housing residents to operate their own development, the Authority would have to establish project-based systems for budgeting, accounting, management and maintenance. SFHA concluded that this would be too much to undertake successfully at one time, and decided to pursue contracting with private management firms so that it could focus on coordinating with residents and providing the training and other supports needed.

RFPs were issued which required that residents be involved in selecting the professional management companies. Responding management firms had to agree to actively recruit, hire and train residents of public housing for position vacancies within its organization, and prepare residents to assume management responsibilities at the end of the firm's contract term. The SFHA found, however, that private management firms generally could not fulfill its requirements. Accustomed as they are to private housing, the companies who responded to the Authority's RFPs seemed not to sense the need for resident involvement and did not have a training component that would sufficiently accommodate residents.

Other resident involvement is focused on anti-drug efforts and initial efforts to establish a non-profit corporation to assist residents on economic development activity. Also, a resident leadership forum has been established which meets on a regular basis to discuss resident initiatives and to discuss major resident concerns.

II. THE ROBERT B. PITTS DEVELOPMENT AND ON-SITE MANAGEMENT OPERATIONS

The former Yerba Buena Plaza West development was considered severely distressed public housing back in the late '70s. In 1982, discussions were begun with residents about the future of the development. Since then, the original high-rise buildings have been torn down and new town-house style units have been built on the same site. The new units, called the Robert B. Pitts Plaza, had reached approximately 80 percent occupancy at the time of this site examination.

A. The Original Development: Yerba Buena Plaza West

The Yerba Buena Plaza West complex was originally constructed in 1955 as a high-rise public housing development for 332 families. This facility, like other high-rise public housing structures, soon developed serious problems, including high vandalism, vacancy and crime rates. The resident population was fairly unstable, as the bedroom size configuration no longer met residents' needs: half the units in the Plaza West building were one bedrooms and the other half were two bedrooms. Residents typically included young mothers with a very young child who moved out if the mother had more children or as the child grew older, and single adults, some of whom had mental disabilities and also moved frequently. In the SFHA's 1984 Occupancy Report to HUD, the development's (Plaza East and West) vacancy rate was 30 percent.

While one former resident remembers growing up at Yerba Buena Plaza West with fond memories, another former and current resident interviewed for this report remembered the neighborhood as deteriorated during the '70's. The former resident recalled the surrounding community as thriving, with commercial enterprises such as a bowling alley, two theaters, restaurants, and an active African-American community. The current resident recalls how store after store shut down until there was only one of nine convenience stores left in the surrounding area.

The Western Addition neighborhood suffered heavily from redevelopment activities of the San Francisco Redevelopment Agency in the 1960s and 1970s. Much housing was torn down and not rebuilt; also, the redeveloped area was disrupted constantly by construction for almost ten years. This effort to rejuvenate the area actually resulted in the loss of hundreds of units of affordable housing and disrupted and displaced commercial activity.

In addition to problems in the surrounding community, physical deterioration, fire code problems and serious earthquake structural problems were identified in the Yerba Buena Plaza West buildings. Further, the building itself offered too many entrances that were easily accessible by non-SFHA residents who wanted a place to hide from the police or conduct drug trades.

B. Redevelopment Process

In an attempt to address these problems, the Authority requested and received \$18 million from HUD to rehabilitate the facility. An architectural team developed a rehabilitation plan that not only addressed the physical deterioration issues but also attempted to remedy most of the inherent problems of high-rise buildings. In August, 1984, the work was publicly bid, but the lowest bid exceeded the available funding by \$4 million causing a considerable delay in the redevelopment process.

The design of the new development is based on a number of design principles most of which are derived from research, interviews of tenants and staff, and knowledge of the

problems during the programming phase of the modernization of the Yerba Buena Plaza West development. These design principles are largely based on the over-riding concerns regarding image, safety from crime, and maintenance and management issues.

Emphasis was placed on making the project as compatible and as similar as possible to the housing in the community around it. Scale, overall organization with respect to the street, and general appearance reflect the surrounding community. The units and entrances line the street, so that they are part of the neighborhood instead of being pushed back and isolated. Exterior finish is all horizontal wood siding. The budget did not allow for bay windows, but there is an attempt to detail the windows so that they are articulated as much as possible. Victorian-looking cornices, wood entry stairs and low picket fences help give the project a San Francisco residential look.

The project is organized so that all units and their entrances are directly off the streets instead of having to travel through long corridors or elevator galleries. This makes access to the units direct, visible and safe. All units are walk-ups; there are no elevators, which are always a problem in family public housing. The buildings are three story flats or two story four-bedroom townhouses. The ground floor units have individual entrances through private front yards while the two second-floor and two third-floor units share an open stair and front porch at the second level. From these second-floor porches, there are two private doors leading directly into the second-floor units, and two private doors and private stairs leading to the third-floor units. There are no shared interior lobbies or stairs, which usually cause crime and maintenance problems. Parking lots are small and open to the street so they are visible and safe. They are lined with units and do not connect to the interior communal open spaces, keeping the communal open spaces completely private to residents.

The original and new developments compare as follows:

Original Development

332 units, 631 bedrooms
3 and 12 stories, concrete composition
no on-site management office space
density of 72 dwelling units per acre

Reconstructed Development

203 units, 542 bedrooms
1, 2, and 3 story wood frame
mgt. office and community facility on-site
density of 44 dwelling units per acre.

With the advantage of a clean slate and a development in excellent physical condition, the SFHA is working towards resident management at Robert B. Pitts Plaza. The SFHA administration is committed to fostering resident participation at all developments as much as possible. The ultimate management goal of the SFHA and the Robert B. Pitts Resident Council is to have the Robert B. Pitts Plaza managed by the residents of the development. Currently, the SFHA Office of Resident Services is working with the Robert B. Pitts Plaza's Resident Council to help select a training firm to provide instruction to the Council in board development and community outreach.

Because the Robert B. Pitts Plaza development is actually a reconstructed site, the development's occupancy plan awards two tenant selection priorities in addition to the usual procedures. The SFHA placed residents based on a settlement agreement, which was designed to accommodate households displaced from the neighborhood by redevelopment activity and the reconstruction of Yerba Buena Plaza West. Top priority went to former residents of Yerba Buena Plaza West, some of whom still lived in other SFHA family developments and were expected to apply for return to a unit at the Robert B. Pitts Plaza. Priority 2 status went to "A-2" Certificate holders who had been relocated from the adjacent Western Addition based on a settlement from a suit against HUD. The SFHA advertised extensively, and after all applicants from those two groups were given

time to apply and decide, the SFHA went to its family housing waiting list. The end result was that approximately 70 families out of the eligible "entitlement" families (former Yerba Buena Plaza West residents) moved back into Robert B. Pitts Plaza, only three families from the A-2 certificate holders list responded to notices, and the rest of the units were filled by applicants from the SFHA's waiting list.

C. Management Operations at the Development

Because the development is so new, it has several elements that distinguish it from other SFHA family housing and of which SFHA management can take advantage: design features intended to provide greater personal security; emphasis on resident management and services; maintenance operations have been decentralized so the development gets more attention than it would have prior to the change in service delivery; and a resident tenant selection screening committee. Thus, the SFHA's and residents' efforts are currently focused on management, rather than maintenance, in order to train residents to be managers, keep the area safe and free from drug activity, and implement residential policies to encourage residents to take care of their homes and surroundings.

The head of the Robert B. Pitts Resident Council reported that the priorities for the development are: (1) keep the development as nice as it is, (2) get a security system with buzzers to units installed, and (3) establish routine Saturday clean-ups of the development and get all residents involved. As mentioned above, the SFHA staff is also helping the residents develop the capacity for resident management. Currently, the resident council is in the process of selecting a training firm to teach them board of director development and community outreach. The SFHA has held to its commitment to fostering resident management by contributing \$40,000 of CIAP management improvement funding for a management consultant, as well as by making a commitment of operating dollars to fund a staff position for working with resident organizations.

While the SFHA originally intended to hire a private property management firm to run the Robert B. Pitts Plaza development, its requirements for such a firm included the capacity to involve residents in management decisions, train residents in property management, and eventually prepare residents to take over management of the development. None of the firms that responded to the SFHA's request for proposals sufficiently addressed these concerns. The SFHA cannot hand over responsibility to residents without sufficient preparation, and realizes that it must play a very supportive role in providing training opportunities and informing residents on what is required of a property management organization. The SFHA is involving the resident council as much as possible in management decisions, such as the use of community space for resident services programs, but also recognizes that assigning responsibility for the entire development immediately to a young resident organization would be too great a burden.

In keeping with promoting resident involvement throughout the redevelopment process, residents have been involved in the tenant selection process for re-occupying the development. A resident screening council was established which consisted of members of the Pitts Plaza Resident Council and SFHA staff. The council assesses suitability for occupancy at Robert B. Pitts Plaza, including reviewing rent payment history, history of relations with neighbors, lease action and assessing ability to abide by Pitts Plaza House Rules. All applicants for units at Robert B. Pitts Plaza, including former residents and other certificate holders who were given priority, were subject to this screening process. Residents who clear normal SFHA screening do not automatically qualify for occupancy at Robert B. Pitts Plaza. While the resident screening council does not have the authority to reject an applicant, it does have the opportunity to recommend to the SFHA that certain applicants be denied eligibility for the Robert B. Pitts Plaza.

Becoming a resident at Robert B. Pitts Plaza also includes attending an orientation session conducted by SFHA staff and residents, which covers introduction to the Resident Council, description of management and maintenance functions, review of House Rules, rent payment, annual reviews, SFHA eviction and grievance policies, care of unit and appliances, use of thermostats, appliances and systems, trash collection, safety, parking, site tour, and general orientation to the surrounding community. Finally, the SFHA and the Pitts Resident Council worked together on establishing a set of House Rules that go beyond the SFHA lease requirements. The House Rules are aimed at encouraging residents to take care of and keep clean their surrounding environment.

Residents are also involved in securing on-site services, and have been approached by several social services providers who would like to set up programs in the community facility. Examples of such programs are a child care center and an after-care program for school-age youth. Residents are also interested in starting up youth programs. The SFHA is acting as a facilitator for residents in negotiating issues of providing program space at Robert B. Pitts Plaza to service providers. The SFHA believes that the residents would benefit from a resident management component at the development, before taking on too many additional responsibilities.

Residents and housing authority staff are also working together to maintain the development in its new and attractive condition. In addition to housing authority maintenance activities, residents have organized a regular Saturday clean-up event, for which they have requested special T-shirts for the kids. SFHA maintenance staff loan equipment and have provided groundskeeping advice to residents.

As a development in SFHA's District C, the Robert B. Pitts Plaza is supervised by a property manager, senior manager (clustered with other developments) and a district manager (who supervises nine developments as well as scattered sites). Maintenance responsibility lies with the maintenance superintendent who reports to the general superintendent. Although Robert B. Pitts Plaza does not receive any extra maintenance attention, the development has benefited from the decentralized maintenance plan which went into effect a few months before the development was occupied. Robert B. Pitts Plaza shares maintenance staff with only one other development and some scattered sites.

According to the Robert B. Pitts Plaza Management Plan, staffing for the development is as follows:

Position	% of Time Devoted
Property Manager	100
Administrative Clerk	100
Senior Manager	45
District Manager	10
Maintenance Superintendent	45
Laborers (3)	100
Custodian	100
Carpenter	100
Painter	100
Plumber	100

When Robert B. Pitts Plaza was redesigned, the main criteria employed were as follows:

- provide maximum security for residents and the neighborhood;
- develop a complex that will not attract criminal activity;
- develop a stable, fully occupied and well managed facility;
- develop structures that will require low maintenance attention;
- develop structures that are attractive and which fit into the surrounding neighborhood; and
- reduce the number of apartment units on the site.

From a design perspective, the following solutions were implemented:

- Communal open spaces are completely enclosed from the street; one cannot get to them except through the units;
- communal areas are organized around different areas for different age groups, i.e., tot lots (visible from units), play grounds, half basketball court;
- private yards protect ground floor unit windows and give them privacy; undesigned communal open space (e.g. space not designated for a specific use like a playground or attached to a unit) was avoided because it tends to be neglected and unclaimed;
- community center can be accessed from the street and from the common outdoor area; spaces are organized so that the receptionist/clerk in the office has a view into the laundry, mail area, public toilets, and the entrances to the building; and
- private entrances off open common stair and front porch, which eliminate semi-public spaces that usually cause both crime and maintenance problems.

To address residents' security concerns, Robert B. Pitts Plaza is included in a police protection program conducted at all family developments. The SFHA contracts with the San Francisco Police Department for patrols, and the residents consult with police officers about what times of day they feel are the most crucial for police presence. In addition, the non-profit group Safety Awareness For Everybody (SAFE) conducts safety training for kids and training for residents on organizing neighborhood block clubs and crime watch groups. SAFE maintains a very close relationship with the San Francisco Police Department, and has been working with residents in other SFHA family developments. So again, residents at this new development are benefitting from the experience of programs established before the new development was occupied.

III. STEPS TAKEN BY SFHA TO ADDRESS DEVELOPMENT CONDITIONS

A. The Decision to Redevelop

As mentioned earlier, discussions were begun as early as 1982 with residents on how the Yerba Buena Plaza West should be rehabilitated to make the site more livable. The process was quite time-consuming, as residents have just recently (December, 1991) moved back into the reconstructed buildings. Yerba Buena Plaza West was located in an

area known as the Western Addition, and in the 1980s the SFHA decided to concentrate on that part of the city because it had spent the better part of the 70s rebuilding housing in the Hunter's Point section of the city. Within the Western Addition, the SFHA's high-rise developments had the greatest problems in terms of vacancy rates and need for modernization.

Once the SFHA decided to conduct comprehensive modernization on the three high rises in the Western Addition, it applied to HUD for funding. It publicly bid the reconstruction in 1984 which was the year that HUD implemented "Total Development Cost" (TDCs) guidelines and limited CIAP funding to 69 percent of TDCs for high-rise buildings. Bids for rehabilitating the 332 units came in at \$22 million, architects' estimates for the project totaled \$18 million, and HUD funding limits according to its development cost guidelines allowed \$14 million for the project. The SFHA then applied for a waiver to the cost limitation guidelines. After a detailed evaluation of the options available, HUD chose to recommend the removal of the existing buildings, and the construction of fewer, non-high-rise apartments in their place, because estimates indicated that new construction would be less expensive than modernization. Had the SFHA attempted this project one and a half years later in 1988, the scenario would have been much different, for Congress imposed a unit-for-unit replacement rule on all renovation or reconstruction projects.

HUD approved the reconstruction option by amending the ACC and providing development funds instead of CIAP monies for the project. HUD's support of this particular project was influenced by earlier redevelopment activities in the Western Addition and its participation in a settlement agreement between HUD, the SFHA and the San Francisco Redevelopment Agency (SFRA). The SFRA cleared and redeveloped an area, referred to as the A-1 area, surrounding what is now Geary Boulevard, and in the process eliminated many units of affordable, low-cost housing. HUD then established what is known as the A-2 area surrounding the redeveloped corridor, but the needed replacement housing still was not built. When the redevelopment was completed, two hundred units of family housing had been eliminated, another 200 owned by the SFHA as part of the Rosa Parks development were eliminated because that building was rehabilitated from family and elderly housing into just elderly units. Western Addition residents, represented by the San Francisco Neighborhood Legal Assistance Foundation, filed a suit against HUD for failing to fulfill its pledge for more affordable housing. Therefore, when HUD began the Comprehensive Improvement Assistance Program (CIAP) in 1980, the SFHA was invited to submit an application for funding to restore the vacant units. Based on events in that particular community, HUD had some responsibility to help the SFHA improve the housing conditions there.

When the SFHA began planning for Yerba Buena Plaza West's re-design and improvement back in the early '80s, the Mayor's Office had decided to make affordable housing a priority issue. The City became interested in trying to help the SFHA, and offered to match 50 percent of HUD's funding contributions. The Mayor's Office was very supportive of the public housing program in general, and was known for showing up for clean-up or work days at public housing developments. Prior to this, competition for housing funds from sources like Community Development Block Grant (CDBG) had been stiff because housing non-profits like CDCs felt they should get all the assistance and the public housing was only for very low-income families. The City also had a budget surplus at this time, and housing interest groups built up pressure to create an affordable housing trust fund. \$10 million was set aside for this fund and an Office-Housing Linkage Program was also started. The SFHA received \$2.9 million from the Housing Trust Fund for the Pitts Plaza redevelopment.

Funding amounts contributed and sources for the entire reconstruction project are as follows:

City and County of San Francisco	\$ 2,900,000
CIAP for Relocation, Demolition & Soil Work	400,000
SFHA	16,000
SFHA Section 8 Reserves	1,800,000
HUD Development funds	<u>17,062,700</u>
 Total Cost	 \$ 22,178,700

To get the project started, the SFHA put up \$1.8 million, but has since applied to HUD for approval to raise the TDC limit to 105 percent and increase development funding so that SFHA can retain the \$1.8 million. HUD had delayed publishing new TDCs for one year, which would have made the SFHA eligible for a higher amount of HUD development funds, but the SFHA was held to TDCs for an earlier building year.

Another obstacle was neighborhood opposition. After the SFHA moved resident families out of Yerba Buena Plaza West in 1986, the buildings sat empty until they were torn down in 1989. In the meantime, other housing was built in the neighborhood, including some Section 8 new construction and some other privately owned subsidized housing. Once these units were built and their residents became established in the neighborhood and the area became economically viable again, opposition to rebuilding public housing in the community sprung up.

The planning process for this project involved many different groups. A working group was set up by the SFHA which included residents, representatives from SFHA departments of Planning & Design, Construction, Maintenance, and Housing Management. This practice, which was initially ad hoc, has become part of SFHA's standard operating procedures for planning at other developments. The SFHA also engaged the services of a social scientist consultant on design issues (who observed site 24 hours/day for 3 days and transposed usage patterns onto a map), met with the City Planning Department, presented the design to the Mayor, City Department directors, and the police department's Crime Prevention Unit, met with the neighborhood group Planning Association for Divisadero (PADS), and met periodically with a group of former residents to give them updates on the project's status and discuss design changes. Architects and traffic engineers were also consulted to discuss traffic flow and parking patterns and how to adequately accommodate their impacts.

The redesign process consumed an enormous amount of housing authority staff and architectural consultants' time, as a rehabilitation plan was initially drawn up in the early '80s, but then reworked for reconstruction in 1986 - 1988. Former Yerba Buena Plaza West residents were consulted early and often during both phases. Also involved in design discussions were city agencies and several neighborhood advocacy groups. One particular group, the Planning Association of Divisadero Street (PADS), was particularly vocal in its opposition and filed several appeals to City Planning Department and San Francisco Board of Supervisors' decisions, thus delaying the process even further. With the assistance of the former Yerba Buena Plaza West residents, these appeals and an eventual lawsuit were defeated and the reconstruction of the development was able to proceed.

As discussed earlier, the SFHA and Robert B. Pitts Plaza residents are anxious to ensure that the development remains a viable one for a long time to come, and are thus implementing procedures such as resident screening of applicants, establishing House Rules and encouraging resident involvement in property management.

B. Management Improvements

Based on what the SFHA has learned from its operations at severely distressed family developments, conversations with residents and staff during the planning process for Robert B. Pitts Plaza and other developments to be modernized, and the assessment process of writing a Comprehensive Plan, the Authority is concentrating its efforts on the following management objectives.

The SFHA has made a commitment to **decentralize operations**, including maintenance activities. With the establishment of seven mini-warehouses, the SFHA plans to provide maintenance services much more efficiently because geographic proximity to developments will allow for more timely responses and more efficient scheduling of work activities. The Robert B. Pitts Plaza development will be serviced by several full-time maintenance staff who report to a District Manager.

Finance and MIS activities will also reflect more project-based emphasis, as the SFHA administration will be implementing **project-based accounting and project-based budgeting**. Budgeting will be done at a project level, and will account for how resources are allocated on a development by development basis, and indicate whether resources could be allocated in a more efficient manner. The SFHA plans to install a comprehensive automated data processing system, which will include terminals at development sites for property managers' use in collecting rents and maintaining residents' tenancy records.

As mentioned earlier, the SFHA administration has made a commitment to fostering **resident management**. It is targeting three developments for the establishment of resident management corporations: Robert B. Pitts Plaza, Holly Courts, and Alemany. These were chosen because they will offer residents an opportunity to learn property management without simultaneously facing the burden of a physically non-viable property. Some resident organizations have applied for and received TAG (Technical Assistance Grant from HUD) grants for their training, and the SFHA has allocated some funding to others.

To address conditions at other severely distressed developments, the SFHA is conducting **renovations at other developments**:

- Sunnydale - applying for Comprehensive Grant formula modernization funding to make yards private;
- Bernal - planning major re-design, ideally would like to remove high-rise buildings and build low-rises that are scattered around but connected.

The SFHA has concentrated on developing a comprehensive **resident services model** at all of its family developments, based on the principal that one type of social service is insufficient. For example, simply providing education or public health programs is not enough; many residents need a range of services to support them while trying to improve their economic standing. The five objectives of its Resident Services Work Plan are as follows:

- to identify, coordinate and implement a comprehensive structure of support services for children, youth and families in our developments;
 - to create a better understanding of the needs of SFHA residents and to educate SFHA staff on resources available to residents;
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- to support the needs of the family to enhance self-sufficiency;
 - to stabilize and increase staff of the Resident Services Division; and
 - develop a mechanism for increased security at public housing sites.

The SFHA has worked to get city and non-profit organizations to provide services at as many developments as possible. To date, the Health Department is at three sites, the Recreation Department is at four sites, and Boys and Girls Club is at three sites. However, the SFHA realizes that it must be careful not to put too great a demand and strain on the service delivery system. For example, the City cannot afford to locate offices at every site. In an effort to reach as many developments as possible, the Resident Services Office applied for and received CIAP funding for a multi-resource van, which would be staffed with providers of services such as dental care, physicians, and would rotate each day among family developments.

Services are also provided on-site using Public Housing Drug Elimination funding for youth recreation programs, sponsoring city-wide sports events, and will be used to start up three drug-abuse treatment programs (one on-site, one drop-in, and one off-site).

In an effort to involve residents in the upkeep of developments, the Authority has dedicated \$100,000 of CDBG funding to awarding mini-grants of \$5,000 to residents. The SFHA designed a mini-grant application, which residents had to complete on their own (SFHA provided some assistance) and will be responsible for carrying out the specified project. Projects include new front doors and security buzzers for a building, security lighting, and children's play areas.

Other resident services being promoted by the SFHA include economic development, child care, tutorial programs, health care services, Head Start programs, youth and adult employment and training opportunities, literacy programs, family planning, AIDS training, and mobile multi-resource vans which will be used to provide these services (funded from CIAP management improvement funds).

To facilitate and promote better planning around improving severely distressed housing, the SFHA's Planning & Design function has been split off into a separate department. This department coordinates working groups to facilitate planning for significant modernization projects.

On an Authority-wide basis, the SFHA is focusing on more aggressive **property management** practices such as:

- much stricter screening procedures so that the application process does not "recycle" previous residents with poor tenancy records;
 - lease enforcement—an SFHA attorney has been assigned specifically to work with Housing Management department on lease enforcement issues; and
 - rent collection—the SFHA has hired two rent collection assistants (for the two family housing districts) to assist district managers monitor the rent collection process (i.e. following up on late notices and monitoring payment agreements) on the condition that they collect rent equal to their salary in the first six months, or they would be let go.
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IV. SUMMARY OBSERVATIONS

In the SFHA's efforts to revitalize the Yerba Buena Plaza West development and restore its features to habitable conditions, the most important feature seems to be the redesign of the property, bringing the dwellings up to contemporary standards of housing design and usefulness to residents. In this case, construction of new units was considered more cost effective than rehabilitation of the existing ones, and gave the SFHA and its residents what residents needed: more units with larger bedrooms, a safer environment with private entries, a courtyard they could protect, and housing that blends in with the surrounding neighborhood instead of stigmatizing residents. The development's "facelift" also gave the SFHA a better opportunity to implement new policies and make a fresh start in areas like establishing a resident screening council and instituting House Rules.

The Robert B. Pitts Plaza also benefits greatly from other management practices being implemented at the SFHA, primarily the decentralization of operations and support for resident management. With maintenance and property management functions broken down into districts across the SFHA's properties, the Robert B. Pitts Plaza receives much more individual attention from SFHA staff than would previously have been possible under a centralized management structure. Ultimately, the SFHA's management goal for the new development is to have residents be fully responsible for managing the property. Towards that end, the SFHA has committed staff support and financial resources to encouraging resident management. With residents making decisions about their development, they can manage the property in a way that will help ensure its viability for many years to come.

DESIGN ASSESSMENT

I. EXISTING CONDITIONS

A. Yerba Buena Plaza West

Yerba Buena Plaza West (YBPW) was constructed in 1955; the project included 332 dwelling units on 1 1/2 blocks in San Francisco's Western Addition Urban Renewal project. Figure 1 shows the site location within San Francisco. A second part of the project, Yerba Buena Plaza East, was located four blocks away from YBPW and contained identical building types. YBPW included two building types: three twelve story high-rise buildings were located at the interior of each block, oriented in the north-south direction and each containing 40 1 BR and 40 2 BR units; three story low-rise buildings lining Eddy and Turk Streets were located at the east and west ends of each high-rise element, containing 2 BR, 3 BR, and 4 BR units.

The high-rise blocks were identical. Ground floors were devoted to elevator lobbies, tenant storage areas, and mechanical services, with no dwelling units. Elevator cores were located near both ends of each building, serving a double loaded corridor with eight units per floor: two 2 BR units at either end and four 1 BR units at the center. The top floor, with a smaller central enclosed area, was designed to include laundry facilities, with rooftop drying yards on either side.

The low-rise blocks were fifteen sets of flats; each was accessed by a central stair serving six apartments, one on either side of the stair on each floor. Nearly two-thirds of these were 3 BR units, stacked, although several addresses had 4 BR units on one side of the stair and two addresses had 2 BR units on both sides. Secondary means of egress was provided through fire balconies and stairs to the rear, or interior of the block.

All construction was reinforced concrete. Parking areas were provided on the east and west edges of each block, with a large paved and landscaped play yard defined at the block interior.

Figure 2 shows views of the existing Yerba Buena Plaza East, similar in plan and character to the original YBPW development. Major problems that existed at this development are summarized in Table 1.

B. Background on SFHA's Modernization Efforts

The SFHA manages 51 properties, of which 47 are public housing developments, containing 6,722 units, with an average age of over 27 years. The modernization history of these properties has included the following CIAP grant budgets over the recent past based on the 1991 SFHA Comprehensive Plan for physical improvements:

- 1991: \$23,769,500
- 1990: \$18,274,320
- 1989: \$8,521,000
- 1988: \$7,308,300
- 1987: \$4,663,500

In 1992 the future modernization needs of SFHA properties were documented in the agency's Comprehensive Plan for Physical Improvements. The plan estimates comprehensive needs of \$336 million, of which \$150 million were judged to be of

Figure 1. Site Location of Yerba Buena Plaza West



- 14 Yerba Buena Plaza East
- 48 Robert B. Pitt Plaza

Figure 2. View of Yerba Buena Plaza East, showing relationship of high-rise and low-rise elements



Parking area, with view of junction between low-rise and high-rise



Low-rise elements along sidewalk showing open entry stair



Courtyard between pairs of high-rise structures, with gate and fence



Distant view of Yerba Buena Plaza East, showing relationship to adjacent low-rise housing

Table 1
Yerba Buena Plaza West: Summary of Major Problems

Exterior Site Problems	<ul style="list-style-type: none"> • site not safe from falling objects; • site not safe from crime; • playgrounds unsafe; broken glass; equipment outdated; • playgrounds unsupervised and not in view of many units; • parking lots too big, noisy, and used to dump cars; • building approaches intimidating; • no places for teens and older adults; • outdoor lighting poorly laid out and easily damaged; • landscaped areas along sidewalks not well used; • common outdoor areas not well used.
Interior Common Area Problems	<ul style="list-style-type: none"> • building appearance institutional; out of scale with neighborhood; • elevators unsafe and unreliable; • stairways dirty and unsafe; • entrances uncontrolled and windy; • corridors unsafe, unpleasant and noisy; • poor lighting in lobby, elevators, stairs, and corridors; • ground level spaces empty, open to vandalism and crime; • single garbage chute in tower poorly located; • garbage chutes too small and too high • laundry too far from units and inconvenient; • no mailboxes for many units; • SFHA offices too far away; • children need toilets near playgrounds; • people do not know one another in high-rises; • roofs of high-rises dirty and used as escape routes; • fire hose equipment cabinet equipment vandalized.
Apartment Unit Problems	<ul style="list-style-type: none"> • vacant units vandalized; • windows do not work properly; • damaged entrance doors and hardware; • walls around door frames crumbling; • plumbing breaks down often; • roof leaks; • heating cannot be controlled; • no doors on closets; • no showers; • not enough kitchen storage; • no private outdoor space.

Source: ED2/Community Design Collaborative, Problem-Solutions: YBA West, Draft Report, December 1982.

immediate priority. The physical improvements plan recommends removal of all hazardous materials, new roofing at 26 developments, selected mildew abatement and heating repairs, and the start of comprehensive modernization at ten (10) developments over the next five years. The study estimates anticipated accrual costs of \$12-\$15 million, with a recommended annual expenditure level of \$30-\$35 million. HUD modernization funding for the SFHA is now projected to be \$16,899,000 per year. Comprehensive modernization of Yerba Buena Plaza East, a development similar in configuration to

YBPW, was recommended to be initiated in Year 3; however, the level of anticipated HUD funding will not enable this timetable.

Modernization of SFHA properties is the responsibility of the Planning and Design and the Rehabilitation and Construction Divisions of SFHA, which contains a staff of approximately 15, including six registered architects, two engineers, one planner, and several additional non-registered professional staff.

II. PROCESS FOR REDEVELOPMENT

A. The Initial Redesign Process (1982-1984)

The SFHA initiated meetings with YBPW residents in summer of 1982 to ascertain needs and priorities for a comprehensive modernization effort. At approximately the same time, SFHA entered into an agreement with the firm of ED2 and the Community Design Collaborative to provide planning and architectural design services for the development.

Initial activities by the architectural and planning team included resident surveys to identify the location and magnitude of problems as well as on-site observations to ascertain the character and intensity of resident use of exterior spaces. Additionally, SFHA staff and local service agencies, including the San Francisco Police Department, were contacted to identify problems and concerns.

The menu of problems reflected in Table 1 was used by the design team, residents, and SFHA as a means of generating possible solutions. The design, finalized in the spring of 1983, incorporated a wide variety of measures to respond to these problems.

The comprehensive modernization plan included significant redesign of the high-rise towers and site as well as modernization of the low-rise buildings, while retaining their original configuration. The major features of the plan are outlined below.

High-rise buildings. The two open breezeway entries for each high-rise were eliminated in favor of a single expanded building lobby oriented to the exterior street frontage. The effect of this change was to eliminate through building movements and make the entries more secure. Common facilities were located near the lobby entry and elevator lobbies were enlarged to eliminate blind corners and hiding places. Additionally, one dwelling unit was located opposite each high-rise elevator on the ground floor, to be occupied by a tenant who would also take some building supervisory responsibilities to insure that the lobby would have active surveillance. The four lower floors of the tower buildings were gutted to create walkup units for large families with private entries, reducing density within the common elevator lobbies and providing increased ground contact for large families on the site. Two sets of exterior stairs were added to each high-rise building to service these units from within the courtyards.

Within floors 5-10 of the high-rises, the four 1 BR units were combined into two 2 BR units. In conjunction with this change, the center loaded corridor was eliminated allowing the elevator on each side of the building to service only three units, further reducing the number of people on each floor sharing common corridors. Where possible, design changes were conceived to enable modification of the monotonous character of the building exterior; the combination of the first floor lobby extension, four-story exterior stairways serving walk-up units on the first four floors, new trash chutes, and small bay window additions in unit living rooms combined to break up the texture and scale of the high-rise slabs.

Site. The entire site was redesigned to respond to the problems identified and to engender a sense of custody and security which would lead to its more effective use by the residents. Parking was divided into smaller lots, close to building entries. Tot-lots were designed to be near major common entries, encouraging ease of child surveillance by parents. Larger play spaces for various age groups were located to the interior of blocks, discouraging walk-through use by non-project residents. Privacy fences enclosing exterior yard spaces of walk-up units were added, as well as defined exterior spaces along the street edge. Finally, site entry portals, sufficiently wide to allow fire equipment access, were placed at the pedestrian entries to the site at the middle of each block to define the site and provide a greater street front identity.

Low-rise buildings. An effort was made to reclaim some of the unused ground floor space in these buildings for either common use or for living space, through creation of two-story townhouses. Additionally, upper floors of these structures were retained as flats, but terraces were added to define a better separation between these buildings and the street and to serve as clearer semi-private access routes to the upper floor units.

Units. Were treated relatively uniformly throughout, with replacements of kitchens and baths, and, in most cases, reconfiguration of layouts to yield workable kitchen spaces, sufficient space for family dining, adequate bedroom layouts, and sufficient storage space. On the upper floors of the high-rise, the central double-loaded corridor was eliminated, giving the space over to reconfigured units, combining the four 1 BR units at the center of the building into two 2 BR units.

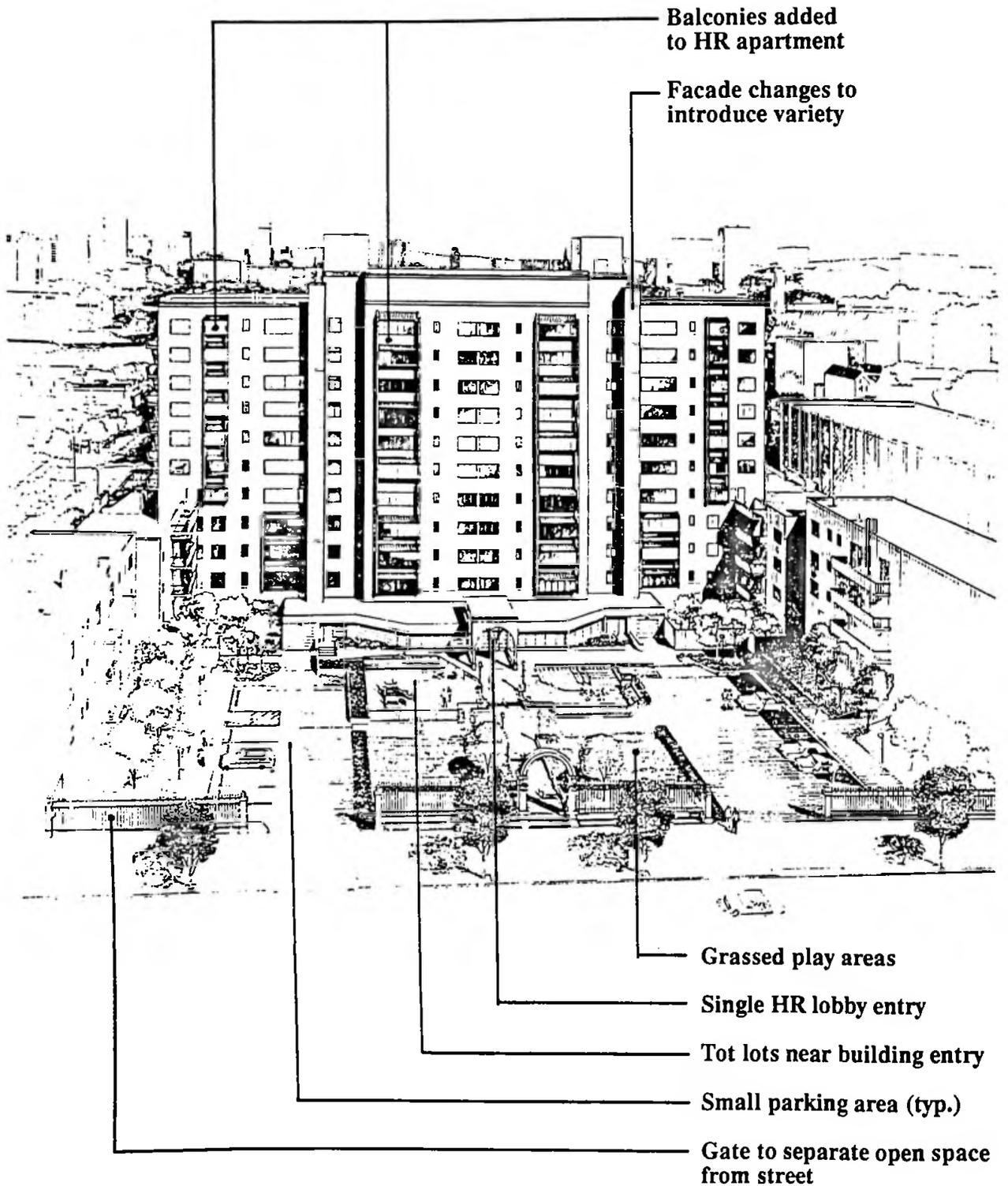
The result of the process, carried out in consultation with YBPW residents, and the Plan was the elimination of most of the problems which had been identified previously (see Table 1). Figure 3 shows a rendering of the proposed rehabilitated development. Figures 4 and 5 indicate some of the design principles which were incorporated into the rehabilitation plan.

B. The Decision to Demolish (1984-1985)

In August of 1984, bids were received for the rehabilitation and were substantially above the estimated cost. The low bid was for approximately \$22,000,000 and exceeded the available funding by approximately \$4,000,000. In December of 1984, SFHA requested approval from HUD to exceed Prototype Cost Limits for the rehabilitation project, having reviewed the design and determined that approximately \$3,289,700 could be cut from the project by making non-critical changes, potentially reducing the construction cost to \$18,710,300. Despite these reductions, when prior expenditures and other eligible CIAP costs were added, the total required budget for the project at that time would have been \$22,680,380, as compared to an estimated allowable cost, using HUD prototype cost limits, of \$15,208,390.

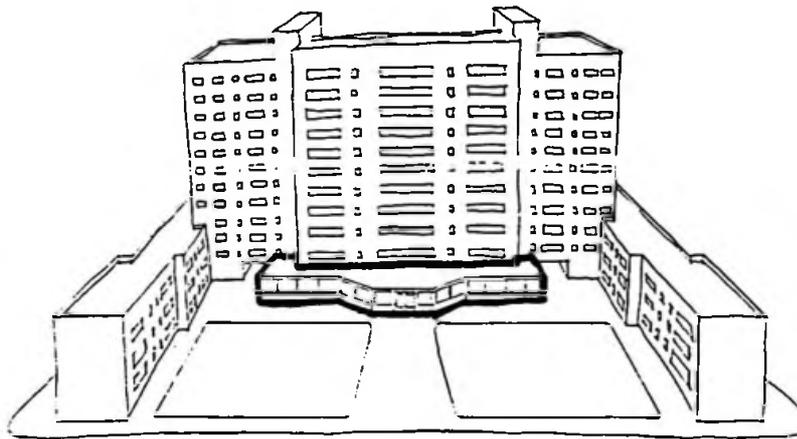
In spring of 1985, SFHA had a series of meetings with HUD regarding the project, culminating in a request by SFHA, subsequently approved, to demolish the project and to replace it with new construction, providing a lesser number of units. SFHA's request for demolition was based on substantial resident support for this decision; residents were assured that demolition would be followed by construction of new apartments and that these same residents would be allowed to return to these units. The YBPW residents did support this approach and agreed to be temporarily relocated to allow the process to proceed. At the time, the number of units requested was approximately equal to the number of residents still remaining on site, just over 200. The decision was made concurrent with settlement of outstanding litigation regarding HUD's and the City's prior commitment, not yet fulfilled, to include new housing in the Western Addition Renewal project.

Figure 3. Architects Rendering of Design Proposal for Rehabilitation

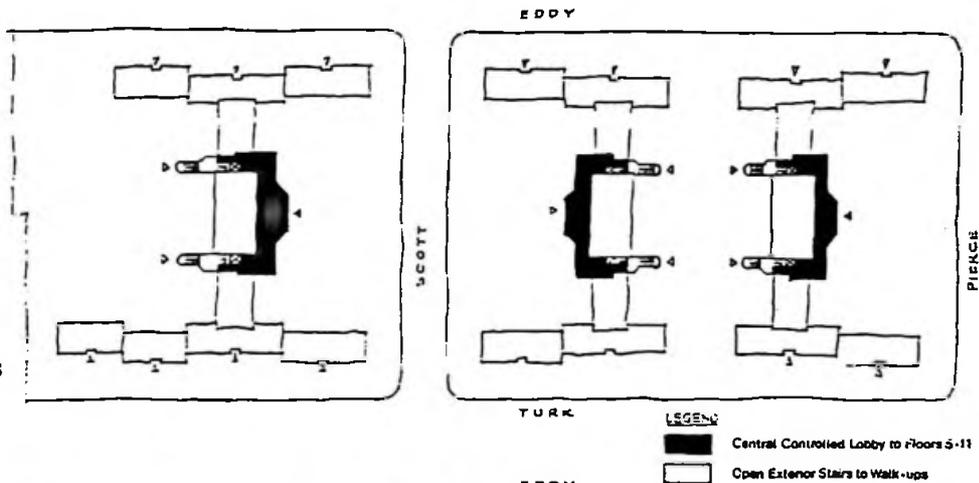


Source: ED2 and San Francisco Housing Authority

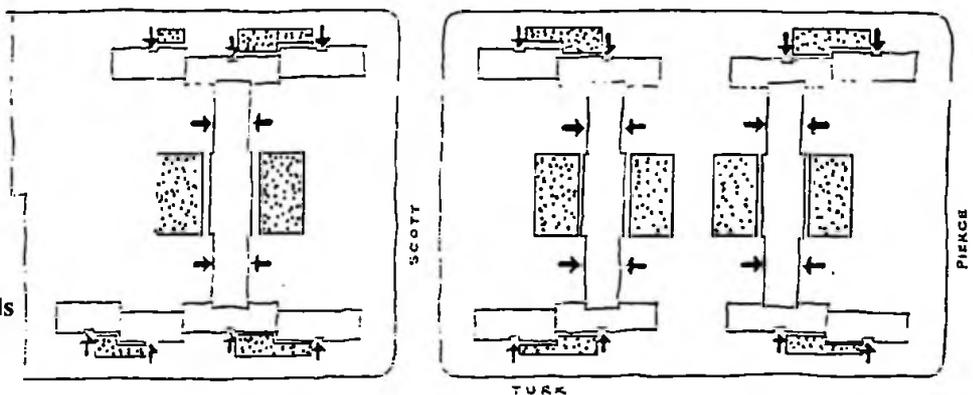
Figure 4. Selected Design Principles Incorporated into the Rehabilitation Proposal



Defined Entrances

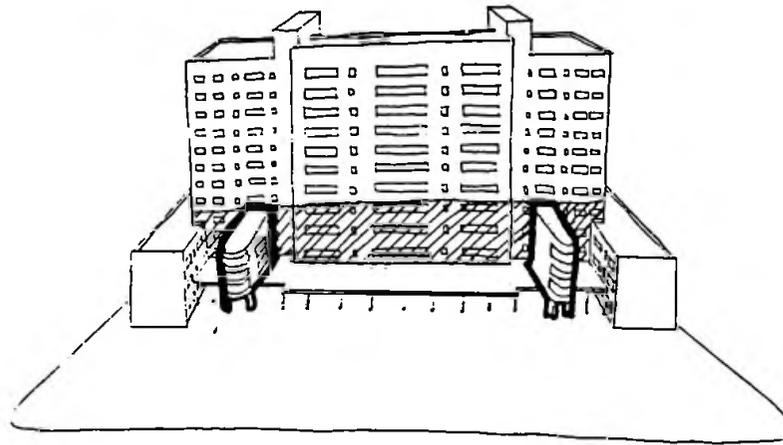


Visible Playgrounds Near Entrances

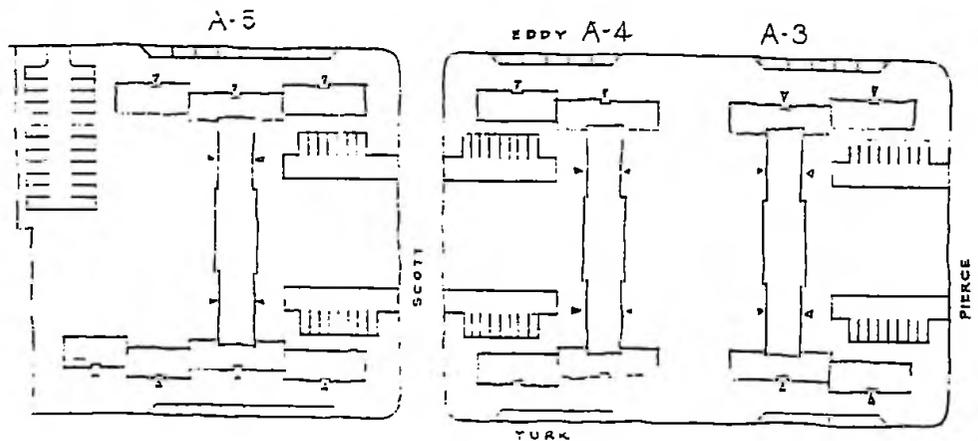
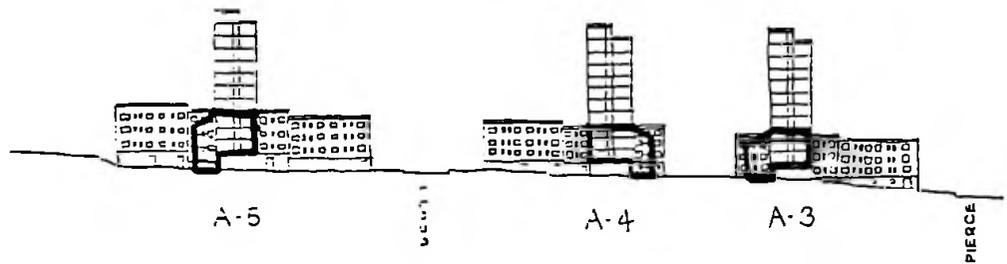


Source: ED2 and San Francisco Housing Authority

Figure 5. Selected Design Principles Incorporated into the Rehabilitation Proposal



4-story Walk-ups
in Tower Buildings



Parking in
Small Lots

Source: ED2 and San Francisco Housing Authority

C. Design for New Construction of Robert B. Pitts Development

By early 1986 the design process was reactivated; a series of meetings with residents and neighborhood groups took place in the summer. By early 1987, coordination meetings were taking place with City agencies, residents, and neighborhood groups to discuss the proposed design. During this process, objections were raised to the effort by a group of neighbors who formed an organization called the Planning Associates for Divisadero Street (PADS). This group appealed the San Francisco Planning Department's approval of the development to the City's Board of Supervisors, appealed each building permit issued, and finally filed a law suit to stop the effort. With help of former YBPW residents, who spoke eloquently in support of the new complex, the SFHA was able to defeat each challenge. Although the SFHA was eventually successful, the efforts of PADS did delay the construction process and resulted in increased staff, legal, and construction costs.

Other such replacement efforts in the future are likely to experience similar opposition from neighbors who may see them as an opportunity to remove low-income families from their neighborhoods. A construction contract was let by 1990, with occupancy completed by early 1992. The total construction cost (only) was approximately \$19.2 million, of which \$2.2 million was provided through HUD CIAP and other funds and \$2.9 million from City of San Francisco housing assistance funds.

III. ANALYSIS OF THE DESIGN

A. Key Design Features

In developing an approach to new construction on the site, SFHA and the design consultant used the previously gathered user needs and preferences information, attempting to avoid many of the shortcomings of the predecessor project. Major features of the resultant design, noted in the report by ED2/Community Design Collaborative, consultants for both the earlier rehabilitation proposal and new construction, included the following.

Development Image. All buildings were designed to a maximum height of three stories, configured to blend with the prevailing neighborhood scale. Consistent with other San Francisco housing, segments of buildings step up and down with the topography, further breaking down the scale of the overall complex. Units and public entrances are all oriented to the streets. Materials were used on the exterior that were residential in scale and compatible with nearby private housing. Exterior wood siding, ground floor stucco, metal grillwork and gates, and details of windows and cornices were designed to emphasize a residential feel and scale. Small bay window elements (projecting only 8"), segments of protruding parapets, and decorative cornice details were all used to provide a textured and varied feeling for the facade which, while not "Victorian style," is in character with the surrounding neighborhood. Varied colors were used for building segments which further accentuated the sense of variety and affinity off scale and detail with adjacent, older housing.

Differentiation of Public and Private Spaces. All units and entrances were placed directly accessible from adjacent streets, with front entries set off from the street by small yards or porticoes, creating small private entry areas separate from the sidewalk. In the case of upper floor units, stairs are run from the street to upper level porch entries at the second level, leading to private entry doors, one per unit. This pattern of private entry off an open common stair and front porch is

very characteristic of San Francisco; thus it both meets the needs of residents for security and identifiability of their entry and is consistent with the prevailing residential patterns in the community. There are no common hallways or entry spaces. Further, the block interior is accessible only through the units (via back doors) or through site common facilities; thus these spaces are used only by residents of the development and their guests.

Hierarchy of Exterior Spaces. Common open spaces were designed to serve a variety of on-site users and age groups; these range from a half basketball court at the center of the full block portion of the development, overlooked by the management office, to tot lots with play equipment, climbing structures, and planting beds intended for eventual personalization by resident gardeners. The stairs which connect upper level units to the rear common areas incorporate small sitting areas at landings where doors are located, providing back "stoops" for outdoor sitting with good visibility of neighbors and childrens' play areas. Small private yards are provided to the front and rear of all ground floor units to serve as a buffer to more public spaces and to enhance security.

Careful Location and Design of Common Facilities. An SFHA site management office, laundry, and other common rooms are located at the mid-block of the larger parcel. These facilities provide a monitored common entry to the rear yard as well as a point of surveillance for SFHA staff at the center of the development. Parking was broken into a series of small lots of no more than 12 cars, visible from the front doors of many units.

Unit Design to Meet Family Needs. Most ground floor units are either accessible or adaptable for use by the disabled. Eleven units (5 percent) are fully wheelchair accessible and 64 units (nearly all ground floor units) are adaptable. Separate dining, kitchen, and living areas are defined for all units, proportioned to the occupancy anticipated. Adequate storage is included, including coat closet, linen closet, and bedroom closets, all with hinged doors for long term durability. All kitchen cabinetry is heavy duty for long term durability. The four bedroom townhouses have a half bath downstairs and a full bath upstairs.

Figure 6 shows the site plan of the Robert B. Pitts Plaza development. Figures 7 and 8 show views of the completed project.

B. Comparison of Original, Rehabilitation, and Replacement Designs

Table 2 compares unit mix, unit size, density, and building type for the original Yerba Buena Plaza West development, the rejected rehabilitation plan, and the completed replacement design.

Each iteration of the design resulted in a reduction of units. The rehabilitation plan reduced the unit count from 332 to 257, although this reduction was principally caused by a shift in the unit mix, removing 1 BR units and consolidating other smaller units to accommodate more large families. The eventual new construction project resulted in 203 units; although these were largely 3 BR units this still resulted in considerable reduction of site density, as indicated by the comparison of bedrooms per acre.

The principal and most apparent difference between the rehabilitated approach and the new construction is the scale of the resultant environments. At a maximum height of three stories, the project as built relates well to the surrounding neighborhood, whereas the rehabilitated approach would have always been visible from a distance and, perhaps always identifiable at a distance as "public housing." Additionally, although the rehabilitation design was highly creative in making the first four floors of the high-rise workable for large family units, there would still have been substantial density of use on

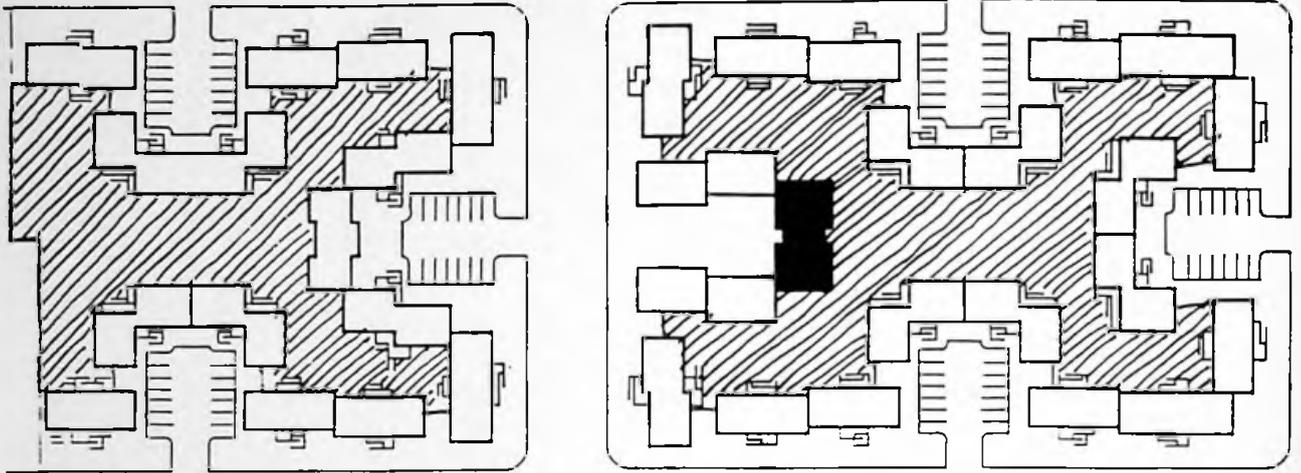
Table 2
Robert B. Pitts Development: Comparison of Major Features

	Original Yerba Buena Plaza West	Redesign Proposal	Replacement Design for Robert B. Pitts
# of Units:			
Studio	-	16	-
1 BR	120	26	-
2 BR	137	119	78
3 BR	63	84	114
4 BR	12	12	11
Total	332	257	203
Unit Size (SF):			
Studio	-	560	-
1 BR	488-506	630	-
2 BR	650-660	650-900	725
3 BR	780-920	780-1450	925
4 BR	1,035	1,035	1,200
Building Type	12 story HR 3 story walkups with 6 units per stair	12 story HR, redesigned to convert floors 1-4 to walk-ups and townhouses 3 story walkups modernized	3 story walkups and townhouses
Density:			
DU/Acre	72	56	44
BR/Acre	136	126	96

the immediate open spaces surrounding these structures, as they would have served both the elevator lobbies and new stairways.

The rehabilitated approach would have maintained family occupancy in the high-rise structures, changing the mix of units on the typical floor by converting four 1 BR units to two 2 BR units. Consequently, the rehabilitation approach would have retained considerable common circulation space to be shared by families; both on the corridors of the typical floors and at the ground level. Despite the improvements from the original design, such an approach has the potential to retain some proportion of the original problems which characterized common space at the development. Similarly, the higher density of the rehabilitated approach compared to the new construction results in a site plan where more users compete for less space and where the minority of on-site families have private access to exterior spaces. Both of these attributes are attributable to density, although the increased parking for the rehabilitated scheme further "squeezes" to available site space.

Figure 6. Site Plan of Robert B. Pitts Plaza



-  Community Center/Management Office
-  Rear yard enclosed to prohibit access from street. Contains a variety of open spaces for different tenant age groups.

Figure 7. Selected Views of Completed Robert B. Pitts Development



Entry to community center at middle of block



Street edge, showing relationship to adjacent housing on block beyond



Street view, showing varying topography, cornice line, stair details



Parking courtyard, with housing entries surrounding it

Figure 8. Selected Views of Completed Robert B. Pitts Development



Basketball court at private center of block interior



View of play structure; housing on either side, community center in distance



Fence and planting in common yard area; view of rear entries with stoops beyond



Play structure within view of rear unit entries

C. Comparison of Costs

It is difficult to accurately compare the rehabilitation and new construction approaches, as they were designed at different times and included different unit mixes. In an effort to get an approximate comparison, costs of the rehabilitation effort have been inflated to the time of receipt of bids for the new construction, yielding the following comparison (see Table 3). It should be noted that this comparison, although expressed in terms of average cost/unit, does not account presumed cost of replacement units which current day regulations would require for both the rehabilitation and new construction designs. If included at "market" levels, accounting for the high cost of land in the San Francisco area, replacement housing units could cost from \$120-140,000 each, based on inputs from SFHA staff. This would substantially change the cost comparison, as shown in Table 4.

Table 3:
Robert B. Pitts: Analysis of Costs

	Date	Cost Estimate	Total Units	Actual Cost/unit at time	Inflation Adjusted Cost/unit *
REHABILITATION PROPOSAL					
1/84 HUD Prototype Cost Limits	1/84	\$15,208,390	257	\$59,177	\$70,420
Rehab: low bid	8/84	\$22,184,000	257	\$86,319	\$102,720
% of Prototype				146%	
Rehab: w/o non-critical items	12/84	\$18,894,300	257	\$73,519	\$87,487
% of Prototype				124%	
NEW CONSTRUCTION					
3/29/90 HUD Prototyp		\$18,553,800	203	\$91,398	
New Construction: actual cost	28-Oct-91	\$19,255,097	203	\$94,853	\$94,853
% of Prototype				99%	
New Construction including demolition and soft costs		\$24,109,640	203	\$118,767	\$118,767
				124%	

* Inflation calculated based on Bockh National Index

Table 4:
Robert B. Pitts: Comparison of Alternative Approaches

	Rehabilitation Design*		New Construction Design*	
	Units	Cost	Units	Cost
Rehabilitated Units	257	\$25,421,892		
New Units, on-site			203	\$19,255,097
1:1 Replacement	75	\$9,607,089	129	\$16,524,193
TOTAL	332	\$35,028,981	332	\$35,779,290

*All costs adjusted to 10/91; assumed 5% per year inflation

IV. FINDINGS AND OBSERVATIONS

Several aspects of this case are of particular interest to the Commission regarding planning and design of distressed public housing developments:

The planning and design process. In the rehabilitation effort, considerable time was invested to ascertain the problems which existed at the site, using a wide variety of investigatory techniques: resident surveys, workshops, on-site participant/observers, and conventional field investigation techniques for determination of physical conditions. These methods yielded a strongly grounded assessment of aspects of the original design and layout which were considered to be dysfunctional, providing a basis for a search for appropriate solutions. The effort and type of diagnostic products produced provided a foundation for subsequent decisions, including the ultimate finding that "band-aid" solutions to the YBPW development would not work. It is crucial that efforts to turn-around distressed public housing developments be based on sound diagnostics of the environment and its use, which should be encouraged as part of the initial planning and scoping process.

In asking why such a process was devised in this case, it is interesting to note that the Director of Planning and Design is an architect, trained at the University of California at Berkeley, who has been with SFHA for over 15 years. Berkeley, in addition to having a well-recognized environmental design program, is well recognized for its faculty's expertise in environmental behavioral and user needs analysis, a local resource which has been used by SFHA and has affected numerous SFHA modernization efforts. Clare Cooper Marcus, who supervised the diagnostic and attitudinal surveys, is on the Berkeley faculty and is a widely recognized expert on housing design to meet user needs. The key architects from the firm of ED2, who were in charge of the project's design for both the rehabilitation and new construction efforts, are also Berkeley graduates.

The availability of these specialized resources and the predisposition of agency and consultant staff to follow a sequential diagnostic methodology has a strong effect on the ultimate design. Additionally, the professional training of its key staff has had some effect on SFHA modernization practices, as it is now accustomed to develop detailed problem assessments of design concerns at each development where it plans a major modernization effort, and intends to routinize post-occupancy evaluations to ascertain whether design changes are being used as they were intended. These efforts should, over the long run, result in a substantial body of expertise in planning and design which should translate into more responsive environments for SFHA residents.

Proposals for renovating the high-rise development. Although not constructed, the design for YBPW represents one of the few public high-rise public housing developments which has been completely redesigned to accommodate family living. Several concepts appear worth further consideration in other locations, including: (1) the reconfiguration of lower floor units for larger families with grade access; (2) the creation of single point of lobby entry control on the ground floor; (3) the assignment of a resident/manager to apartments which can supervise the ground floor elevator lobby; (4) the elimination of upper floor central corridors, where possible while complying with fire safety regulations, to reduce the number of apartments sharing common access, and; (5) site design to articulate sub-zones designed for the needs of various age groups and to increase the sense of territorial control and supervision.

The high cost of the rejected high-rise modernization effort. The inability to bid the project successfully within HUD's cost guidelines illuminates some difficulties inherent in achieving a comprehensive redesign effort of a severely distressed and poorly designed high-rise housing development. Even with elimination of "non-critical" items, the

inflation-adjusted per unit cost of the rehabilitation appears to be more than the per unit cost of the eventual new construction, as previously shown on Table 2. This is due to a number of factors which may include: (1) the cost of substantial reconfiguration of non-workable layouts in the entirety of the high-rise; (2) penalty costs associated with rehabilitation efforts where existing conditions are often unknown for bidding contractors, and; (3) total site reconstruction. Additionally, it is also possible that the bidding environment in 1984 was less favorable than in 1989, since the economy had started to slump and less private construction activity was ongoing at the time, influencing contractors to look more favorably on public work.

The design of new construction at Robert B. Pitts. The design appears highly successful and includes numerous features worthy of further study. These features, described in further detail above, included: (1) design at a scale and architectural character to be compatible with the surrounding neighborhood; (2) differentiation of public and private spaces to reinforce the sense of control and territoriality exercised by occupants of each unit on their immediate environment; (3) provision of a hierarchy of exterior spaces to accommodate the needs of various age groups on the site, while enabling appropriate surveillance of site activities from units; (4) location and design of common facilities to enable clearly identifiable and visible management presence, and; (5) design of units to meet family needs.

Resident involvement in the planning and design process. The role of the residents in the process was an essential ingredient in building a consensus of support for the decisions which were made and is likely to have a positive impact on the long term manageability of the development. Resident involvement and support was a critical factor in identifying and solving design problems, leading to an understanding of project needs which strongly influenced planning and design decisions. Resident involvement in the process and advocacy of the decision to demolish YBPW were key factors in successfully defeating opposition to reconstruction of the development. Finally, once the development was reconstructed, approximately seventy of the former YBPW families returned to the new Robert B. Pitts Plaza. These residents formed the core of the Robert B. Pitts Plaza Association and have begun exploring resident management possibilities for the new development. The decision of SFHA to give priority to former residents of YBPW in moving into the new apartments was an important policy which maintained the stake of former residents in the new development, engendered their continuing involvement, and increased the likelihood of resident support for the effort.

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Chapter 8

*Puerto Rico Housing Administration:
Las Gladiolas Development*

EXECUTIVE SUMMARY	8-1
MANAGEMENT ASSESSMENT	8-3
I. THE PUERTO RICO PUBLIC HOUSING ADMINISTRATION AND ITS OPERATIONS	8-3
A. Background	8-3
B. Management Performance and MOA	8-4
C. Privatization and Decentralization	8-5
II. LAS GLADIOLAS II	8-9
III. SUMMARY OBSERVATIONS	8-10
SELECTED BIBLIOGRAPHY	8-12

Puerto Rico Housing Administration:
Las Gladiolas Development

EXECUTIVE SUMMARY

Since 1989, the Puerto Rico Public Housing Administration (PRPHA) has been responsible for operating all of the island's conventional public housing units, which now number 57,804. Over 99 percent of this stock is family housing. The PRPHA also administers the HUD Turnkey III housing and state-funded units (but not the Section 8 program). It is the second-largest public housing agency in the United States.

The PRPHA's predecessor was designated by HUD as a "troubled" agency in 1981, and HUD approved a workout strategy in 1986. Problems have remained, however, and the PRPHA has been operating under a HUD Memorandum of Agreement (MOA) since August, 1990. The MOA calls for improvements in a variety of critical operational areas, including turn-around time for vacant units, annual inspections and unit repairs, tenant accounts receivable, management of modernization programs, maintenance operations, staffing and organization, and inventorying.

At the time of NCSDPH's site visit in November, 1991, PRPHA and HUD staff indicated considerable differences in perception and difficulty in working with each other. HUD felt the agency should be divided into more manageable clusters and that private management of housing developments should be considered. In May, 1992, HUD moved to implement this approach, executing an agreement with the PRPHA and the Commonwealth of Puerto Rico.

The actions to privatize and divide the operations of Puerto Rico's program are some of the most extreme remedies HUD has ever imposed on a public housing agency. The major emphasis of the changes under the agreement are the decentralization of the agency, the improvement of supervision at the PRPHA, and the need for the agency to be held more accountable to the residents and the communities in which its housing developments are located.

The PRPHA has clearly had its share of difficulties in managing large family housing developments (both high-rise and low-rise) experiencing various levels of distress. This case study examines one such development, Las Gladiolas II. While not PRPHA's most difficult site, it offers an illustration of the problems the Administration faces.

The development is located in San Juan and adjoins Las Gladiolas I, another high-rise family public housing complex which has recently been modernized. With 1,085 residents, Las Gladiolas II's 380 two-, three-, and four- bedroom apartments average 4.4 persons per occupied unit. Records indicate that almost half of the households were delinquent in rent payments. Other problems observed or cited by management included property misuse and vandalism, maintenance difficulties, drug use and drug-related crime, and the concentration of single-parent (primarily female) heads of households on public assistance.

The modernization of Las Gladiolas II was underway at the time of the site visit. As of January 1992, only 15 percent of the \$8,147,000 contracted by HUD for this work had been approved for payment. While this level of planned modernization may be essential to significantly improve the development, without sufficient management control and resident support and involvement, the improvements may not be sustainable.

The experiences of the PRPHA offer observations that are timely and relevant to the issues of privatization and decentralization of a very large and geographically dispersed agency. Among the considerations are: dividing the agency into workable clusters for monitoring and operating; the necessity to have a reliable information system for project-level matters and agency finances; financial constraints, including agency operational funding and low resident income; the need for coordination and involvement of other agencies, such as the Commonwealth government, local police and municipal service providers.

MANAGEMENT ASSESSMENT

I. THE HOUSING AUTHORITY AND ITS OPERATIONS

A. Background

The Puerto Rico Public Housing Administration (PRPHA) was created on August 17, 1989 resulting in a separate agency to operate conventional public housing, which was formerly the responsibility of the Puerto Rico Urban Renewal and Housing Corporation (PRURHC). The operation of the Section 8 programs (certificate and voucher) was not transferred to the new agency.

The PRPHA now administers 335 public housing developments, which consist of 57,363 conventional units. The Administration also operates 199 units of Turnkey III Homeownership Opportunity Program units and 705 state-funded units, for a total of 57,804 units.

With only 448 units designated for the elderly, more than 99 percent of the PRPHA's stock is available for family households. The total population residing in PRPHA units is 344,178, or approximately 30 percent of the island's population. The average household size exceeds four persons -- perhaps reflecting strong family ties in Puerto Rico that keep adult children at home, especially among the lower-income families.

The PRPHA vacancy rate is less than two percent (when excluding units being renovated under modernization), and it takes years for an applicant to be offered a unit. This indicates a strong need for public housing in the Commonwealth of Puerto Rico.

The Administration has approximately 3,000 employees working in the central office in San Juan and in 11 regions that cover 76 municipalities throughout the entire island. Some important aspects of the Administration are highly decentralized in order to be able to service housing developments located over a wide geographic area. Administrative staff are stationed in regional offices as well as site offices. The large number of local jurisdictions in which the PRPHA must work can create difficulty in developing any type of standard operating procedures for public housing developments. This problem is compounded by the differing levels of local service available, including police protection.

Virtually all employees interviewed cited public safety and drugs as a major concern with respect to management. Other concerns noted were vandalism, difficulties in providing maintenance services due to lack of staff or poorly trained staff, and overcrowding in units. The overcrowding -- due to more than one household occupying a unit -- is a situation that places serious strains on individual apartments, building systems, site structures and community facilities. PRPHA's low vacancy rate makes it more difficult to undertake transfers of overcrowded households to more appropriately sized units.

All funds for the operation of the Administration come from HUD, except for the Commonwealth of Puerto Rico's funding (approximately \$21 million in 1991) to support operations and to make repairs at the state-aided units. Unlike virtually all other PHAs, the PRPHA does not receive its HUD operating subsidy under the Performance Funding System (PFS), the formula used to establish an Allowable Expense Level. Instead, the PRPHA's federal conventional public housing program receives a set amount of subsidy directly by HUD. This has, in recent years, been based on historical funding levels adjusted by a HUD-provided inflation factor. While this method of funding has provided a certain level of predictability for the PRPHA, the agency contends that the amounts are

not sufficient to perform all the operating services required to effectively administer federally aided developments.

B. Management Performance and MOA

The PRURHC was designated by HUD as a "troubled" public housing agency in 1981, and in 1986 a workout strategy was approved by HUD to improve performance. Even though HUD acknowledges that some improvements in operations were made, the Administration has continued to remain on HUD's list of "troubled" PHAs. The PRPHA has been operating under a Memorandum of Agreement (MOA) with HUD since August 10, 1990. A subsequent MOA and update were executed in August, 1991.

The MOA calls for the following critical operational improvements:

- Improve the turn-around time for vacant units (the vacancy rate for the agency is within acceptable levels);
- Improve annual inspections and unit repairs;
- Improve tenant accounts receivable;
- Improve management of modernization programs;
- Improve maintenance operations;
- Undertake management improvements in the areas of staffing and organization; and
- Inventory non-expendable equipment and address other financial matters.

During site interviews, PRPHA staff noted difficulty working with the HUD Area Office. Staff at the HUD Area Office observed that a "high level of intervention" was required since the Administration was not performing at an acceptable level, and expressed concerns over the level of attention given to resident initiatives and to maintaining housing units. The PRPHA indicated that HUD had not executed a contract for 1991 modernization funds (74 million) and had put on hold the use of 1990 modernization funds (\$98 million). Of the 1991 amount, a substantial portion was allocated for emergency modernization projects. In addition, the Administration had not received HUD approval of its grant for 1991 under the Public Housing Drug Elimination Program. This is significant since both the Administration and HUD expressed concern over the use of drugs and the level of drug-related crime in public housing developments.

The PRPHA noted improvement in its financial condition but acknowledged that much of this was due to support being provided by the Commonwealth of Puerto Rico. The Administration indicated that its financial management had improved since it was better able to pay utility and other bills in a timely manner.

However, despite the PRPHA's low rent levels -- averaging \$22 per unit in FY 1991 -- total tenant accounts receivable for tenants in possession of units was over \$2 million, or equal to more than 150 percent of the monthly rent roll. Housing managers indicated that they experienced great difficulty in collecting rent and that the Administration was impeded by the statutory requirement that rent be computed at a level equal to 30 percent of adjusted gross income. The PRPHA felt that this created a significant burden for public housing residents in Puerto Rico, since they may have less disposable income than their counterparts in the mainland U.S. due to higher costs for basic items such as food, clothing and transportation. HUD staff contended that the PRPHA is not aggressive or

thorough in undertaking recertification of income and that many households are paying rents based on a lower-than-actual income.

A major concern of the Administration has been its lack of data processing capability. The PRPHA had pursued the purchase of an automated system, developed an Application Transfer Study and prepared specifications for the Request for Proposal with HUD's approval. The HUD area office impeded the contract award because by that time HUD had planned the privatization scheme and felt that the process used by the PRPHA inadequately specified its needs, particularly in the competitive selection of a computer system.

Lack of sound management information is a significant problem for an agency that is so large and has such a wide geographic area to serve. The number of units managed and the size of the area seemed to be a concern to HUD and seen as one of the reasons why the Administration was having difficulty in managing its housing. It is interesting to note that in the most recent MOA quarterly performance report provided by PRPHA, the agency clearly felt it was making good progress toward meeting individual MOA performance targets, which was not consistent with HUD's view of the situation. The Administration stated that it had never had worse relations with HUD than it was having at the time of the visit.

The PRPHA Administrator appointed following the agency's creation left shortly after the site visit. Based on concerns expressed by HUD, it seems that the Administration, along with the Commonwealth of Puerto Rico, began to feel that some significant management changes were needed. HUD staff indicated that they believed the agency should be divided into more manageable clusters throughout the island and that private management of housing developments should be considered. In May, 1992, HUD moved to implement this approach, with the concurrence of the Commonwealth.

C. Privatization and Decentralization

The actions taken to privatize and divide the operations of the Puerto Rico public housing program are some of the most extreme remedies to ever be imposed on a PHA. The agreement executed by HUD, the PRPHA and the Commonwealth describes the actions as necessary to improve living conditions and the quality of life of residents in public housing developments. The agreement specifies that it is in the best interest of public housing residents to use private contractors for management and maintenance and to decentralize programs funded by HUD through the creation of PHAs that will be closer to the developments and more sensitive to the needs of residents.

Significant Terms of the Agreement: The agreement provides that the PRPHA will enter into contracts with management agents for ordinary and extraordinary maintenance. Both modernization and development activities are to remain with the PRPHA, in conjunction with a construction management contract with the Puerto Rico Public Buildings Authority (PRPBA).

The agreement stipulates that the Commonwealth's public housing program will be divided into manageable areas and that each "entitlement" city will constitute a geographical area. (Each Community Development Block Grant entitlement city generally constitutes the basis for a project cluster.) The municipalities not covered under the listing of entitlement cities will be divided into three geographical areas. For any geographical area where the PRPHA cannot obtain an acceptable offer from a firm to perform private management, the PRPHA is to continue to manage the housing until such time as a management agent is contracted.

HUD agrees to participate in orientations, community conferences and workshops concerning the private management process. The agreement indicates that the private management process may require the elimination of positions within the present structure of the PRPHA. It is required that the services of a CPA firm be obtained to conduct a total inventory to be completed and submitted to HUD of all PRPHA assets. The agreement provides for certain restrictions in the assignment of inventory but it is essentially to be used for the benefit of public housing throughout the Commonwealth.

All private management contracts are to be awarded through a competitive procurement process by the issuance of Requests For Proposals (RFPs). The RFPs are expected to include the provisions listed below

- Those specific conditions that each management agent must meet to be awarded a contract.
- That current PRPHA personnel assigned to each project must be recruited by the management agent subject to the management agent's personnel practices and procedures.
- In recruitment and training of additional personnel, the management agent shall give priority to residents of the housing developments where the position might be needed. Secondary consideration shall be given to other public housing residents.

These provisions make it clear that employment of former PRPHA staff is not guaranteed, but that the management agent is to make an appropriate attempt to hire these employees as well as give preference to public housing residents.

The management agent may use PRPHA materials and equipment, and must maintain books, address emergency repairs and submit all reports normally required for the federally funded public housing program. The contractor must have the capacity to coordinate with all entities and demonstrate the capacity to implement HUD resident initiatives. The management agent must submit annual operating budget requests that conform with HUD procedures and guidelines.

During the transition period, HUD agrees not to penalize the PRPHA for failing to implement certain strategies that would not be appropriate under private management. The length of the transition period is not stated in the agreement, but is generally assumed to be the time period up to and including transfer of the units by the PRPHA to the private management agent for each geographic area and/or housing development. (HUD indicates that a new MOA will take into consideration the different geographical areas under the management contracts). HUD commits to provide funding during the transition period to cover emergency needs and essential maintenance. The Commonwealth commits to providing all amounts allocated for public housing by the legislative assembly. Management agents are to be solely responsible for the administration of the developments under contract and must adhere to HUD tenant selection criteria.

The process for undertaking decentralization was to commence upon the execution of the agreement. The PRPHA was to inform entitlement cities about the possibility of transferring PRPHA responsibilities over to the PHAs created in each entitlement city. Each new PHA is to enter into a Cooperation Agreement with each municipality. Within 30 days of its approval of a PHA, HUD is to enter into an Annual Contributions Contract (ACC) with the PHA to administer the federally-funded public housing in its jurisdiction. Each PHA is expected to execute a MOA with HUD, although the agreement indicates that the MOAs shall be rescinded upon these PHAs meeting or exceeding the HUD public housing performance standards. The newly created PHAs will assume contracts between

the PRPBA and the PRPHA for modernization and development program funds. Upon expiration of management contracts, PHAs will negotiate directly and enter into new contracts.

Implementation of the Privatization Agreement: The process of implementing the agreement was still underway during the site visit for this case study. Employees of the PRPHA challenged the agreement on the grounds that the transfer of public housing inventory to private firms violated Puerto Rico law. The lawsuit was filed on May 26, 1991, about three weeks after the agreement was signed.

The PRPHA employees took the position that allowing private contractors to eliminate positions in the PRPHA operational structure violates the safeguards of the Puerto Rico constitution, which stipulates that any plan to lay off public sector employees (which includes PRPHA employees) must be published for public review and comment. The employees contended that the agreement also violates the law since the legislature was not given an opportunity to approve it. If the court action fails, the employees are seeking \$3 million in indemnification.

In addition to legal matters, employees have raised some other major concerns pertaining to the ability of private firms to adequately manage the public housing stock. (Steps had been taken to create 26 project clusters that had unit counts ranging from 163 to 3,578 — In other words, to create up to 26 PHAs where formerly there had been one.)

As of June 22, 1992, 98 private management entities had submitted proposals. PRPHA staff estimated that about one-quarter of the applicants lacked any property management or development experience and that many of the remaining firms lacked experience with resident initiatives or working with various development entities, as required in the RFP.

The employees acknowledged that the Administration had not met most of its responsibilities under the MOA. A counter proposal was submitted to the Puerto Rico legislature that calls for the privatization on a demonstration basis of about 2,000 public housing units.

Steps to Decentralize Agency Operations Under the Agreement: The primary purpose of the move to decentralize the operations of the public housing program appears to be to increase accountability for those who manage the housing and to allow for a more "manageable" size program. Only New York City's public housing program is larger than that of the PRPHA. A review of HUD information indicates that fewer than 17 percent of the approximately 3,000 PHAs operate more than 500 units of housing. In fact, approximately 2,200 PHAs operate less than 250 units, which is not much more than the smallest of the 26 management clusters being established under the agreement.

The PRPHA has shown interest in further decentralizing management and had taken steps to give greater responsibility at the regional level to all 11 regions. For example, for most line items in the operating budget relating to the delivery of on-site operating services, the Administration has given responsibility to the regions for making expenditures up to \$10,000. Financial management staff were located in each of the regional offices to assist in budget management and planning.

Administrative staff were assigned to both the regional and housing development offices throughout the Commonwealth. PRPHA Regional and Housing Managers indicated the problems they were experiencing were related to both the number of staff, and the capabilities of staff, (particularly in the area of maintenance), where the PRPHA offered poor wages and poor working conditions. They also cited problems with supervision and

staff deployment due to the size of the geographic areas covered by 11 regions. The creation of 26 management clusters under the more centralized PRPHA structure may assist with addressing the operational and deployment problems.

For decentralized management to work well in a large organization it is important that the centralized component have good management systems which provide strong support for field operations. This type of systems support structure depends on a well developed and fully functioning management information system, along with sound planning, modernization management and financial management. Many of the critical systems in operation at the PRPHA are manual and appear to not be easily maintained. Moreover, there seems to be poor quality control over such important management components as maintenance work orders, tenant selection and assignment information, modernization and construction activity, and accounts payable. Some of these areas were being covered under the MOA with HUD. Overall, the Administration seems aware of these problems and interested in addressing them but the steps required are difficult to undertake in the short term.

There has been a strong interest on the part of many in public housing to pursue decentralized management within the framework of a PHA's operations, through the creation of Resident Management Corporations (RMCs), the use of non-profit housing corporations, and private management agents. The problems with various non-traditional approaches is the lack of experience many of these organizations have with housing for very low-income families, with public housing rules and regulations, and with delivering essential services to large more severely distressed sites given the funds available for operations. The agreement does not directly address the issue of RMCs but does provide for steps to promote resident initiatives. If resident management or the other non-conventional forms of management are to be successful there will need to be training and support provided.

Another problematic area is the provision of services to public housing developments which are inconsistent from jurisdiction to jurisdiction. Some housing units must rely on independent water supplies, alternate forms of transportation; the availability of services like police protection also varies. Closer working relationships -- whether they be through a consolidated PRPHA with more autonomous field offices or through the creation of separate PHAs throughout the Commonwealth -- can help ensure that municipalities are providing the same level of services to public housing residents as they do to those residing in privately owned housing.

The vast majority of public housing units in Puerto Rico are designed to accommodate families and the reported four persons per unit (which given the problems mentioned with overcrowding may be substantially understated), evidences a strong need for services such as health care, education, and recreation. Under cooperation agreements between PHAs and local governments, public housing residents are to receive the "public services and facilities of the same character and to the same extent as are furnished from time to time without cost or charge, to other dwellings and inhabitants in the Municipality." The agreement makes it clear that as a part of creating new PHAs, these new agencies must enter into cooperation agreements with each participating municipality before HUD will approve the new entity and execute an ACC.

II. LAS GLADIOLAS II

While there are a number of housing developments considered to be severely distressed in San Juan, Las Gladiolas II was selected as the focus of this case study because it illustrates many of the issues and concerns expressed by HUD and the PRPHA, and is situated next to the recently modernized housing development, Las Gladiolas I.

Las Gladiolas II contains 380 two-, three- and four-bedroom units located in two high-rise structures referred to as Tower One and Tower Two. As of the time of the site visit, there were 117 units vacant that were undergoing modernization and 16 units that had been converted to non-dwelling space. The total reported number of residents was 1,085, or an average of 4.4 persons per occupied unit. Over 36 percent of the households reported that they had five or more members. Sharing the site with Las Gladiolas I has resulted in a very dense environment with little open space to accommodate recreational activities.

Approximately 115 (46 percent) of the Las Gladiolas II households in occupancy were delinquent in rent payments. Seventy-six families had been taken to court as a result of nonpayment and another 18 were in process for future court action.

At the development there are five administrative staff and 17 maintenance staff, including eight laborer/janitors, three maintenance mechanics, and six part-time elevator operators. Excluding the elevator operators, the staff-to-unit ratio for as-built units for maintenance is one to 34 and for occupied units is one to 22. For administrative employees, the staff-to-unit ratio is one to 76 for as built units and one to 49 for occupied units. The PRPHA reports that its agency-wide ratio for maintenance staff is one to 40 and for administrative staff is one to 37.

Las Gladiolas II's Housing Manager expressed concern over problems of drug use, crime, vandalism (especially as it effects the modernization program), and the large concentration of single-parent (primarily female) heads of households on public assistance. The development is considered to be hard to manage even though Las Gladiolas I has its own management staff and maintenance staff.

Density is an issue at the Las Gladiolas housing developments. They are the only major high-rises in the immediate area and the visible difference between the two developments is quite distinct. There were no vacancies at Las Gladiolas I's 294 units, as of the site visit (it does have two non-dwelling units). Washers were noticed being drained out of upper-floor windows, and problems due to vandalism were pointed out by the housing manager, who also indicated that the support and assistance from local police was quite poor. Concerns were also expressed by PRPHA regarding the ability of the agency to sustain modernization improvements at this and other housing developments. Frustration was expressed over the lack of control over sites and the need to have to undertake major maintenance or modernization in a relatively short period of time due to vandalism.

The number of elderly persons occupying family units at Las Gladiolas was substantial, at 96 as of the site visit. However, only about 13 percent of the households have two or less occupants, indicating that elderly residents seem to be part of a family household with more than two members. Similar information is reported for the Las Gladiolas I development.

Las Gladiolas II was in the process of undergoing comprehensive modernization at the time of the site visit. The PRPHA indicates that the agency had under contract \$8,147,000 or \$21,439 per (as-built) unit for modernization. Approximately 15 percent of the work had been approved for payment, as of the last report (January, 1992) for-

warded by PRPHA. It is clear that with this planned level of modernization the development will be significantly improved. However, without additional management support and control over the housing -- and resident support and involvement -- the improvements may not be sustainable.

III. SUMMARY OBSERVATIONS

There are a number of aspects of operation of the public housing program in the Commonwealth of Puerto Rico that are important when considering issues in evaluating severely distressed public housing. The move to privatize the operation of public housing is a relatively recent development, and the PRPHA experience offers early insights. Some of the major issues are summarized as follows:

- The size of the organization and geographic area covered by the PRPHA make the deployment of staff and attention to the monitoring and delivery of essential operating services difficult. The move to create separate PHAs or management clusters that are greater in number than the current 11 regions would be one approach to begin addressing this problem.
 - The PRPHA is concerned over the level of funding provided by HUD to operate the public housing program and is relying on the Commonwealth of Puerto Rico to remain in an acceptable financial condition. The PRPHA does not receive its operating subsidy eligibility as do most public housing authorities, but apparently is funded based on its historical expense level.
 - There appears to be an overall lack of project-level data, and financial information is dependent on staff who work in the regional offices and rely primarily on manually-generated data.
 - The Commonwealth government historically has not had a major role in the operation of the public housing program but recently has become more interested in the conditions. The lack of involvement in the past was cited by some as a problem.
 - PRPHA staff indicated that the relationship with HUD had become quite poor and that they were unclear about the sanctions that had been imposed. On the other hand, HUD indicated that they were quite clear as to steps taken with respect to the public housing program and the operation of the program by PRPHA and that they primarily were dealing with the Governor's Office on how to proceed further in addressing PRPHA problems.
 - There appears to be a high level of homeownership activity under the Section 5(h) program whose continuation will require some effort to obtain replacement housing required under the one-for-one replacement rule. HUD staff shared this concern and indicated that they would like to see a significant increase in homeownership activity as a means of improving the lives of public housing residents.
 - Many within and outside the PRPHA expressed concern over the delivery of maintenance services, and HUD, as early as November, 1991, noted a privatization approach would be one of the more effective ways for addressing conditions requiring maintenance attention in public housing.
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- It is interesting to note that the PRPHA was established to primarily operate conventional public housing and not Section 8 programs. This apparent effort to focus the Administration's activities does not seem to have led to the level of success that may have been intended.
 - Modernization planning and the development of the Comprehensive Plan for Modernization had not been undertaken in a manner satisfactory to either HUD or the PRPHA. Staff cited problems during the site review over the ability to sustain modernization improvements and the lack of management control in larger more severely distressed housing. There was also a low level of concern over the lack of resident involvement in the modernization process and resident involvement in the PRPHA overall.
 - Tenant accounts receivable were a problem, since they were not as good as either the PRPHA or HUD would like. The amount of accounts receivable for tenants in possession of units is over 150 percent of the rent roll and some accounts receivable are more than 20 years old.
 - There was a major concern over the lack of security and drug-related crime in the larger developments and the poor coordination with local police. A separate police force for the public housing program was being discussed.
 - The 30 percent of income rule was a concern to some at the PRPHA since they felt that the cost of living on the island was relatively higher than that for low-income households residing in the mainland U.S. Some staff felt that a different rent level should be established for Puerto Rico.

The efforts to decentralize the Administration's operations seem appropriate and were being considered in certain ways by the PRPHA before the agreement to decentralize further and to privatize the operations. Steps to assess means of effectively monitoring the operation of the program under a significantly larger number of PHAs and management entities will be needed if the implementation of the agreement is to result in improvement in the public housing program in Puerto Rico.

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Chapter 9

*Department of Public and Assisted Housing
(Washington, D.C.):
Valley Green and Greenleaf Gardens Developments*

EXECUTIVE SUMMARY	9-1
MANAGEMENT ASSESSMENT	9-3
I. THE DEPARTMENT OF PUBLIC AND ASSISTED HOUSING	9-3
A. Resident Population	9-4
B. Resident Initiatives and Services	9-4
C. Security	9-5
D. Property Management	9-6
E. Maintenance	9-7
F. Administrative Systems	9-8
II. GREENLEAF GARDENS	9-9
A. Level of Distress	9-9
B. Operation Rebound	9-10
C. "After" Operation Rebound	9-10
III. VALLEY GREEN	9-11
A. Level of Distress	9-11
B. Comprehensive Modernization	9-12
IV. STEPS TAKEN TO ADDRESS CONDITIONS	9-13
A. Re-alignment	9-13
B. Comprehensive Plan	9-14
C. Move Towards Quasi-independent Agency	9-14
V. SUMMARY OBSERVATIONS	9-15
SELECTED BIBLIOGRAPHY	9-18

Department of Public and Assisted Housing:
**Valley Green and Greenleaf
Gardens Developments**

EXECUTIVE SUMMARY

The Department of Public Assisted Housing (DPAH) manages nearly 12,000 units in 60 developments and over 300 scattered sites in the District of Columbia. Separated from the District's Department of Housing and Community Development in 1989, DPAH is still an agency of local government, tied to the District's financial management and information systems, and subject to personnel and procurement procedures of the District. While this adds some complexity to DPAH's administrative procedures, DPAH enjoys substantial financial support from the District.

DPAH and its predecessor have suffered over the years from rapid turnover of senior management and have been under a Memorandum of Agreement with HUD since 1979. Until recently, the agency had been operating with centralized maintenance operations that were largely uncoordinated with property management and capital planning. Under the new administration, DPAH is moving toward a decentralized property management system. It has created site-based teams of property management and maintenance staff. A comprehensive plan has been developed to coordinate physical and management improvements at developments, and DPAH intends to pursue MROP funds for distressed sites. Two examples of coordinated management and physical improvements are described in this report.

Operation Rebound is a program which focuses resources on taking control of an entire building, removing lease-violating and unauthorized tenants, introducing proper management, and maintaining a safe environment. Greenleaf Garden, an example of a site which has benefited from Operation Rebound, is a 112-unit, 5-story building built in 1959 that experienced significant physical decline after years of management neglect, staff turnover, limited maintenance, and no comprehensive modernization. As a result of the management actions and related physical improvements associated with Operation Rebound, dramatic changes have occurred. Operation Rebound activities evicted unauthorized tenants, provided a cosmetic facelift to the property, and installed security measures to the site. Combined with the decentralized management system improvements, Operation Rebound has helped to minimize security concerns, increase rent collections, and reduce unit turnover.

Valley Green, built in 1961, is similar in many respects to Greenleaf Gardens but in a different location. It has endured physical neglect that contributed to management and property control problems. High vacancy rates and accessible buildings made the development susceptible to crime. Physical problems included poor site drainage and a large number of large-family units.

Over the last several years, \$17 million in CIAP funding has been allocated to modernize the development, reduce the number of large-family units, construct community facilities, increase site security, and make management improvements. DPAH provided a staff person to work with residents to plan the rehabilitation and promote economic opportunities for residents. DPAH agreed to serve as general contractor in order to ensure resident jobs. The incorporated resident council negotiated an apprenticeship program with local unions for the modernization work. Residents are participating in pre-construction work, site preparation, and general maintenance. Valley Green residents have also initiated a

closer working relationship with the Police Department, and are planning to conduct new resident orientation and coordinate education and other services.

These two cases demonstrate the interdependence of physical and management improvements. While modernization funds are an important component of revitalizing distressed developments, management improvements are also essential. At Greenleaf Gardens, the concentrated management efforts of Operation Rebound were critical to the turnaround; at Valley Green, the involvement of residents in the physical improvements within DPAH which tends to increase the coordination of management and maintenance services at the development level.

MANAGEMENT ASSESSMENT

I. THE DEPARTMENT OF PUBLIC AND ASSISTED HOUSING

The Department of Public and Assisted Housing (DPAH) is a relatively new branch of the District of Columbia's government. DPAH was separated from the District's Department of Housing and Community Development in 1988, and since then has administered the District's conventional public housing program, Section 8 Leased Housing program, and the Tenant Assistance Program (TAP), a District-assisted leased housing program.

As an agency of the District's government, DPAH experiences both advantages and disadvantages in operating its programs. The agency is still tied to many of the District's management systems, namely its financial management, procurement, and personnel systems. None of these systems are suited to public housing management in terms of their reporting capabilities, ability to act quickly, compatibility with federal public housing regulations, and suitability to particular public housing management activities. However, the Department does enjoy a great deal of financial support from the District, which supplements HUD funding.

While the Department is not directed by the traditional Board of Commissioners, DPAH must obtain approval for all major policies and actions from the Mayor's Office, from the District of Columbia City Council, and from the D.C. Department of Public and Assisted Housing Resident Advisory Board (DPAHRAB).

Resident participation in management decisions is central to the philosophy of DPAH's leadership. Fifteen appointed members and an elected member from each development sit on DPAH's Resident Advisory Board. The Advisory Board holds monthly meetings to which the Director is invited to discuss problems and other concerns emanating both from residents and the Department that cannot be readily solved at the community level. Members of the Resident Advisory Board have formed committees to address specific issues of property management. Residents have also formed committees on maintenance, education, employment, grievance issues, and by-laws issues. The Advisory Board has received Technical Assistance Grants (TAG) to train resident managers at fifteen properties.

In the past, DPAH has been hampered by unstable management. The Department has had five directors in as many years. The agency has been on HUD's list of "troubled" PHAs for several years. Under the current Director, DPAH has reassessed its needs and objectives and begun to develop long-term goals for turning the agency around.

One fundamental change has been the decentralization of the agency's delivery of services. The restructuring establishes a closer relationship between the property managers and maintenance staff, who in the past functioned independently and lacked clear lines of communication. Under the new system, property managers will coordinate all activities at developments. Rent payment processing and re-examinations are still done at DPAH's central office, but eventually these functions will likely be moved out to the sites.

A. Resident Population

1991 HUD Multifamily Tenant Characteristics System (MTCS) data, available for the District of Columbia and nearly three quarters of a million public housing households nationwide, suggest that:

- DPAH family households are, on average, slightly larger than the national public housing family household (3.25 vs. 3.11 persons per household);
- DPAH family households are not as poor as the national public housing family household; only 68 percent of DPAH's non-elderly households are below poverty level compared to 82 percent nationwide; and
- DPAH's elderly households are poorer than the national average: 60 percent of DPAH's elderly households are below poverty level compared to 52 percent of all public housing elderly households.

A comparison of the waiting list for existing units shows that the distribution of demand is skewed toward smaller units than is currently available. For example, two-bedroom units make up 29 percent of DPAH's stock, while applicants waiting for two-bedroom units make up 40 percent of the waiting list.

B. Resident Initiatives and Services

Until June, 1992, the Resident Services Office of DPAH provided organizational support to the resident councils at DPAH's developments. It applied for grant funding through HUD's Drug Elimination Program. The Office of Resident Services served to coordinate special programs for residents, acted as a liaison to resident organizations and contracted with private organizations to provide social services. Under the Office of Resident Services, organizers were responsible for assisting resident councils to formally organize, which included advice on holding fair elections, writing by-laws, articles of incorporation, and obtaining 501(c)(3) status (as a non-profit organization).

Under the DPAH's recent re-alignment, the Department of Resident Services was terminated. Its responsibilities will be carried out by Resident Initiatives Coordinators (RICs) who will operate out of the Office of Communication and Resource Development. The Department plans to hire one RIC for each region and one coordinating RIC.

DPAH has stated that the agency wishes to shift the emphasis of resident services to economic development and self-sufficiency. The Executive Director has stressed the importance of hiring residents and contracting out development-level jobs to resident-run businesses. Valley Green has a successful resident-operated business that conducts vacant unit turn-over and light renovation work.

Resident councils are encouraged to monitor all aspects of living conditions at their developments. Social services providers are required to work through these resident councils when proposing or operating an on-site program. Some resident councils monitor program activities of social services providers by holding monthly Accountability Meetings where progress reports are made; other resident councils simply monitor providers' activities informally through resident council meetings. Some resident councils have even established subcommittees to address specific issues at their development, such as a Maintenance Committee, an Education Committee, an Employment Committee, a Grievance Committee, and a By-Laws Committee. The Resident Councils

are intended to be the focus for site-specific planning; for example, all modernization planning must be considered and approved by the resident councils.

The number and types of social services provided on-site has increased dramatically in the past few years. Prior to 1988, on-site services consisted mostly of day care facilities and city agencies such as the Recreation Department, the Department of Aging (elderly developments), and the Department of Public Health. Many more non-profits offering services for pregnant teens, youth activities programs, substance abuse counseling, and computer training are now located at DPAH's developments. Service providers are being offered free program space on-site, but they are then responsible for recruiting participants.

The Office of Resident Services has also coordinated with the Office of Emergency Support and Shelter Systems of the District Department of Human Services to start a Family Review Committee (FRC). FRC includes representatives from six other city agencies and three non-profits. This Committee was initially designed for the Greenleaf development, but will be replicated at other developments. The FRC initiative was designed to identify "at-risk" families and offer them assistance through case management.

DPAH is also working with the District's Human Services Department (DHS) to coordinate the disposition of "at-risk" families in public or assisted housing. DPAH has identified those residents whose behavior violates their lease agreements. If these residents are receiving public assistance, DHS is planning to put their households on mandatory vendor payment so that DPAH automatically receives a rent payment.

DPAH hopes to avoid evicting families, and instead wants to help them maintain their tenancy. The initiative includes a rent credit program for families having trouble paying rent. DPAH recognizes that its resident population will be more stable, and that families will benefit from this stability, if families are not evicted and subjected to the possibility of having to go to a shelter or other housing unfit for children.

The Resident Advisory Board has received a Technical Assistance Grant (TAG) of \$100,000 to do training at 15 properties for resident management. At the distressed development featured in this site examination, Valley Green, the residents' council also received a TAG grant for \$40,000.

C. Security

As in many other large urban centers, crime and drug trafficking pose a major security threat to the safety of public housing residents. The District of Columbia, as documented in its Drug Elimination Grant proposal to HUD, has not escaped this threat:

In 1988, there were 369 homicides in the District of Columbia, which is double the rate during the late 1970s and mid 1980s. In 1989, there were 434 homicides of which 52 percent were drug-related. In 1990, there were 484 homicides of which 42 percent were drug-related. Although drug-related incidences decreased, the pattern of escalating crime continues for the District. In addition to homicides, "Part I" crimes also include robbery, aggravated assault, burglary, larceny theft, and auto theft. The Metropolitan Police Department for 1988 and 1989 indicates that Part I crimes were rising city-wide (11,913 in 1988; 12,935 in 1989). However, in 1990 there was a decrease to 11,595. While the number has decreased from 1989 to 1990, most of these offenses are attributable to drug-related motives according to the MPD.

For a telephone survey of a representative sample of households in the District conducted by the District of Columbia's Office of Criminal Justice Plans and Analysis, respondents were asked if they knew someone who regularly used illicit drugs. Over one-third answered "yes."

The Department has received funds for resident and protective services through HUD's Public Housing Drug Elimination Program (PHDEP), including \$1.7 million in 1992 for the Department's Community Efforts Against Drugs (CEAD) program. The Office of Communication and Resource Development (ORS) also put together a Multi-Agency Prevention Program (MAPP) application, for which it received \$1.1 million in PHDEP funding in 1991. The MAPP is based on a "concentric rings" model, in which 10 developments are initially targeted for assistance, and the program experience will then be transferred outside that concentrated area to other developments. There are four MAPP components: Grant Coordination and Management Initiatives, Resident Council Patrols, Community Empowerment Policing, and Drug Elimination Program for High-Risk Youth.

Property managers are also trying to address security concerns by organizing resident Security Councils to help the security guards, and helping the President of resident councils organize floor monitors.

D. Property Management

DPAH's properties have been re-aligned into ten management districts. The re-alignment, when fully enacted, is designed to enhance the agency's ability to manage its properties by decentralizing housing management and maintenance functions and holding field level staff more accountable. In the past, there has been a marked distinction between DPAH's central operations, which staff refer to as "downtown," and site-based staff who are "in the field." The two divisions often accuse each other of not comprehending and appreciating their respective needs. The Department anticipates that devolution of responsibility from a centralized property management structure to site-based management teams will improve the coordination of service delivery at the development level.

The Department plans to implement decentralization in phases. Initially, the biggest change will be the chain of command. A site-based team of staff will have a property management staff component and a maintenance staff component. Property management staff will consist of a property manager, an assistant housing manager, and a rent clerk. Each maintenance team will consist of a lead mechanic (who will report to the property manager), regular mechanics, laborers, and maintenance clerks. Rent collection most likely will be transferred to the property management staff at a later date.

Property Managers report that the biggest problems creating distress in family developments are inferior building materials, insufficient applicant screening and vandalism. Property Managers also feel as though their level is understaffed. One suggestion was for DPAH to create the position of resident manager, which would save the property managers time and work during "off hours" when they have to respond to emergencies. Property managers also work closely with the resident councils.

Property managers report that the Department has a particular problem with families paying rent because of the City Council's priority of reducing homelessness. DPAH must give priority to homeless families regardless of their tenant history, so that families who are behind on their rent simply do not pay and get evicted. They go to a shelter for one month and then reapply to DPAH, creating a cycle of assistance. The District

provides furniture to homeless families and will also provide emergency assistance rent payments to families at risk of eviction. A family can actually maintain a tenancy at DPAH by paying rent once a year; they simply let their account get into arrears and then receive emergency assistance from the City Department of Human Services.

E. Maintenance

The Department is in the process of developing a management system that will move most of the maintenance services to the site level and give the property managers responsibility for the maintenance of the site. Under the current centralized maintenance system, property managers have very little or no control over the delivery of maintenance services. The current system divides the work between staff at the property, district, and central maintenance levels. A substantial amount of property-level work is handled by outside contractors, including the District's Department of Public Works, for solid waste removal, heating plant and mechanical systems maintenance, and catch basin cleaning. Central maintenance is responsible for all major work, including the maintenance of electrical, plumbing, heating, and related systems. This leaves the property management staff responsible primarily for janitorial activities, although some district-level staff perform more substantial functions.

The Department will devote much of its energies in the near future to rehabilitating vacancies. One-third of the Department's developments have a vacancy rate of fifteen percent or greater. As part of the agency's Comprehensive Plan (see Section III), the Department will be focusing on better coordination between Property Management and Maintenance Operations regarding the vacancy turn-over process. Vacancies will be categorized according to the level of repairs needed. Units with minor and moderate repair needs will be taken care of by DPAH maintenance teams of eleven maintenance laborers working together in assigned districts, while units that require major repairs will be contracted out.

The Department has reorganized its maintenance staff and plans to increase staff levels to ensure more timely response to maintenance calls at developments. In contrast to prior practice, maintenance functions have been split up and assigned to different administrations, so that emergencies are properly understood and addressed, planned maintenance is assigned a significant amount of maintenance staff time, and routine maintenance calls are addressed promptly. For example, routine maintenance functions and calls from residents are now handled by site-based teams of maintenance staff, reporting to the site-based property manager. Vacancies will be addressed by contractors and on-site maintenance crews, and emergencies and after-hours calls will be handled by the Housing Support Administration.

Maintenance staff levels at DPAH are planned to operate at one staff per 60 units. HUD guidelines recommend that PHAs staff their maintenance departments according to a 1:40 ratio. Family sites should be operating with a maintenance staff to unit ratio of less than 1:40. At severely distressed sites where vacancy reduction is critical, the ratio needs to be even lower, perhaps 22 to 27 units per maintenance person. Once the site is rehabilitated or modernized, it could be run with a ratio closer to 1:30.

In order to arrest further growth in vacancies or work order backlog, the Department is planning a "stabilization" program to address units with identified HQS deficiencies and a planned maintenance program. The Uniform Planned Maintenance Inspection Program includes annual unit inspections (HQS), building and grounds inspections, and service systems inspections. The Department will establish teams of maintenance laborers initially to complete work orders from HQS inspections, and then expand teams to planned maintenance inspections of buildings and grounds and service systems.

Job order contracting will also be used to address the backlog of repair items. This system involves establishing unit cost prices for the most common construction items and developing specifications for all the work items. Contractors then bid on performing the various types of work items, using a multiplier factor depending on the number of units involved. As work is needed at the agency, a PHA can send the contractor a job order, whose cost is determined by the unit prices multiplied by the multiplier.

Finally, the Department plans to simplify its maintenance operations by contracting out maintenance of its service systems, such as boiler repairs, pest control, elevator maintenance, plastering, locks, and some vacancy work. However, the agency will need a simple contracting method to be able to utilize multiple firms. Low bid contracting is not feasible because the lowest priced firm will probably not be able to do all the work needed in a timely manner. The most efficient process would be to have a mechanism by which to negotiate contracts with contractors based on fair local unit prices. This could be established by professional cost estimators in conjunction with a representative of local contractor councils and unions. Once prices were established, all contractors could be paid the same price. This process could effectively be accomplished every two to three years. (Such a contracting mechanism has been developed in Region IV of HUD in the Atlanta Housing Authority in a cooperative effort with the AHA, HUD and the Department of Labor.)

F. Administrative Systems

Much of the Department's struggle to improve living conditions at its developments is related to weak internal systems. Also, because of its status as a District of Columbia department, the agency is required to operate on the District's Financial Management System (FMS), its procurement regulations, and its civil service personnel system. The Department has also suffered over the years from rapid turn-over at the senior management level, making it difficult to implement changes.

The current systems that tie DPAH to the District are the District's Financial Management System (FMS), the D.C. Procurement Act of 1985, and the Comprehensive Merit Personnel Act. In order to maintain its records on the FMS system and keep the records to manage public housing, the Department must set up some of its own systems and duplicate the data entry effort. The Department also lacks a comprehensive data processing system, so that many departments which ordinarily share information must run parallel systems (requiring data entry twice) and staff do not have access to timely and accurate data required for monitoring conditions at developments.

The D.C. procurement regulations often conflict with HUD regulations, and purchasing actions can be delayed while reconciling the two sets of requirements. Personnel regulations are administered by the District of Columbia Office of Personnel, which monitors the Department's paperwork processing and therefore increases the time needed for hiring and disciplinary actions. D.C.'s personnel law also highly codifies grade levels, making it difficult to structure position responsibilities, chains of command, and progressive career tracks appropriate to housing management functions.

The Department's systems for vacancy turn-around, work order backlog and maintenance tracking, tenant accounts receivable, and modernization program management have hampered its ability to systematically address conditions of distress at its developments. Prior to 1992, maintenance operations were centralized and operated independently of the Housing Management Administration. There was very little coordination between the two branches, and maintenance staff were not easily held accountable for their work. No comprehensive work order tracking system exists, so that work orders have to be entered manually at the sites and then re-entered into a central computer system.

The Department is systematically working to reduce its tenant accounts receivable by addressing the highest unpaid balances first and coordinating actions for evictions between the Housing Management Administration and the legal department. DPAH has also made a strong effort in the past year to reconcile and maintain tenant accounts so that it can better track these accounts.

Finally, capital improvements planning at the Department generally lacks central coordination among modernization staff, housing management, and maintenance. The historical practice of addressing developments' needs in an isolated manner has prevented the Department from conducting agency-wide planning and assigning priorities to capital improvements.

Because of these weaknesses, the Department has executed a Memorandum of Agreement (MOA) with the U.S. Department of Housing and Urban Development.

II. GREENLEAF GARDENS

The Greenleaf Gardens development is an example of an improved development which was chosen as a site for Operation Rebound. The building at 203 N. Street, S.W. houses families while its high-rise neighbor houses elderly residents. Only the family housing building was addressed under Operation Rebound. Under Operation Rebound DPAH targets resources in a concentrated manner to take control of the entire building and maintain it as a secure and clean living environment. Operation Rebound activities include evicting unauthorized tenants, inspecting units, recertifying all residents, repairing and painting in hallways and units, and installing a security fence around the property.

A. Level of Distress

The Greenleaf Gardens family development is located at 203 N Street, S.W., in a neighborhood that contains a broad range of housing types. In addition to three other public housing developments within a few blocks, private market apartments are located across the street, and high income condominium and townhouse complexes are located nearby. The area also contains commercial activity such as banks, shops, and other amenities, and is fairly accessible to Interstates 295 and 395.

Greenleaf Gardens had sustained a history of neglect. No comprehensive modernization was conducted on the building after 1980, and no building systems work has been done since 1985. Comprehensive Improvement Assistance Program (CIAP) funding had been earmarked for the building in some CIAP phases, but that funding never reached the Greenleaf development as it ended up being reprogrammed for more urgent priorities. Before Operation Rebound, trash was left piled up in hallways, floors were black with layers of grime, lighting was very poor, and graffiti covered the hallway and stairwell walls.

Greenleaf Gardens (including Greenleaf Addition and Extension) was one of eight developments targeted for attention in the Department's 1991 application for Public Housing Drug Elimination funding. This application indicated that Greenleaf's crime rates were among the lowest of the eight targeted developments, but gang activity was sufficiently strong to prompt the Department's action.

Prior to Operation Rebound, youths brandishing firearms were a common sight and gang members used the building as a hang-out. DPAH's unarmed security guards could not

match the force of the few who threatened property management and maintenance staff and anyone else who disturbed them. In addition, the development was without an experienced property manager for some time. Frequent staff turn-over was a chronic problem.

B. Operation Rebound

With the help of funding from the District of Columbia and the support of the Mayor's office, the Department spent over \$1 million on restoring the property. These funds were spent on general maintenance repairs and clean up as well as some kitchen work, including cabinet work and garbage disposals. Funding was cobbled together from various sources, including the Government of the District of Columbia and CIAP awards.

Started in 1991 at Greenleaf Gardens, Operation Rebound is an initiative to improve the management of public housing developments. Like the "sweeps" in Chicago, the goal of the program is to regain control of and to introduce proper management to the public housing community. Operation Rebound consists of two phases. The first phase consists of checking all units and leases for authorized residents, performing resident recertification, registering vehicles, issuing DPAH resident identification cards, and performing repair work such as basic grounds maintenance, cleaning the building, plastering, and painting. Phase Two, where required, will consist of landscaping and major systems repair or replacement.

The Department encountered substantial opposition from unauthorized tenants and gangs, and had to take control of the building forcefully. Residents and Department employees joined forces to clean up the site.

A comprehensive security system was installed, the fundamental element of which is a completely enclosing wrought iron fence. Photo-identification cards have been issued for all authorized residents and vehicle registration procedures have been implemented. Licensed security guards are posted 24 hours a day who monitor security cameras in the reception area office. An electric gate for vehicles and pedestrians is operated by identification cards.

The staff feel the most important element of Operation Rebound was removing lease-violating or unauthorized tenants from the property. The Department evicted residents for non-payment of rent as well as for criminal offenses based on police reports. On the day Operation Rebound began, Department staff and police checked leases of every unit in the building for unauthorized tenants, performed resident recertifications, verified vehicle registrations, and issued DPAH resident identification cards.

After testing the program at Greenleaf Gardens, a city-wide Rebound Committee was formed in order to prioritize the top ten developments that should be treated under Operation Rebound. The Committee, which is made up of Advisory Board representatives, used fact sheets to rate issues such as crime, previous modernization, availability of modernization money, vacancies and HQS compliance to come up with their list of Rebound developments.

C. "After" Operation Rebound

Conditions have "improved 100 percent compared to what it was," according to property management staff working at Greenleaf Gardens.

Security concerns have been greatly reduced by the security system to monitor access to the building. The Department has also developed a set of security procedures specifically for Greenleaf Gardens for residents and visitors entering the building.

On-site services are now being provided at the development. Drug Elimination funds have been used to retain the University of the District of Columbia to run a Cooperative Extension Services program on-site. This program offers training in parenting, home repairs, financial management skills, and nutrition planning to residents and other community members. The District's Department of Recreation operates youth programs on-site, and the Metropolitan Boys and Girls Club runs aerobics and basketball team programs at a school across the street from the development. The building contains a recreation room that is in constant use by resident youth.

The building's staff complement consists of one property manager, one rent clerk, two maintenance mechanics and two laborers. The Department is maintaining a ratio of one property management staff per 100 units and approximately one maintenance mechanic per 60 units. The property manager estimates that the building's turn-over rate is approximately one per month, and the rent collection rate is approximately 83 percent.

Property managers report that the goals for their division are increasing the percentage of rent collections, keeping units occupied, doing housekeeping inspections, and completing recertifications.

III. VALLEY GREEN

Valley Green consists of 12 brick three-story garden-style buildings with 312 units. The development was acquired from a private owner by the Department. These buildings had received no comprehensive modernization work since their construction in 1961, except for "break-throughs" to create units with more bedrooms and "cosmetic rehabilitation only," in the words of the resident council president.

The Valley Green development is similar to Greenleaf Gardens in its physical history and neighborhood make-up, except for its location across the Anacostia River in the southwest section of the District of Columbia. The development is surrounded by schools, including three elementary and one junior high school, and two hospitals. It is accessible to public transportation service via bus routes and the newly opened Green Line subway stop. Housing in the neighborhood includes another public housing development, Highland (which is ranked second on the Public Housing Advisory Board's list of top ten developments to be addressed under Operation Rebound) and Section 8-assisted developments on either side of Valley Green.

A. Level of Distress

Physical neglect at Valley Green led to severe management and property control problems. The development suffered from a high rate of rejection by prospective applicants, who were concerned about the lack of security in the area. High vacancy rates and neglect of the building and grounds' condition made the buildings easily accessible. The buildings' many entrances and exits made them easy escape routes and hiding places. Residents reported that the crime rate was very high, and included offenses such as murder, property vandalism and drug trafficking. In 1991, DPAH staff report that Valley Green was one of the top three "problem" developments based on the crime rate; for a period of a few months, the average murder rate was one per week. Crimes were committed on the property by residents as well as many "outsiders," although no specific gang presence involved. The grounds were used to dump stolen and stripped cars.

Physical problems at Valley Green included very poor drainage on the site, so that the basement units often had water and sewage back-up during periods of heavy rain. Units were constructed in 1961. Contemporary space and design standards have long surpassed those originally used. In 1991, 662 work orders were generated by residents from 115 units for an average of 5.8 work orders per occupied unit. Maintenance workers have also had difficulty trying to repair the water system, which has been vandalized in the vacant units. As with Greenleaf Gardens, no comprehensive modernization funding had been devoted to the site since 1980, and the \$2.5 million prior to 1980 was only to renovate a handful of vacant units.

B. Comprehensive Modernization

Rehabilitating Valley Green became a priority after the new Executive Director decided to live in public housing in order to understand it from residents' point of view and demonstrate a commitment to them. The Executive Director lived at a unit in Valley Green for one month and realized just how bad conditions were (a crack house was set up across the courtyard from the Director's unit). He supported the residents when they approached him with a request for assistance. He provided a full-time staff person to work with residents in developing their plans for rehabilitation, and DPAH also provided technical assistance in helping the resident council become incorporated as a non-profit organization. While living at the development, the Executive Director would work with the residents at night reviewing their plans.

As part of the residents' plans for redeveloping Valley Green, they negotiated a special agreement with the local unions for apprenticeship training. The resident council increased the standard ratio of journeyman workers to apprentices from one trainee per four carpenters to two trainees per four carpenters; trainees may be residents or other members of the community. Not only did unions agree to hire residents and other community members as apprentices, they agreed to admit these trained residents as union members at the conclusion of the job. To negotiate this arrangement, the residents' council received assistance from a labor relations attorney from the Mayor's Office. The Department also consulted the District's Department of Employment Security to review the union agreement.

The Department allocated \$17 million in Comprehensive Improvement Assistance Program (CIAP) funding, including funds for management improvements, for fiscal years 1989 and 1991. The cost estimate for rehabilitating Valley Green units is almost \$19 million or \$60,728 per unit, which is 76.8 percent of HUD's Total Development Cost guidelines.

Modernization work will be conducted in phases to accommodate residents in the 30 percent of the units that are occupied and will include:

- gutting the buildings down to the studs;
 - upgrading building mechanical systems;
 - reducing the number of 5 and 6 bedroom units from 75 to 5;
 - constructing a community building on the site to house a community facility and a health care facility;
 - site and landscaping improvements; and
 - installing a security fence.
-

Valley Green residents are participating in the rehabilitation process through the non-profit organization they incorporated. The resident council that spawned the non-profit is now three years old. The non-profit itself currently has 33 staff, including a CPA and a lawyer. The resident non-profit has executed an \$800,000 contract with the Department for pre-construction work on the site, including removal of debris, grounds preparation, general maintenance, and an apprenticeship program for training residents in maintenance skills. To ensure that residents and other community members will be hired for a significant portion of the rehabilitation work, DPAH is acting as the general contractor.

A \$40,000 Technical Assistance Grant (TAG) was awarded to the resident council in 1992. This funding will be used for management training, leadership building and maintenance training. The council plans to recruit up to 20 residents, allow them to choose an area in which to specialize, and train them to perform housing management functions for developing a resident management corporation.

To address security concerns, residents have established a relationship with the D.C. Police Department and initiated a Reclaiming Our Streets program in conjunction with DPAH, the Police Department and other district agencies and community groups. Steps taken by this group include improving exterior and interior lighting, replacing and repairing doors and locks, and securing basement areas. Together, residents and the Seventh District police held a community meeting and two workshops on security and crime prevention. Neighborhood foot patrols and a round-the-clock schedule were established for police patrols.

Management of the rehabilitated Valley Green will concentrate on ensuring that new residents' needs are fully addressed. According to the resident council president, "new-comers" will be trained by existing residents. The resident council plans to conduct resident screening and to require that all residents, both new and returning or original households, participate in classes provided by the University of the District of Columbia's Cooperative Extension. There is also an Empowerment Center on-site, a program run by the Mayor of the District of Columbia's office which serves to access government and community information and resources to residents. This program provides social services referral, and has also provided some guidance to the resident council in preparing to assume management responsibilities and participate in the development's rehabilitation. A local non-profit called Jesus House also operates on the site, providing a day care center (which has been closed temporarily due to the renovation), Bible classes and education services.

IV. STEPS TAKEN TO ADDRESS CONDITIONS

Under the current executive director, the Department is undertaking several initiatives to strengthen its internal systems and improve its ability to deliver on-site property management services.

A. Re-alignment

Until 1989, public housing management in the District of Columbia was performed by administrations within the Department of Housing and Community Development (DHCD). In 1989, those administrations that contained purely public housing management functions were separated from DHCD and amalgamated into one agency, the Department of Public and Assisted Housing. The re-alignment initiated this year separates day-to-day activities and centralized functions, and defines each division's activities to concentrate on basic functions while contracting out more specialized work to professional firms. The re-alignment also decentralized property management and

maintenance functions, setting up middle and field level staff to be more accountable for management decisions and the use and allocation of resources.

The Department plans to implement this re-alignment in phases. Initially, a site-based team of staff will be composed of a property management component and a maintenance staff component. Property management staff will consist of a property manager, an assistant housing manager, and a rent clerk. The maintenance team will be led by a lead mechanic (who will report to the property manager), regular mechanics, laborers, and maintenance clerks. The rent collection and re-examination functions will still be processed centrally, but these functions will also be transferred to the property management staff eventually.

B. Comprehensive Plan

As its guide for improving agency-wide operations and conditions at severely distressed developments, the Department will be using its Comprehensive Plan developed in July, 1992. The Comprehensive Plan contains improvements to be made in all aspects of the agency's management and physical operations. Staff training is planned to support the changes and added responsibilities under a decentralized system

As discussed earlier, changes will be made in the Department's maintenance operations. The Department is adopting a much more structured, team approach to turning over vacant units according to their level of repair need. Staffing patterns will be based on functional need, i.e. vacant unit teams, work order backlog teams, emergency response staff, and site-based maintenance staff. The Department is developing a standardized inventory of maintenance and building systems parts in order to avoid stocking unnecessary additional volumes of parts and unsafe adaptations of parts to incompatible systems.

With the Department's adoption of a decentralized property management system, the agency will require systems for supporting and evaluating site-based property management staff. The Comprehensive Plan includes provisions for developing performance standards for site-based staff, and written agency-wide operating procedures regarding rent collection, evictions, inspections, grievances, and maintenance. DPAH's Low Rent Administration has developed a pilot proposal that would enable residents who are delinquent in rent to work off a portion of their debt by performing light maintenance and cleaning on the property. This proposal would accomplish the dual goals of improving maintenance on the properties and collecting unpaid rent in the form of low-cost labor. For residents who have no financial ability to pay off large debts, it provides an alternative to eviction. If the proposal succeeds in reducing the number of cases that are referred to Corporation Counsel for legal action, it will reduce the legal costs as well.

As part of the continuing work of planning long-term viability of developments, several properties will receive special redesign assessments. Such efforts will consider a range of alternatives for use and configuration of the property. In the case of those judged to be flawed (in terms of condition, design or both), this effort may lead to the implementation of special site stabilization strategies. Part of the Department's physical improvement strategy involves applying for funds from HUD's Major Reconstruction of Obsolete Properties (MROP) program. These efforts will be similar to the rehabilitation that is taking place at the Valley Green development.

C. Move Towards Quasi-Independent Agency

As discussed earlier, improvements are also scheduled in the Comprehensive Plan that will help the Department develop internal strengths and the ability to function more independently of the Government of the District of Columbia. The Department will be conducting a feasibility study on alternative organizational structures that would

provide greater flexibility in operating public housing. The primary option is a quasi-independent agency structure, under which it would remain a unit of the Government of the District of Columbia but maintain independent financial and other management systems.

V. SUMMARY AND OBSERVATIONS

Severely distressed public housing in the District of Columbia has a very similar profile to such housing elsewhere: high vacancy levels, high crime rates at developments, and a need for a greater on-site staff presence. DPAH's approach to addressing severely distressed public housing involves two complementary efforts: strengthening internal systems in order to provide better services, and delivering services on a site-specific basis to address conditions at individual developments.

The short-term, high-powered approach of Operation Rebound had an immediate impact on Greenleaf Gardens because of the building's structure and location in an active neighborhood. The Greenleaf Gardens development was easily contained within a security fence, and with one building, securing all entrances and identifying authorized residents was relatively straightforward.

Valley Green, with its several buildings and multiple entrances and exits, is not so easily defensible by residents and security patrols. In this case, a comprehensive site re-design is needed to meet residents' needs. While securing the buildings under Operation Rebound might solve the immediate problem of crime, Valley Green could still sustain high vacancy rates because of a lack of large families on the waiting list and lack of economic opportunities in the neighborhood.

The Department is also emphasizing resident involvement in any plans for treatment of severely distressed public housing, and has focused on economic development as the underpinning for sustaining any improvements in such developments. A crucial element of service delivery in the decentralized format is communication between the property management and maintenance operations staff regarding units becoming vacant, scheduling of maintenance and modernization work, and assuring quality control by property managers and residents. Other observations are listed below for further information.

- At the Valley Green development, two-thirds of the development will sit empty while modernization is being conducted. This phased approach to modernization is costly, as even when a building is vacant it must be monitored and heating systems must occasionally be operated to heat the occupied section of the building. Modernization should be provided to PHAs by project, on a multi-year obligation basis, rather than annually. Leaving a majority of units lying vacant for protracted periods of time, an approach that PHAs are forced into by the current funding system, is not conducive to good management practice for several reasons. PHAs lose rental income, a high vacancy rate is detrimental to the health of the development as well as the morale and attitude of residents and surrounding neighbors, and the units are much more susceptible to vandalism and unauthorized use. Modernization funding levels should be adequate for full rehabilitation in a finite period, as opposed to a phased approach over an indefinite funding horizon.
 - Residents are evicted because of non-payment of rent, but find it easy to be re-admitted as tenants by going to a shelter and re-applying as a homeless family. PHAs need to conduct extremely thorough resident screening and employ as many
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tools as possible, including credit histories, tenant histories, and criminal record histories.

- The Valley Green development is located in an area with some commercial activity, but it is generally isolated from the main part of the District of Columbia. Part of a severely distressed development's revitalization process must involve assistance to residents in economic development planning, so that residents can benefit from the resources devoted to rehabilitating the buildings. Provisions should be made for space for residents to use for resident businesses or ventures such as a food co-operative.
 - At some DPAH developments, resident councils hold monthly Accountability Meetings monthly to receive activity reports from on-site social services providers. Requiring social services providers to meet directly with residents ensures that residents can voice their opinions on the quality and type of services they are getting, and involves them in the process of managing the operation of their development.
 - The DPAH staff have coordinated with the federal Department of Health and Human Services to establish a Family Review Committee consisting of DPAH property managers and social services provider staff. The Committee helps families find child care, sign up for food stamps, or find out about education programs. Such a coordinated effort between housing providers and social services providers has been advocated for several years, and is also supported by several HUD initiatives (Family Self-Sufficiency, Family Support Centers).
 - Property managers report that they are under-staffed and each is responsible for a large "case load" of buildings to manage. Severely distressed developments suffer most from low staff-to-unit ratios since households in these developments typically need more attention. Property managers suggested that their case load would be lightened considerably with the addition of resident managers, who would be on call during the evening hours and could screen calls for emergencies.
 - Valley Green contains 75 five-bedroom units which puts heavy stress on facilities due to the high number of children living in the buildings. Large families need to be accommodated, but not with such high concentrations on a single site. DPAH demographic data show that the demand for large bedroom units is decreasing. When redeveloping or rehabilitating a development, the breakdown of units by bedroom size should be analyzed for density and adjusted, if possible, by breaking through large units so that there is a better balance between unit sizes and applicant household sizes.
 - Historically, there has been a lack of involvement of residents in planning and decision-making. DPAH now works in concert with the Public Housing Resident Advisory Board to assess modernization needs and discuss management improvements. DPAH has implemented this principle by requiring discussion of all activities—including modernization planning, on-site resident services, and establishment of security patrols—to be approved by resident councils.
 - Staff levels at DPAH need to be higher than HUD (unit to staff ratio) guidelines dictate. HUD has set guidelines on the ratio of the number of units to maintenance staff that range from 40 to 1 to 60 to 1. At DPAH, the current maintenance staff level is 60 to 1. At severely distressed sites where vacancy reduction is an issue, the ratio needs to be even lower, perhaps 22 to 27 units per maintenance person. Once the site is modernized, it could return to higher staffing ratios.
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- Standardization of parts is a major issue. At Valley Green a maintenance worker indicated that they had numerous types of ranges and refrigerators for which parts were not available. There were many problems associated with this issue, such as wasting time looking for different parts and having to make a piece of equipment function with a part which was not designed for it. Steps need to be taken to promote the standardization of parts and equipment under procurement regulations.
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Chapter 10

Tampa Housing Authority:
Central Park Village

EXECUTIVE SUMMARY	10-1
MANAGEMENT ASSESSMENT	10-2
I. THE HOUSING AUTHORITY OF THE CITY OF TAMPA	10-2
A. Background	10-2
B. Field Operations	10-3
II. CENTRAL PARK VILLAGE AND ON-SITE MAINTENANCE OPERATIONS	10-3
III. STEPS TAKEN TO ADDRESS DEVELOPMENT CONDITIONS	10-4
A. Organizational and Staffing Changes	10-4
B. Performance Reporting At THA	10-4
C. Project-Based Accounting	10-6
D. Community Resident Partnerships and Programs	10-7
IV. SUMMARY OBSERVATIONS	10-8
A. Impact on Current Operations	10-8
B. Conclusions	10-8
SELECTED BIBLIOGRAPHY	10-10

Tampa Housing Authority:
Central Park Village

EXECUTIVE SUMMARY

The Housing Authority of the City of Tampa (THA) manages nearly 5,000 public housing units. It was designated as a "troubled" housing authority by HUD in 1986. During the last four to six years, THA has undertaken significant actions to improve its overall performance and has been removed from "troubled" status. Its recovery was achieved by a concentrated effort to decentralize and focus management operations, make the decentralized staff accountable for conditions at the development, and involve residents and the community in service programs and other initiatives.

Beginning in 1988, a new Executive Director reduced the size of central operations, placed the maintenance staff under the property manager, and implemented a performance monitoring system for property managers. This created an operating environment where managers were more accountable for conditions at the development.

In addition, the new Director refocused the extensive services funding of the Authority to core operations, and promoted community and resident partnerships to maintain key services. Two of the key programs have been the Youth Sports and Cultural Program, an anti-drug and esteem building program for the youth of public housing, and the Resident Enterprise Assistance Program, which has enabled residents to start their own businesses. These programs, and others run by THA and community groups, have involved residents and the community without draining the limited resources of the agency.

Central Park Village (CPV) is a 483 unit development that demonstrates the impacts of these operational improvements. The development was built in 1954, and by the 1980s it exhibited all the symptoms of a distressed project. With the combination of over \$3.6 million in modernization funds and the operational improvements described above, the development has dramatically improved and today would no longer be classified as a distressed development. Its vacancy rate is extremely low, unit turn-arounds are accomplished in a timely manner, and drug and crime related problems have diminished.

The THA approach serves as an example of the potential benefits of combined operational and physical improvements that improve distressed developments by correcting deficiencies, focusing staff on management operations and holding them accountable for conditions at the developments, and using limited resources to leverage resident and community involvement in service programs.

MANAGEMENT ASSESSMENT

I. THE HOUSING AUTHORITY OF THE CITY OF TAMPA

A. Background

The Housing Authority of the City of Tampa (THA) currently manages 4,836 public housing units with another 100 units leased under the Section 23 housing program. It also administers 2,192 Section 8 housing certificates and vouchers. In 1986, it was placed on the U.S. Department of Housing and Urban Development's (HUD) list of "troubled" Public Housing Agencies (PHAs).

The Authority's "troubled" status was based primarily on its financial condition, inadequate reserves, high tenant accounts receivable (TARs), surging vacancy rates at many developments and lack of proper quality and internal controls on information used to evaluate and administrate the program. Staff suggest that THA committed itself to a high level of social services intervention on limited resources without the ability to define and track its own performance. Besides social services, over-staffing in other areas was also a contributing factor as no systems existed to monitor specific performance or to trigger reallocation of resources to other priorities.

A number of areas were identified for inclusion in a Memorandum of Agreement (MOA) with HUD. These goals included full collection of the current rent roll, reduction of the level of TARs, inspection of all units and a requirement that they meet HUD's Housing Quality Standards (HQS), occupancy at 97 percent or better and turn-around of vacant units within thirty days. In addition, public safety issues were identified as a priority because several developments had developed negative community images as major centers of drug use.

These conditions which led to the THA's designation as "troubled" are viewed by staff and residents as a temporary condition that affected the entire operation of the Authority, not just one or several developments.

In the past six years, THA has taken active steps to improve its overall program administration, leading to the removal of the Authority from "troubled" status. The approach to the turn-around has been documented in the *Road to Recovery*, a 1991 manual that describes the changes that were implemented by the current administration. By addressing these concerns through a variety of techniques, several of which are discussed in the following sections, THA was able to recover its purpose, focus its resources in a directed and narrower manner, and tap into other resources on behalf of its residents that the PHA felt it could not receive directly.

The overall approach to this recovery was to identify specific functional areas in which performance did not meet HUD's or THA's minimum requirements. Twenty-eight different areas were determined to require actions by the Authority to reach an overall performance level acceptable to THA and HUD.

In 1988, when the current Executive Director started his tenure, a decision was made to look at the operations of THA "as a business rather than a social service agency". During the early 1980s, the Authority had a large in-house social services staff. However, the full service social services program suffered from the same lack of planning and poor management that plagued the entire agency, leading to a decline in the operating reserve. The THA returned to the core role of the provision of housing, and worked with the City

of Tampa, private businesses, and other groups to develop community-wide efforts to provide services and programs to residents. However, the primary source of funding for THA remains the major HUD programs, including the conventional low-rent operating subsidy, modernization funding, drug elimination program funding, and a pass-through from the City of Tampa of CDBG funds.

B. Field Operations

The field operations of the THA are organized around two regions, consistent with the decentralized structure of the Authority that was established in 1989. The larger properties, including CPV, have their own management offices and site-based maintenance staff. Other developments are grouped together under a property manager. Overall, operations has 132 permanent and 13 temporary employees covering all occupancy management, including resident selection, planning and development (including force account), property management, maintenance, Section 8, accounting, purchasing, as well as supervisory and clerical staff.

Each zone has a central maintenance crew led by a crew leader. This staff is mobile with a dedicated fleet of equipped vehicles and they handle maintenance at the smaller sites. There is a force account staff of 15, including the units supervisor, which handles special projects. This staff may be assigned to a substantial unit renovation, a special project in a community space or any project for which time and budget constraints make the in-house completion of the tasks more efficient. These special projects include the fabrication of wrought-iron fences and security enclosures which are being installed at several of the family developments as part of the modernization program. The decision to perform these duties in-house was based on cost comparisons and the anticipated volume of fencing required for all of THA's developments.

Almost all grounds and custodial work is performed by residents through entities (which are essentially small resident owned businesses) created through the Resident Enterprise Assistance Program (REAP). This would explain why when the staff to unit ratio of line maintenance staff (86) to the entire conventional housing program is computed it is only 1:57. In terms of maintenance staff permanently assigned to CPV, the ratio is 1:120. When REAP program participants who handle custodial and groundwork at CPV are factored in, the ratio is 1:48.

The reorganization reduced the number of central office staff. Of 187 budgeted positions, 132, or approximately 71 percent of the total staff, are development-based. The exact number of positions dropped is not known because many of the social service positions were off-budget, but the reduction of directorships from 13 to three suggests that senior level staff and their immediate support staffs received the brunt of the reductions. The use of resident contractors has allowed THA to reduce its field maintenance staff to a complement of mostly skilled trades people.

II. CENTRAL PARK VILLAGE AND ON-SITE MANAGEMENT OPERATIONS

Central Park Village (FL3-9), a family housing development, was selected to illustrate how these agency initiatives have benefited the residents. This development was built in 1954 of concrete block construction and consists of 483 units ranging in size from one to five bedrooms. While several other developments managed by THA are larger, the Central Park Village developments are combinations of structures that have as much as a twenty-six year variance in age of construction. This type of disparity affects an agency's ability to manage a property due to a need for a variety of maintenance skills and equipment.

By the mid 1980s, CPV demonstrated all the factors which strongly reflect the distress of THA, including high TARs, low occupancy, high crime rates and signs of physical distress. However, the site had not reached its potential worst conditions: the development retained a core of residents committed to the development, the low-rise physical design of the site presented manageable modernization needs, and much of the negative impression of the site was caused by landscaping and cosmetic repair needs.

The use of resident contractors who are participants in the REAP program is well illustrated at this site. The efforts of the community, in conjunction with the Tampa Police, to implement community policing techniques has also had a positive impact. Some of the funding from the Public Housing Drug Elimination Program (PHDEP) has been used for resident patrol training provided by the Tampa Police at the Police Academy. The second class of residents graduated in the winter of 1992.

III. STEPS TAKEN TO ADDRESS DEVELOPMENT CONDITIONS

A. Organizational and Staffing Changes

The current Executive Director was promoted in 1988 from his position as the Deputy Executive Director for Finance and Administration. He saw one of his major roles as developing hidden staff talents to implement the improvements. Success in meeting the improvement targets required as part of the MOA was partially based on the use of existing staff, who already knew the developments and dynamics of the organization. Another stated benefit of tapping hidden staff talents was establishing a core of senior staff with ties to the Tampa community who would remain once the Authority met the MOA goals and was removed from "troubled" status.

As part of the Executive Director's decision to use the expertise and experience within the existing staff, all 13 of the departmental Directors that were in place prior to the appointment of the Executive Director were removed. The senior staff was reduced to three Deputy Executive Directors for Operations, Administration and Finance, and Section 8 or Assisted Housing Program.

All three Deputy positions were filled by middle-level staff selected by the Executive Director. These senior staff were joined by staff who oversee REAP and YSCP. These last two positions are not considered executive staff, but the importance of their programs to the operations of THA give them senior status. It should be noted that all three "Deputies" are given a variety of special assignments that take them outside their normal routine departmental functions.

B. Performance Reporting at THA

One of the major issues of developing a management improvement strategy for THA was that the operating statistics were in error or poorly defined. For example, a physical count of vacancies revealed 714 units, a vacancy rate of 14 percent, as opposed to the approximately 200 units that were listed as vacant. The variance was the result of the ability of staff to designate units as off-line, which were not considered in vacant turn-around statistics. Off-line units were set aside for non-dwelling use, not habitable, or in pending modernization status. Once entered into the system as off-line, the unit became undetectable to the vacancy turn-over tracking system.

This problem with the vacant unit count was corrected by updating THA's management information system (MIS) so that removal of a resident from the system automatically added their unit to the vacant unit report. If the resident was not dropped from the rent

role although the unit was vacated, the property manager's TARs would increase because no rent would be collected, but the unit rent would show on the rent roll. Also, a policy of resident assignment to units based on a strict use of a first come, first served assignment pattern prevents unit conditions from being overlooked. This policy appears to be effective because units that require moderate or substantial rehabilitation can only be designated off-line by the Deputy Executive Director for Operations. In this way, staff are discouraged from not reporting vacant units and not addressing repair needs required to make a vacant unit available for occupancy, thus forcing accountability and responsibility on the property managers for the status of their properties.

The problems with the vacant unit count described above led the Executive Director to take several remedial steps. An internal auditor was added to the Office of the Executive Director, reporting enhancements were made to the MIS system and a performance rating system for property managers was added. The performance monitoring system does have some subjective elements, but it is designed to provide a means of measuring consistently the performance of staff assigned at the development level. It covers 12 different areas and is monitored monthly by the Deputy Executive Director for Operations. The system includes point scoring. A staff person whose score falls into the top five percent is given a bonus and recommended for a step increase. Scores below 65 (out of 100) require that the staff person be put into probationary employee status with three months to improve his score to an acceptable level (70 or above). If the scores have not improved after a second three month probationary period, the staff person is terminated. The twelve areas that are monitored are described below.

Collections. This area is broken down into eight sub-categories, including basic rent, late rent fees, return check fees, collection of retroactive rent, maintenance charge-backs, collection of court costs, back rent payments based on court agreements, and administrative costs. (14 points)

Tenant Accounts Receivable. THA sets development-by-development objectives with the ultimate goal of tenant accounts receivable, as defined in HUD's Low Rent Accounting Handbook, being at or less than 10 percent. TARs at 10 percent or less would earn full points; TARs of 30 percent or greater would not earn any points. (10 points)

Vacancy Turn-around. This measure is based on the HUD standard of 30 days from move-out to rent-up. A turn-around of three days or less gets maximum points. Units excluded from this calculation are fire damaged units or are being renovated under a HUD funded program (i.e. such as planned on-schedule modernization units). (14 points)

Occupancy Level. Goals are set on a development by development basis which accounts for allocation of maintenance staff and number of referrals from resident selection and assignment. The overall goal is a 97 percent occupancy rate as required by HUD. A vacancy level of 15 percent or less at CPV gains the maximum points. (8 points)

HQS Inspections. Each unit must be inspected by a property manager using the multi-purpose inspection form developed by THA for all move-in, move-out and annual inspections. Conducting less than 90 percent of inspections receives no points. (10 points)

Recertifications. Recertifications are effective on the anniversary date of the household's initial occupancy in public housing and the recertification process must be started 90 days prior to the effective date of the next lease renewal. The property manager is responsible for quality control on the data entry of the recertifications. Undertaking recertifications at a rate of less than 90 percent results in no points. (10 points)

Work-Order Management. This area is evaluated by looking at the backlog of work-orders by priority, with allowances for material ordering that might delay completion. Work Order completion time is also considered (especially since the agency requires that work orders contain multiple tasks when possible). Work that is started but not completed in a timely fashion will have a negative impact, since the Authority considers that the staff skills required and all materials necessary be identified and available prior to the start of work to be performed under a work order. At CPV, 20 or less work-orders in the backlog receives the maximum points; over 35 work-orders in the backlog results in no points. Evaluation of this category is undertaken by the Deputy Executive Director who makes a final judgment concerning the assignment of points. (14 points)

Inventory Control. This area pertains to site-based stockrooms and the stock levels maintained in inventory at the housing developments. The inability to complete work-orders because of no materials scores low as does a disorganized stock room. If a walk-through of a stockroom suggests intentional overstocking, a low score is given. The maintenance of tools and equipment is also considered as part of the score. Like the work-order performance criteria, this area has a strong subjective element unless a detailed analysis is performed of work-orders on hand and the history of material requirements. (4 points).

Manager Participation. Consistent with THA's current management philosophy, active involvement of property managers in agency and resident sponsored activities is a performance criteria. This participation is valued for establishing working relationships and strengthening the sense of community in the developments. Four points are received for "often participates." Two points are received for "sometime participates."

Dress Code. The property managers are required to have all site-based staff dress according to the THA dress code. If any staff are seen out of uniform no points are awarded. Four points are given for compliance. The purpose of this measure appears to be a concern with maintaining a professional presentation by staff when they are on the job.

Office Cleanliness and Organization of Maintenance Areas. Clean and organized work spaces lessen the chances of accidents, promote efficient work, and send an important message to residents and the Tampa community regarding the professionalism of the staff and the capacity of the THA to manage its developments. (4 points)

Compliance with Policy and Procedures. As part of the recovery efforts, the THA had each department review and revise its operating policies and procedures. All property managers are expected to thoroughly familiarize themselves on the current accepted practices. (4 points)

This ongoing performance evaluation system for staff is driven by the operating objective of the Authority to encourage staff at the site level to have a vested interest in making daily operations function smoothly and efficiently. The performance and rating system has some major subjective elements but as long as the expectations are clear and the application of the standards consistent, it appears to be an effective tool for THA.

C. Project-Based Accounting

THA will develop a project-based accounting (P-BA) system this year to comply with HUD's new requirements. THA's current MIS already has the capacity to report income and expenses by development. Once a methodology for allocating indirect costs is finalized, THA will also be in a position to use project-based financial data to evaluate the impact of different management strategies used to address such issues as vacancy turn-over, work-order backlog, and contracting with residents and vendors as opposed to

underfunding certain work in-house. Other P-BA steps include the installation of terminals at the developments, the integration of work-order and inventory modules into the overall system, and enhanced and expanded operational reporting.

Many of the features are common among systems marketed to PHAs. THA is adapting its system in-house because the original system and its financial package were custom written for the Authority and because it owns the system source code. Overall, nearly \$300,000 in CIAP management improvement funds were requested during the FY 1991 CIAP grant round for hardware and software.

D. Community Resident Partnership and Programs

A major component of the turn-around of THA has been its changed role in the community from a peripheral entity providing services to an isolated population, to a recognized resource that provides housing to both stable and transitory components of Tampa's community. Both the Youth Sports & Cultural Program (YSCP), an anti-drug and esteem building program for young people, and the Resident Enterprise Assistance Program (REAP), an economic development program for residents, are major outgrowths of this recovery strategy. YSCP was started by THA with Comprehensive Improvement Assistance Program (CIAP) management improvement funds. In the opinion of many residents and THA staff, these programs have been major factors in the stabilization of several of THA's more distressed developments. THA works in conjunction on YSCP with the Tampa Parks and Recreation Department, the Boys and Girls Clubs of Greater Tampa, the Hillsborough County Center for Excellence, and other community agencies.

Other major programs provided by THA in partnership with community groups include:

- **A day care program run by residents in their units modified by THA to meet state requirements.** There are currently 18 day care providers who have been through the program. These facilities are licensed by the State of Florida and the residents are trained by the REAP program to meet the state requirements. THA renovates the units to meet program requirements and provides funding for basic day care equipment through a revolving loan program so that day care providers can provide their own equipment. The day care providers purchase supplies together to obtain better prices through the purchase of larger quantities. Federal Title XX funds pay a weekly stipend of \$60.00 per child. The program not only provides an economic opportunity for the day care providers, but it also allows other residents to seek employment by providing them access to day care services within their community.
- **The Campus Compact Tutorial/Mentoring Program** pairs about sixty-five college students from the University of South Florida (USF) with elementary school students age eight to ten. The mentors provide formal study supervision and introduce their students to USF's programs and facilities. Funds are provided by THA, the City of Tampa and the Human Rights Council.
- **A similar after school program for first through eighth grade students** is sponsored by THA and the Hillsborough Center for Excellence. Approximately 25 students who are considered at high risk of leaving school participate in the program.

IV. SUMMARY OBSERVATIONS

A. Impact on Current Operations

Considering CPV a distressed public housing site at this time is difficult. The vacancy rate as of December 31, 1991 was 1.24 percent, with a total of six vacant units. The authority-wide vacancy rate was 3.71 percent. The average turn-around time for vacant units during December was 23 days. This low percentage does not include units vacated as part of modernization efforts but is based on a unit count of 4,936, which was the total units on-line PHA-wide as of the end of December.

CPV received \$3,695,760 in CIAP modernization funds for fiscal year 1991. New gas and electric meters and upgrades to the primary electrical system and gas system will be provided. All windows will be replaced with energy efficient, single-hung casement windows and exterior wooden doors will be replaced with steel doors and frames. Space heaters, hot water tanks, water conditioners and galvanized water pipes will be replaced. New refrigerators will be provided to 200 units and the development will also be tested for lead paint.

Of the 477 occupied units, 309 have single parents as heads of household. There are 813 children age 18 or younger, and there are 84 individuals over the age of 62. For the year ending December 31, 1991, 150 move-ins and 157 move-outs occurred.

An analysis of a one month's work order log indicates that an average of between 20 and 25 work orders arrive each day for CPV. The current, primary work-order system is semi-automated, so there is no precise average completion time available. However, the PHA does have the capacity of averaging the input and closing time of a work order but not the actual man hours to complete a work order. A new system is being designed which will account for approximate time worked per work order.

Maintenance labor for CPV is budgeted at \$169,840 or \$29.30 per unit per month. Materials are budgeted at \$50,261 or \$8.67 per unit per month. The per unit monthly costs of \$37.97 is relatively low for such a large site until the contract costs are considered. At CPV, residents perform all grounds, custodial and extermination work. THA contracts for a variety of services such as rubbish removal, uniform service, fire protection maintenance, elevator service, emergency maintenance, and HVAC service for the community building and common area air conditioning systems. There are also contracts with electricians and plumbers for work that exceeds staff capacity or skills. CPV's budget carries \$144,679 for contracts which is \$24.96 per unit per month, for a total per unit per month cost for maintenance of \$62.93.

B. Conclusions

The Housing Authority of the City of Tampa has taken itself from "troubled" status to being an improved and higher performing organization by accomplishing two major objectives:

1. Through its partnerships with residents and local civic and community organizations, THA has established programs such as REAP and YSCP which provide a strong incentive for resident stability and increased social opportunities. This has created core communities at the developments, from which THA has been able to establish resident patrols, development-based day care (which both employs residents and facilitates the ability of other residents to seek training or work opportunities), and resident employment for custodial and pest control activities. This improved
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“social” infrastructure has been achieved without draining operating resources because THA has been able to leverage other resources with its contributions of program space, seed money, and job opportunities.

2. The Tampa Housing Authority has reduced its central office staff and relocated almost three quarters of its organization to site-based positions or “in the field.” This staff reorganization involved an agency-wide assessment to match THA employees’ skills with appropriate job responsibilities (not every employee was successfully relocated: some left the agency of their own volition because of resistance to the changes and some were released from their positions). In combination with the performance rating system for property managers, this decentralization has focused accountability on specific positions and requires operational problems to be addressed early and directly. The THA has improved its overall operations by emphasizing managing the agency like a business and by conducting agency-wide planning.

These accomplishments have improved public perception of the Authority. Through careful cultivation of community resources and resident interests, THA was able to form partnerships to address social needs which are beyond the ability of the Authority to handle on its own. If THA had to achieve both objectives, it is doubtful that the road to recovery would have been as quick. The ability to make operations more efficient while tapping into resident interests helped to push the improvements along. If THA had just targeted specific operational performance areas, short term improvement in areas like vacant unit turnover would have been possible but perhaps not sustainable.

Public housing programs need to be encouraged to take multi-path approaches to improvement programs. Negotiated partnership arrangements with residents and community services need to go beyond the requirements of the lease and into specific arrangements tailored to the needs of a development or authority. The THA recovery provides a model that can be applied on a development or authority-wide basis to other PHAs who are confronted by poor performance or distressed properties.

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Chapter 11

*Dade County Department Housing and
Urban Development:
Liberty Square Development*

EXECUTIVE SUMMARY	11-1
MANAGEMENT ASSESSMENT	11-3
I. THE DADE COUNTY DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT AND ITS OPERATIONS	11-3
A. Background and Court Order	11-3
B. HUD Memorandum of Agreement	11-4
C. Current Organizations	11-6
D. Field Operations	11-8
II. LIBERTY SQUARE	11-11
A. History	11-11
B. Modernization: The New Liberty Square	11-12
C. Maintenance	11-14
D. DCHUD's Approach to Modernization	11-14
III. SUMMARY OBSERVATIONS	11-16
SELECTED BIBLIOGRAPHY	11-17

Dade County Department of Housing and Urban Development: **Liberty Square Development**

EXECUTIVE SUMMARY

It took a tragic event -- a fatal natural gas explosion -- to bring about the level of response needed to change conditions and management in the public housing operated by the Metropolitan Dade County Department of Housing and Urban Development (DCHUD). The accident in early 1987 at the Liberty Square development led to the coalescing of the county's political and civic leaders, and eventually to major improvements in DCHUD operations.

Well before the accident, this was a housing authority with a history of well-known problems. In May, 1986, a grand jury working with the state attorney general described DCHUD as the largest slumlord in the county. The result was a court order for action in 12 specified performance areas. This followed HUD's designation of DCHUD as a "troubled" public housing authority in 1985, based on numerous problems with operations.

DCHUD provides property management and maintenance services to about 12,000 housing units in 102 developments located throughout Dade county. (The agency does not administer the county's Section 8 program.) Some of the oldest housing is among Liberty Square's 924 units, built between 1935 and 1940. The development is at the core of Miami's Liberty City which through extensive media coverage became known nationwide as the site of some of the worst inner-city riots since the 1960s.

Based on design standards current at the time, Liberty Square was comprised of 128 row structures, 50 of which were two-story townhouses. Most of the units were built with individual mechanical systems -- unusual for public housing of that vintage. By the time of the site visit for this study, the development's age, lack of preventive maintenance and vandalism were clearly evident in the vacant structures awaiting modernization. Among the observable conditions were roofs with trees growing through shingles and sub-roofing into the attic space.

In contrast, in the portion of the development where there has been modernization, a new Liberty Square was emerging. Reduced to a total of 703 units, the development will have upgraded systems, new roofs, fully renovated kitchens and bathrooms, and other interior improvements. The structures will be painted in pastel colors selected by the residents. There will be new traffic patterns, parking, sidewalks and a community store.

To accomplish this \$29 million renovation, DCHUD has used a process that shows promise as an effective model for large development modernization programs. The agency adopted the philosophy that it is better to perform all of the work items identified in as many structures as possible, given the funds available, than to take a piecemeal approach of doing a limited number of items across an entire development. By fully reclaiming the structures, DCHUD could establish site control and ensure that the renovation would have a more dramatic impact. The agency divided Liberty Square into 18 bid packages, to be bid separately, which offered advantages in the timing and execution of work. This has resulted in participation by more minority contractors, fewer

change orders and ease of amending bid packages for later stages. Another unusual aspect of this modernization program is DCHUD's one-way relocation of residents.

The innovation in modernization management (described above) has helped enable DCHUD to proceed ahead of its planned implementation schedule. In the meantime, the agency has made remarkable progress in meeting the requirements of the court order and of its Memorandum of Agreement with HUD. It has created a management system that can assure that services are being delivered on time and at the correct levels. The agency has been removed from HUD's list of troubled public housing authorities. With the planned implementation of project-based budgeting, DCHUD will have decentralized service delivery and accomplished the last major initiative called for by the court.

The efforts to improve conditions at Liberty Square, together with the organizational changes and revision of operating policies and procedures, provide an example of the successful intervention that can occur when community interests and public housing agency needs come together to create a positive climate for improvement. Provided DCHUD continues to be run by a capable management team, its investment and progress should be sustainable.

MANAGEMENT ASSESSMENT

I. DCHUD AND ITS OPERATIONS

A. Background and Court Order

On February 25, 1987, a natural gas explosion in a unit at the Liberty Square housing development critically injured two adults and a four-year-old child. The mother of the child died a week later from burns received during the blast. The conditions that led to this incident at Liberty Square are related to issues of distress in public housing. Although there were ongoing and well-known concerns with the operations of the Metropolitan Dade County Department of Housing and Urban Development (DCHUD), this single event and the resultant actions of the state attorney and Dade County manager have led to major changes and improvements in the operations of the organization known as "Little HUD."

The explosion and subsequent public reaction brought the issues of service delivery and program management to center stage in local press and civic circles. It achieved what was not possible under prior circumstances: development of a comprehensive improvement plan for the program and properties of DCHUD that became a high priority for the county and civic leaders, as evidenced by their provision of the extra resources and management capacity required to make the improvements effective.

The gas explosion was not the first taste of public notoriety for Metropolitan Dade County's Department of Housing and Urban Development. In May of 1986, a grand jury working with the state attorney described DCHUD as the largest slumlord in the county because of the overall conditions at its developments. At the time of the gas explosion, the agency was under court-order to implement a number of operational improvements, and the staff was involved in an extensive unit inspection program to identify code violations. Checking for gas leaks was not part of the inspection protocol, but records indicate that there were over 10,000 building code violations found in the 970 units of Liberty Square alone.

Besides the grand jury report, HUD had designated DCHUD as a "troubled" public housing authority in 1985, based on a management review that found major problems in DCHUD's operations. This determination was based on the use of the seven major performance indicators that HUD had defined in its Field Office Monitoring of Public Housing Agencies Handbook (Handbook 7460.7). Many of the court findings overlapped with the concerns of HUD. However, the court was more specific as to the types of actions that DCHUD should take to improve performance. These items include:

- a complete update and revision of all DCHUD policies and procedures for all aspects of program administration;
 - the creation of an internal performance monitoring system based on specific operational improvement targets and organizational goals;
 - the full automation of all DCHUD finance, accounting and administrative activities on a system independent from the county's data processing;
 - the purging of the waiting list and other actions to improve occupancy management, such as a revised Tenant Selection and Assignment Plan (TSAP);
 - identification of additional resources other than county funding to supplement the operational costs of DCHUD;
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- implement a remedial unit inspection program to identify all code violations;
 - establish a viable preventive maintenance program;
 - establish performance standards for maintenance staff for quality and quantity of work performed;
 - reduce both the backlog of work orders and the number of vacant units;
 - automate the work order and inventory systems to promote better maintenance delivery and controls;
 - aggressively pursue current and past due rent; and
 - increase the autonomy of DCHUD and insulation from county-wide political pressures by granting the agency either independent status or creating a board of commissioners within the authority to set policy.

Since the court order three and a half years ago, DCHUD has made significant strides in addressing these 12 items and has been removed from HUD's "troubled" PHA list. Other than the last item in the list above, DCHUD has either completed activities to address the recommendations or is well into the implementation of the improvements required to achieve each objective. The last item has become less of a priority not only because of the political complexity of such an objective but also because Dade County has provided the DCHUD's executive director with the autonomy and governmental support needed to make the keystone organizational changes required to facilitate the improvements. It is not clear if this level of governmental support will continue or how long the team of professionals assembled will remain in place. It is evident that the skills and knowledge of the senior staff have played a significant role in the turn-around that additional resources alone would never have engendered.

B. HUD Memorandum of Agreement

Although DCHUD has been removed from HUD's list of "troubled" public housing authorities and this document is no longer required, DCHUD was operating with a Memorandum of Agreement (MOA) at the time of the site visit. The MOA was adopted in March, 1991, and set out a number of operational objectives. These operational objectives substantially overlapped, in many ways, with the requirements of the court order.

Of the 16 topics listed in the MOA, only one, resident initiatives, refers to an issue that is not administrative. This is indicative of the emphasis of MOAs on a limited set of operational objectives, and that for these operational objectives, the administrative requirements become the ascendant concern. The MOA is not organized as an overall strategy but as a series or list of administrative improvements with little explicit explanation of priority or relative importance. (It should be noted that under HUD's new Public Housing Management Assessment Program, resident initiatives is now included as a major category.)

The topics and their objectives included in DCHUD's MOA include:

Operating Reserve. DCHUD had been able to raise its operating reserve from 29 percent to 34 percent of maximum which is the level required to be maintained by HUD.

Project-Based Budgeting System. This objective is linked to the development of a management information system (MIS) capable of supporting the requirements of multiple residential property incomes and cost centers.

Budget Monitoring Reports. DCHUD is required to develop monthly income and expense reports. This objective appears to be designed to insure that budget information is produced on a timely basis so that year-end statements and proposed budgets can be prepared without extensive delay.

Vacancy Rate. DCHUD's vacancy rate as of September 30, 1990, was 3.12 percent after an adjustment for all on schedule modernization and approved disposition, down 4.54 percent from the prior year. The MOA objective was set at less than three percent vacancy on an adjusted basis. With work planned to begin on the vacant units requiring substantial rehabilitation, the MOA already indicated that the rate would bounce up as efforts were focused on the more time consuming "longer-term" vacancies.

Unit Turn-around Time. The stated targets are 120 days for family housing and 60 days for elderly housing. These both exceed HUD's 30-day turn-around goal. The reason stated in the MOA for the inflated targets is that DCHUD was planning on tackling its worst-condition vacant units since the Ready Unit Task Force (RUTF), which received \$4.4 million in 1990 from the county, had returned many of the other units in vacancy status to occupancy. The RUTF was to receive no county funds in 1991.

Work Order Response Time. This objective is also linked to development of a management information system (MIS) solution. The overall stated goals were to develop control procedures that are consistent with the MIS capacity and, by the end of the fiscal year, to have all emergency work orders responded to within 24 hours, all urgent work orders responded to within 48 hours, and baseline data on all work orders available to develop future targets and planning objectives.

Certification and Training of Maintenance Staff. Paralleling the court order, this requires DCHUD to develop a training and certification program to insure that minimum qualifications are met by all maintenance mechanics. The Department is currently using either trade licenses or the Dade County Building and Zoning Maintenance Competency Exam. DCHUD retained the option to develop their own equivalent certification process to be administered in-house. As of the time of the site visit, a training center for maintenance staff had been built at one of the warehouse locations.

Stock Rooms. This objective covers all inventory locations and is to be implemented in concert with an expansion of the number of maintenance districts from ten to 14. This objective results in a full reorganization of the physical layout and control systems for DCHUD's material management needs. This objective had been accomplished as of the site visit. However, not enough quality information from the new MIS system on a work order material requirement had been accumulated to develop predictable material usage patterns.

Tenant Accounts Receivable (TARs). As of September, 1990, DCHUD had dropped the TARs level from 36.2 percent to 24.1 percent. The new target to be attained by September, 1991, was set at 15 percent. Several measures are described to achieve this repeat of a ten percent drop in TARs, including limiting the ability of managers to negotiate rent agreements that extend for 90 days to reasons of illness, death, lump-sum payments from Social Security and extraordinary household expenses. In addition, the date after which a rent payment is considered late was pushed up from the tenth of the month to the seventh.

Inspections. Since the gas explosion at Liberty Square, the County's Building and Zoning Department has conducted annual inspection of all units using HQS and local housing codes. The objective for the year was to develop in-house inspection capacity to be started in fiscal year 1992.

CIAP (Modernization Program) Management. DCHUD is charged with remaining on schedule with its obligation of fund requirements for participation in CIAP. This had been successfully achieved during the 1990 fiscal year through granting a revised implementation schedule.

Policy and Procedure Revisions. HUD requested that DCHUD update and revise its operation manual. Systems and procedures relating to work orders, capitalization, preventive maintenance, pest control, inventory control, lease enforcement and rent collection were stated as priority policies. Many of these -- in particular work order and inventory procedures -- had been developed by the time of the site visit.

Resident Initiatives. There are no specific requirements in this area because HUD considers current efforts to be adequate. The topic is included to emphasize ongoing USHUD interest and monitoring.

Certification of Site Managers. This requirement has been reached for all 40 positions listed as of the date of the MOA. The certification referenced is NAHRO's Public Housing Management (PHM) designation.

Preventive Maintenance (PM). The 1991 fiscal year represented the start of development of PM programs. The approach required that the program start with the elderly sites.

Development of Integrated Computer System. MIS is the only need cross-referenced to other objectives. The MOA includes an implementation schedule for the new system on a module-by-module basis.

Although the MOA is now no longer required for DCHUD, many of the management objectives and goals continue to be important to the housing agency.

C. Current Organization

DCHUD is organized into seven directorates who report on a daily basis through the deputy director to the executive director. Two other functional areas report directly to the executive director: management review, which oversees progress on the MOA with HUD and the court agreement, and the security bureau, which provides all security services for DCHUD. The budget for protective services is provided by the county, although there are contracts for security at several homeownership sites.

Two of the seven directorates, housing management and maintenance, are the direct providers of services to the developments. The others provide administrative support to the field and provide other central office functions. The seven directorates are:

- **Finance and Administration**, which includes budgeting, accounting, procurement (but not inventory), rent processing, employee relations (personnel) and contract management;
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- **Management Information Systems**, which covers all automation activities including system acquisition, system maintenance and staff training. This directorate is currently overseeing the installation of a new MIS system designed to meet the specific needs of PHAs;
 - **Resident Services**, which coordinates social services delivery, works with the various resident councils and the Overall Tenant Advisory Council (OTAC), and manages DCHUD's resident grievance process;
 - **Facilities Development**, which provides all contract administration for design and construction services for DCHUD;
 - **Planning**, which is the only directorate with a role specifically involving programs outside of public housing. It provides program and physical planning, and real estate, engineering and property disposition services to the county's CDBG program. This unit also prepares grant applications in coordination with the other directorates and has been responsible for all organizational planning, including the development of management improvements and funding requests under the CIAP program. Organizational planning duties include the development of new policies and procedures such as the new TSAP and the review of new regulatory requirements for implementation such as project-based accounting;
 - **Maintenance**, which oversees all maintenance activities throughout the agency, including assignment of development staff, inventory and materials management, work order intake, and the staff of the Maintenance Support Facility. Maintenance has also created an in-house training program on practical skills for all mechanics and laborers; and
 - **Housing Management**, which is responsible for all aspects of occupancy management, including resident selection and rent-up, lease enforcement, rent collection and recertification. Resident selection and recertification are performed on a centralized basis. All other functions are under the direction of the housing managers and are performed on-site.

Each of these seven directorates reports monthly on their performance. These indicators, as of the month of November, 1991, include:

- Tenant accounts receivable (11.5 percent);
 - Vacancy (13.14 percent gross and 3.47 percent adjusted for modernization);
 - Turn-around time for vacant units - move-out to occupancy (77 days for elderly and 86 for family);
 - Annualized Turnover (8.79 percent);
 - Waiting List (4,292 for elderly housing and 10,256 for family);
 - Unit offer acceptance rate (roughly 50 percent of offers);
 - Monthly progress on annual unit inspections (81 percent of target) and recertification (68 percent of target);
 - Dwelling unit preparation report by maintenance district (9 month average of 96 units per month); and
 - Work order backlog.
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Because of the current implementation of the new MIS system, much of the raw data used to determine these performance indicators has not been confirmed by independent review and does not reflect a consistent method of collection and calculation (the site visit also predates the Public Housing Management Assessment Program submission). For instance, the work order backlog is considered to be inflated with duplicate calls or work that was completed and not documented. It is reasonable to assume that as the MIS implementation attenuates and its reporting capacity can be harnessed, the data will be cleansed of erroneous items. Once the confidence in the quality of the data is assured, it can be used for planning purposes and resource allocation. In particular, DCHUD will be able to assess the quality of the modernization work and identify any system or installed items that need attention.

D. Field Operations

Services are provided by DCHUD to developments through a large-scale decentralized system. Property managers are assigned to specific developments and based in the field. The maintenance staff is composed of both site-based custodial workers and laborers and mobile skilled trades workers.

There are 102 developments located throughout Dade County to which DCHUD provides property management and maintenance services. They are located in five regional areas that divide the county. Except for the region located in the southern portion of the county, which has only 1,800 units assigned to it, the regions range from 2,500 to 2,800 units.

There are three warehouses and shop facilities located in the northern, central and southern sections of the county from which trucks stocked with basic materials for use by maintenance staff are dispatched.

Only five percent of the maintenance and property management staff are centrally based. The remainder are assigned to particular developments, resulting in a fully decentralized operation with property managers, assistant property managers and clerks located at site-based offices. Property management has successfully reduced its size from 62 to 45 staff persons to accomplish the same scope of work. Some of these positions have been reallocated through the budget process to increase maintenance staff.

Maintenance. Property Maintenance is divided into 14 districts which overlay the five Regions. Districts are based on a combination of geography and unit counts. District D is responsible for maintenance delivery at Liberty Square.

The total decentralized maintenance staff is 209 persons, resulting in a ratio of units to staff of 58 to one. The functions include:

- Custodial Worker I & II = 33;
- Laborer = 64;
- Maintenance Repairer = 26;
- Mechanic = 72; and
- Maintenance Supervisor = 14.

The total (centralized) maintenance support facility staff (including supervisors) is comprised of the following:

- Equipment Operator I & II = 4;
 - Locksmith = 1;
 - Carpenter = 11;
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- Electrician = 7;
- Painter = 17;
- Plasterer = 9;
- Plumber = 14;
- Refrigeration Mechanic = 5;
- Welder = 2; and
- Exterminator = 3.

These 73 workers bring the combined field and support staff total to 282 and the ratio of units to 43 to one.

Including all clerical staff, warehouse staff and miscellaneous personnel, there are 312 filled positions resulting in a ratio of 39 to one.

Consolidated budget data for the fiscal year ending September 30, 1991, shows an actual per-unit monthly cost of \$30.09 for maintenance labor versus \$28.03 budgeted, \$16.61 for materials versus \$20.04 budgeted, and contract costs of \$47.06 versus \$44.36 budgeted.

A work order backlog summary report, current as of mid-December, shows a backlog of 12,082 for all 14 districts. Work orders for the Maintenance Support Facility (MSF) show a 3,307 work order backlog. While the overall backlog of 15,389 (field and MSF) is a high number, even in a 12,000-unit housing program, it needs to be noted that DCHUD has been subject to inspections by the county Department of Building Codes every year since the court agreement. These inspections, which are designed to identify code related violations, receive priority status. Many of the items carried in the backlog are either low-priority calls, potential duplicates of completed items or items awaiting materials, or reflect an aberration in the data related to conversion to the new MIS system. However, there has been a significant increase in district-related calls. Almost 4,500 new work orders were placed from the end of September, 1991 through mid-December, 1991. The MSF backlog shows a decline from almost 4,000 work orders at the end of September, 1991 to 3,307 at the middle of December, 1991.

Maintenance Reorganization and Funding. Substantial efforts have been spent over the last two years in reorganizing the delivery of maintenance to the developments. Much of this has entailed staff reorganization, the creation of a staff training program that every mechanic will have completed by the end of the year, complete reorganization of the warehouse, cleaning and reorganization of the shops, and development of a quality control and inspection unit consisting of three staff who review all completed work orders and randomly inspect orders for quality and accuracy. With these improvements, the level of services delivered to the developments should improve.

According to an interview, all maintenance improvements that increased quality controls and tracking were made using current staff resources, and no management improvement funds from CIAP were used. It appears that most of these improvements were made using funds other than those available through the conventional program operating budget of \$31,351,751 for the current fiscal year, (ending September 30, 1992). The county has made significant additional funding available since FY 1989; although the current fiscal year shows a county contribution of \$6.9 million DCHUD has received \$49,243,533 from the county over the last four years. This does not include other sources of funds such as CDBG funds from the City of Miami, Dade County's CDBG funding used for housing renovation and other programs which DCHUD administers, and other grants. Since DCHUD does not administer the county's Section 8 program and receives no administrative fees from Section 8, it lacks the ability to use these resources, as is done by most other large PHAs, to cover program costs and improvements that require

immediate action. Without access to discretionary funds, a PHA is captive to funding cycles and grantsmanship. For the current fiscal year, if the latest CIAP award is included, DCHUD will be receiving \$100 million in (modernization, MROP, CDBG and related) capital resources to run its programs.

A portion of the additional funding from the county represents proceeds from a pilot program involving a documentary stamp tax. This tax, which is currently only permitted for use by the state legislature for the Dade County, is essentially a real estate transfer tax. The funds from the tax are to be used for addressing substandard housing conditions and DCHUD was able to receive \$10.5 million to support improvements in its operations.

Housing Management. The impact of the court order and MOA with HUD have not been as dramatic for housing management as for maintenance. However, there have been management and public relations initiatives as well as changes to DCHUD policies and procedures in the area of occupancy management. These improvements cover activities at all developments and are listed below.

- If an applicant refuses a unit offer, he or she is placed at the bottom of the waiting list. If two refusals are given within a 12 month period, the applicant is taken off the waiting list and cannot reapply for a full 12-month period.
 - Applicants who have been verified as qualified for housing are offered a unit, but they must attend a mandatory pre-occupancy training. This training covers house-keeping, lease requirements, and DCHUD policy and procedures for maintenance and other site services. A resident can be required by the property manager to return to training at any time during occupancy if household conditions or behavior merit a refresher course.
 - The property managers perform all annual unit inspections. This is in addition to the ongoing efforts by the Dade County Building and Code enforcement staff to inspect all units as part of the local court order directing changes to DCHUD operations.
 - Recertifications are performed through the Office of Leasing and Occupancy. Teams of staff go to each development to complete each recertification.
 - DCHUD has taken the position that variation in annual income without a change in household composition during the year does not require a recertification and rent adjustment. Only if the household composition and income changes, is a mid-year recertification required. Residents can request rent adjustments if income drops. This flexibility in the recertification process avoids unnecessary administrative actions in response to variations in annual income that are often temporary, such as overtime or a short term temporary job. The annual recertification catches changes in income (including increases) once a year.
 - Property managers deliver all late notices for rent by hand. This procedure is to ensure that the manager is able to verify that the resident is still in occupancy and to promote resolution of rent arrears through interpersonal contact and agreements.
 - Presentations educate the local judiciary on eviction procedures, to demonstrate the conduct and process that DCHUD uses. These presentations try to draw parallels with evictions involving private sector real estate to illustrate the variation in how the judiciary acts towards those it seems to consider possessing greater resources. These trainings attempt to inform members of the court of the process followed in seeking an eviction and the need for DCHUD to be able to rely on court action. Specifically, the notion of public housing as "housing of last resort" is shown to cloud the issues of eviction. By explaining how public housing lease enforcement is undermined by
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a different standard from that applied to the private sector, it is hoped that the judiciary will see that a strong lease enforcement program will have maximum benefit for other residents.

Another major initiative for housing management is the planned implementation of project-based budgeting. The new computer system is capable of project-based accounting. DCHUD is in the process of determining the role of the housing manager, how costs are to be allocated, what budget items are to be considered controllable at the development level and how reports can be generated. This is the last major initiative called for in the court agreement that has yet to be started. When this implementation is finished, decentralization of service delivery to the developments will be complete.

II. LIBERTY SQUARE

A. History

Through the services of news organizations such as Cable Network News and the front pages of national newspapers, the more recent history of Liberty Square, the center of the area known as Liberty City, is known to most Americans as the site of some of the worst inner-city rioting since the 1960s. While damage did occur at Liberty Square, including the burning of the community building which appeared to be a result of the looting of a store located in the building, most of the rage was directed into the surrounding community in the form of storefront looting and vandalism. One interpretation is that it was an expression of rage of the economically disadvantaged in a neighborhood that had a very large public housing development at its geographic core.

How this development came to be the core of Liberty City is a story that dates back to 1933 and the earliest days of the New Deal. A group of Miami businessmen led by a local Miami attorney formed the Southern Housing Corporation. The exact motivations for these businessmen are unclear, but their rhetoric spoke of the need for minorities who were often employed as domestics and service employees in white Miami homes and establishments to have sanitary living conditions.

The Liberty Square now found in Liberty City is actually three separate developments as defined by the Annual Contributions Contracts (ACCs) between DCHUD and HUD. Construction on the first group of housing (FL5-5) at Liberty Square started in 1935, and its 239 units were occupied beginning in 1937. The average construction cost on a per unit basis at FL5-5 was \$3,955. The other two phases of development, both completed in 1940 and occupied soon thereafter, were FL5-2 with 324 units developed at an average unit cost of \$6,131, and FL5-3 with 360 units developed at an average unit cost of \$5,518. These figures include all site improvement costs.

The first phase of Liberty Square is the oldest public housing in Dade County. The other two phases—along with Edison Court (FL5-1) with 345 units, which was completed in 1939 at an average cost per unit of \$3,954, and Victory Homes (FL5-7) with 166 units, completed in 1941 at an average cost per unit of \$2,947—represent the first wave of public housing development in the county. It would not be until 1954, with the construction of Scott Homes, that new development would add to Dade County's public housing program. This first wave of public housing development cost \$6,475,806 for a total of 1,434 units of family housing at an average cost per-unit of \$4,516.

The Liberty Square development was built based on current design standards for the time period. Of the 128 row structures on the site, all were built out of cinder block on concrete slab without basements or crawl spaces. The interior partitions were plaster

over metal lathe attached to metal studs. The pitched roofing systems were constructed of wood framing with a shingle overlayment. The floors were painted slab. The bathrooms were of classic dimensions (5' x 7') for the period of construction, with a tub; showers have been added as a retrofit. Kitchens had wall cabinets, but only limited counter space to each side of the sink. There were washing machine hook-ups.

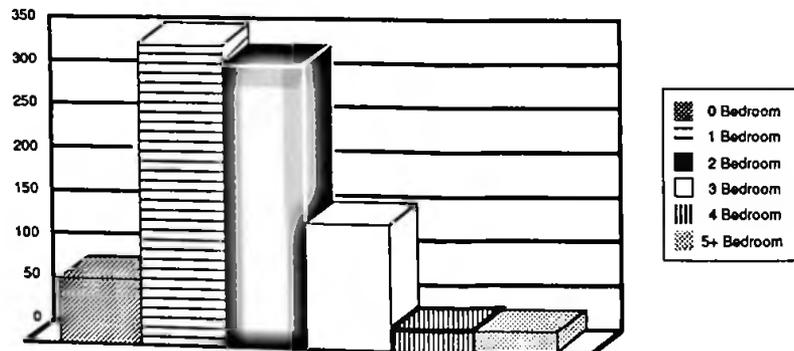
Many units are located in one-story structures with front and rear egresses, and all units have individual gas-fired water heaters, stoves and space heaters. Of the 128 structures, 50 contain two-story townhouse units. Many of the structures in FL5-5 have porch areas along the front entrances with either canopies or substantial roof overhangs that function as a covered walkway tying unit entrances together. This style of porch was repeated at FL5-2 and FL5-3 in a more limited fashion, as most structures only have canopies over the unit entrances.

The use of individual mechanical systems for each unit at FL5-5 and FL5-3 appears to be a switch from the design standard for other public housing of similar vintage. These other early developments have since converted to individual systems because repair costs of site-wide distribution systems are considered prohibitive. In its first few decades, Liberty Square appears to have avoided many of the problems that a centralized large-capacity heat and hot water system can create, such as large-scale loss of basic services to many units should a boiler or distribution system fail. (For the remainder of this narrative, Liberty Square will be discussed as one entire development as the ACC project numbering distinctions have no relationship to how the development is managed.)

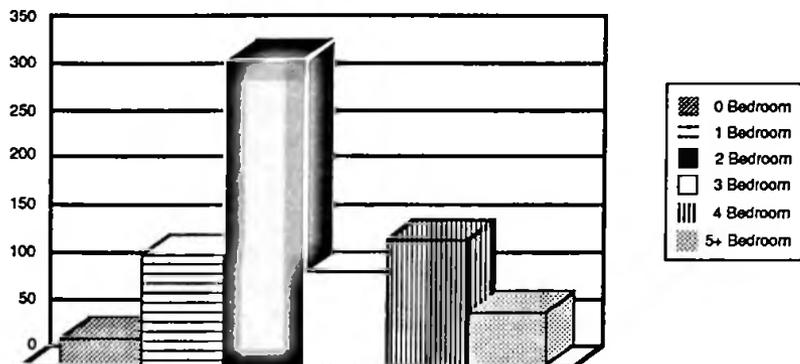
In some cases, the structures are arranged with the front entrances facing into mostly square-shaped open areas of grass which are referred to as courtyard areas. The rear entrances open into narrower open spaces with adjacent structures from the next courtyard parallel and within close proximity. These rear yards have drying "T's" for clotheslines. Other structures are placed at right angles or parallel to these large courtyard areas in a site plan more like the placement of barracks.

B. Modernization: The New Liberty Square

Prior to the start of the current modernization program at Liberty Square, the development had 924 units. The official breakout of units is as follows:



A review of each of the 16 proposed redesign structure types for the site prepared by an architectural firm indicates that the new unit count will be 703 broken down as follows:



This change in unit-size distribution will be achieved by a substantial reduction of smaller units through the use of break-throughs. Besides break-throughs to better match current occupancy trends and the need for larger family units, other major changes at the development include the conversion from gas to electric heat and hot water.

The conversion appears to be a direct response to the conditions related to gas line hook-ups that led to the explosion in February of 1987. Electric heat and hot water are more expensive than the use of gas for the same services in most localities, but electric water heaters and baseboard heat are easier to repair, replace and maintain, than gas appliances. As the heating season is minimal in Dade County, the additional energy costs are likely to be offset by the savings through the reduced demand for the licensed plumbers required for any work on gas appliances. There is also a reduction in potential liability for DCHUD that could result in savings in insurance related costs.

Materials used as the specification for the modernization work have been selected for several reasons, including low maintenance or primarily vandal-proof design or features. For instance, exterior light fixtures by unit entrances are made of high impact resistant plastic, and the bulb covers are secured with screws that require a special tool to open them for bulb replacement. Ground-floor units will be provided with metal security screens that can be opened from the interior of the unit, but designed so that no tool can be used from the outside to operate the pressure releases.

At the time of the site visit, modernization activities were already showing substantial changes and contrasts between the areas undergoing the initial phases of modernization and portions of the site yet to be started by contractors.

The vacant units awaiting the start of modernization work showed signs of both vandalism and a lack of preventive maintenance. Inside the vacant units there was extensive plaster damage either from exposure, vandalism or age. Windows were old and in need of replacement or repair. Bathroom tubs showed metal through the porcelain by the drains. Doors and door frames were marred from numerous hardware changes and vandalism. A dramatic example of the past failures of the maintenance program at Liberty Square is the destruction of several roofs by overhanging branches. Several roofs had trees growing through the shingles and sub-roofing into the attic space. Other roofs, not yet punctured, were covered with so much organic debris that moss and other plant growth could be seen.

A walk-through of a completed portion of the modernization of Liberty Square indicates that all the conditions observed in the vacant units will be addressed. Improvements are to include an upgrade of the primary electrical system to handle the change-over in the mechanical package to an all electric system. All roofs will be replaced. All water mains are to be upgraded to 8" size. All windows will be replaced with vinyl, and metal security screens with releases will be placed over every first-story aperture. Kitchens and bathrooms will be renovated with durable materials such as marine plywood kitchen cabinets and ceramic tile. Unit plumbing and secondary electrical systems will be renewed. New gray floor tile will be laid throughout the units. There will be a hook-up for a washing machine but no dryer hook-up. The rear exterior wooden doors and screens will be replaced with metal doors and aluminum screen doors. All sanitary lines will be cleaned-out or replaced, including laterals.

Metal or 6"x 6" wood bollards will be placed around all grass, or other areas in which vehicles are not allowed, with a provision for emergency vehicle access. Some traffic patterns will be altered to reduce non-resident vehicle traffic. Additional parking on the site is planned to be added, as the initial site design never accounted for the contemporary ownership and use of automobiles by residents. New sidewalks will also be built. Both asbestos and lead-based paint will be abated in accordance with current regulations and industry practice. All structures will be painted in pastel shades selected by the residents. While the child-care center that was destroyed during the rioting will not be replaced, a community store will be opened. Construction of the store was funded through local contributions.

Total hard costs for the entire modernization program at Liberty Square is estimated at \$29,090,194. This consists of a breakout at \$37,198 per unit (\$26,150,194 total) and \$980,000 (\$2,940,000 total) for site work at each of the three portions of the development. Partial funding for this modernization is through a MROP grant totalling \$21,426,199. The construction estimate is about 67 percent of the Total Development Costs guidelines for the area.

C. Maintenance

Liberty Square is located in DCHUD's Region Two. Region Two consists of approximately 2,800 units of which only 266 are elderly units, located at two developments. Region Two is the most dense of all the regions with all the units located within an area that is approximately 33 by 15 city blocks. There are nine site-based property managers under the direction of a regional manager.

The current staff complement at Liberty Square has been reduced because of the modernization status of the development. Staff consists of the following:

- Maintenance Supervisor = 1
- Maintenance Mechanic = 2
- Semi-skilled Laborer = 2
- Custodial Worker I = 1
- Urban Development Aide = 1
- Total = 132 staff to oneunit (based on 925 units, 100:1 based on 703 units)

D. DCHUD's Approach to Modernization

DCHUD has developed a process for the contracting of construction services that shows promise of being an effective model in the management of large development modernization programs. The process is based on the premise that it is better to perform 100

percent of the work items identified in as many structures as possible, given the funds available, than to take a piecemeal approach of doing a limited number of items across an entire development.

This approach is useful for distressed sites because it can have a more dramatic impact on the development. A piecemeal approach leaves the improved sections surrounded by the remaining sections with poor conditions. By fully reclaiming structures, site control is established, a strong demarcation between the old and new is established, and residents who may have had little interest in their old, physically distressed units can be trained on the care and occupancy of these new units. One effect of this training would be to establish responsibility and "home pride."

The downside of the approach is that if resources are not available because of funding limits, other funding priorities or cost overruns, then units are likely to be taken off-line for not meeting code requirements for habitability. On the other hand, there is the benefit that the completed structures will be fully modernized without the need to double-back to complete partial items.

DCHUD has divided Liberty Square into 18 bid packages for units and the community building. The unit bid packages range in size from 20 to 70 units each. There are three additional bid packages for the site work at each of the three sections of the development. These packages have all been bid separately. Comments from DCHUD staff have indicated several major benefits to not bidding the entire development at one time, which are listed below.

- DCHUD has been able to contract with smaller firms, allowing DCHUD to greatly increase the amount of minority participation in its construction work.
- Because the sequence of work is staggered, DCHUD has been able to correct mistakes or make needed revisions that were discovered in the first bid packages.
- Although the number of packages increases the amount of administrative reporting, the reduced paperwork for change orders, and the ability to issue a stop-work order for one job without stopping all activities, are seen as major administrative benefits.
- By doing the work in geographic phases, relocation of residents can proceed more smoothly. Residents are not required to move to other developments. The first phases contained a sufficient number of vacant units so that completed units could be filled with families from the next sets of units. Residents have agreed to one-way relocation as the new units are within short distances of their old units and any dislocation is minimal.
- The impact on resident morale and pride has been dramatic in that results are highly visible. The package for each group of units includes new sidewalks, roofs, exterior painting and modest landscaping. Residents waiting for their sections to be started already can see the final product.

In addition to the use of smaller-scale contracts which include 100 percent of the work identified as needed, DCHUD has found other methods to effectively undertake modernization work. Resident relocation is one method residents can also transfer one-way to other developments.

DCHUD's approach to relocation contrasts with the approach of most other PHA modernization programs, which typically move a household from the unit before renovation begins and move the household back into the unit upon completion. It appears that a substantial amount of time was spent with the residents to discuss the improvements and

how the one-move process was to be managed. This outreach appears to have been very important in anticipating resident concerns, as DCHUD has not yet had any substantial problems with residents over how the work is progressing and the relocation policy. This ability to limit relocation to one-way moves has reduced relocation costs, leaving more funds for physical items. It has also allowed DCHUD to take action to stabilize sectors of the development by reconstructing the community fabric through the reassignment process.

These innovations in modernization management have enabled DCHUD to proceed ahead of its submitted implementation schedules, while increasing minority contractor participation. Although more initial planning efforts are required, this effort appears to have resulted in fewer change orders and an ability to amend bid packages for later stages. Modernization jobs with fewer change orders are likely to be easier to close-out administratively, preventing unexpected cost overruns.

III. SUMMARY OBSERVATIONS

With the addition of project-based budgeting, the last major tool will have been implemented for use in performance monitoring and "real time" planning activities. Prior to the availability of project-based accounting through the new computer system, DCHUD had no capacity for its own data management. It had to rely on the County's MIS which was not adaptable to the needs of a large multi-site real estate operation. With MIS capacity appropriate to its needs, DCHUD will be able to develop and monitor performance standards on a very precise level. Information will be days old rather than months old, and reports can be generated in a manner which is consistent with DCHUD priorities.

The gas explosion incident and general conditions at Liberty Square are emblematic as to what can happen when an organization is unable to use its management systems to assure that services are being delivered on time and at the correct levels. DCHUD has taken great steps to improving its systems for assuring quality control. It has also been fortunate that the community and civic leaders of Dade County saw fit to intercede to make the needs of DCHUD a priority and relate this support to the court agreement. The additional resources that the County was able to provide as well as the greater operational latitude represented by the procurement of an entire MIS system for DCHUD's needs, have had a major benefit.

However, without a competent management team capable of using the added resources and with experience in other public housing programs, it would be possible that the additional resources and good will would be squandered. Improved lease enforcement, better maintenance delivery and cost effective modernization will help developments like Liberty Square. The ability to sustain these improvements will be the indicator that systems and standards can work in public housing. In fact, good systems should identify trends that can lead to distressed conditions before a development hits bottom. DCHUD has developed the tools, has a qualified team in place, and continues to make strides towards greater administrative capacity and quality.

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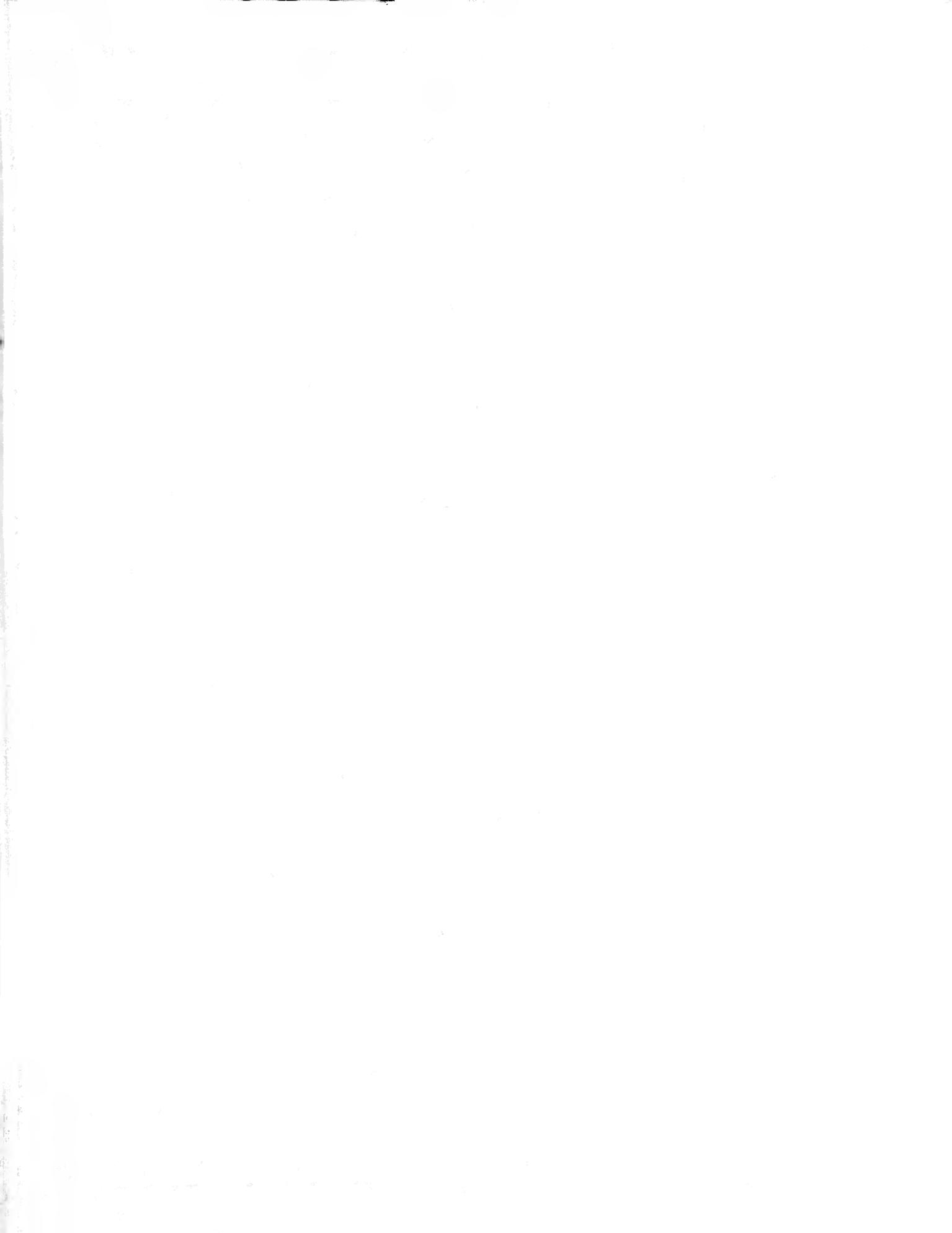
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Chapter 12

*Albany Housing Authority:
Steamboat Square Development*

EXECUTIVE SUMMARY	12-1
MANAGEMENT ASSESSMENT	12-3
I. THE ALBANY HOUSING AUTHORITY	12-3
A. Background	12-3
B. Authority Operations	12-3
C. Financial Resources	12-6
II. THE DEVELOPMENTS	12-6
III. STEPS TAKEN TO ADDRESS DEVELOPMENT CONDITIONS	12-7
DESIGN ASSESSMENT	12-9
I. EXISTING DEVELOPMENT CONDITIONS	12-9
A. Context and Location	12-9
B. Design Factors Contributing to Distress	12-9
C. Other Factors Contributing to Distress	12-9
II. PROCESS FOR REDEVELOPMENT	12-14
A. HUD Comprehensive Review and AHA Response	12-14
B. Resident Involvement	12-15
C. Urban Initiatives	12-15
D. Construction Packages	12-16
III. ANALYSIS OF DESIGN FEATURES OF STEAMBOAT SQUARE	12-17
A. High-rise Building Redesign	12-22
B. Replacement Housing	12-25
C. Non-residential Facilities	12-25
D. Ongoing Modernization	12-28
E. Construction Costs	12-28
IV. FINDINGS AND OBSERVATIONS	12-29
A. Steamboat Square Today	12-29
B. Issues of Concern to NCSDPH	12-29
C. Wider Applicability of this Approach	12-32
SELECTED BIBLIOGRAPHY	12-34

Albany Housing Authority:

Steamboat Square Development

EXECUTIVE SUMMARY

The Albany (New York) Housing Authority (AHA) has 1,728 federal low rent public housing units, plus 286 state public housing units under management.

Of the Authority's Federal public housing units, 387 are located in the development formerly known as Thacher Homes, and now renamed Steamboat Square. Originally over 500 units, this development has seen over \$16 million in improvements over the last decade, and portions of the development remain vacant, awaiting AHA decisions regarding their reuse.

AHA and its Steamboat Square development were selected for study by the National Commission on Severely Distressed Public Housing, not for the typical distress conditions, but for the marketing problems that have existed at this development and the Authority's decade-long efforts to address those problems.

Constructed in 1958, the high-rise family development came to exhibit many of the physical design and use problems typical of that type of development. High-rise construction presented many security and child supervision problems to families living in the development, decreasing the number of families willing to live in Thacher Homes. Over time, the demand for large-family units dwindled. During the seventies, construction of the major downtown access highway adjacent to the development contributed noise and pollution to already existing problems at the development. The vacancy rate soared as high as 70 percent.

By the mid seventies, AHA became convinced that substantial improvements were necessary to change the development. Working with residents and city agencies that were trying to improve the neighborhood, AHA developed a modernization plan that would change the use of the high-rise structures and create new family housing that better reflected the scale of the neighborhood.

Beginning in 1981, the Authority committed \$16 million in various modernization funds to the development to expand and modernize units, convert family units into smaller sizes, construct family townhouse units that better reflect the neighborhood, and make a variety of security and site improvements. The Authority also moved some of its central administrative and maintenance functions into one of the high-rise buildings most impacted by the highway. These modernization efforts continue today, including correcting for some improvements that have not performed adequately.

While AHA has made substantial progress in addressing the factors that contributed to distress at Thacher Homes, not all issues have been resolved. The Authority has not been able to fully address the highway's impacts on the development. The mitigation measures that would be required to make the units closest to the highway habitable are too costly under HUD guidelines. The Authority is trying to develop alternative (non-residential) uses for those portions of the high-rise structures, but generally funding for nonresidential uses is not available from HUD. As a result, several portions of the development comprising nearly one-third of the high-rise structures remain vacant and boarded.

The Authority continues to seek funds to newly construct units to replace some of the family units removed from the high-rise structures. It has received funding for more units from HUD, but is unable to construct more than half of the units within the development's impact area under current HUD guidelines. While the Authority has been able to address the needs of many applicants waiting for one-bedroom units in the rehabilitated portions of the high-rise structures; its marketing efforts are affected by the dramatic increase in Section 202 and other elderly facilities in the region during the 1980s, which has reduced the demand for the Authority's elderly units. Even though over half of the applicants on AHA's waiting list are for one-bedroom units, many of these are non-elderly applicants.

This case raises a number of issues pertinent to distressed public housing. The modernization and reuse of high-rise family structures confronts many housing authorities, as do the impacts of highways and other public infrastructure on public housing developments. The Albany Housing Authority has made a long-term commitment to gradually changing and improving the development. Its efforts to find a role for residents has paid dividends, with residents actively campaigning for funds, participating in planning, and volunteering to assist with security when security funding disappeared. The efforts of the Authority to work with the City to achieve overall neighborhood revitalization has also produced positive benefits in making the neighborhood a better place for new family housing. The Authority has learned from these efforts and continues to incorporate these lessons into its ongoing efforts.

MANAGEMENT ASSESSMENT

I. THE ALBANY HOUSING AUTHORITY

A. Background

The John Boyd Thacher Homes, to be renamed Steamboat Square as part of the turn-around effort, was constructed in 1958 as four 12-story high-rises housing 400 families. In 1965, a fifth 120 story high-rise was constructed adjacent to the Thacher Homes site, as part of another development of high-rises, Lincoln Park Homes, which was constructed on a site several blocks away. Although this fifth building is administratively designated as part of Lincoln Park Homes, it functions as part of today's Steamboat Square community. The two family high-rise developments are in the same immediate neighborhood and are similar in design, density and resident populations. While the problems tended to be more severe at Thacher Homes, the Albany Housing Authority has always sought solutions for both sites.

The Albany Housing Authority (AHA) was chosen as a case study site not because of distressed conditions, but because of the difficulty it has marketing its units. Redesign of two of its high-rise family developments arose out of the needs to address the low occupancy conditions which resulted from marketability problems. While organizational issues may have contributed to some of the low occupancy conditions, it appears that shifting demographics within Albany and the surrounding communities lowered market appeal for the type of units available through the AHA. Both Thacher Homes (NY9-3), which was the first of the two family high-rise developments to receive modernization intervention, and Lincoln Park Homes (NY9-4), which recently completed its comprehensive modernization, represent a strong commitment to making public housing successful in a competitive housing market. These two adjacent developments were redeveloped and are now considered one site for management purposes.

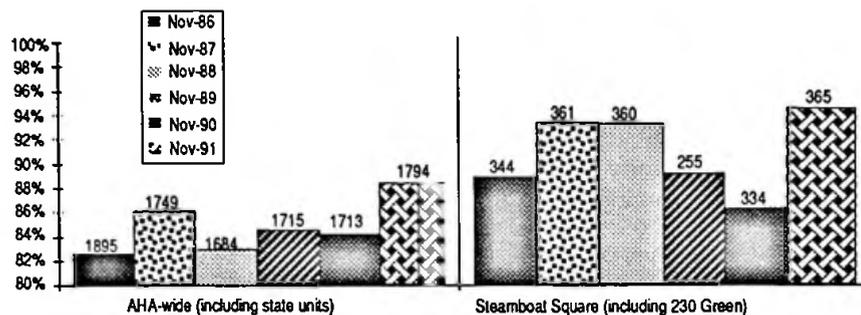
B. Authority Operations

Occupancy Management. The overall occupancy rate for the federal conventional public housing program is 87 percent and 96 percent for the State of New York assisted public housing units.

The AHA's federal conventional program consists of 1,738 units and the state program consists of 286 units for a total of 2,016 units. The waiting list for both Section 8 and the conventional program includes over 2,300 names. The greatest demand by bedroom size on the conventional waiting list is for one-bedroom units. The total demand for one-bedroom units is 52 percent of the total households on the waiting list.

The demand for these one-bedroom units has been created mostly by individuals under 62 years of age. Elderly are being replaced by those with disabilities, the homeless, and young single people or couples. This potential occupancy management problem was lessened throughout the 1980s as the AHA kept large groups of units off-line for modernization. For instance, two buildings at Lincoln Square were undergoing modernization and a third was being readied for modernization at the time the Comprehensive Occupancy Plan (COP) was developed, so the vacant units were not included in analyses that were performed to identify the major impediments to full occupancy.

OCCUPANCY LEVELS AHA-WIDE AND AT STEAMBOAT SQUARE 1986-1991



Smaller units such as efficiencies are now difficult to rent as they are in direct competition with other affordable housing, such as Section 202 developments constructed in the 1980s. Prior to the construction of Section 202 housing developments, the AHA was the primary provider of low income elderly housing and could market this housing to the population in the surrounding communities.

In 1987, the average turn-around time for vacant units was in excess of five months. A lack of coordination between property management, the Vacancy Apartment Preparation (VAP), and Occupancy Management staff was cited in the COP as the major cause of the lengthy turn-around time. Property managers cannot release units to VAP until all possessions are removed, and the AHA had not established a mechanism for storing possessions so that units could be assigned to VAP. In addition, applicants were not ready to be housed immediately upon completion of the unit by VAP. Another contributing factor to the lengthy turn-around time was a high refusal rate by applicants. Three developments stand out in the narrative as contributing to the high average turn-around time: Steamboat Square (NY9-3); Lincoln Homes (NY9-4); and Ida Yarborough (NY9-5). When these developments are excluded from the analysis, the average turnaround time drops from 5.7 months to 3.6 months.

In its analysis, the AHA identified ten "causes" for its vacancy problems. Several of these are no longer primary causes for vacancy problems since they relate to organizational impediments that have been addressed through internal efforts. The ten causes are:

- lack of consistent marketing and outreach, especially for smaller size units;
- limits to marketability caused by a lack of neighborhood and site amenities;
- competition for elderly applicants from Section 8 New Construction and Section 202;
- shrinking demographic pool of potential applicants;
- population shifts from the census tracts where AHA developments are situated;
- family and elderly rent contributions are higher for the federal developments (30 percent) than at the state developments (25 percent), which were at 99 percent occupancy in 1986 and are at 96 percent in 1992;

-
- lack of coordination between different organizational functions such as Operations, Maintenance, and Occupancy;
 - a hold on transfers of overhoused households to smaller units because of the need for modernization related relocation;
 - high unit refusal rate because of “old image” and location; and
 - organizational norms that reflect a crisis management orientation, lack of goals and performance standards, and an understanding of functional interdependencies.

Conventional marketing and outreach efforts are currently being undertaken. Discussion is underway to formalize a pilot program of designating units to social services entities to be used for housing placements for those who require services as an accommodation. Qualified individuals would be placed in these set-aside units and on the waiting list simultaneously. As their needs for services diminishes, they would likely be eligible for a regular unit assignment.

The AHA has also received a waiver to offer up to 10 units to police officers at a reduced monthly rent, currently set at \$50. Eight of these units are currently occupied. The officers are only requested to be visible in terms of parking cruisers and wearing their uniforms. The AHA is considering asking for more formal community activities and services for police officers in return for the below-market rent charges of just \$600 a year.

Maintenance Operations. The AHA runs a fully centralized maintenance organization. Approximately ten years ago, a Work Incentive Program (WIP) was developed for the delivery of maintenance. Based on time and motion studies for all major maintenance activities, WIP standards were established by development and, in the case of vacancy turn-over, by bedroom size and development. Compensation incentives are offered. Maintenance workers who complete work orders exceeding the equivalent time value of a full work week receive a pay bonus equal to half the increased productivity. The cap is a ten percent bonus for performing at 120 percent of the standard.

Based on the time and motion studies, the WIP standards assume that production in excess of 120 percent indicates an error in the standards or a loss in performance quality. For the twenty-one month period between June 4, 1990 and February 23, 1992, \$103,478 was paid in WIP incentive bonuses which would be an annual bonus rate of 4.5 percent of the salary line item. (The AHA budgets 3.9 percent in its current budget for WIP bonuses.) In theory, the 4.5 percent bonus signifies approximately 9 percent greater productivity, but the increased productivity is not considered to be the major benefit, which is in placing the focus on work performance targets that provide a basis for planning and scheduling. Variance from the WIP standards serves as a flag for supervisor review.

Contracting for services to supplement maintenance delivery is limited at the AHA. The largest contract, which is for trash removal, costs \$224,792. The next largest contract is for elevator maintenance and costs \$52,740 per year. Extermination services are performed in-house.

The maintenance staff at the Authority consists of 59 budgeted positions, including the director of maintenance, the deputy director, two maintenance foremen, the landscape foreman and a custodial supervisor. This does not include either the WIP technician or the housing authority inspector, but it does include two dispatchers and a stores clerk.

The Authority has 50 full-time maintenance staff which is a units to staff ratio of 40:1. There are also part-time grounds staff, made up predominantly of a summer youth employment pool which is eligible to work up to 24,320 hours (nineteen full time equivalents for 32 weeks).

C. Financial Resources

Annual expenses for the federal program exceed \$7.3 million and reserve levels total \$2 million which is 83 percent of maximum. The AHA has been able to secure a very high level of modernization funding, averaging about \$8 million a year over the last decade. For the most part, developments are in good condition due to the high level of modernization dollars. Modernization has been used to support maintenance services and limit conditions of physical distress. The weak market demand, combined with a level of modernization funding which has been reduced as a result of the transition to the comprehensive grant program formula, may result in an increased burden on maintenance operations.

The AHA has been able to supplement its programs with two Public Housing Drug Elimination Grants (PHDEP) totalling nearly \$600,000 for recreational programs and additional police intervention.

The AHA also owns two parking lots located in the downtown area. These sites were originally acquired for development but difficulties in getting the necessary approvals rendered development of these sites infeasible. The parking lots generate about \$190,000 a year in fees, which is used to help subsidize the state conventional public housing program.

II. THE DEVELOPMENTS

Thacher Homes was built in 1958 and Lincoln Park was completed seven years later in 1965. Thacher consisted of four high-rise buildings and Lincoln Park consisted of five high-rise buildings. However, one of Lincoln Park's structures was built on a parcel adjacent to Thacher. This structure contains 80 units. The four structures at Steamboat Square and Lincoln Square and the one structure at the Thacher location serve and are treated as one unified site, even though the site was constructed using more than one project number.

The low occupancy conditions in the mid and late 1970s at both of these twelve-story developments located in Albany's South End were disproportionate to the other family low-rise and elderly high-rise developments. For this reason, AHA sought to develop a comprehensive strategy to mitigate and correct the conditions at these two developments through a plan of action to be funded by an Urban Initiatives Grant. In 1978, Steamboat Square was at an occupancy level of 46.8 percent, and Lincoln Square had an occupancy rate of 62.5 percent. These rates contrast with the rates of other developments in the portfolio, which on average were occupied at a 95 percent rate. The grant application called for a total of \$8.6 million for the two developments for redesign and improvements and \$1.3 million for the new construction of row house units. Another \$180,000 was allocated for the creation of commercial spaces at Thacher Homes.

As part of the physical and management improvements strategy, Thacher Homes was renamed as Steamboat Square (NY9-3 and part of NY9-4). The name change is part of a make-over that entailed break-throughs of units, deprogramming of units, and construction of townhouse replacement units. Steamboat Square may be one of the first public

housing developments at which break-throughs and unit reconfiguration were used. None of the buildings are set aside specifically for elderly housing, but a large concentration of zero and one bedroom units is used to accommodate a significant number of single person households, many of which are elderly.

Of the 387 units at the location, including the units in the four habitable high-rise buildings and the townhouse units, 261 units are either efficiency or one bedroom units. There are 89 residents with disabilities and the average household size is 1.1. There are nineteen vacant units for an occupancy rate of 95.1 percent.

III. STEPS TAKEN TO ADDRESS DEVELOPMENT CONDITIONS

The Urban Initiatives Grant was funded, but all funds were directed to Thacher Homes. Between 1981 and 1985, over \$10 million was allocated for work in four high-rise structures. Another \$788,300 was obtained to convert existing space into the central maintenance facility at 159 Church Street, the structure located closest to the highway and not habitable because of high noise levels. This building remains occupied on the first two floors by the AHA and there is a plan under consideration to move the entire Central Office from its location at Lincoln Square into the structure. Previously, the Church Street site was used for records storage and intended for jobs programs for residents that were never implemented. Besides the redesign of the units, there were several improvements to the site including a basketball court, four tennis courts, and a "tot lot." These areas remain in place but do not appear to have developed into major recreational resources.

In addition to the physical improvements, the Urban Initiatives Grant also described two major management improvement initiatives: the automation of the Authority, in particular the implementation of project-based budgeting (P-BB), and the use of a Work Incentive Program (WIP). AHA sought funding for these improvements as part of its comprehensive strategy to improve housing service delivery and to sustain the physical improvements. It was hoped that WIP would provide a framework for performance standards and that P-BB would provide the measuring stick in terms of costs and savings. Both of these initiatives were implemented in a limited fashion. Only one of the three WIP components (maintenance) was implemented. Project-based budgeting was not fully implemented as all cost allocations were made by unit only, without any distinction for variance in structure type, design, or relationship to the overall operations of the Authority. The capacity to allocate costs has remained part of the financial software package through all hardware and software upgrades at the Authority since initial installation of its computer system.

The Work Incentive Program was described in the grant application as consisting of three levels. Model I was for maintenance activities and was based on standards developed as part of a series of time and motion studies that had occurred prior to the grant application. Models II and III were never implemented. Model II was intended to cover all middle management and clerical personnel, and Model III was intended to cover all executive staff. No detail was provided in the grant application as to what performance criteria Model II and Model III were to be based on. A reason offered as to why Model II and Model III were never implemented was the difficulty in determining what to measure and how to assign responsibility based on organizational roles. Maintenance tasks, with their discrete, visible finished products, lent themselves better to the development of clear and consistent standards.

WIP, as used by central maintenance, remains active and in use. Its major strength is considered to be the framework for planning and monitoring performance that it provides. However, WIP is not considered a major benefit in actual increased productivity. Assuming that work performed is of consistent quality, WIP rewards employees of greater skill and efficient work planners and helps identify low or problem performance areas.

DESIGN ASSESSMENT

I. EXISTING DEVELOPMENT CONDITIONS

A. Context and Location

Thacher Homes and Lincoln Park Homes are located near downtown Albany and the \$1 billion Empire State Plaza, seat of New York State government (see Figure 1). The Thacher Homes immediate neighborhood included a police station, a large health facility on Green Street operated by the County of Albany, and an elementary school directly across the street (refer to Figure 2). The development was in Albany's South End neighborhood, an urban residential area consisting mainly of two-, three-, and four-story 19th century row houses. Like many inner city urban areas in the 1960s and 1970s, the South End experienced decline and disinvestment as the middle class moved out to the suburbs. The relocation of commercial and industrial enterprises resulted in a lack of jobs in the South End and an unemployment rate for residents higher than the City average. Many of the neighborhood structures were abandoned which led the Albany Urban Renewal Agency to designate the Pastures Preservation District, directly abutting Thacher Homes, as an urban renewal area which received funds to develop streets and public utilities to encourage other investment including subsidized and market rate housing.

B. Design Factors Contributing to Distress

The original design of Thacher Homes contributed substantially to its deterioration over the years. Key design factors that negatively impacted the long term viability of the development include: the scale and density of the development, site design inadequacies, high-rises inappropriate for families, poor unit design, code deficiencies, and an adjacent highway.

Scale and Density of the Development. The 12-story buildings at Thacher Homes were vastly different in scale, appearance, and function when compared to the old housing stock adjacent to the site. The original 525 units (including 230 Green Street) on 8.8 acres resulted in a density of 60 units per acre, approximately twice the density of the surrounding neighborhood with its one-, two-, and three- story structures. The "plainness of the facades" added to the overly large scale of the buildings. These characteristics served to isolate the development and its residents from the immediate neighborhood and to emphasize the institutional nature of public housing.

In addition to being very dense, Thacher Homes was the largest AHA development. Lincoln Park Homes, the only other family high-rise development, had 265 units. The other AHA family developments included 107 units at Whalen Homes, 291 units at Coming Homes, 129 family units at Ida Yarborough, and 128 and 179 units of state-assisted family housing at Creighton Storey and Ezra Prentice, respectively.

Site Design Inadequacies. The 12-story high-rises were placed on the site at angles to the rectilinear pattern of surrounding streets and structures. Each building has a different relationship to the street and to parking areas. What may have originally intended to be park-like areas between buildings became large open areas which lacked any functional use and for which no one felt any responsibility for care or maintenance. The typical pedestrian pattern of movement along the street was replaced with random shortcuts between buildings, leading to increased problems of safety and security on the site.

Figure 2: Thacher Homes and the Neighborhood Context

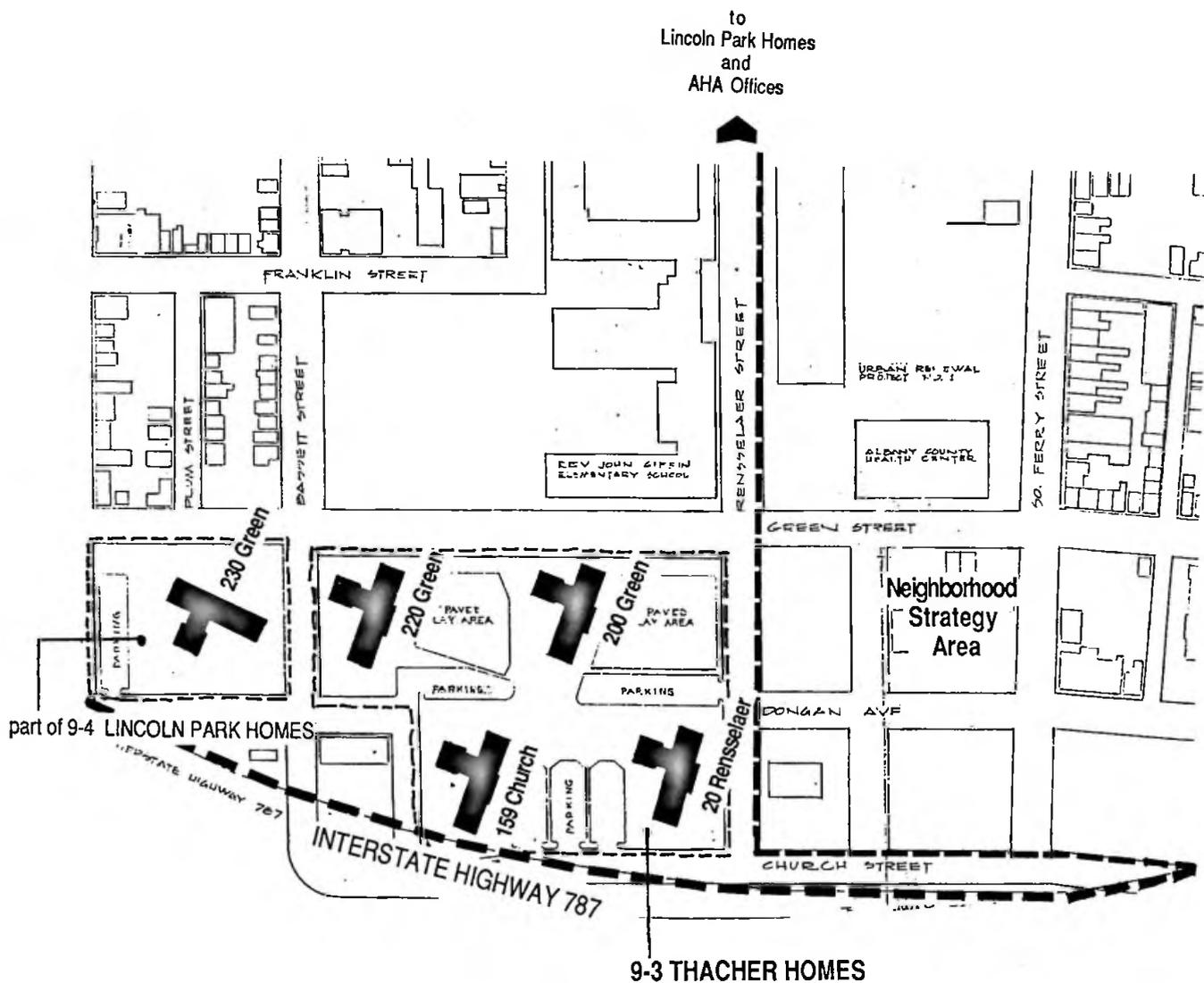
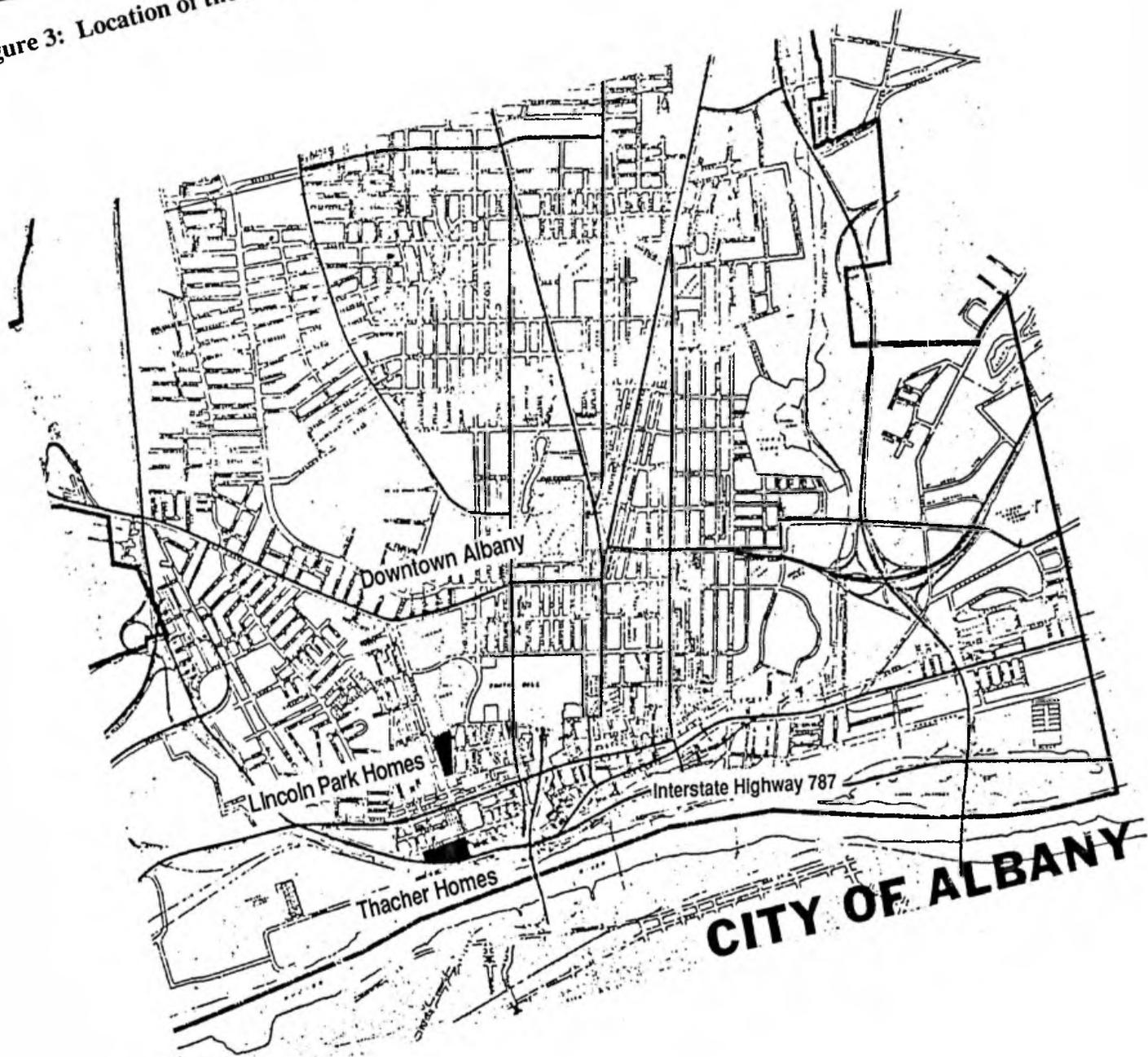


Figure 3: Location of the Development



High-rise Buildings and Families. The number of units in each high-rise building ranged from 100 to 125. This translated into approximately 200 to 300 children in each building using the two skip-stop elevators serving every other floor. The interior hallways were dark and narrow and the elevator lobby was not visible from any of the units. Security and vandalism of the common areas, particularly the elevators, were continual problems.

With small units and narrow interior corridors, small children had nowhere to play indoors. Because of the distance from the ground, outdoor play supervised by adults was limited. Both residents and the Albany Housing Authority were in agreement that high-rise buildings for families with children were difficult to manage and were not supportive of family living. More appropriate housing included units with private entries and immediate access to private yards where children could play within easy view of adults inside the unit.

Poor Unit Design. The as-built units at Thacher Homes were generally quite small. Kitchens were undersized and did not provide adequate space for a dining table to accommodate family members. Kitchens included free standing sinks, open cupboards and minimal counterspace. Large units with 3 and 4 bedrooms had only one bathroom; most bathrooms did not have showers or ceramic tile tub surrounds. Storage was insufficient and closets lacked doors. Many bedrooms did not accommodate furnishings for double occupancy.

Table 1
Steamboat Square Development: Unit Sizes (square feet)

Unit Size	Thacher Homes As-Built Units	HUD MPS	Contemporary Design Standards*
1 bedroom unit	544	580	600
2 bedroom unit	720	740	900
3 bedroom unit	903	840	1100
4 bedroom unit	1025	960	1300
5 bedroom unit	—	—	1500

*Massachusetts Housing Finance Agency's Architects Guide

Code Deficiencies. The as-built high-rises at Steamboat Square did not meet the New York State Multi-dwelling Code and the HUD Minimum Property Standards requirements for remote second means of egress. There were dead end corridors in excess of the forty foot maximum length and stair towers did not exit to the exterior. Garbage chutes were not enclosed in a separate closet on each floor. Fire hose cabinets were non-functional due to abuse and vandalism. At some of the buildings, standpipes were not within the protected stair tower and electrical distribution panels were in the public corridor. In addition, there were numerous other code violations of a lesser nature.

Location Adjacent to Highway. After the construction of the fifth high-rise building at Steamboat Square in 1965, the New York Department of Transportation constructed Interstate Highway 787 directly adjacent to the site. This had a profound impact on the viability of the development by increasing the noise and pollution levels. The Albany Housing Authority tenant records indicated a substantial increase in the vacancy rate immediately following the opening of the highway, with the two buildings closest to the highway suffering the highest rate of vacancies. Noise generated by the high volume of

traffic this close to residential buildings probably exceeds federal standards, and substantial noise abatement steps would be necessary (including triple glazed windows and central air conditioning). The Albany Housing Authority, encouraged by HUD, sought compensation for the impact of highway construction but was not successful.

C. Other Factors Contributing to Distress

Physical Conditions/Modernization History. The original construction consisted of a flat plate concrete frame with brick and block exterior walls. Interior partitions at hallways were concrete blocks; partitions within units were either concrete block or plaster walls. The basic heavy-duty structure was in very good condition but the systems and finish materials were at the end of their useful life. Bathroom walls were deteriorating from the absorption of moisture. Many of the original windows were broken; floors needed resurfacing; and apartment doors were warped and damaged and, in many instances, could no longer be locked.

The skip-stop elevators were in a continual state of disrepair. Some were inoperable, causing families to rely on the filthy, dark stairways in the 12-story buildings. All public areas were poorly lit, dirty, and contained the stench of human waste. Delivery men refused to go into buildings on the site. The common laundromats were vandalized so the vending companies removed the washers and dryers. Residents subsequently bought and installed their own washing machines in their units, which so strained the plumbing system that back-ups were quite common.

There was no evidence of any modernization work performed at Thacher Homes prior to its redevelopment (although there was a record of funds being available over a three year period prior to rehabilitation).

Occupancy. As illustrated in Table 2, Thacher Homes had the highest vacancy rate of AHA developments in 1978. Lincoln Park Homes had the next highest vacancy rate. All other developments were almost fully occupied.

Table 2
Steamboat Square: AHA 1978 Occupancy Rates

			# Bldgs	# Units	Occupancy Rate
<i>Federal Housing</i>					
Thacher Homes	Hi-rise	Family	4	397	46.8%
Lincoln Park Homes	Hi-rise	Family	5	390	62.5%
Whalen Homes	Lo-rise	Family	6	107	95.3%
Coming Homes	Lo-rise	Family	23	291	95.5%
Hampton Plaza	Hi-rise	Elderly	1	100	96.0%
Ida Yarborough	Hi-rise	Elderly	2	224	96.9%
	Lo-rise	Family		129	96.9%
Westview Homes	Hi-rise	Elderly	1	195	99.5%
<i>State-Assisted Housing</i>					
Creighton Storey	Lo-rise	Family	10	128	93.8%
Ezra Prentice	Lo-rise	Family	15	179	97.8%
Townsend Park	Hi-rise	Elderly	1	158	100%
Total AHA Housing				2,299	82.4%

According to 1976 reports, the Albany Housing Authority had a waiting list of 463 households (166 elderly households and 297 families). Regardless of this strong demand for public housing units, there was no demand for units at Thacher Homes due to its overwhelming negative image and deteriorated conditions.

Prior to redevelopment of Thacher Homes, no attempt was made by the Albany Housing Authority to achieve a racial balance or deal with problem residents. In 1978, when the development was more than half vacant, the residents remaining on site were overwhelmingly Black. At the same time, Lincoln Park Homes, three blocks away from the Thacher development, had a mix of White and Black residents.

II. PROCESS FOR REDEVELOPMENT

A. HUD Comprehensive Review and AHA Response

In 1976, the excessively high vacancy rates, poor public image, and the level of deterioration at Thacher Homes led HUD to question the continued viability of the development. HUD conducted a Comprehensive Review of the Thacher Homes development and the administrative practices of the Albany Housing Authority. The Review noted the dramatic shift in tenancy between 1965 and 1973 to families on public assistance and/or residents who were underemployed. The operating costs during this same time period greatly exceeded the rental income, thereby decreasing the Authority's budget for operations.

The HUD Review offered several recommendations for addressing the viability issues at Thacher Homes. These included: developing a management plan modeled after the Target Project Program (TPP); improving security by locating 24-hour services on the ground floor of high-rises and by installing public address microphones in public areas connected to a central security station for monitoring; and providing space on-site for resident services such as a senior citizen's center, craft classes, and reading instruction. HUD also encouraged the Housing Authority to work closely with the local Urban Renewal Agency to clean up the surrounding neighborhood. With \$1 million of available modernization funds, and some additional funding, HUD believed Thacher Homes could be restored to a successful living environment for families.

In responding to the HUD Review, the Albany Housing Authority recommended that the revitalization effort achieve a much wider objective, namely the well-being of the existing residents at Thacher Homes. The Housing Authority urged that alternative uses of the high-rise buildings be considered. While the original intent was to house families alongside elderly residents, the AHA experience at Thacher Homes found this condition to be unworkable and unmanageable. In an effort to deal with the problems of families in high-rises, the Housing Authority had already adopted an official policy of discouraging large families in high-rise units and rented these units with the objective of one bedroom per child to reduce the density to a controllable amount. To address the security problems at the development, AHA believed that the special TV monitoring of common areas and the complete redesign of the entire structure was necessary to provide adequate security.

With respect to services the Authority believed only the total community approach to making the area active and vital would result in ample services and job opportunities for all residents. The success of the \$8.5 million Urban Renewal Project directly to the north of Thacher Homes was, to some extent, impacted by the conditions at the development. A comprehensive revitalization of the entire community, including adequate modernization funding to complete Thacher Homes and funds for housing in the neighborhood, was AHA's recommendation.

B. Resident Involvement

The residents at Thacher Homes played an active role in the turnaround effort. In 1976, they went to Washington, D. C. to meet with Patricia Harris, the Secretary of Housing and Urban Development, to urge her support for the revitalization of the development. She sympathized with the residents and reassured them that they would not be dislocated by college students or any other resident type considered more appropriate for the high-rise buildings than the families with children.

To get as much input as possible from the residents of Thacher Homes, the Albany Housing Authority conducted a survey of existing residents to determine their housing needs and wants for the redevelopment effort. Residents were trained to conduct the surveys on a one-to-one basis and produced a 90 percent response rate. Some of the findings from this survey (as reported in the Urban Initiatives proposal) which helped guide the redesign program for the development are summarized below.

- The majority of residents (61%) felt the development should be rehabilitated while only 6 percent thought it should be abandoned. Most preferred to remain at Thacher because of its location in the South End neighborhood of Albany.
- If Thacher Homes were rehabilitated, 60 percent of the respondents indicated a desire to return to the development. However, if given the option, 72 percent (particularly the larger families) expressed an interest in the Section 8 Program.
- Almost all respondents (96 percent) indicated they would like to see one or more high-rise buildings totally remodeled and reserved for residents who wanted to remain at Thacher Homes. According to 57 percent of the respondents, the remaining buildings could be used for single people without children or for offices.
- When specifically questioned about high-rise living for families, 64 percent felt that it was in the best interest of the community to move families. When asked their preference for building type, 67 percent stated a preference for three-story housing; 15 percent preferred high-rise buildings; and 18 percent had no opinion.

The tenant survey, along with valuable input from AHA staff, outside design consultants, lawyers, the New York State Department of Transportation, representatives from HUD, the Albany Chamber of Commerce, the Steamboat Square Tenants Association, the United Tenants of Albany, the Senior Service Centers of Albany, the Albany Urban Renewal Agency, community leaders, developers, and the Mayor, shaped the redevelopment solution that the Authority proposed in its funding application.

C. Urban Initiatives Proposal

In August 1978, the Albany Housing Authority, with the support of the Mayor, submitted an application to HUD for funding for both Thacher Homes and Lincoln Park Homes under the Public Housing Urban Initiatives Program. The key goals of the redevelopment effort were:

- continue to provide housing, particularly for large families, by constructing new townhouses and considering alternative uses for high-rise buildings;
- redesign to provide a safe and secure environment for economically dependent and problem-plagued families;

- coordinate efforts at Thacher Homes with other revitalization activities in the neighborhood, including the Pastures Urban Renewal Area;
- introduce the use of townhouses and rowhouses, to reinforce successful patterns of urban living with building entries directly on streets, private territory in the front and back yards for resident use, and pedestrian use of public sidewalks to activate the street;
- address code deficiencies which impact the health and safety of residents;
- improve the interior and exterior of the buildings to alter the negative image of the development and to reduce the visual impact of high-rise buildings in a two- and three-story neighborhood;
- increase resident security through the use of patrols and electronic devices such as closed-circuit TV and call/listening devices in public areas; and
- increase job opportunities to ensure the comprehensive revitalization of a low income community through light industry and offices in the South End; job opportunities at the Port of Albany, and an expanded security force.

The Authority was awarded \$12 million to redevelop the high-rise sites and the surrounding environs. Although the initial planning efforts focused on the revitalization of two high-rise developments (Thacher Homes and Lincoln Park Homes), the AHA decided to apply all funds to the more severely distressed Thacher Homes development. With urban renewal efforts underway in the adjacent Pastures Preservation Area, and the possibility of leveraging additional funds from other sources, the Thacher Homes revitalization effort was expected to make a substantial impact on the rejuvenation of a deteriorating inner city neighborhood.

Once funded, the Albany Housing Authority advertised for proposals from architectural and engineering consultants for three separate design packages: (1) substantial rehabilitation of the five high-rises to eliminate code deficiencies, redesign units for singles or childless families, and change the image of the high-rise buildings so they would be more compatible with the urban fabric; (2) new construction of 54 townhouses for large families displaced by renovation and (3) substantial rehabilitation of 54 large units in existing structures in the immediate neighborhood.

An Urban Initiatives Task Force comprised of the Mayor of the City of Albany, the Executive Director of the Housing Authority, a Tenant Commissioner, and a HUD representative selected the firms to prepare contract documents for public bidding. The first bids were advertised in 1981.

D. Construction Packages

Table 3 and Figure 3 outline the major construction packages that were bid for the redevelopment effort. These were bid separately because of the different construction types (renovation versus new construction) and the need to phase construction work to accommodate on-site relocation needs.

Table 3
Steamboat Square Development: Construction Packages

Package	Scope	Total Units	Construction Period
1	Rehabilitation of four high-rises a. 20 Rensselaer and 230 Green Street b. 200 and 220 Green Street	312	1981-1983 1982-1985
2	New construction of AHA Central Maintenance Facility and rehabilitation of first two floors at 159 Church Street for AHA Maintenance and Modernization divisions	--	1981-1982
3	New construction of townhouses on site and on acquired parcels adjacent to the development	44	1981-1983
4	Historic rehabilitation of acquired vacant buildings in the immediate vicinity of the development	31	1983-1985
Total Units		387	

III. ANALYSIS OF DESIGN FEATURES OF STEAMBOAT SQUARE (Formerly Thacher Homes)

The Thacher Homes redevelopment effort included substantial redesign of existing high-rise structures for the elderly and the new construction of townhouses for large families. The need to change the occupancy of the high-rise buildings, driven by AHA manageability and resident livability concerns led to the extensive design treatments described below. In addition to the design changes to the building exteriors to alter the image of scale, the development was renamed Steamboat Square to further highlight the level of change or 'rebirth' that had taken place.

The new unit distribution provides for small units for the elderly in the high-rise buildings. The larger family units (3, 4 and 5 bedrooms) are located in new townhouses or rehabilitated rowhouses acquired in the surrounding neighborhood. Figure 4 and Table 5 provide an overview of the redevelopment effort at Steamboat Square.

The original 525 units in the high-rise buildings have been reduced to 312 units for elderly occupancy. While the units have been substantially redesigned and enlarged, the majority of the unit reduction occurs through the boarding up of portions (wings and upper floors) of the high-rise buildings. No demolition of habitable units within the high-rise buildings has occurred to date. New construction of 44 townhouses for families occurred both on the original site and on adjacent vacant parcels of land. AHA acquired existing deteriorated properties in the immediate neighborhood and renovated these structures, resulting in an additional 31 family units.

Figure 4. Construction Packages for Redevelopment Effort

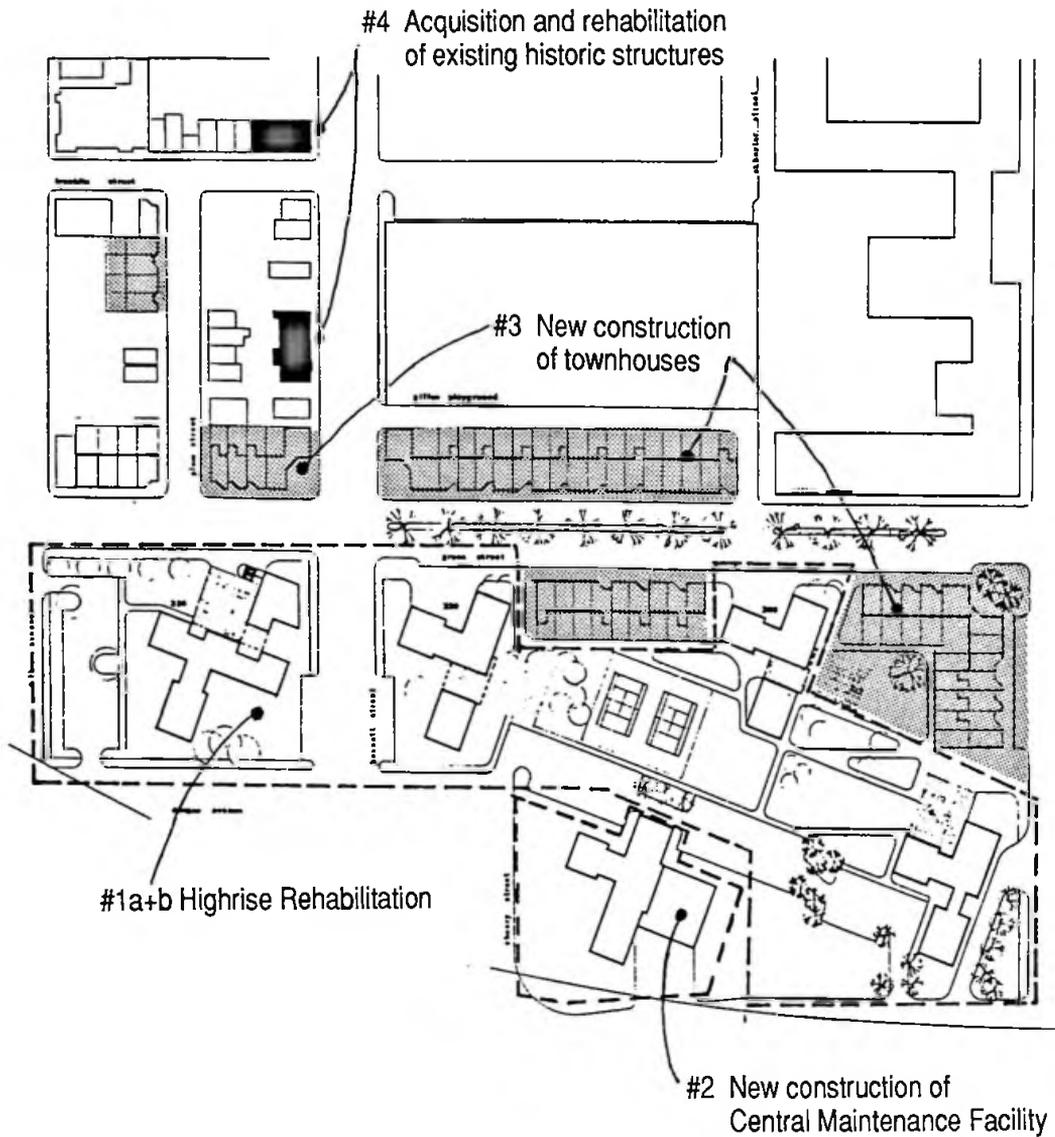


Table 4
Steamboat Square Development: Timeline of Redevelopment Process

1960	John Boyd Thacher Homes constructed as 400 units in four 12-story high-rise buildings
1965	Fifth 12-story high-rise with 125 units is constructed at Thacher Homes, as part of the development program for Lincoln Park Homes, another family high-rise development three blocks from Thacher Homes
1967	Thacher Homes Tenant Association formed; first evidence of deterioration noticed by residents
Early 70s	Highway constructed directly adjacent to the site; vacancy problems increase substantially in high-rises closest to the highway
1976	HUD prepares Comprehensive Review of Thacher Homes and the Albany Housing Authority in response to questions of viability of the development
1976	Residents go to Washington, DC to meet with Secretary of HUD to seek her support for revitalizing Thacher Homes for the current residents
1977	Albany Housing Authority responds to HUD's Review and begins detailed planning for the comprehensive revitalization of Thacher Homes and Lincoln Park Homes
1978	Albany Housing Authority submits Urban Initiatives application to HUD requesting funding Vacancy rate: 70%
1981	Rehabilitation of first two high-rise commences; Central Maintenance Facility is constructed; new construction of townhouses begins
1982	Rehabilitation of next two high-rises commences
1983	First two high-rises completed and reoccupied with elderly Work commences on renovation of acquired residential structures in neighborhood; 44 new townhouses completed and occupied with large families
1985	Additional two high-rise buildings at 200 and 220 Green Street available for occupancy by elderly; substantial rehabilitation of 31 acquired units in neighborhood completed
1988	CIAP funding of modernization work items including roof replacements, fire and life safety improvements, and conversion of efficiencies to one bedroom units
1991	CIAP funding for replacement of sliders with double hung windows; new development funding received for 25 townhouses

Figure 5. Steamboat Square Site (1992)

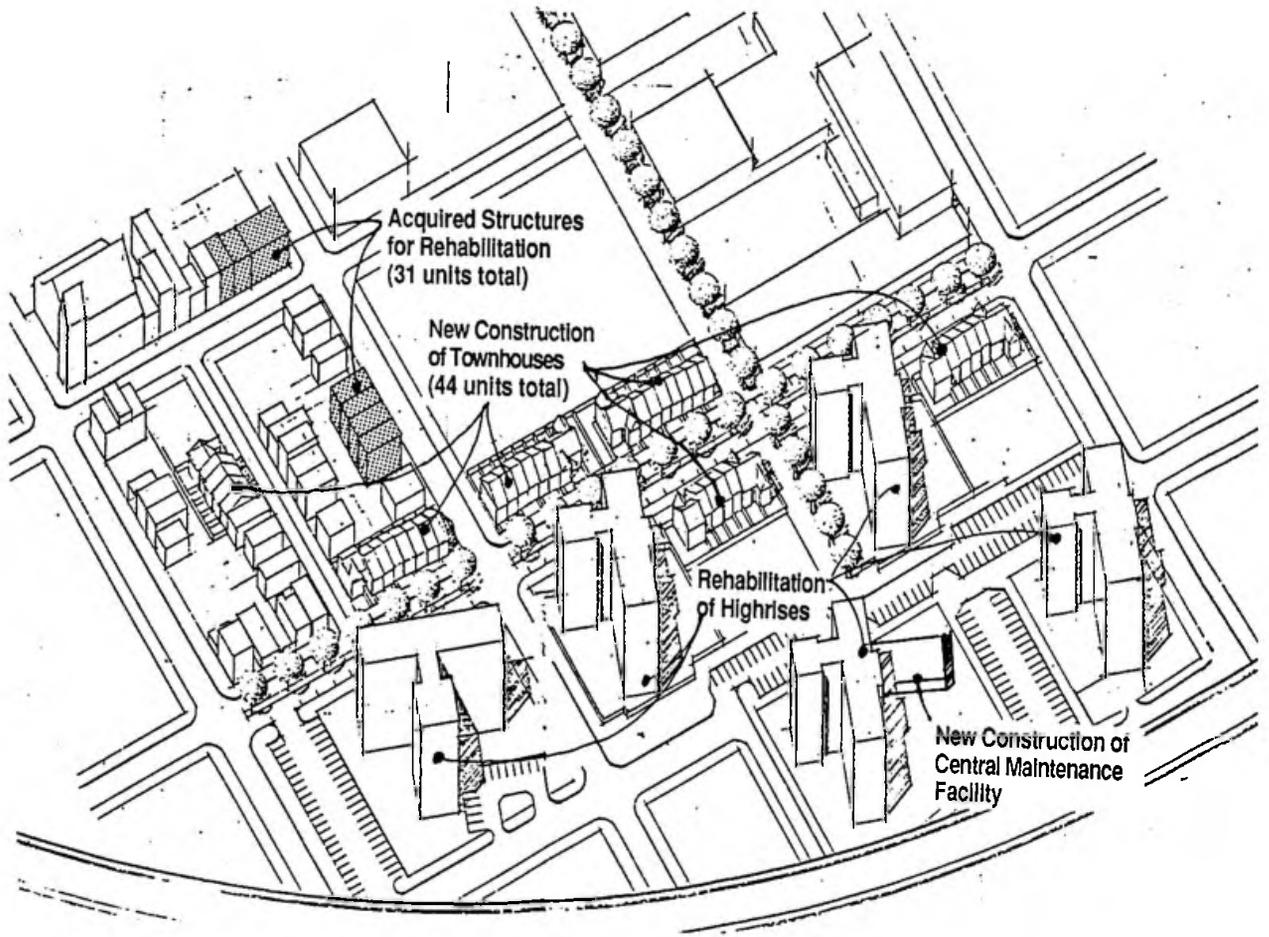


Table 5
Steamboat Square Development: Physical Characteristics

	Before Redevelopment	After Redevelopment (1992)
Construction dates	1960	1983-85
Site Area	8.8 acres	8.8 acres + new sites (\pm 1 acre)
Buildings	5 12-story high-rises	5 12-story high-rises 6 bldgs new construction (TH) 7 bldgs acquisition with rehab (RH)
Unit Distribution		
Small Units		
		83%
0 bedrooms		51 (13%)
1 bedroom units		215 (56%)
2 bedroom units		55 (14%)
Large Units		
		17%
3 bedroom units		40 (10%)
4 bedroom units		22 (6%)
5 bedroom units		4 (1%)
Total Units	525 units	387 units
Unit Loss		(138)*
Density Measures		
Units per acre	60 units per acre	39 units per acre
Total # bedrooms	--	553 bedrooms
Bedrooms per acre	--	56 bedrooms per acre
Bedrooms per unit	--	1.4 bedrooms per unit
Unit Sizes		
1 bedroom	544 sf	600 sf
2 bedroom	720 sf	900 sf
3 bedroom	903 sf	1100 sf
4 bedroom	1,025 sf	1300 sf
5 bedroom	--	1500 sf

*The majority of the unit loss is attributable to the boarding up of portions of the high-rise buildings; enlarging unit sizes through redesign has contributed to some reduction in the total unit count. To date there has been no demolition of habitable area. New construction or acquisition of existing properties for families accounts for 75 of the 387 total units.

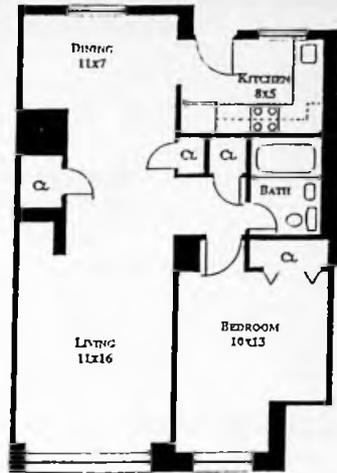
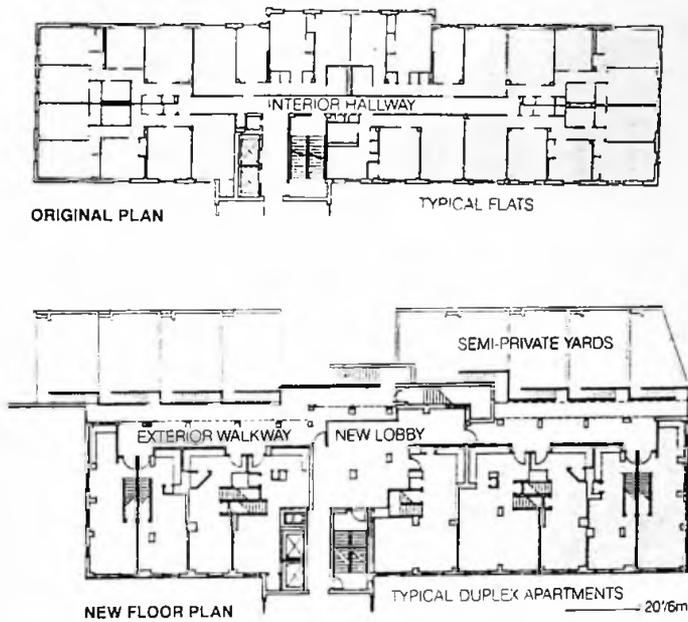
The revitalization to date has been substantial, but it is not fully completed. Work continues today to replace the lost units in the neighborhood, to complete portions of buildings left vacant and boarded up, and to address design or construction problems resulting from previous redevelopment contracts.

A. High-rise Building Redesign

The \$12 million of Urban Initiatives funds were used to rehabilitate the four high-rise buildings at 20 Rensselaer and 200, 220, and 230 Green Streets. The high-rise redesign is illustrated in Figures 5 and 6 and include the following components.

- **Lobby entrances:** All lobbies have been reoriented to the street and have large glazed vestibules for easy surveillance and for weather protection. An intercom system has been installed in the vestibule and all visitors must be buzzed in by a resident.
 - **Security systems:** Each lobby entrance is monitored by a closed circuit TV camera wired to individual units. Residents can view coming and going activities on their TV sets around the clock. Four monitors are also provided in the manager's office for viewing of all high-rise entrances. This permits one security guard to view all entrances from a single location and avoids the need for stationing security patrols in each lobby.
 - **Unit improvements:** The habitable area on each floor has been substantially redesigned; all existing partitions were demolished and new plumbing cores were cut; all units have been enlarged to current spatial standards (see Table 5). Separate dining areas are provided adjacent to kitchens; cabinet and counterspace has been substantially increased; bedrooms are large enough for double occupancy; and storage space has been increased. The redesign of high-rises at 200 and 220 Green Street is illustrated in Figure 5. Two bedroom duplex units are located on the second and third floors; these units have access to private outdoor yards.
 - **First floor uses:** Ground floors include public and semi-public uses such as the manager's office, the congregate dining facility, community rooms, and space used by other program providers. At 230 Green Street there are units located at grade which are accessed through the lobby and an exterior corridor at the back of the building; these units have private outdoor areas.
 - **Interior common areas:** The dark, double-loaded corridors have been redesigned to bring in natural light and air and to improve the visual/spatial character of these spaces. In two of the high-rise buildings, the hallways were redesigned as exterior corridors so that enlarged units can have access to light and air on both sides of the unit. In the remaining high-rise buildings, the corridors are enlarged and include some socializing space on each floor where residents can gather and/or personalize with furniture and plants.
 - **Exterior building changes:** Egress stairs were added for code purposes; they were added on the exterior of buildings to break up the otherwise flat facade. The new stair towers are clad with brown tile panels to add visual variety; some terraces are created by cutting existing cladding.
 - **Congregate living facility:** The high-rise building at 20 Rensselaer Street was redesigned as a congregate living facility. Each unit is similar in design to units at other high-rise buildings but a commercial kitchen is provided on the first floor for communal food preparation and dining.
-

Figure 6. Redesign Features of the Highrises



Redesigned 'floor-through' units



View of new stairs on high-rise exterior



Closed-circuit TV monitors in management office

Figure 7. Views of Interior Common Areas in High-rise Buildings

New interior corridor with glazed tile is wider and includes social gathering areas which provide natural light into the corridors.



In some high-rises, the double-loaded corridor has been replaced with an exterior corridor which provides natural light and air to both sides of units.



Elderly residents use the exterior corridors as outdoor extensions of their units for such activities as gardening, sitting outdoors, and barbecuing.



- **Handicapped accessibility:** All public spaces and five percent of the dwelling units are fully accessible; the remaining units are partially accessible.
- **Outdoor space:** Metal ornamental fencing surrounds each high-rise building to protect the building edge. Along the front edge of each building, the fence is constructed of both brick and metal to establish strong definition between the public street and the private property of the housing authority. Parking is provided in small lots close to each building.

B. Replacement Housing

As part of the initial redevelopment effort, the Albany Housing Authority received development funds to construct large family units which had been eliminated in the redesign of the high-rise structures. This replacement housing included the new construction of 44 townhouses and the acquisition of 31 units in existing structures in the neighborhood for substantial rehabilitation. The new townhouses were constructed both on the site and directly across the street to replicate the existing fabric in the surrounding neighborhood. Each 2-story townhouse has a private front stoop with a brick enclosure for garbage cans. Metal fencing along the edge of the public sidewalk creates a semi-private buffer in front of each unit (see Figure 7). Back yards are fenced for privacy and include individual exterior storage sheds for each townhouse.

Existing structures were acquired within several blocks of the original development. These were substantially renovated for large family units and include 3-story triplex units as well as some two and three unit structures (see Figure 8). Where possible, exterior storage sheds for garbage cans and other items have been provided.

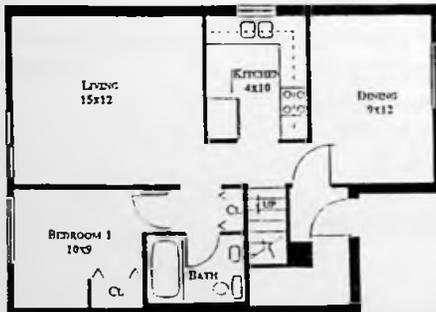
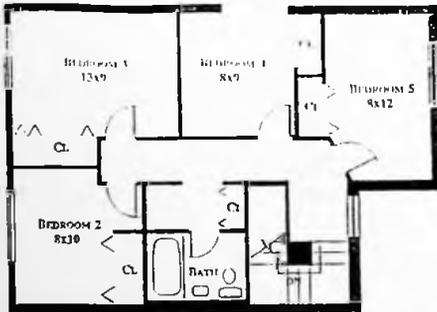
To date, only 75 family units have been replaced. When HUD's one-for-one replacement requirement was promulgated, the AHA unsuccessfully requested HUD funding to replace all units lost under the initial conversion of the high-rise buildings for elderly occupancy. The Authority has recently received \$2.7 million of development funds for family housing, but can use only 50 percent of this allocation for housing in the Steamboat Square neighborhood due to current HUD restrictions for new public housing. The AHA currently owns sites near Steamboat Square for five new townhouses but cannot proceed until all sites have been identified.

C. Non-Residential Facilities

Because the construction of the adjacent highway caused severe environmental problems for continued residential usage, the AHA has pursued the reprogramming of the most impacted high-rise building for nonresidential use. The initial redevelopment program included the construction of AHA's central maintenance facility at 159 Church Street. The first two floors of this building have been renovated for AHA Maintenance and Modernization offices and current plans call for relocating the remaining Central Administration offices to floors 3 and 4 of this high-rise. These offices are currently located at Lincoln Park Homes which is much better suited for residential use than the high-rise buildings at Steamboat Square.

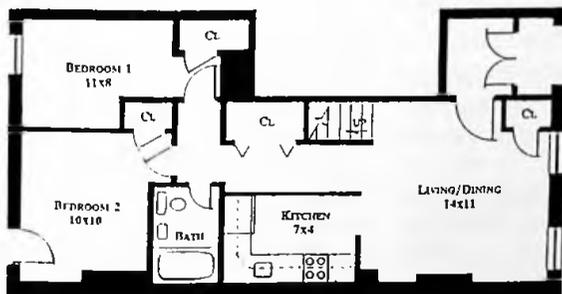
The AHA has also discussed leasing the remaining floors of 159 Church Street to other organizations or programs seeking office space. However, the inability to secure funding from HUD for rehabilitation for non-residential uses has effectively stalled any further efforts to reoccupy mothballed portions of high-rise buildings at Steamboat Square.

Figure 8. Selected Unit Plans and View of Townhouses



5 bedroom Townhouse

Figure 9. Selected Unit Plans and View of Rehabilitated Historic Buildings



4 bedroom Substantial Rehabilitation
54A Bassett Street

D. Ongoing Modernization Work

More recently, modernization work at Steamboat Square has been funded through the CIAP program. In 1988 the AHA received \$1.5 million for the following work items:

- high-rise roof replacement: \$258,000
- code compliance items: \$794,000
- emergency alarm system: \$ 80,000 (est.)
- conversion of 20 units at 20 Rensselaer: \$400,000 (est.)
(from efficiencies to one bedroom units)

All of these items have been incorporated into Construction documents, which are undergoing HUD review prior to bidding.

In 1991, AHA received \$36,000 for the replacement of existing sliders with double-hung windows. The sliders, initially installed as part of the high-rise rehabilitation in 1981-85, have been difficult for elderly residents to open and close and have been drafty.

Albany Housing Authority's 1991 Update of their Comprehensive Plan for Modernization requests an additional \$3 million for Steamboat Square to renovate the first four floors of 159 Church Street for AHA Central offices (this includes remodeling of the first two floors currently occupied by some AHA offices). Other work items proposed include elevator repairs to reduce maintenance costs, apartment renovations to provide handicapped accessibility for the mobility impaired, deferred maintenance items, and the renovation of community space.

E. Construction Costs

The total cost to date for the redevelopment of Steamboat Square is \$16.1 million (see Table 6). This includes the initial redevelopment work costing \$14.5 million and more recent modernization totaling \$1.5 million funded through CIAP. The AHA has requested an additional \$3 million in the 1991 Update of the Comprehensive Plan for Modernization, primarily for rehabilitation of floors 1-4 for offices at 159 Church Street.

Table 6
Steamboat Square Development: Redevelopment Costs (to date)

	Construction Period	Funding Program	Total Units	Total Costs
High-rise Rehabilitation			312	
• 20 Rensselaer/230 Green Street	1981-83	Urban Init.		\$4,589,900
• 220/220 Green Street	1982-85	Urban Init.		\$5,685,500
Maintenance Facility	1981-82	Urban Init.	--	\$788,300
New Construction Townhouses	1981-83	Development	44	\$1,922,000
Acquisition with Rehabilitation	1983-85	Development	31	\$1,603,900
Ongoing Modernization	1988-1991	1988 CIAP		\$1,500,000
	1992	1990 CIAP		\$36,000
Total (work to date)			387	\$16,125,600 (\$41,669/unit)
<i>Proposed Work</i>				
Modernization	--	1991 CIAP		\$3,000,000
New Construction Townhouses	1992	Development	25	\$2,772,000

IV. FINDINGS AND OBSERVATIONS

A. Steamboat Square Today

Steamboat Square today reflects significant improvements from the severely distressed conditions at the development in the late 1970s. The high-rise buildings provide a safe and secure environment for the elderly, and the families in townhouses have direct entries from the street and private yards for their children to play in. Applicants who once turned down available units now welcome the opportunity to live at Steamboat Square. Residents interviewed during the site visit also indicated that former residents who moved away from the development when it was most deteriorated now are eager to move back. Residents report problems to AHA and AHA responds quickly to remedy them.

Recent cuts in funding have eliminated the staffing of the security office in one of the high-rises. In response, residents have organized their own Neighborhood Watch, and the AHA has instituted a policy of leasing units in high-rise buildings at a discounted rate to police officers to reduce the incidence of crime.

The neighborhood has also benefited from Steamboat Square's revitalization effort. Existing private housing is well kept and new market rate townhouses within several blocks of the development have recently been completed and are for sale.

B. Issues of Concern to NCSDPH

The Steamboat Square effort raises a number of concerns for the Commission regarding the revitalization of a distressed housing development.

Severe Environmental Problem. The construction of a major highway directly adjacent to the site has created an environmental problem which must be abated if residential uses are proposed. If a public housing development had not existed on this site prior to the highway construction, its proposal today would be rejected for residential use under HUD's current site selection criteria. HUD Development Handbook 7417.1, issued originally in October 1980, utilizes the Environmental Criteria and Standards (24 CFR 51, Subpart B) as minimum HUD standards to protect citizens against excessive noise in their community and place of residence. This regulation also establishes criteria for determining acceptable noise levels and special requirements and mitigation measures to be followed in normally unacceptable noise zones. The initial design scope of work excluded the rear wing of 20 Rensselaer Street (closest to the highway) from residential use unless that wing could be brought into compliance with HUD standards for noise attenuation work. The reduction of noise levels would involve, at a minimum, triple glazing and mechanical ventilation and air conditioning. These requirements effectively eliminate any residential use of those portions of the high-rises closest to the highway.

"Mothballing" Portions of High-rises. Almost one third of the habitable area in the five high-rise buildings has been "mothballed", or boarded up. Figure 9 illustrates that these mothballed areas are located closest to the highway and therefore impacted the most by noise and air pollution generated by the high volume of traffic. Some of the mothballed portions -- the top four floors at 20 Rensselaer and the rear wing at 230 Green Street -- were not renovated due to a shortage of funds. When bids exceeded the funding allocation, the AHA reduced the scope of work by mothballing selected areas. The renovation of these major vacant areas is contingent on both the availability of funds and the appropriate program. Residential use may be precluded due to the level of noise attenuation work that would be required.

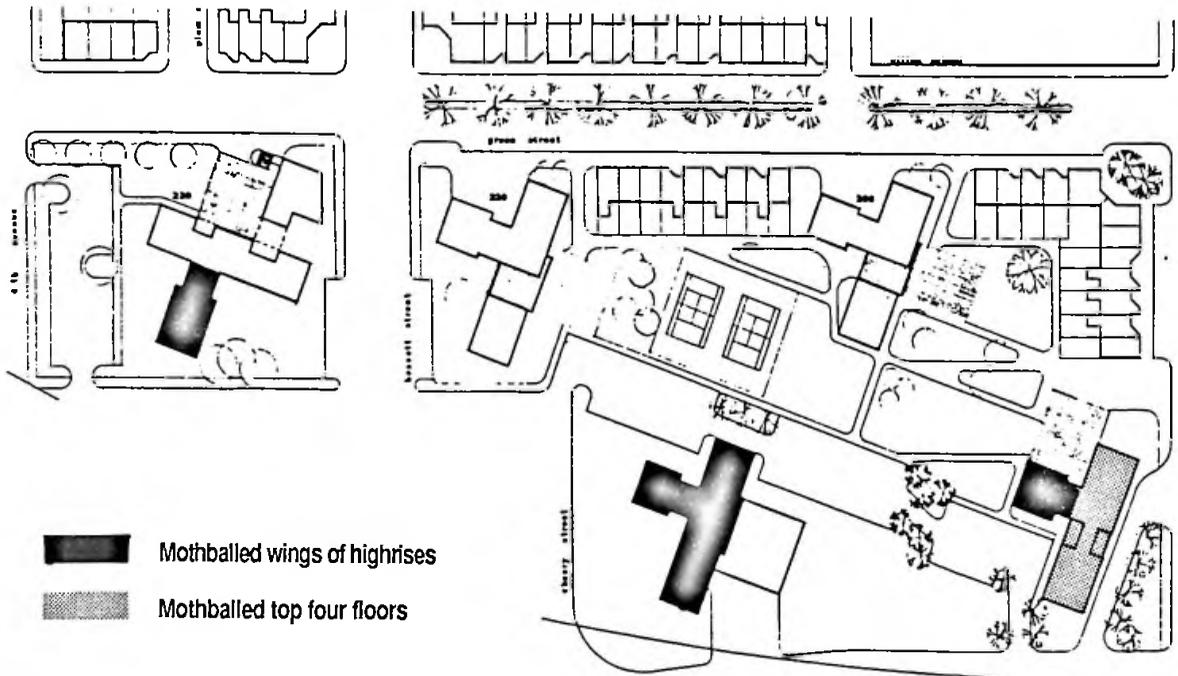
Figure 10. Mothballed Buildings



View of mothballed wing (on right) and top four floors of 20 Rensselaer



View of mothballed wing at 230 Greet Street from exterior corridor



-  Mothballed wings of highrises
-  Mothballed top four floors

There does not appear to be any substantial need for more elderly housing at the AHA. A 'soft' market for efficiencies has led the Authority to convert two efficiencies into a more marketable one bedroom unit. There is no demand for two bedroom units for elderly households; 25 two bedroom units at Lincoln Park Square are vacant for lack of appropriate households without children.

AHA's only alternative to residential use of these buildings appears to be for office space, which again may require mitigation measures to address excessive noise from the highway. AHA office needs total less than four floors at 159 Church Street; remaining floors (5-12) would have to be leased to outside organizations and programs. Although CIAP funding can be used to renovate space for public housing office functions, it cannot be used to renovate major portions of buildings for office use to be leased to other organizations, thus requiring the AHA to seek non-HUD sources of funding. Given the scarcity of such funding for office space and the unstable financial condition of many human services organizations which might occupy an office building on a public housing site, office use of the high-rise buildings appears infeasible.

The total mothballed area exceeds the area in one high-rise structure. This raises the question of whether the AHA should have been more aggressive in earlier phases by demolishing one entire high-rise building rather than mothballing portions in several high-rises. Townhouses for families could then have been constructed on the cleared site.

Given the difficulties in reusing the mothballed portions of high-rises for either residential or office uses, the Albany Housing Authority should consider "topping off" the high-rise building at 159 Church Street and redesigning the lower floors for consolidation of the AHA administrative offices. The remaining vacant portions of high-rises should be redesigned in the future for special programs or housing for the "near elderly" or other special needs populations. There is adequate square footage to provide the necessary support facilities for many special needs populations, including the frail elderly in congregate housing or the deinstitutionalized mentally ill. This may require design features such as separate entrances, elevators, and special support facilities for each group.

Replacement Housing. A total of 138 units, primarily family units, have been lost in this redevelopment effort. AHA continues to pursue their replacement and has recently received \$2.7 million of development funds for 25 family units. Because only 50 percent of these new units are permitted to be in impacted areas and the other half in non-impacted areas, the initial goal of encouraging reinvestment in the South End neighborhood will be diminished.

Lack of Closure for the Redevelopment Effort. As indicated in Table 7, the total cost of redevelopment to date exceeds \$16.1 million, including recent CIAP funds for necessary modernization work items for such things as code compliance and handicapped improvements. In 1991 dollars, this is equivalent to \$20.2 million, or 86 percent of HUD's 1991 Total Development Cost Limits. However, Steamboat Square is far from completed. Almost one-third of the habitable area in the high-rise buildings is vacant and will require substantial renovation for any reuse. The lack of funding and uses not impacted by the adjacent highway problem raises serious issues about the future of these mothballed sections. In addition, AHA has received or will request modernization funds to redo earlier modernization efforts, including:

- replacing the sliders with double hung windows
 - converting efficiency units into more marketable one bedroom units for the elderly
 - enclosing the exterior corridors for safety purposes and to provide better protection from the elements
-

It may take years to address these problems; the incremental funding through CIAP and now through the Comprehensive Grant formula will exacerbate the problems. AHA's 1991 Modernization Needs were estimated at approximately \$20 million. Preliminary calculations indicate AHA will receive about \$3 million per year through the Comprehensive Grant formula, which will not be adequate to address, in a timely manner, the remaining renovation work at Steamboat Square.

Table 7
Steamboat Square Development: Present Value of Redevelopment Costs

	Initial Cost	Year	1991 Dollars
High-rise rehab (Phase 1a)	\$4,589,900	1982	\$6,058,700
High-rise rehab (Phase 1b)	\$5,685,500	1983	\$7,106,900
New maintenance facility	\$788,300	1982	\$1,040,600
New townhouses	\$1,922,000	1982	\$2,537,000
Acquisition and rehab	\$1,603,900	1984	\$1,908,700
CIAP Modernization	\$1,536,000	1991	\$1,536,000
Total Costs	\$16,125,600		\$20,187,900
(Per unit costs - 387 total)	\$41,668		\$52,165
1991 HUD TDC Limits	--		\$23,522,050
Total Cost as percent of TDC			86%

C. Wider Applicability of this Approach

While there are concerns regarding the successful resolution of outstanding issues regarding the Steamboat Square turn-around effort, there are several useful strategies that can be applied at other redevelopment sites.

Comprehensive Approach with Neighborhood Emphasis. From the very beginning, the Albany Housing Authority's goal was not only to provide housing, but to change the image of the surrounding area and to involve the people in the neighborhood in the process. The long term viability of Steamboat Square was dependent on the health and vitality of the immediately surrounding neighborhood. As a result, the AHA worked closely with the City and Urban Renewal agencies to coordinate investment efforts. Solutions to many of the density problems on the site have been successfully addressed by providing more appropriate housing for families in the immediate neighborhood. This has stimulated neighborhood reinvestment by the private sector.

Role of Residents. Steamboat Square residents played a key role in the redevelopment effort. Resident representatives went to Washington, DC to seek HUD support for the revitalization effort. Residents were trained to administer surveys to existing residents to elicit their objectives and ideas for the long-term viability of the development. They were active participants in the design process and recommended the addition of a half bath on the first floor of family townhouses and the provision of a separate dining area adjacent to the kitchen to be used for dining as well as a family gathering area. Now, years after the initial rehabilitation effort, residents are determined to maintain the development in good

condition and report problems to the AHA as soon as they occur. When security funding was eliminated, the residents initiated a Neighborhood Watch. Having invested substantial time and effort at Steamboat Square over the years, residents have a strong commitment to working with the Albany Housing Authority to protect this investment.

Post-Occupancy Evaluation. Many lessons have been learned over the course of the last 10 years, and AHA continues to learn from their experience and incorporate this knowledge into future modernization efforts. Although there is strong agreement that locating large families at grade with private entries is critical, the Modernization Coordinator believes that less extensive renovation of upper floors for smaller units for elderly occupancy may be possible.

Current modernization work on the upper floors at Lincoln Park Homes calls for leaving some of the plumbing chases and partitions in place and reusing the double-loaded corridor layout. Units are enlarged to contemporary standards, resulting in a reduction in density. The single loaded, open air corridor which was part of the redesign at Steamboat Square high-rises buildings has proved unsuccessful due to Albany's severe winter climate and will be enclosed in future modernization efforts. Retaining the existing double-loaded interior corridor can be cost effective.

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Chapter 13

*New York City Housing Authority:
Authority-wide Report*

EXECUTIVE SUMMARY	13-1
MANAGEMENT ASSESSMENT	13-3
I. THE NEW YORK CITY HOUSING AUTHORITY AND ITS OPERATIONS	13-3
A. Overview	13-3
B. General Indicators of Distress	13-5
C. Housing Management Systems	13-7
II. RELATIONSHIP WITH THE CITY OF NEW YORK	13-13
III. SUMMARY OBSERVATIONS	13-14
DESIGN ASSESSMENT	13-13
I. THE NEW YORK CITY HOUSING AUTHORITY AS A "UNIQUE" PUBLIC HOUSING AUTHORITY	13-16
II. CAPITAL IMPROVEMENTS WITHIN NYCHA	13-17
A. Organizational Structure	13-17
B. Modernization Budget and Work Space	13-18
C. Typical Development	13-19
D. Security Improvements	13-23
E. Site Improvements	13-23
III. NEW CONSTRUCTION	13-24
IV. LESSONS LEARNED	13-26
SELECTED BIBLIOGRAPHY	13-28

New York City Housing Authority:
Authority-wide Report

EXECUTIVE SUMMARY

The largest housing agency in the country, the New York City Housing Authority (NYCHA) owns 2,729 buildings, houses about half a million people, and has a waiting list of more than 185,000 families. Units are fully occupied and turn-over is very low. By all management indicators, the NYCHA is a very successful manager. Living conditions in New York City in general present a unique situation, however, in terms of demand for housing and common acceptance of high-rise living. Thus, conditions of "severe distress" must be considered in the context of the New York City living environment.

Popular assumptions hold that severely distressed public housing is characterized by conditions commonly found in inner-city public housing, namely dense concentrations of families in high-rise buildings. However, public housing in New York City appears to contradict this expectation, as living conditions there do not give rise to the common indicators of severe distress: household incomes are slightly higher than national averages, more residents receive earned income than public assistance, vacancy rates are low, and tenant accounts receivable are also generally low. NYCHA staff indicated that what they considered to be severely distressed public housing exists in deteriorated neighborhoods, and is a result of depressed conditions in those areas.

Due to many constraints, the NYCHA tends to rely on policies and interventions in management and resident services, more than on the redesign of its physical environments, to improve the operations of the agency and the safety and security of residents. The approach has had and continues to have a positive impact.

This broad review of the agency examines its general policies and practices. Notwithstanding a unique setting and scale, there are approaches used by the NYCHA that offer possibilities to be considered and replicated at other public housing agencies. These include:

- A property management system that is decentralized and highly integrated, so that maintenance, resident services, public safety and overall management connect through a chain of command and communication and are handled by accountable on-site teams.
 - A tenant selection procedure that is based on three tiers of income, from very low income to lower income, so that the housing agency is able to maintain a range of household incomes among its resident populations.
 - Investment in necessary hardware and use of design improvement options to help secure buildings and sites and combat the increasing impact of drug problems on safety and security within NYCHA properties.
 - A conscious policy of employing residents in a variety of capacities, including as security guards, and a program to help residents provide their own security through organized resident patrols.
-

- A case management approach to providing social services, and a wide ranging array of on-site programs to help residents access services and employment opportunities.
 - A collaborative relationship with the city in planning and handling crises, such as the homeless population.
-

MANAGEMENT ASSESSMENT

I. THE NEW YORK CITY HOUSING AUTHORITY AND ITS OPERATIONS

A. Overview

The New York City Housing Authority acts as the landlord for 9.5 percent of the rental housing stock in New York City. Several different types of housing are owned and managed by the NYCHA: federal, state and city-owned housing, and houses purchased from the Federal Housing Administration. The NYCHA also develops City Part IV projects that are sold to cooperatives (7,282 units have been provided in this manner). Altogether, the NYCHA manages 179,659 units contained in 322 developments.

The 2,729 buildings in the NYCHA portfolio range in height from one to 26 stories. Thirty percent of the buildings are walk-ups of three to five stories, 23 percent are six-story low-rises, 34 percent are mid-rises of seven to 14 floors, and 13 percent are 15 stories or higher.

The resident population is estimated at 461,187, although NYCHA staff believe that at least 25,000 families are under-housed and live doubled-up with other families. The average density for NYCHA developments is 184 persons per acre. With 130,000 families on the NYCHA waiting list for conventional public housing, vacancy rates are generally low; the Office of Research reports approximately 8,000 vacancies per year, for a 4.5 percent turnover rate.

Because of the NYCHA's diversity in geographic locations, building types and resident population, the NYCHA seems to appreciate the need for decentralized systems. Housing management, police patrols, tenant selection and resident services all operate on a district or development basis. The NYCHA's financial systems are not as conducive, however, to being used as management tools. Budgets are not based on departments; rather, they are driven by funding sources. Thus, there is a separate budget for programs such as the Public Housing Drug Elimination Program (PHDEP), for the Comprehensive Improvement Assistance Program (CIAP) (which will be phased out as the Comprehensive Grant Program takes effect), and for funding received from the City of New York, to name a few financial sources. The NYCHA has begun implementing a project-based accounting system, but has not yet developed the capacity to separate overhead expenses from operating costs. The controller is working on developing more centralized control systems, as currently each department conducts its own purchasing.

The NYCHA maintains a comprehensive database on resident demographics, so that certain family characteristics can be tracked over time. Table 1 below illustrates some of the small but notable shifts in tenancy over the past decade. The average family size has decreased slightly from 2.9 to 2.6. The percent of one-parent families with minors under 18 has risen from 33 in 1981 to almost 38 in 1991. Public assistance as a source of income accounts for more than 28 percent of all families, which is a lower percentage than generally found at other case study sites though an increase of percentage points since 1981. The percentage of families with two or more members employed has stayed more constant across the decade, as 5.4 percent of all families had two or more members employed in 1981, which had fallen to 4.9 percent in 1991. It would appear that of the increase in the number of families housed between 1981 and 1991, most of these 6,116 families are receiving public assistance. Finally, the average length of stay in NYCHA public housing has increased from about 11 years in 1981 to over 15 years in 1991.

Table 1
New York City Housing Authority*: Summary of Occupancy Trends

	1981	1986	1991
Number of Families	171,585	172,972	177,701
Total Population	504,803	473,685	459,266
Average Family Size	2.9	2.7	2.6
Family Distribution by Race			
White	15.4%	12.9%	9.8%
Black	56.0%	55.8%	54.5%
Puerto Rican	25.2%	27.0%	28.8%
Other	3.4%	4.3%	6.9%
Age Distribution of Population			
Under 21 (Minors)	48.0%	44.2%	43.1%
62 Years and Over (Elderly)	11.3%	13.0%	14.6%
Economic Status of Families			
Percent on Welfare	25.6%	26.5%	28.5%
Percent of One Parent Families with Minors under 21	33.1%	33.9%	37.9%
Percent with 2 or more Employed	5.4%	5.2%	4.9%
Average Gross Income	\$8,236	\$10,790	\$12,173
Average Years in Public Housing	11.2	13.7	15.5

* Includes all NYCHA Programs: Federal, State, City

Shifts in the racial composition of NYCHA housing are minor and gradual. Blacks still make up the majority of public housing households, as 55.5 percent of households in 1991 were black and 7.5 percent of households were white. However, the percentage of black and white families has decreased over the 1980s while the proportion of Hispanics and "other" has increased slightly. While the absolute number of minors under 21 has been slightly increasing, as a percentage of all age groups, minors have decreased from 48 percent of the total NYCHA population in 1981 to 43 percent in 1991. Within age groups, there has been a steady increase in the number of young and very young children while the older age groups are declining.

Other trends among its resident population that the NYCHA has observed over the past decade include:

- a decline in the demand for elderly housing;
- an overall increase in single-parent households, which are likely to be poorer; and
- a decrease in family size, so that the NYCHA has some difficulty renting larger units.

NYCHA personnel administration is governed by the City of New York's civil service system. The system is used as a training ground, so that many NYCHA employees have

progressed to upper levels through the ranks. Especially in the Management Department, there is a clear path for advancement from housing assistant up through deputy director for management. Maintenance and housing management staff are encouraged to learn about each other's responsibilities as a way of preparing staff for district manager positions. The NYCHA also places strong emphasis on hiring residents: currently, approximately 22 percent of the NYCHA's 15,000 employees are residents. In particular, there is a recruitment program encouraging residents to apply for police positions.

The NYCHA is directed by a three person Board of Directors, headed by a Chair, that establishes policies and programs. Day-to-day operations are under the direction of the General Manager and three Deputy General Managers for Operations, Finance and Administration. NYCHA's table of organization is outlined in Figure 1 (see following page).

B. General Indicators of Distress

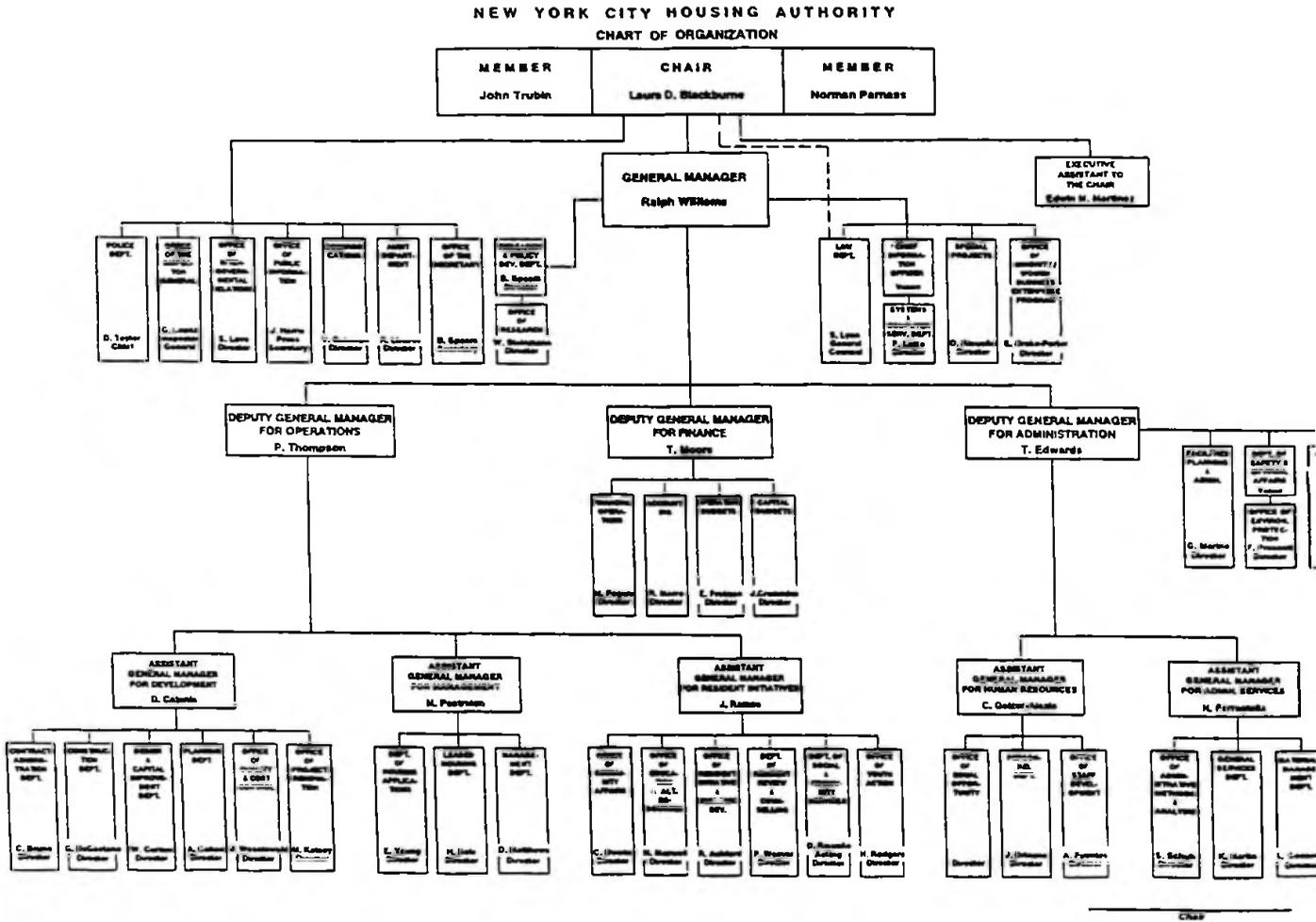
Staff reported that public housing developments in New York City do not exhibit the types of "severely distressed" conditions identified at other PHAs around the country. NYCHA developments generally have low vacancy rates and security systems to control who has access to the buildings (although these systems are not, of course, always 100 percent effective: people find ways to obtain keys for reproduction or operate electromagnetic systems without the proper cards or keys). The NYCHA's level of tenant accounts receivable (TARs) is 12 to 13 percent; the agency's goal is to reduce the TARs percentage of rent roll to ten percent.

According to standard management indicators, then, the NYCHA is a very successful manager. Indicators of residents' quality of life are more difficult to measure, and there are conflicting reports as to safety and security. When monitoring properties' stability and conditions, property management staff looked at indicators such as the unit turn-over rate (an indication of drug dealing, or a place to target social services); work order summaries; elevator outages; plastering backlogs in conjunction with plumbing; and applications, to determine how the NYCHA is getting as residents, their income levels and ethnic changes.

According to the Management Department, the two most significant factors in a building's level of distress tended to be the condition of the surrounding neighborhood and the original type of construction. A building would be considered distressed if the property manager could not maintain a certain amount of control over the property — for example, if doors were open constantly, if drug crimes were taking place on the site, if there were a lack of participation in on-site activities by residents, and if there were also staff apathy. Other aspects of a development's location include isolation, as there are some developments located on remote pieces of land not served by public transportation; and neighborhood demographic make-up: black families generally will not move to Bensonhurst, for instance, and white families will usually not take a unit in Harlem.

Property managers generally prefer more densely concentrated projects because they are easier to manage, maintain and patrol. However, buildings with high numbers of four- and five-bedroom units are also harder to manage because of the low adult-to-children ratio (ideally the NYCHA tries to achieve a ratio of 1:2.6 adults to children and 1:168 elevators to bedrooms). In keeping with this view, scattered sites have in fact fallen into greater disrepair because they are not eligible for on-site management. At scattered sites, there is generally less resident organization and their dispersal make for a poor "span of control" because of the travel time involved to reach them. Police control is also more difficult, again because of the travel time involved.

FIGURE 1. NYCHA CHART OF ORGANIZATION



NYCHA Design Department staff commented that it is often difficult to discern between private and public housing in some neighborhoods because it is all considered distressed. However, the NYCHA has observed that when it conducts modernization or rehabilitation work on buildings in depressed neighborhoods, this work will stimulate a revitalization in the surrounding community.

C. Housing Management Systems

Information was collected on the NYCHA's property management systems, tenant selection, resident services and public safety programs. Property management services are delivered on a decentralized basis, so that most of the elements of each of these systems are site-oriented.

Property Management. The NYCHA's developments are broken down into eight management districts with four quadrants each (see Figure 2). In addition to the property management staff assigned to each quadrant within a district, each district also has staff for skilled maintenance trades, social workers, and staff to coordinate social and community services. Each district office is led by a district director, and also staffed with support staff and an assistant superintendent who supervises the floating maintenance staff. Within each district, the administrative housing managers for each quadrant supervise on-site property managers, and report to the district director.

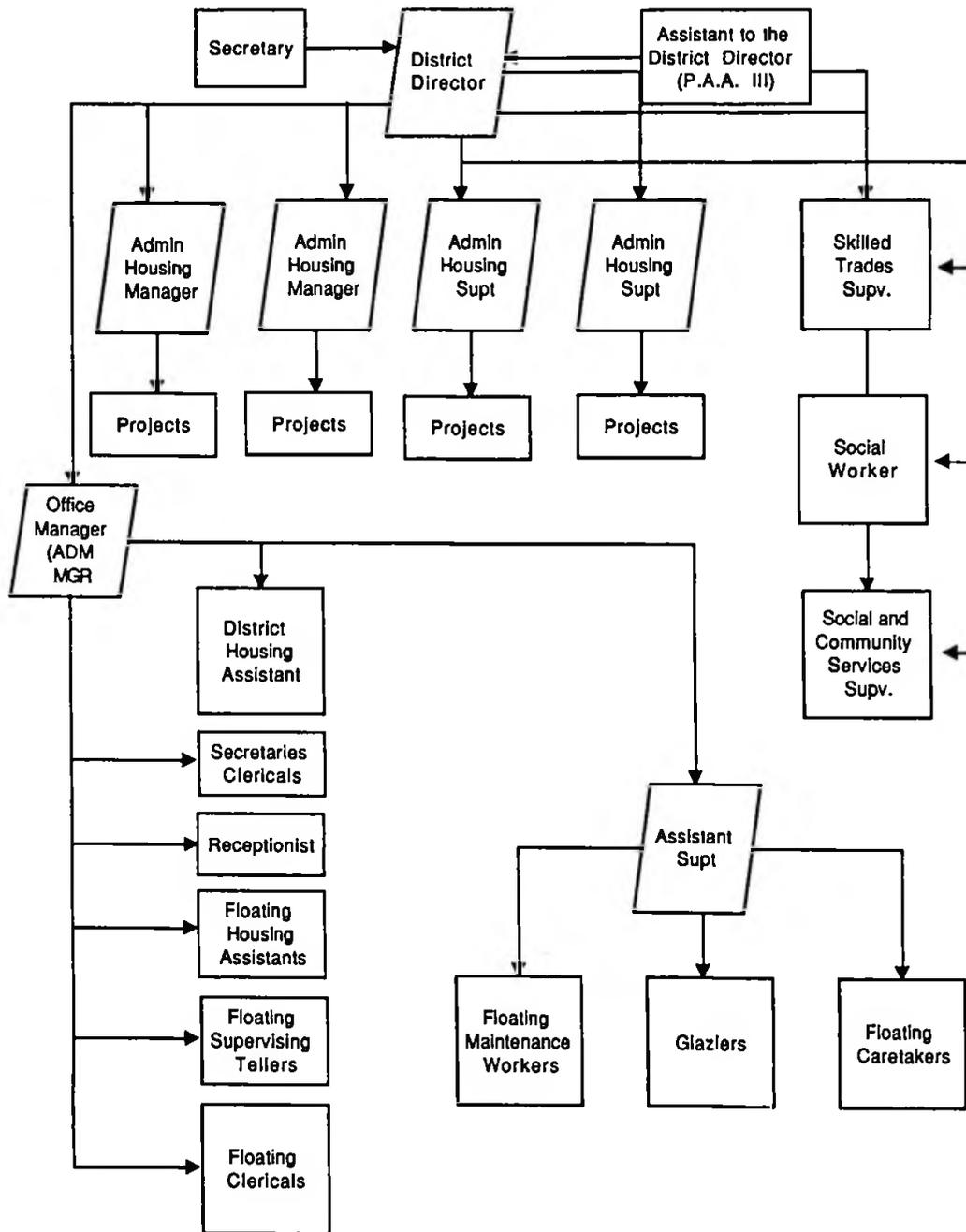
Each development has a team of property management staff. On-site property management teams are lead by a housing manager, who supervises assistant housing managers and superintendents (maintenance) (see Figure 3). Although the NYCHA's central office is re-working the formula that determines staff-to-unit ratios, the current ratio is approximately one to 400.

Although the maintenance staff is ultimately responsible to the housing manager, maintenance calls are referred to the maintenance department. Housing managers keep track of maintenance responsiveness by keeping a log of second requests, and district managers receive reports on the work order backlog. Emergencies are usually responded to within 24 hours.

The Jackson development, located in the Bronx, offers an example of conditions at a typical NYCHA site. The development has 868 units, with an average unit bedroom size of 4.77 and an average density of 312 persons/acre. The development contains seven 16-story buildings. The housing manager is supported by an assistant manager and two housing assistants. At Jackson, the rent collection rate is reported to be about 94 - 95 percent. Crack, vandalism and the age of buildings are the greatest concerns of property management staff. The housing manager observed that crime against residents is not a great problem and there is little violent crime, but drug dealing on the property and elevator vandalism are big problems. Breaking locks and graffiti are a concern of staff, although the manager reported that if these issues are treated right away and constantly, the perpetrators eventually become discouraged.

Tenant Selection. One of the most unusual elements of the NYCHA's public housing management is its ability to conduct tenant selection based on income levels. By drawing applicants from three different income tiers, the agency can maintain a range of household incomes among its resident population. The NYCHA cites HUD regulatory requirements (specifically, CFR Part 960.204, Housing and Urban Development) as the basis for its tenant selection system:

FIGURE 2. MANAGEMENT DEPARTMENT, DEPARTMENT SYTEMS DIVISION, SEPTEMBER 19,1991



In addition to policies and regulations including preferences and priorities established by the PHA for eligibility and admission to its public housing projects pursuant to the Act and the ACC... each PHA shall adopt and implement policies and procedures which... provide a decent home and a suitable living environment and foster economic and social diversity in the tenant body as a whole... Such policies and procedures must be designed to... avoid concentrations of the most economically and socially deprived families in any one or all of the PHA's public housing projects.

The NYCHA's *Guide to Housing Developments* states that "the Housing Authority divides applicants into three income groups, and selects an equal number of applicants from each income group to fill vacancies. Within each income group, applicants are selected in the order of their priority" (p. 5).

The income tiers -- based on percentage of local median income -- and the rate from which applicants are drawn from them are as follows:

Table 2
New York Income Tiers

Tier	Computer Selection	Income Distribution of Residents
Tier III: 50-80%	25%	13.4%
Tier II: 50% or below	37.5%	32.4%
Tier I: 50%	37.5%	54.2%

The Office of Research has observed that the percentage of families from Tier III who actually rent a unit from the NYCHA has been dropping over past years, so that currently that percentage of residents is only 12 to 13 percent. The Office has observed that the waiting list contains fewer working families than it has in the past; these families thus move faster on the waiting lists. The NYCHA recognizes also that the current limit on a five-year rent ceiling will force working families out of public housing. Families whose household income exceeds the established limits have their cases reviewed by the Continued Occupancy Review Board.

Applicants are initially certified for eligibility by the NYCHA's Department of Housing Applications. When filling out an application, families may indicate their top three choices for developments. Based on anticipated vacancies at developments over a six-to-nine-month period, applicants are then transferred to development waiting lists. Each development thus conducts its own tenant selection, drawing from waiting lists again by income group. Applicants are drawn from the waiting list depending on the income mix at the time of a vacancy; since there are so few Tier III families among the resident population, the Tier III list is usually selected from first until an applicant accepts or there are no more applicants in that group, and staff thus go through the other two groups successively.

Applicants are eligible for the standard three priorities according to federal public housing law, but the NYCHA has also established a "special local priority." This priority

is for “applicants who have been doubled-up and overcrowded in Authority apartments since before July 1, 1989” and was established in conjunction with the Mayor’s Alternative Housing Pathways Program. The NYCHA has set aside 1,800 units per year since 1989 for homeless and doubled-up families. These families are usually reliant on public assistance as their only form of income. This addition to the NYCHA resident population each year helps explain part of the steady increase in the number of “welfare families” among residents over the past decade.

Public Safety. Resident security is approached several ways by the NYCHA. The agency has its own police force, coordinates with the New York City Police Department, and also conducts public safety activities using federal Public Housing Drug Elimination Program (PHDEP) funding and state drug elimination funding. The NYCHA has also teamed up for particular drug enforcement actions with the U.S. Department of Alcohol, Tobacco and Firearms, the Drug Enforcement Administration, and the U.S. Marshall service. The NYCHA Police Department has 2,100 officers. All police officers in the City of New York are trained at the same academy, and then they are deployed to their various posts (i.e., New York City, NYCHA, Metropolitan Transit Authority). The NYCHA police chief reports both to the NYCHA Chairwoman and to the city’s chief of police. Two-thirds of the NYCHA’s police force budget is funded by the City.

NYCHA developments are divided up into nine Police Service Areas, which serve as precincts for the NYCHA’s developments. Several types of policing are employed throughout these districts. Some areas are monitored by project community officers, some have police posts, some have a combination of beat cops and motor patrols. The NYCHA also hires tenant patrol supervisors to work with and organize residents to patrol their developments.

The NYCHA also uses PHDEP funding to target distressed properties and regain control. The approach is similar to the “Sweep” strategy practiced at the Chicago Housing Authority, in that police officers saturate the building, flush out squatters, and secure the building with security guards and electro-magnetic locks. Resident patrols are established, and Community Affairs Department staff work closely with residents to set up security systems.

Crime is tracked by Police Service Area, and reports are distributed to housing managers so that they can track crime levels by development. The reports can be used as the basis for evictions for actions such as drug dealing or child abuse.

Resident Services. The NYCHA has no fewer than six offices serving resident needs under its Department of Resident Initiatives. These are:

- the Office of Community Affairs, which acts as liaison between the NYCHA to resident organizations and to neighborhoods surrounding NYCHA developments;
 - the Office of Education and Alternative Resources;
 - the Office of Resident Initiatives and Economic Development;
 - the Department of Resident Review and Counseling;
 - the Department of Social and Community Services; and
 - the newly created Office of Youth Action.
-

Many of these staff work closely with the property management staff. For example, licensed social workers operate out of the Department of Resident Review and Counseling, but at least two are assigned to each district and help property managers identify families' needs and make appropriate referrals to social services providers. When families owe rent and justify eviction proceedings, the social worker for the district gets involved and helps the family obtain assistance from the City's Human Resources Administration. Whereas the NYCHA, in the past, would simply have sought approval from the district director to move for eviction, the Authority is now placing much more emphasis on helping families maintain a stable household instead of becoming homeless--from which point they could easily end up in public housing again anyway, with the tenant selection preference for homeless families. The Family Life Program provides funding for social workers and case managers to help families, particularly homeless families, receive counseling and life skills training and services that will enable them to stay in their units. Originally this program was funded by the City in exchange for the NYCHA setting aside units, but this year the agency is allocating CIAP funds to cover the costs.

The NYCHA has several programs that are designed primarily to assist the formerly homeless families who are moving into public housing from shelters. The Family Life Program is one such example. There is also a Shared Housing Program for young, unemployed, single mothers; participants for this program are taken mostly from the homeless population. For one year to 18 months, single mothers live together in a building with common areas and kitchen, supervised by a house mother who also lives in the building. On-site day care is provided, and cooking and cleaning responsibilities are shared.

The NYCHA currently operates 100 community center facilities, 26 senior center facilities, 51 sponsored community center facilities, and 91 sponsored senior centers. In addition, there are 144 day care and Head Start Centers, and 28 child health stations. While these types of centers have been operating on-site for many years, they originated as privately sponsored operations; the NYCHA only took over their operation starting in the early 1970s.

In a collaboration with the New York City Board of Education, the NYCHA operates an alternative high school program, for which the Board of Education provides the teachers. This program provides high school classes at 46 development sites for kids who had or would have dropped out of high school.

For new residents, and particularly formerly homeless families, the Tenant Review and Orientation Committee provides orientation sessions. This committee interviews each family; identifies special needs such as counseling; informs residents of the resident council in their development, public safety procedures, patrols, and facilities in the development, and provides information about what services are available in the neighborhood.

The NYCHA is also placing considerable emphasis on economic development programs for residents:

- with management improvement funds, the agency is proposing to make loans for small businesses and looking into other ways to help residents gain access to venture capital;
 - the Basic Employment Skills Training Program (B.E.S.T.) is a pre-vocational
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referral program offering high school-age residents pre-employment skills training and counseling services; during 1990, the program made 780 placements in either training programs or jobs, and now operates at 16 locations;

- the NYCHA has made a strong effort to hire residents, usually as para-professionals, to help staff on work such as repairing elevators and to help residents who have difficulty living on their own; and
- retraining for staff (especially staff who are also residents) in skilled trades, such as training maintenance caretakers to be plasterers or heating plant technicians; the NYCHA spends enormous amounts of money on these types of routine maintenance work and plans to direct as much as possible of it towards residents and resident-run businesses.

The NYCHA also conducts many social services types of resident services programs, such as:

- using PHDEP funding to increase voter registration and coordinating with the Office of Youth Action; the goal is to increase voter registration by 25 percent and decrease drug use by 25 percent;
- provide emergency transfers for victims of domestic violence, intimidated victims or intimidated witnesses; property managers are not informed of the transfer locations;
- set-asides of units for people with AIDS; and
- Boy and Girl Scout activities run by the Office of Youth Action; children advance to higher scout levels — for instance from Cub Scout to Explorer — and are encouraged to go into the Police Cadet Corps, which provides scholarships in exchange for a minimum of two years of service; eligibility requirements include residency in public housing during one's teen-age years.

II. RELATIONSHIP WITH THE CITY OF NEW YORK

Clearly, the NYCHA and the City of New York must work closely in order for each to function effectively. The City recognizes the NYCHA's strengths and takes advantage of them when possible. The Authority, in turn, recognizes the need to consider neighborhood needs and characteristics when planning new developments or making decisions about comprehensive modernization.

In 1990 the City developed a Ten Year Housing Needs Plan intended to establish goals for the year 2000 in providing housing. As part of this plan, the City has asked the NYCHA to act as a turn-key developer, building units and then turning ownership over to the City.

New development planning by the agency is taking several neighborhood concerns into consideration. The NYCHA is trying to develop facilities that would combine residential and commercial space; funding for the commercial, first-floor space would come from the City and funding for the living units on upper floors is being sought from HUD. Such mixed-use projects are partially in response to community activists. For example, in the Seward Park neighborhood, where the NYCHA is redeveloping a building, the community has demanded that the "commercial strip" be maintained, and would also like to see mixed-income housing with some opportunities for homeownership.

Planning trends are moving toward developing smaller projects of 20 to 50 units, some of which will be contracted out to private management, including training residents for management. Designers will generally limit buildings to 14 stories in the interest of compatibility with surrounding neighborhoods context and also, because elevator costs increase significantly in buildings over 14 stories.

The NYCHA is also promoting homeownership: it purchased 730 newly renovated units from the City, for which the agency acted as the construction manager. There are different types of units, such as co-op units and townhouses. The Authority is looking into arranging financing for homeownership in-house.

The City also recognizes the NYCHA as a resource for addressing the problem of homeless families, continuing efforts to provide services in exchange for the agency providing units for homeless families.

III. SUMMARY OBSERVATIONS

- Each development is staffed with a management team consisting of a property manager, housing assistants, a maintenance superintendent who reports to the property manager, clerks and a maintenance staff. There is an integrated—between management and maintenance—chain of command and communication. At very large PHAs with severely distressed developments, decentralization allows PHA staff to maintain a greater on-site presence and make more informed management decisions (than those that would be made by a central operations department) about allocating resources and setting priorities.
 - Staff report that the NYCHA's most distressed developments are either located in economically depressed neighborhoods and/or built originally with cheap construction materials. In New York City, viable neighborhoods almost always consist of residential and commercial activity co-existing; economic development stimuli are essential for viable neighborhoods and therefore should be part of any redevelopment efforts.
 - The NYCHA has as part of its tenant selection regulations a system of income mixing, whereby it admits applicants by drawing from three tiers of income levels. The housing authority states that its regulations were developed in accordance with HUD regulations, which require income levels in developments to be kept as close as possible to income levels in the surrounding community. Public housing regulations should be changed to allow income mixing, either through raising or extending ceiling rents.
 - The NYCHA provides case management services through its own staff. PHAs should be allowed to use operating funds to employ case managers for families in severely distressed developments, as assistance from a case manager in obtaining public health services or public assistance benefits might make the difference for an "at risk" family between being evicted and being able to stay in public housing through a difficult financial period.
 - The NYCHA has a very strict civil service system through which its employees advance and are promoted. This system contributes to a well-trained staff hierarchy, through which many members of the Housing Operations Division have worked their way up from housing assistant at the development level. Almost one-fourth of the NYCHA's employees are residents (many are also former residents). In order to encourage the development of good property management staff, a PHA should
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facilitate employees' advancement and incorporate employees' experience into its policies and procedures.

- The NYCHA plans to train residents in particular maintenance skills in areas in which it has high volumes of work, for example painting and plastering, so that residents can either start their businesses or work for the NYCHA.

DESIGN ASSESSMENT

I. THE NYCHA AS A "UNIQUE" PHA

The New York City Housing Authority is unique. The scale of its housing stock and operations dwarfs all other authorities. Table 3 compares selected characteristics of the NYCHA to the "average" PHA and the "largest PHAs" with over 9,000 units. While the largest housing authorities have a tendency to be more troubled, selected management performance indicators for NYCHA -- such as number of vacancies, turnover rate, rent arrearages, and percentage of households on welfare-- are better than the average PHA. This fact is even more striking when the physical characteristics of NYCHA's housing stock are taken into consideration. NYCHA developments are very large, almost three times larger than the average PHA development (560 units compared to 194 units). In addition, the vast majority of NYCHA developments are in buildings with four or more stories and high-rises are generally considered to be problematic for family living in most urban areas including Newark, Philadelphia, and St. Louis.

Table 3
Key Comparison to Other PHAs

	NYCHA	Average, All PHAs	Average Largest PHAs
Average vacancy rate	0.0%	5.6%	8.1%
Households headed by single parent	37.9%	42.9%	42.8%
Average number of units per development*	560	194	402
Percentage of high-rise developments (4 or more stories)	>90%	28%	46%

*Includes federal, state and city-funded developments.

Source: The Many Faces of Public Housing, NAHRO, 1990.

So why is high-rise living in New York City more successful for low-income families with children than in any other city in the United States? The success is due in part to the purposeful income mixing in all developments to ensure that each community can benefit from the stabilizing effect of working families. In part, it is due to the tight (and expensive) housing market in New York City which places added value on securing and holding on to a subsidized housing unit.

In part, however, NYCHA's ability to manage families in high-rise buildings is due to the special characteristics of the City's housing environment. The majority of New York City residents -- including families with children -- live in high-rises, regardless of economic level. NYCHA high-rises are similar in design to most other buildings in the neighborhoods, which reduces the stigma associated with public housing design. In some instances, NYCHA high-rise buildings and sites are better maintained than other structures in the immediate neighborhood, so they are a valued housing resource.

II. CAPITAL IMPROVEMENTS WITHIN NYCHA

A. Organizational Structure

Capital improvements are the responsibility of the Assistant General Manager for Development, who oversees the following departments:

Design and Capital Improvement. This department is responsible for the design of all Authority development work; the preparation of surveys, cost estimates and contract documents; and the administration of bids and contract awards. In 1990, 654 contracts worth \$150 million were awarded for modernization work at existing developments; three-quarters of this work was funded under CIAP. Although most of the design work is prepared in-house by staff to minimize the use of consultants and to provide greater control over standardization, in 1990 the Department awarded and administered 41 consultant contracts valued at \$5.8 million.

Program Planning. The Office of Program Planning provides construction planning for all new work and rehabilitation efforts, including 1,727 units of rehabilitated affordable housing and 764 units of transitional housing. The development of federally funded public housing projects is particularly challenging in New York City due to difficulties in site selection and construction costs. Although HUD has increased the construction cost limits, new development must be supplemented by City funds. This Office is also responsible for the preparation of the Section 504 Transition Plan.

Quality and Cost Control. This Office prepares construction cost estimates, conducts change order negotiations and performs quality control review of NYCHA contracts. In 1990, a total of 342 change orders were processed. Through negotiations, the Office of Quality and Cost Control successfully reduced the change order requests from \$3.1 to \$1.8 million.

Project Renovation. This Office is responsible for preparing all modernization funding requests for federal, state and city funds. The Office also monitors the obligation and expenditure of such funds. In recent years, CIAP allocations have ranged between \$250 and \$275 million. Other funding had included \$9.9 million in FY 1991 from the City and another \$3.9 million in CDBG funds. In FY 1990, the NYCHA received \$10.7 million from the State Public Housing Modernization Program.

Construction. The Construction Department is responsible for building housing for low-income families, with a more recent emphasis on housing for homeless families. The Department acts as construction manager for the rehabilitation of abandoned structures for the Department of Housing Preservation and Development.

Contract Administration. This department oversees all contracts related to the rehabilitation, modernization and maintenance of the housing stock. In 1990, the Contract Administration Department administered more than 1,200 ongoing contracts with annual invoice payments of \$150 million. The department utilizes training videos to enhance the skills of staff inspecting all phases of construction work.

The NYCHA establishes modernization needs at the development level. The Design Department provides technical design services to the Management Division which acts as the client. The manager at each project is responsible for submitting detailed modernization requests, such as the type and amount of linear feet of site fencing required, and the Design staff prepare the design documents. More recently, the Design

Department has taken a more pro-active role by initiating design processes on site with residents, particularly around site improvements.

B. Modernization Budget and Work Scope

The NYCHA is responsible for capital improvements in over 2,700 buildings and 180,000 units. In terms of building systems, this represents 1,500,000 windows, 3,304 elevators, 275 boiler plants and 550 miles of steam pipes.

Table 4
Summary of Current Housing Stock

Project Data	Federal Conventional	Federal Turnkey	FHA Homes*	Total Federal	City	State	Grand Totals
Number of Projects	193	94	10	297	7	18	322
Dwelling Units	139,853	17,343	458	157,654	8,069	13,936	179,659
Avg. # Units/Project	725	185	46	531	1,153	744	558
Avg. # Rooms/Unit	4.49	4.40	5.39	4.48	4.42	4.64	4.49
Population	356,227	45,217	1,671	403,115	19,668	38,404	461,187
Buildings	1,730	389	417	2,536	83	110	2,729

*FHA Homes owned and managed by NYCHA as of 12/1/90.

Source: NYCHA Office of Program Planning, January 1, 1991.

Prior to 1992, the NYCHA received between \$150 and \$200 million annually in CIAP funds. This year's allocation was \$272 million and the Comprehensive Grant Program formula will provide approximately \$375 million annually for modernization. The largest single modernization work item involves building systems, especially mechanical systems and elevators. Building system replacement is driven by the need to reduce long-term maintenance costs, upgrade for code compliance and increase energy efficiency. In the current CIAP budget, \$25.5 million out of a total of \$272 million is programmed for elevator repairs and upgrades, much of which addresses Section 504 compliance issues. During 1990 the Elevator Section of the Contract Administration Department monitored 120 elevator contracts involving 1,379 cars, at a total cost of \$83 million. In general, approximately one-third of the developments have received window, boiler, elevator and electrical upgrades. The majority of the asbestos within NYCHA buildings has been abated and lead-based paint, along with Section 504 compliance, are the next priorities for modernization work.

Given high occupancy levels, all modernization work, including kitchen and bathroom modernization, must be accomplished within occupied units. Consequently, the NYCHA undertakes no redesign of units or buildings and modernization is to as-built design conditions. Modernization of occupied units requires careful coordination with residents to minimize disruptions to services and to gain access to apartments during scheduled work hours.

When asked whether any of their housing stock was "severely distressed", Design staff questioned whether developments at 100 percent occupancy could ever fall into this classification. They did describe one of their worst developments, Red Hook, as a potential candidate, based on the following characteristics:

- "residents had lost hope";
- management was discouraged; and
- there was an on-going need for a drug elimination program.

Red Hook I and II, located in Brooklyn, have approximately 3,000 units in 28 buildings. Design staff monitoring on-going construction contracts visited the development and described how drug dealers and users congregated in areas in and around the buildings. In these instances, Design staff sought a police escort although, in general, they are not overly concerned for their safety or security when visiting developments. They do acknowledge that drug problems have become more prevalent in recent years.

The increasing drug problems in NYCHA properties is corroborated by a documentary photographer who visited 60 NYCHA developments and toured 140 buildings in 1989 to photograph surrounding neighborhoods. According to an article in the *Atlantic Monthly* (September, 1989) an NYCHA on-site staff person accompanied the photographer at all times and was able to answer many questions about the quality of life in the developments. The photographer was advised to walk along the perimeter of sites, not through the middle, and to be aware of bottles hurled from the high-rises, targeted for unknown or unwelcome visitors. He visited buildings between 10 AM and 3 PM, when drug dealing was at a low point and children were generally in school. Although the lobby floors may have been swept, many locks were broken and intercoms were non-functional due to vandalism. Entrance doors were locked in only five percent of the buildings visited. Many elderly residents refused to ride in the elevators alone for fear of being mugged. The general sense the photographer got from visits and talks with on-site maintenance and management staff was that the problems were worsening, not improving, and that the poverty of residents would continue to grow as 45 percent of the families on the waiting list are on welfare.

C. Typical Development

NYCHA public housing developments cover a wide range of building types, densities and scale. Jackson Houses in the Bronx is typical of many developments. Constructed as a federal conventional project in 1960-63, it is comprised of seven 16-story high-rise elevator buildings on a single eight acre site (see Figure 4). The 868 units result in a density of 110 units per acre. Table 5 presents the unit distribution.

Table 5
Bedroom Distribution at Jackson Houses

	Number	Percentage
0 Bedroom	3	0.3%
1 Bedroom	249	28.7%
2 Bedrooms	242	27.9%
3 Bedrooms	271	31.2%
4 Bedrooms	94	10.8%
5 Bedrooms	9	10.8%
Total	868	100.0%

Fifty percent of the one bedroom units are reserved for elderly occupancy. There are eight units per floor, with two elevators in each building for 124 units (see Figure 5). The larger units (4 and 5 bedrooms) have one full and one half bath. Non-residential facilities include a management office, maintenance shop, laundry and community center.

Figure 4. Site Plan for Andrew Jackson Houses, Bronx

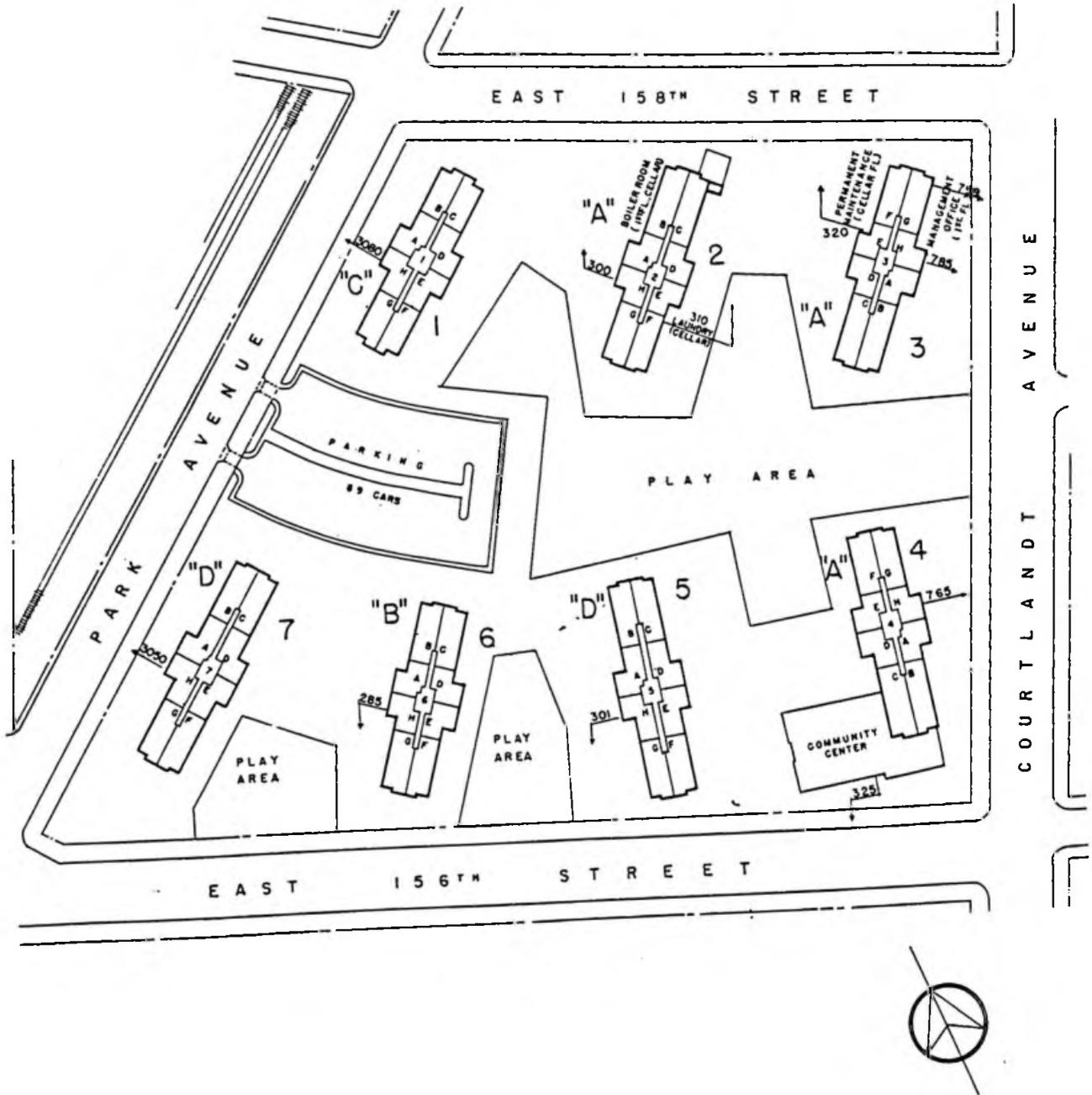


Figure 5. Building/Unit Plans for Andrew Jackson Houses, Bronx

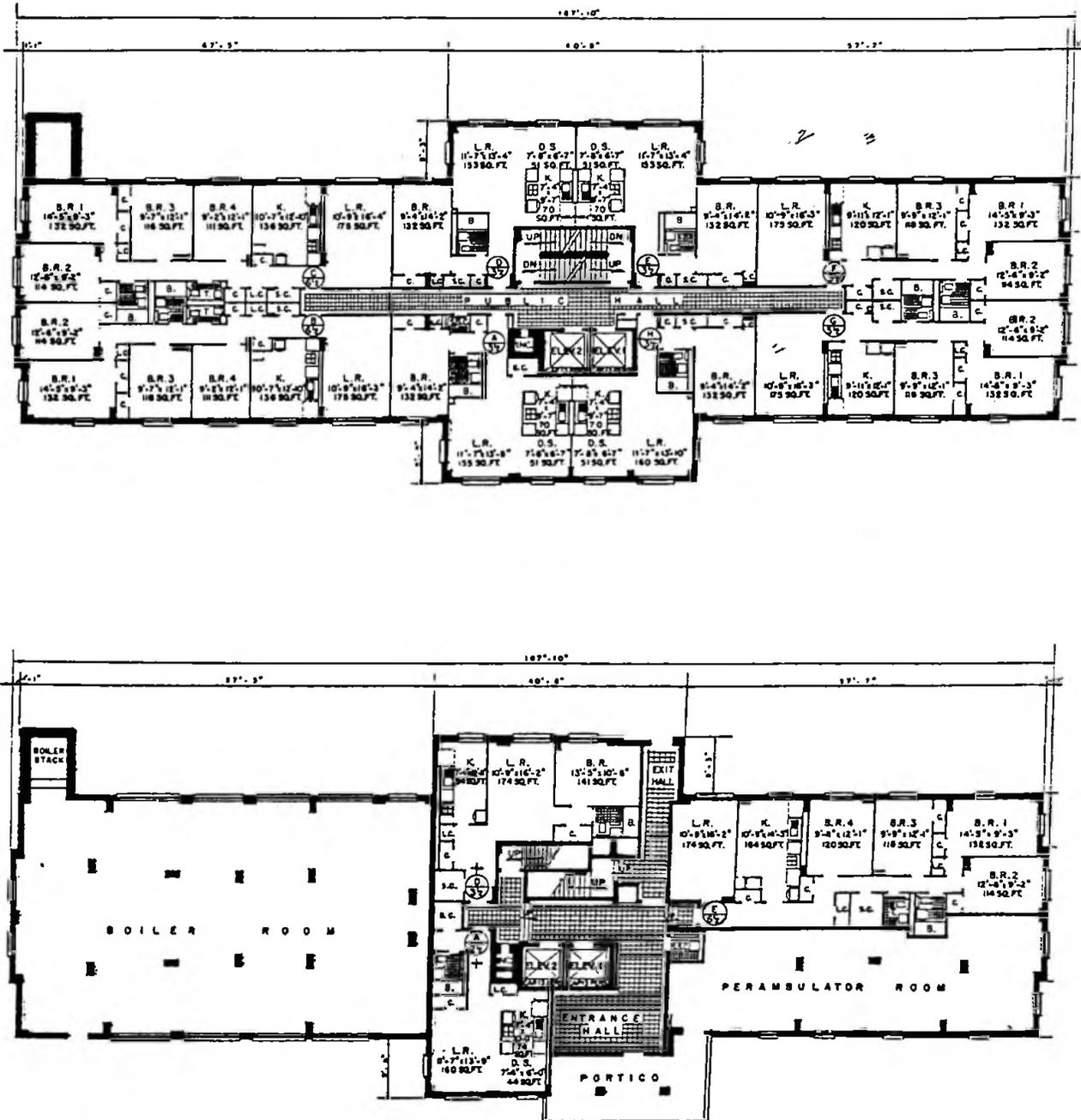
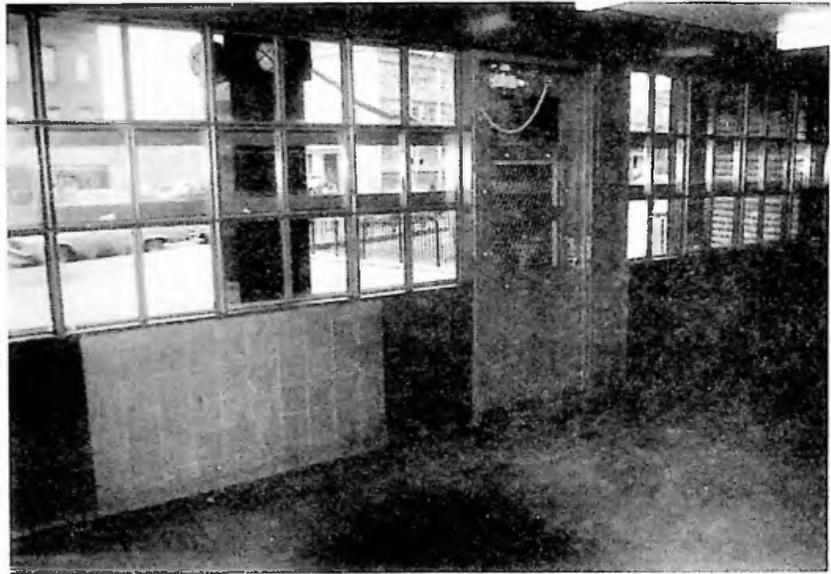
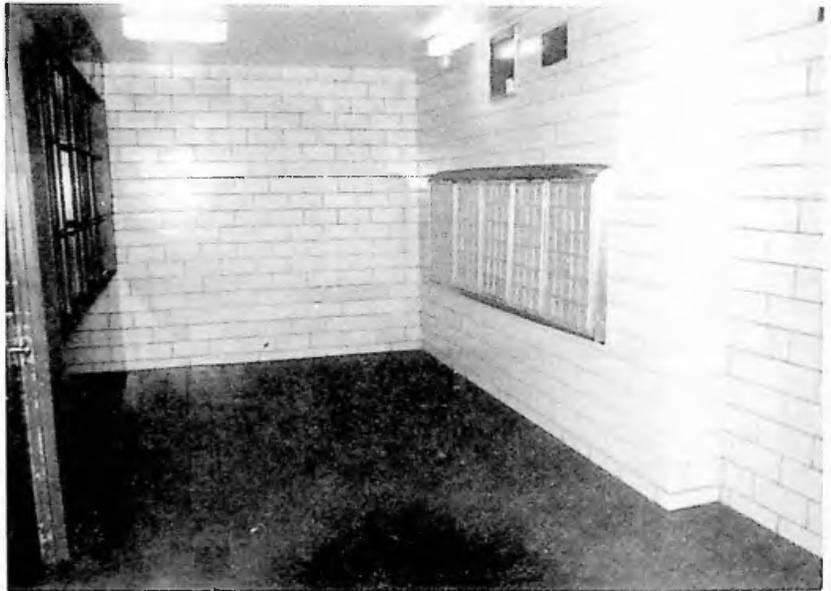


Figure 6. Views of Typical NYCHA Developments

The entry lobby is glazed to maximize visual connections between the street and the lobby.



Mailboxes are centrally located in the first floor lobby and ideally within view of the entry door and lobby to provide extra security.



Unit mix is one design variable that the Director of Design believes affects the manageability of a family development. For illustrative purposes, he described two similarly designed family developments located across the street from one another, one federally funded and one funded by the state. The only significant difference between the two developments is the unit mix as outlined in Table 6.

Table 6
Unit Mix at Similarly Designed Family Projects

	State Development	Federal Development
1 Bedroom	20%	24%
2 Bedrooms	25%	33%
3 Bedrooms	45%	33%
4+5 Bedrooms	10%	10%

Source: Interview with NYCHA Director of Design, Chief Architect, and Assistant Director 2/26/92.

From initial occupancy, the state development with 55 percent large family units had maintenance and management problems which were attributed to the excessive number of children on site when compared to the federal development.

D. Security Improvements

The NYCHA does not provide security guards in its developments. Residents are encouraged to form their own resident patrols to monitor who comes and who goes. Management provides walkie-talkies and some other perks for resident involvement. The program is tied in with the police, who are involved in an initial six week period of around the clock patrolling. The patrols are generally more successful in elderly developments. Many elderly buildings also have management offices off the lobby, which provide some informal security at the entry.

Most building entrances have been replaced with hollow metal steel doors and frames for durability. Key-operated electro-magnetic locking systems are standard, but only remain locked if there is a functional intercom system to gain access. The NYCHA Design staff believes that security within each high-rise is directly linked to the presence of an operational intercom system; only then will residents keep the front door locked against unwelcome visitors. Management at one time had a policy of charging \$3 to \$4 monthly for intercom systems but they would only be installed if more than 50 percent of the residents wanted them (all would have to pay the monthly charge). Many residents refused to pay this extra monthly fee and opted to go without an intercom system. As a result, the previous Chairman reversed the policy of passing the fee on to residents. The intercoms that are installed are the telephone-type which are maintained by outside contractors. Much of the original glass at the entrances has been replaced first with tempered glass, and more recently with laminated glass.

E. Site Improvements

Approximately one-third of NYCHA's developments have received site improvements in the last 10 to 12 years. Of the 50 to 60 site contracts funded each year, 35 are for specific site improvements such as fencing, benches or a playground, while the remainder are for comprehensive site redesign. There is a continual struggle between resident requests for

additional parking on site and the Authority's desire to maintain open space for resident use. Multi-use outdoor areas typically include a basketball court and a place to congregate which is lit at night and used for tournaments. Many of these facilities are used by the Community Services Department to run their programs. Recreation areas are provided for different age groups, with areas for younger children located closer to the building entries. Passive seating is usually provided at each entry.

The NYCHA focuses substantial design attention on its sites to enhance security. The lack of clear definition of territory leads to problems with drugs and loitering on many NYCHA sites. Much of the open space and benches at the center of a development, out of view of traffic on perimeter streets, has been taken over by drug dealers who scatter in all directions when approached by the police. As the NYCHA Landscape Architect described it, the goal is to modify the existing park-like setting to make it more human scale, "to modify the battlefield so that the Housing Authority has the advantage." Recent efforts have included providing benches near building entries rather than at the center of the development, so that residents can claim them for their own use (see Figure 6). Perimeter fencing is used to define a reduced number of entry points to the site and to make a clear distinction between NYCHA property and the public sidewalk. The reduced number of entry points makes these areas more heavily used and increases resident contact so people can begin to know who lives there and who does not. The primary goal is to privatize territory at the building edge for residents and to force criminal activity out into more visible areas near the street so that others (including the police) can more effectively deal with it.

Typically, most site improvement work items are generated by managers who only seek to replace existing site furniture and equipment without any thought to redesign to make the site work more effectively. Recent comprehensive site efforts have included redesign changes based on input from residents working with the Design staff. Although 'defensible space' concepts are applied to all site design, the method of implementation has departed from Oscar Newman's original emphasis in his book Defensible Space on erecting physical barriers. Today the NYCHA landscape designer employs more subtle barriers (3 feet high rather than 6 feet high fencing), particularly at the corner of developments, in an effort to recapture open areas for resident use only and to force non-residents out to the street.

Given the density of NYCHA developments and their intensive use, site materials, furniture and equipment is spec'd for long term durability. On a recent comprehensive site improvements contract for a large site, the improvements averaged \$20 per square foot. Durable fencing using solid steel posts and railings, three feet high, runs \$50 to \$65 per linear foot. While these costs are more than two to three times the costs of site work in other urban areas, on a per unit basis, costs are quite similar.

III. NEW CONSTRUCTION

The NYCHA continues to add to its public housing stock through the substantial rehabilitation of acquired properties, funded through the federal Turnkey program, the Section 8(J) conventional program and the city's conventional program. In the 1980s, 5,000 to 6,000 new units were developed in low-rise buildings, reflecting a policy shift to non-elevator buildings for families. In 1990 five rehab projects totaling approximately 1,200 units were under construction.

Development is particularly difficult in New York City due to strict local and state codes which generally exceed HUD minimums. The local accessibility code is also one of the

Figure 7. Views of Site Improvements

Benches are provided near building entries for resident use only. Fencing clearly marks this area for building residents which is not easily accessible to loitering non-residents.



NYCHA invests in durable and strong fencing to direct the flow of traffic on sites and to protect green areas from shortcutting and inappropriate use.



more stringent codes in the nation. Development is also very expensive and exceeds HUD TDC limits. Although these limits have been adjusted by HUD to reflect the unique development conditions in New York City, all new federal development must be supplemented with city funding for costs exceeding the TDC limit. Turnkey projects under construction in 1990 were averaging just under \$100,000 per unit for development costs.

The NYCHA Design Department issues very specific design criteria for turnkey developments to control the costs and quality of the project. This is in sharp contrast to the turnkey developments constructed in the 1960s and 1970s, when there was very little control over the final product. The design criteria covers unit mix, building type and construction, circulation, apartment design, communal space, management and maintenance spaces, building security, mechanical and electrical systems, and submission requirements.

Apartment sizes must strictly comply with HUD maximum net areas of 540 square feet for a one bedroom, 725 square feet for a two bedroom, and 925 square feet for a three bedroom unit. Three bedroom units must include one and one half bathrooms. Kitchen cabinet sizes must meet MPS requirements for full-sized kitchens and all cabinets are constructed of wood and plywood only. Design criteria for building security is outlined in detail and includes exterior security bars on all first floor windows and vandal-resistant intercoms. The design of the entry lobby should provide maximum visual surveillance of the entrance, the elevator and the mailboxes. Access from the street to the building entry should be direct and convenient, with a direct line of sight from the street to the lobby. See Figure 8 for views of a new construction project.

IV. LESSONS FROM THE NYCHA

The New York City Housing Authority is unique in many areas: a higher percentage of residents are employed and a lower percentage are on public welfare; the public housing high-rises are similar in design to family housing for middle- and upper-income families throughout the City; and vacancy and turnover rates are negligible. Due to many constraints, interventions are made in management and resident services, and not in the redesign of the physical environment, to improve the operations of the Authority and the safety and security of residents.

Many of these interventions, including income mixing, careful resident screening, and the provision of on-site resident services and programs, particularly for children, can be replicated by other housing authorities. The lack of design intervention, however, may not be as appropriate for other housing authorities with substantially different physical environments, housing markets and images of 'normative' family housing.

Figure 8. Views of NYCHA New Construction Project

This project's construction is typical of most buildings subject to HUD's Cost Containment Guidelines with an emphasis on minimal design features and use of inexpensive materials.



The interior courtyard is completely enclosed by the residential structures and can only be accessed through the building hallways. A large play structure and sitting area are provided for resident use.



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Chapter 14

Summary of Case Study Findings

I.	OVERVIEW OF CASE STUDIES	14-1
II.	CHARACTERISTICS AND INDICATORS OF SEVERELY DISTRESSED PUBLIC HOUSING	14-3
	A. Families in Distress	14-3
	B. Serious Crime Rates	14-4
	C. Management Difficulty	14-4
	D. Physical Deterioration/Uninhabitable Conditions	14-5
	E. Inherent Design Deficiencies	14-6
III.	STRATEGIES FOR RESIDENT INITIATIVES AND SUPPORT SERVICES	14-8
	A. Revitalized Developments	14-10
	B. Developments Planning Revitalization	14-11
	C. Distressed Developments	14-12
IV.	STRATEGIES FOR ENHANCING MANAGEMENT CAPABILITIES AND OPERATIONS	14-13
	A. Revitalize Developments	14-13
	B. Developments Planning for Revitalization	14-16
	C. Preventing Distress	14-17
V.	STRATEGIES FOR PHYSICAL REVITALIZATION	14-18
	A. Investment in Planning Efforts	14-18
	B. Design Intervention	14-20
	C. Neighborhood Improvements	14-21
	D. Replacement Housing	14-22
	E. Redevelopment Costs and Funding Sources	14-23
VI.	CONCLUSION	14-24

Summary of Case Study Analysis

INTRODUCTION

The case study research contains detailed analyses of conditions of severe distress in public housing and as such represents the basis of the Commission's policy recommendations in its National Action Plan. This section of the report reviews a number of significant issues identified and reviewed by the Commission. The case study research supplements research that was undertaken as apart of the site visits made by Commissioners and public testimony that was provided to the Commission. The Commission's Final Report issued in August, 1992, summarizes the research of the Commission and draws from substantial research contained in these case studies and in the working paper reports prepared by the Commission.

The case study research assisted in identifying some of the major causes of severely distressed public housing. A review of the case study reports illustrates how the Commission was able to identify four overall categories of distress. The categories of families living in distress, rates of serious crime, barriers to managing the environment, and the physical deterioration of buildings offer a method of identifying severely distressed public housing as well as a way to consider how to develop strategies and programs for turning around these housing developments. Much has been learned from the case study and other research and a significant number of issues are summarized in this last section. Below is a listing of some of the major items to be considered in pursuing programs to address the needs of severely distressed public housing:

1. Planning
2. Resident Support and Involvement
3. Need to Provide Funds and Permit Activities that Support Revitalization
4. Need for Management Plans and to Identify Required Operating Services
5. Need for Project-Based Data and Information
6. Need to Address Public Safety Concerns
7. Neighborhood Investment and Economic Development
8. Need to Provide Replacement Housing
9. Flexibility in the Use of Funds
10. A Separate Unit in HUD for Severely Distressed Public Housing

I. OVERVIEW OF CASE STUDIES

Taken as a group, the case studies represent a collection of responses to the problems of severely distressed public housing. They can be grouped according to the status of the featured developments to facilitate discussion: revitalized developments, developments planning for turn-around, and PHAs that are working to prevent severe distress at their developments. All planning efforts observed, whether for complete development re-design or modernizing existing

facilities, emphasized the need for addressing residents' social services and economic development needs while simultaneously restoring the buildings' physical condition. Simply providing restored physical structures is not sufficient to eliminate severely distressed public housing. The Commission cannot over-emphasize that *residents' distress is a major element of severely distressed public housing*. Without sufficient attention to the problems of drug traffic and related crime, low education levels, and the lack of economic opportunities to improve economic self-sufficiency, any investment in physical restoration will be very difficult to sustain.

The revitalized developments consist of:

- Chicago Housing Authority's Lake Parc Place;
- San Francisco Housing Authority's Robert B. Pitts Plaza;
- Boston Housing Authority's Commonwealth;
- the Department of Public and Assisted Housing's Greenleaf Gardens; and
- Albany Housing Authority's Steamboat Square.

Of these revitalized developments, comprehensive rehabilitation was applied at Lake Parc Place, Robert B. Pitts Plaza, Commonwealth, and Steamboat Square. All of these rehabilitation projects involved extensive planning that began at the concept phase to consider what the goals of the particular development were, how the physical design should reflect these goals, and what would be required of residents in order to live in the new development. Even in Greenleaf Gardens, which involved "sweeping" a building and taking back physical control of a family high-rise building (but no redesign), the efforts to restore the building to meet local sanitary and housing codes and provide a safe environment for residents required coordination of several of the agency's departments, most notably the maintenance, property management functions, and tenant selection functions.

The developments planning for rehabilitation are:

- Chicago Housing Authority's Ida B. Wells;
- Cuyahoga Metropolitan Housing Authority's Olde Cedar;
- the Department of Public and Assisted Housing's Valley Green;
- Housing Authority of New Orleans' Desire; and
- Dade County HUD's Liberty Square.

Redevelopment plans at the Ida B. Wells development represent the most comprehensive scope among this group. Planning activities range from physical redesign of the development's lay-out (smaller "neighborhoods" to facilitate better property management), to planning for resident management of some parts of the development, to assessing residents' needs for economic development technical assistance, to planning for property management and security procedures on a decentralized basis. At Olde Cedar and Valley Green, redevelopment efforts are predicated on fostering economic development opportunities for residents while simultaneously restoring the physical condition of the development.

Developments that have avoided becoming distressed are:

- Tacoma Housing Authority's Salishan;
 - New York City Housing Authority's high-rises; and
 - Tampa Housing Authority's Central Park Village.
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In spite of the surrounding pressures from drug traffic and crime, Salishan and New York City's high-rises have managed not to become distressed. Their vacancy rates are low, the respective authorities strive to provide high levels of resident services, and security efforts are heavily emphasized. Tampa's Central Park Village was included as being representative of a development at a PHA that has benefited from greater overall attention to on-site property management and resident initiatives, both at the development and authority-wide.

II. CHARACTERISTICS AND INDICATORS OF SEVERELY DISTRESSED PUBLIC HOUSING

A. Families in Distress

The Case Study Team examined several characteristics across all the case study sites, although definitive comparison is difficult in many cases because many PHAs collect and maintain data in different ways. Under the category of "families in distress," the characteristics of number of households with earned income, levels of household income, and vacancy rates were the primary measures examined across all case study sites. (The measures compared in the case studies do not match the indicators covered in the Commission's definition because data for the latter were not readily available.)

In public housing nationally, household income levels are decreasing. Data covering the period from 1974 to 1991 shows that whereas in 1974 only 1.35 percent of public housing residents had household incomes of less than ten percent of local median income, in 1991 that figure increased to 19.26 percent.¹ Further, the MIT report "Occupancy Issues in Distressed Public Housing" notes that "A subsample of HUD-reported data on 13 large urban PHAs more accurately matches the profile of distressed public housing . . . On average, HUD data for these cities show only about 26 percent of non-elderly households report receiving wages."²

Most developments that are considered distressed have very low proportions of households with earned income. At the Ida B. Wells development in Chicago, this proportion is 6 percent (as reported by the CHA), and HUD Multifamily Tenant Characteristic System (MTCS) 1991 data state that the proportion is 17 percent at both Olde Cedar and at the Desire development. In contrast, in New York City developments where the Housing Authority conducts a structured income-mixing through the tenant selection process, the proportion of families with earned income is 39 percent, and only 28 percent of all of its households receive their income from AFDC.

Distressed developments also tend to have greater proportions of households reporting public assistance as their income source than the whole of the PHA's resident population: in Chicago, more than 50 percent of households at Ida B. Wells report AFDC as their sole source of income, while 38 percent of households across the entire CHA resident population report AFDC as their source of income. In Cleveland at Cuyahoga Metropolitan Housing Authority's Olde Cedar, these figures are 53 percent and 22 percent respectively.

Finally, HUD data on earned income for some of the case study sites shows that, at the case study sites, revitalized developments tend to have higher proportions of households reporting earned income. Whereas the Desire and Olde Cedar

developments, which are both considered distressed, report 16 and 17 percent of their resident populations reporting earned income, respectively, at San Francisco's Robert B. Pitts Plaza and Albany's Steamboat Square these figures are 33 and 38 percent, respectively.

B. Serious Crime Rates

Measuring crime levels poses a difficulty for identifying severely distressed public housing in terms of hard data,³ but in terms of resident and PHA concern it is very clear that personal safety is an urgent problem. Five out of six distressed case study sites receive large amounts of Public Housing Drug Elimination Program (PHDEP) funding; the sixth distressed site has not been awarded PHDEP funding, although it is clearly needed, because of HUD concerns regarding the agency's management capacity; and another site that is not distressed also receives PHDEP funding. These PHDEP applications are based on local crime statistics, consultations with residents and compiling anecdotal evidence on a lack of personal security at the targeted developments.

Typically, PHDEP applications of these PHAs cite very high homicide rates in the cities where they are located, as well as high rates of drug-related crime. In Washington, D.C. in 1991, 42 percent of all homicides were drug-related. Greenleaf Gardens, a distressed site in 1990, sustained crime incidence at a rate of 7.8 per 100 residents in 1990. At the Chicago Housing Authority, the Ida B. Wells development ranked third highest among all developments for incidence of crime for 1988 - 1990, and second highest in 1990 for the incidence of crime per 100 persons (13 incidences per 100 persons).

Crime has often been the issue around which residents rally and organize. At distressed sites such as Ida B. Wells and Valley Green in Washington, D.C. residents have developed relationships with local police forces and implemented resident patrol, neighborhood watch, and lock watch programs. At these two developments, security features and programs are also major components of the revitalization plans. Residents of the Salishan (stable) and Robert B. Pitts Plaza (formerly distressed) developments have developed working partnerships with local non-profit organizations to educate residents about safety precautions and setting up neighborhood watch programs.

C. Management Difficulties

As physical conditions deteriorate and residents become more concerned for their safety, there are clear indications that PHAs begin to lose "control" of their basic property management functions. Severely distressed sites are typically characterized by escalating vacancy rates, high move out rates and transfer requests, high rejection rates from applicants seeking housing, and decreasing rent collection levels. Chicago's Ida B. Wells has a current vacancy rate of 20 percent and New Orleans' Desire Development is half vacant. Prior to redevelopment, vacancies were as high as 52 percent at Boston's Commonwealth development and 70 percent at Steamboat Square in Albany. Data from some of the case studies indicate that once vacancy rates reach a certain critical mass (somewhere over 20 percent), the rates rapidly escalate. These vacancies are a result of both residents moving out and applicants refusing to move into available units in the distressed development. Some existing residents move out because they refuse to accept their current living condition in public housing as the last resort; they seek improved conditions elsewhere. The residents that do

take the available units in severely distressed developments are typically desperate for housing, often in need of supportive services, or seeking an environment with limited control, often for the purposes of illegal drug activities.

When vacancy rates hit high levels, maintenance staff cannot keep up with the number of units that need to be prepared for occupancy; management staff are overwhelmed with the tenant screening and rent-up volume; and vacant units, particularly if not secured immediately, become havens for illegal drug activities and squatters. Once vacancies cross this threshold, it is very difficult -- and more costly -- for a PHA to stabilize a distressed development.

D. Physical Deterioration/Uninhabitable Conditions

There is remarkable similarity in the physical condition of distressed public housing developments and in how these deteriorated conditions developed. Many of the case study developments are 40 to 50 years old and they have received very little capital funding to address the life cycle and replacement needs of buildings of this age. Although historical data regarding development-specific modernization histories is scarce, patterns of disinvestment and neglect are evident. Desire in New Orleans, constructed in 1953, has received a total of \$12.8 million for modernizing 1,840 units, which represents less than \$7,000 per unit over a period of 40 years. Most of these funds were expended in the mid-70s for bathroom, kitchen, electrical, and heating renovations. At Commonwealth in Boston, less than \$3,000 per unit was spent on modernization efforts prior to redevelopment; the bulk of this money was spent on emergency boiler and roof repairs to keep buildings habitable. The Salishan development, which is not considered severely distressed, does have significant modernization needs due to a history of low modernization funding levels. Salishan, with 855 units, has received only \$75,000 in direct CIAP funding between 1986 and 1990, despite the fact that it is the oldest housing development in the Tacoma Housing Authority's inventory. Many of these PHAs have applied for comprehensive modernization funding to address severely distressed conditions, however, HUD has rejected most of the development-specific requests, citing lack of funds available at the level requested and questioning the long-term viability of certain of the case study developments.

As a result of consistent underfunding of modernization needs and the age of the case study developments, many of the major systems are dysfunctional and residents must live in unsafe and unsanitary conditions. Prior to redevelopment, the high-rises at Commonwealth and Steamboat Square had elevators that were frequently out of order, requiring residents to walk up and down numerous flights of stairs which were typically unlit, littered, and dangerous. At Commonwealth, building risers burst, sending water cascading throughout the building; roof drains, clogged from debris, collected water which eventually flowed over the sides of buildings, creating 6-story ice flows. Heating systems failed and the Boston Housing Authority was forced to board up uninhabitable buildings due to lack of funds to undertake even emergency repairs or replacement. At Desire, portions of the wood frame structures have deteriorated to the point where residents have fallen through rotted floors and the Housing Authority of New Orleans is plagued with numerous and expensive liability suits. When physical conditions have deteriorated to such an extent at severely distressed housing developments, it becomes difficult for PHAs to win cause evictions for problem tenants because the housing does not meet minimum standards for habitability.

E. Inherent Design Deficiencies

Originally designed as temporary housing, little thought was given to the actual long term needs of residents in public housing. Today's family is substantially different from the typical family of 40 to 50 years ago and current family lifestyles are not always compatible with the unit, building and site designs constructed years ago. With the level of capital investment that is necessary to restore distressed developments to habitable conditions, it is critical that inappropriate designs which may have contributed to the distressed conditions be identified and remedied. The following summarizes the key design deficiencies common to many of the case study developments.

Poor site location. Earlier site selection processes were guided by the need to find affordable land to keep development costs down. As a result, many public housing developments are located in areas with low market demand, in deteriorating neighborhoods, on land with environmental problems, and/or adjacent to incompatible land uses:

- Desire in New Orleans, at the end of a public transit route, is located in a neighborhood with minimal services and convenience stores for daily needs. It is bounded by industrial uses and truck/rail traffic on two sides. Sited on a previous landfill, the ground has subsided as much as 18 inches over the years, leaving exposed footings and foundation walls, interrupted underground utility lines, and severely damaged roads.
- A major interstate highway was constructed after the initial occupancy of Steamboat Square in Albany. Several of the high-rises that directly abut the raised highway are impacted by noise levels which exceed federal requirements. As a result, these high-rises remain vacant and uninhabitable until major noise abatement efforts can be funded. The development is also located adjacent to a federally-assisted urban renewal area which has seen extensive land clearance and sporadic reinvestment.

In most of the case studies, the distressed conditions on the public housing sites are mirrored by deteriorating conditions in the surrounding neighborhood and the viability of both areas is inextricably linked.

Excessive development scale and/or density. Exhibit 1 illustrates key physical characteristics of currently distressed developments and developments that have undergone revitalization. Most of the case study sites are characterized by a large number of units, extensive site acreage, and/or high densities relative to the surrounding context. Developments with a large number of units, such as Chicago's Ida B. Wells with 2,808 total units, result in significant concentrations of low income families. Many of CHA's other large family developments are located in the same neighborhood in South Chicago, further exacerbating the problem of concentrations of poverty. In general, the case studies support findings from other research that the total number of units in a development is a significant factor contributing to severely distressed conditions.

Developments with densities that significantly exceed that of the surrounding area are often problematic. Three of the revitalized case study sites, because of their high-rise buildings, had densities substantially higher than the surrounding neighborhoods comprised of two- and three-family residential structures. In these instances, the overall site density was reduced by approximately one-third,

with unit losses ranging from 26 to 40 percent of the total number of original units. After redevelopment, the more dense urban sites ranged from 28 to 44 units per acre. Desire and Salishan Developments, however, have very low densities of 9 and 13 units per acre but suffer from vast sites of approximately 100 acres each. This scale exceeds what is easily walkable by management staff and results in areas around the site where both resident and management surveillance is difficult, if not impossible.

Poor site design. The majority of the case study developments suffer from poor site designs and deteriorated site conditions. Severely distressed sites, regardless of where they are in the country, are characterized by abandoned cars, litter, graffiti, broken site furniture, and asphalt-covered or bare dirt surfaces in place of landscaped areas. Poor initial site designs ignored basic family needs for outdoor recreation, private territory near the unit edge, parking convenient to unit entries, and streets that provide access to all parts of the site for residents but which discourage 'outsider' traffic and provide for the safety of children playing outdoors. At Desire, Ida B. Wells, Commonwealth and Steamboat Square, typical neighborhood patterns of unit and building addresses facing streets had been ignored, creating confusion between the public and private sides of units. In most case study sites, remote parking lots are ignored in favor of parking illegally on asphalt areas directly in front of units. And most developments lack any definition of public and private territory, which is the basis for creating 'defensible space.' This has contributed significantly to the rising crime rates on the site and in buildings. Many of these crimes, which are drug-related, are perpetrated by non-residents who have easy access to all parts of the development due to the lack of site definition and private territory.

Inadequate building and unit design. Many of the case study developments share similar design features such as excessive use of common hallways and elevators for families with children, small unit sizes, and unit sizes that do not meet the needs of current household sizes. In general, the more families -- especially children -- sharing interior common areas such as hallways, lobbies, and elevators, the greater the management challenge. Common areas are characterized by wear and tear on finishes and equipment, problems with noise and unsupervised activities, and security issues related to control at the front door. This problem was most acute in the Darrow section of Ida B. Wells where 120 families with children share a single high-rise entry and two skip-stop elevators. Approximately 250-300 children come in and out of the high-rise on a daily basis and even though a security guard is present, this constant flow of people cannot be monitored as closely as necessary to ensure entry only by residents.

Units constructed 40 to 50 years ago typically fall below current minimum spatial standards for family housing. At almost all case study developments, there is a mismatch between resident household sizes and the unit mix as originally constructed. In many instances, the distressed development's bedroom sizes do not reflect the need of families currently on the waiting list. Occupancy needs vary from one development to the next and are a matter of local need and available units; one PHA needs to provide more large family units while another needs to add one bedroom units to accommodate current "empty-nester" residents and the increasing demand from single individual applicants. Too often planning efforts ignore this level of analysis and only focus on rehabilitating existing unit sizes which may lead to marketing and leasing problems in the future.

High-rises used for family occupancy. All the case studies of revitalized developments involved high-rises occupied by families. Surprisingly, however, although some high-rises are severely distressed, they are not a major characteristic of the nation's distressed public housing stock. Of the 39 percent of the nation's public housing units in high-rises, half are occupied by elderly occupants and many of the family occupants are residents of New York City's successful high-rise developments. But in other cities, high-rises are perceived as inappropriate environments for low-income families with children and require an inordinate level of PHA energies and resources to manage and maintain as safe and sanitary housing. At all distressed developments, elevators are often dysfunctional and in constant need of repair and modernization funds; security is particularly difficult because of the large number of residents who have access to the building and the common areas such as elevators, hallways and stairs. Planning efforts focus on removing families with children from the high-rises or on design changes which minimize the impact of living in elevator buildings on children.

Lack of space for social services and resident activities Constructed in the 1940s and 1950s, public housing sites did not include any facilities for resident activities or services. Over the years, in response to the growing need to provide services to poor residents, PHAs have reprogrammed units for use by service providers and by tenant organizations. Many of these services are located in basements or in units scattered around the site in response to the availability of space. Day care at the Commonwealth site, prior to its revitalization, was in a basement location; the tenants' advocacy organization was located in an address where half of the units had been vacated and boarded up. In 1968, the Desire Community Center was constructed which included a gym, meeting areas and classrooms, day care center, and health center. As resident organizations become more effective advocates for services and improved housing conditions, they have increasing need for space to meet, to promote community activities, and to provide much needed social, recreational, and health services for the resident community.

The distressed case study developments typically exhibit many, if not all, of the above design deficiencies. Revitalization efforts focus on targeting design treatments at dysfunctional aspects of units, buildings, and sites so that identified problems are remedied and long-term viability is ensured.

III. STRATEGIES FOR RESIDENT INITIATIVES AND SUPPORT SERVICES

Any successful comprehensive revitalization strategy must address the human condition of severely distressed public housing, which has often been ignored in order to concentrate on physical needs. However, the distressed physical conditions of public housing developments lead to social distress for the residents who reside there. All improvements for revitalizing severely distressed public housing are inter-dependent. So, while physical improvements are important, they cannot be sustained or effective without appropriate supporting improvements. Any strategy designed to address conditions in severely distressed public housing must incorporate the social service needs of the public housing population and must include resident input.

The average household income of the public housing population has been decreasing in the vast majority of PHAs while the number of single parent

families has been increasing. This, coupled with the strong interest on the part of HUD and the Congress to provide public housing to the very poorest households, has in effect made residents of public housing the poorest of the poor. Public housing residents are often disadvantaged in terms of education and employment. When compared to the population as a whole, public housing residents fall behind the median education level of all renters and are twice as likely to drop out of high school and far less likely to graduate from college. Public housing residents often find it difficult to find employment due to isolation from commercial centers or lack of skills. Even when residents possess the skills to hold a job, their job opportunities are primarily in the low-paying service sector. Taking one of these low paying jobs may not be cost effective, as the costs for child care, transportation, rent and loss of medical coverage may outweigh the remuneration from employment. Residents may be interested in starting their own businesses, but fear losing their public assistance benefits if they have necessary business assets (e.g., a truck or a computer).

As public housing households have become poorer, the social support needs of these households has increased. This population is in great need of services that go far beyond safe and sanitary housing and which are significantly lacking in most severely distressed developments. These services, which should be provided for all age groups, include education, day care, health care, employment services, job counseling, and literacy training. There is a need to coordinate these services to enable residents to become self sufficient and emerge from poverty. However, it is hard to get the funding necessary to establish a comprehensive social services program. PHAs can choose to provide services to residents themselves or to seek social service providers. Often PHAs utilize both.

However, severely distressed public housing developments often experience a lack of attention from social service agencies in virtually all areas of service delivery. Often they are completely abandoned by the very social service institutions that are supposed to serve the needs of low income families. This isolation may occur because social service agencies believe that the service needs of the residents are primarily the responsibility of the PHAs or HUD. Other institutions tend not to provide services in the general neighborhoods in which the developments are located since the neighborhoods themselves may be severely distressed. Since the conditions of severely distressed public housing and the neighborhoods in which it is located clearly affect each other, strategies for addressing distressed conditions in public housing must also address the needs of the surrounding neighborhood.

It is important for residents and resident organizations to participate in the development and/or delivery of social and support services. The residents and the PHA need to agree upon the standards and qualifications required to effectively manage and deliver services. However, the PHA must be careful not to automatically assume that because residents are organized they are qualified to administer a complex service delivery program for severely distressed public housing. Ultimately, the PHA needs to consider how best to take steps to address the condition of a severely distressed public housing development and the quality and effectiveness of the services provided.

During the case study visits, the NCSDPH found varying levels of services available to residents. The following discussion of resident services and initiatives includes examples from both formerly severely distressed public

housing developments and developments currently considered to be distressed. Several of the revitalized sites visited by the NCSDPH list comprehensive, innovative strategies with an emphasis on improved resident services and initiatives as crucial to their turn-around.

A. Revitalized Developments

The revitalized Commonwealth development in Boston reveals that strong resident involvement and substantial commitment on the part of social service providers was essential to sustaining the investment made in that housing development. It was largely because of the active involvement of the tenant association at Commonwealth, carrying with it strong support from the surrounding neighborhood, that its redevelopment became a high priority for the BHA. The decisions that came out of the planning process for revitalization were jointly agreed upon by tenants and BHA management and met residents' needs and concerns. Working in collaboration with neighborhood groups, BHA management, social service providers, and consultants, the residents were able to exercise significant authority in the planning and development of social services programs, the future management of the property, and detailed redesign and physical rehabilitation of the property.

The Housing Authority of the City of Tampa has taken itself from "troubled" status to being an improved and higher performing PHA, partly by establishing an innovative program that empowers residents of the Authority's developments through economic development opportunities. The Resident Enterprise Assistance Program (REAP) was established by the Authority with residents to provide management and technical assistance to residents to start businesses. REAP identifies business opportunities for residents and provides skills training and support to residents as they acquire job skills. Many of the graduates and participants of REAP are contracting with the Authority to provide pest control, grounds-keeping and custodial services at the developments, while others have started small contracting firms to repair vacant units that require moderate levels of rehabilitation. These efforts have improved resident interest and participation in the activities at their developments.

The Chicago Housing Authority is employing an inventive program at Lake Parc Place called the Mixed Income New Community Strategy (MINCS) Demonstration. MINCS is a unique self-sufficiency program intended to promote the revitalization of troubled urban communities through the provision of public housing in socio-economically mixed settings. Existing public housing residents who voluntarily participate in the program enter into a one-year lease, renewable over a seven year period. Participants agree to participate in a comprehensive program of services and incentives designed specifically to prepare them for a successful transition to the private rental market and/or homeownership. To stay in the demonstration program the head of the household must be employed on a full time basis and family members must remain drug-free and not engage in criminal activities. They are also required to participate in the supportive counseling services offered and children must stay in school until graduating from high school.

Greenleaf Gardens, operated by the Department of Public and Assisted Housing in Washington, D.C., has implemented a comprehensive plan called Operation Rebound to improve management and regain control of the development. Residents and staff joined forces to clean up the site and take back the develop-

ment. Staff have checked all units and leases for authorized residents, conducted recertifications, issued registration and identification cards, and provided maintenance for the development. Security concerns are being addressed and on-site services are now being provided at the development, including continuing education and youth programs.

Steamboat Square (formerly Thacher Homes) at the Albany Housing Authority (AHA) was never severely distressed but suffers from occupancy problems. When the site underwent physical improvements, residents played an active role in the turnaround. Residents went to Washington, D.C. to meet with the Secretary of HUD to gain her support for the revitalization effort. Residents were also trained to administer surveys to existing residents to get their thoughts and ideas for the revitalization. Residents are now more determined to maintain their development in good condition and report problems to the AHA as soon as they occur. AHA also reprogrammed its most hard-to-manage high-rise for non-residential purposes.

B. Developments Planning Revitalization

A major planning effort in Chicago is expected to result in the comprehensive revitalization of the Ida B. Wells development. The Wells Community Initiative (WCI) involves the PHA, the residents, community organizations, Chicago's Metropolitan Planning Council (a metropolitan area planning organization), representatives of the local and state governments, HUD and private foundations and business groups. The WCI has two components that are designed to take into account both the issues affecting the housing development and the overall community in which the housing development is located. The first component focuses on the social service and employment needs of the residents in the Wells community, and the second addresses the property management, site and security improvements that are required for community revitalization. Residents are organized and participate in every aspect of the revitalization planning, including four program subcommittees on economic development, social services, security and site improvements. While the process is intended to ensure that the revitalization program fully accounts for the needs of the residents and the community, the physical components are just as important to resident needs because without them, the community will not be able to sustain a population of self-reliant residents, good schools or healthy businesses and institutions.

The Desire development in New Orleans has few employment opportunities in the immediate neighborhood and suffers from a serious drug problem resulting from its isolation from major institutions. The site is in the planning stages of a revitalization that will provide economic development opportunities for residents of Desire as well as residents in the surrounding community. However, due to funding restraints, the plan only identifies potential locations for social service programs and commercial developments. Providing homeownership opportunities to help residents move toward self-sufficiency has also been a recurrent theme throughout the planning process. It is hoped that some homeownership opportunities will be provided on site so residents who can afford to buy their own homes will remain in the community as role models, ultimately creating a more stable community. Strategies for encouraging the development of small businesses and commercial enterprises on or near the site, to provide both employment opportunities and easy access to daily services, are also addressed in the Master Plan.

Valley Green, also managed by Washington, D.C.'s Department of Public and Assisted Housing, is currently undergoing planning for comprehensive modernization. The development has an active resident council that is participating in the rehabilitation process through the non-profit organization they incorporated. A contract for \$800,000 has been executed for pre-construction work on-site by residents and an apprenticeship program for training residents in maintenance skills has been established. The department is also focusing on economic development activities for residents to help sustain the improvements.

The Tacoma Housing Authority (THA) has planned a comprehensive revitalization program with resident input and is currently developing resident initiative programs such as special needs programs, resident training, trades and homeownership. The resident organization, which is active in trying to meet residents' needs, has been exploring the possibility of managing the development, and is looking into starting some resident management ventures and the possibility of dual management of Salishan with the THA. While there are no state or local government services provided on-site, housing authority staff recognize the need for such on-site services as a welfare office, child and protective services, counseling and job training. Currently, all on-site services are provided by non-profit organizations, however, the THA has offered to provide state and local agencies space for on-site programs by taking a unit off-line. The THA is in the process of developing a "services row" across the street from the Eastside Neighborhood Center for social and medical services providers.

C. Distressed Developments

The vast majority of public housing units in Puerto Rico are designed to accommodate families that have a strong need for basic local services. There are wide variances between jurisdictions in the types of developments and the services offered creating inconsistency in the provision of local services to public housing residents. There has been a strong interest in pursuing decentralized management through the creation of Resident Management Corporations (RMCs), the use of non-profit housing corporations, and private management agents. The move to decentralize the operations of the public housing program is designed to increase accountability for management and allow for a more "manageable" sized program that can help ensure that local municipalities are providing the same level of services to public housing residents as they do to those residing in privately owned housing.

The Cuyahoga Metropolitan Housing Authority (CMHA), which is half way from demonstrating a successful turn-around, has chosen a consortium approach to respond to drug abuse problems. CMHA has developed a 90 day residential program for female drug abusers in an attempt to deal with a lack of inpatient services available to public housing residents. The program will accommodate women and their children and provide child care and 24 hour security. It will address themes such as parenting, self esteem, family development and education. After completion of the program, participants transfer to alcohol free recovery villages permanently. CMHA is hoping to develop a social service plan to include homeless prevention and crisis intervention programs.

In order to sustain a comprehensive revitalization of a severely distressed development, considerable time and resources must be given to resident needs and concerns. Enhancing the quality of life and promoting the self-sufficiency of public housing residents will require an investment in residents. The invest-

ment could take the following forms: comprehensive training programs that lead to stable and secure employment; entrepreneurial alternatives that will provide jobs for residents as well as bridge the gap in services that are inadequate or absent in their community; and programs which lead to the elimination of institutional barriers that promote welfare dependency. Without such an investment, it will be difficult for a revitalization program for severely distressed public housing to be successful in the long-term.

IV. STRATEGIES FOR ENHANCING MANAGEMENT CAPABILITIES AND OPERATIONS

Strategies for enhancing management capabilities vary according to the scope of the physical revitalization, the scope of comprehensive planning (i.e. social support services, alternative forms of housing management, etc.), and the level of resident involvement. The most successful revitalized developments observed for this series of case studies tend to include a high level of all three elements; these developments are Commonwealth in Boston, Robert B. Pitts Plaza in San Francisco, and Steamboat Square in Albany.

A. Revitalized Developments

As listed above, revitalized developments include Lake Parc Place in Chicago, Robert B. Pitts Plaza in San Francisco, Commonwealth in Boston, Greenleaf Gardens in Washington, D.C., and Steamboat Square in Albany. Of these, three were accomplished through comprehensive redevelopment (Robert B. Pitts, Commonwealth, and Steamboat Square) and two developments were addressed through modernization (Lake Parc Place and Greenleaf Gardens). Chicago's Ida B. Wells development is also discussed in the context of some of the management improvements recommended for the public housing program because of the planning model it offers.

What follows are observations on and recommendations for the public housing program made across the group of case study sites.

Rehabilitation Period. One of the greatest obstacles to revitalizing severely distressed developments in any kind of timely manner is the funding system. Most of the funding for revitalization at case study sites came from PHAs' modernization funds. Under the Comprehensive Improvement Assistance Program (CIAP), funds were awarded competitively each year. PHAs thus could not count on receiving funds in subsequent years for work already begun in earlier years. Under the new modernization program, the Comprehensive Grant Program (CGP), annual modernization allocations are based on a formula; however, these amounts are still insufficient to undertake large scale revitalization in a short period of time.

The Chicago Housing Authority's annual CGP allocation will be approximately \$118 million per year. Costs for rehabilitating the Ida B. Wells development are estimated to be \$151 million, and other CHA developments need modernization work as well. The CHA plans to conduct the revitalization over a period of ten years. Other revitalization efforts, such as in San Francisco, Boston and Albany have taken an average of five years. Construction work over an extended period of time leaves the vacant buildings waiting for attention vulnerable to abuse by "squatters", vandals (stealing pipe metal and window frames) and drug dealers looking for places to conduct their illegal business. Residents are therefore at

greater risk as they must often live in half-occupied developments while the redevelopment work is being conducted in a patchwork manner. Buildings undergoing construction are also at risk of vandalism.

Funding for any kind of revitalization, either comprehensive (development-wide) or modernization of buildings, should be "tracked" so that it is available on a basis that follows the PHA's ability to manage the construction projects.

Allowable Expense Level. Since the introduction of the Performance Funding System in 1975, PHA operating subsidies have been calculated on the basis of what costs high-performing PHAs incur in running stable public housing. The case studies have shown that severely distressed public housing developments have far greater needs than stable public housing developments in terms of security, resident services and physical maintenance. Also, property management costs vary according to what type of management a PHA is practicing at a given time. For example, the types of costs incurred during a development's "distressed" phase will not be for the same types of activities undertaken by a PHA during the planning, physical rehabilitation, re-occupancy, and sustaining phases of a development.

The planning phase for Ida B. Wells has involved conducting extensive research on resident needs, both for social services and for physical design layout. At Robert B. Pitts Plaza, the San Francisco Housing Authority was required to work very closely and over a long period of time with neighborhood groups in the area surrounding the development. And at Olde Cedar in Cleveland, a significant part of the revitalization process involves fostering economic development activities for residents, which requires staff time, research and outreach.

During re-occupancy and while ensuring that improvements are sustained, PHAs incur other costs such as security services, increased level of resident services, and greater levels of PHA operations staff attention in areas like tenant screening and planned maintenance.

Management Plans. The most successful turn-around developments prepared a road map for revitalization by developing a master management plan. Both the Boston Housing Authority and the San Francisco Housing Authority worked closely with the resident organizations at Commonwealth and Robert B. Pitts Plaza to write management plans. These plans are written procedures of how the two developments are to be managed. In detail, they cover what the responsibilities of residents are, those of the PHA and, in the case of Commonwealth, those of the managing agent. For example, the Commonwealth Management Plan contains a planned maintenance schedule for the entire development as well as a description of the social services program offered at the development. The Robert B. Pitts Plaza Management Plan contains a set of House Rules (developed by residents and SFHA staff) that clearly states the expectations for resident behavior. Management plans can also contain a strategy for supporting the implementation of resident management at a development.

A management plan should state, as its main premise, the goals for the revitalized development. This plan should be modified as the development progresses through the various phases of rehabilitation, so that it outlines the appropriate levels of management attention for the "before," "during" and "after" phases of a treatment program. A management plan should also clearly identify the required level of operating services and the appropriate types of services for residents.

Resident involvement. Resident involvement at every phase of planning and implementation for revitalization is considered essential, both in order to ensure that the end result meets residents' needs and to ensure that residents have a vested interest in sustaining the improvements. For the Ida B. Wells development, resident involvement was accomplished by creating a non-profit organization with its own board of directors, the Wells Community Initiative, that conducts planning and provides technical assistance to residents to prepare them for resident management. At the Valley Green development in Washington, D.C., which is considered distressed and is about to undergo comprehensive modernization, the residents negotiated an agreement with labor unions working on the project to take on a certain number of residents as apprentices, teach them a trade, and offer them jobs at the completion of the project. Another way of soliciting participation from residents is conducting a survey to determine housing needs and wants for the redevelopment project, as was done at the Steamboat Square development in Albany.

Residents have also been involved in the re-occupancy period, once rehabilitation is completed, in tenant screening for the development. After the PHA has determined an applicant eligible for public housing, the applicant's file is forwarded to the tenant screening council for consideration. These councils operate under established guidelines, and while they cannot deny an applicant public housing, they can decide not to recommend that a particular household be housed in the revitalized development. Giving residents a vote in who lives in their buildings gives them some measure of authority to protect their community in return for their involvement and efforts.

Project-based budgeting and reporting. The study of severely distressed public housing has been hampered by a significant lack of data. There is a need for data to successfully implement the definition of severely distressed public housing as well as to make decisions regarding programs to treat severely distressed public housing. It is important that HUD participate in providing the research and support needed to provide more data and information on public housing developments.

Collecting data for these case studies was complicated by the lack of systems constructed to report on a development-by-development basis. PHAs thus have a difficult time of separating out data to evaluate one particular development. Operating expenses, vacancy rates, rent collection rates, social services program expenses, and maintenance staff time are all items that should be tracked by development to monitor signs of distress and to establish appropriate treatment methods of distressed developments. During 1993, PHAs will be required to implement Project-Based Accounting systems, and should be provided with technical assistance to implement these and other types of project-specific monitoring systems.

Income mixing and rent ceilings. Income mixing in public housing would enhance the living environment by having working families as role models and by attracting small business commercial activity to meet their needs in surrounding neighborhoods. Two case study sites have implemented income mixing tenant selection procedures: in Chicago at the Lake Parc Place development and at the New York City Housing Authority. As discussed above, public housing households in general do not reflect a broad range of incomes. In fact, by statute, 95 percent of public housing units filled after October, 1981 must be reserved for households with incomes below fifty percent of local median

income. The Lake Parc Place development is part of a pilot program, the Mixed Income New Community Strategy (MINCS). This program allows PHAs (four sites were funded) to place very low income families (below 50 percent of local median income) in private market rental housing and place a greater percentage of low income families (50 - 80 percent of local median income) in public housing (see the Chicago Housing Authority Case Study for more detail).

Extending the time limit for rent ceilings, which is currently set for five years, would allow working poor families to remain in public housing longer. If not forced to move to private market rental housing because their incomes are too high, these families could save for the purchase of a home or for higher education.

Make security activities an allowable expense. During case study interviews, residents frequently recommended that more funds be made available for security. At one PHA, a planner stated that grant writers and planners stretch regulations whenever possible to justify use of funds for security. Security services, since they have become a necessity in some form at most severely distressed public housing developments, should be an allowable "add-on" to the Allowable Expense Level. Housing authorities are also experimenting with ways to bring increased levels of police presence in communities, such as offering reduced rents for police officers and asking police to play a role in lease conflict resolutions (in Albany they are offering reduced rents). "Security services" can refer to several types of law enforcement activity, including security guards (armed or unarmed), routine patrols (on foot or in vehicles), and special deployment teams for particular "hot spots." Often a combination of these methods is used to patrol a development.

Access control features are common security equipment in revitalized developments. At both Lake Parc Place and Greenleaf Gardens, wrought iron perimeter fences surround the development and are controlled by electro-magnetic cards provided to residents. Guests must be announced to residents by a security guard, who can also monitor the outside of the building by TV monitors.

B. Developments Planning for Revitalization

Several developments studied by the Commission are in the process of planning for revitalization. Comprehensive rehabilitation is being planned at Ida B. Wells in Chicago and Desire in New Orleans, while comprehensive modernization is being conducted at Olde Cedar in Cleveland, Valley Green in Washington, D.C., and Liberty Square in Miami. Although at varying stages of the process, residents and PHA staff had the same overall concerns in planning for these distressed developments.

Planning for future uses. The planning process for all of these developments is taking into account residents' and public housing's changing needs. Redesign plans for Valley Green, for example, include adding a community center to the site as there is currently very little common space on the site, and breaking through all but five of the 75 five and six bedroom units to make two and three bedroom units. While there is still some demand for large bedrooms, residents realize that the site simply cannot support such high concentrations of young children. A Family Support Center has already opened at Ida B. Wells that serves as a hub for a broad range of social and supportive services.

Comprehensive modernization. Faced with modernizing 923 units in the Liberty Square development, the Dade County Department of Housing and Urban Development (DCHUD) implemented a process for contracting the management of construction services that could become a model for large scale modernization programs. Rather than break the work down by function, i.e. separating out jobs like modernizing kitchens and re-roofing, the agency broke the entire development up into 18 bid packages for units and the community building. Bid packages range from 20 - 70 units each. With smaller bid packages, the agency was able to involve more minority (small business enterprise) contractors who probably would not have had the experience to take on large scale projects. Because there were sufficient vacancies at the beginning of the project and because the work is being done in phases, resident relocation has not been difficult. Residents were consulted extensively at the beginning of the process, and have also agreed in some cases to transfer permanently to another development.

Security design features. Developments planning to redesign site layout, such as at Ida B. Wells and Valley Green, are planning to enclose the development with security fencing. In the case of Ida B. Wells, areas the size of city blocks will be enclosed in their own fences with staffed guard houses. Valley Green is planning on installing a perimeter security fence equipped with an electronic access system. Valley Green is also planning to establish a police sub-station at the development, and has established a very close relationship with the police who operate in the neighborhood where the development is located.

Replacement housing. Revitalization efforts need to consider ways in which treatment of severely distressed public housing can be addressed through reducing the density of the housing development to provide more space to support family living. The ability to have flexibility to implement the one for one replacment rule is importantt to successfully impelenting programs for severely distressed public housing. One area where flexibility is needed is by allowing replacment housing to be located in the same general area as the units to be demolished even if the replacment housing is to be located in an area considered to be impacted.

C. Preventing Distress

Three housing authorities, in Tacoma, New York City and Tampa, have thus far managed their properties well enough to prevent them from slipping into distressed states. These housing authorities are not without their problem developments, but have avoided escalating vacancy and excessive crime rates.

Manageable span of control and site based staff . The New York City Housing Authority manages its 180,000 far flung units by creating teams of site based staff for each development or clusters of developments, which are divided up into eight management districts containing four quadrants each. Teams consist of a Housing Manager, who supervises Assistant Housing Managers and Superintendents (for maintenance) who manage the site-based maintenance crew. The Chicago Housing Authority is also working on creating site based management teams for its large developments. Three management teams have been created for the 3,591 unit Cabrini Green development, which formerly had one on-site manager who was assisted by clerical staff. The Tacoma Housing Authority has several after-hours resident managers, or residents to whom the Authority offers rent credits in exchange for their services.

Neighborhood economic development. The New York City Housing Authority, with its extensive experience in building or rehabilitating in many different neighborhoods, recognizes the critical importance of facilitating economic development in surrounding neighborhoods. Sometimes the NYCHA's development is the economic anchor of a neighborhood, and in some cases community groups have requested a mix of commercial and residential development in areas where the NYCHA is planning a project.

Neighborhood security. Using PHDEP funds, the Tacoma Housing Authority contracted for Tacoma Police Department officers for Special Emphasis Team (SET) patrol missions, which provide police coverage beyond the routine level of patrolling. Although no working relationship existed before establishing these missions, working on the SET missions together has facilitated the two groups' understanding of each other and learning how to cooperate. PHDEP funds have also been used to fund community wide Police Academy sessions, teaching safety precautions for children and neighborhood watch programs.

V. STRATEGIES FOR PHYSICAL REVITALIZATION

A. Investment in Planning Efforts

The case studies confirm that planning for the future of severely distressed public housing developments requires a carefully conceived process. The deceiving repetitiveness of the building stock masks a complex situation which requires parallel consideration of resident needs, community views, neighborhood planning issues, building and site design adequacy, fiscal strategy, and management capacity. Those severely distressed developments that have achieved successful turn-arounds have, typically, dealt with the above issues, although the specifics of their planning processes have differed, depending on the time of initiation, the expertise and predisposition of the PHA, and the levels of external support.

The process of planning for each of the case studies differed, as revitalization at these developments was undertaken during various time periods, under the requirements of changing HUD and local programs, and in different localities. Several common characteristics included a high level of resident involvement, close working relationships with adjacent neighborhoods, and a careful assessment of user needs in determining the selected approach:

- For San Francisco's Robert B. Pitts Plaza, the detailed analysis of user requirements, coupled with the high price of this work, convinced participants of the desirability of demolition and replacement. This decision was facilitated by the involvement of community participants who had taken part in the planning process for the nearby Western Addition Urban Renewal area;
 - In Albany's Steamboat Square, city activities in a nearby Urban Renewal area had enhanced local awareness of appropriate strategies to make the selected approach, which combined reduced high-rise density with construction of new town houses for larger families, supportive to the larger neighborhood renewal efforts; and
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- In Boston's Commonwealth, a two year planning process supported by a Project Steering Committee involved residents, PHA personnel, neighborhood representatives, and social service providers who helped develop community and agency support for reducing density, sharply reducing family occupancy of high-rise buildings, and including elderly units in the redevelopment program.

Similarly, inclusive planning processes are being used for the other severely distressed developments which were studied. Although the mechanisms differ, the breadth of participant involvement and comprehensiveness of issues being addressed are common. For Chicago's Ida B. Wells development, despite a step-by-step approach to physical reinvestment, the perception that site revitalization must be accompanied by comprehensive, "bottom-up," resident involvement has prompted the formation of the Wells Community Initiative, largely supported by private funding sources. In New Orleans' Desire Development, several unsuccessful site proposals led to the creation of the Mayor's Task Force on the Redevelopment of Desire, who worked with PHA personnel and consultants to define key revitalization goals and an overall planning strategy. Although the complete success of these ongoing efforts is yet to be demonstrated, the establishment of inclusive planning efforts may be a significant first step in reaching consensus on the scope of the problems to be addressed and the scale of intervention required.

The case studies indicate that the establishment of such planning processes has been episodic and is not necessarily supported at each step by HUD policies and procedures. Comprehensive planning processes should be encouraged and required by HUD, supported by adequate funding support, to involve key participants in the revitalization effort. Exhibit 2: Redevelopment Process Model for Severely Distressed Housing Developments, illustrates the key elements of such a process, which include:

- a cooperation agreement among the participants defining roles and responsibilities in the planning process;
- stabilization improvements to address the most acute of the day to day problems, done concurrently with longer range planning and design;
- planning to diagnose the type and location of problems, their severity, and to scope potential strategic approaches to eliminate causes of distress. This would typically include determination of the number and type of units, approaches to relocation and phasing, major infrastructure/building replacement issues, provision of resident services, and coordination with neighborhood revitalization efforts;
- phased design and construction, and;
- post-occupancy evaluation to determine the effectiveness of the efforts, as well as other activities necessary to sustain the investment.

Financial and organizational support for this type of planning process is essential to encourage thoughtful and effective remedies, responsive to resident and community concerns, which truly address the root causes of distressed physical conditions.

B. Design Intervention

The case studies reveal that PHAs dealing with severely distressed family housing environments have, typically, undertaken significant initiatives to address the special problems of housing for families with children. In most distressed family developments, children under the age of 18 represent a substantial majority of people living on site, and it has been perceived important to accommodate needs of these families if long term, structural areas of dysfunction are to be avoided. Of particular importance has been the design of large family units (with three or more bedrooms), as these experience the highest densities and their location can have an impact on neighboring units. The typical approaches which have been taken to this problem are described below.

Reduction in site density. Many PHAs have taken the opportunity to reduce density as a way of diminishing the fractions when large numbers of residents, often children, compete to use overcrowded circulation corridors and exterior spaces. Most of the case studies reviewed anticipated or achieved changes in density, ranging from 26 percent (Steamboat Square) to 40 percent (Commonwealth) reduction of overall unit count. The case studies reveal no "ideal" density, as the foregoing examples ranged from 19 to 72 units per acre prior to redevelopment. In contrast, although Ida B. Wells had a relatively high density of 43 units per acre, no density reductions were proposed, principally due to the area's affordable housing shortage and the lack of suitable replacement sites. Excessive density is both an environmental concern, whose problems can be perceived through activity pressures in buildings and on sites, as well as a cultural phenomenon, associated with community norms and standards, such as in New York City, where high density is taken for granted.

Reducing the number of family units in high-rise structures. Where possible, the distressed housing developments studied opted for changes in high-rise occupancy. In San Francisco, the low-rise Robert B. Pitts Plaza was constructed to replace a high-rise project whose rehabilitation cost was considered too high. In the case of Boston's Commonwealth, the approach was two-fold: conversion of some high-rise structures to elderly occupancy and modification of others to enable ground floor access to the largest housing units. This, coupled with density reduction, enabled a major transformation of both building and site use patterns. Albany's Steamboat Square represents a different approach, illustrative of the multiple problems of the high-rise building type and the sources of funding available to deal with it. In this case, high-rise structures have been converted to elderly occupancy, coupled with construction of new townhouses and rehabilitation of existing structures in the neighborhood for the largest families. However, funding constraints have left neither effort complete: portions of each high-rise are boarded up and "mothballed," as there is not strong enough demand to fill the units, and not enough new or rehabilitated units have been created to accommodate all the families which were displaced.

Providing appropriate unit and building design for family living. Redesign efforts have, typically, resulted in increasing unit sizes to achieve livability as well as changes to building configuration. This has been achieved by either reconfiguring or recombining units. Often, sites that have been turned-around have avoided large family units on upper floors, as this creates significant traffic through common hallways and vertical circulation elements, often by providing private entries to large family units (Commonwealth, Pitts, Desire). Similarly, most redesign efforts have remedied unit design deficiencies such as insufficient

dining space, bedrooms too small to accommodate reasonable furnishings, deficient storage space, and adequate bathrooms for the size of the unit.

Redesigning sites to promote defensible space and territoriality. Successfully revitalized developments typically have created a sense of security and territoriality in their site layout. Where spaces appear to belong to a unit or a common address, the likelihood of their use for inappropriate activities by others is reduced. This is most readily visible at those developments which have been completed, such as Robert B. Pitts Plaza or Commonwealth. In both cases, careful attention was given to orienting buildings to the street system for easy surveillance, privatization of spaces that serve individual addresses or units, dispersal of parking located near units, provision of age-appropriate and well located recreational spaces, and efficient servicing for trash removal and maintenance. These types of principles have been emulated in other redesign efforts being pursued for the initial phase buildings at Ida B. Wells and the site plan for Desire.

Provision of space for resident activities and on-site services. Distressed public housing developments typically have large concentrations of families with high social service needs, requiring access to social service providers and other services not originally anticipated in site layouts. There is an emerging trend towards clustering of such services in a central facility, such as the Family Development Center proposed at Ida B. Wells, the Day Care Center and Community Building at Commonwealth, or the inclusion of areas for both public services and commercial uses in the Desire site plan.

C. Neighborhood Improvements

Most of the case studies reveal PHA awareness that planning for a severely distressed housing development must be done in close coordination with the affected neighborhood. The need for coordination is based on several factors:

- the large scale and density of many distressed developments, which makes them have a large community presence;
- spill-over impacts of security from distressed developments to abutting areas and uses;
- the prevalence of blighted, multi-problem neighborhoods near distressed public housing, making it difficult to "solve" the public housing environment problem in isolation from its surroundings.

Accordingly, most of the cases examined exhibited an active concern for and response to neighborhood context. The plan for Commonwealth was done in close cooperation with neighborhood representatives, who felt a stake in efforts to address what had been perceived as a blighting influence on the larger community. In some instances, developments (such as Salishan, in Tacoma) incorporate within their boundaries facilities such as schools or other neighborhood services which draw from an expanded catchment area. In Albany, Steamboat Square was conceived as inextricably linked to its neighborhood, which was an Urban Renewal project, facilitating cooperative arrangements to create sites for replacement housing or to make adjacent public improvements. At Ida B. Wells, The Wells Community Initiative involves multiple social service providers who deal with larger neighborhood issues, affecting the

proposal to locate the proposed Family Development Center close to the edge of the development where it can provide service to the adjacent neighborhood as well as public housing residents. A similar approach was taken at Desire, where the site plan "opens up" the development to the nearby neighborhood through reorientation of streets and placement of neighborhood service facilities at edges of the development.

In many instances, potential housing rehabilitation programs that deal with nearby housing stock are being pursued parallel to public housing reinvestment (Desire, Steamboat) as efforts to achieve wider neighborhood revitalization. In some cases, these initiatives are made more urgent by the goal of achieving density reductions, requiring unit replacement off site. However, in general, the programs available for public housing reinvestment do not enable funding for such supportive neighborhood investments, requiring local initiatives to coordinate supportive programs from local, state, federal, and private sources. When these efforts cannot be completed due to shortfalls in funding, this can have a detrimental effect on the overall project's successful completion. For example, in Steamboat Square funds have not yet been sufficient to either complete the high-rise structures or to expand low-rise family housing in the adjacent neighborhood.

D. Replacement Housing

The difficulty of delivering replacement housing is a significant constraint to accomplishing density reductions at severely distressed public housing developments. The difficulty is two-fold: inadequate funding sources for replacement units and difficulties in finding appropriate sites without building in impacted neighborhoods. For example, the development program at Boston's Commonwealth was originally intended to reduce density from 648 units to 450 renovated units (a reduction of 30 percent). However, funding constraints resulted in a decision to rehabilitate 392 units (a reduction of 40 percent). This effort was only made possible because it was undertaken prior to the enactment of HUD's one-for-one replacement rule. San Francisco's Robert B. Pitts project, which included demolition of an existing high-rise development and new construction of low-rises, resulted in a substantial unit reduction from 332 to 203 units. These units were constructed partially in response to a settlement agreement to include new housing in a nearby Urban Renewal project. Both of these projects took the general approach, not practical today with the one-for-one rule, of reducing density to the approximate number of residents on site, thereby losing net units.

Ida B. Wells' redevelopment plan provides a clear indication of the implications of current replacement rules on the redevelopment process for severely distressed public housing. The Chicago Housing Authority has taken the posture that density cannot be reduced both to conserve public housing stock and because there are no feasible replacement sites in non-impacted neighborhoods. Although this rationale is completely understandable given the circumstances, it is possible that the inability to reduce density may create an exceedingly difficult design constraint when dealing with the existing site. If so, there is cause for concern that conflicting rules and regulations may "force" solutions that could be inherently unworkable in this and similar circumstances.

E. Redevelopment Costs and Funding Sources

As Exhibit 1 illustrates, the case studies show considerable variation in scale of required rehabilitation costs. For comparison purposes, costs for redevelopment efforts have been present-valued to 1991/1992. When all costs are accounted for, the total cost exceeds 100 percent of TDC by as much as 20-30 percent. Projected costs for the currently distressed sites in the planning phases only include construction costs which are below current TDC levels. The higher costs for the actual turn-arounds may be more reflective of reality, as they include the real penalties associated with hazardous material abatements, access for the disabled, substantial redesign improvements, and the significant "soft" costs that are typically associated with turnaround efforts. These "soft" costs include relocation expenses, vacancy rehabilitation for on-site relocation, construction phasing, and security enhancements.

It should be noted that it has often been necessary in redevelopment projects for PHAs to solicit supplementary funding beyond what HUD is able to provide. In the case of Ida B. Wells, private foundation and business funds are being used to underwrite the substantial organizational costs of the Wells Community Initiative, without which the Chicago Housing Authority would have difficulty proceeding on the project. At Robert B. Pitts Plaza, over ten percent of the project funding was provided by City of San Francisco housing funds. At Commonwealth of Massachusetts, over 15 percent was provided through funds from the Commonwealth of Massachusetts. Steamboat Square has been done in cooperation with adjacent Urban Renewal planning, but utilizing principally HUD public housing funds, which have not, to date, been sufficient to complete the project. At Desire, early discussions with the City indicate a willingness to fund a portion of the \$2 million reconstruction of the main public street which runs through the center of the 100 acre site.

Clearly, severely distressed public housing developments require a level of funding which often exceeds HUD TDC limits. This appears to be due to a number of factors, including the high cost of redevelopment to address multiple site and building problems; many hidden costs associated with infrastructure and inadequate construction; large soft costs, including relocation and services; and the need for common resident service facilities. While outside funding sources should be pursued, it is important that HUD not limit funding to the 100 percent level. The purpose of revitalization is to solve problems to ensure long-term viability.

The capital improvement needs of these severely distressed developments are substantial and include costs associated with addressing the backlog of modernization work, redesign treatments to remedy initial physical deficiencies, and accruing replacement needs. To continue to postpone reinvesting in this valuable national resource will only escalate the costs for a later date -- for bricks and mortar as well as for the quality of residents' lives.

VI. CONCLUSION

Public housing environments and their occupants are complex, dynamic, and not readily understood. Distressed developments, in particular, require careful diagnosis and study to insure that scarce resources are not devoted to solving the wrong problem. The process of improvement should be clearly mapped out prior to heavy capital reinvestment.

The basic tenet that runs throughout the process is the active involvement of residents in identifying problems, establishing priorities for improvements, and selecting appropriate, cost-effective treatments for problem remediation.

The revitalization effort does not end with construction and occupancy. The physical improvements must be maintained with preventive maintenance programs and adequate funding for modernization to cover normal replacement and wear and tear that would occur at any residential property. A strong housing management presence is needed to address issues pertaining to lease enforcement and resident support services issues. Steps must be taken to help ensure that residents remain active in the affairs of the housing development and the overall community. Resident participation is important so that the households maintain a stake in the affairs of the housing development and continue to have a strong impact on the quality of the housing environment.

The level of transformation that severely distressed public housing developments undergo during their road to recovery should not be underestimated. When successful, it involves changes at all levels. Such changes include "renaming" the development to signify a new image and environment. Three of the turn-around efforts studied as part of the case study research changed the names of the developments. For example, Thacher Homes became Steamboat Square, Yerba Buena Plaza West was renamed to Robert B. Pitts Plaza and Fidelis Way became Commonwealth.

The case study and related research has provided an extraordinary opportunity to look at some of the most distressed housing communities in the country. This research has offered significant insights into how to address conditions of severe distress and construct a program for treating the development. Research has also provided some important information on the social support services and management needs of severely distressed public housing. The information and research presented above offers some of the most significant data and analysis that has been made available in quite some time. Many of the findings and recommendations that have been made by the NCSDPH may not only apply to the treatment of severely distressed public housing but to various aspects of stable public housing as well.

EXHIBIT 1: KEY PHYSICAL CHARACTERISTICS OF SELECTED CASE STUDY SITES

DEVELOPMENT HOUSING AUTHORITY	DESIRE DEVELOPMENT (SD) Housing Auth. of New Orleans		IDA B. WELLS (SD) Chicago Housing Authority		SALSIHAN Tacoma Housing Authority	
	As-built	Proposed	As-built	Proposed	As-built	Proposed
CONSTRUCTION	1953-56	1992-	1941, 1955, 1961	1992-	1944	1944
SITE AREA (acres)	97	97+off-site	66	66	100	100
BUILDINGS	262 2-story WUs	THs	124 WUs 10 7-story MRs 4 14-story HRs	124 WUs 10 7-story MRs 4 14-story HRs	1-story THs	1-story THs
TOTAL #UNITS ON SITE	1,840	1,228	2,808	2,808	855	855
Replacement Units Off Site		612		0		
Density Reduction On Site		33%				
UNIT MIX						
Small units	27%		73%	73%	48%	48%
0 BRs	0		0	0	0	0
1 BRs	0		544	544	60	60
2 BRs	504		1472	1472	350	350
Large Units	73%		27%	27%	52%	52%
3 BRs	960		468	468	396	396
4 BRs	376		236	236	49	49
5 BRs	0		52	52	0	0
DENSITY MEASURES						
Units per acre	19	13	43	43	9	9
Total #bedrooms	5,392		6,096	6,096	2,144	2,144
#Bedrooms per acre	56		83	83	21	21
Average #bedrooms per unit	2.9		2.2	2.2	2.5	2.5
UNIT SIZES (sf)						
1 BRs	-		460-470	460-470	-	-
2 BRs	675		640-750	640-750	-	-
3 BRs	825		820-875	820-875	-	-
4 BRs	1000		1050	1050	-	-
5 BRs	-		-	-	-	-
ESTIMATED CONSTRUCTION COSTS (1991)						
On-site rehabilitation		\$86,517,545		\$126,000,000 **		\$29,925,000
Replacement housing		\$30,600,000		0		\$0
Total Construction Costs		\$117,117,545		\$126,000,000		\$29,925,000
Per unit cost		\$63,650		\$45,455		\$35,000
1991 HUD TDC Limits		\$121,560,400		\$209,533,800		\$67,237,750
Construction Costs as % of TDC (absent soft costs)		96%		60%		45%

SD=Severely Distressed Development

**NCSDPH Alternative Plan proposes redesign of site, unit reconfiguration, and off-site replacement of 500 units; estimated cost: \$208,719,000 (76% of TDC)

Salishan is not currently distressed but is included because it is a large-scale development with high modernization needs

DEVELOPMENT
HOUSING AUTHORITY

COMMONWEALTH (TA)
Boston Housing Authority

STEAMBOAT SQUARE (TA)
Albany Housing Authority

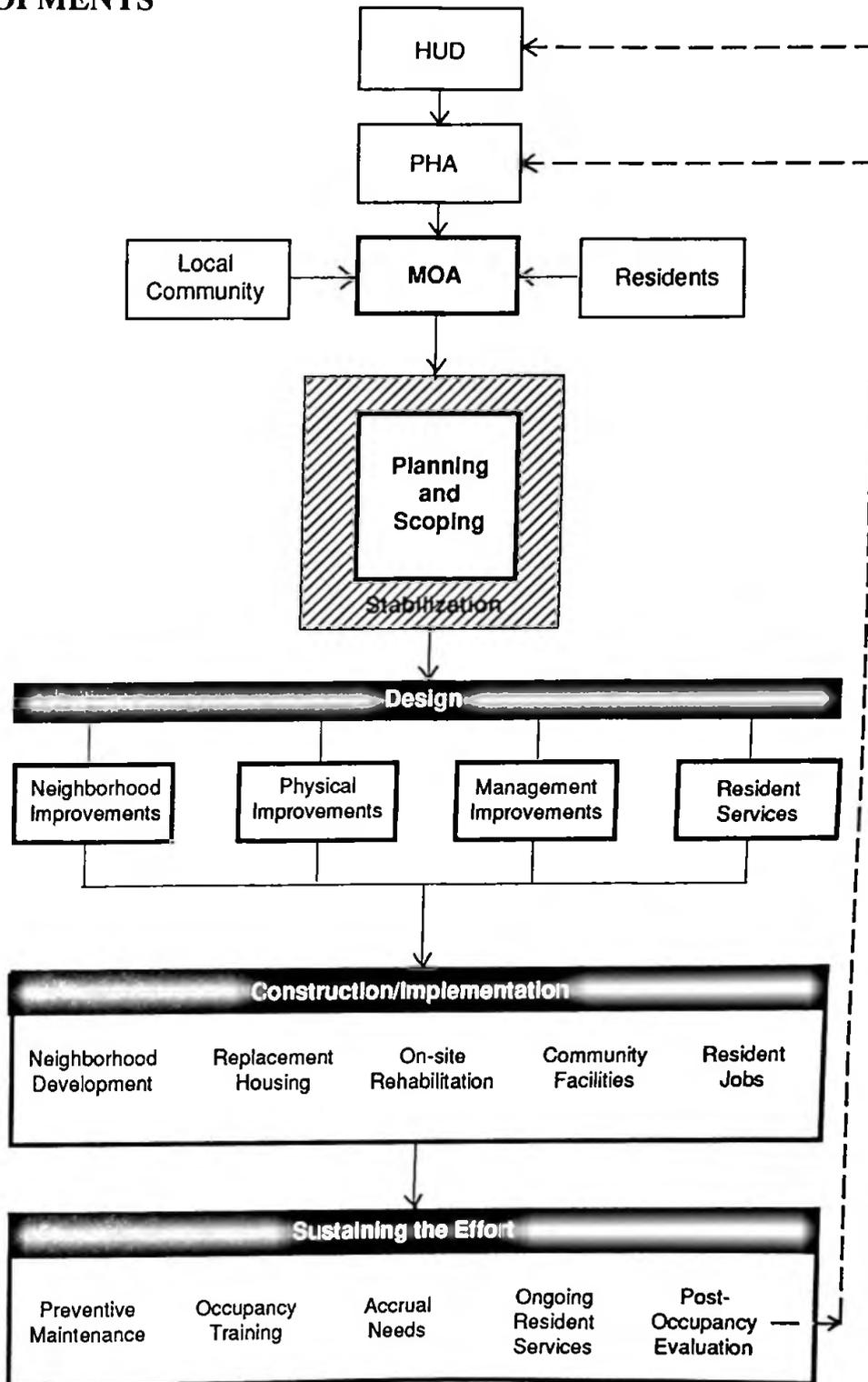
ROBERT B. PITTS (TA)
San Francisco Housing Authority

	COMMONWEALTH (TA)		STEAMBOAT SQUARE (TA)		ROBERT B. PITTS (TA)	
	As-built	Redeveloped	As-built	Redeveloped	As-built	Redeveloped
CONSTRUCTION	1950	1983-1985	1960	1983-85	1955	1990-92
SITE AREA (acres)	14.2	14.2	8.8	9.8	4.6	4.6
BUILDINGS	7 6-story MRs 6 3-story WUs	5 6-story MRs 6 3-story THs	5 12-story HRs	5 12-story HRs 6 bldgs new THs 7 bldgs rehab RHs	12-story HR 3-story WUs	3-story WUs+THs
TOTAL #UNITS	648	392	525	387	332	203
Density Reduction (Unit Loss)		40%		26%		39%
UNIT MIX						
Small units	63%	67%		83%	77%	38%
0 BRs	0	0		51	0	0
1 BRs	72	140		51	120	0
2 BRs	336	123		215	137	78
Large Units	37%	33%		17%	23%	62%
3 BRs	198	92		40	63	114
4 BRs	42	32		22	12	11
5 BRs	0	5		4	0	0
DENSITY MEASURES						
Units per acre	46	28	60	39	72	44
Total #bedrooms	1506	815	-	553	631	542
#Bedrooms per acre	106	57	-	56	137	118
Average #bedrooms per unit	2.3	2.1	-	1.4	1.9	2.7
UNIT SIZES (sf)						
1 BRs	530	620	544	600	488-506	-
2 BRs	640	950	720	900	650-660	725
3 BRs	865	1380	903	1100	780-920	925
4 BRs	1025	1425	1025	1300	1035	1200
5 BRs	-	1825	-	1500	-	-
COSTS						
"Hard" construction costs		\$26,369,400		\$16,125,600		\$19,255,097
"Soft" costs		\$5,230,600		NA		\$4,854,543
Total Turnaround Costs		\$31,600,000		\$16,125,600		\$24,109,640
Per unit cost		\$80,612		\$41,668		\$118,767
1992 Turnaround Costs		\$39,500,000		\$20,187,900		\$24,109,640
1992 per unit cost		\$100,765		\$52,165		\$118,767
1992 HUD TDC Limits		\$33,250,000		\$23,522,050		\$18,553,800
Turnaround Costs as % of TDC		119%		86%*		130%

TA=Turn-around Development

*Does not include soft costs

EXHIBIT 2: REDEVELOPMENT PROCESS MODEL FOR SEVERELY DISTRESSED PUBLIC HOUSING DEVELOPMENTS



ENDNOTES

- ¹ U.S. Department of Housing and Urban Development, Trends in Subsidized Housing, 1983 and HUD, 1992, as quoted in "Occupancy Issues in Distressed Public Housing," Professor Lawrence Vale, Massachusetts Institute of Technology, May, 1992.
- ² Ibid., p. 10.
- ³ See Chapter 9, Working Paper on Non-Traditional Strategies of Meeting the Needs of Severely Distressed Public Housing, for more discussion on data collection on public housing.

