CHOICE NEIGHBORHOODS:

Baseline Conditions and Early Progress

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

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AUTHORS

This report represents the work of many contributing authors from the Urban Institute and its partner organizations (MDRC, Case Western Reserve University, and LFA Group): Rolf Pendall, Leah Hendey, David Greenberg, Kathryn L.S. Pettit, Diane Levy, Amy Khare, Megan Gallagher, Mark Joseph, Alexandra Curley, Aesha Rasheed, Nancy Latham, Audra Brecher, and Chantal Hailey.

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DISCLAIMER

The contents of this report are the views of the contractor and do not necessarily reflect the views or policies of the U.S. Department of Housing and Urban Development or the U.S. Government.

FOREWORD

Amid continued economic recovery since the first Choice Neighborhoods Initiative (Choice) grants were awarded in 2011, the national conversation has shifted to an issue perhaps made more apparent by the recession and recovery: the widening gap in income and opportunity among Americans and the role of place in perpetuating disadvantage. Access to quality educational opportunities, jobs, affordable homes, and safe streets remains elusive in many neighborhoods. These challenges are endemic in disinvested neighborhoods, and they have lasting impacts on residents—children who grow up in high-poverty neighborhoods are less likely to attend college and have significantly lower earnings as adults than children who grow up in low-poverty neighborhoods, according to recent research.

Choice intends to help communities address long-term neighborhood disinvestment comprehensively, through connected strategies to rebuild housing, offer supportive services to housing residents, create quality educational and economic opportunities in the surrounding neighborhood, and improve public safety. Grantees receive a modest investment from HUD and rely on local partnerships and substantial leveraged funds to implement community-driven plans to transform distressed neighborhoods into places with quality, mixed-income housing; good schools; safe streets; jobs; and amenities.

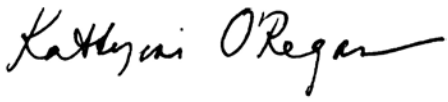
This report documents the experience of the first five Choice grantees as they implement these plans in neighborhoods in Boston, Chicago, New Orleans, San Francisco, and Seattle. It records the baseline conditions in the neighborhoods and tracks progress through the first 2 years of the grant, from September 2011 through September 2013. Although the program effects of these long-term efforts will not be apparent for years, the grantees' early experiences offer insights useful for federal and local policymakers and practitioners. Such insights include the importance of strong local leadership committed to the neighborhood revitalization effort, the challenges of addressing serious public safety issues, and the relevance of local housing markets to neighborhood transformation plans.

At the end of the report's data collection period, new housing construction was under way in all five neighborhoods. The grantees were also providing case management to residents, and two grantees had started implementing "critical community improvements"—investments to improve the neighborhood. Public safety created hurdles for the revitalization efforts, but funding and technical assistance provided to four of the sites through a partnership with the Department of Justice proved promising.

In the 2 years since data collection for this study ended, grantees have continued to make progress. In Boston, the city and its partners converted an abandoned factory into a food production facility that will sustain more than 50 small businesses and create 150 jobs. In Seattle, the housing authority, Seattle University, the school district, and their partners have served more than 280 children through their cradle-to-career pipeline, which includes home visits for toddlers and college preparation for high school students.

The Choice Neighborhoods Initiative reflects the Obama Administration's locally driven, place-based approach to addressing entrenched poverty and inequality in communities. Along with HUD, the Departments of Education and Justice have their own place-based programs, and the recent Promise Zones initiative seeks to bring these approaches together into a cohesive whole. This report helps to inform program development across these efforts.

Most important, the report finds that despite the considerable challenges, communities are aggressively planning, organizing, and implementing plans to return investment and opportunity to Choice neighborhoods.



Katherine M. O'Regan
Assistant Secretary for Policy Development & Research
Department of Housing and Urban Development

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EXECUTIVE SUMMARY

The Choice Neighborhoods Initiative (Choice) of the U.S. Department of Housing and Urban Development (HUD) aims to transform distressed, high-poverty rate neighborhoods into revitalized mixed-income neighborhoods. Its primary vehicle to catalyze this transformation is the rebuilding of distressed public and assisted housing into energy-efficient, mixed-income housing that is physically and financially viable. Although 60 to 80 percent of funding is directed toward housing redevelopment, Choice also seeks to support the people who live in the target developments and the surrounding neighborhoods through programs that facilitate positive health, safety, employment, mobility, and education outcomes. Finally, the initiative aims to improve the neighborhoods surrounding the revitalized housing by improving access to well-functioning services, high-quality public schools and early education programs, public assets, public transportation, and jobs.

Since 2010, HUD has made 56 Choice planning grant awards and 13 implementation grant awards. Planning grantees receive a maximum of $500,000 for 2 years of work to prepare transformation plans; implementation grantees receive up to $30.5 million for 5 years. HUD has issued three notices of funding availability (NOFAs) for implementation grants since the beginning of the program, making incremental adjustments that capitalize on early experience. [1]

HUD's Office of Policy Development and Research contracted with the Urban Institute and MDRC to study the first 2 years of activity under the first five Choice implementation grants, which were awarded out of fiscal year (FY) 2010–11 funds by HUD in September 2011, and to collect baseline data in the five neighborhoods. The baseline data collection, including a survey of residents of Choice developments and the surrounding neighborhoods, will allow for the tracking of conditions over time. The first five Choice implementation grant neighborhoods are diverse in many respects:

- **Quincy Corridor (Boston)** is a 0.5-square-mile neighborhood of 9,700 residents and is home to the 129-unit Woodledge-Morrant Bay scattered-site HUD-assisted[2] development. The grantee team, led by the City of Boston's Department of Neighborhood Development and Dorchester Bay Economic Development Corporation, is rehabilitating the existing structures and adding new structures on nearby parcels. The net number of units will not change, but the rebuilt development will meet current standards for interior and common-area space and quality.

[1] For a description of the evolution of NOFA, see chapter 1.

[2] The Choice Neighborhoods FY 2010 NOFA defines *assisted housing* as "housing assisted under sections 8 or 9 of the United States Housing Act of 1937 (42 U.S.C. 1437f and 42 U.S.C 1437g) (excluding tenant-based vouchers), section 221(d)(3) or section 236 of the National Housing Act (12 U.S.C. 1715 and 12 U.S.C 1715z-1), section 202 of Housing Act of 1959 (12 U.S.C. 1701q), and section 811 of the National Affordable Housing Act of 1990 (42 U.S.C 8013)" (HUD, 2010a: 10).

- **Woodlawn (Chicago)** is a 2.0-square-mile neighborhood of 23,700 residents in which the 378-unit Grove Parc HUD-assisted development was located.[3] The grantee team, led by Preservation of Affordable Housing, Inc., and the City of Chicago, has demolished the Grove Parc structures and will build or acquire and rehabilitate 995 units on site at Grove Parc and in the surrounding neighborhood.
- **Iberville-Tremé (New Orleans)** is a 1.7-square-mile neighborhood of 11,600 residents surrounding the 821-unit Iberville public housing development. The grantee team, led by the Housing Authority of New Orleans and the City of New Orleans, will demolish most and rehabilitate the rest of the extant Iberville buildings. The team plans to build about 1,500 units on the Iberville site and elsewhere in the neighborhood.
- **Eastern Bayview (San Francisco)** is a 1.6-square-mile neighborhood of 17,600 residents around the 256-unit Alice Griffith public housing development. The grantee team, led by McCormack Baron Salazar and the San Francisco Housing Authority, will demolish the existing development and build 1,210 units on and adjacent to the Alice Griffith site.
- **Yesler (Seattle)** is a 0.2-square-mile neighborhood of 2,100 residents in which the 561-unit Yesler Terrace public housing development is located. The grantee team, led by the Seattle Housing Authority, will eventually demolish the entirety of the Yesler Terrace development, but only the first phase of the project was included in the FY 2010–11 grant. This phase includes the rehabilitation and development of 238 units.

This report documents the state of Choice in the first five cities where applicants won implementation grants through their second year of implementation (September 2013). It builds on and complements *Developing Choice Neighborhoods: An Early Look at Implementation in Five Sites*, the first report prepared under this contract (published in September 2013), which described the grantees and their transformation plans and offered an early look at challenges and successes in implementation of Choice. The present report draws on analysis of data from interviews with stakeholders, the baseline household survey, focus groups, surveys of block and pedestrian conditions, energy audits, financial pro forma reviews, administrative data, and other sources.

Overview of Implementation Findings

Research for this report covered the first two implementation years of a new and ambitious program for HUD and grantees. Grantees had made progress on a number of fronts after 2 years of operation.

1. **Housing redevelopment is under way in all five Choice neighborhoods, marking a core accomplishment and indicator of early progress, but ambitious efforts to build housing off site have been more challenging.** As of September 2013, housing redevelopment was under way or had definite start dates among all first-round grants. Demolition was complete or under way in most developments, and construction had begun in two locations. In Iberville-Tremé, however,

[3] Grove Parc originally included 504 units, 126 of which were demolished before the Choice application had been submitted.

ambitious offsite housing development has been complicated by site control issues that arose after HUD awarded the grant and by market competition for neighborhood properties. In Chicago, a weak housing market in Woodlawn has dimmed near-term prospects for planned offsite housing intended to attract middle-income households.

2. **Grantees with HOPE VI experience were able to launch case management more quickly with residents of the development, although providing services to relocated households was challenging for all grantees.** Of the array of social services that could be supported through Choice, grantees have emphasized relocation and case management to residents of the target development, with services launched more quickly by public housing authorities (PHAs). An innovation of Choice was that it allowed HUD-assisted housing providers[4] to take part in redevelopment, whereas its predecessor program, HOPE VI, targeted only public housing. HUD-assisted grantees, however, generally had less experience with providing social services than did PHAs, all of which had worked on HOPE VI projects.
3. **Four grantees had proposed Choice-funded neighborhood investments and two had made very good progress on implementation.** Choice goes beyond HOPE VI by allowing grantees to devote up to 15 percent of their Choice funding on neighborhood projects, termed Critical Community Improvements (CCIs), to extend the program's impacts into the neighborhood beyond the target development. In the first 2 years of implementation, the grantees had made mixed progress on CCIs. The Boston and Seattle grantees had taken advantage of the flexibility of the CCI funding to select and begin to implement projects that aligned with local priorities. In the other three cities, progress was slowed by lack of agreement between the grantees and HUD on how the CCIs could be used or by grantees' focusing their energy on housing redevelopment and supportive services.
4. **Active support from local elected officials helped grantees coordinate and implement Choice's multipronged strategies for neighborhood improvement and attract substantial additional investments.** Choice's design anticipates that its investment will encourage additional public and private investments related to infrastructure, transportation, housing, business creation, and other services and amenities. Varied public agencies often needed to work together to coordinate investments and service strategies with Choice implementers, and they did so more easily when commitment from high-level local officials helped cement partnerships among them. Although mayoral authority often helped city agencies work together, in the case of Yesler, it was strong engagement by the Seattle City Council that helped this coordination to occur.

UNDERSTANDING EARLY PROGRESS AND CHALLENGES IN CHOICE IMPLEMENTATION

This report understands implementation progress in two ways. Its primary focus, given the time covered in the research (the first 2 years of implementation among first-wave grantees), is to describe *progress and challenges* related to housing financing and redevelopment, social support services for residents,

[4] HUD-assisted housing refers to the units constructed or rehabilitated with financial support from HUD in exchange for affordability guarantees. Unlike public housing, private for-profit or not-for-profit organizations own HUD-assisted housing.

and the implementation of CCIs in the neighborhoods surrounding the development. These goals are the ones most directly in the control of grantees and HUD. The second set of themes involves *issues and opportunities* related to the program's longer term ambitions: to transform high-poverty neighborhoods into mixed-income neighborhoods of choice and opportunity. Although any assessment of progress should be based on HUD's expectations and actions in the reasonable control of implementers, the research can also point toward challenges that may need to be addressed as critical components of the initiatives' longer term theory of change or as opportunities for the program to have a greater impact. These longer term issues—which apply at least to these implementation grants and may also be at play in others—include such topics as Choice's ability to leverage new and improved social services, infrastructure, and private-sector development in the neighborhood; sustain a mixed-income population; improve local schools; and change local policies to promote coordinated community improvement efforts.

HOUSING

Progress in Choice related to housing at the end of September 2013 includes establishing viable financing and moving forward on demolition and construction of the target development and replacement housing.

1. **Housing redevelopment is under way in all five Choice neighborhoods, marking a core accomplishment and indicator of early progress.** As of September 2013, housing redevelopment was under way or had definite start dates among all first-round grants. Demolition was complete or under way in most developments, and construction had begun in Quincy Corridor and Woodlawn. All grantees experienced complications typical of housing development, such as those involving environmental impacts, archaeological findings, and infrastructure coordination. Some also encountered delays related to implementation of Choice as a new program, such as new policies and processes that needed to be put in place to redevelop HUD-assisted properties.
2. **Housing quality will improve markedly and is likely to be financially sustainable at all target developments after housing redevelopment is complete.** The housing developments will be transformed through substantial investment. In addition, improvements to the structure and performance of the redeveloped properties will result from the energy efficiency plans and designs and use of materials expected to support resident health. Resident input about unit and building designs also are expected to contribute to the improvements. An independent analysis of the four operating pro formas that were available to the evaluators found the plans to be feasible. The planned unit sizes appear to meet the housing needs of most established households.
3. **In two Choice neighborhoods, Iberville-Tremé and Woodlawn, offsite housing plans have been affected by local housing market dynamics.** In Iberville-Tremé, private-sector interest in real estate acquisition increased, eliminating some opportunities for site acquisition for affordable housing development. When it received Choice funding, the New Orleans grantee had options on enough property beyond Iberville to complete its plan for more than 1,500 housing units on and off the Iberville footprint. Within days after one critical option lapsed, however, another

party picked up that option, forcing a redefinition in the grantee's offsite housing plan. In Woodlawn, the grantee had initially planned offsite housing intended to attract middle-income households, but these plans in the short term were impeded by a weak housing demand and lingering foreclosures.

4. **Income mixing will develop in different ways across the five developments.** Among the four grantees developing mixed-income housing, two plan to integrate subsidized and unsubsidized units within buildings and two plan to have buildings in which all units have some type of subsidy. By contrast, the grantee in Boston is developing exclusively very low- and low-income units.

Issues and opportunities

- **Buildout amid neighborhood transformation.** With tens of millions of dollars in federal investment and hundreds of millions in private-sector expenditure, the new housing in these neighborhoods will help redefine blocks, districts, and even the entire neighborhood. Buildout in Eastern Bayview, Yesler, Woodlawn, and Iberville-Tremé will take years and involve many deals and partnerships. Each phase of each project represents an opportunity to learn and improve in the next phase so that these investments maximize the quality of the new developments and their neighborhoods.
- **Community building.** Interactions among the residents of the redeveloped housing will affect whether Choice reaches its goals. Trust and community cohesion are critical drivers of positive individual and neighborhood outcomes (Klinenberg, 2003; Mohnen et al., 2014; Wallace and Wallace, 2008). Trust does not emerge automatically or easily, however, especially in distressed communities (Letki, 2008). The grantees and HUD will therefore improve outcomes if they develop management plans that build positive relations among residents as soon as possible after they move in (Joseph and Gress, 2013).

PEOPLE

Grantees' supportive services ("people") teams concentrated most of their early efforts (up to September 2013) on case management and relocation supports for residents of the target developments.

1. **Grantee teams with experience implementing HOPE VI projects launched services more rapidly than grantees with HUD-assisted developments.** Grantees had broad latitude to design their teams, decide on case management approaches, set priorities for service enrichment, and engage with residents to accomplish Choice's far-reaching goals for resident outcomes. For each of these functions, experience from HOPE VI enabled the New Orleans, San Francisco, and Seattle Choice grantees to make more progress in the people domain than Boston or Chicago grantees did by September 2013.
2. **The urgency to demolish units and relocate residents complicated the initiation of case management services in all three target developments with significant relocation activity.** In Woodledge-Morrant Bay and Grove Parc, delays in case management resulted in residents being relocated before engagement with a social service provider who could assist in lease

compliance, moving preparation, and eventual housing placement. At Iberville, early progress was made on case management before relocation began, but progress slowed when relocation commenced.

3. **All five grantees facilitated access to services for residents of the target development in at least one of the following areas: health, early childhood supports, education, and workforce development.** Choice has not yet led to system-level coordination, however, among local human development organizations, schools, health providers, and other entities in ways that changed access to services or the quality of services for neighborhood residents overall.

Issues and opportunities

- **Supportive services during relocation.** Past research has demonstrated that providing services consistently during the relocation process is critical, especially for the most vulnerable residents, who may be at greater risk of health problems, setbacks in employment searches, and even premature mortality (Comey, 2007). A stress point in each of the three target developments during the relocation process was to provide supportive services to most of the families who had been relocated by September 2013. HUD and the grantees should redouble efforts to coordinate case management with relocation to avoid these problems and carefully monitor the status of relocated families as they settle into their temporary and permanent housing.
- **Attrition from assisted housing.** Overall, housing assistance loss rates in the 3 years after the first five Choice implementation grants were awarded were comparable to those in HOPE VI, which included fewer provisions than Choice to enable residents to return to rebuilt developments if they wished. By September 2013, between 14 and 19 percent of Choice households no longer had housing assistance. In HOPE VI, a panel study found that 14 percent of residents no longer had housing assistance after 5 years. Considering that households that left assistance as their projects were transformed in HOPE VI experienced greater levels of housing and financial distress than those who maintained it, loss rates within Choice are an issue to watch in coming years.

Neighborhood

Progress in the neighborhood domain up to September 2013 involved developing an approach to select CCI projects, which are Choice-funded investments to improve the surrounding neighborhood, and developing strategies to address important local priorities, such as violent crime, economic development, and the built environment.

1. **CCI projects, the core of the neighborhood domain, are new under Choice and were only partially settled by September 2013.** CCIs are locally selected neighborhood investments that use Choice funding for community facilities or economic development. The Boston and Seattle grantees had proposed and were implementing several CCIs that were approved by HUD and advanced local priorities. The Boston grantee's redevelopment of the shuttered Pearl Meat site as a business incubator is one project that HUD cited as a good use of CCI funds. Most of the other CCI projects aimed to improve the built environment, including recreational space, community facilities, and walkability improvements. For example, the Hill Climb in Seattle will

connect Yesler with an adjacent neighborhood. At the end of the study period, HUD and the grantees in Chicago and San Francisco were still in discussion about the proposed CCI projects. The New Orleans grantee focused on housing and services during the first 2 years and planned to rethink their CCI strategy with the assistance of HUD and technical assistance providers.

2. **The grantees' approaches to high levels of violent crime varied across the Choice neighborhoods, with the most progress on programming occurring in Quincy Corridor and Woodlawn.** The promising public safety-related activities in these two neighborhoods benefited from having entities on the grantee teams that focused attention on the issue**.** Given the many demands on Choice funds, all grantees need to leverage other federal and local sources of funding and expertise to carry out public safety strategies.
3. **HUD and the U.S. Department of Justice (DOJ) demonstrated interagency coordination by providing additional funding and technical assistance to the five Choice grantees through Public Safety Enhancement (PSE) grants awarded in 2011.** The PSE grants are intended to enhance place-based public safety activities already happening in the neighborhoods. Local activities funded through PSE grants had not begun as of September 2013 because federal staff needed to draft program guidelines and provide Choice grantees technical assistance on project design. The program was not extended to later implementation grantees.

Issues and opportunities

- **Critical Community Improvements.** HUD needs to continue to refine its criteria about types and characteristics of eligible projects to facilitate the project identification process and minimize time needed for negotiation with HUD. The refined criteria will be useful for current grantees that have not yet finalized their CCI plans and for future grantees. For the first five Choice neighborhoods, HUD will need to monitor implementation of the plans and support grantees in overcoming any unexpected hurdles.
- **Public safety activities.** A high violent crime rate is among the selection criteria for Choice, and these first grantees' activities to address crime within and beyond the PSE grants offer important learning opportunities. How grantees are able use Choice funding, coordinate safety activities with other Choice investments, and leverage additional resources from the local police departments and nonprofit organizations will provide lessons for the field. HUD and DOJ should also continue to provide technical assistance to grantees, promote local coordination, and monitor whether grantees are able to meet their objectives and leverage goals for the PSE grants.

Coordination and Leverage

Choice is an ambitious community improvement initiative that required HUD to develop new systems, including ones to support the redevelopment of HUD-assisted multifamily properties. Early Choice implementation needed to be supported by strong working relationships within grantee teams, between grantees and other local agencies, and between grantees and HUD.

1. **Histories of collaboration and the presence of an active, dedicated manager supported greater coordination among stakeholders.** The New Orleans, San Francisco, and Seattle grantees, all of which had previous team experience on HOPE VI projects, began implementation with clear and

effective management structures. By September 2013, the Boston grantee had also established good internal coordination and a set of working relations among the people, housing, and neighborhood leads.

2. **The greatest amount of collaboration with external agencies and leverage of additional resources beyond the Choice grant occurred with housing redevelopment.** Redevelopment required coordination on review and approval processes and acquisition of additional financing. External coordination was also stronger in places where Choice had a major role in driving neighborhood-scale redevelopment, as in Yesler, or where Choice was deeply embedded within existing redevelopment commitments, as in Eastern Bayview.
3. **Active mayoral or political support for Choice was key in supporting coordination between the project and external stakeholders, especially with other city agencies.** Mayoral or political support was particularly critical when more limited funding and additional leverage in the neighborhood and people domains made it more difficult to influence transportation or infrastructure planning processes or to leverage funding or investments from hospitals and universities. Making progress in the broad goal of Choice—creating mixed-income neighborhoods of choice and opportunity using direct and leveraged investments—appears to be promoted best when HUD has a local partner with the ability to coordinate and control local action at a significant scale and to hold other partners accountable for meeting their commitments to the transformation. This authority to control action best occurred in Yesler and Eastern Bayview, where Choice's integration into a broader neighborhood plan seems to enhance grantees' authority and the accountability of local partners.
4. **Among providers with previous HOPE VI experiences, HUD and grantees established good working relations that contributed to smoother project implementation.** HUD needed to develop new systems and protocols with the HUD-assisted developments, which contributed to some delays in implementation but which have since been resolved.
5. **Even in its early implementation, Choice was credited by many of the grantees as helping to set in motion or put in place some systemic changes or improvements in local interagency functioning.** At the same time, other aspects of local or federal policy made it more difficult for Choice efforts to extend their reach beyond the target development into the Choice neighborhood as a whole. For example, the absence of neighborhood schools among all the Choice neighborhoods except Yesler made Choice's goal of coordination with education reform more difficult, although grantees did develop tools to engage with school improvement efforts.

Issues and opportunities

- **Federal coordination.** Coordinating additional federal resources to Choice neighborhoods is an opportunity that HUD has already started to realize with early grantees. HUD's partnership with DOJ—expanding opportunities for Choice grantees to receive technical assistance and additional federal funding for public safety interventions—stands out as an important effort to follow over time. The PSE grants offer a model of strong coordination among federal agencies that could be expanded to other topic areas.

- **Leverage.** The extent to which public and private investments in infrastructure, safety, and other neighborhood amenities grow over time is an issue to watch. Although colocated investments previously committed to Choice neighborhoods are significant, examples of the Choice grant catalyzing additional resources outside of housing finance were infrequent at this early point in Choice implementation. Given ongoing challenges stemming from the financial crisis, federal spending retrenchment after the wind-down of the American Recovery and Reinvestment Act of 2009, and strains in the public and private sector, it is not surprising that obtaining significant additional leverage has been challenging for grantees.
- **System change.** Some aspects of local policy not in control of Choice grantees are an issue to watch, because they make it harder for Choice grantees to coordinate community improvements. Although grantees made progress in some policy reforms, coordinating with school districts will need continued effort.

Overview of Baseline Conditions in the Five Choice Neighborhoods

The second key purpose of this study was to collect baseline data on the five Choice neighborhoods. Survey research and administrative data collected in the first 2 years of implementation will help future evaluators, HUD, and the grantees track progress in the target developments and neighborhoods on various dimensions.

- **Housing.** Before receiving Choice grants, target housing developments in all five Choice neighborhoods had uniformly low-income occupancy and their compelling need for either extensive physical upgrading or outright replacement. In a baseline survey, residents reported between 2.1 and 3.4 average problems per unit—in every case, a higher number than reported in the surrounding neighborhood. This measure is almost certain to improve with redevelopment. None of the buildings were highrises, and most were two- or three-story walkup apartments. As shown in exhibit ES.1, the increase in the planned overall number of units in Woodlawn, Eastern Bayview, and Iberville-Tremé is substantial.
- **People.** Given the fact that the percentage of households reporting wage income in the developments at baseline ranged from only 31 percent (in the Alice Griffith development) to a high of 54 percent (in the Woodledge-Morrant Bay development), strategies on the part of grantees to achieve well-being, employment, and income gains are an important component of Choice's overall strategy.
- **Neighborhood.** At baseline, the five Choice neighborhoods all shared considerable economic and social challenges (exhibit ES.1). To qualify for Choice, a neighborhood had to exhibit high levels of poverty and distress. All of the five Choice neighborhoods had poverty rates higher than 25 percent and unemployment rates at or higher than 10 percent. The first five Choice neighborhoods also have significant problems with violent crime, because program designers intentionally targeted places where safety might be improved. In 2012, violent crime rates in the five neighborhoods ranged from 17.1 crimes per 1,000 residents in Iberville-Tremé to 22.8 in Woodlawn. During each year of the application and early implementation period from 2010 to 2012, violent crime rates in all five Choice neighborhoods were at least 200 percent more than violent crime rates in their respective cities.

CONCLUSION

The Choice Neighborhoods Initiative represents a noteworthy evolution of housing and community development policy. Building on lessons from HOPE VI and other place-based initiatives, Choice has the potential to accelerate the development of revitalized, mixed-income neighborhoods. At the same time, Choice's long-term goals are ambitious, and an investment of up to $30.5 million, while significant for a federal initiative, is not enough to transform neighborhoods immediately. As Choice's important policy goals will take time to achieve, it will be necessary to continue tracking the implementation processes and the outcomes related to housing, people, and neighborhoods in the communities in which Choice operates.

Exhibit ES.1. Baseline Conditions in FY 2010–11 Implementation Choice Neighborhoods and Target Developments

Target neighborhood	Quincy Corridor (Boston)	Woodlawn (Chicago)	Iberville-Tremé (New Orleans)	Eastern Bayview (San Francisco)	Yesler (Seattle)
Average number of housing problems in neighborhood[a]	1.5	1.4	1.8	0.7	1.1
Unemployment rate in neighborhood, 2006–2010[b]	21%	17%	20%	16%	10%
Poverty rate in neighborhood, 2006–2010[b]	38%	29%	42%	26%	36%
Number of violent crimes in neighborhood per 1,000 population, 2012[c]	19.9	22.8	17.1	17.6	19.9
Target development	**Woodledge-Morrant Bay**	**Grove Parc**	**Iberville**	**Alice Griffith**	**Yesler Terrace**
Number of units	129	378	821	256	561
Total number of units planned	129	995	1,500	1,210	238[f]
Average number of housing problems before redevelopment[a]	2.2	3.1	NA[e]	3.4	2.1
Percent of households with wage income[d]	53%	34%	37%	31%	39%

[a] Note: Respondents were asked whether they had any of 14 housing problems related to utilities and plumbing, structural elements, pests and rodents, and mold or mildew. Source: Choice Neighborhoods Baseline Survey 2013–14

[b] Source: 2010 Decennial Census and 2006–2010 American Community Survey

[c] Source: Urban Institute analysis of crime data obtained from each jurisdiction.

[d] Source: U.S. Department of Housing and Urban Development's Public and Indian Housing Information Center, or PIC; Tenant Rental Assistance Certification System, or TRACS, databases (2010 data)

[e] Note: Data for Iberville are not reported here; only four survey respondents were still living in their original unit in the Iberville development during data collection.

[f] First phase only.

1. INTRODUCTION

In 2010, the U.S. Department of Housing and Urban Development (HUD) created the Choice Neighborhoods Initiative (Choice) as a successor to the long-running HOPE VI program. Like HOPE VI, Choice aims to replace distressed assisted-housing developments with new mixed-income housing while providing supportive services for residents. Unlike HOPE VI, Choice allows the revitalization of HUD-subsidized multifamily housing developments (assisted housing)[5] as well as public housing developments. Also unlike HOPE VI, Choice requires the housing redevelopment to be accompanied by actions to improve conditions in the high-poverty neighborhood surrounding the distressed housing. Choice backs this requirement with flexible funding for neighborhood projects and activities to complement and leverage investments by other private-market actors, public agencies, and anchor institutions. HUD intends for local actions in the three domains—housing, people, and neighborhood—to create the type of community in which people of a variety of income levels would choose to live.

Since 2010, HUD has made 56 Choice planning grant awards and 13 implementation grant awards. Planning grantees receive a maximum of $500,000 for 2 years of work to prepare transformation plans; implementation grantees receive up to $30.5 million for 5 years. HUD has issued three notices of funding availability (NOFAs) for implementation grants since the beginning of the program, making incremental adjustments that capitalize on early experience.

This report concerns the first five implementation Choice neighborhoods that received awards in the fiscal year (FY) 2010–11 funding round. The Choice neighborhoods, with their lead grantee and cograntee, were—

- **Quincy Corridor neighborhood:** the City of Boston's Department of Neighborhood Development and Dorchester Bay Economic Development Corporation (exhibit 1.1).
- **Woodlawn neighborhood:** Preservation of Affordable Housing, Inc., or POAH, and the City of Chicago (exhibit 1.2).
- **Iberville-Tremé neighborhood:** The Housing Authority of New Orleans, or HANO, and the City of New Orleans (exhibit 1.3).
- **Eastern Bayview neighborhood:** McCormack Baron Salazar (MBS) and the San Francisco Housing Authority (exhibit 1.4).
- **Yesler neighborhood:** The Seattle Housing Authority (SHA) (exhibit 1.5).

[5]The FY 2010 NOFA defines assisted housing as "housing assisted under sections 8 or 9 of the United States Housing Act of 1937 (42 U.S.C. 1437f and 42 U.S.C 1437g) (excluding tenant-based vouchers), section 221(d)(3) or section 236 of the National Housing Act (12 U.S.C. 1715 and 12 U.S.C 1715z-1), section 202 of Housing Act of 1959 (12 U.S.C. 1701q), and section 811 of the National Affordable Housing Act of 1990 (42 U.S.C 8013)" (HUD, 2010a: 10).

Exhibit 1.1. Quincy Corridor Choice Neighborhood, Boston, Massachusetts

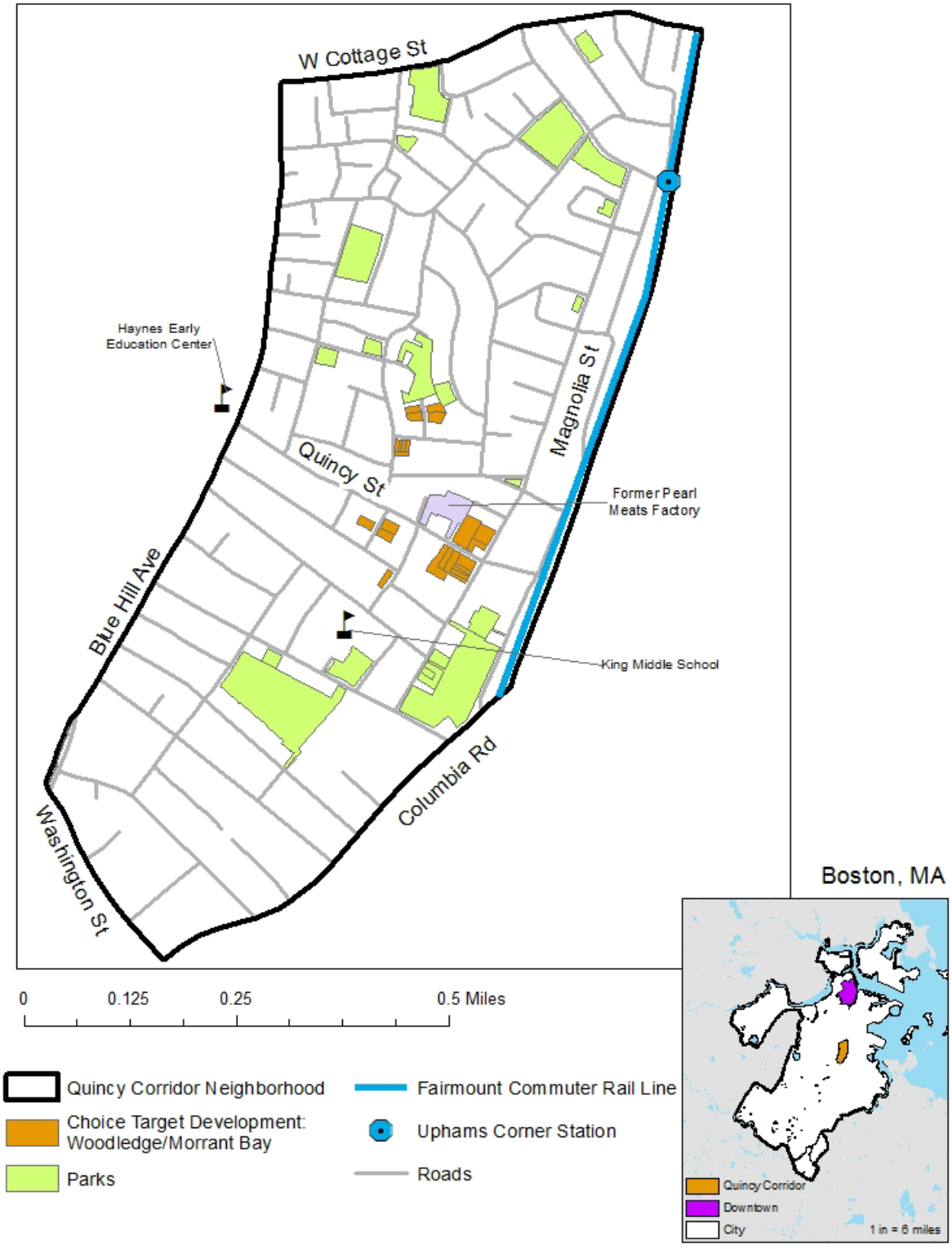
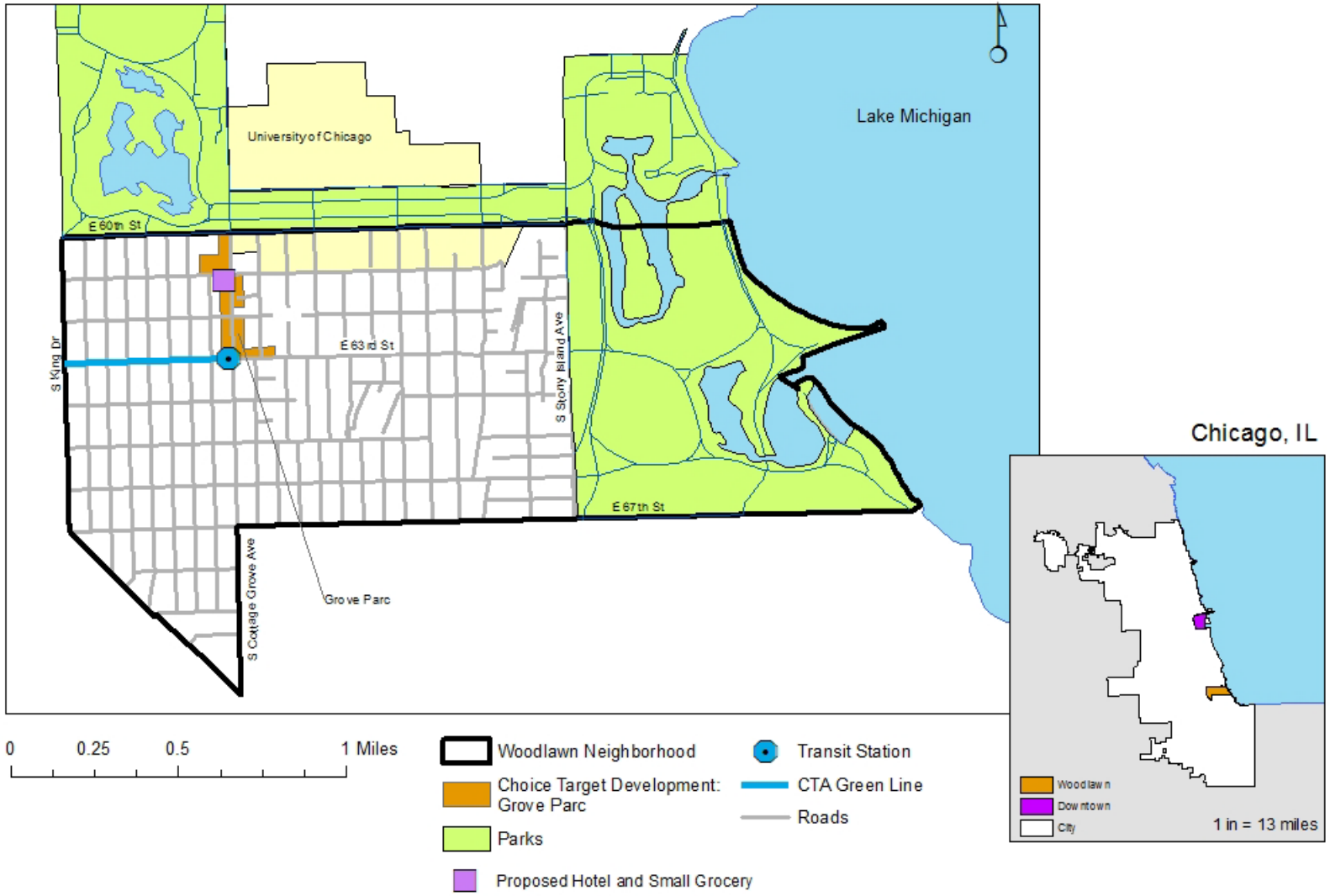


Exhibit 1.2. Woodlawn Choice Neighborhood, Chicago, Illinois



CTA = Chicago Transit Authority.

Exhibit 1.3. Iberville-Tremé Choice Neighborhood, New Orleans, Louisiana

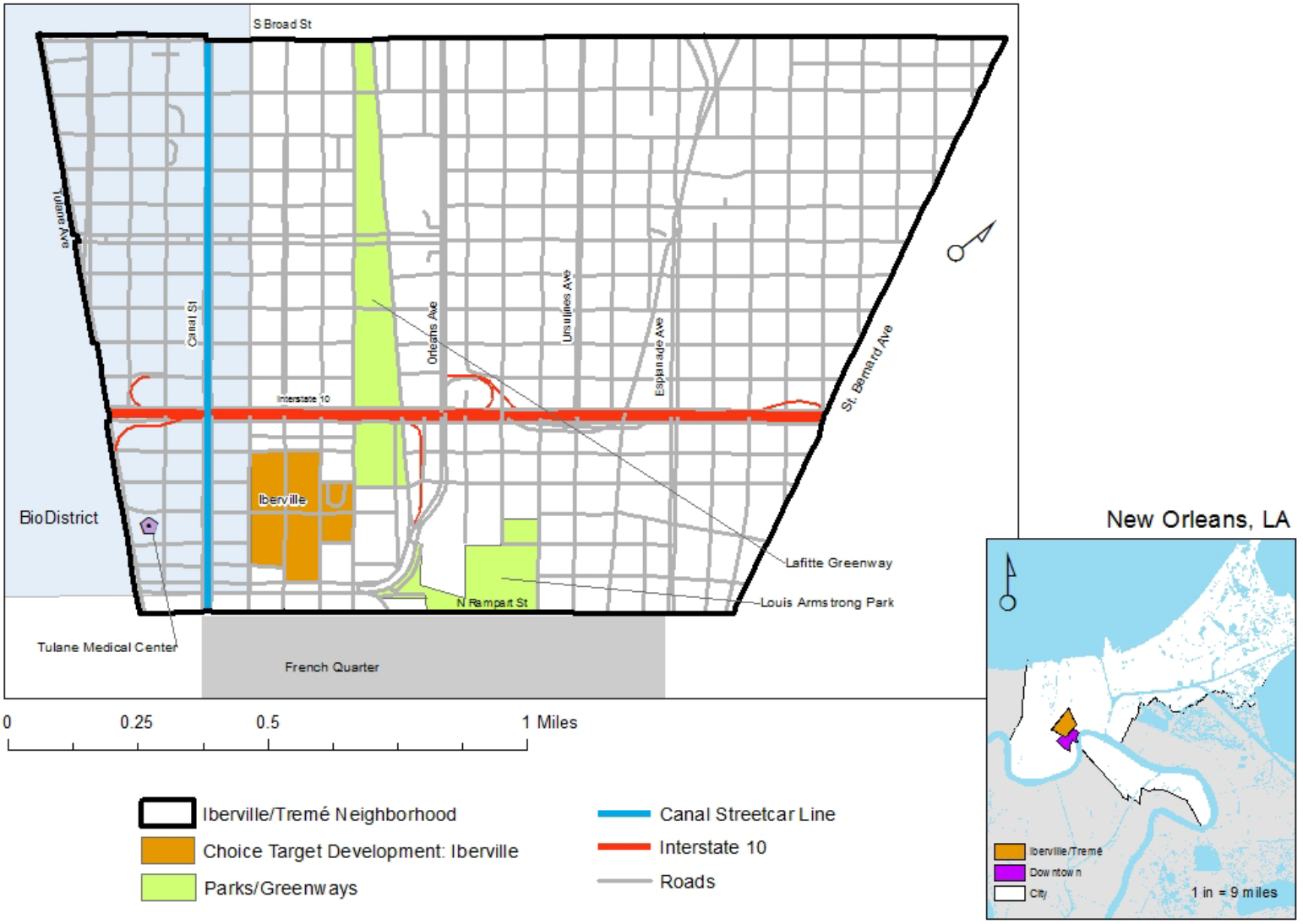
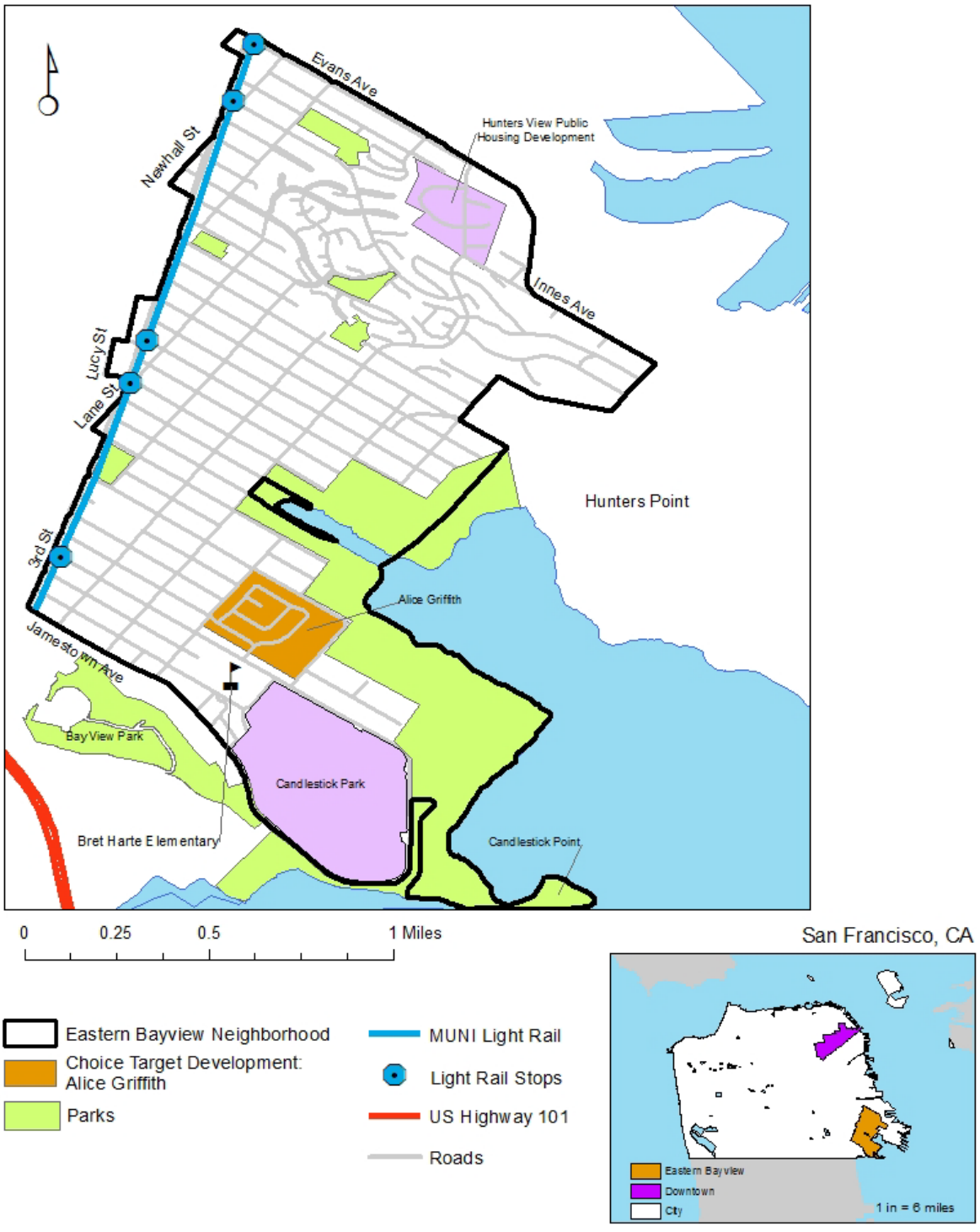
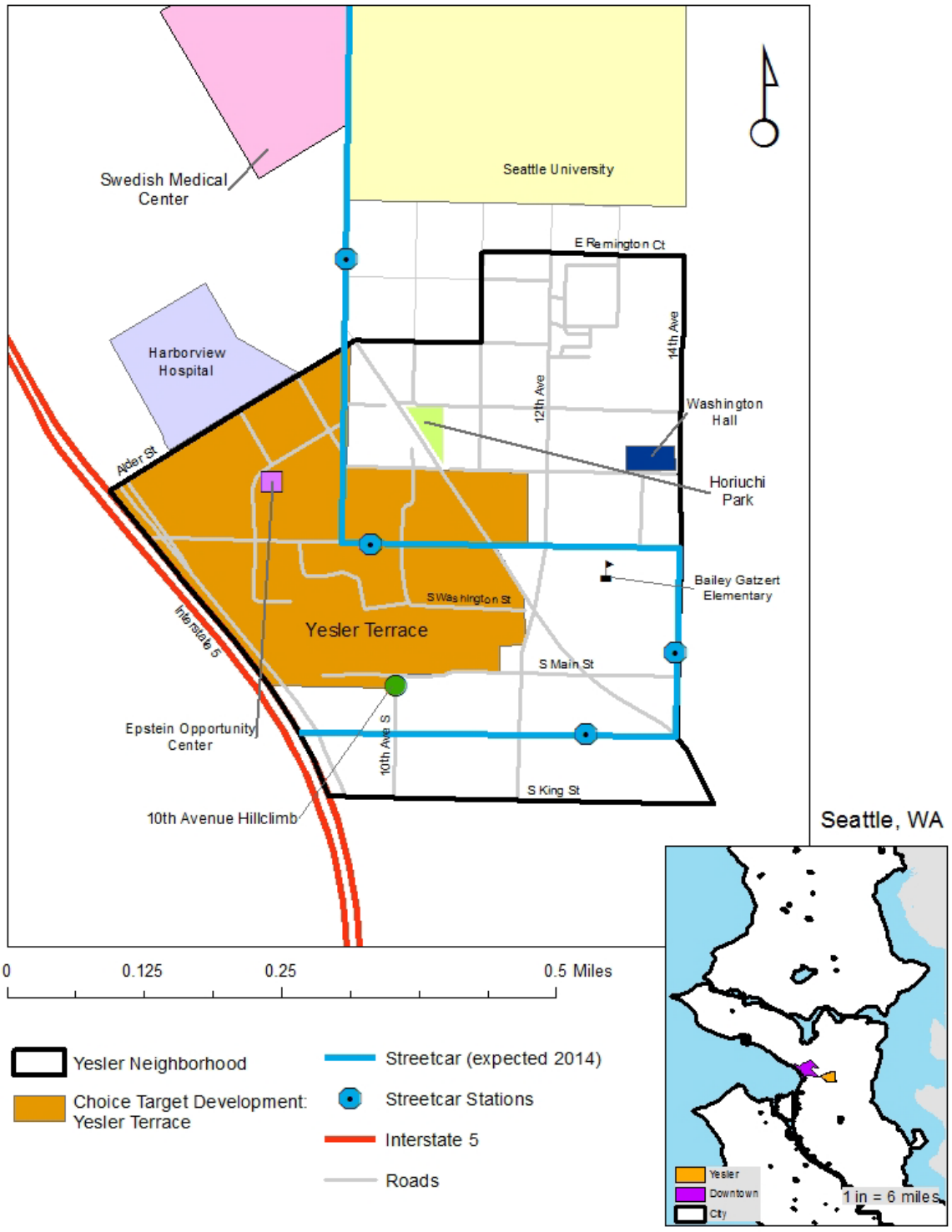


Exhibit 1.4. Eastern Bayview Choice Neighborhood, San Francisco, California



Muni = San Francisco Municipal Railway.

Exhibit 1.5. Yesler Choice Neighborhood, Seattle, Washington



HUD's Office of Policy Development and Research contracted with the Urban Institute and MDRC to evaluate the early progress of the first five implementation grantees and to collect extensive data to document baseline conditions that would inform this early evaluation and evaluations after implementation is complete. The evaluation began in September 2011; data collection concluded in September 2013.[6]

This report complements and updates *Developing Choice Neighborhoods: An Early Look at Implementation in Five Sites* (hereafter, *Developing Choice Neighborhoods*; Pendall et al., 2013), which provides information about all five neighborhoods, the grantee teams, their transformation plans, and progress in implementation through late 2012. Like *Developing Choice Neighborhoods,* this report records the Choice grantees' accomplishments, successes, and challenges, focusing on activities between mid-2012 and September 2013. It also offers research questions to orient ongoing monitoring and future evaluation of the grantees' activities and the ultimate outcomes of the program. The report rounds out the description of baseline conditions in the five neighborhoods using data collected since the drafting of *Developing Choice Neighborhoods*: a household survey of residents, resident focus groups, new stakeholder interviews, additional analyses of crime data, and surveys of pedestrian and physical block conditions.

THE CHOICE NEIGHBORHOODS INITIATIVE AND ITS EVOLUTION

As described by HUD (2010d: 1) in the prenotice to the first Choice NOFA, Choice is "a comprehensive approach to community development centered on housing transformation" whose goal is "to transform neighborhoods of poverty into viable mixed-income neighborhoods with access to economic opportunities." HUD envisioned that such transformation would occur by "revitalizing severely distressed public and assisted housing and investing and leveraging investments in well-functioning services, effective schools and education programs, public assets, public transportation, and improved access to jobs" (HUD 2010d: 1). HUD structured the program into three domains of housing, people, and neighborhood. The corresponding goals were as follows:

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

Congress first appropriated funds for Choice in FY 2010.[7] Choice is administered by HUD's Office of Public and Indian Housing; additional staff from other HUD offices, such as Housing (multifamily

[6] After September 2013, a few interviews were conducted to fill gaps in the data collection and the Choice Neighborhoods Baseline Survey concluded data collection in May 2014.

[7] *Consolidated Appropriations Act*, 2010. Public Law 117.

programs) and Community Planning and Development, are assigned to grantee management teams. These teams are staffed with individuals at HUD Headquarters and in the field offices.

Choice, along with the U.S. Department of Education's Promise Neighborhoods initiative and the Byrne Criminal Justice Innovation Program, is part of the White House's Neighborhood Revitalization Initiative (NRI). NRI strives for alignment among key institutions at the city and neighborhood levels and across domains. NRI also fosters cross-agency collaboration at the federal level, which resulted in additional funding for and guidance on activities related to public safety for the FY 2010–11 Choice implementation grantees through an interagency agreement with the U.S. Department of Justice.

Choice builds on lessons learned during HOPE VI, HUD's long-running program to replace or rehabilitate distressed public housing, and extends the scope of the intervention beyond housing to incorporate people- and neighborhood-related interventions and goals. Choice introduced several programmatic innovations related to housing revitalization, resident opportunities, and neighborhood development beyond what was possible under HOPE VI.

Choice maintains the emphasis of HOPE VI regarding public-private partnerships and mixed financing for replacing or rehabilitating assisted housing, but it extends grant eligibility to privately owned, federally subsidized developments. Eligible Choice grantees therefore include not only public housing authorities (PHAs) but also local governments and nonprofit organizations. For-profit developers are eligible if they apply jointly with a public entity like the housing authority (as in Eastern Bayview) or a local government. Under most conditions, Choice requires grantees to build at least one subsidized replacement housing unit for every assisted unit demolished in the target development. Unlike HOPE VI funding, Choice funding may be used directly to develop affordable housing for households with income up to 120 percent of Area Median Income, or AMI. These units are not considered replacement housing for the purposes of the one-for-one replacement requirement (HUD, 2010a).[8]

Choice also continues the emphasis of HOPE VI regarding the support of tenants during the redevelopment process. One-for-one replacement and restrictions on modifying lease agreements to include restrictive screening criteria give existing tenants the opportunity to live in the redeveloped project. Choice also aims to improve educational opportunities for residents of the target developments and Choice neighborhoods and improve connections to supportive and community services for all residents.

In addition, Choice differs from HOPE VI by providing funding for projects that create synergy between renovation of the target development and revitalization efforts within the surrounding neighborhood. Beyond providing funding for neighborhood investments, Choice is intended to foster partnerships among organizations, agencies, and institutions working throughout the neighborhood to build affordable housing, provide social services, care for and educate children and youth, ensure public safety, and revitalize the neighborhood's commercial opportunities and infrastructure.[9] Choice is also

[8] HUD (2010a), as clarified by HUD (2010b).

[9] For more detail about NOFA requirements, see Pendall et al. (2013).

explicitly focused on improving public safety and reducing the level of violence in the neighborhood. Choice grantees are expected to partner with law enforcement officials and community organizations to decrease crime rates in the neighborhood during and after redevelopment.

The program requires grantees to conduct certain activities in each of the three domains:

Housing

- Transforming housing through rehabilitation, preservation, or demolition and replacement of severely distressed housing.
- Providing one-for-one replacement of all public and assisted dwellings "unless otherwise permitted."[10]
- Preserving affordable housing in the neighborhood.
- Meeting fair housing and accessibility requirements.

People

- Involving residents in planning and implementing the transformation plan.
- Promoting economic self-sufficiency of residents in the revitalized target development housing and the neighborhood.
- Establishing partnerships with educators and engagement in community planning to increase access to programs and services improving developmental and academic outcomes for resident children and youth.
- Providing service coordination, supportive services, mobility counseling, and housing search assistance for residents displaced because of the housing revitalization.
- Conducting activities demonstrating that each tenant wishing to return to replacement housing could do so if the tenant were lease compliant at and after the time of departure.
- Tracking tenants who are relocated during redevelopment during the life of the grant or until full occupancy of the replacement housing.

[10] According to HUD (2010a: 25–26), A grantee can apply for a waiver to this requirement if the following conditions are met: "a) be located in a county with a currently and historically soft rental housing market for low-income renters. HUD has defined these counties as those where the county rental vacancy rates for units affordable to low-income households were greater than 7.3 percent in 2000 and greater than 9.2 percent in 2005-2007; b) be located in a Core Based Statistical Area (CBSA) or non-CBSA County where vouchers currently in use are primarily in lower poverty neighborhoods. Data from PIC shows the location of current housing choice voucher holders in the CBSA (or county outside of CBSA). To qualify on this standard, the median neighborhood poverty rate for a voucher holder in the CBSA (or county outside of a CBSA) must be 20 percent or less. In other words, at least 50 percent of voucher holders must be in neighborhoods with 20 percent poverty rate or less. An applicant may request that this standard only be applied for the agency proposed to operate the voucher program as opposed to all agencies in the CBSA; and c) High voucher success rate. The applicant will be required to provide data to HUD that shows that the agency that would administer the replacement vouchers has a success rate of 80 percent or higher. That is, a minimum of 80 percent of households that are issued vouchers are successful at leasing units within 120 days. To meet this requirement you will need to provide a file to HUD from an agency that shows all vouchers issued in the prior 18 months and the outcome associated with that issuance. In addition, you will need to provide a narrative (preferably with data if available) on success rates for the population comparable to the current population of the Choice Neighborhoods target development."

Neighborhood

- Ensuring the economic, educational, and environmental viability of the neighborhood.
  In addition to these required activities, Choice also makes funds *eligible* for a host of other activities, many of which are an important part of extending the program's reach into the surrounding neighborhood, promoting safety, ensuring positive outcomes for residents, and covering needed construction or development fees.
- Constructing, acquiring, or rehabilitating public, assisted, and privately owned housing (that is, in the surrounding neighborhood as well).
- Acquiring, demolishing, or disposing of properties.
- Providing supportive services focused on case management, service coordination, and assistance.
- Partnering with employers to create jobs and job training opportunities.
- Providing relocation assistance.
- Conducting activities to promote sustainable neighborhoods.
- Providing Critical Community Improvements (CCIs; discussed in sections 4 through 6).
- Establishing endowments (up to 15 percent of Choice grants) to provide supportive services.
- Converting vacant and foreclosed properties to affordable housing.
- Providing architectural and engineering work.
- Demolition, sale, lease of the site.
- Administrative costs.
- Legal fees.
- Management improvements.
- Leveraging other resources.
- Replacement housing.
- Transitional security activities.

Although this report describes the early experiences of Choice's first five implementation grantees, it is important to note that the initiative continues to evolve over time. This evolution can be seen in the ways that subsequent versions of the NOFA (1) shifted program goals for the most recent round of grantees in FY 2013; (2) developed a growing connection with the Rental Assistance Demonstration (RAD); and (3) required stronger evidence of commitment by partners to provide matching funding, or "leverage," to Choice activities.

Although goals for FYs 2010 and 2012 did not substantially differ, program goals for FY 2013 had a different emphasis. Some of these changes are significant, developing greater focus on certain types of social services and educational outcomes and setting more tempered goals for neighborhood change.

- In terms of *housing*, in FYs 2010 and 2012 the program sought to transform distressed public and assisted housing into physically and financially viable energy-efficient properties. Although the emphasis on mixed-income housing continued into FY 2013, the NOFA adds emphasis on management, indicating that it should be "high-quality mixed-income housing that is well-managed and responsive to the needs of the surrounding neighborhood" (HUD, 2013b: 2).

- In terms of *people*, FYs 2010 and 2012 outcomes were defined broadly in terms of employment, health, and safety. In FY 2013, special emphasis was placed on youth and especially on their educational outcomes and intergenerational mobility.
- The goals at the *neighborhood* level are framed very differently for FY 2013 compared with previous years; they focus activities and temper ambitions for neighborhood transformation. Although neighborhood goals for FYs 2010 and 2012 were to "transform the neighborhoods into viable mixed-income neighborhoods," (HUD, 2010a: 2) by contrast, for FY 2013 these goals were to "Create the conditions necessary for public and private reinvestment in distressed neighborhoods to offer the kinds of amenities and assets, including safety, good schools, and commercial activity, that are important to families' choices about their community" (HUD, 2013a: 2). The FY 2013 NOFA also focuses activities on safety, schools, and commercial activity from a broader scope that previously also included early learning programs, public assets, transportation, and job access.

In FY 2012, grantees were eligible to apply to RAD, which allows public housing capital and operating subsidies, or certain expiring subsidies, to be converted to long-term Section 8 contracts to facilitate additional debt and equity financing. In FY 2013, grantees were encouraged to apply to RAD, signaling an increased intertwining of these two important HUD programs.

Another main change from the first round of Choice funding (FY 2010) to subsequent years (FYs 2012 and 2013) is the requirement for committed matching funds. Although the FY 2010 NOFA set the expectation of grantees to leverage additional funds (at least 5 percent), it did not establish a requirement that the funds had to be "firmly committed." In FYs 2012 and 2013, the NOFA explicitly required that applicants enlist other stakeholders to provide financial assistance for the proposed project and that specific amounts be established through written commitments.

Other changes to the NOFA include expansion of eligibility to tribal entities, a focus on "well-managed" housing in program metrics, and a shift in language related to fair housing compliance, so that FY 2013 grantees must "overcome the effects of impediments to fair housing," rather than "comply with fair housing requirements" (HUD, 2013b: 29), although program metrics in all cases required housing to be "free from discrimination" (HUD, 2013b: 3).

Another way HUD responded to emerging grantee needs during the program was to provide technical assistance (TA). TA included convening subject-specific forums for grantees, producing webinars and promising practice guides, and fostering connections to topical experts. These TA activities were especially focused on grant implementation activities that were newer to HUD and the grantees, such as action to support neighborhood change and coordination with schools. These functions are described in more detail in chapter 5.

METHODOLOGY

This report includes analyses of data collected between September 2011 and September 2013.[11] The research team collected data from a wide array of sources, as described in the following list:

- Key documents, including the grantees' transformation plans (Choice funding applications), quarterly reports, and budgets submitted to HUD.
- Interviews of HUD staff, grantee staff, and key community stakeholders.
- Observations of key meetings, including grantee team meetings and public meetings about Choice.
- A household survey of residents of the target developments and the Choice neighborhoods outside the target developments.
- Administrative data on characteristics of the residents of the target development and the neighborhood from federal and local agencies.
- Focus groups of residents of the neighborhood and residents of the target development.
- Observation of neighborhood conditions, including analysis of pedestrian conditions along key walking routes and a block-front survey of general physical conditions in the surrounding neighborhood.

In addition to using staff at the Urban Institute and MDRC headquarters to conduct interviews and focus groups during site visits, the Urban Institute added staff (and one subcontractor) to the research team to work in each city with a Choice implementation grantee. These individuals contributed enormously to the breadth of the collected data that made this report possible. They attended grantee working team meetings, public meetings, and neighborhood association meetings; listened to phone calls between the grantees and HUD; conducted interviews with grantee team members and local stakeholders; and generally remained informed about these changing neighborhoods and cities. Additional subcontractors were engaged to study the grantees' pro formas (available for four of the five housing redevelopments) and the past and projected energy performance of the target housing developments. (The methodology for data collection is described in more detail in appendix A.)

THE FY 2010–11 CHOICE NEIGHBORHOODS AT BASELINE

This section provides context for the evaluation by describing the housing, people, and neighborhoods of the first five Choice implementation grants.

HOUSING

Before receiving Choice grants, target housing developments in all five Choice neighborhoods had in common their uniformly low-income occupancy and their compelling need for either extensive physical upgrading or outright replacement. The two developments in Quincy Corridor and Woodlawn were HUD-assisted housing developments, specifically project-based Section 8, and were owned and managed by private entities (exhibit 1.6). The other three developments in Iberville-Tremé, Eastern Bayview, and Yesler were public housing, owned and managed by PHAs.

[11] One exception to this timeline was the household survey, which was fielded from July 2013 through May 2014.

Exhibit 1.6. Characteristics of Choice Target Developments, December 2010

Choice Neighborhood (City)	Target Development	Type of Federal Subsidy	Year Built	Number of Buildings	Number of Units
Quincy Corridor (Boston)	Woodledge-Morrant Bay	Project-based Section 8	1920s	11	129
Woodlawn (Chicago)	Grove Parc	Project-based Section 8	1969	24	504
Iberville-Tremé (New Orleans)	Iberville	Public housing	1940	74	821
Eastern Bayview (San Francisco)	Alice Griffith	Public housing	1962	33	256
Yesler (Seattle)	Yesler Terrace	Public housing	1941	69	561

Choice = Choice Neighborhoods Initiative.
Note: Of the original 504 Grove Parc units, 378 were standing at the time of the second round of Choice grant applications.
Source: Choice first and second rounds of implementation grant applications

None of the buildings were highrises. Most were two- or three-story walkup apartments; Grove Parc also had two four-story elevator buildings. The size and configuration of the buildings varied. The 11 buildings at Woodledge-Morrant Bay, the smallest development, were scattered across three blocks and were relatively well integrated with the surrounding housing. The 74 buildings at Iberville, the largest development, were cut off from the street grid to form a superblock, and the uniform brick buildings contrasted markedly with the variety of styles in the surrounding area. Likewise, the two-story townhouse buildings of Alice Griffith had no design similarities to the surrounding single-family homes; sidewalks and parking areas were also incongruent with and had no connection to the surrounding neighborhood. Glaring visual differences existed between Grove Parc's unornamented, minimally fenestrated brick buildings, placed within expanses of parking lots along both sides of a one-third-mile stretch of Cottage Grove Avenue, and the surrounding housing, which consists of attractive and varied prewar masonry buildings with small private front and rear yards.

People

The residents of the Choice target developments differed considerably in household composition, race and ethnicity, and education levels (exhibit 1.7). Most households in Grove Parc, Alice Griffith, and Woodledge-Morrant Bay had children. Only 36 percent of households in Iberville and 42 percent in Yesler Terrace had children, however, with more elderly adults in Yesler Terrace, where 41 percent of the heads of household were age 62 or older. A number of households (ranging from 23 percent in Woodledge-Morrant Bay to 53 percent in Yesler Terrace) had a member receiving disability-based Supplemental Security Income benefits.

Exhibit 1.7. Characteristics of Residents of Choice Target Developments, 2013–2014

Choice Neighborhood (City)	Target Development	Total Households	Households With Children (%)	Heads of Household Percent Who Were or Had— Non-Hispanic African-American[a]	Hispanic	Foreign Born	Some College or More Education
Quincy Corridor (Boston)	Woodledge-Morrant Bay	128	73	41	55	56	18
Woodlawn (Chicago)	Grove Parc	344	60	98	1	1	32
Iberville-Tremé (New Orleans)	Iberville	440	36	94	2	1	10
Eastern Bayview (San Francisco)	Alice Griffith	216	58	65	14	19	21
Yesler (Seattle)	Yesler Terrace	504	42	31	3	74	24

Choice = Choice Neighborhoods Initiative.

[a] This figure also includes heads of household of non-Hispanic African descent.

Sources: Choice first and second rounds of implementation grant applications; Choice Neighborhoods Baseline Survey 2013–14

Residents of Iberville and Grove Parc were almost exclusively non-Hispanic African-Americans. Most heads of household in Alice Griffith were also non-Hispanic African-American; however, about 13 percent were Pacific Islander, about 1 percent were White, and 14 percent were Hispanic. By contrast, the Woodledge-Morrant Bay resident population was more ethnically diverse—41 percent were non-Hispanic African-American and 55 percent were Hispanic. Yesler Terrace was the most diverse, with a substantial population of refugee families; nearly 74 percent of householders were foreign born. About 31 percent of Yesler Terrace householders were non-Hispanic African or African-American, 47 percent were non-Hispanic Asian, 6 percent were non-Hispanic White, and 3 percent were Hispanic.

The Alice Griffith, Woodledge-Morrant Bay, and Yesler Terrace developments also had considerable linguistic diversity.[12] Although most Alice Griffith residents (84 percent) reported English as their primary language, other primary languages included Samoan, Spanish, and Cantonese. More than one-third of Woodledge-Morrant Bay householders were non-English speakers; their primary languages included Spanish, Haitian Creole, and Cape Verdean Creole. Yesler Terrace is the most linguistically diverse development among the five grantees because of its substantial immigrant and refugee population. According to a 2012 needs assessment conducted by SHA, about one-third of households spoke Vietnamese as their primary language, one-fourth spoke an East African language (such as Somali, Tigrinya, Amharic, or Oromo), and one-fifth spoke English as their primary language.

[12] Data on languages spoken are from the Choice first- and second-round applications and needs assessment conducted by the grantees.

NEIGHBORHOOD

With 9,700 people in 0.5 square miles, Quincy Corridor had the highest population density of the five neighborhoods (exhibit 1.8). The Choice neighborhoods did not uniformly fit the stereotype of population flight from distressed inner-city areas. The population increased between 2000 and 2010 in the Quincy Corridor, and, although Iberville-Tremé lost residents after Hurricane Katrina, the neighborhood was growing again by the end of the decade (Pendall et al., 2013). Population loss between 2000 and 2010 occurred at a modest rate in Yesler and Eastern Bayview but fell by 12 percent in Woodlawn.

Exhibit 1.8. Characteristics of Choice Neighborhoods at Baseline

					Heads of Household Percent Who Were or Had—			
Choice Neighborhood (City)	Square Miles	Total Population (thousands)	Single-Family Units (%)	Vacancy Rate (%)	Non-Hispanic African-American[a]	Hispanic	Foreign Born	Some College or More Education
Quincy Corridor (Boston)	0.5	9.7	12	10	53	36	37	39
Woodlawn (Chicago)	2.0	23.7	11	22	88	2	4	56
Iberville-Tremé (New Orleans)	1.7	11.6	42	38	77	4	4	40
Eastern Bayview (San Francisco)	1.6	17.6	56	7	49	24	23	30
Yesler (Seattle)	0.2	2.1	9	10	34	8	46	52

Choice = Choice Neighborhoods Initiative.

[a] This figure also includes heads of household of non-Hispanic African descent. Data on population and vacancy are for 2010, single-family unit data are from 2006–2010, and head-of-household characteristics are from 2013–2014.

Sources: 2010 Decennial Census; 2006–2010 American Community Survey; Choice Neighborhoods Baseline Survey 2013–14

Different types of housing dominated the neighborhoods, with more single-family housing units in Iberville-Tremé and Eastern Bayview; two- to four-unit buildings in Quincy Corridor; and a mix of small, medium, and large multifamily buildings in Woodlawn and Yesler. Among the Choice neighborhoods, Woodlawn and Iberville-Tremé exhibited alarming rates of vacancy, consistent with the population loss described previously. In Woodlawn, 22 percent of the housing units were vacant in 2010, up 8 percentage points from 2000 and nearly twice the rate for the city of Chicago. In Iberville-Tremé, 38 percent of the units were vacant in 2010, but, even before Hurricane Katrina, the neighborhood had very high vacancy rates. These neighborhoods all have high poverty rates and struggle with violent crime, with crime rates being more than double those of their cities (chapter 4).

The racial and ethnic composition of the Choice neighborhoods did not differ dramatically from that of the target developments. Iberville-Tremé and Woodlawn had more diverse residents than their respective Choice target developments, with lower shares of African-American heads of households. Heads of households in the neighborhoods overall were likely to have at least some college or technical education.

STRUCTURE OF THE BASELINE REPORT

The next four chapters address the baseline conditions and implementation progress of the Choice neighborhoods. Each chapter begins with key findings and ends with suggestions for future research and evaluation. Chapters 2, 3, and 4 describe the grantees' activities in each of the program's three domains. Chapter 2 assesses Choice *housing* activities, including the redevelopment of the target developments and other housing in the surrounding neighborhoods. The chapter reviews the grantees' plans for and progress toward revitalizing the distressed public and assisted housing developments and analyzes several key housing issues (design, quality, financing for redevelopment, and property management) across all five Choice neighborhoods. Chapter 3 describes how the grantee teams are engaging *residents (people)* in the Choice process, how case management efforts have proceeded, and how the relocation process has unfolded. This chapter also considers the supportive services and programming offered to residents to improve their self-sufficiency, health, and education. Chapter 4, on *neighborhoods,* describes the grantees' CCIs, HUD's budget category to provide flexible funding to catalyze neighborhood interventions in economic development, open and public spaces, infrastructure, and neighborhood housing. This chapter also documents the public safety and violence issues in these communities and how HUD and the Choice grantees are addressing these important concerns. In addition, chapter 4 addresses the major Choice activities and activities cited as leverage in the application that relate to neighborhood economic development and the built environment and infrastructure.

The final two chapters synthesize findings from throughout the report. Chapter 5 analyzes how HUD and the grantees have coordinated activity and leveraged new resources for neighborhood transformation. It considers four areas of coordination and systems reform: (1) HUD and other federal agencies, (2) Choice grantees and HUD, (3) the internal dynamics of the grantee teams, and (4) coordination between the grantees and other local actors. This chapter also considers whether Choice helped leverage additional funding and program resources and what strategies were effective for inducing leverage.[13]

Finally, chapter 6 summarizes the baseline of conditions in the targeted development and surrounding neighborhood and describes key issues and opportunities for ongoing implementation. It also summarizes areas for future research that would enable HUD and the field of community development to learn how implementation has evolved and how outcomes related to these conditions may change over time. (More details on important topics for future research are presented in appendix H.)

Appendix B includes sections on each of the five Choice neighborhoods. Each section describes baseline conditions, drawing from data featured in *Developing Choice Neighborhoods* and newly available data. The appendix addresses implementation progress on major interventions and identifies the grantee teams' successes and challenges. The five sections review the key implementation partners described in *Developing Choice Neighborhoods* and discuss the housing, people, and neighborhood components of Choice. Each section also summarizes the progress the grantee team has made on internal and external coordination and leverage of investments and services for the neighborhood.

[13] HUD characterizes leverage as additional, non-Choice investments that were part of grantees' original proposals in their grant application. This report characterizes leverage more strictly. Leverage is defined as additional programs or investments that were induced by Choice investments or implementation—that is, investments that occurred after the Choice grant was received, and the implementation process began.

2. REBUILDING THE HOUSING

FINDINGS

- **Housing redevelopment is under way in all five Choice neighborhoods, marking a core accomplishment and an indicator of early progress.** As of September 2013, housing redevelopment was under way or had definite start dates among all first-round grants. Demolition was complete or under way in most developments, and construction had begun in Quincy Corridor and Woodlawn. All grantees experienced complications typical of housing development, such as those involving environmental impacts, archaeological findings, and infrastructure coordination. Some also encountered delays related to implementation of Choice as a new program, such as new policies and processes that needed to be put in place to redevelop HUD-assisted properties.
- **Housing quality will improve markedly and is likely to be financially sustainable at all target developments after housing redevelopment is complete.** The housing developments will be transformed through substantial investment. In addition, improvements to the structure and performance of the redeveloped properties will result from the plans and designs for energy efficiency and the use of materials expected to support resident health. Resident input into unit and building designs also is expected to contribute to the improvements. An independent analysis of the four operating pro formas that were available to the evaluators found the plans to be feasible. The planned unit sizes appear to meet the housing needs of most established households.
- **In two Choice neighborhoods, Iberville-Tremé and Woodlawn, offsite housing plans have been affected by local housing market dynamics.** In Iberville-Tremé, private-sector interest in real estate acquisition increased, eliminating some opportunities for site acquisition for affordable housing development. When it received Choice funding, the New Orleans grantee had options on enough property beyond Iberville to complete its plan for more than 1,500 housing units on and off the Iberville footprint. Within days after one critical option lapsed, however, another party picked up that option, forcing a redefinition in the grantee's offsite housing plan. In Woodlawn, the grantee had initially planned offsite housing intended to attract middle-income households, but these plans, in the short term, were impeded by a weak housing demand and lingering foreclosures.
- **Income mixing will develop in different ways across the five developments.** Among the four grantees developing mixed-income housing, two plan to integrate subsidized and unsubsidized units within buildings and two plan to have buildings in which all units have some type of subsidy. By contrast, the grantee in Boston is developing exclusively very low- and low-income units.

INTRODUCTION AND OVERVIEW OF PLANS AND IMPLEMENTATION ACTIVITIES

As one of the three pillars of the Choice Neighborhoods Initiative, housing revitalization is expected to support broad improvement in neighborhoods through the replacement of substandard or otherwise

poor-quality housing with healthy, mixed-income residences. Choice-supported housing ideally should be financially feasible to build and maintain, be energy efficient, be safe, and meet residents' housing needs. This chapter examines housing implementation across the five Choice neighborhoods through consideration of site designs, housing quality, redevelopment finance, and property management and concludes with recommendations for HUD to consider for future Choice grantees. The housing plans of the five Choice grantees differ in development type, budget and financing, number and type of original and planned housing units, and planned income diversity. Key elements of the Choice developments and plans for housing are shown in exhibit 2.1. (For additional information and detailed descriptions, see appendix B and Pendall et al., 2013.)

All existing housing units in the Grove Parc and Alice Griffith target developments will be demolished and redeveloped; those in Woodledge-Morrant Bay, Iberville, and Yesler Terrace will be replaced with a mix of newly constructed and rehabilitated units. Woodledge-Morrant Bay will have significantly fewer housing units (129) than any other target development and will be the only development consisting entirely of subsidized rental units. By contrast, Yesler Terrace, once fully realized, will include up to 8,000 units, including subsidized and market-rate rental units and units for sale. Plans for Grove Parc and Iberville also include homeownership units.

Resident Income Mix in Target Development Housing and Choice Neighborhoods

The far-right column in exhibit 2.1 presents an overview of the expected Area Median Income (AMI) mix. Redeveloped housing in Grove Parc, Iberville, Alice Griffith, and Yesler Terrace will include low- and moderate-income units along with market-rate housing. Grantees are allowed to use Choice funds to support the development of housing for middle-income households (housing up to 120 percent of AMI). Preservation of Affordable Housing, Inc. (POAH); the Grove Parc development) is planning to use Choice funds to support development of rental and for-sale housing for households up to and including 120 percent of AMI, but it is the only grantee to exercise that option. Woodledge-Morrant Bay is the only plan that does not include housing at price points targeting moderate-income and higher income households. In Woodledge-Morrant Bay, households that will occupy the renovated and newly constructed units will mostly have incomes that qualify for HUD-assisted housing. In addition, the City of Boston requires that 10 percent of the units be targeted to homeless households with extremely low incomes.

Where Choice neighborhoods are in or near areas with considerable housing investment activities or potential, such as Iberville-Tremé, Eastern Bayview, and Yesler, grantees discussed mixed-income housing as a way to ensure lower income households will be able to live in the neighborhood into the future. The affordable units will protect the housing stability of their lower income residents. In Yesler, the Choice grantee is using its leverage during land sales to extract commitments for affordable units from private developers. The first developer to purchase a parcel from the grantee committed to making one-fourth of the units workforce housing.

Exhibit 2.1. Overview of Choice Housing Plans

Target Development (City)	Pre-Choice Housing Type	Target Housing Cost/Cost as % of Choice Grant (millions/%)	Estimated Housing Budget[a] (millions)	Original Units	Total Planned Units[b]		Planned Income Mix (number of units and AMI or housing cost)
					Rental	For Sale	
Woodledge-Morrant Bay (Boston)	Project-based Section 8	$12.3/60	$56.4	129	129	0	116 at 50% AMI, 13 at 30% AMI
Grove Parc (Chicago)		$19.7/65	$224.9	378[d]	795	200	558 very low-income rentals, 51 moderate-income rentals, 186 market-rate rentals, 200 affordable units for sale
Iberville (New Orleans)	Public housing developments	$23.7/78	$588.8	821	913[e]	15	304 public housing units, 300 affordable units, 300 market rate units
Alice Griffith (San Francisco)		$21.3/70	$272.3	256	1,210	0	504 at 50% AMI, 43 at 120% AMI, 281 at 160% AMI, 382 at market rate
Yesler Terrace (Seattle)[h]		$18.5/62	$95.2[c]	561	5,001 (238)[f]	1,200–3,200	661 (98)[f]: < 30% AMI, 290 (20) 30–60% AMI, ~850 < 80% AMI, ~ 3,200 (120) market rate

AMI = Area Median Income. Choice = Choice Neighborhoods Initiative.

[a] Includes the total budget (Choice funds and private financing) for housing to be built or renovated within the Choice neighborhood as part of Choice plans.

[b] Includes housing to be built or renovated within the Choice neighborhood, replacement and nonreplacement units.

[c] The total estimated budget for Yesler Terrace reflects the first phase only.

[d] Of the original 504 Grove Parc units, 378 were standing at the time of the second round of Choice neighborhoods Initiative grant application.

[e] This information reflects onsite housing plans rather than overall plans because offsite plans were not yet finalized; as reported in appendix B, the total number of units envisioned is 1,500.

[f] Numbers in parentheses reflect plans from the first phase.

[g] Information on percent AMI was not available.

[h] Seattle Housing Authority initially was awarded a Choice grant for $10.27 million and received another grant for $19.7 million in December 2012.

Neighborhoods in and around low-income areas with minimal market-led development, such as Quincy Corridor and Woodlawn, offer little evidence, as of September 2013, of Choice's likely effect on the areas' income mixes. Non-Choice efforts could affect the future, however. For example, the lead housing partner in Quincy Corridor indicated that it could develop other properties it owns in the neighborhood to attract relatively higher income households, although no such plans exist. The City of Boston initiated the Middle Income Housing Initiative, a program to convey vacant lots to developers to build moderately affordable housing. The program was unable to include lots in the Choice neighborhood, but lots just outside the neighborhood boundary were to be included. Using funds from the federal Neighborhood Stabilization Program and other sources, the city also rehabilitated 24 homeowner and rental units in the Choice neighborhood that were rented or sold to households with incomes up to 120 percent of AMI. The number of properties targeted for redevelopment in Woodlawn could also lead to broader changes over time. It is too early in the redevelopment process in either place, however, to project changes in income mix.

Target Development Housing Status

The five Choice target developments were in different stages of the redevelopment process as of September 2013 (exhibit 2.2). In Quincy Heights, the necessary demolition was complete. The grantee closed on financing in June 2013; the renovation of existing buildings and construction of the 49 new units were under way. The grantee and housing lead anticipated completion of all Woodledge-Morrant Bay housing redevelopment activities by late 2014.

Exhibit 2.2. Status of Target Housing Redevelopment, September 2013

Target Development (City)	Demolition	Renovation	New Construction	Units Reoccupied
Woodledge-Morrant Bay (Boston)	Complete	Under way	Under way	0
Grove Parc (Chicago)	Under way	Under way	Under way	197
Iberville (New Orleans)	Under way	Not started	Not started	0
Alice Griffith (San Francisco)	Not started	None planned	Not started	0
Yesler Terrace, first phase (Seattle)	Complete	Not started	Not started	0

Non-Choice funds were used in Grove Parc to develop replacement units before and during the first 2 years of the Choice award. Funding from the Neighborhood Stabilization Program, the HOME Investment Partnerships Program, and low-income housing tax credits (LIHTCs) supported the redevelopment of 197 replacement units and 152 nonreplacement units. These units, some of which are on the original development footprint, and others nearby have been fully occupied. Non-Choice funds were used to cover Choice housing implementation costs for these first units because the financing was in hand and the grantee did not yet have access to the Choice grant because of closing delays. Choice funding supported predevelopment activities for 202 of these units in three buildings. The Grove Parc grantee planned to start construction in 2014 on buildings using Choice funds. In Woodlawn, demolition and site preparation were under way for the Woodlawn Park Senior building.

Demolition was under way in Iberville. Onsite construction had not yet begun, and the grantee and developers were still working to identify development sites within the Choice neighborhood but outside the target development footprint. Housing development activities in Alice Griffith were delayed because of the dissolution of the San Francisco Redevelopment Agency (SFRA), which was the Choice neighborhood partner and an important funding source for Choice. The neighborhood partner was replaced and the City of San Francisco did provide funding, but the delay affected the construction schedule. Environmental litigation and delays with the transfer of land also affected the Choice schedule for housing redevelopment. (For additional details, see appendix B.) During the first phase of the Yesler Terrace redevelopment, demolition and site preparation were complete, paving the way for renovation and new construction of two buildings. Construction was delayed because of issues with a required environmental waiver and finance closing, but the grantee had accessed Choice grant funds.[14] Completion of the first phase was anticipated for the spring of 2015.

DESIGN

SITE DESIGN

Choice is supporting significant change to the existing design and layout of the five target developments. For the most part, grantees were moving forward with the site designs presented in their applications (described in Pendall et al., 2013). Local land and housing markets and construction financing will influence whether site design outcomes conform overall to early plans; it is too early to tell in locations where site control, financing, and land disposition remain unsettled. (For a detailed overview of plan elements related to resident and neighborhood connectivity and safety, see appendix C.)

Grantees are using site design to support community-oriented goals of resident interactions and housing and neighborhood integration. All the housing and neighborhood design plans include at least one design element intended to encourage interaction among residents of the target development housing and the surrounding neighborhood. These elements include inclusion of a community meeting room or center, parks, gardens, and other types of open spaces. Integration of the developments with the surrounding neighborhoods is an explicit goal in Iberville-Tremé, where the design will restore the street grid, and in Eastern Bayview and Yesler.

Design is being used to create safe spaces for pedestrians in public spaces and residents inside and immediately outside of units. As one example, the design in Yesler encompasses sidewalk widths, building setbacks, and spatial relationships among new buildings so that development throughout the Choice neighborhood will create a positive environment for pedestrians. Resident safety and security have been integrated in designs in at least two target developments. The Yesler design includes small outdoor areas, such as courtyards, within the overall neighborhood to allow for the development of defensible spaces. In Woodlawn, housing plans include front windows that allow for street surveillance and enclosed rear yards that provide secure outdoor space (appendix C).

[14] Renovation of one building, the Baldwin Apartments, began in October 2013, shortly after the end of data collection.

Choice will increase the density of housing in at least three of the five neighborhoods. Plans for the Iberville-Tremé, Eastern Bayview, and Yesler neighborhoods anticipate increased density on and adjacent to the original target development locations. In Eastern Bayview near Alice Griffith, plans call for increased density by developing midrise housing. In Yesler, the planned densification aligns well with broader city and regional goals for compact development. The housing density increase will be realized by significant increases to building height. In Iberville, site plan options were under consideration until the summer of 2013, when final decisions were made regarding the total number of onsite units, building locations, and open space. Historic preservation goals and the presence of historic burial sites in the Choice neighborhood had affected plans.

It is too early to assess the impact of the Woodlawn plan on neighborhood density. The plan calls for the development of 995 units. Grove Parc originally had 504 units, but when POAH applied for Choice, only 378 units remained, with 325 occupied. POAH ultimately will rebuild 420 units on the Grove Parc footprint, meaning that the new development will have lower site density than the original site but higher household density than the project had when POAH made its application. POAH also plans to build or acquire and rehabilitate 575 units beyond the Grove Parc footprint. If most of these units are acquired and rehabilitated, then Choice may result in little or no net increase in the number of housing units in Woodlawn.

The grantee for Woodledge-Morrant Bay, the only development in which the number of housing units will not increase, plans to reduce unit density in the target development and construct new housing on vacant or underused lots within the Choice neighborhood while maintaining the same total number of units. Here, community preference for retaining existing density levels prevailed. The plan to redevelop housing primarily by renovating existing structures also has contributed to the lack of change in density.

The integration of buildings by income will vary across the target developments. Many factors, from past experience to local requirements, have influenced decisions about the degree of mixed-income housing integration. For example, in Alice Griffith, lessons from HOPE VI experience factored into the grantee's decision to group subsidized housing together by mixing public housing replacement units and tax credit units to avoid the possibility of vacant lots interspersed throughout the Choice neighborhood in the event that private-market housing development lags. Developers will build the subsidized housing together to prevent buildings from being scattered among empty parcels that will see construction in the future. The grantee also believes that clustering subsidized housing will lead to property management efficiencies. By contrast, the Seattle grantee will disperse replacement units across the Yesler neighborhood to achieve integrated housing at the building level. The grantee also plans for some integration of units within buildings. Grove Parc designs include clustered buildings.[15] Plans were not yet finalized for Iberville, although the intent is to integrate buildings and units within buildings.

[15] Redevelopment of the target property in Woodlawn will include multiple projects at buildout with names other than Grove Parc. Grove Parc is used in this report to denote the cluster of properties.

UNIT DESIGN

Evidence suggests that grantees and housing partners have made design decisions based on their past housing development experiences, resident interests and needs, and analysis of the deficiencies in the original target housing.[16] In Woodledge-Morrant Bay, the grantee reduced the number of units within existing buildings to address cramped living spaces. Based on resident input, the grantee for Yesler Terrace revised initial plans to accommodate residents' preference for in-unit washers and dryers and will include some units with space and design sufficient for home-based childcare businesses. Yesler Terrace and Alice Griffith grantees plan to locate larger units on or near the ground floor to reduce children's use of building stairs, a lesson learned from other projects. The Grove Parc design took safety concerns into account for the Woodlawn Park building by creating secure, glass double-door entrances and raising buildings 2 feet above street level, with landscaped gardens along the streetscape.

Designing building interiors and units to support a range of household sizes can be a challenge, as noted by the developer for Alice Griffith when commenting on the need for careful design layouts when including a mix of unit sizes in a given building. Most households living in the Choice developments before redevelopment occupied units with two or fewer bedrooms, but each development also had households in units with three or more bedrooms. A comparison of data on household composition, collected as part of the household survey, with grantees' housing development plans, suggests that the planned housing units should meet the needs of most but not all households that resided in the target developments before redevelopment. Exhibit 2.3 shows the planned distribution of unit sizes along with an estimate of the number of households that would need a particular unit size, assuming future occupants will be similar to survey respondents from the target development, which might not be the case,[17] and assuming an occupancy standard of two people per bedroom.[18]

The data in exhibit 2.3 are suggestive but not conclusive. Some households that appear to need a studio or one-bedroom unit might qualify for a two-bedroom unit, based on local occupancy standards. The number of two-bedroom units planned appears to be sufficient to meet the needs of smaller households even if there are not enough studios or one-bedroom units. The number of planned units for Yesler Terrace includes only those to be constructed during the first phase, which could explain the apparent insufficiency of units with one bedroom and three-plus bedrooms. It is unclear how the number of units in each category will change as later phases are completed.

[16] Interview discussions about design with the grantee, developers, and other Choice partners in Iberville-Tremé focused on site design challenges rather than unit design considerations.

[17] Survey data do not indicate lease compliance. Any returning household that previously had not been in compliance would need to lease a new unit based on actual household size, which could lead to a larger or a smaller unit.

[18] Local occupancy standards vary, and HUD has recommended that occupancy policies consider the square footage of bedrooms and unit, the age of children, unit configuration, and other relevant factors.

Exhibit 2.3. Planned Number of Units by Number of Bedrooms and Preredevelopment Household Size

Target Development (City)	Total Number of Units	Planned/Number of Households				
		Zero and One Bedroom	Two Bedrooms	Three Bedrooms	Four Bedrooms	Five Bedrooms
Woodledge-Morrant Bay (Boston)	129	11/26	62/41	48/11	8/0	0/0
Grove Parc (Chicago)	504	129/93	126/83	252/17	0/4	0/0
Iberville, first phase (New Orleans)	227	138/128	70/38	19/12	0/0	0/0
Alice Griffith (San Francisco)	504	81/97	161/68	151/32	95/13	16/0
Yesler Terrace, first phase (Seattle)	118	68/106	37/35	7/13	6/9	0/4

Note: Quincy Heights will be the name of the Woodledge-Morrant Bay development after redevelopment.
Source: Data drawn from housing plans and household survey data for current and former residents of the target developments.

Discussions of unit and building designs indicate that grantees are working to balance many considerations, including property management effectiveness, resident health and well-being, and building and resident security. Four developments (Grove Parc, Iberville, Alice Griffith, and Yesler Terrace) will have onsite management offices. A number of design decisions for Yesler Terrace were made with property management and maintenance concerns in mind. For example, the grantee selected flooring material for replacement units that is expected to wear well over time and that will reduce costs associated with unit turnover. Plans also include a focus on respiratory health. Building and unit features will include enhanced moisture-proofing of the structure, a ventilation system with air filtration, and use of finishes and materials that will minimize off-gassing. Woodledge-Morrant Bay and Yesler Terrace grantees have responded to grantee and resident concerns about children's safety and the general physical safety of residents by configuring interior unit spaces to allow for clear sight lines and the safe flow of movement among occupants. Building designs for Grove Parc and Yesler Terrace include controlled access to promote a safe living environment.

Resident Involvement in Design Development

All Choice grantees have offered opportunities for resident involvement in the development of housing design, as required. At a minimum, residents were invited to meetings early in the design phase to discuss broad parameters for housing design and other components of Choice and invited to periodic meetings to hear updates and weigh in on plans as they developed over time. This minimal required level of resident involvement has been the case in Quincy Corridor.[19] In other Choice neighborhoods, residents have had opportunities for more engaged involvement. For example, in Woodlawn, a community engagement process lasting more than 1 year solicited resident input on plans for housing

[19] Before Choice, a number of resident meetings were held to discuss housing and neighborhood change ideas. Information presented in this chapter refers to involvement as part of Choice grant implementation.

subsidy mix in the Choice neighborhood. In Iberville-Tremé and Yesler, residents have had extensive opportunities to provide their input onsite plans, building design elements, and apartment floor plans. Eastern Bayview residents participated in design charettes and site tours. In Yesler, resident and community members also have been able to attend and offer public comments during Seattle City Council legislative hearings on Yesler Terrace, which included review of plan amendments that would affect design.

The resident engagement process has been challenging in some Choice neighborhoods. In Woodlawn, early decisions reached with then-active residents have been questioned by latecomers who wanted to revisit decisions. In Yesler, an exercise meant to solicit input on building design was not well understood by all residents, which led to confusion. Overall, grantees that gathered and incorporated detailed design input from residents and drew lessons from past experience appear to be making sound design decisions that should serve residents and management well.

Implementation of Design Plans

One or more of four factors have affected implementation of housing plans: (1) site control, (2) strength of the local housing market, (3) city and HUD influence, and (4) construction finance.

Where the grantee had control over most or all of the land to be redeveloped or where the housing market was relatively weak, these factors have smoothed the way for implementation. In Quincy Corridor, Woodlawn, and Eastern Bayview, land transfers to the grantee had taken place already or were anticipated to happen without incident. In these Choice neighborhoods, the city (or in the case of Alice Griffith, the U.S. Navy) deeded the land, or there was sufficient land available and limited competition for it. In Yesler, the Seattle Housing Authority (SHA) was able to sell land to private developers and had no need to gain control over additional parcels.

By contrast, the strong housing market in New Orleans and increased competition among developers for available parcels complicated site control. The Iberville-Tremé grantee lost control over a land parcel identified as a replacement-housing site after the option on it lapsed. A developer external to Choice purchased the property and it was unclear whether the developer would include affordable units on the site. The Choice developer ultimately was able to negotiate an agreement with the external developer to include public housing and affordable units in its plans, although the details regarding the number of units and site design were not finalized by September 2013. Beyond this one parcel, the Choice grantee, developer, and HUD were concerned about gaining site control for the construction of offsite units within the Choice neighborhood. The grantee and housing partners were finding it difficult to identify available offsite parcels in Iberville-Tremé for replacement housing, and HUD stepped in to demand a detailed plan for identifying and acquiring sufficient land. Site control challenges could still affect the final design plans.

The diversity of markets across the Choice neighborhoods highlights the influence neighborhood trajectory has on whether the market supports, slows, or undermines redevelopment plans.[20] In

[20] For a description of housing demand in each Choice neighborhood, see chapter 2 of Pendall et al. (2013).

Chicago, Woodlawn was experiencing a stalled housing market. Grantee partners were concerned that the weak market might not support the development and absorption of the planned market-rate units. Many factors led to the weak market, including a significant number of foreclosed properties, area blight, and high levels of crime. These problems will be hard to turn around in the near future.

In New Orleans, private developers responded to overall neighborhood change by buying properties in and around Iberville-Tremé. The Choice co-lead at the city talked about the "land grabs" that were taking place as private-market developers hurried to stake a claim. This challenging hot market was a factor affecting Choice partners' ability to gain control over a sufficient number of parcels for scattered-site replacement housing.[21]

The Eastern Bayview and Yesler neighborhoods are located in what could be characterized as supportive hot markets. The current and anticipated strong housing markets in and around these Choice neighborhoods were expected to support the broad redevelopment plans. In San Francisco, prices for residential and commercial properties were increasing, which grantees viewed as a condition that will support the buildout of mixed-income housing. Eastern Bayview was described as "white hot" with considerable city and private development efforts happening distinct from Choice. Yesler is attractive and proximate to downtown, transit and major roadways, and major league sports venues. The strong city and regional housing markets are expected to create demand in two ways: (1) among developers for parcels that the grantee will sell to finance the full redevelopment plan and (2) among higher income households for relatively affordable units in a tight and increasingly expensive housing market.

City governments and HUD Choice staff have influenced site and housing plans in ways active and passive. Government officials exerted active influence by imposing requirements on the Choice grantees. For example, the Seattle City Council added amendments to the legislative package that were under review and would allow Choice to proceed. Some of the amendments affected site and unit design, such as one that required a minimum number of moderately affordable units to be within the Choice neighborhood. The city council's intent was to prevent the neighborhood from shifting to market-rate housing over time at the exclusion of affordable housing. Another amendment required that a mix of unit sizes be available throughout the redeveloped housing to ensure households with a need for larger units will not have to wait for any particular building to be constructed. Other amendments addressed the income range of residents that must be served and the staging of redevelopment activities. Although the Seattle City Council hearing and approval process was time consuming, it established a new model for development review by including the plans for the total project rather than reviewing plans parcel by parcel. This approach should lead to time savings later, and it enabled the city to consider the overall vision for redevelopment. The considerable input by external government bodies on site or housing designs in Yesler Terrace and Alice Griffith is not unusual in Seattle and San Francisco, both of which have strong comprehensive city planning.

[21] "Not in My Back Yard," or NIMBYism, is another factor affecting partners' ability to acquire land for offsite development in Tremé. In response to pressure from Tremé residents, the city council stopped a land transfer that would have provided parcels for replacement housing in the neighborhood.

In Iberville-Tremé, where the grantee and housing partners had made little headway in identifying and securing control over offsite parcels for replacement housing, HUD attempted to get things moving by demanding a plan. After much time passed without a clear plan for acquiring offsite parcels and the near loss of a key site to a non-Choice developer, HUD required the grantee to develop and submit a detailed plan. The grantee delivered the plan to HUD in the summer of 2013. The slow pace of acquiring parcels for offsite replacement housing was on the verge of placing Choice housing and the broader redevelopment effort at risk. The grantee and partners responded in part by working with other developers involved in small projects within the Choice neighborhood. The developer for offsite housing reached out to the city for assistance in identifying parcels for acquisition and development.

More passive means of influencing design have involved HUD or state or local governments requiring Choice grantees to follow existing rules and processes. For example, SHA requested permission to follow American National Standards Institute (ANSI) guidelines for elements of design, such as the door swing on apartment bathrooms and parking garage ceiling heights. ANSI reflects current standards for accessibility whereas the Uniform Federal Accessibility Standards (UFAS) do not. HUD denied the request and required that the grantee abide by the UFAS. City of Seattle and regional goals for compact, dense development in select areas influenced plans to limit the carbon footprint of the Yesler Terrace redevelopment and to increase site density. In Eastern Bayview, the city influenced plans for site infrastructure by adhering to the existing review process. The grantee sought approval for the entire site plan so that an integrated stormwater and sewer system could be put in place across the entire area. The timetable for review and approval did not support a single-review approach, which meant the developer has had to seek approval for each phase. In contrast with the Seattle City Council review of the entire Yesler site plan, San Francisco's piecemeal review process led the developer to drop plans for an integrated system.

HOUSING QUALITY

TARGET HOUSING

As discussed in *Developing Choice Neighborhoods* and confirmed by household survey data, housing conditions in the target units before redevelopment were poor overall.[22] Residents of the target development who responded to the household survey reported nearly three housing condition problems, on average, across the developments.[23] Respondents from Grove Parc and Alice Griffith reported more than three problems, on average. The most frequently cited problem in each development was vermin—either mice and rats or cockroaches (exhibit 2.4). Water leaks into the housing unit either from inside or outside the building were the second or third most frequently reported problem in three developments (everywhere but Yesler Terrace). Respondents from Alice Griffith and Yesler Terrace also reported mildew and mold. The percentage of respondents reporting problems was highest in Grove Parc, followed by Alice Griffith.

[22] The results for Iberville are not discussed in this section because of small sample sizes for respondents remaining in the Iberville development.

[23] Respondents were asked whether they had any of 14 housing problems related to utilities, plumbing, structural elements, pests and rodents, or mold or mildew.

Exhibit 2.4. Target Development Housing Conditions Before Choice Redevelopment

Target Development (City)	Average Number of Housing Problems	Frequently Reported Problems		
		Problem 1	Problem 2	Problem 3
Woodledge-Morrant Bay (Boston)	2.2	Mice and rats (59%)	Water leaking into unit from outside (44%)	Water leaking into unit from inside (35%)
Grove Parc (Chicago)	3.1	Mice and rats (77%)	Cockroaches (71%)	Water leaking into unit from inside (51%)
Alice Griffith (San Francisco)	3.4	Cockroaches (62%)	Water leaking into unit from inside (50%)	Mildew and mold (48%)
Yesler Terrace (Seattle)	2.1	Mice and rats (49%)	Peeling paint and plaster (35%)	Mildew and mold (32%)

Choice = Choice Neighborhoods Initiative.
Notes: Data for Iberville are not reported here. Only four survey respondents were still living in their original unit at Iberville during data collection.
Source: Choice Neighborhoods Baseline Survey 2013–14

In addition to poor housing conditions, energy use was high in most developments. An energy scorecard analysis conducted by CNT Energy (recently renamed Elevate Energy) and included in *Developing Choice Neighborhoods* established energy benchmarks for an average building in each Choice development. The analysis found that before redevelopment, each target development except Yesler Terrace had an average energy use intensity (EUI) score higher than the average score for the area.[24] The difference between the target development and area scores was quite large for Woodledge-Morrant Bay and Grove Parc. Woodledge-Morrant Bay, Grove Parc, and Alice Griffith also had an average EUI score higher than the national average and a higher average energy cost per housing unit. Exhibit 2.5 provides an overview of the energy scorecard findings. (For the full CNT Energy report, see appendix D.)

Exhibit 2.5. Average EUI and Energy Costs, 2011

Target Development (City)	Average EUI per Year		Average Energy Cost per Housing Unit per Month
	Target Development	Area	
Woodledge-Morrant Bay (Boston)	168	102	$152[a]
Grove Parc (Chicago)	150	89	$109
Iberville (New Orleans)	57	27	$58
Alice Griffith (San Francisco)	98	90	$145
Yesler Terrace (Seattle)	38[b]	38	$62
National	59		$86

EUI = energy use intensity.
[a] Average monthly energy cost for Quincy Heights is an estimate based on average energy prices in the surrounding region.
[b] Average EUI is based on 2010 data.
Source: Analysis by CNT Energy

[24] EUI is a standard measurement unit of buildings' energy efficiency. EUI is measured in thousand British thermal units per square foot per year. Area average scores were developed with data from the U.S. Department of Energy's Residential Energy Consumption Survey of units in multifamily buildings located within the target development's Census Division.

EUI will probably improve across the board because housing plans for each target development are designed to meet either the U.S. Green Building Council's Leadership in Energy and Environmental Design, or (LEED, standards or Enterprise's Green Communities standards. Improvements should result from building envelopes engineered to increase energy efficiency and from the installation of energy-efficient heating, ventilation, and air-conditioning systems, or HVACs; appliances; and fixtures.

NEIGHBORHOOD HOUSING

Information on the conditions of existing housing in the Choice neighborhoods comes from a block-front survey and the survey of neighborhood residents. The block-front survey visually assessed structures on randomly selected street segments throughout the area. Exhibit 2.6 shows the percentage of residential-only street segments with buildings marked by certain problems.[25] Housing conditions were found to be worst in Woodlawn and Iberville-Tremé, where more than one-half the surveyed street segments had buildings with major wall cracks or missing wall material and more than 40 percent had some or many abandoned buildings or lots. Nearly two-thirds of street segments in Iberville-Tremé had buildings with broken or boarded windows. In Quincy Corridor, 33 percent of the street segments had buildings with broken or boarded windows.

Exhibit 2.6. Percentage of Residential-Only Street Segments With Specified Problems

		Residential Street Segments		
Choice Neighborhood (City)	**Street Segments for Residential Use Only (%)**	**Buildings With Major Cracks in Walls or Missing Bricks, Siding, or Other Outside Wall Material (%)**	**Buildings With Broken or Boarded Windows (%)**	**Streets With Some or Many Abandoned Buildings or Lots (%)**
Quincy Corridor (Boston)	51	16	33	18
Woodlawn (Chicago)	47	56	19	43
Iberville-Tremé (New Orleans)	29	72	63	46
Eastern Bayview (San Francisco)	48	11	10	4
Yesler (Seattle)	35	8	12	0

Choice = Choice Neighborhoods Initiative.

Source: Choice Neighborhoods block front survey, 2011

The survey of neighborhood residents provides detailed information about conditions within housing units. As shown in exhibit 2.7, problems reported by neighborhood residents were similar to those reported by residents of the target developments. Vermin and water leaking into the housing unit from outside were the most frequently cited problems across the neighborhoods. Interior water leaks and

[25] Randomly selected street segments for the block-front survey included a small portion of segments with target development buildings. (For maps of surveyed blocks, see appendix C.) It is possible that percentages would be slightly different if all target development structures were excluded.

mildew and mold were other frequently reported problems. Residents of four Choice neighborhoods who responded to the household survey reported more than one housing condition problem, on average; only respondents in Eastern Bayview reported less than one average number of problems. The percentage of respondents reporting problems was highest in Iberville-Tremé.

Exhibit 2.7. Choice Neighborhood Housing Conditions

Choice Neighborhood (City)	Average Number of Housing Problems	Frequently Reported Problems		
		Problem 1	Problem 2	Problem 3
Quincy Corridor (Boston)	1.5	Mice and rats (37%)	Water leaking into unit from outside (28%)	Water leaking into unit from inside (25%)
Woodlawn (Chicago)	1.4	Water leaking into unit from outside (27%)	Water leaking into unit from inside (27%)	Mice and rats (25%)
Iberville-Tremé (New Orleans)	1.8	Cockroaches (49%)	Water leaking into unit from outside (37%)	Mice and rats (26%)
Eastern Bayview (San Francisco)	0.7	Water leaking into unit from outside (23%)	Mice and rats (13%)	Mildew and mold (10%)
Yesler (Seattle)	1.1	Mice and rats (24%)	Water leaking into unit from inside (20%)	Mildew and mold (17%)

Choice = Choice Neighborhoods Initiative.
Source: Choice Neighborhoods Baseline Survey 2013–14

Some mix of new subsidized and unsubsidized housing was planned in each of the five Choice neighborhoods in addition to the Choice grant-funded replacement housing. The non-Choice-funded housing projects in most locations include housing for low-income, moderate-income, and market-rate units. Housing for seniors was planned or under way in Quincy Corridor, Iberville-Tremé, and Eastern Bayview. Mixed-use buildings were planned in Quincy Corridor and Eastern Bayview. It was too early in September 2013 to assess the quality of this new housing. POAH had also used non-Choice funds to rehabilitate enough housing in Woodlawn to accommodate 197 relocating Grove Parc households before receiving its Choice award.

Grantees and housing partners said little about possible spillover effects from Choice on other housing in and near the Choice neighborhoods. In Quincy Corridor, the grantee and partners hoped that Choice housing activities would motivate area homeowners to invest in their homes, but no one we interviewed had seen evidence of such activity. In Eastern Bayview, respondents anticipated a spillover effect of higher housing prices.

HOUSING FINANCING FOR REDEVELOPMENT

Each grantee had been able to secure financing by September 2013 for at least the initial phase, if not all phases, of the planned replacement housing construction.[26] LIHTCs were a significant source of funds for each grantee. Other funding sources varied across the target developments (appendix B) and included a diversity of funders, both public (federal, state, and local) and private.

Urban Institute's subcontractor for this evaluation, Strategic Economics (SE), Inc., assessed financial feasibility by analyzing the operating pro formas of the four Choice plans for which grantees provided the necessary documents. The pro formas were compared with local trends and regional benchmarking data. SE concluded that existing conditions and trends in the four Choice neighborhoods supported the projected operating revenues and operating costs outlined in the pro formas. SE found that costs outside the typical range were reasonable, given the local plans or compensatory offsets in other costs or in revenues. In short, the financial plans were feasible. (For the full SE report, see appendix E.)

The first grantees to close on financing had challenges accessing Choice grant funds, which slowed implementation (appendix B). The Boston grantee postponed closing a number of times because of delays resulting, in part, from changes to the development design. The housing partner was able to borrow more money than anticipated because of a favorable tax-credit market, which enabled the partner to include a number of building and housing unit upgrades. HUD needed several months to review the additional expenditures. The Chicago grantee, also redeveloping a Federal Housing Administration, or FHA, multifamily property, used non-Choice grant funds for constructing two buildings because of the delay experienced accessing the grant. HUD had to modify funding processes for the multifamily developments from those used for the three public housing target developments, which were similar to past HOPE VI grantees. HUD's experiences with the first five Choice developments, particularly lessons related to type of development, compliance reviews, escrow processes, and the first closing experience, should ensure that subsequent grantees experience a smoother and less uncertain process.

Other financing challenges might yet be faced by grantees that had not secured all financing needed to implement the full housing plan as of September 2013. Respondents from Iberville-Tremé pointed to the negative regional investment climate since Hurricane Katrina that could affect the grantee's and developers' ability to secure financing to support the entire housing plan. Redevelopment in Yesler depends on the grantee realizing sufficient return on land sales over time. In these two Choice neighborhoods in particular, implementation could be slower than planned, or housing plans might need to be changed if the grantee or developer is unable to obtain sufficient financing. In Eastern Bayview, developers determined that they need large investors who can provide financing for more than a few blocks of construction at a time and who can support the full housing plan. Although an early deal with a large investor fell through, the developer indicated that it was not concerned about the ability to attract large investors.

The financing arrangements associated with Choice have posed challenges and served purposes in addition to funding housing redevelopment. Respondents in two Choice neighborhoods spoke of the Choice grant as a "stabilizing factor" that helped increase the confidence of other funders. For Grove Parc, the Choice

[26] In Yesler Terrace, funding was in place for development of the first phase.

grant was a significant factor affecting the grantee's ability to attract local and state grants to fund implementation of the new homeownership strategy. For Alice Griffith, the grant requirement for matching funds motivated city departments to replace funds lost when SFRA closed. SFRA had committed to providing funds for redevelopment, but not all the obligations were enforceable. In the absence of the Choice grant requirements, it was possible that the lost funding might not have been replaced.

In Woodledge-Morrant Bay, the additional funds from LIHTCs were used to upgrade housing finishes, such as more efficient lighting and better quality flooring material. Tax credits also served to motivate implementation. The time requirement associated with tax credits pressured the Quincy Heights housing partner to push hard in the face of external delays to meet the project construction deadline and realize the full benefit of the credits.

For two other developments, financing presented challenges that affected plans but were not insurmountable. The Chicago grantee ran up against federal limits on the use of Choice grant funds to build housing targeted to households above a certain income threshold. The limits worked against the grantee's mixed-income plan, which included market-rate, for-sale housing units. Rather than changing plans, the grantee sought other sources of financing and successfully layered Choice grant funds with city and state funding with the plan to rehabilitate and sell the formerly abandoned and foreclosed properties to middle-income homebuyers. In Yesler, the reduction in the initial Choice grant's Critical Community Improvement, or CCI, funds to be used to promote affordable retail outlets had a relatively minor effect on the placement of two buildings. SHA's initial design for its first new building included ground-floor affordable retail outlets. Zoning for the parcel requires storefront-level nonresidential uses, which SHA had to drop from the building design after the reduction in funds. SHA swapped adjacent parcels with the private developer who had ground-floor retail businesses in its building design. This funding-related change was not anticipated to affect the overall redevelopment plan in light of subsequent Choice grant and land-sales expectations.

Property Management and Community Building

Changes in housing management

The Choice notices of funding availability stressed the importance of well-managed properties but did not establish management-specific requirements to be addressed in grant applications nor goals to guide post-redevelopment management practices. Nevertheless, the research team asked about management plans, including any changes to the management provider, resident rules, and guiding visions for managing the redeveloped target developments. Management entities were involved in various Choice-related meetings and engaged in the redevelopment process. Based on this involvement and the body of research on property and community management issues in HOPE VI developments, the research team thought it likely that grantees would have focused attention on management, which they have done to an extent (Abravanel, Levy, and McFarland, 2011a, 2011b).

Woodledge-Morrant Bay, Grove Parc, and Yesler Terrace plan to retain the pre-Choice property management entity; management will change in Iberville and Alice Griffith (exhibit 2.8). Yesler Terrace will be the only property managed by a housing authority. Private, for-profit companies will manage the replacement housing in the other target developments.

One of the most significant changes to management discussed by grantees and housing managers involved the structure for management provision. Yesler Terrace and Alice Griffith plan to decentralize management offices by locating them on site. Yesler Terrace already had onsite management, but offices will be in each building post-redevelopment to support the goal to increase management's availability and responsiveness. Grove Parc and Iberville already had onsite offices and plan to maintain this approach, but they will not include an office in each building. In Woodledge-Morrant Bay, past property management challenges had been addressed in part by placing management on site. Although this move led to improvements, the management office will not be on site after redevelopment.

Discussion among Choice housing partners and managers about management plans and concerns for the redeveloped housing focused on issues stemming from current or past problems. For example, respondents talked about the need for responsive property maintenance and enforcement of rules and lease-compliance requirements. They voiced concerns about residents' care for their units, timely rent payments, and safety and resident behavior.

Exhibit 2.8. Property Management Entities

Target Development (City)	Pre-Choice	Post-Redevelopment	Model	Notes
Woodledge-Morrant Bay (Boston)	United Housing Management	United Housing Management	Private, for profit	
Grove Parc (Chicago)	Preservation Housing Management	Preservation Housing Management		Colocated partner of POAH
Iberville (New Orleans)	Housing Authority of New Orleans	HRI Properties		
Alice Griffith (San Francisco)	San Francisco Housing Authority	McCormack Baron Ragan Management Services		Affiliate of McCormack Baron Salazar
Yesler Terrace (Seattle)	Seattle Housing Authority	Seattle Housing Authority	Public, nonprofit	

Choice = Choice Neighborhoods Initiative. POAH = Preservation of Affordable Housing, Inc.
Source: Choice Neighborhoods application, second round

COMMUNITY BUILDING

All but one of the Choice target developments will include mixed-income housing. Studies of mixed-income developments have addressed the importance of healthy resident interactions and community-building efforts to successful properties (Chaskin and Joseph, 2011; Chaskin, Khare, and Joseph, 2012). Site plans have been developed by grantees with an eye toward supporting resident engagement, as discussed previously. When asked about specific plans related to community-building efforts within the future mixed-income housing, grantees and managers indicated their intentions to engage residents and support resident interactions, but, as of September 2013, they did not yet have detailed plans.[27]

[27] Since September 2013, Yesler has begun planning for community-building activities among residents living in the buildings constructed during the first phase.

CONCLUSION

Housing redevelopment was under way or soon would be in all target developments as of September 2013. As evidenced by the site and housing design plans, the five grantees are striving to balance a number of concerns through housing improvements. Resident health and safety, building and resident security, energy efficiency, and property management and maintenance all stand to improve from the design and construction choices grantees have made with input from residents and the broader communities. A review of the financial plans found them to be feasible; barring unforeseen circumstances, the redevelopment plans should be achievable.

Grantees have faced a number of challenges that have affected housing and site plans in the first 2 years of implementation, including delays accessing funding; site problems, including how to design around burials; and numerous other challenges that have been documented in the interim report (Pendall et al., 2013) and appendix B of this report. Although schedules were delayed and, in some cases, grantees had to modify plans, no challenge has halted implementation.

Two issues to watch as Choice implementation continues are (1) the way that housing buildout occurs within the context of a changing neighborhood and how the redeveloped housing, once complete, influences resident well-being and the surrounding neighborhood, and (2) the development of social communities among residents of the redeveloped housing and challenges property managers face with supporting positive interactions and realizing a mixed-income resident base.

ISSUES AND OPPORTUNITIES

- **Buildout amid neighborhood transformation.** With tens of millions of dollars in federal investment and hundreds of millions in private-sector expenditure, the new housing in these neighborhoods will help redefine blocks, districts, and even the entire neighborhood. Buildout in Eastern Bayview, Yesler, Woodlawn, and Iberville-Tremé will take years and involve many deals and partnerships. Each phase of each project represents an opportunity to learn and improve in the next phase so that these investments maximize the quality of the new developments and their neighborhoods.
- **Community building.** Interactions among the residents of the redeveloped housing will affect whether Choice reaches its goals. Trust and community cohesion are critical drivers of positive individual and neighborhood outcomes (Klinenberg, 2003; Mohnen et al., 2014; Wallace and Wallace, 2008). Trust does not emerge automatically or easily, however, especially in distressed communities (Letki, 2008). The grantees and HUD therefore will improve outcomes if they develop management plans that build positive relations among residents as soon as possible after they move in.[28]

The investment in housing redevelopment already has begun to improve the housing stock, but it is too early to know the extent to which other housing-related aims will be achieved. Future research on the five initial and subsequent Choice grantees can take up questions related to factors supporting healthy mixed-income developments, changes to the composition of the resident base, improvements in energy consumption, and whether investments in housing lead to positive spillover effects among nearby homeowners. (For an overview of suggested research topics, see appendix H.)

[28] Joseph and Gress (2013).

3. Supporting the Residents and Community

Findings

- **Grantee teams with experience implementing HOPE VI projects launched services more rapidly than grantees with HUD-assisted developments.** Grantees had broad latitude to design their teams, decide on case management approaches, set priorities for service enrichment, and engage with residents to accomplish Choice's far-reaching goals for resident outcomes. For each of these functions, experience from HOPE VI enabled the New Orleans, San Francisco, and Seattle Choice grantees to make more progress in the people domain than Boston or Chicago grantees did by September 2013.
- **The urgency to demolish units and relocate residents complicated the initiation of case management services in all three target developments with significant relocation activity.** In Woodledge-Morrant Bay and Grove Parc, delays in case management resulted in residents being relocated before engagement with a social service provider who could assist in lease compliance, moving preparation, and eventual housing placement. At Iberville, early progress was made on case management before relocation began, but progress slowed when relocation commenced.
- **All five grantees facilitated access to services for residents of the target development in at least one of the following areas: health, early childhood supports, education, and workforce development.** Choice, however, has not yet led to system-level coordination among local human development organizations, schools, health providers, and other entities in ways that changed access or quality of services for neighborhood residents overall.

Introduction

The Choice Neighborhoods Initiative aims to support positive social and economic outcomes related to residents' health, safety, employment, and education. Choice implementation grantees have the flexibility to allocate up to 15 percent of the total Choice award toward community-based interventions that aim to improve residents' quality of life. HUD classifies these supports as the people domain and requires that Choice grantees establish services that increase the likelihood that residents who live in the target development experience improvements relative to their preredevelopment circumstances. In addition, Choice aims to affect the quality of life of all residents who live in the surrounding Choice neighborhood by improving educational resources, health services, public systems, and the capacity of local organizations. Considering that many lease-compliant residents may return to the redeveloped projects, significant funding, coordination, and new leverage will be necessary to meet these high aspirations.

The early implementation experience of the first five Choice grantees led to subsequent changes to the Choice model for community-based interventions aimed at improving residents' quality of life. In the first FY 2010 HUD notice of funding availability (NOFA) and applications, the resident and community support activities aimed to serve all neighborhood residents by reforming human services infrastructure across the workforce development, mental and physical health, and education domains. Within the first 2 years, the focus on coordinating services, leveraging existing resources, and reforming systems needed

to be balanced with the immediate needs facing assisted households undergoing relocation. HUD's work with grantees through monthly coordination calls, site visits, onsite technical assistance, and refinement of the performance measurement system communicated that Choice funds should deliver high-quality case management services and relocation supports to assisted households. Choice grantees were also encouraged to develop service coordination models that leverage existing supportive services from area hospitals, universities, city agencies and private institutions so that all low-income neighborhood residents would benefit from Choice.

In *Developing Choice Neighborhoods*, Pendall et al. (2013) detailed aspects of the Choice grantees' applications and initial progress, including supportive services strategies and program budgets. This chapter builds on that report by highlighting the early implementation of resident and community support activities. The HUD-defined people domain framework, which includes intended beneficiaries and program types, coordination expectations, funding arrangements, and performance measurement requirements, is summarized. The chapter then examines progress toward implementation in four program areas: (1) resident and community engagement, (2) service coordination, (3) relocation and reoccupancy, and (4) case management. The chapter concludes with recommendations for further research and evaluation.

CHOICE PEOPLE DOMAIN FRAMEWORK

DEFINING RESIDENTS' NEEDS

Although diversity exists within and across Choice neighborhoods, residents of the target development typically have experienced living in neighborhoods with concentrated poverty and a high rate of violence. As such, residents face the need for an array of basic supports, including a safe environment, adequate nutrition, health-promoting routines, consistent living-wage jobs, and access to high-quality educational opportunities. Children and youth living in the target developments also face challenges with school engagement and early exposure to community violence. Across all five neighborhoods, the residents of the Choice target development have very low incomes, with between 68 and 87 percent of households earning less than $15,000 per year, according to the Choice Neighborhoods Baseline Survey 2013–14. Employment rates are also low, with the highest rate of employment of 53 percent at Woodledge-Morrant Bay (exhibit 3.1). A substantial portion of residents reported disabilities, with the highest rate of 30 percent of household heads in Iberville. Residents' race and ethnicity, primary language, health status, income sources, and other characteristics range within and across developments. The diversity of resident demographics is summarized in *Developing Choice Neighborhoods*, Pendall et al. (2013). [29]

[29] For more detail on characteristics of residents of the target development, see *Developing Choice Neighborhoods*, Pendall et al. (2013), section 2-2.

Exhibit 3.1. Characteristics of Residents of Choice Target Developments, May 2011

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

Choice = Choice Neighborhoods Initiative.
* Variation exists in the definition of *children* and *seniors* across the sites.
Sources: Choice second-round applications, results reported from resident needs assessments; race and ethnicity data for Alice Griffith are from LFA Group (2012); wage data are from the U.S. Department of Housing and Urban Development's Public and Indian Housing Information Center, or PIC, and Tenant Rental Assistance Certification System, or TRACS, databases (2010 data)

Defining the Resident and Community Support Activities

Choice provides grantees some flexibility in determining the types of programs offered and which demographic the programs are intended to benefit within the HUD-defined people framework. Residents are not required to participate in services of any kind. Rather, they have the choice to take advantage of these interventions.

The evaluation team's analysis of the NOFAs and observations of the grantees' activities suggest division of the many supportive services activities into four main program areas (exhibit 3.2).

1. **Resident and community engagement.** Activities to increase the levels of leadership and participation by all community members in the Choice transformation planning and throughout the implementation process.[30]
2. **Service coordination.** The 2010 second-round NOFA defines service coordination as "a systems-centered approach to coordinating multiple services across agencies within a community, based on the needs of the target resident population, in order to increase accessibility, utilization, and quality of services and to reduce fragmentation in service delivery systems" (HUD, 2010c: 6). Grantees are expected to develop this systems approach by building partnerships and networks with community-based supportive and social service agencies and by creating new services in neighborhoods where they are lacking. Service coordination is required to reform community-based services to "increase accessibility, utilization, and quality of services and to reduce fragmentation in service delivery systems" leading to benefits for "HUD-assisted as well as other low-income residents in the neighborhood" (HUD 2010a: 17). Required activities also include "partnering with local educators, and engaging in local community planning" to improve outcomes for resident children and youth (HUD, 2010a: 17).
3. **Relocation and reoccupancy.** Activities such as mobility counseling and relocation supports to facilitate the return of residents of the target development to the redeveloped housing or to other housing opportunities.
4. **Case management.** Activities that include "an individual- or family-centered approach to assisting people of all ages with accessing the services they want and need."[31] The second-round NOFA suggests that "The intensity and frequency of case management services should be tailored to the level of an individual's or family's needs" (HUD, 2010c: 5). Further discussion in the NOFA of the "hard to house" population suggests that special emphasis in case management should be placed on working with this "special population of residents who face multiple, persistent barriers to move toward self-sufficiency or maintain stable housing for reasons that go beyond affordability, such as long-term unemployment, substance use or mental health problems, and/or a criminal record," because "these vulnerable households may have trouble finding a unit in the private market and may face significant challenges meeting the screening requirements to return to a new mixed-income development" (HUD, 2010c: 5).

[30] In the second-round application, HUD scored applicants based on the demonstration that they "involved and will continue to involve neighborhood residents (including residents of the targeted public and/or assisted housing), local businesses, and community organizations in a sustained, informed and substantive way in the development and implementation of the Transformation Plan" and "the impact of their involvement in shaping the vision for the neighborhood" (HUD, 2010c: 42). Although not explicitly a people intervention, these types of activities were included as activities that HUD requires (HUD, 2010c: 42).

[31] HUD defines case management as "an individual- or family-centered approach to assisting people of all ages with accessing the services they want and need. It includes screening/assessment/risk management, individualized service planning based on resident needs and choices, provision of options and information, linkage/referral to formal and informal services and supports, service coordination at the client-level, crisis intervention, followup, advocacy, monitoring/evaluation of resident progress as well as timeliness and effectiveness of service delivery, and maintenance of records" (HUD, 2010c: 5).

Exhibit 3.2. Program Type and Community Support Activities for Choice Neighborhoods

Choice = Choice Neighborhoods Initiative.

Coordinating Resident and Community Support Activities

In the application process, Choice grantees specified how they planned to implement HUD-defined people activities. Grantee teams that included public housing authorities (PHAs) built on their previous experience implementing services as part of their HOPE VI grants. PHAs were able to leverage existing systems for providing case management and supportive services. For example, the Seattle Housing Authority (SHA) had a robust resident services department with culturally competent service providers. Choice grantees in San Francisco and New Orleans contracted with Urban Strategies, a national nonprofit organization, to be their provider based on previous successful partnerships on HOPE VI redevelopment efforts.

The Chicago and Boston Choice grantees, on the other hand, had to build an infrastructure to effectively engage residents because resident-driven planning and partnerships did not exist before the Choice award. HUD-assisted grantees also did not have experience overseeing service provision, but they made progress toward launching strong programs by the end of our data collection. In addition, residents living in the target developments had not necessarily experienced onsite social services provision and, thus, were hesitant to establish relationships with providers. By the end of our data collection, residents from Grove Parc were engaged in services, and residents in Woodledge/Morrant Bay were engaged with the relocation provider, who was making plans for more long-term service engagement.

Different types of partner organizations served as the lead implementation entities and were accountable for overseeing the delivery of services (exhibit 3.3). The lead entities were selected by the Choice grantees and, in some cases, were the lead grantees themselves. In addition, each grantee subcontracted with nonprofit organizations to offer specialized interventions to address the diverse needs of residents in Choice neighborhoods. The Boston grantee planned to have as many as eight subcontracts with local providers. On the other hand, SHA subcontracted with only two local organizations that focused primarily on health and education services.

Communication between grantees and their providers was seamless in Yesler Terrace, where case management and property management were housed in the same agency and staff shared access to data. The Iberville relocation specialists and property managers consistently facilitated face-to-face meetings between residents and case managers. By contrast, the teams of relocation specialists, property managers, and case management providers in Woodledge-Morrant Bay and Grove Parc did not have the same advantage of established communication between property managers and service providers. Several grantees, including those in Iberville-Tremé and Woodlawn, planned to colocate the social services, housing relocation, and property management teams with the goal of improved communication.

The services were in various stages of implementation at the conclusion of fieldwork in September 2013. Most grantees had begun some activities before the Choice grant award; for example, the Chicago Choice grantee team had begun to provide relocation counseling but had not started case management. The grantee teams in San Francisco and New Orleans benefited from a strong organizational history of working on HOPE VI developments and, thus, were more easily able to launch services within months of receiving the Choice award.

The three PHA-based grantee teams were able to build their outreach efforts using established tenant councils that were already receiving technical assistance from HUD to help coordinate resident engagement. In addition, SHA hired service providers who were already trusted in the community. HUD-assisted housing grantees in Quincy Corridor and Woodlawn, by contrast, had to establish new relationships with contracted service providers who, in turn, had to conduct outreach and establish relationships with residents during the period of observation.

Exhibit 3.3. Resident and Community Support Activities for Choice Neighborhoods

Choice Neighborhood (City)	Type of Housing	Lead People Implementation Entity	Planned Service Provision Partnerships	Number of Households To Be Served From Target Development	Choice Funding Allocation per Household for 5 Years[a]	Timing of Case Management Services Offered[b]
Quincy Corridor (Boston)	HUD-assisted housing	City Department of Jobs and Community Services	Contracts with local public and nonprofit providers	128 (Woodledge-Morrant Bay)	$24,023	Services offered 1.5 years into grant
Woodlawn (Chicago)	HUD-assisted housing	Local human services nonprofit	Contracts with local nonprofit providers	344 (Grove Parc)	$13,299	Services offered 1 year into grant[c]
Iberville-Tremé (New Orleans)	Public housing	Joint venture company created for revitalization of Iberville-Tremé	National human services nonprofit organization with local offices and contracts with local providers	440 (Iberville)	$10,397	Services offered at the time of grant award
Eastern Bayview (San Francisco)	Public housing	National human services nonprofit with local offices	Partnerships and some contracts with public and nonprofit providers	216 (Alice Griffith)	$21,180	Services offered at the time of grant award
Yesler (Seattle)	Public housing	PHA	PHA staff provide case management services; partnership with university and nonprofit provider	504 (Yesler Terrace)	$8,912	Services offered at the time of grant award

Choice = Choice Neighborhoods Initiative. PHA = public housing authority.

[a] These figures were determined by dividing the number of households in the target development at the time of second-round application by the total amount of the Choice grant budgeted for people activities in the second-round application. These budgeted amounts may have been reallocated during grant implementation if the Grantee petitioned to HUD to request budget changes.

[b] The HUD grant agreement requires that grantees start service coordination and case management services within 30 days of the notification of grant award.

[c] Services for Grove Parc residents were delayed when the selected service partner ceased operations. Services began within a month after a contract was executed with the new service partner in June 2012.

Source: Choice applications, second round; budgets; other grantee-provided information

Funding for Resident and Community Support Activities

HUD regulations for Choice resident and community support activities are based on Section 24 of the U.S. Housing Act of 1937, which allows for up to 15 percent of the total Choice grant to be used for people activities.[32] This amount translates to between $3 million and $4.5 million over the 5-year grant. A separate line item in the housing development budget is provided for activities directly related to paying for the cost to relocate residents.[33]

To understand how the funding level affects service delivery, it is important to consider the number of households living in the target developments at the time of the Choice applications and whether, and how much, additional funding for service delivery the grantees were able to leverage from other sources. At the time of grant application, the number of households living in the target developments ranged from just 128 in Woodledge-Morrant Bay to 504 in Yesler Terrace (exhibit 3.3). The amount of direct Choice funding per household in the target development varied considerably, from $8,912 per household in Yesler Terrace to $24,023 per household in Woodledge-Morrant Bay. [34] Grantees with fewer households at the time of application could potentially provide more services than those with a larger number of residents because they had more funds available.

To supplement Choice funding and to sustain service provision after the grant period, HUD requires grantees to leverage existing programs and funding by developing partnerships with other service providers. The amount and type of leveraged resources in the Choice applications from partners varied across the Choice neighborhoods; grantee teams with PHA involvement demonstrated a greater capacity to access leveraged resources. In particular, grantees in Eastern Bayview and Yesler partnered with municipal and state government offices to have existing public services delivered in the Choice neighborhoods.

Measuring Outcomes of the Resident and Community Support Activities

Choice seeks to improve household outcomes and track progress through an extensive performance measurement system. HUD established nine overarching outcomes for residents living in the target

[32] HUD sets a limit on the proportion of the grant that can be used for supportive services: "Consistent with sections 24(d)(1)(L) and 24(j)(3) of the 1937 Act, you may use up to 15 percent of the total Choice Neighborhoods grant to pay the costs of Supportive Services activities. You may spend additional sums on Supportive Services activities using donations; other HUD funds made available for that purpose; and other federal, state, local, PHA, or private-sector donations (leverage)" (HUD, 2010a: 32).

[33] Activities that involve relocation include the cost of pay for temporary apartment units and moving companies that physically move residents' personal items. These activities do not include the services related to preparing residents to relocate, such as mobility counseling that involves helping residents to determine housing options and prepare for the screening and eligibility criteria.

[34] The funding-per-household formula was generated by dividing the number of households in the target development at the time of the second-round application by the total amount of the Choice grant budgeted for people activities in the second-round application. This formula assumes that the budget allocates funding to serve target development households rather than all residents living in the surrounding neighborhood. In addition, this formula does not take into consideration any leveraged services or additional non-Choice funding the grantee may have secured.

development and those residents who would move into the new revitalized housing. In addition, HUD required grantees to track all residents who relocated during redevelopment—including those who moved out of the development—starting in December 2010 through the life of the grant.[35] Grantees were responsible for collecting data and submitting quarterly and annual reports tracking progress toward these outcomes and on outcomes related to housing and neighborhood activities (appendix F).[36] These reports include metrics that measure residents' quality of life, such as the number of accredited early learning and childcare slots offered in the neighborhood and the utilization rates of neighborhood health clinics.

To meet the data collection requirements for the quarterly and annual reports to HUD, the grantees had to develop data-sharing agreements and procedures to control the quality of data collection and train staff to directly enter data into new software systems. Management staff expressed concerns about having to balance the need to launch quality services with the need to develop the performance measurement system. Further, grantees expressed different levels of comfort collecting data and reporting outcomes. Health- and education-related data were particularly difficult to access. In addition, to produce some of the indicators, grantees had to survey residents, which the grantees perceived as invasive, potentially interrupting critical early engagement with residents when direct service providers needed to establish trust. Staff worried that asking residents for personal information for reporting purposes would undermine their ability to build trust that leads to more genuine and lasting service provision.

By the end of our data collection period, HUD officials and grantee teams were working together to streamline the data collection requirements to reduce inefficiencies. Grantee teams benefited from HUD-delivered technical assistance and from better definitions of required data. New management tools helped front-line staff collect data, and progress could be seen in the quarterly reports that grantees submitted to HUD.

The remainder of this chapter summarizes the four program areas that were in early stages of implementation: (1) resident and community engagement, (2) service coordination, (3) relocation and reoccupancy, and (4) case management.

Resident and Community Engagement

HUD requires Choice grantees to undertake activities that encourage the participation and involvement of neighborhood households, local businesses, and community organizations in Choice planning and implementation. Grantees developed a range of strategies for resident engagement, reflecting the history of resident leadership in the neighborhood and the capacity of local organizations. Grantees prioritized residents of the target development over other groups in their engagement efforts.

[35] In the NOFA, HUD specified that residents not returning to the redeveloped site by their own choice were expected to enjoy housing and neighborhood opportunities equal to or better than those experienced by people returning to the redeveloped site.

[36] HUD outcomes include the following: (1) children, youth, and adults are physically and mentally healthy; (2) children enter kindergarten ready to learn; (3) children are proficient in academic subjects; (4) youth graduate from high school and college and are career ready; (5) households are economically stable and self-sufficient; (6) residents feel safe in their neighborhood; (7) residents have choices about where to live; (8) vulnerable populations are supported during relocation; and (9) residents are stably housed during relocation (HUD, 2010c: 31; 35).

Grantees reported that their ability to engage residents of the target development was essential for understanding resident perspectives, tailoring their interventions to resident interests and needs, and supporting residents throughout redevelopment. All grantees encouraged residents in target developments to participate in unit design, program planning, and other neighborhood events.

Grantee teams that included PHAs had the benefit of at least a decade of resident-driven engagement before Choice. The grantees in Seattle, New Orleans, and San Francisco consistently used community-building or resident leadership strategies to engage residents in Choice. In Iberville, resident leaders on the Iberville Resident Working Team joined the monthly implementation team meetings, creating regular opportunities for the grantee team to communicate and receive input from resident leaders. At Alice Griffith, strong tenant leadership was the goal of Urban Strategies' peer model, in which resident leaders engaged their peers in conversations in their own homes to discuss issues that affect their community. SHA's Citizen Review Committee demonstrated the role that residents can play in redevelopment projects.[37] For example, the committee developed guiding principles for the redevelopment and offered a forum for stakeholders to disseminate information, communicate, and coordinate.

The two Choice grantees with HUD-assisted developments faced the challenge of not having HUD-required resident organizations that are typical in developments governed by the public housing program. Thus, residents living in these two housing developments lacked a strong history of established partnerships with housing and service providers. In Woodlawn, a tenant council existed, although inconsistent leadership resulted in challenges by the grantee to effectively partner with resident leaders. In Quincy Corridor, a resident organization was not established before the Choice grant and the grantee had yet to establish a formal mechanism for residents to provide ongoing input into the grant implementation.

Grantees in all five Choice neighborhoods struggled to engage residents from the surrounding neighborhood in Choice activities and plans, particularly if neighborhood residents did not share a common identity or no active community partner engaged with the Choice team. Data from the baseline household survey indicate that residents of the target development had attended a meeting about redevelopment in the previous 2 years and were far more likely than residents from the surrounding neighborhood to attend a meeting or report that they "strongly agree" that they have a say in plans for how the new development will look.

Service Coordination

Choice aims to expand access to "activities that will promote upward mobility, self-sufficiency, or improved quality of life" for all residents of the neighborhoods (HUD, 2010a: 13). These activities primarily address needs in the areas of health, early childhood supports and education, and employment and workforce development. Required activities also include "partnering with local

[37] The Citizen Review Committee was required as a result of a 2002 settlement secured by the Seattle Displacement Coalition in their fight against the redevelopment of Rainier Vista, a HOPE VI redevelopment. Begun in 2006, the committee comprises approximately 30 residents, members of the surrounding communities, and other key stakeholders.

educators, and engaging in local community planning, to help increase access to programs that combine a continuum of effective community services, strong family supports, and comprehensive education reforms to improve the academic and developmental outcomes for resident children and youth" (HUD, 2010a: 17). Grantees are encouraged to design interventions based on the needs of the local community.[38] To deliver services to residents, grantees have worked on two fronts. First, improvements are under way in the number and quality of services available to neighborhood residents. Second, grantees are working to coordinate established and new service providers in health, early childhood supports, education, and workforce development.

Enriching Services for Residents

Early Childhood and Education

One of Choice's goals is for the transformation efforts to be connected with educational improvement efforts, using the theory that local, high-quality schools are an important component of creating and maintaining a mixed-income neighborhood.[39] Choice performance metrics set out expectations for improvement in the schools attended by most children in the target developments, access to higher quality schools, and greater quality and availability of early childhood programming (appendix F). Choice grantees are required to document changes in early childhood and educational outcomes of youth from the target development. Grantees were working to implement a range of interventions related to these outcomes.

Plans to engage with neighborhood schools and establish programming designed to boost student achievement were slow to emerge in these Choice neighborhoods. A major issue to emerge was the difficulty of engaging city school districts that had not necessarily been part of the design and launch of the Choice initiatives. Also, without formal data agreements, privacy rules generally prevented school districts form sharing individual student records with grantees, meaning that grantees were unable to collect education-related data for performance measures.

Another challenge to Choice's ability to coordinate with and influence activities at neighborhood schools was the level of school choice, because children and youth in the target developments and the neighborhoods attended schools in all parts of their cities. Some measure of parental choice in school enrollment was available in all locations except Yesler (Pendall et al., 2013). The integration of school-based reform interventions into neighborhood planning processes would not directly affect youth because many youth from the Choice neighborhoods and target developments did not attend local schools. In addition, in Woodlawn, lower enrollment in nearby schools resulted in school closings during in the first 2 years of Choice, creating disruptions for families and teachers in Woodlawn.

[38] HUD defines these supportive services as "all activities that will promote upward mobility, self-sufficiency, or improved quality of life, including such activities as literacy training, activities that promote early learning and the continuum of educational supports, remedial and continuing education, job training, financial literacy instruction, day care, youth services, aging-in-place, public transportation, physical and mental health services, economic development activities, and other programs for which the community demonstrates need" (HUD, 2010a: 13).

[39] The Choice NOFA even specifies that eligible neighborhoods can be considered distressed, and thus eligible to apply for Choice funding, by indication of having a low-performing school or where at least 20 children or 20 percent of children in the target development attend a low-performing school.

The need for higher quality and better access to early childhood supports, such as home-based infant and parenting services and full-day early childhood education, was a priority in Yesler, Iberville-Tremé, and Eastern Bayview. SHA and a local nonprofit organization launched a partnership to provide a parent-child home visit program. Families with young children who live in Yesler Terrace receive home-based supports from qualified health and parenting educators during a 10-week period with followup supports for more than 2 years. In Iberville-Tremé, efforts were made to develop stronger referral networks with high-quality early childhood centers. In Eastern Bayview, the grantee proposed using $2.3 million in Choice funds to develop an early childhood education center.[40]

Several Choice grantees sought to develop programs using a two-generation model. Urban Strategies in Iberville-Tremé, in partnership with Success Prep charter school, established a program to support parent literacy while also providing afterschool programming for youth. In Eastern Bayview, Urban Strategies is partnering with a clinic that provides trauma-informed care for children and their families. The Woodlawn Children's Promise Community created child-parent centers within two of the local neighborhood schools where the entire family could access educational supports. SHA targeted most of its Choice funding to developing a robust model of services offered across developmental stages from birth to high school graduation, in partnership with Seattle University, the Seattle Department of Education, and other local partners. In addition to providing the parent-child home visit program, which is specifically designed as a two-generation model, SHA also addressed educational challenges by hiring a family education engagement specialist who focused on building relationships with schools attended by most Choice children, working with schools and families to develop educational plans for students, and working with students not attending school to develop educational plans for reentry or general equivalency diploma, or GED, programs.[41]

Choice funds for these types of services averaged approximately $600,000. (For details, see program activities included in appendix B.) In all five Choice neighborhoods, the need for early childhood and educational supports eclipsed the grant and other committed resources. Grantees sought to address these gaps by leveraging additional funding from state, local, and philanthropic sources to sustain early childhood and educational programming over time. Only in Boston, through the Promise Neighborhoods implementation grant that overlaps with the Quincy Corridor neighborhood, was the grantee able to capture new federal funding sources. Iberville-Tremé and Woodlawn education partners applied for Promise Neighborhoods grants without success.

Employment and Workforce Development

Another goal of Choice is to increase economic self-sufficiency among residents and increase neighborhood employment rates so they are similar to or better than those in other neighborhoods in the city. The baseline survey indicated that the proportion of residents reporting paid employment ranged from 43 percent in Quincy Corridor and Woodlawn to 55 percent in Eastern Bayview (exhibit 3.4).

[40] Choice funds for the early childhood center were budgeted as a part of the Critical Community Investments. (See chapter 10.)

[41] For more information about the model in Seattle, see Blank, Jacobson, and Minerve (2014).

Exhibit 3.4. Employment Status and Reported Reasons for Not Working

	Quincy Corridor	Woodlawn	Iberville-Tremé	Eastern Bayview	Yesler
Heads of households in the Choice neighborhood (%)					
Working for pay	43	43	46	55	49
Not working for pay	57	57	54	45	51
Heads of households not working for pay by main reason (%)					
Permanent disability	30	27	26	27	29
Taking care of home or family	11	4	4	6	4
Health problem	9	16	8	7	18
Retirement or age	12	17	20	17	11

Choice = Choice Neighborhoods Initiative.

Source: Choice Neighborhood Baseline Survey 2013–14

Of those employed, between 11 and 19 percent had multiple jobs. Residents of the target development most commonly gave the following reasons for not working: permanent disability, home and childcare responsibilities, poor health, and retirement or old age.

According to interviews with service providers, residents across all five Choice neighborhoods most often seek employment in the surrounding local area because of a range of factors, including transportation barriers, the need to be near childcare, and unfamiliarity with navigating job opportunities in the broader city or region. Very few residents of Choice neighborhoods, however, end up working within the exact boundaries of their neighborhood.[42]

Choice grantees developed a range of workforce development opportunities for residents seeking employment. Woodledge-Morrant Bay and Yesler Terrace had many residents who were unemployed, had long histories of unemployment, and lacked credentials that would enable them to obtain employment. For this population, employment services included job search resources, resume writing, and job application supports. Providers also referred residents to job programs that provided temporary work placements so that residents developed work histories to move into permanent employment. In Alice Griffith, Urban Strategies employed a similar model that uses their service connection staff to link residents to workforce supports and jobs. The Family Rewards Program motivates behavioral change by providing monetary rewards in the range of $20 to $100 for activities such as the completion of an adult literacy seminar series, obtaining a job, and completing a physical health exam. In Woodlawn, the Center for Working Families model resulted in an increased number of job placements for residents of the target development. In addition, residents received financial counseling, tax preparation services, and eligibility screening for state and federal financial assistance.[43]

[42] About 2 to 3 percent of neighborhood residents in Woodlawn and Iberville-Tremé worked within the boundaries of the Choice neighborhoods. Slightly more Eastern Bayview residents (7.9 percent) and Yesler residents (12.4 percent) worked in the Choice neighborhoods. For more information about employment trends, refer to *Developing Choice Neighborhoods*, section 2.3.4.2.

[43] The Center for Working Families model is a national model led by the Annie E. Casey Foundation. (See http://www.aecf.org/work/economic-opportunity/center-for-working-families/.)

Iberville residents were able to access various training programs aimed at developing their skills in industries where local jobs are available, such as construction or customer service. According to providers, it appeared that residents who lived outside the Iberville target development were more likely to engage in these services, in part because of stringent eligibility requirements such as drug testing. Urban Strategies was in the process of developing job training in the areas of health care, film, and culinary arts.

Grantees reported difficulties integrating their efforts with existing workforce initiatives. For example, grantees described major obstacles to aligning public services, such as ensuring that residents of the target developments could access slots in specialized job training and family support programs. According to a grantee representative in Quincy Corridor, "Changing workforce development in the neighborhood involves changing a huge system. This requires a lot of vision and effort [beyond Choice]."

Mental and Physical Health

Choice sets clear expectations for the positive effects of redevelopment on health-related outcomes. Grantees were in the early stages of developing strategies that would lead to improved physical health outcomes, including making linkages to healthcare centers. For example, the grantee team in Seattle partnered with a nonprofit provider, Neighborcare Health, to open a health clinic at the local elementary school. In Alice Griffith, the grantee team implemented a healthy food initiative in which residents volunteered to deliver food to seniors who require nutritional support. In addition, two grantees developed programs to ensure residents were enrolled in health insurance to comply with the Affordable Care Act. In Chicago, a Choice partner received funding to hire outreach counselors to identify the 8,000 residents in Woodlawn without health insurance, provide in-person enrollment support, and train other providers in the neighborhood. SHA launched a new initiative in partnership with NeighborCare Health to hire two neighborhood health educators to help households navigate the health insurance system.

In Quincy Corridor, Choice grantees identified a need for intensive clinical therapy based on reports from providers who had been assisting the population. When the Choice grant was obtained, not enough providers were within or near the neighborhood. Grantees used the Choice grant to fund a trauma coordinator position, which the Grove Hall Violence Intervention and Prevention program operated in partnership with the Boston Public Health Commission, to facilitate training and build a network of trauma-informed responders whom neighborhood residents can access.

Across the Choice neighborhoods, grantees reported the need for more outpatient counseling services for adults and children with histories of trauma, neglect, and violent abuse. Mental health care and substance abuse services, however, appeared to be inadequate to meet the need in all five Choice neighborhoods. The grantee team in San Francisco partnered with the Center for Youth Wellness to create a "trauma aware zone" that provides training for frontline service providers to build awareness of how to recognize the signs of trauma and to encourage families to access services. Many residents of Iberville-Tremé, where 43 percent of residents report symptoms of a mental health disorder and 32 percent report symptoms of anxiety, suffer as a result of long-term trauma associated with living in poverty and the post-stress response to Hurricane Katrina. City leaders across sectors (education,

criminal justice, and housing) discussed this issue often, agreeing that services had not yet been restored to pre-hurricane levels, despite an increased need. (According to one service provider in Iberville-Tremé, "people don't want to admit that they are depressed," suggesting that making more services available is only part of the solution.) In Quincy Corridor, where comparable rates of mental health and anxiety symptoms are reported, the Choice grant addresses mental health needs by funding a full-time clinician at a local high school to provide mental health services for youth and families and by expanding the Grove Hall Violence Intervention and Prevention program with an additional trauma coordinator.

Improving Service Coordination

Service coordination is an approach to reforming and integrating the complex community-based social services system based on the needs and desires of local residents. On national and local levels, services span education, employment, health, safety, and child and youth supports and are funded and delivered through separate administrative agencies. As a result, low-income families who face challenges may receive services from multiple agencies and social services providers that are not connected to each other. This service disconnection results in families having to navigate numerous systems and processes to meet basic needs. The goal of Choice's service coordination is to encourage grantees to develop strategies to "increase accessibility, utilization, and quality of services and to reduce fragmentation in service delivery systems" (HUD, 2010c: 6). The hope is that local service coordination would benefit *all* low-income residents in the neighborhood.

Most grantees were in the early stages of implementing service coordination reforms in September 2013. In all five Choice neighborhoods, lead implementation entities had mapped out the range of available community-based services and had begun to identify services that were not available. Grantees or their subcontracted providers were at varying stages of outreach to nonprofit organizations, school districts, and other public service entities (such as workforce development boards and public health departments) to coordinate services.

In all five Choice neighborhoods, providers cited the following services as most difficult to access: high-quality, full-day, educational-based preschool programs (such as Early Start and Head Start); job training that leads to temporary or long-term paid employment; clinical trauma-informed mental health and substance abuse services; and resources for youth education, after-school activities, and violence prevention.

Even when services were available elsewhere in the city, providers across all Choice neighborhoods reported that state-funded and federally funded human services programs were not reaching residents living in subsidized housing. In Yesler, Eastern Bayview, and Quincy Corridor, grantees reported that it was particularly difficult to access public services that were language accessible and culturally appropriate. To address these challenges, Choice grantees developed new relationships with providers outside the neighborhood and increased access to services by creating enrollment and participation opportunities at the target developments.

Grantees also sought to enhance the quality of neighborhood-based services by providing training and encouraging providers with similar goals to work together. For example, the Network of Woodlawn, or NOW, created a Health and Human Services Consortium that brought together local providers to work on enrollment in Affordable Care Act health programs. All grantees devoted some portions of their grants to subcontracting with local service providers and, to some extent, made attempts to coordinate these services.

SHA stands out for being able to leverage partnerships to provide educational, job training, and placement opportunities with hospitals, a community college, and a university within walking distance of Yesler Terrace.

Relocation and Reoccupancy

Choice grantees' housing redevelopment plans require residents of the target development to relocate to revitalized replacement units, to temporary units before moving to replacement housing, or to private housing using a housing choice voucher (HCV). All Choice grantees must abide by the Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970.[44] HUD guarantees the right to return to replacement units to all lease-compliant residents with the requirement for one-for-one replacement of all target development units, ensuring all existing households will have a place in the new development. Unlike HOPE VI managers, Choice grantees are not permitted to modify lease agreements by adding screening requirements on employment, education, or drug testing for reoccupancy in replacement housing.

In addition to following federal relocation regulations, some cities with active public housing advocacy groups had to adhere to site-specific guidelines that placed more strenuous requirements on the grantee. For example, San Francisco's HOPE SF relocation guidelines mandated that a portion of redeveloped Alice Griffith units be available for leasing before any relocation or demolition began, ensuring that residents could remain in their current unit until their replacement unit was complete. SHA, in coordination with the site's Citizens Review Committee, committed to allowing all residents to stay in onsite units at Yesler Terrace during construction if they desired.

With the exception of Alice Griffith, demolition of at least some of the target development housing was necessary before onsite construction could commence, creating more complicated relocation plans and housing options for residents.[45] Grantees offered two categories of housing options: (1) temporary housing, where residents live only during construction, and (2) permanent housing, where residents remain even after the development's completion. SHA and the Housing Authority of New Orleans gave residents three options to temporarily relocate to (1) other unoccupied housing within Yesler Terrace or

[44] This act, governing all HUD programs that displace tenants and owner occupants, requires grantees to provide resident relocation counseling, notify residents at least 90 days before required vacancy, reimburse moving costs, and provide payments for additional replacement housing costs. Less rigorous requirements govern temporary relocation lasting less than 12 months. Grantees must notify residents of relocation 30 days in advance, reimburse moving costs, and provide temporary housing, but they do not have to provide relocation counseling.

[45] Yesler Terrace's first phase also did not require demolishing occupied public housing units.

Iberville, (2) another public housing development, or (3) the private housing market with an HCV. After construction, residents can remain in their temporary offsite housing or return to the new development.

The two HUD-assisted housing grantees in Quincy Corridor and Woodlawn had similar relocation plans: a portion of residents were to relocate directly to replacement units or relocate to housing units near the neighborhood with temporary passthrough vouchers until a replacement unit was available. Grantees in both cities requested permanent HCVs for resident relocation, which would allow residents to move outside of the Choice neighborhood. HUD delays in issuing these vouchers led to confusion and uncertainty, especially for the Boston grantee and residents of Woodledge-Morrant Bay.[46]

Relocation services are coordinated through the grantee and case management entity with city and advocacy group oversight at Alice Griffith and Yesler Terrace and through Urban Relocation Services, a relocation counseling agency, at Grove Parc and Iberville.[47] These relocation entities provide residents with relocation notifications and counseling to help them make temporary and permanent housing decisions. Because all Woodledge-Morrant Bay residents had to move off site for less than 1 year, an independent relocation consultant coordinated residents' moves but was not required to provide relocation counseling.[48]

The initiation of relocation and case management depended on the demolition and construction timeline and the entities' relationship and roles. When case management preceded relocation, as happened at Alice Griffith, case managers focused on ensuring that residents would be lease compliant and ready to enter the new development. Although relocation can create an opportunity to meet and work with families in advance of a potentially stressful move, it can also undermine broader case management goals. If relocation and case management are implemented simultaneously, as happened at Woodledge-Morrant Bay, then residents' worries about relocation, such as handling utility payments, can override case management's ability to address other family needs, such as job training. (See the section on case management that follows.)

Relocation can have a substantial impact on vulnerable populations. In particular, it has been associated with high mortality and decreased quality of health for seniors and can have mixed effects on youth, who may be forced to change schools during the school year and endure the stress of relocation (Gallagher, 2010; Manjarrez, Popkin, and Guernsey, 2007). Woodledge-Morrant Bay and Yesler Terrace relocation entities coordinated with the public school systems to minimize disruption in children's schooling and support relocated students by providing transportation to their original schools.

[46] HUD clarified rules regarding the use of HCVs by HUD-assisted grantees after data collection ended in September 2013.

[47] The Chicago Housing Authority, which administers the HCVs, will provide relocation counseling for families who are issued HCVs.

[48] Grantees with relocations of less than 1 year are required by the Uniform Relocation Act to only notify residents of relocation 30 days in advance, reimburse moving costs, and provide temporary housing. They are not required to provide relocation counseling.

As of September 2013, relocation was under way at Woodledge-Morrant Bay, Grove Parc, Iberville, and Yesler Terrace and will begin at Alice Griffith in 2015 (exhibit 3.5). HUD approved the Grove Parc relocation plan, and Preservation of Affordable Housing, Inc. (POAH) began relocation in 2010, before the Choice grant, and the relocation has progressed without major delays. By contrast, relocation in Eastern Bayview is delayed because of infrastructure delays that affected construction and demolition schedules; in the other target developments, relocation was delayed because of postponement of the housing closing date in Quincy Heights and a lengthy historic review process at Iberville. Relocation efforts in Yesler were still in the planning stages.

Exhibit 3.5. Housing Assistance Status as of September 2013 for Households Living in Target Development at the Time of the First Round Application

	Grove Parc	Iberville	Yesler Terrace	Woodledge-Morrant Bay	Alice Griffith
Relocation start date	2010	Winter 2013	Winter 2013	Summer 2013	2015
Households in the target development (%)					
Original target development unit	26	6	75	39	71
Target development replacement unit	41	0	0	0	0
Temporary relocation unit	8	0	2	44	0
Temporary or permanent tenant-based voucher	3	65	1	1	1
Other public or assisted-housing development	3	11	7	4	10
No longer on HUD assistance	19	18	16	14	18
Total	100	100	100	100	100

Note: The first-round applications for the Choice implementation grants were submitted to HUD in December 2010.

Sources: September 2013 HUD Public and Indian Housing Information Center, or PIC, and Tenant Rental Assistance Certification System, or TRACS, data; 2013 third quarter grantee reports; other grantee-provided information

Exhibit 3.5 also shows the percentage of original households that relocated and their current location by housing type. When these data were gathered (September 2013), 2 years into implementation, a significant share of households in all five target developments (ranging from 14 to 19 percent) were no longer on HUD assistance.[49] We do not know whether these proportions differ from those in other developments in the same cities.

Our focus group research indicates that the quality of the temporary and replacement units across the five Choice neighborhoods varied considerably. Woodledge-Morrant Bay residents who participated in the focus group were pleased with their temporary housing, citing better quality units in safer

[49] In the HOPE VI Panel Study, 14 percent of original residents of the target development were unassisted 4 years after relocation began. (See McInnis, Buron, and Popkin, 2007).

neighborhoods, and many did not want to return to onsite housing. Grove Parc residents, by contrast, complained about isolation from the development and poor housing conditions in their temporary units. Although many Iberville and Yesler Terrace residents requested HCVs to use within the neighborhood, some reported struggling to find high-quality and affordable housing nearby.

The experiences of the five Choice neighborhoods during these early phases of relocation suggest four key lessons for relocation. First, complete and open communication between grantees and residents on the relocation timeline and options increases confidence and trust. Where resident engagement began during the planning for relocation, grantees were able to obtain initial buy-in from residents and design the relocation schedule to fit residents' needs and desires. POAH's communication plan aimed to provide information to residents using a variety of strategies, including mandated meetings, followup letters, and in-person interviews with each family.[50] Open communication also enabled grantees to directly respond to and amend relocation plans based on resident concerns, such as the constraints of Chicago's opposing gang territories.

Second, initiating case management services before relocation is critical for ensuring housing stability. When relocation must happen before initiating case management services, as happened in Grove Parc, households may be at greater risk for losing HUD assistance in the process of relocation. Although POAH staff communicated proactively about relocation, the team did not deliver services during the initial phases of relocation, which started in 2010 (before the Choice award). Case management services were initiated in June 2012 after a significant portion of households had been relocated.

Third, the feasibility of using HCVs in relocation depended on when vouchers were made available to grantees and on the neighborhood housing market. Delays in HUD's administration of HCVs to the two HUD-assisted development grantees generated mistrust between grantees and residents, because grantees were not able to give residents full relocation options at the onset of relocation.[51] In addition, the delay resulted in residents needing to move three times because of redevelopment—to a temporary unit, to replacement housing, and to the private market with an HCV—all in the short grant period. Finally, temporary vouchers may not be practical options for some grantees with tight-knit residents who wish to remain in the neighborhood during relocation. In tight housing markets, like the Yesler and Iberville-Tremé neighborhoods, some residents were not able to find an affordable unit with their HCV. To address the difficulty of using an HCV in the tight rental market, families relocating from Yesler had the first priority to choose from any HCV-eligible unit or any other available subsidized unit in SHA's entire housing stock.

[50] As described in Pendall et al. (2013), POAH originally partnered with the Grove Park Tenants Association (GPTA) to ensure communication about relocation. The GPTA experienced leadership transitions and internal challenges during the data collection period, however, which disrupted coordination between relocation efforts and resident leadership.

[51] HUD clarified rules regarding the use of HCVs by HUD-assisted grantees after data collection ended in September 2013.

Fourth, the relocation of residents into the surrounding neighborhood using temporary and permanent offsite housing may exacerbate existing neighborhood class tensions. This problem was particularly pronounced in Woodlawn. Despite POAH's attempts to integrate Grove Parc residents into neighborhood block clubs and increase the opportunity for resident interactions through sponsoring communitywide events, neighborhood stakeholders reported that neighborhood residents were still apprehensive about the arrival of Grove Parc residents.

Case Management

HUD requires grantees to provide case management services to residents of the target development, although residents are not mandated to engage with service providers to receive housing or other assistance.[52] Choice grantees in Boston, Chicago, and Seattle targeted case management services to the adult leaseholder. By contrast, the grantees in San Francisco and New Orleans sought engagement from all family members. This whole-family approach involved linking families to support programs, helping parents to create a positive home environment, and facilitating access to early educational enhancement for youth.

The Choice grantee teams that included PHAs had the advantage of being able to build on previous experience in providing social services at HOPE VI developments and thus were able to begin their case management services more rapidly. Urban Strategies, with decades of such experience, implemented their tested service connection model that focused on relocation supports and linkages to community- and public-based services at Iberville and Alice Griffith. Providers built on Urban Strategies' earlier work to develop a triage system to slot residents into different levels of support; at Iberville, for example, high-crisis families received weekly contact and low-crisis families received monthly contact. The Urban Strategies teams also focused on relaxed social connections with residents before starting the more formal needs assessment process. SHA devoted an existing HUD-funded Resident Opportunities and Self-Sufficiency grant to Yesler Terrace and offered an economic opportunities program that provided referral coordination. Their standard case management program, Family Self-Sufficiency, provided monthly support to households with the goal of achieving longer term outcomes.

The two grantees in HUD-assisted developments had a more difficult time launching case management services and in reaching households before relocation. Neither grantee had the kind of previous experience in operating and contracting for social services that the three PHA-based grantees had, which meant they faced a steep learning curve. As a result, they encountered early challenges; for example, the case management provider at Grove Parc, Metropolitan Family Services, emphasized employment and job training services using group workshops that were not consistently well attended. The Institute for Health and Recovery at Woodledge-Morrant Bay focused on incremental outreach

[52] HUD defines case management as "an individual- or family-centered approach to assisting people of all ages with accessing the services they want and need. It includes screening/assessment/risk management, individualized service planning based on resident needs and choices, provision of options and information, linkage/referral to formal and informal services and supports, service coordination at the client-level, crisis intervention, follow-up, advocacy, monitoring/evaluation of resident progress as well as timeliness and effectiveness of service delivery, and maintenance of records" (HUD, 2010c: 5).

efforts to cohorts of households preparing to relocate, coordination with the relocation provider, and resolution of high utility debts. Over time, the Institute case managers planned to shift from relocation concerns to address longer term household needs, including a focus on providing clinical trauma-based supports, job search assistance, and youth activities.

Across the target developments, the case management providers faced three major challenges during early implementation. The first major challenge was the voluntary nature of the service model. Providers across the five developments noted that the lack of Choice-mandated or programmatic incentives for case management was a barrier to engaging residents in services and maintaining contact over time. Residents tended to contact providers when they faced a particular need for support or faced a mounting crisis, such as when they needed assistance with paying off debt, had trouble accessing childcare, were the victim of crime, or were diagnosed with a serious illness. Providers for the three PHA-based grantees reported more consistent engagement, possibly because those residents were more accustomed to having access to onsite providers.

Programs that offered financial incentives and in which residents had a voice in influencing the service design proved most successful in engaging residents. The Family Rewards Program at Alice Griffith provided monetary rewards in the range of $20 to $100 to encourage participation. Yesler Terrace residents who committed to a specialized and more intensive Family Self-Sufficiency program gained access to an escrow savings account. Providers in these two developments also sought resident input into the program design and outcomes on a consistent basis.

The second major challenge, particularly at Iberville and Woodledge-Morrant Bay, was the implementation of case management while residents were in the midst of relocation. According to one provider, “On site we had a focused audience and we don’t really have that anymore,” making service delivery more difficult during the relocation period. As residents moved out of the target developments, case managers had to be more mobile, frequently driving to temporary housing units scattered throughout the Choice neighborhood and the city. In addition, providers primarily focused on providing relocation supports, such as resolving outstanding debt, facilitating the transfer of children to new schools, immediate crisis intervention, ensuring lease compliance, and addressing any barriers that would prevent them from having a successful move. Providers at these two target developments hope to be able to focus on longer term family stability and self-sufficiency issues after families are beyond the immediate crisis of relocation.

The two HUD-assisted developments faced a third major challenge related to their grantees’ capacity to contract with case management providers and thus faced delays in launching services during the required period outlined in the grant agreement.[53] The City of Boston required a competitive contract

[53] The Choice grant agreement states: “The Grantee must have started these services within 30 days of the date of the award letter (August 31, 2011). It is imperative that case management services begin immediately so that residents who will be relocated have time to participate in and benefit from Supportive Services activities before leaving the site; and that residents who have already been relocated are able to participate in and benefit from Supportive Services activities” (HUD 2011: 6).

bidding process, which resulted in a change in the relocation schedule and delayed startup of case management services.[54] The Boston grantee also had difficulty initially obtaining the contact information for the residents from the property manager, so providers were not able to initiate services before relocation. At Grove Parc, POAH had not previously contracted with providers for onsite social services and needed to develop this expertise at the start of the grant award. Case management started in Woodlawn in June 2012 using a partnership with a local, multiservice agency.[55] As of September 2013, grantees were still structuring contract agreements with providers, attempting to track residents, and developing internal systems for assessment, referrals, and supports.

CONCLUSION

This chapter suggested the division of the many supportive-service activities into four main program areas: (1) resident and community engagement, (2) service coordination, (3) relocation and reoccupancy, and (4) case management. Grantees prioritized case management and relocation supports for residents of the target development and also demonstrated progress in coordinating local health, early childhood, education, and workforce development services.

ISSUES AND OPPORTUNITIES

- **Supportive services during relocation.** Past research has demonstrated that providing services consistently through the relocation process is critical, especially for the most vulnerable residents, who may be at greater risk of experiencing health problems, setbacks in employment searches, and even premature mortality (Comey, 2007). Provision of supportive services during the relocation process was a stress point in all three target developments where most of the families had been relocated by September 2013. HUD and the grantees should redouble efforts to coordinate case management with relocation to avoid these problems and carefully monitor the status of relocated families as they settle into their temporary and permanent housing.
- **Attrition from assisted housing.** Overall, housing assistance loss rates in the 3 years after the first five Choice implementation grant awards were comparable with those in HOPE VI, which included fewer provisions than Choice to allow residents to return to rebuilt developments if they wished. By September 2013, between 14 and 19 percent of Choice households no longer had housing assistance. In HOPE VI, a panel study found that 14 percent of residents no longer had housing assistance after 5 years. Considering that households that left assistance as their projects were transformed in HOPE VI experienced greater levels of housing and financial distress than those who maintained it, housing assistance loss rates within Choice are an issue to watch in coming years.

These findings convey that future implementation efforts should continue to provide mobility counseling, relocation supports, and intensive case management services to residents before relocation.

[54] As of September 30, 2013, the case managers in Woodledge-Morrant Bay had reached out to 56 households that were in the process of relocating and had 39 of 129 households enrolled in case management services.
[55] The service contract subsequently ended after approximately 1.5 years. POAH contracted with a new provider after the period of data collection.

Given the limited resources for resident services and the great need among households living in the target developments, it is most important for grantees to target case management services to the hardest-to-house households that face the greatest vulnerability during and after relocation. A triage model that assesses needs and targets more intensive supports to households with the greatest risk of long-term housing instability would be useful (Theodos et al., 2012).

Furthermore, grantees will need to pursue additional funding from other public and private initiatives to fill remaining gaps in funding for resident and community services. The grantees in Eastern Bayview and Yesler provide good examples of grantee teams that partnered with municipal and state government offices to gain access to existing public services and have those services delivered in the Choice neighborhoods.

4. Revitalizing the Neighborhoods

Findings

- **Critical Community Improvement (CCI) projects, the core of the neighborhood domain, are new under Choice and were only partially settled by September 2013.** CCIs are locally selected neighborhood investments that use Choice funding for community facilities or economic development. The Boston and Seattle grantees had proposed and were implementing several CCIs that were approved by HUD and advanced local priorities. The Boston grantee's redevelopment of the shuttered Pearl Meat site as a business incubator is one project that HUD cites as a good use of CCI funds. Most other CCI projects aimed to improve the built environment, including recreational space, community facilities, and walkability improvements. For example, the Hill Climb in Seattle will connect Yesler with an adjacent neighborhood. At the end of the study period, HUD and the grantees in Chicago and San Francisco were still discussing the proposed CCI projects. The New Orleans grantee focused on housing and services during the first 2 years and planned to rethink its CCI strategy with the assistance of HUD and technical assistance providers.
- **The grantees' approaches to high levels of violent crime varied across the Choice neighborhoods, with the most progress on programming occurring in Quincy Corridor and Woodlawn.** The promising public safety-related activities in these two neighborhoods benefited from having entities on the grantee teams that focused attention on the issue**.** Given the many demands on Choice funds, all grantees need to leverage other federal and local sources of funding and expertise to carry out public safety strategies.
- **HUD and the U.S. Department of Justice demonstrated interagency coordination by providing additional funding and technical assistance to the five Choice grantees through Public Safety Enhancement (PSE) grants awarded in 2011.** The PSE grants, as their name implies, are intended to enhance place-based public safety activities already happening in the neighborhoods. Local activities funded through PSE grants had not begun as of September 2013 because federal staff needed to draft program guidelines and provide technical assistance on project design to the Choice grantees. The program was not extended to later implementation grantees.

HUD's ambitions for transforming areas surrounding target housing developments distinguish the Choice Neighborhoods Initiative from other HUD efforts focusing on capital improvements or redevelopment of public or assisted housing. This chapter focuses on the plans for interventions in the Choice neighborhoods and documents progress that local grantees have made. It starts with a brief review of neighborhood contextual factors that will affect Choice interventions and discusses public safety, an important component in the success of any neighborhood revitalization effort. It then describes CCIs, Choice's interventions in the surrounding neighborhood. The chapter continues with a description of Choice and leverage plans for developing the neighborhood economy and improving the built environment. Finally, it offers ideas for future research and evaluation related to the Choice activities and resulting neighborhood outcomes.

NEIGHBORHOOD CONTEXT

Neighborhood context is one of the important factors that will influence whether the neighborhoods will experience measurable improvement in the coming years and what role the Choice investment can play. Chapter 2 of *Developing Choice Neighborhoods* (Pendall et al., 2013) contains detailed descriptions of baseline neighborhood conditions and trends. Exhibit 4.1 draws from the previous report and provides a few key neighborhood characteristics.

Exhibit 4.1. Choice Neighborhood Baseline Characteristics

Choice Neighborhood (City)	Size (square miles)	Population, 2010 (thousands)	Poverty Rate, 2006–2010	Unemployment Rate, 2006–2010	Public and Assisted Housing as a Percent of Rental, 2010
Quincy Corridor (Boston)	0.5	9.7	38%	21%	47%
Woodlawn (Chicago)	2.0	23.7	29%	17%	36%
Iberville-Tremé (New Orleans)	1.7	11.6	42%	20%	28%
Eastern Bayview (San Francisco)	1.6	17.6	26%	16%	70%
Yesler (Seattle)	0.2	2.1	36%	10%	57%

Choice = Choice Neighborhoods Initiative.
Notes: Data from the American Community Survey are for tract-based definitions of neighborhoods. (See Pendall et al., 2013.)
Sources: 2010 Decennial Census; 2006–2010 American Community Survey; the U.S. Department of Housing and Urban Development's Public and Indian Housing Information Center, or PIC, database; Tenant Rental Assistance Certification System, or TRACS, database

One important characteristic related to the Choice plans for the neighborhood is the size of the target area chosen by the grantee (exhibit 4.1). The neighborhoods selected were less than 0.5 square miles in Seattle and Boston. The other three Choice neighborhoods were quite a bit larger, ranging from 1.6 to 2.0 square miles. In Chicago, San Francisco, and Seattle, grantees chose their areas to coincide with boundaries already used in local planning processes, which could facilitate alignment of Choice and non-Choice activities.

Although the neighborhoods vary in size, they all share considerable economic and social challenges. To qualify for Choice, a neighborhood had to have at least 20 percent of neighborhood residents either living in poverty or earning extremely low incomes based on the most recent data collected by the U.S. Census Bureau. It also had to exhibit one or more of three indicators of neighborhood distress: (1) disproportionately high violent crime rates, (2) disproportionately high long-term residential vacancy rates, or (3) a low-performing public school. All neighborhoods had poverty rates more than 25 percent

and unemployment rates in the double digits. Exacerbating factors like the foreclosure crisis and Hurricane Katrina contributed to problems with vacancy and blight in Quincy Corridor, Woodlawn, and Iberville-Tremé. As described in the following section, violent crime was a serious issue at baseline and during early implementation. In addition, public or assisted housing made up about one-half or more of the neighborhood's rental housing stock in Quincy Corridor, Yesler, and Eastern Bayview. Choice neighborhood residents recognized their neighborhoods need improvement. According to the baseline survey, respondents in Quincy Corridor, Woodlawn, and Eastern Bayview rated their neighborhood from 6.5 to 6.8 on a scale from 1 to 10, with Yesler residents averaging 7.1. Iberville-Tremé residents reported a rating of 7.4, closer to the 7.7 rating reported by households in U.S. central cities in 2011.[56]

In addition to high levels of distress, HUD's selection criteria included evidence of momentum in the neighborhood using preexisting neighborhood development and alignment with other neighborhood plans. The Choice neighborhoods in San Francisco, Seattle, and New Orleans are experiencing extraordinary levels of public and private investment. In the first two cities, strong regional housing markets described in the design plans section of chapter 2 will reinforce the positive effects of the investments.

Both the Eastern Bayview and Yesler Choice initiatives benefit from being nested in comprehensive, publicly vetted plans for redevelopment of the neighborhoods. Eastern Bayview is part of the much larger Hunters Point Shipyard and Candlestick Point redevelopment plan. When complete, the area will include more than 12,000 new residential units, a research and development campus for emerging technologies, retail business, arts and community spaces, and more than 350 acres of parks and open space. Appendix B.4 notes how being part of the larger plan has led to delays in timing and complex decisionmaking processes, but a location with such significant non-Choice investments offers a positive environment to advance Choice's ultimate revitalization goals. The Seattle Housing Authority (SHA) envisions a major transformation of Yesler into a highrise mixed-income, mixed-use neighborhood. The plan has considerable community buy-in because of intense review by the general public and city council and a formal cooperative agreement between the city and SHA. The city is contributing approximately $35 million to the redevelopment, mostly for infrastructure improvements.

Non-Choice investments also play a role in Iberville-Tremé and Woodlawn, but less so in Quincy Corridor. Iberville-Tremé was a focus of various planning efforts after Hurricane Katrina and is now fortunate to have large-scale activities related to transportation, built environment, and economic development. The Housing Authority of New Orleans (HANO) claimed $43.4 million in committed funds for the neighborhood, nearly twice that claimed in Woodlawn, which had the second highest amount. The New Orleans Choice team's programmatic plans do not appear explicitly integrated with external redevelopment activities (described in chapter 5 on coordination and leverage). In the northeast section of Woodlawn, the University of Chicago has been implementing a $2 billion redevelopment plan in Woodlawn including new dorms and mixed-use buildings in its South Campus. The investments outside of Choice funding in Quincy Corridor discussed in the sections that follow do not reach the scale of the other Choice neighborhoods.

[56] American Housing Survey 2011.

PUBLIC SAFETY

Choice focuses on improving public safety and reducing violent crime, not only within and around the target development, but also throughout the Choice neighborhood. One qualifying criterion for neighborhood distress included a Part I violent crime rate more than 1.5 times that of the city rate between 2007 and 2009.[57] Quincy Corridor, Woodlawn, Eastern Bayview, and Yesler qualified as distressed using this criterion.[58] HUD has ambitious goals for Choice to improve safety for residents in the target development and the neighborhood. In coordination with local police departments and community organizations, the notice of funding availability (NOFA) stated that the grantees should aim to dramatically lower crime rates in the revitalized neighborhoods.[59] HUD requires grantees to monitor and report on violent crime rates throughout their grant.

Beyond improving the quality of life for residents, neighborhood safety will affect the success of Choice's implementation. As described in appendix B, the level of violence in Woodlawn caused the grantee team to speed up the demolition process. A few residents of the target development in Boston who had been temporarily relocated expressed concerns about returning to the redeveloped Quincy Heights housing development because of safety issues in Quincy Corridor. Interviews with stakeholders also reflect concerns that crime could hinder commercial development and discourage middle-income residents from moving to or staying in the neighborhood.

The following sections describe the level of violent crime in the Choice neighborhoods, including reported crime rates and residents' perceptions of crime; funding for public safety activities and coordination across federal agencies; and the grantees' plans and progress on implementing efforts related to reducing the level of violence and increasing public safety in the target developments and Choice neighborhoods.

VIOLENT CRIME IN THE NEIGHBORHOODS

All of the first five implementation grantees have significant problems with violent crime (exhibit 4.2). In 2012, violent crime rates ranged from 17.1 crimes per 1,000 population in Iberville-Tremé to 22.8 in Woodlawn. During the 2010 to 2012 application and early implementation period, all five Choice neighborhoods had violent crime rates at least 200 percent higher than their respective cities. In 2012, these rates ranged from 2.2 times higher in Woodlawn (Chicago) and Eastern Bayview (San Francisco) to 3.6 times higher in Yesler (Seattle).[60] Qualitative data on concerns around violent crime from interviews and focus groups largely reflect these rates.

[57] Part I violent crime as defined by the Federal Bureau of Investigation's Uniform Crime Reports classification system includes homicide, aggravated assault, robbery, and rape.
[58] From 2007 to 2009, the New Orleans Police Department calculated that Iberville-Tremé's violent crime rate was 1.35 times greater than the rate for the city of New Orleans.
[59] HUD (2010a).
[60] Although these five neighborhoods had relatively comparable violent crime rates, differences in population size across neighborhoods indicate considerable variation in the total count of violent crimes in 2012: 43 in Yesler, 199 in Quincy Corridor, 213 in Iberville-Tremé, 317 in Eastern Bayview, and 546 in Woodlawn.

Exhibit 4.2. Violent Crime Rates (per 1,000 people) in Choice Neighborhoods and Cities, 2012

Target Development and City	Rate	Neighborhood to City Ratio	Change in Number of Crimes per 1,000 People, 2010–2012
Quincy Corridor	19.9	2.4	0.0
Boston	8.3		(1.0)
Woodlawn	22.8	2.2	(3.8)
Chicago	10.4		(1.0)
Iberville-Tremé	17.1	2.5	1.4
New Orleans	6.7		0.1
Eastern Bayview	17.6	2.2	(1.2)
San Francisco	8.1		0.3
Yesler	19.9	3.6	6.4
Seattle	5.5		0.2

Choice = Choice Neighborhoods Initiative.
Source: Urban Institute analysis of crime data obtained from each jurisdiction

Neighborhood crime rates tend to fluctuate from year to year, so ideally one should examine several years of data to make firm conclusions. [61] Nonetheless, early evidence indicates that crime in Woodlawn has fallen somewhat; violent crime decreased 3.8 crimes per 1,000 people between 2010 and 2012.[62] Crime was also falling citywide in Chicago between 2010 and 2012. Violent crime rates were more volatile in Quincy Corridor and Eastern Bayview, decreasing between 2010 and 2011 and increasing again in 2012. Violent crime rates appeared to be increasing in Iberville-Tremé and Yesler, compared with fairly flat rates in the respective cities.

Particularly troubling are the 2012 homicide rates in Woodlawn (0.8 per 1,000 people), Iberville-Tremé (0.8 per 1,000 people), and Eastern Bayview (0.4 per 1,000 people). Eastern Bayview's rate was 5.3 times that for the City of San Francisco and this neighborhood accounted for 12 percent of all homicides in San Francisco in 2012. Woodlawn's homicide rate was 4.4 times the rate for the City of Chicago and Iberville-Tremé's was 1.9 times the rate for the City of New Orleans. Quincy Corridor's rate was not disproportionate and Yesler had no homicides in 2012. (For a detailed look at crime statistics between 2010 and 2012 for the FY 2010–11 Choice Neighborhoods, see appendix G.)

Consistent with the reported crime statistics, residents reported in the baseline survey that they thought violent crime was a problem in their communities. Although 80 percent or more of the respondents in the Choice neighborhoods felt safe outside their homes during the day, safety was a bigger perceived problem at night, ranging from 50 percent who felt safe in Eastern Bayview to 67 percent in Iberville-Tremé. More than one-third of respondents in Quincy Corridor and Woodlawn thought that violent

[61] Crime rates in small areas can experience wide swings from year to year even with small changes in the number of crimes (Osgood, 2000).
[62] Evidence indicates this trend continued in 2013. In Woodlawn during the first two quarters of 2013, substantially fewer violent crimes were reported (215), compared with the same period in 2012 (282).

crime, including attacks, robberies, and shootings, was a big problem, and more than two-thirds thought violent crime was at least somewhat problematic. Gangs were considered a problem in Woodlawn (67 percent) and Quincy Corridor (52 percent). Residents had lower perceptions of crime in Iberville-Tremé and Yesler than might have been expected given their neighborhoods' reported crime rates. Residents of Iberville-Tremé also perceived their neighborhood to have higher levels of collective efficacy than in other Choice neighborhoods, which might mitigate their fear of crime in the area.

Across the five Choice locations, the residents of the Choice target developments did not consistently feel more or less safe than their surrounding neighbors. In Woodlawn and Quincy Corridor, residents of the target developments were less likely to feel safe at night in their neighborhood than residents of the rest of the Choice neighborhood. Residents living in Iberville, however, were more likely to feel safe than other residents of the neighborhood. In Eastern Bayview and Yesler, residents who lived inside and those who lived outside of the target development reported no significant difference in nighttime safety perceptions.

Funding and Federal Coordination

As of September 2013, investments to address violent crime and public safety in Choice Neighborhoods came mostly from the PSE grants and funds committed from other federal and local programs. Limited Choice funds are devoted to public safety because these funds largely draw from the already constrained people supportive services budget. Funding from the housing budget will also improve safety, because most of the housing revitalization included planned built environment design features and enhancements to improve public safety (chapter 2). These improvements include reconnecting the target development to the street grid (Alice Griffith and Iberville), creating defensible spaces (Grove Parc, Iberville, and Yesler), speeding up demolition of vacant target development buildings (Grove Parc), or adding space for onsite security personnel (Quincy Heights).

Public safety is one area in which the coordination of federal agencies through the White House-led Neighborhood Revitalization Initiative was evident. Shortly after the FY 2010–11 Choice implementation grants were awarded, it was announced that combined they would also receive $2 million in PSE grant funding via an interagency agreement between the U.S. Department of Justice (DOJ) and HUD. (These grants are described in greater detail in the following section.) The City of San Francisco was also awarded a $1 million Byrne Criminal Justice Innovation (Byrne) grant in September 2013, with an explicit focus on Eastern Bayview.[63] Federal stakeholders also demonstrated leadership by creating the National Forum on Youth Violence Prevention in 2010. Developed at the direction of the White House, the initiative includes six federal agencies and seeks to foster broad collaboration regarding youth violence.[64] The cities of Boston and Chicago (along with four others) were invited to participate in the

[63] Planned activities under the Byrne grant include improving service delivery for trauma exposed children and youth and adult victims of crimes and along with a neighborhood-engagement and community-building component. (For more detail, see the press announcement at http://www.sfdistrictattorney.org/index.aspx?page=285.)

[64] For more information about the forum, see http://findyouthinfo.gov/youth-topics/preventing-youth-violence/about-national-forum.

forum in October 2010. The City of New Orleans was added to the forum in 2012. All three cities developed citywide comprehensive plans to reduce youth violence, including programs that address prevention, intervention, enforcement, and reentry.

The Choice grant applications (May 2011) and qualitative data show that all five Choice grantees and their partners are using resources other than the Choice and PSE funds to address public safety concerns in Choice neighborhoods. The level of additional funding varies, with a considerable amount of committed funds in Woodlawn to relatively little in Iberville-Tremé.[65] In the Woodlawn application, the grantee provided documentation for several million dollars in committed funds during the 5 years of the Choice grant, including investments of $2.55 million by the University of Chicago and nearly $1.5 million by the Chicago Police Department.

Ongoing and Planned Activities

Most of the grantee teams' activities related to public safety focused on community organizing, community policing, or youth education and violence prevention. The extent to which early progress has been made on implementing public safety activities (outside of the PSE-funded activities) was largely driven by whether there was an entity in the neighborhood focused on public safety. The Network of Woodlawn (NOW), the neighborhood lead in Woodlawn, dedicated staff to operating the Woodlawn Public Safety Alliance (WPSA) after the Choice grant was awarded. Project RIGHT is part of the Choice team in Quincy Corridor and does community engagement and organizing with a particular focus on preventing violence by addressing crime in the neighborhood.

WPSA is the coordinator for the Woodlawn CARE (Chicago Antiviolence and Restoration Effort) collaborative, which involves the Safe Passages program (to get children safely to school) and the Youth Summer Employment Program. WPSA has also implemented an Incident Response Plan that organizes the community to pray with victims' families after a murder or gang violence and to draw attention to the violence problem. WPSA returns to the block several times after the incident to pray and facilitate any helpful social supports. WSPA also plays a role in training and supporting block clubs and provides youth activities and mentoring through their PlayStreets program, which is targeted to Grove Parc and Parkway Gardens (another assisted-housing development just outside the Choice boundary on South Martin Luther King Drive). In coordination with Preservation of Affordable Housing, Inc., and NOW, WPSA also persuaded the Chicago Police Department's 3rd District to expand foot patrols and police cars in the area between 60th and 63rd Streets and South Martin Luther King Drive and South Cottage Grove Avenue, which has led to reductions in reported crime in 2013. These public safety measures did not rely directly on Choice funds.

In Boston, Project RIGHT has been focused on crime in the Quincy Corridor for some time and is an active member of the Blue Hill Avenue Neighborhood Response Team, which addresses crime and blight in the neighborhood. Choice funds provided for the hiring of a trauma coordinator in 2012 for the Grove Hall Violence Intervention Program, which is funded by the Boston Public Health Commission and operated by Project RIGHT.

[65] Most committed funds related to public safety were documented as leverage in the second-round applications for the people component of Choice.

Limited evidence indicated that the grantee team leadership were focused on public safety or were actively coordinating with local police departments in Iberville-Tremé and Eastern Bayview. Some progress has been made in Eastern Bayview by Urban Strategies in their role as the lead on supportive services for residents. Using Choice funds, Urban Strategies has implemented a small Man-Up Safety Initiative to support and organize men in Alice Griffith and get youth involved in the Green Streets program to provide job training and prevent gang activity.[66] Alice Griffith had 24 residents who participated in the Hunter's Point Family's Peacekeepers program, which employs a violence interruption model. In addition, the San Francisco Police Department regularly attends and provides updates at the Alice Griffith community meetings.

The New Orleans Police Department appears not to be actively involved with the Choice planning. Although the crime statistics may indicate otherwise for the whole Iberville-Tremé community, residents did not perceive violent crime as a significant issue in Iberville after HANO's police department installed security cameras several years ago. (Only 19 percent of Iberville baseline survey respondents feel unsafe at night compared with 34 percent of respondents from the surrounding Choice neighborhood.) The City of New Orleans also developed a strategic plan with their participation in the National Forum on Youth Violence Prevention, the "NOLA for LIFE PLAYbook," which takes a public health approach to reducing youth violence and homicides.[67] Based on observations of grantee meetings and interviews with stakeholders, it did not appear that the New Orleans Choice team was actively coordinating with agencies or organizations responsible for implementing this strategic plan.

In Yesler, SHA has been implementing community policing practices for a number of years and contracts with the Seattle Police Department to provide a dedicated community police team officer to the Yesler Terrace community. SHA dedicated Choice funding to an annual survey of 911 callers (conducted in English) in the Yesler area, but it is unclear how they will be used to inform the work of the community officer.

Public Safety Enhancement Grants

Shortly after the grantees were notified about the Choice awards in the fall of 2011, they were awarded $2 million collectively (through a noncompetitive process) in PSE grants to enhance their public safety efforts. The PSE grants were made possible by an interagency agreement between HUD and DOJ. HUD's Office of Public and Indian Housing staff received support from and worked closely with DOJ's Bureau of Justice Assistance (BJA) in the design of the program and review of the grantee proposals.

HUD is responsible for disbursing and monitoring the PSE funds. Initially, each site was expected to receive $400,000 in implementation support after submitting a proposal on their planned activities. SHA

[66] The Man-UP Initiative, developed by Urban Strategies, is designed to engage male residents and support them in their efforts to ensure that Alice Griffith is a safe place for children. The Green Streets program is a recycling and composting venture of public housing residents that began at three public housing properties in San Francisco with the support of Urban Strategies and McCormack Baron Ragan. Residents who participate have barriers to work, such as gang affiliation. For more information, see ourgreenstreets.org.

[67] National Forum on Youth Violence Prevention (2013).

declined the funds, and it was decided to split their $400,000 into $80,000 for each Choice neighborhood (including Yesler) for technical assistance.[68] Grantees receiving implementation support were required to demonstrate an initial match of leveraged funds of 10 percent.[69]

The PSE grants, as their name implies, are intended to enhance place-based public safety activities already going on in the Choice neighborhoods. For example, the enhancement might be used to increase the number of residents served by a program. The program has two goals:

1. Support evidence-based strategies designed to reduce violent crime, gang activity, and illegal drug activity in distressed communities
2. Increase the use of place-based, evidence-based strategies focused on stabilizing and revitalizing distressed communities[70]

The PSE grants also have a clear focus on obtaining results—grantees are required to establish interim and final outcome measures. HUD will hold one-half the implementation funding ($200,000) until the grantees demonstrate they have met their interim objectives and documented an additional 20 percent leverage or match (beyond the original match requirement).

It has taken time for HUD to draft program guidelines after the funding was announced, and the grantees struggled to conform to these guidelines as they were developing their proposals. HUD and BJA had to spend time after the funding announcement to develop the program parameters and guidance for the grantees. Grantees were required to submit several rounds of proposals. Based on review of comments from HUD and BJA on the grantees' proposals, grantees had difficulty demonstrating an evidence base for their initiatives, establishing baseline data, and setting reasonable goals given their specified interventions. HUD and BJA provided feedback to the grantees on the proposals, and grantees also received help from the Local Supportive Initiatives Corporation, the technical assistance provider for the Byrne grant recipients. Several grantees and their partner organizations, particularly in Quincy Corridor, expressed frustration with the drawn-out process given the immediate safety challenges their neighborhoods were facing. As of September 2013, the grantees were finalizing their technical assistance plans and were not expected to finalize their implementation plans until early 2014. Early PSE proposals indicated the following use of funds:

- In Quincy Corridor, funds would support a Youth Connects program social worker who would be stationed in a local police station to make confidential referrals for at-risk youth

[68] After engaging with Yesler Terrace residents who requested police patrols at night to monitor gang activity and violence, SHA met with the Seattle Police Department to discuss using the PSE grant for this purpose. The police department determined that not enough Part I violent crime existed to warrant use of the PSE grant for hot-spot patrolling in the Yesler area.

[69] Leverage or committed funds documented in the second-round Choice application could be applied to this requirement.

[70] These goals are taken from the *Public Safety Enhancement Supplemental Funding to the FY 2010 and FY 2011 Choice Neighborhoods Implementation Grantees Comprehensive Project Guide*. (HUD 2013b).

- In Woodlawn, POAH, the City of Chicago, NOW, and WPSA would implement the Prevention and Intervention Pipeline, which would include expanding several preexisting programs for Grove Parc residents and youth (PlayStreets and assistance to block clubs); a pilot neighborhood security camera initiative with the University of Chicago Police Department; and Becoming a Man Sports Edition in Hyde Park High School.[71]
- Urban Strategies in Eastern Bayview would incorporate comprehensive case management, particularly for reoffenders; enhance their Green Streets program; and focus on collaborating with other organizations such as Hunter's Point Family, the 3rd Street Youth Center and Transitions Clinic, the San Francisco Housing Authority, and the San Francisco Police Department.
- HANO and the City of New Orleans would implement a program called Fight Crime and Blight that would focus on newly released parolees and would adapt the Green Streets program from San Francisco and the Cleanslate program.

Critical Community Improvements

CCIs are neighborhood projects funded by Choice. They are intended to spur other public and private investments that will benefit current residents and improve the attractiveness to potential in-movers. CCI funding is the most direct mechanism for contributing to the revitalization of the neighborhood. As stated in the 2010 NOFA, CCIs can include—

1. Development or improvement of community facilities to promote upward mobility, self-sufficiency, or improved quality of life for residents of the neighborhood, such as construction or rehabilitation of parks and community gardens, or environmental improvements.
2. Activities to promote economic development, such as development or improvement of transit, retail, community financial institutions, public services, facilities, assets, or other community resources.

CCI projects are intended as new investments in the neighborhood; grantees were not expected to use CCI funds for projects that could be funded by external sources or for traditional neighborhood infrastructure. Other than the broad intention of the CCI funds, HUD had not specified detailed criteria for CCI project selection in the NOFA or at the beginning of the grant period. Stakeholders in three of the Choice locations reported confusion about what types of projects were allowed. Grantees had to negotiate with HUD regarding some of the proposed projects because restrictions were not well defined, a process that frustrated grantees in Quincy Corridor and Woodlawn. HUD has already recognized the need for CCI process improvements and has made changes for later rounds of grantees. Specifically, they refined the NOFA language, developed a detailed written guidance document and promising practices guide, and established a panel of Choice staff to review the CCI proposals. One criterion for approval is whether the project is likely to contribute to the neighborhood transformation effort.

[71] Randomized trials of Becoming a Man Sports Edition conducted by the University of Chicago Crime Lab have demonstrated impressive reductions in violence and increases in engagement with school. See http://crimelab.uchicago.edu/page/becoming-man-bam-sports-edition-findings for more information.

The exact amount dedicated to CCIs was determined by the grantees, but it could not exceed 15 percent of the grant according to the NOFA (exhibit 4.3). The Boston, San Francisco, and Seattle Choice grantees chose to spend the maximum allowed, which equaled about $3 million in Quincy Corridor and about $4.5 million each in Eastern Bayview and Yesler.[72] The Chicago Choice grantee committed about 7 percent of the grant to CCIs ($2.1 million), and the New Orleans grantee committed the lowest share at 4 percent of its funds ($1.2 million).[73] In addition to these funds, investments classified under the housing budget in Woodlawn and Iberville-Tremé will also improve the neighborhood, such as the offsite housing planned in Woodlawn and Iberville-Tremé, POAH's housing loan fund (described in the following section), and a communitywide senior center that is part of a renovated Grove Parc building.

Each grantee team determined its own process and criteria for selecting CCIs. In Seattle, a collaborative process had already established goals and some design choices for redeveloping the Yesler neighborhood. The grantee team selected projects that fit into these goals, were feasible to implement with current partners, and were projected to have a notable impact on the area. The Boston and San Francisco grantee teams selected CCI projects by leading Choice-specific collaborative processes that included Choice grantees, residents, and government representatives. The Boston Choice approach was based on perceived impact of the proposed intervention and its financial viability, and was bolstered by mayoral leadership. The San Francisco grantee cited community need as the driver for their choices. In Woodlawn and Iberville-Tremé, the process appears to be in the hands of the lead grantee, and the selection of projects was still pending in September 2013.

The grantees are taking advantage of the flexibility of the CCI funding and have proposed many different types of projects aligned with local priorities. Exhibit 4.3 represents the grantees' plans as of September 2013; plans may have changed in some Choice neighborhoods since that time. The Seattle and Boston Choice teams chose to spread the money across several investments. In Yesler, CCIs are funding key components of the comprehensive plan for the rebuilt neighborhood, including a park, a community center, and projects related to pedestrian access and the new street layout. The Boston Choice team planned projects are relatively concentrated in its smaller Choice neighborhood. They plan to improve two play areas and upgrade the physical conditions of nonprofit and commercial buildings. They also coinvested in a previously planned business incubator in the former Pearl Meat building. HUD has promoted the Boston team's decisionmaking process and project selection as a model for other grantees. Despite some delays in individual projects, the Seattle and Boston Choice teams were making progress in some of the CCI projects as of the fall of 2013. Comments from stakeholders in the two cities indicate that the CCIs chosen were ones that the residents considered important and believed would enhance the neighborhood.

[72] The Yesler amount reflects the sum of the grants from 2011 and 2012.
[73] The Woodlawn figure reflects the Chicago grantee's budget request as of December 2013.

Exhibit 4.3. Choice Critical Community Improvement Funds and Activities, as of September 30, 2013

Choice Neighborhood (City)	Description of Activity	No Longer Part of CCI Plans	Category	Funding Amount
Quincy Corridor (Boston)	Renovating Martin Luther King School playground and park		Recreational space	$825,000
	Renovating Haynes Elementary School play Lot		Recreational space	$450,000
	Redeveloping Pearl Meat as business incubator		Economic development	$500,000
	Improving residences for homeowners in Quincy Street area	X	Property conditions	$0
	Funding Open Air Boston, a program providing Wi-Fi for Grove Hall neighborhood		Other services	$300,000
	Funding capital improvements to nonprofit organizations within the neighborhood using Enhanced Partners for Non-Profits Program		Property conditions	$200,000
	Funding business façade improvements using the ReStore program and nonprofit capital improvements using the Partners for Non-Profits program		Property conditions	$300,000
	Supporting additional commercial redevelopment and infrastructure projects		Economic development	$500,000
	Total funds for Quincy Corridor			**$2,575,000**
Woodlawn (Chicago)	Funding for nonhousing capital projects allocated to specific projects with HUD approval	X	Unclassified	$1,960,000
	Creating the Renew Woodlawn Fund (revolving housing fund)	X	Property conditions	$0
	Improving the 63rd and Cottage transit stop (repainting and installing better lighting and security cameras)		Pedestrian conditions	$140,000
	Developing a hotel, including a full-service restaurant and potentially other ground-floor retail businesses (proposed)		Economic development	Unknown
	Developing a site for a pharmacy or small-scale grocery store (proposed)		Retail services	Unknown
	Expanding broadband access		Other services	Unknown
	Total funds for Woodlawn			**$2,100,000**

Choice Neighborhood (City)	Description of Activity	No Longer Part of CCI Plans	Category	Funding Amount
Iberville-Tremé (New Orleans)	Neighborhood Challenge Grants	X	Unclassified	$1,184,000
	Total funds for Iberville-Tremé			**$1,184,000**
Eastern Bayview (San Francisco)	Funding early childhood education center in Alice Griffith		Community facilities	$ 2,287,500
	Funding Alice Griffith Opportunity Center (a community center)	X	Community facilities	$ 2,287,500
	Total funds for Eastern Bayview			**$ 4,575,000**
Yesler (Seattle)	Subsidizing affordable retail businesses in the ground floor of Spectrum Development Solution's apartment building (to be reallocated to other affordable retail subsidies)	X	Retail services	$750,000
	Creating pedestrian hill climb along 10th Avenue		Pedestrian conditions	$650,000
	Creating community garden in Horiuchi Park		Recreational space	$100,000
	Rehabilitating Washington Hall (building available for community meetings, classes, and cultural performances)		Community facilities	$300,000
	Constructing South Washington Street (southern portion of Our Greenstreet, an initiative to make the neighborhood more ecofriendly)		Pedestrian conditions	$2,059,500
	Building a pedestrian connection between Main Street and the neighborhood park		Pedestrian conditions	$590,500
	Total funds for Yesler			**$4,450,000**

CCI = Critical Community Improvement. Choice = Choice Neighborhoods Initiative.

Sources: FY 2010–11 second-round application for Choice; Yesler's FY 2012 application; observations of Choice grantee team meetings and interviews with key staff; review of grantees' quarterly and annual reports to HUD

The CCI projects in the other three Choice neighborhoods were not settled as of September 2013. In Woodlawn, POAH designated their CCI funds to support the Renew Woodlawn Fund, an investment pool to be used to acquire, finance, rehabilitate, and sell vacant homes on blocks in need of housing stability. HUD determined that the proposed fund would be more appropriate as part of the housing plan, so POAH allocated $1.75 million of its housing spending to create the fund. As of September 2013, POAH had submitted a proposal to build a hotel and a small grocery store or pharmacy but had not yet received approval from HUD. HANO had initially proposed CCI funds for Neighborhood Challenge Grants to support "efforts that contribute directly to infrastructure, retail and jobs, and increasing cultural prominence." HANO had never moved to detailed planning of their small grants program, however, and decided to rethink their CCI strategy with the assistance of HUD and technical assistance providers. In Eastern Bayview, one-half the CCI funds were freed up in 2013 when funding from another source became available to pay for the building of a new community center, and HUD asked the grantee to review their request for the other proposed project, an early childhood center, before moving forward.

Economic Development

In the framework of Choice, economic development is an important part of transforming distressed neighborhoods and indicators related to economic development are included in the grantees' annual performance metrics. Economic development goals in Choice include attracting retail amenities to serve the residents and increasing the number of jobs in these distressed areas. The Quincy Corridor team's investment in the Pearl Meat project (described in the following section) is a good example of how Choice can advance goals in this area. Other grantees' efforts related to employment opportunities have focused on workforce development (described in chapter 3) and federal hiring requirements related to Choice funding.

Choice has a direct impact on employment opportunities through construction and other jobs needed to implement the Choice plan. Section 3 of the Housing and Urban Development Act of 1968 requires that wherever HUD financial assistance is expended for housing or community development, to the greatest extent feasible, economic opportunities will be given to residents and businesses in the area in which the funding is expended.[74] Some Choice neighborhoods are in cities that have even more stringent hiring criteria for projects in the city, and some grantees went beyond those requirements for the Choice redevelopment. Grantees report the number of neighborhood residents assisted through Section 3 as one of their annual performance indicators, so progress can be monitored over time. The construction and trade jobs created by Choice redevelopment often have requirements (for example, education, training, union trade membership) that many local residents cannot meet in a short period of

[74] A resident qualifies under Section 3 if he/she is: "(1) a public housing resident; or (2) a low- or very low-income person residing in the Choice neighborhood metropolitan area in which the Section 3 covered assistance is expended. … Section 3 business concerns are businesses meeting one of the following criteria (a) 51 percent or more owned by Section 3 residents; or (b) at least 30 percent of its full-time employees include persons that are currently Section 3 residents, or within 3 years of the date of first employment with the business concern were Section 3 residents; or (c) provides evidence, as required, of a commitment to subcontract in excess of 25 percent of the dollar award of all subcontracts to be awarded to business concerns that meet the qualifications in the above two" criteria. (HUD 2014: 1–2).

time. This problem underscores the importance of the workforce development programs described previously.

Outside of jobs generated from the redevelopment of the target developments, at this early stage Choice grantees appear to be focused on attracting retail businesses to the neighborhood that would fulfill unmet needs for goods and services, such as grocery stores. According to the baseline survey, the share of neighborhood households that did their regular shopping for food inside the neighborhood ranged from about one-half of households living in Iberville-Tremé to more than three-fourths of households in Quincy Corridor. New retail business can also send an important market signal to attract more businesses and other retail outlets to these distressed areas. The efforts in the Choice areas have had mixed success, with a large grocery store opening and then closing in Eastern Bayview and plans for one falling through in Woodlawn. If approved and successful, POAH's proposal for a small grocery store or pharmacy in Woodlawn would provide an example of Choice directly improving retail services for Woodlawn residents. SHA's unspecified activities related to affordable retail ventures may also bear fruit in the future.

Iberville-Tremé and Eastern Bayview have experienced some retail growth through non-Choice investments. Iberville-Tremé looked forward to the planned opening of two grocery stores to serve the neighborhood and make the area more attractive to prospective residents. Some planned retail efforts in Eastern Bayview were stalled or delayed because of the dissolution of the San Francisco Redevelopment Authority, but new stores and restaurants have opened on Third Street. Pedestrian access to the new outlets is not ideal. A portion of the route from Alice Griffith to Third Street is industrial, the route lacks a permanent buffer between the sidewalk and street, and the sidewalk is missing in portions where driveways are present.[75] Beyond Eastern Bayview, the development at Candlestick Point slated for 206-17 should lead to additional retail businesses in the nearby area in the longer term.

In Quincy Corridor, the redevelopment of the former Pearl Meat facility into a business incubator will create long-term jobs in the neighborhood and nurture entrepreneurs and small businesses. The planning for the Pearl Meat redevelopment was well under way before the Choice grant application, but the addition of Choice funding sped up the financing (HUD, 2013). This large-scale neighborhood economic development required organizations with expertise in this area, such as the Boston team's cograntee, the Dorchester Bay Economic Development Corporation, and committed public and private partners. The hotel in Woodlawn proposed as a CCI could be another example of Choice-funded economic development, but it still needed to attract outside investors as of September 2013. POAH's completed feasibility study should improve its chances for success. Iberville-Tremé may gain from the leveraged economic development activities nearby, in particular the new biomedical district adjacent to the neighborhood that is expected to create thousands of jobs. As of the fall of 2013, the stakeholder

[75] The research team observed conditions along the walking route west on Fitzgerald Avenue to Third Street in August 2013. For a description of the pedestrian survey in the five Choice neighborhoods, see appendix C.

interviews in New Orleans did not mention any Choice-related programs to connect workers living in the neighborhood to these new jobs.

BUILT ENVIRONMENT

Improving the built environment of the neighborhoods is explicitly part of HUD's goals for Choice neighborhoods. As detailed in the analysis of built environment in appendix C, three interrelated principles implicitly guide the grantees' plans regarding the design of the target development and hopes for the Choice neighborhood: connectivity, services, and the quality of the public realm. The *connectivity* principle means that the target development is well connected to the neighborhood and the neighborhood to the rest of the city. The *services* principle refers to neighborhood amenities, especially services and facilities that meet the needs of residents. These services include educational services, such as daycare and schools (discussed in chapter 3), and retail services, like the grocery stores described in the economic development section. Neighborhoods should also allow residents easy access to transit, park space, and recreational space. Finally, the principle of *quality of the public realm* considers the quantity and quality of spaces outside the home. The adequacy of the public realm depends on the type, amount, and spatial distribution of public space. Having a vibrant pedestrian environment is important because a significant portion of the public realm is in the form of streets and sidewalks.

CONNECTIVITY

The first principle of built environment interventions focuses on connectivity. The site designs for the target developments should improve integration between the buildings of public or HUD-assisted housing and the rest of the neighborhood. For example, the Iberville plan includes recreating the historic street grid to improve pedestrian-based connectivity. In the plan for Alice Griffith, midblock crossings and pedestrian paths will provide public access through the middle of a privately developed block, and a continuous network of public spaces will help to integrate the development with the surrounding community.

The Seattle grantee team in particular is using their CCI investments to better integrate the pathways within Yesler and to other parts of the city. A new pedestrian path will connect Main Street to a neighborhood park, and the 10th Avenue hill climb will safely connect Yesler Terrace with the Little Saigon area south of it. In addition, the creation of South Washington Street will implement the southern portion of the Seattle Department of Transportation's Green Street plans. A *green street* has specific design requirements and aims to attract pedestrians and strengthen connections between residential enclaves and other downtown amenities.[76] These investments are facilitated by SHA's control of much of the land in the neighborhood.

Observations of the built environment showed that Iberville-Tremé had the worst sidewalk connectivity of the Choice neighborhoods. Twelve percent of the street segments did not have sidewalks, and 14 percent

[76] City of Seattle (2012).

had significant barriers to walking.[77] In addition, nearly one-half of the residents in Iberville-Tremé thought that poorly maintained sidewalks were a problem, compared with about one-third in the other four Choice neighborhoods. No specific investments address the sidewalk issues, but investments outside of Choice are likely to improve neighborhood connectivity in other ways. As part of New Orleans's ongoing street repair program, new bicycle lanes were added to Esplanade and St. Bernard Avenues. The new Lafitte Greenway Bicycle and Pedestrian Path, a 2.6-mile multiuse trail and linear park, runs through the Choice neighborhood and will connect the French Quarter to other neighborhoods in New Orleans.

SERVICES

The second aspect of built environment is services and amenities. Being well served by public transit is closely related to connectivity goals. Well-developed public transit can be a draw for new households to move in and can improve current residents' ability to access jobs and services outside the neighborhood. Transit is particularly critical for residents without access to a car for at least a few hours a day, which ranged from 21 percent in Eastern Bayview to 33 percent in Quincy Corridor in the baseline survey. HUD recognized transit's importance by including the goal as one of the rating factors in the Choice NOFA and listing the number of transit stops within 0.5 miles of the target development as an annual performance metric for the grantees.

New transit options are planned for all the Choice neighborhoods except Woodlawn. The investments should increase the current share of residents who regularly use public transit, which ranged from a low of 20 percent in Iberville-Tremé to up to 37 percent in Quincy Corridor. The projects include lines under construction in 2014, such as a streetcar expansion along North Rampart Street in Iberville-Tremé and the First Hill Streetcar line near Yesler. A stop on the new bus rapid transit line will be located at the entrance to the new Alice Griffith site in Eastern Bayview. Choice funding reportedly helped the local team make the case to advance the timetable for the line 5 years earlier than originally planned. In these three neighborhoods, the improvements can help mitigate the additional traffic that will result from the planned increase in housing density. Other projects are still in the planning stage, such as the Boston's Fairmount Initiative, which is seeking funding for a light rail station adjacent to Quincy Corridor.

In addition to connections outside the neighborhood, improving parks and play spaces in the neighborhoods could enhance residents' quality of life by promoting outdoor activity, enhancing the neighborhood aesthetics, and offering safe gathering areas open to the whole community. In choosing their CCIs, the Boston and Seattle grantees prioritized greater access to park space for all neighborhood residents. Their collaborative decision processes led to the commitment of CCI funds for a community garden in Horiuchi Park in Yesler and the two play areas connected to elementary schools in Quincy Corridor. In Iberville-Tremé, the revitalized Louis Armstrong Park, which was planned and funded outside of Choice, is expected to draw in people from outside the neighborhood through special events. The condition of the sidewalks, occasional lack of marked pedestrian crossings, buildings in deteriorating

[77] To assess the built environment of the Choice neighborhoods, the research team collected information of a random sample of blocks in each neighborhood through Google Street View. (For more detail, see appendix C.) For the other four Choice neighborhoods, the corresponding share of segments without sidewalks ranged from 1 to 6 percent, and 4 to 8 percent of the segments had significant barriers to walking.

condition or with broken or boarded-up windows, and road-oriented lighting from Iberville-Tremé to the park were not ideal for walking, however.[78]

Another category of neighborhood investments relates to rehabilitating buildings that house cultural, recreational, and educational programming. HUD asks that grantees track their progress in these amenities in their annual report. Yesler's Washington Hall, which houses community meetings, classes, and performances, is the one approved example directly covered by CCI funds, but the early childhood center in Eastern Bayview may be another if those plans move forward. All five Choice neighborhoods have other civic buildings funded by non-Choice streams. For example, a separate federal grant paid for the conversion of the former steam plant in Yesler to a lifelong learning center. In partnership with POAH in Chicago, METROsquash raised funds for the education and recreation center that will be on site at Grove Parc. Eastern Bayview's opera house, public library, and College Track building all house community, educational, and cultural programs open to neighborhood residents. Millions of dollars renovated the Saenger and Carver Theaters in Iberville-Tremé. On a smaller scale, Boston Community Development Block Grant (CDBG) funds assisted Prince Hall Grand Masonic Lodge, claimed to be the oldest African-American fraternal organization in North America, with signage and façade repairs.

In addition to funding physical projects, the Boston and Chicago Choice grantees also planned to invest in wireless and broadband improvements for the neighborhood. Faster and more reliable Internet access should serve several purposes. Better connecting the current residents to technology could help students doing homework, adults searching and applying for jobs, and residents seeking out other services they need.

Quality of the Public Realm

The final principle of a supportive built environment is the quality of the public realm. Appendix B describes some aspects of the public realm, noting the prevalence of abandonment and rundown housing in Woodlawn and Iberville-Tremé. A high-quality public realm promotes the safety and comfort of pedestrians by methods such as permanent buffers between the sidewalks and the street. Deficiencies in the public realm are caused by lack of investment or upkeep, as signaled by graffiti, litter, abandoned lots, or buildings in disrepair. Exhibit 4.4 shows that all the Choice neighborhoods had room for improvement in the quality of the public realm. Indicators reflecting neglect of property and public spaces were worst in Woodlawn and Iberville-Tremé, consistent with the findings in appendix B. Quincy Corridor indicators were also high, with 39 percent of street segments with buildings in poor condition and 34 percent with abandonment, graffiti, or trash. Quincy Corridor also had no streets with a continuous buffer. Although Yesler has relatively lower indicators of disinvestment, about one-fifth of its street segments still reflect disrepair or neglect, and more than one-half the street segments lack a permanent buffer.

Some of the interventions for better connectivity and park space will enhance the public realm, but the Choice grantees and other city stakeholders also have efforts under way to specifically improve this

[78] The research team observed conditions along the walking route from Iberville to the park entrance on N. Villere Street in June 2013.

aspect of the built environment. The most prominent example is the $3 million Quincy Street Public Realm Improvement Project's planned changes to sidewalks, parking, and lighting along Quincy Street in Boston. Although not directly funded by Choice, stakeholders believe that Choice had an important role in accelerating this project's timetable. The consultation process, which was supported by $25,000 of Choice funds related to the improvement project, ensured that residents' could voice their opinions about the future streetscapes to the government agencies leading the effort. Several sources of information other than the block survey confirmed that quality of the public realm is a serious issue in Quincy Corridor. Observations of pedestrian conditions along Quincy Street revealed several design challenges, including no permanent buffer and some narrow sidewalks.[79] Neighborhood stakeholders in the focus group and other meetings expressed a great deal of concern over pedestrian safety in Quincy Corridor, and more than one-half the baseline survey respondents reported traffic safety as a problem in the neighborhood.

Exhibit 4.4. Selected Indicators on the Quality of the Public Realm

	Quincy Corridor (Boston)	Woodlawn (Chicago)	Iberville-Tremé (New Orleans)	Eastern Bayview (San Francisco)	Yesler (Seattle)
Street segments with buildings in disrepair (%)	39	51	59	26	22
Street segments with some or a lot of abandoned buildings and lots, graffiti, or litter (%)	34	50	47	25	20
Street segments without a continuous permanent buffer (%)	100	41	75	89	53

Source: Choice Neighborhoods Block Front Survey conducted using Google Street View, August–October 2013

In Woodlawn, the Chicago Transit Authority has partnered with Choice grantees for infrastructure improvements, such as better lighting and security cameras, at the transit stop at 63rd Street and Cottage Grove Avenue. These improvements aim to provide a safer environment for residents to take advantage of their physical proximity to the train. The Renew Woodlawn Fund could be applied to improve the vibrancy of the street through the rehabilitation and reoccupancy of vacant homes.

Although less visible than other parts of the neighborhood plan, the quality of the infrastructure will also affect the public's experience of the neighborhood environment. In Quincy Corridor, infrastructure is a concern for stakeholders who report chronic issues with utility breakdowns on Quincy Street, including gas leaks and sewer flooding. The city will need to spend time with utility companies and Boston Water and Sewer Commission to upgrade systems to meet the increased demand expected from the planned neighborhood improvements. Eastern Bayview and Yesler, the two Choice neighborhoods that are part of a broader revitalization plan, were part of comprehensive planning for infrastructure that preceded the redevelopment of the public housing and surrounding neighborhood. Before Alice Griffith construction could begin in Eastern Bayview, plans had to be approved for the full 770 acres of

[79] The research team observed conditions along the walking route on Quincy Street from Blue Hill Avenue to Columbia Road in August 2013.

Candlestick Point/Hunters Point Shipyard project pertaining to utilities, streetscapes, and water management. Although this process delayed development, Choice is credited with keeping the pressure on local stakeholders to move the approval process forward. SHA finished a similar process, planning for utilities such as water and electricity for the additional housing units. The careful review process in both locations added time, but should help minimize unforeseen problems later in the development cycle.

CONCLUSION

Whether related to public safety, economic development, or the built environment, strategic investments in neighborhood activities are positioned to further the goals for the Choice neighborhoods and residents. In the short term, these neighborhood activities can support revitalization by serving the people already living in the area and contributing to the momentum expected from redeveloping the target development. Early signs indicate that the CCI projects in Quincy Corridor and Yesler will provide quality of life improvements for residents. They will be very visible signals of the neighborhood benefits Choice may bring and help to earn community buy-in for the initiative.

Over the first years of implementation, HUD's Office of Public and Indian Housing has improved the agency's capacity to manage the neighborhood activities and to assist the grantees in this area. The Choice staff improved their guidelines and procedures related to managing CCIs, which should minimize delays and miscommunication going forward for these and future grantees. They also supplemented their housing experience with the know-how of their DOJ colleagues to review the PSE grants. HUD has also focused technical assistance on building the capacity of the current grantees to plan and implement their neighborhood work.

HUD required later rounds of Choice grantees to describe the feasibility and expected results of their neighborhood plans early on. In the FY 2013 NOFA, HUD asked for more extensive discussion of the relationship between neighborhood need, interventions, and likely impact. It also asked for the explicit role of the CCIs, non-Choice neighborhood leverage, and nonmonetary strategies in achieving the Transformation Plan. In addition, FYs 2012 and 2013 grantees were required to describe their overall public safety strategy and how community groups and criminal justice entities would coordinate activities to improve safety outcomes. The step of setting baseline and program target goals for the PSE grants was also incorporated into the FY 2013 Choice NOFA, which awards more points to applicants who can identify these goals and describe a public safety strategy that aligns with those outcomes.

Progress has been made in the Choice-funded neighborhood plans by the grantees and HUD has improved their capacity to manage this work. HUD can ensure success by continuing to monitor developments as grantees select and implement the CCIs and public safety activities.

ISSUES AND OPPORTUNITIES

- **Critical Community Improvements.** HUD needs to continue to refine its criteria about types and characteristics of eligible projects to facilitate the project identification process and minimize time needed for negotiation with HUD. These refinements will be useful for current grantees that have not yet finalized their CCI plans and future grantees. For all the first five Choice neighborhoods, HUD will need to monitor implementation of the plans and support grantees in

overcoming any unexpected hurdles. Finally, grantees should look for opportunities to take full advantage of the new projects to support Choice goals, such as promoting physical activity in the new parks or connecting workforce development plans with the business incubator.

- **Public safety activities.** A high violent crime rate is among the selection criteria for Choice, and these first grantees' activities to address crime within and beyond the PSE grants offer important learning opportunities. How grantees are able use Choice funding, coordinate safety activities with other Choice investments, and leverage additional resources from the local police departments and nonprofit organizations will provide lessons for the field. HUD and DOJ should also continue to provide technical assistance to grantees, promote local coordination, and monitor whether grantees are able to meet their objectives and leverage goals for the PSE grants.

Choice moves beyond HOPE VI in asking grantees to address key neighborhood issues that will affect the housing redevelopment, quality of life, and access to opportunity. Given the level of neighborhood distress, expectations for Choice's ability to directly shift the trajectory of the neighborhood during the grant period need to be realistic. The grantees chose neighborhoods with high poverty rates and extreme distress and were awarded more points by HUD on their application for having higher levels of distress. The limited amount of Choice funding alone cannot be expected to turn around high crime rates, vacant housing, poor schools, and inadequate services. Nonetheless, Choice investments that are well implemented and suited to the local context can make a difference in the neighborhood. Future research can investigate the benefits of the inclusion of neighborhood goals in Choice and provide lessons for other neighborhood revitalization efforts. (For further discussion, see appendix H.)

5. Coordinating Action and Leveraging New Resources

Findings

- **Histories of collaboration and the presence of an active, dedicated manager supported greater coordination among stakeholders.** The New Orleans, San Francisco, and Seattle grantees, all of which had previous team experience on HOPE VI projects, began implementation with clear and effective management structures. By September 2013, the Boston grantee had also established good internal coordination and a set of working relations among the people, housing, and neighborhood leads.
- **The greatest amount of collaboration with external agencies and leverage of additional resources beyond the Choice grant occurred with housing redevelopment,** which required coordinating review and approval processes and acquiring additional financing. External coordination was also stronger in places where Choice had a major role in driving neighborhood-scale redevelopment, like Yesler, or where Choice was deeply embedded within existing redevelopment commitments, like Eastern Bayview.
- **Active mayoral or political support for Choice was key in supporting coordination between the project and external stakeholders, especially with other city agencies.** Mayoral or political support was particularly critical, as more limited funding and/or additional leverage in the neighborhood and people domains made it more difficult to influence transportation or infrastructure planning processes, or leverage funding or investments from hospitals and universities. Making progress in the broad goal of Choice—creating mixed-income neighborhoods of choice and opportunity through direct and leveraged investments—appears to be promoted best when HUD has a local partner with the ability to coordinate and control local action at a significant scale, and to hold partners accountable for meeting their commitments. This authority to control action best occurred in Yesler and Eastern Bayview, where Choice's integration into a broader neighborhood plan seems to enhance grantees' authority and the accountability of local partners.
- **Among providers with previous HOPE VI experiences, HUD and grantees established good working relations that contributed to smoother project implementation.** HUD needed to develop new systems and protocols with the HUD-assisted developments, which contributed to some delays in implementation that have since been resolved.
- **Even in its early implementation, Choice was credited by many of the grantees as helping to set in motion or put in place some systemic changes or improvements in local interagency functioning.** At the same time, other aspects of local or federal policy made it more difficult for Choice efforts to extend their reach beyond the target development into the Choice neighborhood as a whole. For example, the absence of neighborhood schools among all the Choice neighborhoods except Yesler made Choice's goal of coordination with education reform more difficult, although grantees did develop tools to engage with school improvement efforts.

INTRODUCTION

The Choice Neighborhoods Initiative seeks to reach beyond the redevelopment of distressed public and assisted housing to promote comprehensive community improvements in the neighborhood as a whole. As such, the design of the initiative emphasizes planning and coordination among different domains beyond housing, including education, safety, economic development, and workforce development. Part of the policymaking rationale for coordination is that, although significant, Choice grants that provide $30.5 million over 5 years are not likely to transform neighborhoods into mixed-income communities of choice and opportunity. Instead, Choice was meant (1) to support effective collaborations among partners to better coordinate existing efforts on behalf of residents and to make them more effective and (2) to enlist their help in attracting additional investments, or leverage, that might more reasonably be expected to reach a scale to achieve these ambitious outcomes.[80]

Choice neighborhoods were also selected, in part, because significant, colocated investments were already under way in the neighborhood. Many of these investments have their own planning or governance structures; for example, land use decisions are often proposed by city planning departments and confirmed by votes of city councils. Parallel planning and governance pose real challenges to coordination, especially because Choice implementers do not inherently possess the authority to direct these efforts, and Choice has relatively limited funding in its people and neighborhood domains to be able to claim priority or control of them. For all these reasons, it is important to understand Choice's efforts to promote coordination, if and how these efforts appear to add value to already-planned programs, and if and how coordination efforts bring additional resources into neighborhoods. These findings are relevant not only to Choice implementation but also for the portfolio of federal programs within the White House Neighborhood Revitalization Initiative (NRI) that relies on coordination within urban policy.

Accordingly, this chapter describes HUD's role in supporting local and federal interagency coordination, HUD's relationship with grantees, and coordination within grantee teams and between grantees and other local stakeholders. It reviews common themes associated with more successful coordination among the five first implementation Choice neighborhoods and reports on impediments to coordination that were outside the control of HUD or grantees but that may need greater attention as Choice evolves. Finally, it describes how Choice implementers have brought additional funding to neighborhoods and the strategies they employed to attract them.

[80] The terms *coordination* and *leverage* are used differently within the field. This report defines coordination as the active management of processes to ensure (1) day-to-day functioning of the initiative, (2) the identification of opportunities for multiple programs to take advantage of each other in concrete ways for the benefit of neighborhood residents, and (3) the assurance that planning and community development initiatives are aligned so as to produce Choice's broadest objective: creating mixed-income neighborhoods of choice and opportunity. Although leverage is often difficult to track and define, and HUD has characterized additional investments that were part of grantees' original proposal as funds leveraged by Choice, this report characterizes leverage more strictly, as additional programs or investments that occurred after Choice started to operate and were induced by Choice investments and/or implementation.

COORDINATION AND SYSTEMS REFORM THROUGH CHOICE

HUD'S COORDINATING ROLE

Choice's status as an ambitious new initiative for HUD makes exploring its own coordination role important for several reasons. First, its comprehensive approach to neighborhood revitalization requires HUD to fund and support local implementers' work outside its traditional areas of expertise, moving beyond public housing redevelopment to areas such as schools and safety, and engaging the Departments of Education and Justice accordingly. Second, Choice is run within HUD's Office of Public and Indian Housing, which had experience through the HOPE VI program in redeveloping public housing.[81] Choice, however, intentionally targets HUD-assisted housing developments in addition to public housing, which means that Choice requires interaction *between* Public and Indian Housing and the Federal Housing Administration's Office of Multifamily Housing Programs.

INTERAGENCY COORDINATION

Choice is part of NRI, an effort to break down "silos" among federal agencies, build local capacity, and support the efficiency and effectiveness of existing programs.[82] Agencies involved with NRI include HUD and the U.S. Departments of Education, Justice, Treasury, and Health and Human Services. From HUD's perspective, participation within NRI working groups allowed for greater access to partners at Education and Justice who could provide HUD with subject-area expertise, give advice about how to craft the Choice notice of funding availability, or NOFA, and review education- and safety-related aspects of applications. In this light, the coordination of DOJ Public Safety Enhancement grants to Choice neighborhoods (described in chapter 4) is an important example of the potential benefits of federal interagency coordination.

Only one of the first five Choice neighborhoods (Quincy Corridor) had also received a Promise Neighborhoods implementation grant that overlaps with Choice boundaries, although others had applied.[83] The experience of Choice grantees suggests the need for better coordination between the Choice and Promise Neighborhoods programs, as NRI has acknowledged in identifying such coordination as one of its goals in the development of Promise Zones, a program that takes on this goal explicitly. Later grantees, such as San Antonio, received both Choice and Promise Neighborhoods grants and also a Promise Zone designation. For places that received multiple federal grants, NRI's Program Integration Working Group, which meets biweekly, helps monitor initiatives, align performance indicators, streamline programs, and identify additional projects from saved resources. HUD also worked with DOJ and the Department of Education to develop training curriculum and technical assistance for Choice grantees, related to school improvements, described in the following section.

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[81] Each of the grant management teams also includes a CPD team member.

[82] See "Neighborhood Revitalization Initiative." http://www.whitehouse.gov/administration/eop/oua/initiatives/neighborhood-revitalization (White House Office of Urban Affairs, 2012).

[83] San Antonio's Eastside neighborhood, in the second round of implementation grantees, is the location of both a Promise Neighborhoods implementation grant and a Byrne Criminal Justice Innovation Grant; it is also one of the first recently designated Promise Zones.

COORDINATION WITHIN HUD

An important innovation of Choice was its expansion to include HUD-assisted housing developments as part of its portfolio. Consequently, new processes needed to be put into place to redevelop and provide social services to grantees in Quincy Corridor and Woodlawn. For example, closing on Quincy Heights required creating an intra-agency working group comprising the public housing expert at the HUD central office and the multifamily experts in the regional office. Although it was a major accomplishment on HUD's part to develop these systems, the time-consuming negotiations within HUD and between HUD and the Boston grantee were said by more than one Boston stakeholder to have caused a burdensome delay. Future grantees' Choice experiences may be helped by the HUD systems and processes that were put into place during the early years of Choice implementation.

HUD conducted other forms of intra-agency coordination to support local grantees' progress. For example, HUD grantee management teams were interdisciplinary by design, bringing in a multifamily specialist when the property involved HUD-assisted housing, and also engaged local offices and HUD central. Choice also brought in technical assistance providers from within HUD who were engaged in the Sustainable Communities program (a federal interagency initiative that brought together HUD, the U.S. Department of Transportation, and the U.S. Environmental Protection Agency) to discuss how best to coordinate investments with local transportation projects. Another important innovation of Choice was the inclusion of a neighborhood component. Another important internal partner was HUD's Office of Community Planning and Development (CPD), which administers the Community Development Block Grant (CDBG) program. CDBG funds initiatives might be targeted to Choice neighborhoods, so HUD identified the potential to coordinate between Choice and CPD, bringing CPD staff members onto the Choice teams and providing preference to grantees that promised to commit CDBG funds to the Choice project. Finally, HUD's Office of Policy Development and Research was consulted as HUD's performance metrics were developed.

HUD'S INTERACTIONS WITH THE GRANTEES

HUD's Roles

Although federal agencies have statutory and regulatory obligations that dictate their oversight of local initiatives, in practice agency management can take different forms depending on the program and the agencies involved. Among the first five grantees, HUD's oversight of Choice had several important emphases with implications for implementation progress: (1) enforcing broad, local accountability to the Transformation Plan and the integrity of its core partnerships; (2) managing grantees' progress, especially according to defined performance metrics; and (3) providing technical assistance, largely by convening grantees for subject-area discussions.

Among the first five implementation grantees, HUD has acted to keep local implementers accountable to their Transformation Plans and overall Choice objectives. (As described in chapter 4 about negotiations related to Critical Community Improvements, this process could be iterative and sometimes lengthy.) In general, HUD has sought to promote progress according to the plans' overarching objectives, even if some specific aspects of the initial proposal had shifted. For example, HUD acted in Iberville-Tremé to articulate the need for offsite housing development by tying these efforts to the

approved Transformation Plan and holding grantees accountable not only for the redevelopment of the Iberville housing development but also for the total unit count proposed in the application. This emphasis on the part of HUD enabled the Housing Authority of New Orleans (HANO) to help focus local stakeholders on offsite housing.

In Woodlawn, HUD has acted on several occasions to promote accountability to the broad goals of the plan. HUD's actions included focusing on the engagement of the City of Chicago to meet its responsibilities as colead and emphasizing the importance of participation of Grove Parc tenants in planning. HUD also encouraged developing a grocery store, instead of a hotel, within Woodlawn, although the final CCI choices were not settled as of September 2013. Focusing the city's efforts on a single neighborhood with a challenging political history has been difficult (appendix B), but HUD's involvement has provided Preservation of Affordable Housing, Inc., with additional leverage to involve the city and external stakeholders. In Quincy Corridor, HUD was active in promoting and directing funding to Pearl Meat, the economic development project, which it considered to be an important part of its neighborhood agenda.

In addition to these commitments to the broad success of the grantees' Transformation Plans, HUD also provides ongoing project management, including regular calls to grantees, monitoring of progress, and response to reporting. One especially important component of Choice project management involves establishing and reviewing performance metrics. As part of Choice's general outcome and accountability framework, metrics are a potentially important way to establish goals and monitor progress. These metrics are often numerous and expansive, and involve not only activities directly within grantee control, such as case management activities with residents of the target development, but also those aspects of neighborhood change that may be outside the direct control of grantees, such as local safety outcomes.

Although promoting a sense of local accountability toward these aspects of neighborhood change may spark grantees to seek to influence these conditions, without adequate funding or the policy tools to accomplish them, reporting on performance metrics was seen by grantees as time consuming, challenging to collect the data required (although HUD provided some administrative data), and sometimes extraneous to implementation goals within their control. HUD's work to revise program metrics has been responsive to these concerns.

A final area of HUD support is to provide technical assistance by convening subject-specific forums for grantees, producing webinars and promising practice guides, and by fostering connections to topical experts. HUD has contracted with BCT partners and the Center for the Study of Social Policy to provide technical assistance within Choice. Together with HUD, TA providers identified areas of shared needs among grantees, and accomplishments that could be lifted up as smart practice among grantees—such as coordinating with schools in Yesler or identifying CCIs in Quincy Corridor. HUD has also focused on ways for grantees to learn from each other's work, and to support areas of practice, which are newer to the grantees. For example, convenings of grantees have often focused on neighborhood-based activities, because this domain has been a newer area of work for HUD and the grantees, and have involved sessions about how to link local economic development to regional development strategies.

Although the previously listed efforts focused on building capacity across all grantees' work, HUD has also helped facilitate more individualized TA, such as around case management to housing-assisted populations in Woodlawn.[84] HUD saw these efforts as important ways to promote performance among Choice grantees.

HUD-Grantee Relations

As described throughout this report, three of the lead grantees—HANO, the Seattle Housing Authority (SHA), and McCormack Baron Salazar (MBS) in Eastern Bayview—were all experienced HOPE VI providers and had a working relationship with the Office of Public and Indian Housing and experience with HOPE VI housing redevelopment processes that were the administrative templates for implementing Choice. In Choice neighborhoods with HUD-assisted housing, by contrast, grantees and partners (at least among the housing providers themselves) did not always have the same experience in delivering case management services to tenants or in interacting with neighborhood stakeholders as a whole.

Where grantees had previous HOPE VI experience, HUD and grantees agreed that they had good working relations, which contributed to project implementation, especially in the people and housing domains. For example, in Eastern Bayview, interaction with HUD is managed by MBS, a developer with extensive experience working with HUD in several HOPE VI projects. Local interviewees across the board consistently referred to a productive working relationship, flexibility on the part of HUD, and good and regular communication with the agency. In Iberville-Tremé, grantees reported flexibility and responsiveness on HUD's part. For example, after HANO's voucher experts and attorneys alerted them that they were required to compete for project-based vouchers and that the deadline had already passed, HANO approached HUD directly and asked about other options; HANO then requested and HUD granted a waiver that allowed for the designation of 112 vouchers to its senior housing site. Implementers in Yesler, where the grantee also had HOPE VI experience, also reported good relations with HUD, although they reported unexpected challenges and needed to seek a waiver after they sought to engage a private developer regarding offsite housing.

Where HUD-assisted housing developments were the target, early administrative challenges and the presence of less experienced actors produced more tensions. Within Woodlawn, the local grantee was not the Chicago Housing Authority, with which HUD had worked extensively on its Plan for Transformation. Instead, the grantees were the City of Chicago's Department of Planning and Development and the Preservation of Affordable Housing (POAH), a nonprofit developer. For Quincy Corridor, the Boston Housing Authority had significant experiences redeveloping HOPE VI housing, but the grantee, the Boston Department of Neighborhood Development, had less experience. From the perspective of local implementers in Quincy Corridor, delays in obtaining relocation vouchers, in closing on the property, and in receiving PSE grants were seen as significant problems that fed uncertainties about early implementation.

[84] Although not the focus of this report, individualized TA has been provided to grantees other than the first five implementation grantees, and to planning grantees.

Summary and Reflections

It is not surprising that less-experienced grantees might experience delays in implementation or challenges in working with HUD. As one of the innovations of Choice, the inclusion of HUD-assisted housing developments required learning by HUD and the grantees, and in the case of Quincy Corridor these challenges were eventually overcome. In general, however, within the first years of Choice implementation, some implementation challenges have been beyond HUD's control, either because of the scale of the problem or because the grantee was not positioned to influence the issue in question. For example, in Eastern Bayview, infrastructure financing challenges and the sunsetting of the San Francisco Redevelopment Authority (along with all other redevelopment authorities throughout the state) were not within HUD's control. Similarly, although HUD has expressed concern about the possibility for gentrification and displacement within the Choice neighborhood in New Orleans, HANO and the City of New Orleans are limited in their ability to control rising housing prices. As a result, HUD's actions to control development outside Iberville have been limited to upholding the ambitious, offsite affordable housing unit count.

Making progress in the broad goals of Choice (that is, in creating conditions that support mixed-income neighborhoods) appears to be promoted best when HUD has a local partner with the ability to coordinate and control local action at a significant scale. Among the first Choice neighborhoods, the relatively small area targeted in Seattle, its proximity to downtown, and SHA's close coordination with transportation, zoning, and other infrastructure investments make them perhaps closest to this ideal partner, given Choice's broadest ambitions.

Coordination Within Grantee Teams

Choice's implementation structure created a specialized division of labor. The lead grantee is accountable for progress across the three domains of housing, people, and neighborhood, but different organizations were generally designated to lead each of these areas of work. During the early years of Choice, coordination among these partners was important to allow for smooth internal implementation of the grant. For example, coordination between the people and housing implementation entities could ensure better delivery of case management services to vulnerable residents in the process of relocation.

By September 2013, four of the five grantees appeared to have good internal coordination and a set of working relations among the people, housing, and neighborhood leads that resulted in progress on housing (for example, financing, demolition, and construction), as described in appendix B. Factors that promoted this coordination are described at the end of this section. The following list describes the state of grantees' internal coordination in the five Choice neighborhoods as of September 2013:

- **Quincy Corridor.** An earlier report (Pendall et al., 2013) noted internal coordination challenges in Quincy Corridor, which had limited regular face-to-face meetings among lead partners and insufficient meetings of all partners. These dynamics slowed the selection of providers for people-related strategies. Starting in 2013, increased attention from the mayor's office and the designation of a lead within the Department of Neighborhood Development with good relations to other city agencies accounted for significant advances in internal administration of the Choice

grant, and monthly meetings served to improve communication. The delay in designating a case management provider and communication challenges meant, however, that not all Woodledge-Morrant Bay residents had been assessed as of September 2013.

- **Woodlawn.** A year into implementation, core implementing partners in Woodlawn, including POAH, the City of Chicago, and Network of Woodlawn (NOW), were not always communicating actively in the administration of the Choice grant. By September 2013, this dynamic did not appear to have improved significantly, although HUD has reported progress since 2013. For example, HUD had major questions about the city's engagement in the Choice grant, and POAH and NOW had not been able to agree on a community engagement strategy.
- **Iberville-Tremé.** Regular working meetings among critical partners continued in Iberville-Tremé, and HANO, the city, and private developers reported good relations. Although some tensions emerged regarding permitting and approval processes between the city and HANO and between HANO and private developers about offsite units, several challenging functional hurdles were still overcome—a major accomplishment given the complex and ambitious nature of the Transformation Plan. Most important of these accomplishments were the coordination of environmental review, the approval of zoning and streetscape changes, and the early assessment of all residents through case management.
- **Eastern Bayview.** Core partners in Eastern Bayview reported continued coordination among the housing, people, and neighborhood leads. Semiweekly meetings of core partners and additional working meetings have helped create a productive relationship among partners. For example, the property manager of Alice Griffith and a social services director meet regularly to discuss cases of residents in need of help with eviction prevention and also discuss communitywide developments that have implications for their work.
- **Yesler.** SHA, which is the lead for all three domains (housing, people, and neighborhood), has a strong working relationship with Seattle University, the education implementation entity. Given the diverse language and cultural backgrounds of the residents of Yesler Terrace, strong coordination of case management with Neighborhood House staff has been an important aid to early implementation.

These common factors emerge among the first five grantees that helped facilitate coordination: (1) histories of collaboration among the grantees and (2) the presence of an active, dedicated manager with the authority to facilitate regular communication among numerous stakeholders. Choice grantee teams with solid working relations—for example, like MBS has with Urban Strategies in Eastern Bayview and Iberville-Tremé or like SHA has with Neighborhood House—were better able to coordinate case management or relocation services in the context of Choice. Conversely, in Quincy Corridor, where partners did not at first have defined histories of collaboration as a collective, or in Woodlawn, where histories of conflict regarding Grove Parc remained, internal coordination has been more challenging.

Even in cities where partners benefited from a history of collaboration, active project management could help internal dynamics. The grantees in San Francisco and New Orleans hired or designated a project manager for Choice, whose responsibilities included facilitating communication among

implementers and promoting regular (sometimes biweekly), engaged, and transparent implementation meetings. These grantees often reflected on the importance of this role, given the wide range of actors involved in Choice.

Coordination Between Grantee Teams and Other Actors

Among the first five grantees, the extent of coordination varied by Choice neighborhood and by domain. Housing generated the greatest amount of external collaboration, because grantees needed to coordinate financing and development approval processes. External coordination was also greatest in places where Choice had a major role in driving neighborhood redevelopment, like Yesler, or where Choice was deeply embedded within existing redevelopment commitments, like Eastern Bayview.

- **Quincy Corridor.** Sparked by engagement from the mayor's office, coordination among city agencies has improved significantly. For example, interagency coordination helped identify local vacant properties that had become hotspots for prostitution and drug use, resulting in their being sealed off. Simultaneously, the limited reach of housing investment (replacing 129 units and not creating new ones) made neighborhood change ambitions more limited in Quincy Corridor and may reduce the ability of Choice alone to claim visibility or influence in the neighborhood. Implementers reported challenges in engaging small business owners and local nonprofit organizations, even when funds were allocated to these activities from CCI funds. Major transit improvement efforts are largely uncoordinated with Choice, and nearby local hospitals have not been engaged in Choice efforts.
- **Woodlawn.** Choice implementers in Woodlawn have found few ways to coordinate Grove Parc redevelopment with other public and private initiatives to address foreclosures, vacant lots, and safety. The City of Chicago is formally a partner in the plan, but it has not placed high priority on the Choice intervention, and instead has provided other forms of resources to the neighborhood that have not been extensively coordinated with Choice. Observations as of 2013 suggest that NOW (the neighborhood lead) had not created an effective, collaborative process with other local stakeholders.
- **Iberville-Tremé.** Choice has helped convene and coordinate housing investments throughout the Iberville-Tremé neighborhood. This leadership is important given the ambitious number of units (1,500) in its Transformation Plan and the increased interest in outside developers in the neighborhood. Site control has sometimes been challenging (for example, the loss of control of the eastern adjacent Winn-Dixie Stores, Inc. property at auction), but such difficulties might be expected given the number of offsite properties that were part of the plan. Beyond housing, city engagement has helped the Choice grantee communicate informally with leads in other colocated planning processes, such as the Lafitte Greenway and the Claiborne Corridor Transportation study, but Choice itself is not the driver of these activities. New Orleans's BioDistrict has not been engaged in Choice work to date; its potential to deliver jobs and workforce housing to the neighborhood makes it a key opportunity for the Choice grantee to explore in coming years. Simultaneously, given the histories of contention regarding HOPE VI public housing redevelopment efforts in New Orleans, it is remarkable that Choice has not sparked more conflict.

- **Eastern Bayview.** In Eastern Bayview, San Francisco's Office of Community Investment and Infrastructure and the Mayor's Office of Housing and Community Development communicate regularly. Coordinated by Urban Strategies, local social service providers in Alice Griffith also engage regularly with one another. Although HOPE SF—in many ways a predecessor initiative to Choice, anticipating its goals of one-for-one replacement and its focus on resident services—helped set up these coordination structures, communication has also been helped by a designated services coordinator within the project. The San Francisco United School District has not been involved, however, and interviewees report that work on education has lagged.
- **Yesler.** Seattle's transformative ambitions for the Yesler neighborhood have required and been facilitated by the engagement of numerous city agencies, nonprofit organizations, and Seattle University. Rezoning of the targeted area, transportation and infrastructure improvements, relocation agreements, a community workforce agreement, and other aspects of coordinated programming have been facilitated by institutions focused on public housing transformation—such as the Citizen Review Committee—which have brought together redevelopment stakeholders. Agreements that ended contention over HOPE VI in the 1990s established the framework for today's smoother relationships.

As described in the previous section, several contextual issues that were generally *not* in the control of HUD or the grantees impeded external coordination across Choice neighborhoods. First, the presence of parallel transportation or infrastructure planning processes for non-Choice investments often made it difficult to influence these activities. In Choice neighborhoods where the greatest leverage was claimed as part of Choice—such as Iberville-Tremé, which claimed more than $1 billion in leveraged investments—coordination with external actors was sometimes the most challenging. For example, the Claiborne Corridor transportation planning processes in Iberville-Tremé, the infrastructure commitments of Lennar in Eastern Bayview, and Boston's Fairmount Corridor were all fairly disconnected from Choice activities. (An exception to this pattern was the acceleration of bus service and bus rapid transit to the Eastern Bayview area.)

Second, a lack of engagement from anchor institutions made it difficult to leverage funding or investments from hospitals and universities. Seattle University's exceptional engagement of more than $3 million to Choice notwithstanding, hospitals and universities were not extensively engaged in Choice. The New Orleans BioDistrict remained disengaged in Iberville-Tremé, and despite commitments from Boston area universities in the Choice application, they were not involved in early implementation. The University of Chicago kept a low profile in the Woodlawn redevelopment, perhaps anticipating opposition by residents (who remain suspicious of the university) to more active involvement.

Third, limited funding and leverage in the neighborhood and people domains made it difficult to claim the attention of external agencies. As might be expected, the more direct funding provided by Choice, the greater the "hook" for other agencies to see the need to coordinate their efforts with the initiative. The relative lack of engagement of city agencies and private institutions in neighborhood planning, as described in chapter 4, may be explained in part by the fact that Choice does not provide funds as generously in this domain.

Finally, leadership transitions at the local or city levels produced uncertainty and coordination challenges. The dissolution of the San Francisco Redevelopment Authority and the uncertainty about whether its funding commitments would continue to be met and the transition associated with the end of Mayor Thomas Menino's 21-year term in Boston were each described by local observers as making it difficult to coordinate progress. Transitions in community leadership could also produce uncertainties. For example, Woodlawn experienced the departure of Dr. Leon Finney from leadership of the powerful Woodlawn Organization and saw a transition of NOW leadership from Bishop Arthur Brazier to his son, Dr. Byron Brazier.

Some of these contextual challenges could be partially overcome by Choice grantees, using two major means. First, active mayoral or city council support for the Choice project was important to support coordination between Choice and external stakeholders, especially other city agencies. Mayoral engagement provided additional political capital and authority to Choice implementers. Interviewees in Boston attributed better internal and external coordination from 2012 to 2013 to this increased level of engagement from the mayor's office. In New Orleans, the division of labor between the city and HANO has facilitated smoother coordination of housing redevelopment, especially in rezoning and approval of the new Iberville street grid. San Francisco's mayor was also described as engaged with Choice and HOPE SF processes. In Seattle, active city council engagement in the future of Yesler has helped drive the more transformative efforts in that neighborhood. By contrast, a lack of deep engagement from the City of Chicago has made it more difficult to coordinate among local Woodlawn initiatives.

Second, grantees with a history of coordinating redevelopment in consultation with varied stakeholders could smooth coordination in Choice. For example, the Citizen Review Committee in Yesler has facilitated broader stakeholder engagement with Yesler Terrace redevelopment, and the city council's concern for resident well being has resulted in additional requirements for the project, but also deeper commitments to it from the council. In San Francisco, the HOPE SF framework brought consensus to public housing redevelopment approaches, like the decades-long planning did within the Choice Eastern Bayview area. Although New Orleans does not have this history of varied stakeholder consultation regarding public housing redevelopment, Choice has marked an intentionally different path for HANO and a new mayoral administration. By contrast, in Woodlawn, a history of opposition to redevelopment conducted by the University of Chicago has resulted in little consensus about large-scale transformation activities in the neighborhood.

Policy or Systems Change and Choice

Related to the issues of coordination discussed previously, an important question is the extent to which Choice's comprehensive approach might spark opportunities for systems reform at the local level. These opportunities relate especially to "silo busting" or other changes that would allow for more efficient and more effective comprehensive neighborhood development that would essentially enact in Choice neighborhoods some of the goals of the federal NRI.

In fact, Choice was credited by many of the grantees as helping to set in motion or put in place some systemic changes or improvements in interagency functioning. Although it is too soon to understand the

potential implications of these reforms for the success of community improvement efforts, it is notable that Choice has sparked some of the policy reforms that its designers hoped would promote greater coordination or otherwise improve redevelopment processes.

For example, in New Orleans, City Hall launched an effort early in the Choice process to improve public participation in setting redevelopment priorities. This well-attended process invited residents and organizational representatives to develop working groups on safety, housing, and education. Although the advisory process disbanded, these working groups were initially seen as a template that could change the way that local individuals and organizations collaborated with city agencies.

In Seattle, the redevelopment of Yesler Terrace set into motion extensive action on the part of numerous city agencies and the Seattle City Council, which generated or approved several innovative aspects of the redevelopment process. These innovations included labor standards for housing reconstruction, guidelines on the number of times a resident was required to move, expanded notice to residents surrounding redevelopment, rules enforcing one-for-one replacement, a community workforce agreement to ensure local hiring, a mixed-finance model that allows the same unit to be occupied by a moderate- or low-income tenant, and a resident-friendly street grid.

Outside of legislative or administrative changes, other grantees described ways that Choice was sparking some agencies to rethink their strategic approach to neighborhood planning and investment. For example, in Boston, interviewees described a decision by the Department of Neighborhood Development to focus on coordinated outreach within the Choice neighborhood rather than on the stand-alone implementation of small business and homeowner programs. Boston interviewees also suggested that Choice led to the ability to use CDBG funds more flexibly.

Leverage

An intentional part of Choice neighborhood selection was the extent to which neighborhoods had already committed substantial colocated investments. This commitment to implement Choice to places with committed leverage can be seen in the scale of neighborhood commitments, such as $166 million claimed in Eastern Bayview and more than $1 billion in Iberville-Tremé. Activities represented by this leverage were generally planned and under way before the Choice announcement, and the first five Choice target developments were designated for redevelopment before the FY 2010–11 awards were made. Accordingly, to understand the value-added of Choice, it is important to understand how Choice designation and HUD funds sustain or leverage *additional* investments. Tracking which programs or investments leverage which others is difficult, and opinions often vary among actors depending on their role in each Choice project.

In early implementation, as a necessary component of the financing of redevelopment, housing was the area for which additional funds were most likely to be committed after Choice designation. Grantees were most likely to describe the designation of tax credits, loans, or state funds when attributing leverage to Choice. For example, this leverage included infill infrastructure from the state of California for Alice Griffith and $16 million in low-income housing tax credits from the City of Chicago for the Grove Parc redevelopment. These successful commitments were important components of Choice making progress in its early housing redevelopment goals, and are described in chapter 2.

Beyond the more direct leverage of housing, the evidence of grantees leveraging additional funds or services because of the Choice investment is less clear, and grantees generally reported that most activities were planned or were under way before the Choice announcement. That is, in part because local commitments influenced site selection, Choice seems less catalytic than additive. In addition, as described previously, results were mixed in colocating federal initiatives within Choice neighborhoods. As a successful example, all Choice neighborhoods received DOJ PSE grants, and San Francisco received a Byrne grant from the DOJ for Eastern Bayview. By contrast, only the Boston Choice neighborhood was awarded a Promise Neighborhoods implementation grant.

Grantees did, however, report cases beyond housing in which additional investments were attributed to Choice designation (exhibit 5.1). In the people domain, grantees reported that educational investments were especially likely to have been sparked by Choice. For example, various initiatives in Yesler, including Gates Foundation and United Way funding, were attributed to the redevelopment of Yesler Terrace. In the neighborhood domain, new leverage included the accelerated development of San Francisco's bus rapid transit to the neighborhood and additional financing for certain infrastructure projects. Foreclosure relief from the State Attorney General of Illinois was also described as being targeted to Woodlawn as a result of Choice. Although local actors attributed these additional investments to Choice, their dollar amounts are modest compared with the dollar amounts of the original commitments that were part of the application.

Exhibit 5.1. Examples of Leverage Claimed as Having Been Catalyzed by the Choice Grant

Choice Neighborhood	Description of Leverage	Choice Domain	Funding Amount
Eastern Bayview	Infill infrastructure grant	Neighborhood and housing	$5.6 million
	Acceleration of bus rapid transit line to Alice Griffith	Neighborhood	Not applicable
Iberville-Tremé	Early childhood services committed to Iberville after redevelopment	People	In-kind commitment
Quincy Corridor	Pearl Meat community business incubator	Neighborhood	Approximately $14.5 million, some committed before Choice
Woodlawn	Grant to acquire foreclosed and abandoned property from the State of Illinois	Neighborhood and housing	$750,000
Yesler	Funding to conduct an economic development study	Neighborhood	$60,000
	Summer youth employment grant		$70,000

Choice = Choice Neighborhoods Initiative.
Note: The examples given exclude housing financing directly associated with Choice redevelopment.
Source: Interviews and Program Documentation

Considering ongoing challenges stemming from the financial crisis and strains in the public and private sector, it is not surprising that obtaining significant additional leverage has been challenging for grantees. Furthermore, implementation of Choice is still in its very early phases, and financing obtained to reconstruct new housing and commercial facilities will undoubtedly help Choice implementation in the future. Finally, Choice's most significant effects in the neighborhood, if they are to occur, are likely to be caused by the leverage of private investors—from homeowners to larger developers and institutions—that will see progress related to onsite transformation as making additional investments worthwhile. These types of investments must be observed over time, after other forms of implementation progress take place, and as such constitute an area for future research.

CONCLUSION

Making progress in the broad goals of Choice—creating mixed-income neighborhoods of choice and opportunity using direct and leveraged investments—appears to be promoted best when HUD has a local partner with the ability to coordinate and control local action at a significant scale, and to hold partners accountable for meeting their commitments. Political support helped move Choice toward scale, and may help engage local schools, and anchor institutions such as hospitals, college, and universities, in the future.

ISSUES AND OPPORTUNITIES

- **Federal coordination.** Coordinating additional federal resources to Choice neighborhoods is an opportunity, which HUD has already started to realize with early grantees. HUD's partnership with DOJ, expanding opportunities for Choice grantees to receive technical assistance and additional federal funding for public safety interventions, stands out as an important effort to follow over time. The PSE grants offer a model of strong coordination among federal agencies that could be expanded to other topic areas.
- **Leverage.** The extent to which public and private investments in infrastructure, safety, and other neighborhood amenities grow over time is an issue to watch. Although colocated investments previously committed to Choice neighborhoods are significant, examples of the Choice grant catalyzing additional resources outside of housing finance were infrequent at this early point in Choice implementation. Given ongoing challenges stemming from the financial crisis, federal spending retrenchment after the wind-down of the American Recovery and Reinvestment Act of 2009, and strains in the public and private sector, it is not surprising that obtaining significant additional leverage has been challenging for grantees.
- **System change.** Some aspects of local policy, not in control of Choice grantees, are an issue to watch because they make it harder for Choice grantees to coordinate community improvements. Although grantees made progress in some policy reforms, coordinating with school districts will need continued effort.

Although expectations for early implementation progress should be based on HUD's requirements and those in the reasonable control of implementers, future research can monitor how the initiatives' longer term theory of change plays out. Suggestions for such research appear in appendix H.

6. Conclusions and Reflections: Choice As a Vehicle for Neighborhood Transformation

The overarching goal of the Choice Neighborhoods Initiative, stated in the 2010 notice of funding availability (NOFA), is to transform distressed neighborhoods into revitalized mixed-income neighborhoods. This primary goal is supported by housing, people, and neighborhood objectives that are logically interrelated and mutually supportive. The 2013 NOFA tempered the program's ambitions, instead asking grantees to spark investments that will ultimately lead to the types of amenities and services that will attract a range of income groups.[85] Even so, Choice still aims to help targeted neighborhoods transition to a stable mixed-income future.

This chapter recapitulates the report's key findings about accomplishments to date in housing, people, and neighborhood domains and in overall coordination and leverage. It also reiterates key emerging or potential issues that will need to be monitored and addressed so that these five grantees and others meet the program's goals and maximize opportunities for accelerating and deepening the impact of Choice. Finally, it summarizes important areas for future research to draw lessons from Choice and to evaluate its impacts.

Early Implementation in the First Five Choice Neighborhoods

This report has shown that the first five Choice implementation grant neighborhoods share high rates of poverty and crime, challenged schools, and distressed subsidized housing developments. The report also shows the many ways in which they vary, however. The Yesler neighborhood, at two-tenths of a square mile, is only one-tenth the size of Woodlawn and Iberville-Tremé. Among the target developments, Woodledge-Morrant Bay, with 129 units, is only one-sixth the size of Iberville and consists of scattered-site buildings that are as hard to distinguish from their unsubsidized neighbors as the buildings of Alice Griffith, Iberville, Yesler Terrace, and Grove Parc are easy. Only 1 out of every 20 households in Yesler Terrace, many of whose adult members are refugees, speaks English as its first language. Also, social cohesion and trust were high among residents of Yesler Terrace and Iberville, but they were lower in the other three developments.

This report also shows that the institutional and city-level contexts for the implementation of Choice differ at baseline among the five Choice neighborhoods. Three of the projects are being carried out by teams that include public housing authorities, all of which have HOPE VI experience; the other two aim to transform HUD-assisted developments and do not include experienced HOPE VI team members. The Yesler team has a limited number of key partners; the Quincy Corridor and Woodlawn teams are much larger. The neighborhoods' housing markets also differ. In Chicago and Boston, local Choice implementers described challenges attracting middle-income households to Quincy Corridor and

[85] The 2013 NOFA states that the program's goal is to "Create the conditions necessary for public and private reinvestment in distressed neighborhoods to offer the kinds of amenities and assets, including safety, good schools, and commercial activity, that are important to families' choices about their community." (HUD 2013a: 2).

Woodlawn given the continuing disadvantages of those neighborhoods and the availability of housing and neighborhood choices elsewhere. In the other three Choice neighborhoods, housing markets in the city and region may set the stage for longer term risks to neighborhood affordability.

As a consequence of the variation in neighborhoods, in partnership structures, and in city contexts, each team has developed a different strategy to lay the foundation for a mixed-income neighborhood. Over the first 2 years of implementation, all five of the FY 2010–11 grantees worked to begin housing reconstruction as soon as possible, while still attending to their tenants' needs for support using case management and relocation assistance. In addition, two of the five grantees forged extensive new relationships and delivered new funds to investments in neighborhood amenities and quality of life and two others made progress in specifying their neighborhood programs.

Housing Redevelopment

The target developments were in various stages of demolition, rehabilitation, and reconstruction in September 2013 (chapter 2). By that point, all five grantee teams had shown progress in redeveloping the target housing. Grantees have not focused as intensively on the offsite components of their housing programs as on the actual target developments. Woodlawn and Iberville-Tremé—the two Choice neighborhoods with the largest components of housing beyond the target development—have had to recalibrate their ideas about offsite housing because of market shifts.

After completion, these projects will include significant improvements in housing design, unit quality, and energy efficiency. Furthermore, all four of the target developments assessed appear to be financially feasible, given current market conditions and reasonable expectations about rents and occupancy in the near future.[86] The projects will deliver a wide range of unit types and subsidy levels, suggesting that the target developments will generally be more diverse than the housing they replace. Local conditions might still lead to a range of income mixing outcomes. Yesler, Eastern Bayview, and Iberville-Tremé have comparatively strong markets and a broad range of unit subsidies, including market-rate housing in Yesler and Eastern Bayview. The grantees' plans and actions in Quincy Corridor and Woodlawn, influenced by neighborhood housing markets, safety concerns, and community preferences, might result in fewer new middle and upper income households in those neighborhoods, at least in the short term.

Supporting the Residents of Target Developments

Actions to support residents of target developments involve professionals whose specialties include property management, compliance, relocation, service connection, and family support. Supports for tenant self-sufficiency require a services team that works well together and with the development team. As described at length in chapter 3, Yesler and Eastern Bayview provide excellent examples of teams that work well together and with the housing lead to ensure that tenants receive the support they need throughout the process. At Iberville, a strong people team laid a good foundation for ongoing work with families before relocation began.

[86] The research team was unable to obtain a pro forma for the redevelopment of the Alice Griffith development.

The Chicago and Boston Choice grantees did not begin case management provision within 30 days of receipt of their awards, a NOFA requirement, but rather needed 1.5 years and 1 year, respectively, to begin offering case management. This lengthy delay can be attributed at root to their status as HUD-assisted properties with comparatively limited experience in social services. In both cities, the people teams involve many organizations, most of which had not worked together in this capacity before receiving the award. Leadership of the people teams needs to be stronger under these conditions and it was not strong enough during the first 2 years of implementation, nor did the lead grantees demonstrate that they had the authority to improve the coordination. Preservation of Affordable Housing, Inc. had to find a new people lead immediately after receiving the award; this new entity also struggled to make progress. Choice funding came when Grove Parc was already under reconstruction, with some tenants already relocated. The onset of case management was complicated in Woodledge-Morrant Bay by city procurement rules requiring writing an RFP, securing bids, and identifying the appropriate provider from among the applicants. Differences of opinion among participants in the RFP process over how case management should be conducted played a role in lengthy time required to issue the RFP and select a provider.

The complications of providing supports for tenants multiply when relocation is involved, even for those grantees with HOPE VI experience. By late 2013, most tenants in Iberville, Grove Parc, and Woodledge-Morrant Bay were relocated using housing choice vouchers (HCVs) or to other assisted housing. The process has been complicated in Grove Parc and Woodledge-Morrant Bay by now-resolved questions about access to HCVs for residents of HUD-assisted properties. HUD's progress in providing these grantees HCVs is important for future redevelopments involving HUD-assisted multifamily projects. According to some reports, the relocation experience of Iberville's widely dispersed population has also disrupted the delivery of case management and supportive services. In part because of local regulations that require grantees to minimize disruption for residents during the redevelopment process, few tenants will have to be relocated from Alice Griffith or Yesler Terrace. Instead, both grantee teams are starting redevelopment with a first round of housing rehabilitation or offsite construction.

Beyond working directly to support residents, all the grantees are committed to enriching and expanding the services available for their tenants and for the broader neighborhood. Most of the service enrichment promised in these five Choice neighborhoods is expected to come about thanks to leverage commitments, not as a result of direct Choice expenditures, most of which is aimed at tenant supports and service connections for residents of the target developments. Service enrichment will meet expectations if the grantee team has the time, attention, and authority to sustain and strengthen the commitments of leverage partners. This outcome appears to be most readily achievable with employment support; several of the case management providers specialize in workforce support connections.

Enrichment of K–12 education and health services made little progress by the end of September 2013. The strong partnerships needed with local school systems have not yet materialized, despite the nominal presence of school districts as education implementation entities in some of the grantee teams. School choice complicates the development of such partnerships; except in Yesler, children living in the target developments attend many different schools, and children in neighborhood schools live in many

neighborhoods. The Seattle Housing Authority has taken advantage of having a neighborhood school and has made progress on early childhood and education initiatives via a strong partnership with Seattle University. The examples of progress in enriching health services directly through Choice are limited. Two examples are the Center for Youth Wellness in Eastern Bayview and the mental health clinician at Burke High School in Quincy Corridor.

Neighborhood Investments

Choice is also meant to result in direct, leveraged, and spillover investments in neighborhood infrastructure, facilities, and amenities (chapter 4). The direct investments come from CCIs, which were settled in mid-2013 for Quincy Corridor and Yesler. The approved CCIs conform to goals to improve residents' quality of life and upward mobility and promote economic development in the neighborhoods. Such interventions will be important for these and future Choice neighborhoods whose physical fabric suffers from the same levels of disconnection and disrepair that are documented in appendix C and chapter 4.

Concrete proposals were under consideration by that date in Woodlawn and Eastern Bayview, but no firm proposals had emerged in Iberville-Tremé. Unlike target housing redevelopment, this investment program was new terrain for the grantees and HUD. CCIs were broadly defined when these grantees received their awards, and several grantees were unclear about what CCIs they would undertake. As HUD's Choice team and these grantees have grappled with definitions for the first round of CCIs, HUD has developed new technical assistance, changed the criteria for CCIs in the NOFAs, and issued new guidelines for CCIs that should make future identification of CCIs more straightforward.

Public safety is an issue that crosses all three Choice domains, and safety goals have received significant attention in the first 2 years. Planning in this area has been fostered by HUD and the U.S. Department of Justice's efforts to provide the grantees with Public Safety Enhancement (PSE) grants. In some ways, the PSE grant process has resembled the CCI process: an innovation that has taken the grantees and HUD time to work out and that should be followed closely to identify lessons for future federal programs. In Woodlawn and Quincy Corridor, grantees have coordinated their efforts to reduce violent crime with other community engagement efforts. These initiatives are as complex as any other aspect of neighborhood transformation and should be followed closely.

The Coordination and leverage Challenges

Choice aspires to comprehensive neighborhood development because low-income neighborhoods face challenges that go well beyond the conditions of subsidized housing, and because it assumes that varied improvements, when well-coordinated, can provide additional benefits to residents. The early implementation grantees made progress toward integrating and coordinating their programs by the end of September 2013, but further progress was still needed. Chapter 5, on coordination and leverage, identifies some of the reasons for the barriers to coordination. HUD and the local grantees needed time to work out this new program's many details, test and sometimes change partners, and respond to local opportunities and crises. As grantees overcome these challenges, they can make greater progress on the physical and social actions needed to achieve Choice's goals. Three features associate with greater early progress toward coordinated action in the Choice neighborhoods:

- Implementation teams appear to be better positioned when the lead grantee has enough authority to coordinate with external actors, the ability to manage the social and the physical processes of neighborhood transformation, and the capacity to coordinate their own teams. When acting as lead grantees, HUD-assisted housing developers may face serious difficulties mustering the political and institutional support and credibility necessary to sustain the leverage commitments that are required for Choice to meet its goals.
- Even with strong lead grantees, actions within the housing, people, and neighborhood categories are also emerging with most synergy and potential when experienced teams have strong leaders who have the authority and mandate to coordinate with one another.
- Local controls and oversight like the provisions of HOPE SF guiding housing redevelopment and the engagement of the Seattle City Council in many aspects of the Yesler Terrace redevelopment, which go beyond the provisions of Choice, appear to help promote coordination and balancing between housing redevelopment and providing resident supports. Such specific provisions about housing redevelopment as those in San Francisco and Seattle reflect broader city institutions and political cultures supporting planning, coordination, comprehensiveness, and accountability.

Progress in creating mixed-income neighborhoods appears to be promoted most effectively when HUD has a local partner with the ability to coordinate and control local action at a significant scale. Having a local partner like this generally has meant strong leadership from city hall or other political institutions. Only the mayor, the city manager, or the county administrator has the authority to direct departments and agencies to take necessary actions and to coordinate with one another in comprehensive redevelopment of distressed neighborhoods. Local government executives might also have the political weight to negotiate with independent boards, especially school boards and transit districts, and with neighboring cities and counties, state government, and federal agencies. They also have unmatched ability to gain and keep the attention of business and philanthropy. As a consequence, city or county government executives are well-positioned to integrate the Choice transformation into other planning and redevelopment efforts.

Choice is also meant to generate additional investment in the neighborhoods by government, anchor institutions, and the private sector. Two categories of additional (nongrantee) investment are available. The first category includes investments described by the grantees as commitments made by partners as part of the application process. The second includes investment that happens after (and possibly because of) the Choice investment and commitments by partners. Although expecting visible results in the latter category is unrealistic at this early stage of the program, HUD can reasonably expect grantees to have made efforts to sustain the commitment of leverage partners. During early implementation experiences, leverage appears to be most successfully committed when city government plays a role.

Issues and Opportunities: Maximizing the Benefits of Choice

Choice seeks to transform housing and neighborhoods and to provide a stable platform for family success. Our observations of the first 2 years of this new program suggest that it has the potential to meet those goals in all five of the communities examined in this study. As the product of a formative evaluation and

baseline data collection effort, this report cannot offer firm conclusions about the program's impacts. We did find sufficient evidence, however, to identify stress points and opportunity spaces that are likely to affect the extent of Choice's success in each of the five cases and possibly in others.

NEAR-TERM ISSUES AND OPPORTUNITIES

The main physical interventions in Choice involve housing redevelopment and CCIs. With tens of millions of dollars in federal investment and hundreds of millions in private-sector expenditure, the new housing in these neighborhoods will help redefine blocks, districts, and even (in Yesler) the entire neighborhood. Buildout in Eastern Bayview, Yesler, Woodlawn, and Iberville-Tremé will take years and involve many deals and partnerships. Each phase of each project represents an opportunity to learn and improve in the next phase so that these investments maximize the quality of the new developments and their neighborhoods. The experience of the housing leads in each of these cases is likely to yield innovation in housing-unit layout, site design, energy efficiency, and other areas that could inform future grantees and other housing builders well before any followup evaluation is conducted. In addition, the two HUD-assisted developments will provide lessons about how to incorporate privately owned affordable housing into a redevelopment framework that has solely embraced public housing until now.

The most serious points of stress thus far for Choice concern how established tenants fare during the process of redevelopment. Past research has demonstrated that providing services consistently during the relocation process is critical, especially for the most vulnerable residents, who may be at greater risk of health problems, setbacks in employment searches, and even premature mortality (Popkin, 2010). They also stand at greater risk of losing their housing assistance during relocation. Provision of supportive services during the relocation process was a stress point in all three of the target developments where most families had been relocated by September 2013. HUD and the grantees should redouble efforts to coordinate case management with relocation to avoid these problems and carefully monitor the status of relocated families as they settle into their temporary and permanent housing.

A second issue that merits further attention in the near term is the rate of attrition from the target developments. Overall, housing assistance loss rates in the 3 years after the first five implementation grantees' initial application (December 2010–September 2013) were comparable with those in HOPE VI, which included fewer provisions than Choice to allow residents to return to rebuilt developments if they wished. By September 2013, between 14 percent and 19 percent of Choice residents no longer had housing assistance. In HOPE VI, a panel study found that 14 percent of residents no longer had housing assistance after 4 years (Comey, 2007). Considering that households that left assistance as their projects were transformed in HOPE VI experienced greater levels of housing and financial distress than those who maintained it, housing assistance loss rates within Choice are an issue to watch in coming years. Recent research on Moving to Opportunity households that left housing assistance also underscores that assistance leavers often experience a high level of stress associated with the loss of their housing subsidies (Smith et al., 2014).

In the neighborhood domain, the CCIs represent an innovation of Choice and, therefore, an area around which HUD needed to develop new policies and practices. HUD intends to work with the grantees that have not finalized their CCIs to determine their plans. The flexibility of the CCI funds enables grantees to

choose projects suited to local context and priorities, but HUD needs to continue to refine its criteria about types and characteristics of eligible projects to facilitate the project identification process for the grantees and minimize time needed for negotiation with HUD. For all the first five Choice neighborhoods, HUD will need to monitor implementation of the plans and support grantees in overcoming any unexpected hurdles. Finally, grantees should look for opportunities to take full advantage of the new projects to support Choice goals, such as promoting physical activity in the new parks or connecting workforce development plans with the business incubator.

Medium- to Long-Term Issues and Opportunities

As the new developments gradually come to fruition, the grantees and their city-government partners will have new opportunities to build thriving mixed-income neighborhoods. This research has explored several areas that could make a difference in the medium to longer term in reaching that goal, at ascending levels of scale: the target development, the whole neighborhood, citywide, and among federal agencies.

At the level of the target development, the redeveloped sites will fill in the next few years with new households and some previous residents. Their interactions will help define the sense of community in the new development for years to come and could have a material impact on whether Choice reaches its goals. A wide array of studies suggests that trust and community cohesion improve outcomes for individuals and communities. Neighborhoods with high levels of trust, which arise from positive everyday interactions, can be more resilient in the face of disasters and other shocks than those where residents distrust one another (Klinenberg, 2003; Wallace and Wallace, 2008), and high levels of neighborhood trust may improve individual outcomes independently of their personal characteristics (Mohnen et al., 2014). As redevelopment goes on, if it is successful, average neighborhood incomes should rise and social deprivation should fall. Higher incomes and less deprivation generally reinforce trust and community cohesion (Letki, 2008). Rebuilding these developments with mixed-income housing may also result in strains that arise from interactions between subsidized and nonsubsidized tenants, however (Chaskin and Joseph, 2011). Managing the transition sensitively may hasten the development of positive relations among new residents (Joseph and Gress, 2013). More broadly, the grantees and HUD would do well to treat the occupancy process as an opportunity to build (or rebuild) a sense of trust and social cohesion in formerly distressed developments.

At the neighborhood level, the grantees have made important progress in addressing the high level of violent crime that is among the more important selection criteria for Choice. HUD has the opportunity to learn from these first grantees' safety-related activities within and beyond the Public Safety Enhancement (PSE) grants. Their use of Choice funding, coordination with safety activities with other Choice investments, and leveraging of additional resources from the local police departments and nonprofit organizations will provide important lessons for the field. HUD and the Department of Justice should also continue to provide technical assistance to grantees, promote local coordination, and monitor whether grantees are able to meet their interim and final objectives and leverage goals for the PSE grants, which do not extend to later implementation grantees.

A second issue at the neighborhood level will be the extent to which public and private investments in infrastructure, safety, and other neighborhood amenities grow over time. Although colocated investments previously committed to Choice neighborhoods are significant, examples of the Choice grant catalyzing additional resources outside of housing finance were infrequent at this early point in Choice implementation. Given ongoing challenges stemming from the financial crisis, federal spending retrenchment after the wind-down of the American Recovery and Reinvestment Act of 2009, and strains in the public and private sector, it is not surprising that obtaining significant additional leverage has been challenging for grantees, but leverage is likely to grow over time and should be watched.

At the city level, early Choice experiences point to the importance of system change for achieving Choice goals. Choice grantees do not have control over a variety of policy realms that are included in the program's goals. Even in its early implementation, Choice was credited by many of the grantees as helping to set in motion or put in place some systemic changes or improvements in local interagency functioning. At the same time, other aspects of local or federal policy made it more difficult for Choice efforts to extend their reach beyond the target development into the Choice neighborhood as a whole. For example, the presence of school choice among all the Choice neighborhoods except Yesler made grantees' coordination with education reform more difficult, although some did engage with school improvement efforts.

At the federal level, finally, a medium- to long-term opportunity lies in coordination between HUD and other agencies. HUD has already started to realize this opportunity with early grantees. HUD's partnership with DOJ, expanding opportunities for Choice grantees to receive technical assistance and additional federal funding for public safety interventions, stands out as an important effort to follow over time. The PSE grants offer a model of strong coordination among federal agencies that could be expanded to other topic areas.

Areas for Future Research

Choice represents an important evolution of housing and community development policy. Building on lessons from HOPE VI and other place-based initiatives, Choice has the potential to accelerate the development of revitalized, mixed-income neighborhoods. Simultaneously, Choice's long-term goals are ambitious, and an investment of up to $30.5 million, while significant for a federal initiative, still will not transform neighborhoods immediately. Beyond tracking the process of implementation, outcomes research can identify changes related to housing, people, and neighborhoods, while impact research establishes a rigorous counterfactual that would help policymakers understand how Choice or associated programs resulted in these improvements.

Around *housing*, several outcomes and impact questions emerge, including—

1. **How energy efficiency and use changes, and which design, technological, and management approaches lead to the most significant improvements.** Housing designs for buildings and units should lead to significant improvements in energy consumption, but research on post-

occupancy consumption can use CNT Energy's baseline analysis[87] to gauge the extent of energy efficiency and energy use improvements. Approaches to energy efficiency improvements and energy use reductions can be assessed comparatively to identify those with the greatest returns.

2. **The association between design decisions about housing unit size and the composition of the tenant base after redevelopment.** After replacement housing is built and occupied, research can reconsider a number of questions related to household size and housing outcomes. Post-redevelopment occupants' household size and composition can be compared with those of preredevelopment occupants to understand how the resident base changes. The household tracking study could support a future survey of pre-Choice households to understand how they fare after relocation in terms of housing adequacy, and survey data could be used to assess whether post-redevelopment unit sizes affect households' decisions to return, to restructure their household, or to seek subsidized or nonsubsidized housing elsewhere.
3. **The extent to which neighborhoodwide housing improvements and investments are sparked by Choice, including the impact Choice has on nearby property owners.** As redevelopment of the target housing properties and offsite housing proceeds, research can assess the impact Choice has on nearby property owners, using difference-in-difference approaches or by comparing investment trajectories in Choice with other places that did not receive its investment. Studies could also attempt to identify the features of redevelopment and the neighborhood characteristics most closely associated with positive spillover effects.

Around *people,* future outcomes and impact research can assess—

1. **How relocation and case management services help tenants retain housing assistance.** Initiating and sustaining case management before relocation may be critical for ensuring housing stability. Future research might identify the components of case management that most minimize disruption for relocating households, enabling them to maintain housing assistance and return to the new development if desired.[88] Early rates of housing assistance loss may make this an especially important issue.
2. **The extent to which Choice helped leverage additional resources to schools and social services to the neighborhood as a whole.** Early research suggests that providing and coordinating services beyond the development received less early attention among grantees, largely because of the prioritization of case management and relocation support, and also because of the amount of resources that remained after these activities occurred. Future research might identify how grantees leverage additional resources for services, including other federal efforts like Promise Neighborhoods.

[87] See appendix B.

[88] One experimental method to assess transitional support strategies would be to compare outcomes for residents who received a boosted set of case management and relocation interventions with residents of a control group who received the current standard of care, so as to allow for a greater understanding of how enhanced strategies may impact program retention.

3. **How different employment and educational initiatives produce better outcomes for residents of the development and broader neighborhood.** To date, case management has been the focus of grantees' efforts, but over time different social services may become more prominent, especially given Choice's growing emphasis on dual-generation antipoverty approaches. These types of strategies, especially when they extend to neighborhood residents, may be particularly amenable to testing using randomized, controlled trials, or RCTs.

Around *neighborhoods*, outcomes and impact research can help assess—

1. **The extent to which public and private investments in infrastructure, safety, and other neighborhood amenities grow over time.** Although colocated investments previously committed to Choice neighborhoods are significant, examples of the Choice grant catalyzing additional resources outside of housing finance were infrequent at this early point in Choice implementation. Given ongoing challenges stemming from the financial crisis, federal spending retrenchment after the wind-down of the American Recovery and Reinvestment Act of 2009, and strains in the public and private sector, it is not surprising that obtaining significant additional leverage has been challenging for grantees, but leverage is likely to grow over time and should be understood. The issue of leveraged investments can be studied in different ways, including the quantitative comparison of neighborhood investment trajectories in Choice relative to similar areas.
2. **How Choice grantees enact systemic changes or improvements in local interagency function.** Choice was credited by many of the grantees as helping to set in motion or put in place some systemic changes or improvements in local interagency functioning. Simultaneously, other aspects of local or federal policy made it more difficult for Choice efforts to extend their reach beyond the target development into the Choice neighborhood as a whole.
3. **How Choice contributes to successful neighborhood outcomes and catalyzes external investments.** Choice provides a variety of tools to help transform neighborhoods, from housing redevelopment, to efforts to change schools and social services in the surrounding neighborhood, to CCIs to improve facilities or promote economic development. Related to the CCIs, a better understanding about how choices on project types, targeting, and staging of investments affect neighborhood outcomes will inform future federal and local efforts. Choice also operates in a variety of different contexts. The five Choice neighborhoods vary in characteristics such as proximity to job centers, access to transit, and anchor institutions and their cities vary in the strength of local housing and job markets. Some neighborhoods were nested in a larger comprehensive plan, and others were not. Future evaluation will need to view the apt selection and successful implementation of Choice housing, people and neighborhood investments within an understanding of how each place's broader environment contributed to the neighborhood trajectory.

Concluding Thoughts

The Choice Neighborhoods Initiative represents an important evolution of housing and community development policy. Building on lessons from HOPE VI and other place-based initiatives, Choice has the potential to accelerate the development of revitalized, mixed-income neighborhoods. Simultaneously, Choice's long-term goals are ambitious, and an investment of up to $30.5 million, while significant for a federal initiative, will not transform neighborhoods immediately. As Choice's important policy goals will take time to achieve, it will be necessary to continue tracking the implementation processes and the outcomes related to housing, people, and neighborhoods in the communities in which Choice operates.

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Appendix A: Methodology

INTRODUCTION

The US Department of Housing and Urban Development's (HUD) Office of Policy Development and Research contracted with the Urban Institute and MDRC to evaluate the early progress of the Choice Neighborhoods Initiative (Choice) for the first five implementation grantees (those awarded with funds for FY 2010 and FY 2011) and to collect extensive data to document baseline conditions that would both inform this early evaluation and evaluations after implementation is completed. The evaluation began in September 2011 and data collection concluded in September 2013.[89] This appendix discusses the staffing of the research team for the evaluation and each of the primary data collection methods used in the evaluation: key document review, interviews, meeting observations, administrative data, focus groups, block front survey, pedestrian routes survey, and the baseline household survey.

STAFFING OVERVIEW

A central team of Urban Institute and MDRC staff contributed to data collection for this report. In addition, the Urban Institute (Urban) added four individual staff and one subcontractor to the research team who were located in each city with a Choice implementation grantee. These site-based employees contributed enormously to the breadth of the collected data that made this report possible. They attended grantee working team meetings, public meetings, neighborhood association meetings, and phone calls between the grantees and HUD; conducted interviews with grantee team members and local stakeholders; and generally remained informed about these changing neighborhoods and cities. Additional subcontractors were engaged to complete specialized tasks. The firm Strategic Economics studied the grantees' pro formas, and their methodology and findings are available for four of the five housing redevelopments in Appendix E. CNT Energy studied the past and projected energy performance of the target housing developments, and their findings and methodology are described in Appendix D. Finally, the GeoDa group was subcontracted to review the implications of the Choice intervention for the built environment through review of the target development plans and the block survey results described below (see appendix C).

KEY DOCUMENT REVIEW

Document review played an important role in our data collection efforts. One key set of documents was the Transformation Plans from the round 1 and round 2 Choice Neighborhoods Initiative Implementation grant application materials. These documents included information on: the needs of the focal development, the residents, and the neighborhood; the goals, activities, and vision of the grantees; the housing investments and site plans; the stated capacity of the grantees and their partners to implement Choice; and documentation of committed leverage funds. In addition to the Implementation

[89] After September 2013, a few interviews were conducted to fill gaps in the data collection and the Choice Neighborhoods Baseline Survey concluded data collection in May 2014.

grant applications, the research team assembled and reviewed other key reference materials, drawing from a variety of sources such as budgets and quarterly reports submitted by the grantees to HUD.

INTERVIEWS

The research team designed protocols and conducted key informant interviews to better understand the implementation of the Choice Neighborhood program, including the grant activities, the status of the residents, and the conditions in surrounding neighborhoods. The protocols were tailored for each Choice team and for individual actors including: the lead grantee, implementation leads for housing, people, education, and neighborhood, case managers, property managers, relocation specialists, resident leaders, service providers, local developers, city agency officials and staff, local police precinct commanders, elected officials, and influential community leaders. In addition, protocols were designed for interviews of the lead grant managers at HUD and directors of the Choice Neighborhoods program.

Topics included: internal and external coordination, policy reform, leverage, and framing and income-mixing goals of the Choice program, details about plans and activities to address major redevelopment goals (e.g., demolition, construction, ensuring energy efficiency); progress on housing including demolition, design, income-mixing, and financing; relocation and mobility programs for assisted residents; resident turnover; case management efforts; service connection; neighborhood context; public safety; critical community improvements; and new businesses or other development in the surrounding neighborhood.

Interviews of grantees and other local organizations were conducted in three ways— by formal field visits by the central research team (with the inclusion of subcontracted researchers from Case Western Reserve University on the Eastern Bayview site visits), occasional telephone interviews of Choice stakeholders by staff from the Urban-MDRC team in Washington and New York, and ongoing updates from site-based Urban staff. The full range of key informants described above was interviewed in each Choice Neighborhood.

Key informant interviews took place during two site visits: the initial visit in March to April 2012 for Quincy Corridor, Woodlawn, and Iberville/Tremé and in July to August 2012 for Eastern Bayview and Yesler; and a follow-up visit during June-August 2013. In addition, the part-time site-based employees conducted interviews with key participants in the transformation process throughout the study. In-person interviews were conducted in the offices of participants or another local location and lasted approximately 1.5 hours. Interviewers took comprehensive notes on each interview and recorded selected interviews when the respondent consented. Over the course of the two years of data collection project, more than 190 interviews were conducted. To assist in the analysis for the cross-site chapters in the main text of this report, research staff then coded the text according to a list of key words using the online Dedoose qualitative data analysis software.

MEETING OBSERVATIONS

Site-based research staff in each Choice Neighborhood attended and took notes at key neighborhood and community meetings, public meetings that discussed Choice, Choice grantee team working meetings, and grantee conference calls with HUD. This direct observation of the Choice implementation process provided another perspective to supplement the key informant interviews and the baseline survey.

Potential meetings were identified through Choice grantee staff and email lists, and newsletters related to Choice Neighborhoods. Data collection was guided by a specific set of priority topics, and recorded information about the content, participants, interactions, and other observable dynamics of meetings. The site-based Urban employee sent field notes from key meetings to designated members of the Urban-MDRC team and debriefed with the central team members at Urban-MDRC. Field notes were coded in Dedoose by site-based Urban research staff and under a subcontract with research staff at Case Western Reserve University. In total more than 100 meeting observations were conducted over the course of the evaluation.

ADMINISTRATIVE DATA

The interim report for this evaluation, *Developing Choice Neighborhoods* (Pendall, et al. 2013) contained much of the administrative data used in this report, including the data from the decennial census in 2000 and 2010 used to describe the neighborhood context. Appendix C of the interim report contains a detailed description of those data sources.

This report took advantage of two other sets of administrative data sources. First, Urban obtained crime records from the local jurisdictions, which are described in more detail in appendix G. Second, Urban obtained HUD data on public and subsidized housing for use in drawing the baseline survey sample and analyzing the characteristics of target development residents.

HUD's Office of Public and Indian Housing is responsible for maintaining and gathering data about the inventories of developments, buildings, and units through the Inventory Management System (IMS)/ PIH Information Center (PIC). Housing Authorities submit their tenant data through the IMS/PIC system from the HUD-50058 forms used during tenant certification.

Tenant Rental Assistance Certification System (TRACS) is a HUD computer system developed to improve financial controls over assisted housing programs by automating manual procedures and incorporating automated controls. HUD-assisted development owners are required to enter tenant data into TRACS from the HUD-50059 forms used during certification.

The PIC and TRACS databases can be used to calculate the number of HUD-assisted households by location, to identify the characteristics of those households, and to track those households longitudinally.

FOCUS GROUPS

To complement the data collected through other methods, the research team conducted two focus groups at each Choice Neighborhood, one with residents of the target development and one with residents of the surrounding neighborhood. Focus groups are an excellent and relatively low-cost way to gather information on community perceptions of problems and of the changes in the community over time. The focus groups covered a range of topics, including: perceptions of neighborhood conditions; challenges, adequacy of services and amenities; perceptions of the target development; resident turnover; new residents moving into the community; views about the Choice Neighborhoods redevelopment; and opportunities and value of resident participation in redevelopment planning meetings.

Except in Yesler and Yesler Terrace, focus groups were conducted during the second site visit in the summer of 2013. To recruit participants for the resident groups, the research team distributed letters and post fliers in the target development and other public places in the neighborhood. Interested individuals were asked to contact the research team and participate in a screening to confirm their eligibility. Criteria for eligibility were based on age (all participants had to be at least 18 year olds), address at the time of screening and availability on the date of the focus group, and age. Participants in the target development residents' groups included individuals who lived in the development for at least one year at the time of screening. Participants in the neighborhood residents' groups were recruited from within the Choice Neighborhood boundary. Focus group participants were encouraged to speak openly about the issues which were raised during the focus group and were asked not to share any information discussed with others. Participants were given $40 to thank them for their participation and drinks were provided to those participating in the focus group.

Despite extensive outreach efforts in Yesler Terrace and Yesler, the research team had difficulty recruiting participants, in part due to cultural differences and language barriers. To ensure that the resident perspective was represented in the qualitative data, the site-based Urban researcher worked with a translator from Neighborhood House to conduct one group interview/focus group with Yesler Terrace residents in Amharic and one with residents in Tigrinya. With the challenges in recruiting and because the population in Yesler outside of Yesler Terrace is small, a focus group with surrounding neighborhood residents was not conducted.

BLOCK FRONT AND PEDESTRIAN ROUTES SURVEYS

HUD's goals for neighborhood transformation include improving the built environment in the Choice Neighborhoods. This evaluation used multiple data collection methods to establish baseline conditions of the physical conditions and quality of the pedestrian environment, including the household survey, a survey of block fronts, and a survey of an important pedestrian route in each Choice Neighborhood. This section of appendix A focuses on describing the methodology of the block front survey and the pedestrian routes survey.

PROTOCOL DESIGN:

The Block Front and Pedestrian Routes surveys were designed to capture observations of the built environment related to traffic and pedestrian conditions including connectivity; services and amenities; quality of the public realm and physical conditions of the Choice Neighborhoods. The protocols were designed with input from Dr. Ann Forsyth, a consultant to the Urban Institute research team and one of the authors of the Irvine Minnesota Inventory. Questions were drawn or adapted from three sources:

- The Irvine Minnesota Inventory (The Irvine Minnesota Inventory, Kristen Day, et. al., Instrument and Protocol: http://www.activelivingresearch.org/node/10634)
- PEDS – Pedestrian Environment Data Scan (The Pedestrian Environment Data Scan (PEDS) Tool, Dr. Kelley Clifton, University of Maryland. Instruments and Protocols http://planningandactivity.unc.edu/RP1.htm)
- NYC HVS – The New York City Housing and Vacancy Survey (New York City Housing and Vacancy Survey, Conducted by the US Census Bureau. Instruments and Protocols: http://www.census.gov/hhes/www/housing/nychvs/nychvs.html)

The protocols were designed to allow observers with modest levels of training to document a variety of features of the built environment. Most of the questions included in the block front and pedestrian routes survey protocols were identical. (A copy of the protocol is included at the end of Appendix C.) Eight additional questions more suited to in-person observation were included in the pedestrian routes protocol. The additional questions included information on parked cars, sidewalk conditions, and the presence of other pedestrians.

TRAINING OF OBSERVERS

Two sessions were held in June 2013 to train the Urban Institute staff and subcontractors who would be conducting the block front or pedestrian routes surveys. Both training sessions were conducted by Dr. Forsyth via conference call with PowerPoint materials provided to all participants. In the first session, the protocols were discussed and the PowerPoint provided descriptions and images on various questions to help trainees distinguish between response choices (e.g. between road-oriented and pedestrian-oriented lighting or between a little and a lot of graffiti). Between the first and second training sessions all trainees were asked to test the protocol on a few blocks in their own neighborhoods, noting where they had questions or difficulty. During the second training session (held three days later) the trainees had the opportunity to ask questions and discuss the protocols with Dr. Forsyth.

In addition to this training, observers conducting the block front survey had their first ten observations reviewed by a supervisor before continuing on to additional blocks. Any inconsistencies or issues of concern were identified and discussed. In addition, periodic reviews of randomly-selected completed observations were conducted and inconsistencies flagged and corrected.

BLOCK FRONT SURVEY

SAMPLING

Street segments were selected for the observation sample using the Census Bureau's 2010 Tiger Line Edges shapefiles, available for all counties in the US. Using ArcMap GIS software, the edges shapefiles were clipped by the Choice Neighborhood boundary files that had been developed by the research team using the grantee's applications (see Appendix B "Geographies for Choice Neighborhoods Analyses" in Pendall et al. 2013). Once the shapefiles were clipped, the attribute tables were converted to SAS datasets. Street segments included in the sampling frame were those with MAF/TIGER Feature Classification Codes (MTFCC) of S1100 (primary road), S1200 (secondary road), S1400 (local neighborhood road, rural road, city street), or S1710 (Walkway/Pedestrian Trail).[90] Excluded features include highway ramps, alleys, road medians, etc. Using simple random sampling and the surveyselect procedure in the SAS software, the research team drew random samples of street segments for each Choice Neighborhood with the goal of having estimates with 90 percent confidence intervals and 5 percent margins of error (see exhibit A.1). Larger samples were drawn to accommodate the fact that Google Street View did not have 100 percent coverage in all of the Choice Neighborhoods and some segments might be features like highways which did not need to be assessed.

Exhibit A.1: Choice Neighborhoods Block Front Survey Sample

Choice Neighborhood	Number of Street Segments Number	Segments in Sample		Segments in Sample		Margin of Error (%)
		Number	Percent	Could not be surveyed	Valid	
Quincy Corridor	293	154	53	11	143	4.9
Woodlawn	690	215	31	24	191	5.1
Iberville/Tremé	1279	256	20	39	217	5.1
Eastern Bayview	505	195	39	30	165	5.3
Yesler	119	91	76	15	76	5.7

DATA COLLECTION

To complete the block front survey observations, trained observers worked with two computer screens, one with an Access Database entry form to record observations for each question and the other to display Google Street View (available at http://maps.google.com). Each observer was given the coordinates for latitude and longitude of the mid-point of the street segment to enter into Google Street View. The observers recorded the date that the image was taken, which appeared on the bottom of each image. Ninety-eight percent of all Google Street View observations had images that were taken in 2011. The remaining two percent of images were from 2007, 2009, 2012 or 2013. Starting at one end of the street segments, observers panned down the street, looking at the block fronts on either side and recorded their responses before moving on to the next segment. The observations were conducted

[90] Please see http://www.census.gov/rdo/pdf/AttD_MAF_TIGER_Feature_Classification_Codes.pdf for a list of MTFCC codes.

between July 2013 and October 2013 by seven trained observers at the Urban Institute. Observers were encouraged to do more than an hour or two of observations at any one time to avoid fatigue.

PEDESTRIAN ROUTES SURVEY

SELECTION OF ROUTES

During the first site visits (conducted in March 2012 to August 2012), the Urban Institute and MDRC research team consulted with the Choice grantees and made their own observations about what pedestrian routes would be best surveyed. The routes were to begin at the target development and go to a key destination (e.g., schools, commercial areas, or transit hubs). Final routes were identified in June 2013 by the Urban Institute staff and subcontractors on the research team who were living in the cities with the Choice Neighborhoods. Routes were roughly one-half to one mile long. Before the surveys were conducted, the research team prepared maps of each street segment on the route with landmarks available on Google Maps. The routes selected were:

Quincy Corridor: As Woodledge/Morrant Bay was a scattered-site development, the route did not begin at the development. However, it did focus on a street where a portion of the target development was located and where other Choice investments were being made. The route ran along Quincy Street from Blue Hill Ave to Columbia Road.

Woodlawn: The Woodlawn route was designed to explore the pedestrian conditions from Grove Parc to the CTA transit stop and along the commercial corridor East 63rd Street. The route began at Grove Parc on South Cottage Grove Ave at East 62nd Street then the observers headed south on South Cottage Grove and then east on East 63rd Street to South Ellis Avenue. The observers also made some observations along South Cottage Grove between East 63rd and East 64th Streets.

Iberville/Tremé: This route was designed to explore the pedestrian conditions from the Iberville to the New Orleans Tremé Center located in Louis Armstrong Park. The route began at the corner of St. Louis Street and Tremé Streets, went along St. Louis and then left on Crozat Street. From Crozat the route turned left onto Basin Street and then to Basin to North Villere Street where there was an entrance to the park and Tremé Center.

Eastern Bayview: The route selected ran west on Fitzgerald Avenue from the entrance of Alice Griffith to the main retail corridor at the edge of the Choice Neighborhood 3rd Street.

Yesler: The route selected went from Yesler Terrace to the retail available on South Jackson Street. The route started at East Yesler Way and Broadway and went east on Yesler Way and then right down Boren Avenue South and right on 12th Avenue South, then right again on South Jackson Street and ending at 10th Avenue South.

DATA COLLECTION

Due to concerns for the safety of the research team, the observations were conducted during the day and recorded on paper without the use of laptops, tablets, smart phones or other electronic recording devices. With the exception of Quincy Corridor, the observations were made by the research team

(including the Urban Institute employees and subcontractors based in those areas) during the second site visit to the Choice Neighborhoods. The Iberville/Tremé observation was completed in June 2013 and the Woodlawn, Eastern Bayview and Yesler observations were completed in July 2013. For Quincy Corridor, the observation was conducted by Dr. Forsyth and the Urban Institute researcher in Boston in August 2013, two months following the site visit. The original protocols were returned back to the Urban Institute's Washington DC office and entered into an Access database (modeled after the one for the block front survey). In addition to completing the protocol for each street segment along the route, Urban Institute staff in Washington D.C. measured the width of the sidewalks along the route using aerial images from Pictometry.

BASELINE HOUSEHOLD SURVEY

HUD's goals for neighborhood transformation include improvements in housing and neighborhood livability and supports of vulnerable residents. In an effort to assess the perspectives of residents, both those who live in the target development and those who live outside of it, the evaluation team fielded a household survey. This section of appendix A focuses on describing the methodology of the household survey.

INSTRUMENT DESIGN

UI designed the survey instrument with input from Making Connections, Moving to Opportunity, and the Long Term Outcomes Study (or HOST), and National Health Interview Survey (NHIS) surveys. Original items were designed to cover topics unique to Choice Neighborhoods, related to engagement in site design and perceptions of neighborhood change.

The baseline resident survey was intended to form the basis for a long-term panel study that documents how Choice affects residents across a range of domains and compares the experiences of target development residents to those who reside in the larger neighborhood. Domains include:

- **Housing Mobility:** In order to ascertain the length of time that the respondent has been in their current unit or in the neighborhood, a short series of housing mobility questions were asked.
- **Housing Conditions and Utility Costs:** These questions focus on interior housing conditions (adapted from the American Housing Survey and used in the Moving To Opportunity Final Evaluation) and housing assistance status and rent/utility hardship (used in HOPE VI Panel Study and the Chicago Family Case Management Demonstration).
- **Neighborhood Conditions, Safety and Social Cohesion**: These questions will help researchers measure the level of neighborhood cohesion at baseline, residents' formal and informal social networks, as well as their level of involvement in community activities.
- **Neighborhood Services and Amenities**: These questions ask about the availability and quality of services in the neighborhood, institutional supports (such as case management services, classes, and job training), and perceptions of and access to neighborhood services and amenities. Neighborhood residents will not be asked about Choice-funded services.

- **Household Composition**: Survey respondents were asked to supply basic information about all members of the household, including names, ages, employment status (if appropriate), and educational attainment.
- **Physical and Mental Health**: Items adapted from the National Health Interview Survey (NHIS) will help researchers document residents' overall health and specific health conditions, access to medical and dental care, and ability to carry out activities of daily living.
- **Employment, Education, and Public Assistance**: Information was collected on educational attainment, employment status, earnings, barriers to work (e.g., child care, health, transportation, literacy), and receipt of benefits (TANF, SSI, SSD, Food Stamps). Survey also includes questions about economic hardship, such as trouble paying bills and food insecurity.
- **Child Well-Being**: The interview respondent (the head of household) was asked to answer a short series of items about one focal child in the household. Respondents with a younger (age 5 or under) child were asked about childcare arrangement or grade level. Respondents with older child (age 6 to 14) were asked about grade level, behavior, extracurricular activities, school engagement, school performance, and health. Children were not interviewed.

DIR prepared Spanish, Vietnamese, Cantonese, and Somali versions of the survey.

PRETEST

Prior to the pretest, DIR reviewed the skip logic, language, order, timing and flow of the draft instrument and worked with Urban to address issues. DIR conducted the pretest in May and June 2013, which resulted in 12 completed surveys– five from the neighborhood sample and seven from the target development sample.

DIR project staff monitored pretest interviews and debriefed with interviewers to determine whether any substantial changes were needed to the questionnaire design or question flow. DIR summarized the pretest results and provided Urban with recommendations for changes to the questionnaire and data collection procedures. Results indicated that the survey was running about 15 minutes over the budgeted time and DIR recommended reducing the length of the survey. There were no other major issues observed with the delivery or the respondents' reaction to the content, comprehension, or duration of the survey. Urban adjusted the length of the instrument so that administration did not exceed 45 minutes on average.

Once the survey instrument was final, DIR developed the computer-assisted telephone interview (CATI) programs and extensive internal testing of the system was conducted, including review by project staff, interview staff, data preparation staff, and by the programmers themselves to ensure that the CATI program was working properly.

DIR also tested the Spanish, Vietnamese, Cantonese, and Somali translations using translation team consensus methodology to ensure that the individual questions were conceptually the same in all languages. DIR utilized bilingual interviewers and CATI supervisors during the internal testing to review the language and summarize problems. Language issues were addressed through minor revisions to the instruments.

HIRING AND TRAINING STAFF

Training is essential to ensure the collection of high-quality data and the protection of respondent confidentiality. All DIR staff were certified by DIR before beginning data collection. Two distinct roles included interviewers that worked at the CATI center in Houston ("CATI Staff") and staff that worked in the five study sites to recruit survey respondents ("Field Staff").

CATI STAFF

CATI staff were responsible for communicating with sample members over the telephone from DIR's Houston-based CATI center. CATI staff assess eligibility, obtain consent, and administer the survey.

DIR employed experienced CATI that worked on previous DIR surveys. Telephone interviewer training for this survey included an overview of the purpose of the study and the study design, a refresher of standard interviewing practices, specific training on how to gather consent before beginning the survey, and a review of the frequently asked questions and other supplemental materials. DIR managers conducted a walk-through of the CATI instruments with all trainees using screen shots from the computerized instrument. Interviewers received laminated reference sheets that cover topics such as frequently asked questions, handling soft refusals, and phone center or field procedures. The training also included opportunities for mock interviews and practice exercises. Upon successful completion of training, interviewers were certified by DIR floor supervisors. DIR recruited staff with language competencies to reflect the sample.

FIELD STAFF

Field staff work on site in the Choice neighborhood, interacting with sample members and their neighbors in person. Field staff were responsible for contacting sample members, inviting them to participate in the survey, answering their questions, and connecting them with the CATI staff for the interview.

DIR used resources and contacts in the study sites —for example, community-based organizations, community colleges, and other entities – to supplement its extensive national roster of field interviewers. Background searches were conducted for all field staff candidates as part of the hiring process. Training was conducted on site and included frequently asked questions, handling soft refusals, and phone center or field procedures. Field staff became certified by DIR through role play exercises during training. They needed to be comfortable working in low-income, high-crime areas and working with underserved populations. They must be flexible enough to interact with all members of the community.

SAMPLING

RESIDENTS OF TARGET DEVELOPMENT

In order to sample residents who lived in the target development at the time of the Round 1 Choice Neighborhoods Initiative Implementation application (December 2010), Urban researchers obtained administrative data from HUD's PIC/TRAC system, including residents' names and addresses and basic demographic information. Urban used these files to select a random sample of target development

residents for each Choice Neighborhood. Urban provided the sample to DIR to contact the head of household, which was already determined by HUD.

Other Neighborhood Residents

In order to sample residents who live in the neighborhood but not in the target development, DIR used a database developed by Survey Sampling, Inc. (SSI) that has near universal coverage of residential home addresses. Urban provided the boundaries of the Choice Neighborhoods and DIR randomly selected addresses.

It was necessary to select a sufficient number of housing units in each neighborhood to obtain the enough residents who lived within the neighborhood boundary but outside of the target development, taking into account housing vacancies and other non-response. CATI staff had to identify an adult member of the household who was responsible for financial matters and knowledgeable about the household (i.e., the equivalent of the head of household).

The total number of households in the universes and proposed samples are presented in exhibit A.2.

Exhibit A.2. Universe and Sample Size for the Choice Neighborhoods Baseline Survey

	Target Development		Neighborhood Sample	
Choice Neighborhood	**Universe Size**	**Target Sample Size**	**Universe Size**	**Target Sample Size**
Iberville/Tremé	439	200	8,201	250
Woodlawn	338	200	12,114	250
Quincy Corridor	126	80	3,547	250
Yesler	503	200	965	200
Eastern Bayview	216	150	5,590	250
Total	1,622	830	30,417	1,700

Recruitment

Sample members were sent an advance letter one week prior to the start of data collection. The letter informed sample members about the nature of the study, advising them of the incentive, and assuring them of confidentiality. Follow-up to the letter and flyer took one of the following three forms:

1. Sample members completed the interview in one of the following Residents interested in participating in the interview called DIR's Computer Assisted Telephone Interviewing (CATI) center directly to complete a CATI-based interview conducted by DIR staff.
2. CATI staff used available phone number to call residents to complete the interview.

3. Field staff made direct contact with residents to facilitate their participation in a CATI-based interview.

In Woodlawn only, sample members received an invitation to update their information by calling a toll-free number. Sixty called in to provide this information. The addresses and phone numbers provided were used by DIR to contact sample members.

Results from all interactions and attempted contacts were coded in the CATI system. DIR supervisory staff carefully reviewed refusals to determine whether the refusal was a soft refusal (requiring follow-up), a gatekeeper refusal (requiring direct contact with the respondent) or a hard refusal. DIR attempted to convert all refusal dispositions by CATI or field contact. The CATI manager and/or CATI floor supervisors periodically reviewed verbatim comments for all three refusal dispositions to determine the viability of a refusal conversion attempt and to verify refusal disposition coding. If a case was deemed eligible for re-contact, it was assigned to a CATI interviewer.

To reach more sample members and improve response rates, DIR increased field staff personnel hours, sent additional reminder post-cards, and conducted two survey blitzes in each Choice Neighborhood targeting the target development and neighborhood samples. Survey blitzes were events held by DIR at each site to increase the visibility of the survey effort and assure skeptical sample members of the legitimacy of the effort.

TRACKING

DIR used a variety of tracking methods throughout the study period to update contact information and achieve the study's response-rate goals. Tracking-related activities began as soon as the sample was received from Urban Institute. DIR reviewed the sample to identify any anomalies or patterns of missing information and then submitted the sample to the National Change of Address (NCOA) database to obtain any available updated contact information prior to contacting sample members.

Field-based locating was an essential component of the process because relocation from the target development had begun in several sites. The locators used original contact information and any available updated information for the sample members in order to conduct in-person home visits. To uncover further leads to the sample members' whereabouts, field locators also used standard field methods, such as communicating with gatekeepers and neighbors, postal delivery persons, and other residents in the area to help identify local gathering places where sample members may be found. DIR requested address updates from community organizations for sample members from the target development. DIR tried to locate sample members until all available leads were exhausted.

DATA COLLECTION

Respondents in any of the four dominant non-English-speaking groups (Spanish, Cantonese, Vietnamese, and Somali) were given the choice of being interviewed in English or in their native languages. English and Spanish language surveys were administered by CATI. A small number of Vietnamese, Cantonese, and Somali interviews in Yesler and Yesler Terrace were conducted in person.

English and Spanish Language Interviews

First, respondents were asked for their consent to participate in the survey. The consent script was written in clear, simple language. The CATI Staff read the script to the sample member and allowed time for the respondent to ask questions. The script explained the study and its goals, the data security plan, the staff confidentiality agreement, and our methods for safeguarding anonymity in our reports and publications. Respondents were informed that no information provided during the interview would be shared with their property manager, the local housing authority, or anyone responsible for managing their rental subsidy. However, information/data would be shared with HUD. Individuals were also informed of the risks and benefits of participating in the survey. In addition, DIR stressed the voluntary nature of their participation and made clear to all parties that there would be no negative consequences should they choose to not participate.

Once their verbal consent was received, CATI Staff proceeded with the survey. The instrument consisted of approximately 300 (multiple choice and yes/no) questions and respondents were routed to questions based on their responses to previous questions. DIR was responsible for all field data collection. For most respondents, the survey took approximately 45 minutes to complete.

Sample members used a toll-free phone number to reach the CATI center. Landlines were the preferred choice for conducting field-initiated CATI interviews. If no landline was available, then the field staff was prepared with a DIR-provided cell phone for the respondent to use to call into the CATI center. Field locators were trained to determine whether the potential respondent had an available landline before attempting to initiate a call from a cell phone.

Non-English and non-Spanish Language Interviews

For sample members that preferred to be interviewed in Cantonese, Vietnamese, or Somali, a trained interviewer conducted that interview in person, in the preferred language of the sample member. For the staff assigned to these cases, the responsibilities of the field staff and the CATI staff were merged into one.

Incentives

A $50 gift card was issued to each household that completed the survey. DIR mailed the gift card once the completed interview was logged into the CATI system, within 3 – 4 weeks of survey completion. Toward the end of survey administration, DIR occasionally gave out gift cards in the field immediately after respondents complete the interview as an added incentive.

Timeline

The survey was fielded with sample members from the target development and other neighborhood residents simultaneously in each Choice Neighborhood. The proposed schedule called for a 12-week data collection period in each Choice Neighborhood but it was extended in Iberville/Tremé, Quincy Corridor, and Eastern Bayview to allow DIR to recruit and administer the survey to more sample members. The start and end dates for active field recruitment at each Choice Neighborhood is shown in exhibit A.3. Some phone calls may have been received by the CATI center after the date shown.

Exhibit A.3. Start and End Dates for Active Field Recruitment

Choice Neighborhood	Start Date	End Date
Woodlawn	July 2013	October 2013
Iberville/Tremé	August 2013	March 2014
Quincy Corridor	October 2013	April 2014
Eastern Bayview	November 2013	April 2014
Yesler	January 2014	May 2014
Overall	July 2013	May 2014

Quality Control Procedures

To ensure that data collected met criteria for good and valid data, DIR used the following quality control procedures: the first two interviews were monitored for each interviewer; after the first two interviews, 10 percent of all interviews were monitored; ongoing training occurred each time a feedback session was conducted with comments from monitoring; and the floor supervisors were an in-person resource for the interviewers. DIR also conducted ongoing interviewer debriefs and spot check trainings to monitor and address any study issues.

Data Analysis

Response Rates

Overall 1,713 heads of households in both the Target Development and Neighborhood samples across all five Choice Neighborhoods completed the Choice Neighborhood Baseline survey, resulting in a 50 percent response rate (exhibit A.4). For the whole Target Development sample the response rate was 82 percent, with rates ranging from 79 percent in Eastern Bayview to 87 percent in Woodlawn. The overall neighborhood sample response rate was 39 percent; the highest response rate was in Iberville/Tremé (52 percent) and the lowest was in Quincy Corridor (35 percent).

Exhibit A.4. Key sample information for Choice Neighborhoods Baseline Survey

	Focal Development Households				Neighborhood Households			
Choice Neighborhood	Universe Size	Target Sample Size	Total Completes	Response Rate (%)	Universe Size	Target Sample Size	Total Completes	Response Rate (%)
Iberville/Tremé	439	200	179	80.6	8,201	250	204	51.8
Woodlawn	338	200	199	86.6	12,114	250	227	35.2
Quincy Corridor	126	80	79	81.8	3,547	250	187	34.5
Yesler	503	200	167	79.5	965	200	130	37.1
Eastern Bayview	216	150	129	78.6	5,590	250	212	39.2
Total	1,622	830	753	81.6	30,417	1,700	960	39.1

WEIGHTS AND DESIGN EFFECTS

Typical variance calculations (on which our t-tests are based) are applicable for simple random sampling, where units are selected independently and with equal probability. Although our sample was intended to represent the population, it turned out that some Yesler and Eastern Bayview households in the target development and neighborhood sample were more likely than others to participate. As a result, survey weights were used to make the sample more representative of the Yesler and Eastern Bayview target developments and neighborhoods.

While survey weights reduces the potential survey bias from having a less representative sample, their use reduces the overall effective sample size since some participants responses are weighted up to account for the non-participants. The impact of this reduction in the effective sample size can be estimated by calculating the design effect of the survey weights. The design effect adjustment inflates the variance of parameter estimates, and therefore their standard errors, which in turn broadens the confidence intervals and lessens the likelihood that one would observe statistically significant differences. The design effect for Yesler is 1.379579825and for Eastern Bayview is 2.088370212.

Appendix B: The Five Choice Neighborhoods

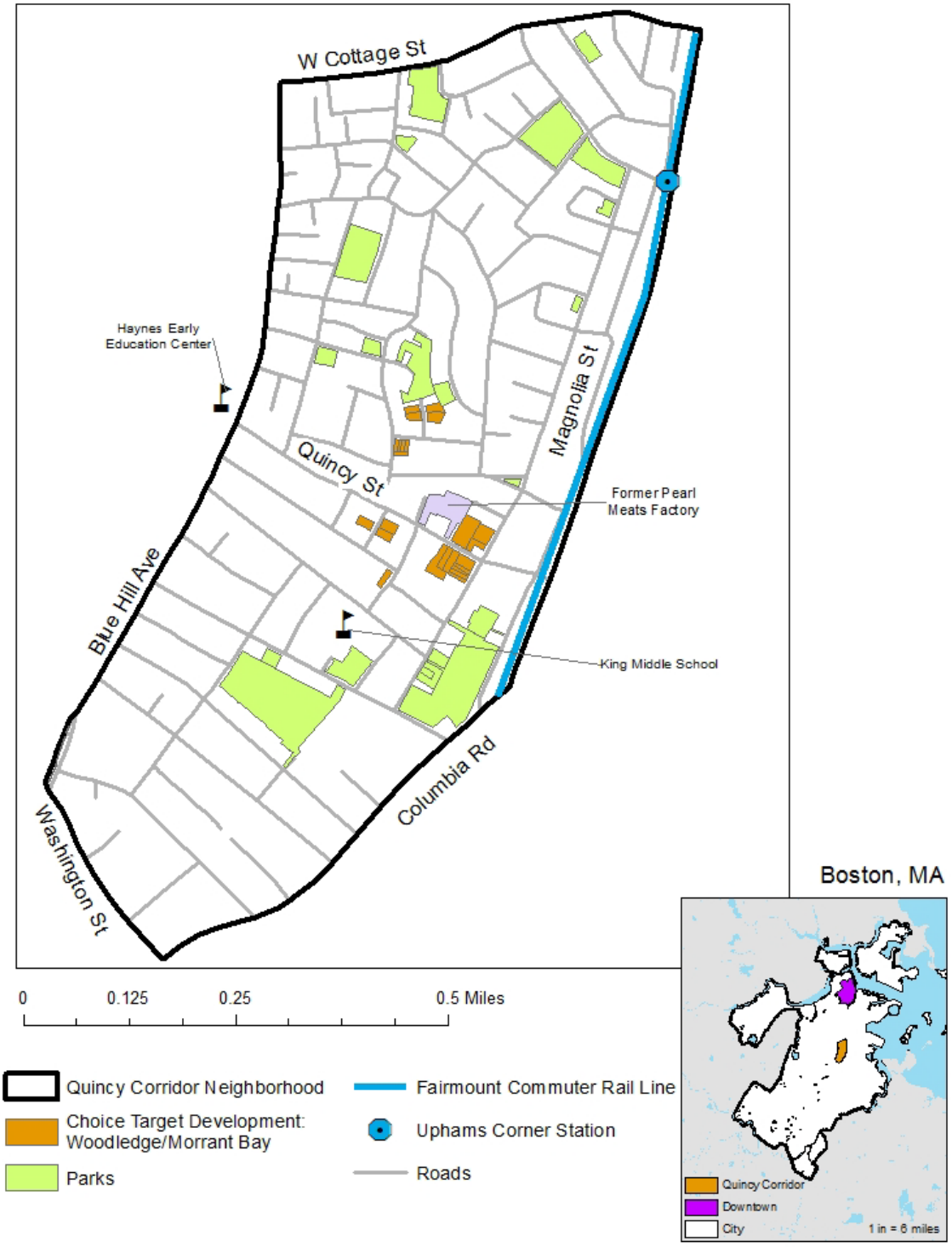
INTRODUCTION

This appendix provides more detailed descriptions of the five FY 2010–11 Choice Neighborhoods implementation plans, progress, and partners than was covered in the main body of the report. Each section of this appendix begins with a description of baseline conditions in the five Choice Neighborhoods that draws from data featured in Pendall et al. 2013, *Developing Choice Neighborhoods* in addition to newly available data from the household survey of residents. The rest of each section turns to the implementation of Choice in that neighborhood. Progress on implementing major interventions is described, and the successes of and challenges for the grantee teams are identified. These sections review the key implementation partners described in *Developing Choice Neighborhoods* and then discuss each component of Choice: housing, people, and neighborhoods. Each section concludes with a summary of progress the grantee team has made on internal and external coordination and leverage of investments and services for the neighborhood. A table summarizing major activities in the Choice Neighborhoods is also included at the end of each section.

B.1. BOSTON: WOODLEDGE/MORRANT BAY AND THE QUINCY CORRIDOR NEIGHBORHOOD

Quincy Corridor is located along the western section of the north Dorchester area and includes a portion of the Roxbury neighborhood of Boston, about four miles south of downtown. Few Bostonians would know "Quincy Corridor" as a place. It includes all or part of the neighborhoods recognized as Dorchester and Roxbury, including Grove Hall (a section of Dorchester located in the southern Choice Neighborhood), Uphams Corner (a section in the eastern part of the Choice Neighborhood), and Dudley Square/Dudley Triangle (a section to the north that goes into Roxbury). The Choice Neighborhood includes several main roads and landmarks, including Blue Hill Avenue, Columbia Road, Geneva Avenue, West Cottage Street, Quincy Street (around which much of the target development is centered), and the former Pearl Meats factory (exhibit B.1).

Exhibit B.1. Map of Quincy Corridor Neighborhood



BASELINE CONDITIONS

As defined by the grantee, this Choice Neighborhood had about 9,700 people in an area of one-half square mile and was the densest of the first five neighborhoods with Choice implementation grants. Quincy Corridor has a higher share of families with children than the other four Choice Neighborhoods

and a diverse mix of residents: 37 percent were foreign born, 53 percent were non-Hispanic African/African-American, and 35 percent were Hispanic (exhibit B.2). As reported in the baseline survey, about 39 percent of the heads of households had at least some college or technical schooling, but 32 percent had not graduated from high school. Residents of Quincy Corridor were struggling to get by; 57 percent of households had annual incomes below $15,000, and 73 percent had incomes under $30,000. Only 46 percent of the heads of household were employed at baseline. About 37 percent of the heads of households used public transportation regularly (about the same level as Woodlawn and Yesler and a higher share than in Iberville/Tremé or Eastern Bayview).

Exhibit B.2. Resident and Household Characteristics in Quincy Corridor

Head of Household Characteristics	Percent	Household Characteristics	Percent
Female	77	Households with children	59
Race and Ethnicity		Three-generation household	9
Non-Hispanic African-American	53	Household's annual income	
Non-Hispanic White	1	Under $15,000	57
Non-Hispanic other	10	$15,000 to $29,999	16
Hispanic	36	$30,000 to $49,999	16
Born in the US	63	$50,000 to $69,999	3
Education		$70,000 or more	7
12th grade or less	31	Public assistance	
GED or high school diploma	30	Supplemental Security Income	29
Some technical or college or higher	39	Disability	11
HH is currently employed	46	Cash assistance	16
		Ratings of Well-Being	**Percent**
Mode of Transportation		Respondent in good health	71
Has a car to use	67	Child well-being	
Takes public transit regularly	37	Focal child in good health	90
		Focal child positive behavior scale (score)	4.5
		Focal child 2 or more negative behaviors	36
Ratings of Housing Quality	**Percent**	**Ratings of Neighborhood Quality and Safety**	**Percent**
Number of housing quality problems		Rates the neighborhood as at least an 8 of 10	41
0	35	Feels safe alone outside of home during the day	88
1	25	Feels safe alone outside of home at night	58
2 to 3	28	Thinks the ngh. is a good place to raise children	56
4 or more	12	Collective efficacy scale score	3.2

Source: Choice Neighborhoods Baseline Survey 2013–14.

Nearly one-half of the rental housing is subsidized, although no public housing developments are located in the area. Much of the housing stock is in two- to four-unit structures and single-family houses. Empty land parcels throughout the area mark locations of buildings lost to arson in the 1960s and 1970s. In addition to vacant land, there are abandoned and foreclosed properties in the area. Four in 10 households reported at least two or more housing quality problems.

The five Choice Neighborhoods were very similar on measures of resident and child well-being. In Quincy Corridor most respondents (71 percent) reported good health, and 90 percent reported that their child was in good health. The baseline survey also asked about the behaviors of children and youth. In reference to positive behaviors, such as the ability to regulate emotions and get along with others, youth in Quincy Corridor averaged 4.5 positive behaviors out of a possible 6. Thirty-six percent of respondents reported that their child aged 6 to 14 had two or more negative behaviors, such as disobedience at school or home, and restlessness or overactivity.

Survey respondents in Quincy Corridor (41 percent) were less likely to rate their neighborhood highly (an 8 or higher out of 10) than residents living in central cities nationwide (62 percent). This neighborhood rating level was lower than that of Iberville/Tremé (53 percent) but similar to the other Choice Neighborhoods. Fifty-six percent of respondents believed that Quincy Corridor is a good place to raise children, lower than in Iberville/Tremé and Yesler (about 70 percent) but comparable to the proportion of residents in Woodlawn and Eastern Bayview. Most respondents felt safe outside their homes during the day (88 percent), but fewer felt safe at night (58 percent). Quincy Corridor had lower average ratings of collective efficacy (3.2 out of 5) than all the other Choice neighborhoods.[91]

The Choice target development in Boston is Woodledge/Morrant Bay, a project-based Section 8 HUD-assisted housing development, located in the center of the Quincy Corridor neighborhood. It will be renamed Quincy Heights when redevelopment is complete. At the time of the application it was owned by United Housing Management (UHM) and will be sold as part of the Choice Transformation Plan to the Dorchester Bay Economic Development Corporation (DBEDC) and the Quincy Geneva Housing Corporation (QGHC) as a joint venture. Built in the 1920s, Woodledge/Morrant Bay consisted of 129 units scattered over 11 three-story walk-up buildings within a three-block radius around Quincy Street. Of the 11 buildings, 2 will be demolished and replaced with newly constructed buildings on site and on adjacent parcels of land. The remaining 9 buildings will be rehabilitated. The units in Woodledge/ Morrant Bay account for only 4 percent of the neighborhood's 3,500 housing units, 88 percent of which are in multifamily buildings.

At the time of the baseline survey, 43 percent of the households were still in their original unit and 10 percent lived elsewhere in Quincy Corridor (exhibit B.3). The composition of the households in Woodledge/Morrant Bay largely reflected that of the broader Quincy Corridor neighborhood. Forty-one percent of the heads of households were non-Hispanic African/African-American and 55 percent were Hispanic, with 44 percent born outside of the United States. Only 18 percent had some college or technical schooling; 51 percent did not have a college degree. About 48 percent of the heads of households were working at baseline.

[91] Collective efficacy includes how cohesive the residents feel the neighborhood is, with shared trust and values, as well as how likely neighbors are to exhibit social control and do something to address concerns in their neighborhood, from children fighting to doing something to address cuts to services in their neighborhood.

Exhibit B.3. Resident and Household Characteristics in Woodledge/Morrant Bay

Head of Household Characteristics	Percent	Household Characteristics	Percent
Female	87	Household size (average number of people)	3.1
Race and Ethnicity		Households with children	73
Non-Hispanic African-American	41	Three-generation household	10
Non-Hispanic White	0	Household's annual income	
Non-Hispanic other	4	Under $15,000	68
Hispanic	55	$15,000 to $29,999	23
Born in the US	44	$30,000 to $49,999	9
Education		$50,000 to $69,999	0
12th grade or less	51	$70,000 or more	0
GED or high school diploma	31	Public assistance	
Some technical or college or higher	18	Supplemental Security Income	23
HH is currently employed	48	Disability	6
Mode of Transportation		Cash assistance	23
Has a car to use	77	**Ratings of Well-Being**	
Takes public transit regularly	30	Respondent in good health	82
		Child well-being	
Currently lives in the neighborhood	52	Focal child in good health	95
Lives in original housing unit	43	Focal child positive behavior scale (score)	4.4
Desire to return after redevelopment	85	Focal child 2 or more negative behaviors	36

Source: Choice Neighborhoods Baseline Survey 2013–14.

Most households had children under the age of 18 (73 percent). The average household size was 3.1 people, higher than in the other four Choice target developments. Household incomes were very low in Woodledge/Morrant Bay, with 68 percent under $15,000 and 91 percent under $30,000. Twenty-three percent of households received cash assistance, and 23 percent received supplemental security income payments. About 30 percent of households reported two or more housing quality problems, but nearly 85 percent expressed a desire to live in Quincy Heights after redevelopment is completed. In terms of well-being, 82 percent of heads of households reported being in good health, as were 95 percent of focal children in the survey. Thirty-six percent of focal children had 2 or more negative behaviors but averaged 4.4 positive behaviors (out of 6).

IMPLEMENTATION OF CHOICE NEIGHBORHOODS

KEY ACTORS AND RELATIONSHIPS

The Boston Department of Neighborhood Development (DND), a city agency, is Boston's lead grantee, working with other city departments, community partners, and stakeholders to coordinate and carry out the program. DND facilitates two large monthly Choice implementation meetings. One meeting is with city government departments and agencies, including the Boston Redevelopment Agency; the Mayor's Offices of Jobs and Community Services (JCS) and Intergovernmental Relations; and the city departments of public works, transportation, neighborhood services, and police. The second meeting

includes the two departments from the mayor's office mentioned above, Boston Public Schools, and community partners leading the housing and neighborhood efforts. The Boston grantee team communicates with HUD staff through monthly HUD calls attended by DND and the organizations with key Choice responsibilities.

Dorchester Bay Economic Development Corporation is the Choice housing lead and developer for Quincy Heights as well as the owner and developer of the Pearl Meats project, described in greater detail below. It was founded in 1979 by local civic associations to address the problems of economic disinvestment, unemployment, crime, community tensions, and the shortage of quality affordable housing undermining Boston's Dorchester neighborhoods. DBEDC formed a partnership with QGHC, which together purchased Woodledge/Morrant Bay from UHM. UHM joined as the third member of the development team and continues managing the property as a contractor. DBEDC facilitates weekly renovation and new construction meetings with the development team and field representatives from DND and MassHousing, the state Housing Finance Agency. DBEDC also facilitates weekly construction jobs meetings on site. In addition to joining the monthly meeting, DBEDC has frequent phone and email contact with DND and city partners.

Dudley Street Neighborhood Initiative (DSNI) is the neighborhood lead; Project RIGHT, which covers a different catchment area within the Choice neighborhood, collaborates on the neighborhood team. DSNI and Project RIGHT carry out citizen engagement activities and work with the police department and other city agencies on safety issues. DND and DBEDC also apply their experience in neighborhood development projects to plan and implement some of the Critical Community Improvements (CCIs) discussed in the neighborhood section below.

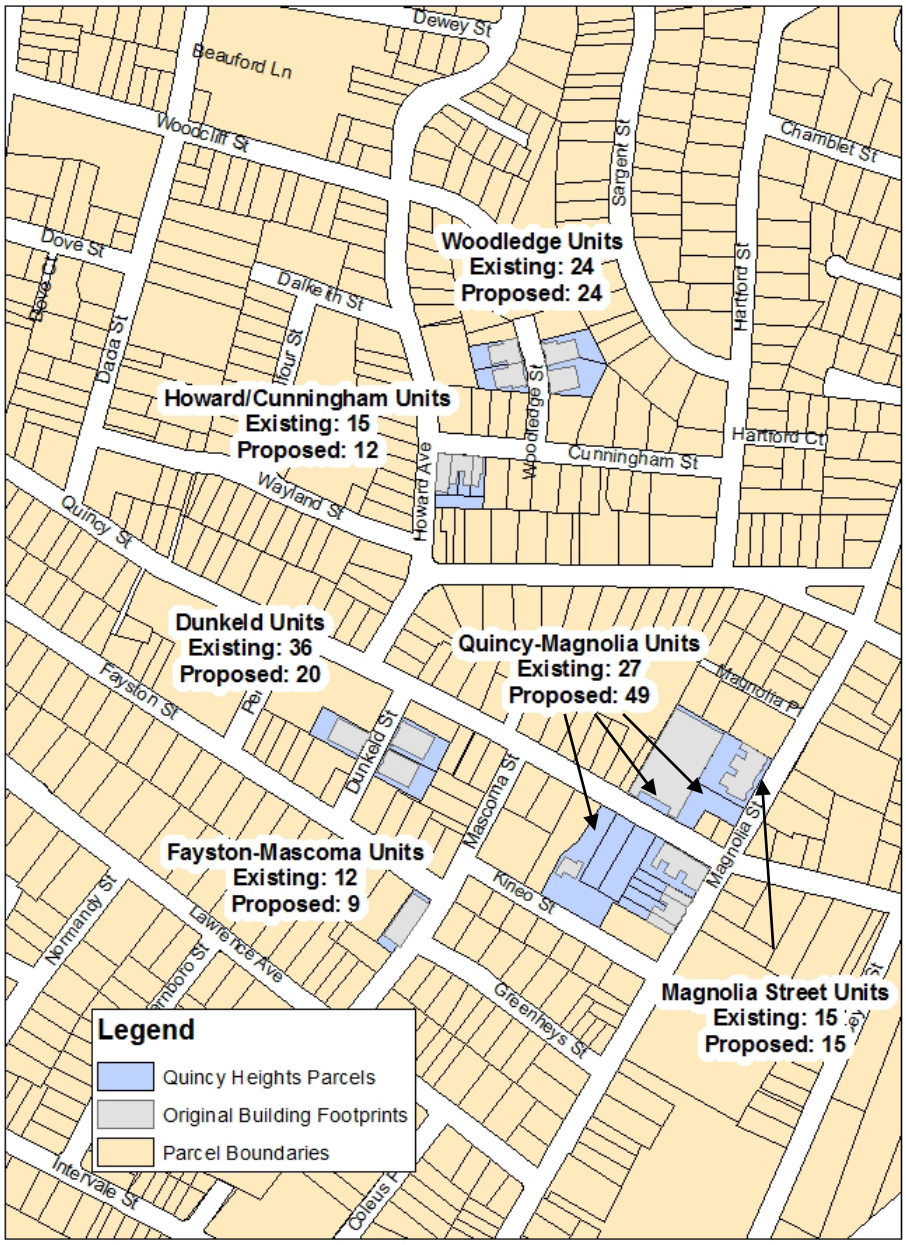
JCS leads the people activities and attends the two Choice monthly coordination meetings. The Institute for Health and Recovery (IHR) is the Choice case management entity. IHR facilitates monthly in-person Choice service provider meetings, which are attended by DBEDC and QGHC services and JCS staff. IHR also facilitates a monthly in-person meeting with Choice service providers and city agencies.

HOUSING

The development: Plan summary

Units and buildings. As a scattered site project-based Section 8 development, Woodledge/Morrant Bay included 129 units located in 11 buildings scattered over a 30-acre area (exhibit B.4). Quincy Heights, the new development, includes a gut rehab of Woodledge/Morrant Bay that will reduce the unit count in the overcrowded existing buildings from 129 to 80 units. The other 49 units will be replaced in four new buildings on both sides of Quincy Street (the Quincy-Magnolia units in exhibit B.4): a 12-unit building and a 6-unit building on one side of the street, and a 10-unit building and a 9-unit building with a multipurpose community room on the other side.

Exhibit B.4. Site Plan, Quincy Heights



Source: Urban Institute rendering of Choice Neighborhoods round 2 application, attachment 26.

Income mixing. In response to the community's desire to avoid increasing density in the area, the Choice plan does not include units for moderate- or high-income households. The original 129 Woodledge/Morrant Bay units will be replaced with the same number of income-restricted units for households earning up to 50 percent of area median income (AMI). The units financed through the Low-Income Housing Tax Credit program are targeted at 60 percent of AMI. In addition, the city requires that 10 percent of the units be made available to homeless households below 30 percent of AMI.[92] The

[92] Please see https://dnd.cityofboston.gov/#page/HomelessHousingSetAside11a for more information.

bedroom mix of the Quincy Heights units will be the same as the Woodledge/Morrant Bay units. Of the 129 units, 7 will be handicapped-accessible and 12 will be built to provide easier access for visitors. As severe housing cost burden is an issue for extremely low-income residents, instead of creating a more mixed-income neighborhood through the addition of new middle-income residents, they wanted to focus on approach that would improve current residents economic status.

Design. The new construction will be wood-framed, three-story buildings, in keeping with the architectural character of the neighborhood. The renovated buildings will maintain their brick and wood exterior. The development will include 28 off-street parking spaces, highly visible interior courts and play areas, and walkways that link to the surrounding neighborhood. Many green design elements are being integrated into Quincy Heights, including mechanical systems, building envelope improvements, environmentally friendly lighting, appliances, plumbing fixtures, paint, flooring, photovoltaic systems for electricity in common areas, and solar hot-water heating. These features will help Quincy Heights meet the Enterprise Green Communities standards and perhaps even LEED Silver certification.

Exhibit B.5. Funding Sources for Quincy Heights

MassHousing permanent loan	$16,915,000
MassHousing construction loan	16,615,000
MassHousing bridge loan	13,545,000
Mass development	500,000
Equity: tax credit	20,200,556
DND/Choice Neighborhoods	12,300,000
DND/HOME	129,000
MassHousing – AHT	1,500,000
Sponsor loan – DND/National Housing Trust	1,371,000
Sponsor loan – Federal Home Loan Bank	400,000
Const. Period Interest Reserve (operating)	323,210
Cash from MBLP (interim)	1,000,000
Other interim loan	593,600
Assumed Flexible Subsidy Debt	2,801,688
Subtotal	$88,494,054
Repayment: construction loan	16,915,000
Repayment: bridge loan	13,545,000
Repayment: MBLP cash to HUD	1,000,000
Repayment: Short-term flex sub assumed	593,600
Total sources (net)	$56,440,454

Notes: AHT: Affordable Housing Trust; MBLP: Morrant Bay Limited Partnership.
Source: DBEDC September 2013.

Finance. Of the $20.5 million Choice grant, $12.3 million (60 percent) is allocated for housing. Exhibit B.5 outlines the sources of funding for the full $56.4 million Quincy Heights project. Quincy Heights will also receive project-based subsidies through a Section 8 Housing Assistance Payment contract.

Management. The Woodledge/Morrant Bay property changed hands from UHM to a new partnership between DBEDC (51 percent) and QGHC (49 percent). UHM will remain the property manager and operate on a contract basis with the new ownership entity. Property management rules will remain the same, but there will be a new process for discussing rules with returning residents and supporting them in complying with the lease terms. UHM is working with DBEDC/QGHC to establish new processes to facilitate supportive services for residents who may be at risk of violating their lease postoccupancy.

Offsite housing. In addition to the Woodledge/Morrant Bay property, development of additional affordable housing in the neighborhood is in process, funded outside of Choice. Quincy Commons, a 40-

unit affordable elderly housing (HUD Section 202) project with commercial space on the corner of Quincy Street and Blue Hill Avenue, is under construction and expected to be completed in 2014. Construction on Quincy Commons began just prior to Quincy Heights, providing the first sign of redevelopment on Quincy Street. Uphams West, a rehabilitation project involving nine rental units for residents at or below 60 percent of AMI, was completed in January 2013 and occupied by June 2013.

Progress on the housing redevelopment

Demolition and site work began in July 2012, starting with four buildings located on city and privately owned lots adjacent to the Woodledge/Morrant Bay target development. Several factors delayed the beginning of redevelopment:

- **Access for permanent vouchers to facilitate relocation.** As discussed in detail in *Developing Choice Neighborhoods*, the Boston grantee team requested relocation vouchers in early 2012. In August 2012, the team received HUD's verbal approval of 105 housing choice vouchers (HCVs) and was promised written confirmation shortly thereafter. However, written approval of the vouchers had not been received as of September 2013. This issue has since been resolved in favor of allowing relocation vouchers to be allocated not only in Boston but more broadly in HUD-assisted housing developments under Choice. Even so, it delayed the planning for construction phasing and timing and led to the setbacks in tenant engagement and relocation described in the next section.
- **Financing.** An unexpectedly favorable tax-credit market increased DBEDC's borrowing capacity by $1 million, which enabled DBEDC to propose several upgrades to the development's design. These included upgrades in the green building features and enhancements in areas of durability and security. It also included aesthetic upgrades, including hardwood flooring, upgrades to lighting, replacing doorways, upgrading vanities, and bike racks. HUD needed several months to review this additional expenditure, however, resulting in costs that partially offset the gains conferred by the tax-credit market.
- **Utility upgrades.** HUD requested approval of potential future utility upgrades.

The complexity of multilayered project finance has also created uncertainty and delay. Enterprise, the tax credit syndicator, did not allow the development team to use their construction reserve toward their operating reserve, leading to the need to raise an additional $1.8 million. In addition, Enterprise required a liquidity reserve $500,000 greater than the development team had counted on. DBEDC secured the additional funding despite the short time frame allotted. Enterprise also required additional Phase I environmental assessments that cost the project financially and in time. DBEDC estimates that it lost $4 million over the six-month delay due to the loss of half a year in the tax credit calendar, reducing their final loan from $12 million to $8 million.

After the issues described above were resolved, DBEDC closed on the property in June 2013, about 18 months later than DBEDC had initially expected. Renovation and construction of Quincy Heights were well underway as of September 2013. Pressured by potential penalties for missing deadlines to finish construction by the end of 2014, DBEDC incentivized the construction contractors to hasten building renovations by making only one building available at a time to the contractors. The next building is not

made available until the previous one is ready for reoccupancy. These adjustments should allow the team to meet the target completion date.

Another unresolved issue relates to layered project financing: the project's affordability period. The Low-Income Housing Tax Credit and HOME programs require 20 to 30 years of affordability, but city requirements stated that the replacement units must be affordable in perpetuity. HUD requirements for Choice-funded units stipulated that the units only need to remain affordable for 40 years. The most restrictive requirement would prevail.

PEOPLE

To date, the Boston grantee "people" plan has focused on case management, early childhood education supports, afterschool programming, and mental health and violence intervention. JCS, DBEDC, QGHC, DSNI, and Project RIGHT have made progress in implementing the people component of Choice in 2013, but not without two main areas of challenge: relocation and case management startup.

The delays in receiving written approval for HCVs caused three outcomes:

- **Tenant engagement suffered.** While they waited for a decision from HUD, the grantee team became cautious in their statements, held fewer tenant meetings, and postponed some of those that were scheduled. Residents from focus groups reported being anxious in light of the scarce information and infrequent meetings.
- **Relocation of Woodledge/Morrant Bay residents became complex and more costly.** As the housing team sought to advance rehabilitation to meet critical construction deadlines, the relocation entity placed all residents in temporary relocation units. These were difficult and costly to secure in Boston's hot rental-housing market. The team paid brokers up to $1,000 per unit in finder fees for about half the units, most of which had rents well above the Boston Fair Market Rent limit. HUD's verbal commitment to vouchers came through only after many tenants had been relocated to these expensive units, implying that they might need to move again if they wished to use a voucher. As the grantee continued to wait for written approval, it became increasingly likely that the tenants might end up relocating up to three times: first, to the temporary offsite unit; second, back to a new unit at Quincy Heights; and third, relocation off site with a permanent voucher. This lack of resolution and increase in potential number of moves have increased the cost of relocation to a still-undocumented level.
- **Preparation for lease-up of Quincy Heights became fraught.** With lease-up of the new units expected to begin in early 2014, the development team became concerned that approval for permanent vouchers could coincide with reoccupancy. This would complicate the process and budget, as tax credit units must be occupied by a particular date. If any original residents were going to take HCVs and not return to Quincy Heights, then UHM needed to certify new residents to occupy those units long in advance to avoid vacancies.

The process for procuring case management services as well as coordination challenges in the people team delayed the onset of case management and service connection. It took time for partners to negotiate an agreement about the scope of Choice services, approaches to case management, and a

contract with a case management provider (Pendall et al. 2013). Part of this delay reflected tension in the Boston Choice team about the case management approach. Most Choice partners, including the people lead (JCS), supported a clinical approach that would offer intensive case management when necessary (especially when residents suffered from trauma related to violence) and connect residents to existing and new services, such as job training, continuing education, and mental health services. Other partners perceive this approach as focusing inappropriately on the problems ("deficits") of individual tenants and prefer instead to concentrate on community building and empowering residents. This debate was settled in favor of a clinical approach to case management. (See the sections below on resident engagement and case management for more detail on these developments.) Despite this resolution, case managers were unable to obtain resident contact information until relocation began, because the management company wanted to avoid the confusion and disruption that tenants might feel by being contacted by both relocation specialists and case managers. This delay further slowed the rollout of case management.

Social dynamics and resident engagement

The social dynamics among residents at Woodledge/Morrant Bay and in the broader Quincy Corridor neighborhood are shaped by the physical structure of scattered site housing, significant problems with crime and violence in and around the buildings and elsewhere in the neighborhood (see the section on public safety), and a diverse population. The buildings are located on different streets, and there is no community center or other shared spaces where residents can interact. As explained in the section below on education and early childhood, most local children do not attend neighborhood schools, which might otherwise provide a locus for community building. Social dynamics are further complicated by the area's rich ethnic diversity, which contributes to both strong mutual support along ethnic and religious lines and contention due to gangs and turf issues.

Unlike many traditional public housing developments, residents do not share a strong collective identity as being members of a "Woodledge/Morrant Bay" community. Social relations among residents are generally weak, with the exception of stronger relationships among some Latino residents. Residents describe a culture of disrespect and distrust and a heightened sense of fear that contribute to low collective efficacy and social cohesion. Some residents reported not wanting anything to do with their neighbors, but others reported a sense of loss in not being able to interact more civilly with neighbors and rely on one another to watch out for each other's children on the streets.

The social dynamics in the broader neighborhood, particularly tensions between homeowners and subsidized renters, are complicated. About 44 percent of the renter households receive subsidies through project-based Section 8 or HCVs. Homeowners have deep concerns about this concentration of subsidized housing and believe many of the social problems in the area are a consequence of neglect by absentee landlords and a lack of services and supports for the subsidized renters. Woodledge/Morrant Bay residents report being stigmatized for living in the development even though the buildings are integrated into the neighborhood. Residents from the target development report disputes with homeowners over who deserves to claim on-street parking spaces and having been shamed at public meetings where homeowners argue for less subsidized housing for people like "them" (referring to subsidized tenants). Renters do not typically attend neighborhood association meetings.

Engaging residents and building cohesion have been, and will continue to be, important challenges for the grantee team. The uncertainty over relocation has dampened the ability of the team to build social cohesion. The team required all residents to attend meetings about every three months to meet the Choice partners and service providers and to learn about available services and relocation (and to be informed that no decision had yet been reached on vouchers). Some residents made small talk with one another during these meetings, but most appeared anxious and focused on learning when and where they would be relocated. Residents who attended focus groups in summer 2013 reported wanting more frequent updates on the housing and relocation, as well as more details on other aspects of the community, including security, services, and opportunities for residents. They reported that Project RIGHT provided some information on these issues.

Once Quincy Heights is occupied and the neighborhood improvements are at least underway, however, the grantee team's ability to build social cohesion should improve. DBEDC and QGHC have planned a building captains system at Quincy Heights to bring residents to the table and build resident leadership, as well as broader community events to build social cohesion within Quincy Heights and in the surrounding neighborhood. DBEDC has one full-time staff person (not funded by Choice) who spends 30 percent of his time as a community organizer for the target development; QGHC has one staff person for resident services who spends 70 percent of her time working with Woodledge/Morrant Bay residents.

Project RIGHT has facilitated several neighborhood association meetings of homeowners and renters. Although residents value these meetings, they have noted the agendas focus on neighborhood crime and violence rather than other important issues and opportunities they would like to learn about. These neighborhood meetings are regularly attended by some homeowners, but the catchment area for Project RIGHT covers only part of the neighborhood. The remainder of the neighborhood is covered by multiple smaller neighborhood associations.

The significant physical improvements to the immediate area on Quincy Street (discussed below) may provide important opportunities to bring the community together and establish more inclusive governance structures. Any new tenants' organization and the various neighborhood associations could work together to reduce tensions and build community between renters and owners as the redevelopment proceeds.

Case management

In February 2013, the Choice team chose the Institute for Health and Recovery as the case management provider for residents of the target development. IHR is a highly qualified provider based in Cambridge with 95 clinics and satellite offices around the state. The contract term is for up to five years and includes funding for two full-time case managers. As this will be IHR's fourth time operating a program in the neighborhood, many Choice partners were familiar with their work and pleased with the contract. The two full-time case managers assigned to the program have a long history of working in the neighborhood, and one is bilingual in English and Spanish.

As of September 2013, the case managers had reached out to 56 households that were in the process of relocating and had enrolled 39 residents in case management services. Although working with relocating

households was challenging, it nonetheless created opportunities to gain a foot in the door with many residents. Case managers found most residents very open to meeting with them, in part due to the urgency of the relocation period approaching. Case managers assist residents with a variety of issues, from finding job search assistance to childcare to summer jobs for youth; however, the bulk of their work has focused on issues related to relocation (e.g., unpaid utility bills, asset mapping to help relocated residents find services in their areas, changing relocated children's school bus stops, troubleshooting other relocation issues). Case managers plan to leverage the trust and rapport they built with residents during the relocation period to move to other issues in the future.

In addition to providing case management services, IHR took the lead in coordinating monthly Choice service provider meetings. This role was not defined in their contract, but IHR saw the need to facilitate these meetings and stepped in to do so. IHR now convenes two monthly meetings: one with Choice service providers and community partners (the development and relocation teams, the police department, and Youth Connect) and one with this same group in addition to the Choice lead agencies and other city officials from the mayor's office departments. Although these meetings were held before IHR's involvement, they lacked a clear leader and struggled with accountability. With IHR as coordinator, the group became more focused and larger, with invitations extended to other key partners that had not previously participated, including Project RIGHT, the police department, and Youth Connect.

When IHR began their case management contract, the city and service providers had already been engaged in a city-led process to establish a consistent data management system. The city was offered Efforts to Outcomes software at no cost and held training sessions that providers attended. However, the Efforts to Outcomes system was not operational as of September 2013, and Choice service providers were frustrated with the slow pace at which the process was proceeding.

Additionally, as redevelopment progressed, the Choice team had questions about the extent to which services would be provided to households that chose not to return to Quincy Heights. The team sought prepare for the likely possibility that at least some households would chose to remain permanently relocated. As of September 2013, the Choice team was seeking clarity and guidance from HUD on the expectations around providing services such residents (e.g. the length of time the Grantee would be responsible for serving those households and how best to serve households if they moved out of the City or state).

Services and programming

Boston's Choice application included $1.03 million for unspecified "additional services." City partners held off on procuring services for this line item until case managers had a chance to conduct an updated needs assessment with Woodledge/Morrant Bay residents. Because case management was delayed and had occurred with less than half the residents, a full needs assessment was never conducted after the Choice grant was awarded. However, case mangers informed the process for defining the "additional services" based on their outreach and engagement with the more than 50 relocating households in the first six months of 2013. JCS issued requests for qualifications (RFQs) for adult basic education, English as a second language, asset building, and afterschool programs in September 2013. In addition to requiring respondents to have a record of providing specific services, each RFQ required respondent organizations

either to be located in the neighborhood or to partner with a neighborhood-based organization in an effort to build capacity locally. Although the types of services chosen were informed by engagement with residents of the target development, these services are intended for all residents in the Quincy Corridor area.[93] JCS also contracted with the Boston Public Health Commission to add a mental health clinician to its Burke High School Health Center, which was over capacity with just one clinician. Although a complicated contracting process led to some delays, a multilingual male clinician was hired in September 2013.

Education and early childhood. A key challenge to improving educational services in the Choice neighborhood is the lack of neighborhood-based schools. Although Choice is a place-based strategy, the combination of court-ordered busing and school choice policies required the Boston team to implement a more complicated hybrid people- and place-based Choice strategy. One of the schools in the Choice Neighborhood experienced declining performance, dropping from a level 3 in 2012 to a level 4 underperforming school in 2013. Principal turnover has been another challenge for the Choice team (three of five schools in Quincy Corridor have new principals in 2013). Communication and coordination among Choice partners and Boston Public School (BPS) officials have improved in the second year of implementation compared to the first year. There have been more frequent face-to-face meetings among partners and more deliberate efforts to integrate BPS into Choice. For example, JCS staff met with high-level BPS staff from three of the five schools in the Choice neighborhood to explain the Choice funding for the afterschool programs and establish a direct line of communication with the schools.

Choice funding has been allocated to provide or expand existing afterschool services at five BPS schools within the Choice Neighborhood boundary. These services, which are meant to support youth from the Choice target development, will not reach the majority of these students because they attend schools outside the Choice Neighborhood. To address this group, JCS issued an RFQ for afterschool services for children living in Woodledge/Morrant Bay.

Boston's Choice plan includes funding to expand the work of Read Boston, a citywide early literacy program, to two schools in Quincy Corridor. Read Boston plans to use non-Choice funds to expand its programming to the three other schools. With Choice funds, Read Boston also expanded its work and developed professional development workshops for early education and day care center staff. Read Boston worked on literacy strategies with eight early education programs in the area and implemented an Environmental Literacy Project at two schools in the Choice Neighborhood, a Reading is Fundamental initiative at one school, and a Reading Trail Program for childcare programs in the area. Read Boston's Storymobile has also saturated the neighborhood with events, distributed books, and run programs at the Grove Hall Library.

Other education initiatives in the Quincy Corridor area share the Choice goals for school improvement and better services for children. The Circle of Promise, an initiative begun under Mayor Thomas Menino,

[93] It remains unclear how much funding will be available for residents of the surrounding neighborhood because voucher-assisted relocation to other neighborhoods would raise the total number of eligible families. Dispersal of Woodledge/Morrant Bay residents to other neighborhoods would also raise the cost of service delivery.

focuses on improving the resources provided to students and families in 10 underperforming schools, including those in Quincy Corridor. The US Department of Education announced in late 2012 that DSNI won the Promise Neighborhoods implementation grant, with a service area overlapping the Choice catchment area. These programs have not been explicitly connected with Choice activities to date, but they should provide additional supports for some Choice Neighborhood families.

Relocation

A total of 56 households had been relocated with pass-through vouchers as of September 2013. Even with the complications resulting from the voucher delay, the relocation process went remarkably well due to the experienced relocation team and their successful coordination with the property management team and other development and case management partners. The relocation team worked closely with residents to place them in suitable temporary units, most of which were located within Dorchester in areas many deemed safer than Woodledge/Morrant Bay. The relocation team recognized residents' safety concerns and social support networks. For example, the team relocated two neighbors together to side-by-side units after learning how much one relied on the other for childcare. The team also left three leased units vacant for one year after learning of residents' heightened safety concerns in the area. Many residents have been extremely happy with their relocation units; some reported in Urban Institute focus groups that they would like to remain in these units, which are newer and larger than their Woodledge/Morrant Bay units. Case managers worked with the relocation specialist to troubleshoot utility problems some residents experienced in their temporary relocation units. This work involved coordinating energy audits with landlords, Mass Saves, and the electric companies to ascertain why some electric bills were so high.

NEIGHBORHOOD

Critical Community Improvements

Projects were selected for Critical Community Improvements based on their greatest likely impact in the neighborhood and their financial feasibility. Mayor Menino needed to approve the CCIs before they could be proposed to HUD, but he was hospitalized, slowing the submission process until he recovered. Once the CCIs were approved, the process then involved negotiations between the city and HUD.

The redevelopment of the Bornstein & Pearl Food Production Center (the former Pearl Meats facility) is Boston's signature CCI project. The project has gained attention and holds much promise for the neighborhood. DBEDC purchased the property in 2009 and worked with the community to plan a small business food production incubator. DND, Project RIGHT, and DSNI have also been involved in the planning process. The dilapidated former hot dog factory, which had been vacant for eight years, includes a 36,000-square-foot building on a two-acre site centrally located on Quincy Street, highly visible and convenient to Quincy Heights. The site is being rehabbed into a center for small-scale food production, with a modern commercial kitchen rental space and business training for new food businesses; private rental kitchen space for established food businesses; and food storage rental space for businesses at different stages of growth. In addition to receiving $500,000 in Choice CCI funds, DBEDC received high-level support from state politicians and successfully leveraged public and private funds to launch the $14.0 million initiative.

The other CCI projects are the Martin Luther King School playground renovation and park, Haynes Early Learning Center play lot renovation, Grove Hall Wi-Fi expansion, enhanced Partners with Non-Profits, and expanding programs for business and nonprofit property improvements. (Several of these projects are discussed in greater detail below.) In addition, Boston's approved CCI budget includes a reserve fund for "additional commercial redevelopment and infrastructure projects," which is intended as a contingency fund for the Pearl Meats project or to be used for other qualifying projects.

Public safety

As discussed in chapter 4, high violent crime was one of the qualifying criteria of neighborhood distress for Choice and public safety remains persistent problem in this Choice neighborhood. Violent crime, gun violence, drug trafficking, and gang activity are very high in the area. Residents in the target development and the surrounding neighborhood remain fearful and extremely concerned about the gang violence and number of daytime and evening shootings.

Choice funds and coordination among the Boston Police Department (BPD), community partners, service providers, and other city departments are helping to enhance crime prevention and intervention efforts in the area. Project RIGHT is well known in the Choice Neighborhood for its work on public safety issues. Project RIGHT works closely with residents and BPD and convenes monthly meetings for two neighborhood associations that overlap with the Choice Neighborhood and facilitates or participates in a large number of other neighborhood meetings in which safety is a central focus (e.g., Neighborhood School Safety Meetings, Youth Workers Meetings, Peace Walks).

Part of the Choice team's strategy for enhancing public safety includes the expansion of the Boston Public Health Commission's Grove Hall Violence Intervention and Prevention program (VIP). With Choice funds, the Grove Hall VIP program hired a three-quarter time trauma coordinator in October 2012. Working in conjunction with Project RIGHT, the trauma coordinator responds to incidences of violence and trauma in the area (e.g., providing guidance to parents of children who witness homicides and violence on how to help their children process the events). Because of the high levels of violence, however, as of September 2013 the trauma coordinator had not yet developed larger community trainings, as planned in the Choice application.

The Boston grantee team proposed using the Public Safety Enhancement (PSE) grant to enhance the BPD's Youth Connect program by adding a social worker in the local police station to work with at-risk youth. (PSE grants are discussed further in chapter 4.) The Boston team sought to fully integrate the PSE grant into the Choice people initiatives, particularly because public safety issues are affecting residents' desire to return to Quincy Heights. In an effort to enhance coordination and inform service providers that have contact with residents about the new public safety initiatives in the area (e.g., the PSE grant), BPD and Youth Connects staff began attending the Choice service provider meetings in August 2013.

Choice has also enhanced the coordination and response of the city's Blue Hill Avenue Neighborhood Response Team, which involves various city departments working with Project RIGHT, residents, and other community-based organizations to provide targeted response to disorder in the neighborhood. The response team has made significant progress in improving the response to public safety issues and

hot spots for public drinking, drug dealing, prostitution, and loitering in front of liquor stores in the Choice Neighborhood. The team remains diligent, knowing that once hot spots are addressed they tend to migrate to new areas.

Although reducing crime in the Choice Neighborhood remains a challenge, Choice partners are hopeful that the housing redevelopment will help ease crime around the target development through changes to the built environment. The redevelopment of Quincy Heights, Pearl Meats, the addition of Quincy Commons, streetscape improvements, and new security cameras should send a clear signal to the broader community that this is no longer a neglected area with an abundance of vacant and abandoned properties.

Neighborhood economic development

The Pearl Meats project is the central neighborhood economic development initiative in the Quincy Corridor. Construction began in July 2013, and the facility is expected to open in April 2014. DBEDC partnered with CropCircle Kitchen, Inc. to be the anchor tenant and future property manager of Pearl Meats. CropCircle Kitchen/Pearl is expected to create space for up to 50 food entrepreneurs and create 150 new jobs in the first five years of operation by nurturing the growth of new local food businesses and encouraging new businesses to expand their workforce by hiring locally.

Another ongoing economic development initiative in Quincy Corridor, Grove Hall Main Streets, is designed to facilitate business district revitalization. The organization will receive some Community Development Block Grant funding, but funding has been delayed due to a change in leadership.

Built environment and infrastructure

ReStore Boston, a program of the DND's Office of Business Development, provides one-for-one matched funds to reimburse property owners for façade improvements. The first expenditure of the planned $300,000 in CCI spending on ReStore has reimbursed property owners for façade improvements to six storefronts on the corner of Warren Street and Blue Hill Avenue. It has been challenging to reach small business owners beyond this group of businesses, however, because many Quincy Corridor business owners do not own their buildings, business owners have too little capital to front the costs, and ReStore requires costly and complicated removal of metal roll down grates on their store fronts.

Partners with Non-Profits (PNP) ($200,000 in CCI funds) is a capital improvement program run by the city's Office of Business Development that provides nonprofits with up to $25,000 with a 20 percent match requirement. Eligible improvements include repairs of code violations, handicap accessibility upgrades, new boilers, and roof work. Although the Choice team was hopeful that this program could boost nonprofits in Quincy Corridor, the outreach team found that the small number of nonprofits in the area did not need such improvements. The city is exploring whether this funding stream should be folded into other CCI or Choice-related improvement projects.

Two CCI projects led by DND with the support of Project RIGHT and DSNI involve the renovation of two school playgrounds in the community (the Martin Luther King School playground and park and the Haynes Elementary School play lot). These renovations are designed to enhance the community's use of

these facilities during afterschool hours. The design phase began in July 2013, and construction is expected to begin in the spring or summer of 2014.

Under the direction of Boston Department of Innovation and Technology, the Grove Hall Wi-Fi project ($300,000 in CCI funds), which will provide low-cost broadband internet coverage for the entire Choice Neighborhood, is going smoothly and was about halfway completed by September 2013. In addition to Choice funds, the nonprofit Open Air Boston was using a $500,000 grant to complete the project. DND was exploring a potential partnership with other nonprofits to ensure Choice families have access to computers so they can take advantage of the new Internet service.

Choice has clearly been the catalyst for physical improvement plans to Quincy Street supported by funding outside of Choice. In early 2013, DND established the Quincy Corridor Public Realm Improvement Project to create a cohesive vision for strategic improvements on Quincy Street between Columbia Avenue and Blue Hill Avenue. Integrating the process into the ongoing Fairmount Indigo Planning Initiative (described in more detail below), DND provided funds for the Boston Redevelopment Authority (BRA) to lead a six-month community and planning process for the Quincy Corridor Public Realm Improvement Project. BRA facilitated two strategic community visioning sessions and several stakeholder meetings to obtain resident and stakeholder input. Pedestrian safety, traffic and speeding problems, accessibility issues, parking, lighting, and transforming the streetscape from its industrial character to that of a residential street were key issues identified through this process. Incorporating community input, BRA worked with a planning and design firm to develop plans and with DND, the Public Works Department, the Transportation Department, and the Mayor's Office of Neighborhood Services to obtain approval. The city estimated it would spend up to $3 million on the improvement project, but there was uncertainty over whether the next mayor would support that expenditure.

Quincy Street has suffered from chronic issues with utility breakdowns, including gas leaks and sewer flooding due to aging infrastructure and drainage issues. With the major construction and improvement projects underway on the street and the subsequent increase in demand on utilities once these buildings are occupied, there is a greater sense of urgency among partners to push for major systems upgrades. Though these issues are beyond the scope of Choice funding, the city was working with utility companies and Boston Water and Sewer (an independent agency) to discuss infrastructure upgrades on the street. The city hoped to resolve this issue and have any upgrades to systems be coordinated with streetscape improvements completed as part of the Quincy Corridor Public Realm Improvement Project.

The Fairmount Initiative, begun in 2004, involves the conversion of a commuter rail to a subway/light-rail line with more regular and frequent stops in the low-income neighborhoods that the commuter line has bypassed for years. Two of the four planned stations have opened (Talbot Avenue and Four Corners). The proposed location for the Columbia Road Station is located in Quincy Corridor but is not yet funded. The city was awarded a $1.86 million federal Community Challenge Planning Grant to acquire land along the line and facilitate mixed-use and transit-oriented development. BRA is leading the Fairmount/Indigo Planning Initiative to assess strategies for commercial and residential development along the line. Several members of the Choice grantee team have been involved with the Fairmont/Indigo Planning Initiative.

Future of the neighborhood

The Quincy Corridor neighborhood is marked by high concentrations of poverty and subsidized housing and struggles with instability, persistent crime, poor-quality schools, limited social services, and struggling low-income businesses. Choice has brought an influx of funding to the area and made the neighborhood a priority of multiple city departments and committed community partners. Choice's short-term impact on the area will be focused on improvements to the housing stock, landscape, and economic development along Quincy Street. Though the changes in public safety mentioned above may ameliorate the violence, the crime plaguing the area is a significant barrier for broader impact in the surrounding Choice neighborhood.

From the community's standpoint, gentrification of Quincy Corridor is not currently a threat due to the abundance of subsidized housing, high crime rates, and poor-performing schools. This may change as pockets of areas near the periphery of the Choice Neighborhood see an influx of higher-income and White residents. Mayor Menino's new Middle-Income Housing Initiative and progress in the Fairmount/Indigo Initiative may heighten concerns about gentrification in the future.

Summary of Progress in Coordination and Leverage

Coordination within the grantee team. Choice coordination and implementation improved significantly during 2013 compared with the disorganized beginning documented in *Developing Choice Neighborhoods* (Pendall et al. 2013). In the fall of 2012 Mayor Menino appointed a new DND director who has excellent working relationships with multiple city departments and community partners. These relationships helped establish a more robust implementation process, with regular in-person meeting schedules, expectations for participation, a deliberate process for refining roles, and clear mechanisms for communication. Smaller, more structured and topic-focused implementation meetings with regular follow-up have built new layers of accountability into Choice implementation. In addition, the Mayor's Office of Inter-Governmental Relations increased its oversight and coordination of Choice in 2012–13, reinforcing coordination among city departments and Choice partners. Choice implementation has led to even closer relations between DND and JCS, Inter-Governmental Relations, Boston Public Schools, and BRA. With heightened attention on Choice, city departments are more responsive to one another and other Choice partners. The improvement in coordination is likely to help in the transition to Boston's first new mayor in 20 years beginning in January 2014. The Boston Police Department has also become more integrated into Choice implementation in 2013 in part because of the PSE grant (discussed in chapter 4), which has required laborious coordination but has reinforced resources for the grantees and BPD to work together. Connecting the Choice efforts with the DSNI Promise Neighborhood Initiative will require more of the city's attention as the Promise implementation advances.

Coordination among service providers and Choice partners improved with the addition of IHR in 2013. IHR brought more partners into Choice service provider meetings, which improved communication between Choice providers and key public safety stakeholders (BPD, Youth Connects, and VIP). Project RIGHT continued to serve as a critical link between neighborhood residents and Choice partners (BPD and other city departments). The role of DSNI subsided after the Promise award and because the executive director stepped down to run for mayor.

The Boston grantee team has frequent communication with HUD staff via monthly conference calls with all Boston Choice partners, as well as numerous e-mail and phone exchanges between key DND staff and HUD. The core Boston stakeholders have a good working relationship with HUD staff, but coordination with HUD was challenging. Because Boston was part of the first implementation cohort, HUD had yet to clarify many policies and procedures, particularly in relation to the grantees with HUD-assisted housing. Boston Choice partners were frustrated with unclear and often changing requirements and expectations, vague language, and numerous unexpected requests for modifications. Early Choice implementation in Boston has thus been incredibly taxing in terms of staffing and time. The ambiguity led to significant delays in the Choice closing process, as well as the approval processes for CCIs, HCVs, and the PSE grant; all these delays slowed and complicated Choice implementation in Boston. The Boston team also found the data management requests complicated, time consuming, and not particularly helpful at the site level.

Coordination with External Stakeholders. Boston's Choice implementation team has not engaged external stakeholders to a great degree in 2013. The Boston Housing Authority was not involved until early implementation when JCS was struggling with case management RFQs. The grantee team could have benefitted from BHA's extensive experience in implementing HOPE VI if they had been engaged earlier and more directly with the team.

Leverage. As described above, Choice has brought attention and momentum to the Quincy Heights development and the Pearl Meats renovation that have helped increase leverage in the housing and neighborhood domains. Leveraging funds for services has been more challenging. Major cuts to Community Development Block Grants stemming from federal cutbacks required the city to rework a very limited source of funds to maintain Choice commitments. The tight public and private funding environment has made it difficult for the Boston grantee to leverage additional resources to increase amenities, educational and economic opportunities, and other services in the Choice neighborhood.

Exhibit B.6 provides a summary of major activities by Choice domain and their early implementation status in Quincy Corridor as of September 2013.

Exhibit B.6. Summary of Major Activities and Early Implementation Progress in Quincy Corridor, September 2013

Choice Domain and Related Activities	Lead Organization	Funding Level ($ thousands)	Funding Covered by Choice (%)	Funding Covered by Other Sources (%)	Summary Status
HOUSING					
Quincy Heights: (target development) renovation of 80 units and new construction of 49 units.	Dorchester Bay Economic Development Corporation (DBEDC)	56,400	22	78	In progress
Uphams West: Rehabilitation of 9 rental units for residents at or below 60% of AMI.	DBEDC	5,357	0	100	Completed

Choice Domain and Related Activities	Lead Organization	Funding Level ($ thousands)	Funding Covered by Choice (%)	Funding Covered by Other Sources (%)	Summary Status
Quincy Commons: A 40-unit affordable elderly housing (HUD Section 202) project with commercial space.	Nuestra Comunidad CDC	14,877	0	100	In progress
Neighborhood Stabilization Program: Foreclosed homes sold to households at or below 120% of AMI.	City of Boston Department of Neighborhood Development (DND)	3,137	0	100	Completed
PEOPLE					
Case management: Service coordination and case management services to 129 households focusing on employment, economic security, strengthening families, and education support for youth.	Institute for Health and Recovery (IHR)	560	100	0	In progress
Afterschool programs: Provide access to quality afterschool activities for all youth in the target development who attend schools located within the Choice boundaries.	Boston Public Schools and others to be determined (TBD)	450	100	0	In progress
Additional services: Provide debt reduction and asset management services, adult education and ESL, and afterschool enrichment for youth attending schools outside the Choice boundaries.	TBD	1,030	100	0	Not started
Literacy in schools and childcare centers: Promote family literacy; parental support for increasing verbal interactions with children; professional development for early care and education staff in the Choice Neighborhood.	Read Boston and City of Boston Office of Jobs and Community Services (JCS)	250	100	0	In progress
Mental health services: Provide clinical support at existing health center in local high school.	Boston Public Health Commission	305	100	0	In progress
Start-up community engagement: Conduct outreach and referral services to keep residents informed of Choice and other services.	Project RIGHT	35	100	0	In progress

Choice Domain and Related Activities	Lead Organization	Funding Level ($ thousands)	Funding Covered by Choice (%)	Funding Covered by Other Sources (%)	Summary Status
Ongoing community engagement: Conduct ongoing outreach to residents and keep them informed of Choice and other services and supports.	Project RIGHT and Dudley Street Neighborhood Initiative	35	100	0	In progress
Service coordination and resident organizing: Empower residents of Woodledge/Morrant Bay to organize around issues important to them.	DBEDC	Unavailable	0	100	In progress
Relocation: Coordinate temporary relocation of 129 households; track residents; coordinate moves back on site as new units are completed.	DBEDC and Judy Cohn Associates	1,686	21	79	In progress
Youth services: Provide enrichment services to youth from the target development.	JCS	15	0	100	In progress
NEIGHBORHOOD					
Gap funding five current Community Development Block Grant programs in Quincy Corridor: Offset FY 2011 allocation reduction of 17.8%.	DND	0	0	0	Canceled
Violence intervention: Hire a trauma coordinator to engage residents in violence prevention and intervention; provide psychological first aid to residents affected by violence; develop coordinated, community-based team enhance community response; develop workshops and trauma response training.	Boston Public Health Commission's Violence and Intervention Prevention (VIP) program	270	100	0	In progress
Martin Luther King School playground renovation and park	DND	825	100	0	In progress
Haynes Early Learning Center play lot renovation	DND	450	100	0	In progress

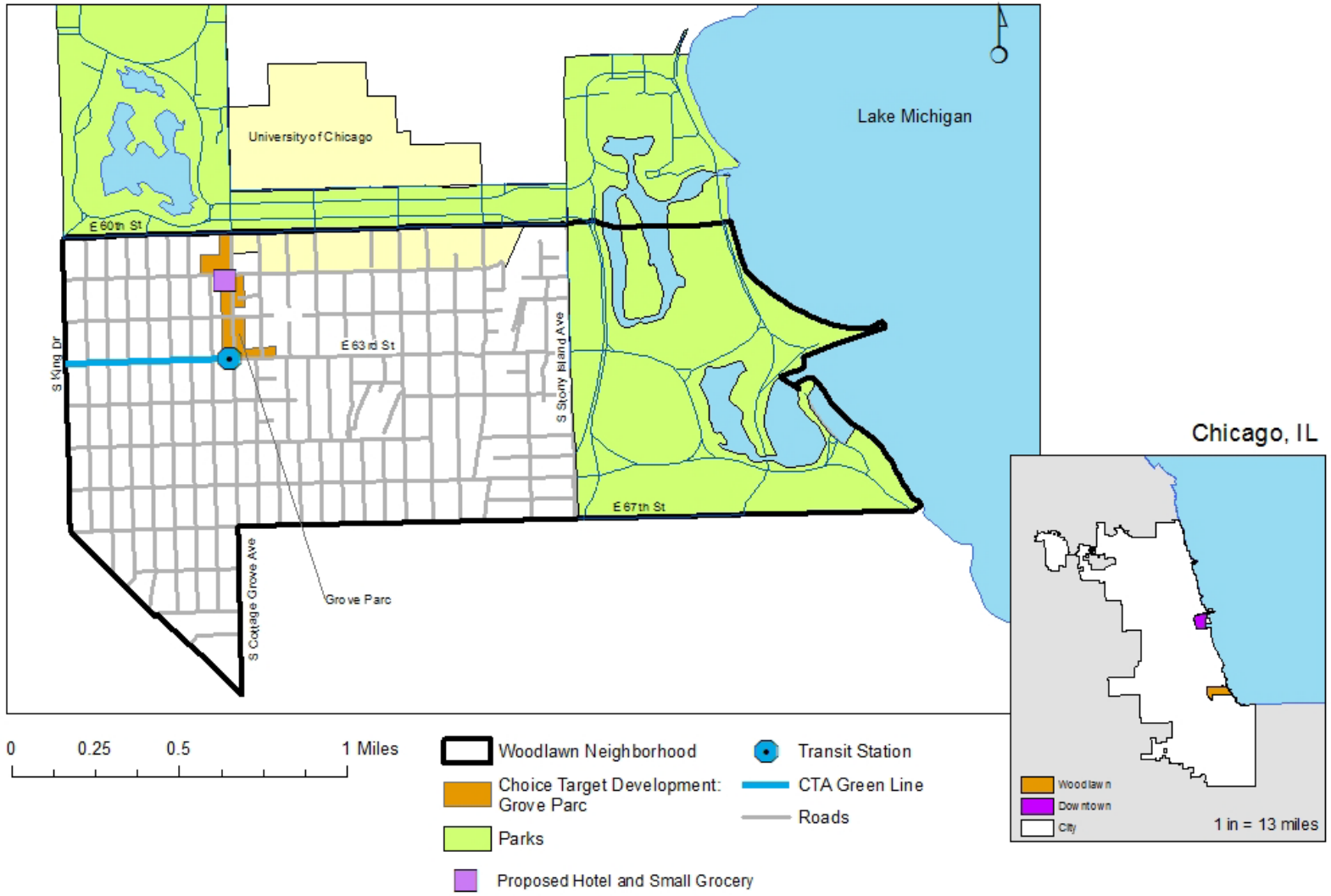
Choice Domain and Related Activities	Lead Organization	Funding Level ($ thousands)	Funding Covered by Choice (%)	Funding Covered by Other Sources (%)	Summary Status
Pearl Meats project: Rehab a long-vacant, 36,000-square-foot former meat processing facility into a food production business center. Pearl will provide a mix of shared-use production space, a dedicated food truck commissary, flexible lease terms for shared cold and dry storage, shared office and meeting rooms, and small separately leased kitchens to support 30 to 50 small and startup businesses.	DBEDC	14,000	3.6	96.4	In progress
Additional commercial/infrastructure projects	DND	500	100	0	Not started
Quincy Street area improvements visioning and planning: Community planning process to enhance quality of life on Quincy Street through improvements to roadway, signals, sidewalks, trees, and lighting.	Boston Redevelopment Authority (BRA)	25	100	0	In progress
Partners with Non-Profits projects: Assist with capital improvements to nonprofits in the Choice Neighborhood.	DND	325	62	38	Not started
ReStore façade improvements: Assist business owners with façade improvements.	DND	400	75	25	In progress
Economic development: Promote economic development in the Choice Neighborhood.	Grove Hall Main Streets	150	0	100	In progress
Other critical community improvements: Support upgrades to community gardens.	DND	296	0	100	In progress
Community Internet access: Expand Grove Hall low-cost Wi-Fi to neighborhood.	City of Boston Department of Innovation and Technology	800	37.5	62.5	In progress

Sources: Review of documents, including Choice Neighborhoods round 1 and 2 applications and budgets, interviews with stakeholders, and observation of team meetings and phone calls.

B.2. CHICAGO: GROVE PARC AND THE WOODLAWN NEIGHBORHOOD

The Woodlawn neighborhood sits on the South Side of Chicago, adjacent to Washington Park to the northwest and Hyde Park, home to the University of Chicago, to the north. It is located seven miles south of downtown Chicago with Jackson Park as its eastern boundary, including Lakeshore Drive and Lake Michigan. Southeast of Woodlawn is the South Shore neighborhood, and Grand Crossing is to the southwest (exhibit B.7). The commercial center of Woodlawn is Cottage Grove Avenue, which runs north and south and splits Woodlawn into two neighborhoods: West Woodlawn and East Woodlawn. West Woodlawn is more distressed than East Woodlawn. However, many vacant lots still remain in East Woodlawn. The Woodlawn neighborhood has a well-known identity in the Chicago community due to its long history of community activism.

Exhibit B.7. Map of the Woodlawn Neighborhood



BASELINE CONDITIONS

The Woodlawn neighborhood has the largest land area and is the most populous of the Choice Neighborhoods, with about 23,700 residents in two square miles. Eighty-eight percent of Woodlawn residents were non-Hispanic African-American and 96 percent were born in the United States, making it much less diverse than the other Choice Neighborhoods. As reported in the baseline survey, 56 percent of the heads of households had some college or technical schooling, but 18 percent had not graduated from high school. Woodlawn was the most affordable Choice Neighborhood for homebuyers and offers lower home values and rents than most other Chicago neighborhoods.[94] Despite average home values of $156,000, a sizable proportion of both homeowners and renters are cost burdened. Fifty-six percent of residents have incomes under $15,000, and 72 percent have incomes under $30,000. Unemployment is high in Woodlawn, although the residents have higher educational attainment levels and good access to transit and job centers. Fifty percent of survey respondents in Woodlawn were employed at baseline. Seventy percent of residents have a car accessible to them; 35 percent take public transit regularly (exhibit B.8).

[94] Pendall et al. (2013).

Exhibit B.8. Resident and Household Characteristics in Woodlawn

Head of Household Characteristics	Percent
Female	69
Race and Ethnicity	
Non-Hispanic African- American	88
Non-Hispanic White	5
Non-Hispanic other	4
Hispanic	2
Born in the US	96
Education	
12th grade or less	18
GED or high school diploma	27
Some technical or college or higher	56
HH is currently employed	50
Mode of Transportation	
Has a car to use	70
Takes public transit regularly	35

Household Characteristics	Percent
Households with children	33
Three-generation household	5
Household's annual income	
Under $15,000	56
$15,000 to $29,999	16
$30,000 to $49,999	10
$50,000 to $69,999	6
$70,000 or more	12
Public assistance	
Supplemental Security Income	27
Disability	15
Cash assistance	5

Ratings of Well-Being	Percent
Respondent in good health	76
Child well-being	
Focal child in good health	94
Focal child positive behavior scale (score)	4.7
Focal child 2 or more negative behaviors	37

Ratings of Housing Quality	Percent
Number of housing quality problems	
0	37
1	25
2 to 3	27
4 or more	12

Ratings of Neighborhood Quality and Safety	Percent
Rates the neighborhood as at least an 8 of 10	37
Feels safe alone outside of home during the day	84
Feels safe alone outside of home at night	64
Thinks the ngh. is a good place to raise children	58
Collective efficacy scale score	3.4

Source: Choice Neighborhoods Baseline Survey 2013–14.

Vacancy is a problem in the neighborhood, where 22 percent of the housing units remain empty.[95] Vacant lots on major corridors also raise concerns about land use planning and the potential for future commercial and housing development. Eighty-nine percent of the 12,100 units in Woodlawn are multifamily structures. Twenty-seven percent of households reported two or more housing quality problems.

The five Choice Neighborhoods were very similar on measures of resident and child well-being. In Woodlawn most respondents (76 percent) reported good health, and 94 percent reported that their child was in good health. The baseline survey also asked about the behaviors of children and youth. In reference to positive behaviors, such as the ability to regulate emotions and get along with others, youth in Woodlawn averaged 4.7 positive behaviors out of a possible 6. Thirty-seven percent of

[95] Pendall et al. (2013).

respondents reported that their child aged 6 to 14 had two or more negative behaviors, such as disobedience at school or home, and restlessness or overactivity.

Survey respondents in Woodlawn (37 percent) were less likely to rate their neighborhood highly (an 8 or higher out of 10) than residents living in central cities nationwide (62 percent). This neighborhood rating level was lower than that of Iberville/Tremé (53 percent), but similar to the rating levels of the other three Choice Neighborhoods. Fifty-eight percent of respondents believed that Woodlawn is a good place to raise children, lower than in Iberville/Tremé and Yesler (about 70 percent) but comparable to the proportion of residents in Quincy Corridor and Eastern Bayview. Most respondents felt safe outside their homes during the day (84 percent), a lower proportion than in Iberville/Tremé and Yesler (about 92 percent). Fewer respondents felt safe at night (64 percent), which was comparable to the other Choice Neighborhoods except for Eastern Bayview (50 percent). Woodlawn had lower average ratings of collective efficacy (3.4 out of 5) than Iberville/Tremé (3.7), but its rating was similar to collective efficacy ratings in the other three Choice Neighborhoods.[96]

The Choice target development in Woodlawn is Grove Parc, a project-based Section 8 development spread across five city blocks in the northwest section of the Woodlawn community area (exhibit B.9). It was originally constructed in 1969 and consisted of 504 units in 24 three- to four-story buildings. Before demolition began, Grove Parc constituted 4 percent of the 12,100 housing units in Woodlawn. Preservation of Affordable Housing, Inc. (POAH) owns the Grove Parc Development. POAH had already begun demolition before receiving Choice funding, leaving 378 units to replace under Choice.

[96] Collective efficacy includes how cohesive the residents feel the neighborhood is, with shared trust and values, as well as how likely neighbors are to exhibit informal social control and do something to address concerns in their neighborhood, from children fighting to cuts to services in their neighborhood.

Exhibit B.9. Resident and Household Characteristics in Grove Parc

Head of Household Characteristics	Percent	Household Characteristics	Percent
Female	86	Household size (average number of people)	2.8
Race and Ethnicity		Households with children	60
Non-Hispanic African American	98	Three-generation household	10
Non-Hispanic White	0	Household's annual income	
Non-Hispanic other	1	Under $15,000	87
Hispanic	1	$15,000 to $29,999	11
Born in the US	99	$30,000 to $49,999	2
Education		$50,000 to $69,999	0
12th grade or less	39	$70,000 or more	1
GED or high school diploma	29	Public assistance	
Some technical or college or higher	32	Supplemental Security Income	34
HH is currently employed	38	Disability	9
Mode of Transportation		Cash assistance	15
Has a car to use	66	**Ratings of Well-Being**	
Takes public transit regularly	36	Respondent in good health	71
		Child well-being	
Currently lives in the neighborhood	91	Focal child in good health	94
Lives in original housing unit	52	Focal child positive behavior scale (score)	4.6
Desire to return after redevelopment	76	Focal child 2 or more negative behaviors	35

Source: Choice Neighborhoods Baseline Survey 2013–14.

At the time of the baseline survey, 52 percent of households remained in their original unit, and 91 percent lived within the Woodlawn neighborhood. Grove Parc was almost completely non-Hispanic African-American (99 percent), and all heads of households were born in the United States. Thirty-two percent of respondents, the highest percentage across all developments, had at least some college or technical schooling, but 39 percent had not graduated from high school. Only 38 percent of the heads of households were working at baseline. Sixty percent of households had children, and the average household size was 2.8. Household incomes were severely low in Grove Parc, with 87 percent under $15,000 and 98 percent under $30,000. About 34 percent of households received SSI and 15 percent received cash assistance. Seventy-one percent of heads of households reported being in good health, and 94 percent reported that their child was in good health. Thirty-five percent of household children displayed two or more negative behaviors, but they averaged 4.6 positive behaviors on a scale of 1 to 6. Seventy-six percent of respondents expressed a desire to return after redevelopment.

IMPLEMENTATION OF CHOICE NEIGHBORHOODS

KEY ACTORS AND RELATIONSHIPS

As the lead grantee for the Chicago Choice Neighborhood grant, POAH oversees all aspects of grant implementation. POAH is a national nonprofit organization with primary headquarters located in Boston and a midwestern regional office that is charged with implementing the Choice grant in Chicago. The city

of Chicago serves as the co-grantee and is responsible for delivering necessary public resources—such as transportation, infrastructure planning, and policing—to ensure the stability and revitalization of the Woodlawn area.[97] During the second year of the grant, the city of Chicago's Department of Planning and Development hired a full-time staff member to support the implementation of the Choice grant as there was a need for increased coordination with municipal departments.

POAH subcontracts to local nonprofit organizations for the people and neighborhood components of the grant. POAH selected Metropolitan Family Services (MFS) as the primary case management and tenant services provider in January 2012.[98] MFS is a large, multiservice regional nonprofit organization that operates an onsite office in Grove Parc. The Network of Woodlawn (NOW), a force in community development and the lead grantee in the MacArthur Foundation/LISC–funded New Communities Program, is the neighborhood lead. NOW and its affiliated pillar programs, Woodlawn Children's Promise Community (WCPC) and Woodlawn Public Safety Alliance (WPSA), lead education, safety, health, and economic development reforms in the local area. Led by POAH, the Choice team coordinates internally through monthly partnership meetings of all team members.

The working relationship between HUD staff and the Choice partners operates through monthly coordination calls that over time have become more inclusive of MFS and NOW partners. HUD staff have provided technical assistance to POAH directly and through independent contractors to develop more robust accountability, primarily through the implementation of a performance measurement system.

POAH engages other important community organizations and anchor institutions through a variety of strategies, including monthly meetings and ongoing informal communication. In particular, the University of Chicago's Office of Civic Engagement staff partner with POAH to coordinate neighborhood planning initiatives.

HOUSING

The development: Plan summary

Units and buildings. Grove Parc originally consisted of 504 units in 24 buildings, spread across five city blocks in the northwest section of the Woodlawn community area. POAH had begun demolition before receiving the Choice funding, leaving 378 units to replace under Choice. According to the round 2 application, and as summarized in greater detail in *Developing Choice Neighborhoods* (Pendall et al. 2013), POAH planned 995 units, 420 new construction units on the Grove Parc footprint and 575 rehabbed and new construction units elsewhere in the neighborhood. The precise arrangement of structures and units is too complex to summarize here, but the site plan is reproduced in exhibit B.10.[99]

[97] These roles are outlined in the revitalization agreement between POAH and the city.

[98] In the application, POAH proposed the lead people partner as Jane Adams Hull House, which subsequently went bankrupt near the beginning of the first year of the grant implementation. See Pendall et al. (2013) for more details. In addition, MFS was replaced by a new service provider, SGA Youth and Families after September 2013.

[99] Subsequent to the data collection period that ended in September 2013, the Woodlawn grantee team submitted a revised Transformation Plan, which HUD approved. The plan reflected in this appendix was the original plan from the time of application (May 2011).

Exhibit B.10. Site Plan, Grove Parc, May 2011

Source: Choice Neighborhoods round 2 application, attachment 26.

Income mixing and tenure. POAH's application included 795 mixed-income rental units and 200 owner-occupied units. The rental units were to include 558 very low-income units, 51 moderate-income units, and 186 market-rate units. The 200 owner-occupied units were all proposed as market-rate or affordable up to 120 percent of area median income (AMI). POAH's plan called for substantial income and tenure mixing on the Grove Parc footprint, with 210 Section 8 replacement units, 19 rental units [restricted at 60 percent of AMI], 111 unrestricted market-rate rental units, and 80 owner-occupied

units. The offsite units have a similar mix of income and housing tenure. At the time of the application, POAH had applied for (but had not received) 146 housing choice vouchers for Grove Parc residents.[100] The income and tenure plan are in flux, however, as discussed at greater length below; very weak housing demand and high levels of neighborhood violence have dimmed the prospects for market-rate and owner-occupied housing.

Design. The onsite redevelopment plan involved the demolition of the 378 remaining Grove Parc units. The new construction units at Grove Parc were designed to address safety and traffic concerns on Cottage Grove, as well as blend into the existing streetscape. The buildings were raised two feet above street level and incorporated landscaped gardens along the sidewalk. The architectural plan took into account the need to eliminate the spatial gaps between the fences, alleys, and the street. The main entrances created more security with double doors with glass and secure buzzers that ring directly to residents' homes. POAH intended to have all replacement units include hardware and wiring for broadband Internet. Designed and constructed using LEED for Home standards, the new construction buildings meet the Choice requirement for energy efficiency.

Finance. Of the $30.5 million Choice grant, $19.7 million was allocated for housing. The total budget for POAH's proposed Choice housing redevelopment was estimated in the round 2 application at $91.7 million; $72 million in leverage was claimed, with sources including Chicago Tax Increment Finance funds, city Low-Income Housing Trust Fund resources, the Low-Income Housing Tax Credit program, the HOME program, and the Neighborhood Stabilization Program. POAH expected to continue to receive project-based operating subsidies through a Section 8 Housing Assistance Payment contract.

Management. When POAH acquired Grove Parc in 2008, they contracted with Preservation Housing Management, POAH's for-profit property management entity, for the property management of all the rental units. In the round 2 application, POAH intended to maintain Preservation Housing Management as the management company for all 795 mixed-income rental units, including the market-rate units.

Offsite housing. The units located off site were to include rehabbed multifamily apartment buildings as well as newly constructed units. In the area surrounding Grove Parc, POAH proposed to create 168 Section 8 replacement units and an additional 187 affordable rental units (78 at 60 percent of AMI, 58 at 80 percent of AMI, and 51 at 120 percent of AMI). POAH also proposed to build 45 new owner-occupied units and to renovate or provide gap financing for 75 home ownership units in abandoned or distressed properties through the Renew Woodlawn Fund.

Progress on the housing development

POAH made significant progress on housing development, even amid a weak housing market. Several factors contributed to this success. Because POAH was working as the sole housing developer, they had the latitude to make decisions that would have been more complicated had they been working within a more complex partnership arrangement. Further, POAH made progress before the award of the Choice grant in demolishing onsite structures, rehabilitating replacement housing units, and developing the first

[100] In December 2013, POAH received approval from HUD for the use of the Housing Choice Vouchers.

phases of new construction housing. Finally, POAH has been successful in obtaining financing and leveraging additional funds. In particular, POAH's leadership to develop the Renew Woodlawn Fund stands out as a unique contribution enabled by Choice funding. As of September 2013, POAH had accomplished the following housing development activities:

- POAH demolished 276 distressed Grove Parc units within a four-block blighted area. POAH moved forward with demolition ahead of the original proposed schedule due to public safety concerns and criminal activity by nonresidents in and around the existing Grove Parc structures.
- POAH completed Phase I of the Choice Neighborhood plan, including producing 349 units. These included 197 Section 8 replacement units and 152 nonreplacement units located on the Grove Parc site and in the adjacent blocks.[101] POAH did not use Choice financing for development but rather leveraged financing from the Neighborhood Stabilization Program, HOME program, the Low-Income Housing Tax Credit program, and a variety of other grants.
- Using a portion of Choice funding to pay for master-planning and financing costs, POAH completed the development of The Jackson (67 units) [102] and The Grant (33 units) at Woodlawn Park. Construction and occupancy of these mixed-income rental buildings contributed to a more stable streetscape on Cottage Grove. POAH's significant and timely progress on the construction and lease-up of these buildings has been considered a success by many local residents who were previously opposed to POAH's plans for building more affordable housing.
- POAH prepared for construction on two housing developments using Choice funds: the onsite Woodlawn Park Senior Building (65 units) and a six-flat apartment building on an adjacent street (6 units).
- POAH and the City prepared to launch the Renew Woodlawn Fund, an innovative strategy for rehabilitating vacant homes and bringing them back into use by new homeowners.[103] Choice funding leveraged a newly obtained grant of $750,000 from the state of Illinois, and additional funding is being sought to establish and expand the program.

The weak housing market combined with the high levels of violence led to growing concerns among partners that the proposed mix of market-rate rental and for-sale housing units may be hard to achieve within the five year implementation period. POAH took the position that they needed redevelop the

[101] Subsequent to the data collection period in September 2013, the number of necessary Section 8 vouchers changed from 197 to 133.

[102] The Jackson at Woodlawn Park (previous called Woodlawn Center South) won the Richard H. Driehaus Award for Excellence in Community Design, given by the Chicago Neighborhood Development Awards and LISC in February 2014. See "Landon Bone Baker for the Jackson at Woodlawn Park: 3rd Place Driehaus Award for Architectural Excellence," Chicago Neighborhood Development Awards. http://www.lisc-cnda.org/Past-winners/20th-ChoiceDA-Winners/The-Richard-H-Driehaus-Foundation-Awards-for-Architectural-Excellence-in-Community-Design-Third-Place.html (accessed May 5, 2014). It also won an award for Residential Energy Efficiency from the State and Local Energy Report. See "Energy Innovators Honored in Fifth Annual Residential Energy Efficiency Awards," State and Local Energy Report. http://stateenergyreport.com/2011/09/08/press-release/ (accessed May 5, 2014).

[103] This fund is described in the Choice application and the interim report as the Woodlawn Housing Loan Fund.

Grove Parc site first to decrease violence and blight on the Cottage Grove corridor. POAH made the following adjustments to their proposed housing plan in response to these growing concerns:

- Because the local housing market was oversaturated with foreclosed homes that could be renovated and resold, POAH changed the onsite for-sale strategy to prioritize a foreclosure conversion strategy through the Renew Woodlawn Fund that will bring needed housing units back into use. The development of for-sale homes on the Grove Parc footprint has been put on hold temporarily until housing market conditions improve.
- POAH changed the planned number and integration of market-rate rental phases after private financing for these units became difficult to obtain. POAH intends to carry through on its plan to include market-rate units at Grove Parc once local housing market conditions improve.
- The challenges with managing a property where there is ongoing violence required property managers to coordinate with police, social service providers, and residents on strategies that extended beyond typical roles of property management. POAH actively supported Preservation Housing Management on violence prevention and intervention strategies.

People

Developing and leading the people domain of the Choice grant is not a simple task, and this aspect of the grant has been a challenge to launch in part due to POAH's lack of experience in providing social services. POAH serves as the lead partner and subcontracts direct services to three organizations: Metropolitan Family Services (MFS), Urban Relocation Services (URS), and Woodlawn Children's Promise Community (WCPC).

Social dynamics and resident engagement

The social dynamics of the Grove Parc target development, its replacement housing, and the surrounding Woodlawn community have been the most challenging of the first five implementation sites. Within Grove Parc and its replacement development, the longstanding Grove Parc Tenant Association faces significant challenges with capacity and credibility, in part due to transitions in tenant leadership. Grove Parc Tenant Association leaders struggle to represent the interests of relocated residents within the changing mixed-income environment. Residents living in the new developments are in early stages of forming connections. Staff and residents raised concerns about the lack of capacity for neighbors to watch out for each other and for youth who are not well supervised.

The Grove Parc site is part of Woodlawn but straddles the boundary of two subneighborhoods, East Woodlawn and West Woodlawn. The redevelopment site is more readily identified with West Woodlawn. Grove Parc residents who are relocating, and the stakeholders who work with them, describe social divides between residents from Grove Parc and other residents in Woodlawn, particularly East Woodlawn homeowners. The new development and the renters living in it remain stigmatized even post-redevelopment, partially because local homeowners expressed their desire for Grove Parc residents to move out of Woodlawn and pushed for fewer affordable housing units in Woodlawn, as described in *Developing Choice Neighborhoods* (Pendall et al. 2013). Notwithstanding these pressures, most Grove Parc residents continue to live in Woodlawn.

Division within Woodlawn may be exacerbated by its complex institutional environment. Neighborhood organizations have some shared interests, but they lack the participatory processes, forums, and governing structures necessary to relationship building. Long-time residents and newly arrived residents sometimes clash. Even the anchor institutions, which hold power over funding and resources, can engage in turf struggles. These divisions engender a highly factionalized, complex community dynamic that is contentious at times and that has hindered Choice coordination and implementation.

Choice partners worked in the first two years of implementation to develop interventions aimed at building trust among neighbors. POAH and MFS staff are assessing how the services model (described below) should be designed to allow residents to more meaningfully engage in a consistent manner and serve in an advisory role. In summer 2013, MFS staff started facilitating a resident committee in which highly engaged residents made recommendations about potential programming. This group has been helpful in acting as a sounding board for MFS to redesign services that meet the desires and needs of residents. In addition, MFS began holding a weekly empowerment workshop, as well as a monthly Jazz Café designed for seniors to meet once a month for social connection. This shift in the culture of service provision may well be a key element to keep residents engaged over time.

Community building and engagement at the neighborhood level has proceeded haltingly. By fall 2013, POAH and NOW, the neighborhood lead for the Choice grant, were collaborating to engage a diverse representation of residents in the target development and the neighborhood to develop a unified vision of neighborhood redevelopment. At the same time, NOW was moving forward with launching a newly created comprehensive neighborhood plan, but this plan had not been vetted with community groups and resident leaders.[104] According to some participants in Urban Institute focus groups, NOW represents historically powerful stakeholders, and its priorities do not reflect the wishes of the majority of low-income residents living in Woodlawn.

Case management and supportive services

Woodlawn's Choice "people" service model is driven by the idea that Grove Parc residents need social services to become more self-sufficient. Since residents are not required to engage in services, the people partners must persuade residents that service engagement is valuable and necessary. MFS, the contracted case management service provider, aimed to conduct a needs assessment involving all original Grove Parc residents and to encourage them to consider case management services, but it had not met with all the residents as of September 2013.[105] At the time of this report, approximately 15 percent of original residents still had no service contact. MFS also held group events, such as GED classes and computer trainings, at which attendance started high but fell over time. In focus groups, residents

[104] This plan is referred to locally as the "Gensler report." Under the direction of Dr. Bryon T. Brazier, Apostolic Church of God hired Gensler, a private consulting firm, to develop a long-term plan for economic and community development. As of September 2013, the report had not yet been made public.

[105] Subsequent to the data collection period, MFS and POAH terminated their contract for service provision. POAH selected SGA as the new provider and has designed a new service model focused on youth and family supports. POAH staff made significant progress since the September 2013 period in revamping the People components, including revising the Transformation Plan and developing tools for assessment and on-going services.

reported being cautious about developing a trusting relationship with providers. Residents also expressed the need for more participation in service design and delivery so that service providers would begin to view residents as part of the solution rather than as a target for interventions.

MFS operates an onsite office in the Woodlawn Resource Center with five staff members devoted to serving Woodlawn residents. The yearly budget of approximately $500,000 aims to provide services guided by HUD program requirements. MFS case managers face high caseloads, making proactive outreach difficult.[106] Case managers offered group workshops, individual crisis interventions, and financial incentives to participate in activities aimed at building resident self-sufficiency. Staff at POAH and HUD expressed concern that residents have been slow to engage in services. There are multiple reasons given for this reluctance, including that before the Choice grant there was no onsite social services provided to residents. Thus, residents lacked prior personal experience knowing how and why they might benefit from social services. A second reason is that the property management staff, rather than the case management staff, had more consistent and trusting relationships with residents. POAH did not communicate to residents an expectation that they engage with services, and the residents' primary relationship was to the property management staff. MFS staff turnover has also discouraged some residents from connecting with case management.

Services and programming

Education and early childhood. One of the largest concerns in Woodlawn is the lack of affordable youth services, such as recreation, mentoring, and out-of-school care. As one of the people partners, the NOW-affiliated organization, Woodlawn Children's Promise Community (WCPC), was charged with providing youth-centered services to existing and former Grove Parc families to meet these needs.[107] The Choice subcontract of approximately $90,000 per year provides funding to work directly with youth and with the local schools they attend. WCPC focused efforts on expanding programming in neighborhood schools, which resulted in securing an International Baccalaureate status for the local high school and elementary school. Despite efforts by WCPC, the local schools continue to be poor quality. School closures in 2013 (four elementary schools were consolidated into two schools), as well as the poor quality of the schools (particularly the high school), have led to immense instability for youth and families.

Employment. MFS operates economic and financial self-sufficiency services through the LISC-sponsored Center for Working Families, as well as through a partnership with City Colleges of Chicago. Residents who are interested in employment meet with an MFS employment specialist to gain necessary job contacts and skills, as well as attend group counseling and job readiness training. In focus groups, residents reported positive engagement with the employment and job training services.

Health and other supportive services. Staff and residents reported that residents can access health and other human services at many public and nonprofit providers in Woodlawn and the surrounding

[106] Case loads are reported by MFS staff as one worker to approximately 77 households.
[107] For more information about the Woodlawn educational plan and WCPC, see chapter 4, *Developing Choice Neighborhoods* (Pendall et al. 2013).

neighborhoods. NOW has begun to develop a public web-based portal that includes information on how to access neighborhood-based resources and services.

Relocation

As of September 2013, 197 Grove Parc households were permanently housed, 29 households were temporarily housed, and 89 households had not yet been relocated but had moves planned for winter 2014. Grove Parc residents were relocated to apartments in Woodlawn or the adjacent neighborhood of Washington Park.[108] Of those households permanently housed, approximately 90 families relocated from Grove Parc into the newly constructed mixed-income rental buildings that were developed at the original Grove Parc location. Social service providers were not available to support residents during the early phases of relocation.

NEIGHBORHOOD

The neighborhood component of Chicago's Choice grant is led by a partnership between POAH and the Network of Woodlawn (NOW), which has been designated the neighborhood implementation entity in the Choice grant.

Critical Community Improvements

In the initial application, POAH proposed to use Critical Community Improvements (CCI) funds for the creation of the Renew Woodlawn Fund (see the previous section on housing) and a broadband expansion initiative. After the award of the grant, HUD staff clarified that the proposed use of CCI funds was inappropriate and requested a plan for the use of CCI funds. HUD, POAH, and City staff discussed a variety of options, including commercial and economic development, parks, and transit improvements. HUD provided guidance to grantees about what was needed to be included in the CCI Plan in the summer of 2013. As of fall 2013, the plan for the CCI funds had not yet been finalized.

Public safety

The number one issue in Woodlawn is violence, particularly in West Woodlawn and at Grove Parc, which Choice partners have been working to address. The most serious crimes include homicide, shootings, muggings, other violent crime, gang activity, and drug sales. Social order is disrupted by the drug trade, large groups of youth and older men loitering on the streets, unsupervised younger children, loud parties, littering, and lack of curfew enforcement. These issues signal that Woodlawn is not safe and that criminal activity is permissible. Stakeholders describe public safety issues as impediments to economic and housing development that would otherwise help attract and retain middle-income households.

In response, POAH, Preservation Management Housing, the University of Chicago police department, and the Chicago Police Department worked together to prevent and deescalate violence. The high level of violence led POAH to decide in fall 2013 to relocate all households out of Grove Parc, ahead of the planned schedule, to demolish existing structures. During this time, POAH continued to work on obtaining the Public Safety Enhancement grant in partnership with HUD and the Department of Justice.

[108] Approval for implementation of vouchers was received in December 2013.

Due to the strong partnership POAH staff established with the Chicago Police Department's leadership, the police expanded foot patrols in the area and added more police cars at POAH's request. This expanded police attention resulted in a significant difference in the number of police walking and driving around the five-block area of Grove Parc and the surrounding blocks. The intensive efforts to get more police on the street and collect gang-related intelligence led to a reduction in criminal activity.

With the support of the Choice partnership, the NOW-affiliated organization Woodlawn Public Safety Alliance has been the most active community organization attempting to prevent and intervene in public safety concerns. WPSA ran the PlayStreets weekend program, in which teens facilitated games and mentored younger children, while staff provided linkages to job training for the parents. WPSA also received a grant from the Chicago Public Schools to operate the Safe Passages Zone program, which created 40 jobs for local residents (six of whom were Grove Parc residents). This program helped ensure that youth who attend new schools (due to school closures) have a route to walk to school that is being monitored. Finally, WPSA operated a youth employment program for 80 youth that provided neighborhood-based job preparation courses, computer training, ongoing mentoring, and paid positions during summer 2013.

Neighborhood economic development

Since the Choice award, POAH, NOW, the South East Chicago Commission, and other partners made efforts to encourage commercial retail development. Strategies included improving the commercial streetscapes by erecting "Welcome to Woodlawn" banners, working on crime reduction strategies in key hot spots, and developing a steering committee of property and business owners who serve as an informal commerce association. The city of Chicago is close to completing the 63rd Street Commercial Corridor Study, which will determine options for land use and retail development.

POAH made plans to develop commercial sites they already own in Woodlawn. They proposed the development of a three-star hotel with approximately 125 rooms, which would include a full-service restaurant and potentially other ground-floor retail. Situated at 61st and Cottage Grove Avenue, this hotel would serve the University of Chicago and its medical campus, as well as create job opportunities for local residents. POAH completed a feasibility study and marketing plan to share with potential hotel developers and investors.[109] POAH was also considering options for the development of a small grocery store/pharmacy, which may help meet residents' demands for better access to fresh produce, prescription drugs, and convenience goods.

Built environment and infrastructure

POAH made predevelopment plans for a parcel near Grove Parc to be used for recreation. Through a new partnership, POAH is leasing land to a nonprofit organization, METROsquash, which is developing an education and recreation center that will house squash courts, classrooms, and a computer lab for use by youth and families within and around the Woodlawn neighborhood. METROsquash completed the $6.5 million fundraising for this facility, and the beginning of construction was projected for spring 2014.

[109] Subsequent to the data collection period for this study, the hotel was removed as an option for the CCI investments.

Choice funds helped leverage additional resources of partners, including the city of Chicago and anchor institutions. The University of Chicago partnered with Choice grantees to support neighborhood initiatives that help enhance the standard of living in Woodlawn. Since Choice was awarded, the University hired a director of place-based initiatives who works to enhance Woodlawn residents' access to campus resources, such as arts and culture, employment opportunities, medical care, and homeownership grants. The Chicago Transit Authority partnered with Choice grantees for infrastructure improvements at the transit stop at 63rd Street and Cottage Grove Avenue. Finally, the city of Chicago incorporated Woodlawn into a recently announced broadband expansion initiative funded by the State of Illinois.

Future of the neighborhood

Mixed-income housing and mixed-use development are important aims of Choice, but debates existed among Woodlawn partners about which neighborhood amenities are most important and for which residents. Choice partners, with the leadership of POAH, started to catalyze changes in housing and public safety that will affect the retail, transit, and infrastructure of the neighborhood. Ultimately, the future of the neighborhood rests on the capacity of all stakeholders and residents to significantly reduce crime in ways that eventually lead to more economic investment. The safety interventions put in place by Choice partners have demonstrated how Choice funds can lead to meaningful and concrete changes in public safety. The future success of neighborhood planning efforts will in large part depend on the capacity to catalyze market-rate rental and homeownership development, as well as create retail that contributes to access to enhanced amenities and services.

Summary of Progress in Coordination and Leverage

Coordination within the Grantee Team and with HUD. Boston-based POAH understood its position as an outside entity and relied on NOW and the city to establish credibility for the Choice grant. The memoranda of understanding required in the grant application defined the roles and relationships of each partner, with the city's Department of Planning and Development coordinating with other city agencies and NOW coordinating with Woodlawn stakeholders. However, internal coordination between the Department of Planning and Development, MFS, NOW, and POAH has been difficult, with each of the partners concerned about mutual accountability and expectations of progress. External coordination is also challenging, as Woodlawn is a neighborhood in which there is longstanding distrust between and among community organizations and anchor institutions. POAH has attempted to oversee the implementation and to increase collective ownership of Choice, but to date these activities have been challenging for the team.

The working relationship between HUD staff and the Choice grantees has aided implementation. HUD and POAH staff communicated on a weekly basis and attended monthly team meetings at which they developed action plans for tackling challenges. Together, they identified areas in which technical assistance was needed. HUD provided consultants to work with Choice partners on special projects. For example, HUD enlisted a consultant to help redevelop the resident services performance measurement system.

Local partners identified a few instances when HUD regulations and expectations complicated the grant implementation. For example, the process for drawing down HUD funds and unclear evidentiary paperwork caused delays in housing development. In addition, partners expressed ongoing frustration with the extent of data collection to document program outcomes and the time necessary for staff to report on progress. The lack of clear HUD criteria on how the CCI funds could be used caused additional delays in neighborhood improvement planning.

Coordination with External Stakeholders. POAH's greatest strength is their experience in developing affordable rental housing. Their relative lack of experience in nonresidential development and for-sale housing development presented a challenge because a portion of the grant aims to develop commercial sites and provide homeownership opportunities. The development of the grocery store and hotel site has proved difficult, in part because POAH staff needed to hire consultants with strengths in commercial development. On a positive note, the innovation of the Renew Woodlawn Fund may serve as an example of how public entities and financing help to stimulate the work of private nonprofit developers and organizations to work together to address challenges left by the foreclosure crisis. POAH demonstrated their strong capacity to bring together external partners and funding in order to launch this innovative strategy.

Leverage. The Choice grant leveraged additional financing for housing development. Most significantly, the award of $750,000 from the state of Illinois for the Renew Woodlawn Fund ensured that this part of the Choice grant would be fully implemented. METROsquash, which had committed leverage in the Choice application, was successful in raising $6.5 million that will contribute to creating essential recreational space. Without Choice, these investments probably would not have been fully realized. Some leverage funds described in the application have not materialized, however, most notably the Chicago Tax Increment Financing funds that were planned for housing redevelopment. In addition, Woodlawn Children's Promise Community applied for Promise Neighborhood implementation grants that were not awarded, thus impeding education and youth services reforms.

Exhibit B.11 provides a summary of major activities by Choice domain and their early implementation status in Woodlawn as of September 2013.

Exhibit B.11. Summary of Major Activities and Early Implementation Progress in Woodlawn, September 2013

Choice Domain and Related Activities	Lead Organization	Funding Level ($ thousands)	Funding Covered by Choice (%)	Funding Covered by Other Sources (%)	Summary Status
HOUSING					
Site acquisition for rental housing: Demolish 84 units of existing housing, prepare site and develop new senior building with 65 rental units (Section 8 and unrestricted) and 15,000 sq. ft. of commercial space.	POAH	4,800	100	0	In progress

Choice Domain and Related Activities	Lead Organization	Funding Level ($ thousands)	Funding Covered by Choice (%)	Funding Covered by Other Sources (%)	Summary Status
Demolition: Demolition of eight existing structures at Grove Parc.	POAH	1,000	100	0	In progress
Section 8 rental housing: Develop 210 Section 8 replacement units.	POAH	1,255	100	0	In progress
Renew Woodlawn Fund: Provide homebuyer assistance loans to households earning up to 120% of AMI for rehabbing 75 homes in Woodlawn containing 1–4 units. Additional loans will be targeted to smaller local developers for rehabbing another 100 units (of which 25 will be affordable at 80% of AMI).	POAH and city of Chicago and Illinois State Attorney's Office	1,750	70	30	In progress
Market-rate rental housing: Develop 130 market-rate rental units on site located at Cottage Grove and 61st; 19 market-rate units targeted at 60% of AMI and 111 unrestricted market-rate units.	POAH	6,825	100	0	In progress
For-sale new construction housing: Develop two homeownership phases of 44 units located on the east and west side of Cottage Grove in the 62nd block.	POAH	1,750	100	0	Not started
West Woodlawn TIF district: Investment in public improvements, community facilities, or retail development.	City of Chicago	10	0	100	In progress
Woodlawn TIF district: Develop an additional 400 units off site through a combination of new construction of vacant lots or rehab of existing apartments, including 45 for-sale units and 355 rental units (168 Section 8 replacement units, 51 NSP units, 78 LIHTC-only units, 58 HOME units).	City of Chicago	23,400	0	100	In progress
HOME loan: Loan for acquisition and preservation of 117 units, including 39 replacement units at the Renaissance Apartments to be used as replacement housing.	City of Chicago	6,879	0	100	Completed

Choice Domain and Related Activities	Lead Organization	Funding Level ($ thousands)	Funding Covered by Choice (%)	Funding Covered by Other Sources (%)	Summary Status
Chicago Low-Income Housing Trust Fund: Funding for Housing Assistance Payment–restricted units at Renaissance Apartments.	City of Chicago	1,227	0	100	In progress
Neighborhood Stabilization Program 2: Acquisition and preservation of the 102-unit Westwood Apartments.	City of Chicago	9,900	0	100	Completed
Low-income housing tax credits: For Woodlawn Center South and North, senior building; and mid-way building.	City of Chicago and Illinois Housing Development Authority	7,000 (credits) 70,000 (equity)	0	100	In progress
Housing choice vouchers: Funding for 146 vouchers.	Chicago Housing Authority	11,000	0	100	In progress
PEOPLE					
Program oversight: Oversee the people component of the Choice activities.	POAH	325	100	0	In progress
Case management and center for working families: Provide programming for adults and youth focused on economic security, including employment and financial coaching services.	MFS	2,075	100	0	In progress
Education programs: Implement a comprehensive educational development program addressing school-based education, extended day programming, and infant/preschool programs.	WCPC	550	100	0	In progress
Management information system: Efforts to Outcomes system development and training.	POAH	158	100	0	In progress
Workforce development: Lead economic development focused on attracting new businesses, investments, and amenities.	NOW	100	100	0	In progress
Youth development: Youth empowerment programs, leadership development, afterschool programs, youth organizing, mural arts program.	TBD	150	100	0	In progress

Choice Domain and Related Activities	Lead Organization	Funding Level ($ thousands)	Funding Covered by Choice (%)	Funding Covered by Other Sources (%)	Summary Status
Health services: Targeted health programming and outreach to assisted residents.	University of Chicago Health Initiative	100	100	0	In progress
Endowment trust: Private funding to pay for supportive services.	POAH	1,000	0	100	In progress
Woodlawn Resource Center operations: Annual costs to run the resource center.	POAH/MFS	180	100	0	In progress
Relocation costs: Moving fees for 91 Grove Parc residents at approximately $3,125 per household.	POAH	$255	100	0	In progress
NEIGHBORHOOD					
Critical Community Improvements: Development of commercial space for grocery store, hotel/restaurant, and some transit improvements to Green Line stop.	POAH	2,100	100	0	In progress
Nonhousing capital projects: Development of retail space and other capital projects (infrastructure, transportation, parks improvements).	POAH	1,269	100	0	In progress
Neighborhood partner: To support the work of the revitalization efforts through a partnership with NOW.	NOW	500	100	0	In progress
OTHER					
Data collection and evaluation Local evaluation of Choice progress.	POAH	200	100	0	Not started

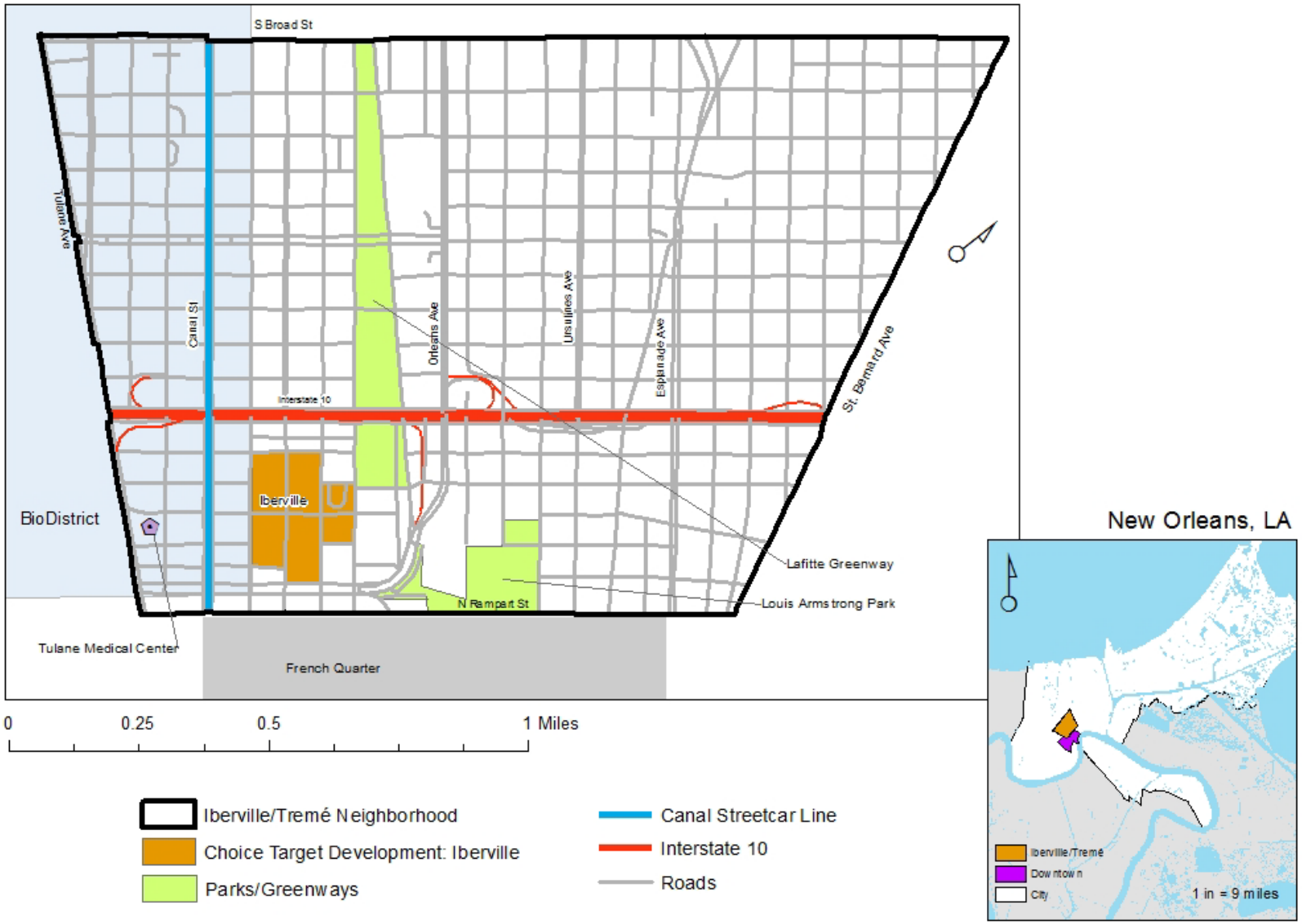
Notes: MFS: Metropolitan Family Services; WCPC: Woodlawn Children's Promise Community; NOW: Network of Woodlawn; LIHTC: low-income housing tax credit; TBD: to be determined; TIF: Chicago Tax Increment Financing
Sources: Review of documents, including Choice Neighborhoods round 1 and 2 applications and budgets, interviews with stakeholders, and observation of team meetings and phone calls.

B.3. New Orleans: The Iberville and the Iberville/Tremé Neighborhood

In New Orleans, Choice is supporting the transformation of an area that includes the Iberville public housing development, the Tremé neighborhood, and parts of the Sixth and Seventh Wards (exhibit B.12). These historically African-American neighborhoods have played a significant role in the city's cultural development. Tremé was once home to the city's primary African-American commercial corridor along Claiborne Avenue. This area also includes Congo Square, a historic gathering place for free and enslaved people of color, and present-day Iberville is on the site of Storyville, a former red light district that was home to famous musicians and artists.[110] These neighborhoods have long featured low-income and wealthy residents living in close proximity, creating a socioeconomically diverse neighborhood fabric a few blocks from the city's famous French Quarter and its central business district.

[110] Housing Authority of New Orleans. Choice Neighborhoods Implementation Grant: Round 2 Grant application, A.1: Executive Summary (2011).

Exhibit B.12. Map of the Iberville/Tremé Neighborhood



BASELINE CONDITIONS

The flooding that accompanied Hurricane Katrina and devastated many New Orleans neighborhoods had a serious impact on the Choice Neighborhood. The population of the three main neighborhoods in the Choice boundaries (Iberville, Tremé, and the Seventh Ward) at the 2010 census was 15,580, down 45 percent from the 2000 census. The parish as a whole lost 29 percent of its residents in the decade; the most flood-devastated district, the Lower Ninth Ward, lost 80 percent of its residents.[111] Although the Choice Neighborhood occupies higher ground than the Lower Ninth Ward, flooding extended even to some of the higher ground, including Iberville itself.[112]

Exhibit B.13. Resident and Household Characteristics in the Iberville/Tremé Neighborhood

Head of Household Characteristics	Percent
Female	65
Race and Ethnicity	
Non-Hispanic African-American	77
Non-Hispanic White	13
Non-Hispanic other	4
Hispanic	4
Born in the US	96
Education	
12th grade or less	36
GED or high school diploma	25
Some technical or college or higher	40
HH is currently employed	48
Mode of Transportation	
Has a car to use	78
Takes public transit regularly	20

Household Characteristics	Percent
Households with children	23
Three-generation household	5
Household's annual income	
Under $15,000	57
$15,000 to $29,999	20
$30,000 to $49,999	9
$50,000 to $69,999	5
$70,000 or more	8
Public assistance	
Supplemental Security Income	26
Disability	14
Cash assistance	2

Ratings of Well-Being	Percent
Respondent in good health	75
Child well-being	
Focal child in good health	94
Focal child positive behavior scale (score)	4.3
Focal child 2 or more negative behaviors	52

Ratings of Housing Quality	Percent
Number of housing quality problems	
0	35
1	25
2 to 3	22
4 or more	19

Ratings of Neighborhood Quality and Safety	Percent
Rates the neighborhood as at least an 8 of 10	53
Feels safe alone outside of home during the day	92
Feels safe alone outside of home at night	67
Thinks the ngh. is a good place to raise children	70
Collective efficacy scale score	3.7

Source: Choice Neighborhoods Baseline Survey 2013–14.

[111] Greater New Orleans Community Data Center (2012).
[112] Greater New Orleans Community Data Center (2005).

The mix of race and family type in the neighborhood has shifted since Hurricane Katrina, with a sharp drop in the African-American population, and increased numbers of White and Hispanic residents (exhibit B.13). The neighborhood experienced a 13-percentage point drop in the share of children and a similar decrease in share of households with children. At the time of the baseline survey, 77 percent of heads of households were non-Hispanic African-American and 4 percent were Hispanic. Almost all were born in the United States. About 23 percent of households were families with children, the lowest percentage across the five Choice Neighborhoods. Approximately 40 percent of heads of households reported having some college or technical schooling, and 36 percent reported not having completed high school. Residents in Iberville/Tremé were struggling to get by; 57 percent of households reported an annual income less than $15,000, and 77 percent reported below $30,000. Forty-eight percent of heads of household were employed. About 26 percent received supplemental security income, 14 percent received disability, and 2 percent received cash assistance. Only 20 percent of respondents in Iberville/Tremé reported that they regularly took public transportation, the lowest share reported in any of the five Choice Neighborhoods.

The 8,200 housing units in Iberville/Tremé represent some of the oldest housing stock of the Choice Neighborhoods; 8 out of 10 units were built before 1960. Most homes are single-family, duplexes, or small multifamily buildings. Vacancy is a major issue in the city overall and in Iberville/Tremé. About 39 percent of the habitable homes in the neighborhood are vacant, not counting the blighted homes excluded from the Census. With the population loss, vacancy, and prevalence of single-family homes, Iberville/Tremé, with an area of 1.7 square miles, is much less densely populated than the other Choice Neighborhoods. Compared with the large declines in home sale prices in the other Choice neighborhoods, Iberville/Tremé's prices have been stable. In contrast, a reduced livable supply of rental housing across New Orleans has meant a big jump in rents during the past few years, but incomes have not kept up. Four in 10 households reported having two or more housing quality problems.

The five Choice Neighborhoods were very similar on measures of resident and child well-being. In Iberville/Tremé most respondents (75 percent) reported good health, and 94 percent reported that their child was in good health. The baseline survey also asked about the behaviors of children and youth. In reference to positive behaviors, such as the ability to regulate emotions and get along with others, youth in Iberville/Tremé averaged 4.3 positive behaviors out of a possible 6. Fifty-two percent of respondents reported that their child aged 6 to 14 had two or more negative behaviors, such as disobedience at school or home, and restlessness or overactivity.

At the same time, Iberville/Tremé residents generally reported the greatest satisfaction with their neighborhoods, of all the first round of Choice grantees. Fifty-three percent of survey respondents in Iberville/Tremé rated their neighborhood highly (an 8 or higher out of 10), which was less than those living in central cities nationwide (62 percent), but higher than that in Yesler, Quincy Corridor, Woodlawn, or Eastern Bayview, where rating levels ranged from 37 to 44 percent. Seventy percent of respondents believed that Iberville/Tremé is a good place to raise children, more than in the other Choice Neighborhoods except Yesler. A large majority of respondents (92 percent) felt safe outside their homes during the day, more than in Woodlawn and Eastern Bayview (80 to 84 percent), but fewer respondents felt safe at night (67 percent), which was comparable to the other Choice Neighborhoods

except for Eastern Bayview (50 percent). Iberville/Tremé also had higher average ratings of collective efficacy (3.7 out of 5) than the other four Choice Neighborhoods.[113]

Iberville, the public housing development targeted by the Housing Authority of New Orleans (HANO) for its Choice grant, was constructed during the 1940s and is located in the southeast corner of the Iberville/Tremé neighborhood, adjacent to New Orleans's central business district and the French Quarter. The street grid was removed in Iberville, creating a 23-acre superblock with 821 units in 74 walk-up, two- or three-story brick buildings arrayed barracks-style. Interstate 10, historic cemeteries, and adjacent vacant lots isolate Iberville from the rest of the Tremé neighborhood. Residents described the development as cut off, and said they rarely ventured on foot to area parks or the nearby Tremé Community Center or other cultural amenities. The Iberville community makes up about 10 percent of all housing units in the Choice Neighborhood.

Some residents of the Iberville have come from other HANO projects that are themselves undergoing redevelopment, a fact which sometimes fed into tenant uncertainties about relocation. By late 2013, the Iberville housing plans were in process, while housing development plans in the surrounding Choice Neighborhood were still taking shape. Initial plans for the transformation of the Iberville development were to demolish 52 of the 74 original buildings to make way for the creation of 913 units through construction of new townhomes and multifamily buildings. This demolition and new construction would be complemented by the renovation of the 22 remaining original buildings on the 23-acre site. Of the 913 units, 304 were intended to be replacement public housing units, and the remaining 600 units were expected to be divided between affordable rental units and market-rate units to create a mixed-income community blending public housing units, subsidized units for low-income residents, and units for middle-income residents.

[113] Collective efficacy includes how cohesive the residents feel the neighborhood is, with shared trust and values, as well as how likely neighbors are to exhibit informal social control and do something to address concerns in their neighborhood, from children fighting to cuts to services in their neighborhood.

Exhibit B.14. Resident and Household Characteristics in the Iberville Public Housing Development

Head of Household Characteristics	Percent	Household Characteristics	Percent
Female	81	Household size (average number of people)	2.0
Race and Ethnicity		Households with children	36
Non-Hispanic African-American	94	Three-generation household	12
Non-Hispanic White	1	Household's annual income	
Non-Hispanic other	3	Under $15,000	85
Hispanic	2	$15,000 to $29,999	12
Born in the US	99	$30,000 to $49,999	2
Education		$50,000 to $69,999	0
12th grade or less	69	$70,000 or more	0
GED or high school diploma	22	Public assistance	
Some technical or college or higher	10	Supplemental Security Income	43
HH is currently employed	41	Disability	15
Mode of Transportation		Cash assistance	2
Has a car to use	53	**Ratings of Well-Being**	
Takes public transit regularly	28	Respondent in good health	66
		Child well-being	
Currently lives in the neighborhood	22	Focal child in good health	97
Lives in original housing unit	2	Focal child positive behavior scale (score)	4.8
Desire to return after redevelopment	71	Focal child 2 or more negative behaviors	37

Source: Choice Neighborhoods Baseline Survey 2013–14.

At the time of the baseline survey, only about 2 percent of Iberville households were still in their original housing units (exhibit B.14). The Iberville is a predominantly African-American community. Ninety-four percent of heads of households were non-Hispanic African-American and 99 percent were born in the United States. Only 10 percent reported having some form of college or technical schooling; 69 percent reported they had not graduated from high school. Thirty-six percent of households had a child under the age of 18, and the average household size was 2.0. Just over 40 percent of all heads of households surveyed were currently employed. About 53 percent reported that they had a car to use, and 28 percent noted that they took public transit regularly. Annual household incomes are low in the Iberville, with 85 percent making below $15,000 and 97 percent making below $30,000. Approximately 43 percent of respondents received supplemental security income, 15 percent received disability, and 2 percent received cash assistance. Sixty-six percent of heads of households reported they were in good health. Of those who had children, 97 percent reported that their focal child was in good health. Thirty-seven percent reported that their focal child exhibited two or more negative behaviors, with an average score of 4.8 out of 6 on the positive behavior scale. When respondents were asked if they would like to return after redevelopment is completed, about 71 percent expressed a desire to return. Although desire to return was high, respondents in Iberville expressed the lowest desire to return of the five Choice target developments, perhaps reflecting the fact that many of them had originally come from other developments before relocation to the Iberville.

IMPLEMENTATION OF CHOICE NEIGHBORHOODS

KEY ACTORS AND RELATIONSHIPS

HANO and the city of New Orleans are the joint lead grantees for Choice. HANO is charged with providing housing for impoverished residents and has primarily done so through direct management of public housing developments and management of a Section 8 voucher program. For Choice, HANO has taken the lead on housing and resident support aspects, both related to the Iberville but also managing off-site housing issues. The city serves as lead on coordinating with external stakeholders, related to the significant amount of neighborhood activity and infrastructure investments. The relationship between HANO, which was in federal receivership until July of 2014, and the city, is close, but was not without challenges during early implementation, as described below.

HRI Properties and McCormack Baron Salazar (MBS) are the developer partners on the New Orleans Choice project, with HRI taking the lead for onsite development at the Iberville and MBS taking the lead on offsite development. A third significant partner, Urban Strategies, serves as the "people" lead and coordinates services provided to residents and tracks data. Both developers have had experience transforming other HANO properties into mixed-income developments, but Iberville/Tremé is their first experience working as a team. HRI was the developer for one of the first of New Orleans' HOPE VI developments, St. Thomas (now River Gardens). As one of the first of its kind in the city, the development was highly controversial, and some have claimed it was a less successful example of HOPE VI efforts.[114] MBS began working in New Orleans after Hurricane Katrina and led the redevelopment of the C.J. Peete housing development (now Harmony Oaks) and worked on the redevelopment of the B.W. Cooper housing development (now Marrero Commons). MBS has an extensive history of working with Urban Strategies to provide community development and resident support in New Orleans and throughout the country.

Other key partners in the New Orleans Choice team during early implementation included GCR Inc. and Black Men of Labor (BMoL). GCR and BMoL led community engagement, whereas the Iberville Resident Working Team, with support of Urban Strategies, was the lead for resident engagement. GCR is a local consulting firm that generally has focused on city planning and played a role in outreach and leadership of the city's Unified New Orleans Plan process. Black Men of Labor is a social aid and pleasure club based in Iberville/Tremé that has worked on neighborhood canvasing and community engagement during Choice implementation. The Iberville Resident Working Team was established by HANO to fulfill the need for a resident leadership and engagement arm for Choice.

Throughout early implementation, the key parties met regularly—initially biweekly and eventually monthly—as the implementation working team (IWT) to share progress updates and to develop strategies for addressing challenges to implementation. The IWT was coordinated by a project director who was jointly hired by HANO and the city of New Orleans to be the overall coordinator of Choice implementation. Key actors at HANO and the city viewed this coordinator role as critical to the

[114] See, for example, http://www.hopehouseneworleans.org/HOPEVIandStThomas.pdf.

successful implementation of Choice and also noted the difficulty of this position, which required "managing up" within both agencies. In addition to regular IWT meetings, an executive team comprising key actors at the city and HANO held regular leadership calls and biweekly calls with the HUD team.

Working relationships between the lead agencies, among the key parties, and between the grantee team and HUD were generally described as positive and collaborative. In early interviews, all parties described a positive and inclusive process to develop the Choice application and seemed to have developed strong working relationships that continued throughout early implementation.

Regular team meetings, combined with cooperative working relationships, often helped respond to significant early implementation challenges, including a complicated archeological review process that threatened the demolition and construction schedule at the Iberville. At the same time, the implementation team sometimes experienced tensions related to some aspects of coordination associated with early demolition and construction, which, given the complicated series of archaeological and environmental reviews, is not surprising. Additionally, some key partners (e.g., school system representatives and the relocation service provider) were not part of the IWT meetings, and ultimately implementation was slower or more challenging in these areas.

HOUSING

The development: Plan summary

Units and buildings. Iberville includes 821 units in 74 walk-up, two- to three-story brick buildings arrayed barracks-style on a 23-acre superblock. The Iberville/Tremé Choice Neighborhood plan calls for the creation of 2,446 units, 913 of them onsite at the Iberville and 1,533 elsewhere within the Choice Neighborhood's boundary. The round 2 application proposed that 52 of the 74 original target development buildings would be demolished and replaced with new townhomes and multifamily buildings (exhibit B.15). The remaining 22 buildings would be rehabilitated. As described below, however, the plan shifted in 2012–13 because of the discovery of archeological remains on the Iberville footprint; current plans call for 60 buildings to be demolished and 14 to be preserved (exhibit B.16).

Exhibit B.15. Original Site Plan for Redevelopment, Iberville

Source: Choice Neighborhoods application, round 2, attachment 26.

Exhibit B.16. Site Plan after Section 106 Review, Iberville

Source: PowerPoint Slide, Alternative 11, displayed at a public meeting on the Draft Environmental Assessment for the Iberville Redevelopment, February 19, 2013.

Income mixing. The development plan calls for a substantial level of income mixing within blocks and buildings on the Iberville footprint. Of the 913 units expected there, 304 were slated as replacement public housing units, with the remaining 609 units divided equally between affordable rental units and market-rate units.

Design. Design plans for the Iberville site were created by Manning Architects with input from Iberville resident leaders and other key stakeholders during the drafting of the Choice application. The process yielded a set of design priorities for building style and heights, unit sizes and types, and site layout and street grid. All planned units are expected to be energy efficient, consistent with the Green Communities standard promoted by Enterprise Community Partners (a national community development finance intermediary). Only 19 of the 227 planned units in Phases I and II are three-bedroom units.

Finance. Early phases of the housing redevelopment in Iberville/Tremé will be funded mainly by non-Choice funds, including commitments of HANO's capital budget, low-income housing tax credit allocations, and other federal and local sources. As of September 2013 it is likely that at least some Choice funds dedicated to housing will be expended outside the Iberville footprint. [For more details on the initial plans for financing, see Pendall et al. (2013.)] The offsite housing plan (described below) had not yet been finalized as of September 2013, making it unclear exactly how Choice funding would be allocated among sites and projects.

Management. The redeveloped Iberville will be managed by HRI; MBS is expected to manage most or all of the offsite properties, although uncertainty over site control (discussed below) left this issue unsettled as of September 2013.

Offsite housing. With 1,533 units expected to be built outside of the Iberville target development, the housing plan for Iberville/Tremé relies more heavily than the other Choice Neighborhoods on the grantees' ability to secure sites and move ahead with construction on properties they do not control. In all, the offsite development plans called for 577 replacement public housing units, 493 low-income units, and 448 market-rate units. Implementation of offsite housing was one of the more significant challenges of the first two years in New Orleans, as discussed in the next section.

Progress on the housing redevelopment

Financing for the initial phases of onsite construction at the Iberville was in place by September 2013 through a mix of funding sources that included Choice grant funds, HANO capital improvement funds, low-income housing tax credits, state Community Development Block Grant (CDBG) funds, and permanent first-mortgage funds. The full $78 million plan for the initial three phases of construction on the Iberville footprint will result in 333 market-rate, affordable, and public housing units. These units are funded primarily through secured and anticipated low-income housing tax credit funds, CDBG and HOME funds, and HANO capital improvement funds, with only a small portion provided through the Choice grant. Plans were in development in September 2013 for the next round of financing; grantees were optimistic about the outcome of their latest application for low-income housing tax credit funds and state CDBG funds. HANO also has committed project-based vouchers for affordable units to be

rehabilitated within the 14 original Iberville buildings. Demolition at the Iberville began in September 2013. Two main issues have slowed progress:

- Archeological investigations on the site uncovered human remains under the part of the Iberville closest to St. Louis Cemetery No. 1. This discovery triggered a new process of public participation and development redesign, as required by Section 106 of the National Historic Preservation Act of 1966. HANO and the city presented residents with several options that would limit impacts on the burial area. Based in part on their feedback and in part on financial feasibility, they settled on a site design that leaves green spaces on sections of the development where burials were discovered and increases the height and density of some buildings, rising to a fourth story in some buildings previously planned for only three stories. The design will still include a mix of townhomes and multifamily units, with affordability levels intermixed within buildings. This plan will require an increase in demolitions from 52 to 60 buildings, with 14 buildings retained and rehabilitated. A community space planned for the area with the burials will also be moved to a different location. The need to protect the burial site also led the team to abandon the initial plan to reestablish the street grid in that section of the development.
- Implementation of plans for offsite replacement units in the Choice Neighborhood has been challenging, mainly because of gentrification pressures in this well-situated area. As prospects for development improved, land assemblers and market-rate developers began buying up land, including some of the parcels identified for offsite development in the Choice plan. One early example was the eastern adjacent (Winn-Dixie) site [see Pendall et al. (2013) for more details]. Furthermore, residents of the surrounding Choice Neighborhood were pressing for infill development rather than housing projects large enough to accomplish the full unit count anticipated in the Choice plan. With so many vacant but viable homes and significant blight in the area, neighborhood residents pressed for rehabilitation of existing housing and buildings, even as the Choice grantee depended on higher-density development to meet overall unit counts. These issues remained unresolved through the first year of implementation. Iberville resident leaders and members of the surrounding community increasingly pressed for more information on the details of neighborhood development plans, especially in light of site-control issues on the eastern adjacent site. Solutions for the neighborhood development plan challenges were underway by September 2013 as McCormack Baron Salazar worked behind the scenes to negotiate an agreement with the new owners of the eastern adjacent property that incorporated public housing and affordable housing units. With pressure from HUD, the lead grantees pushed the developer partners for a revised offsite development plan tied to specific projects throughout the Choice Neighborhood. That plan, delivered to HUD in summer 2013, became the basis for neighborhood housing development.

Beyond the location and configuration of offsite housing, additional decisions still needed to be made regarding management of the new housing. The offsite adjacent units were initially expected to be managed by MBS, but given that the property was purchased by a non-Choice developer, it was not clear how replacement units built as part of the redevelopment of that property would be managed.

Resident leaders expressed some concerns about how the rules for reoccupancy ultimately would be defined and pressed for the agreements and protocols to be complete before relocation.

PEOPLE

Social dynamics and resident engagement

Residents of both the Iberville public housing and the surrounding Iberville/Tremé Choice Neighborhood spoke of belonging to interrelated communities in which neighbors have long-standing relationships and input into plans about development. Public meetings on Choice sometimes served as reunion opportunities for Tremé residents returning to the area after long absences or reconnecting for the first time since Hurricane Katrina. Residents of both Iberville and the surrounding Choice Neighborhood listed the familiar and interconnected feel within their separate communities among important positive attributes. Iberville residents felt strongly connected to their own neighbors, as did residents of the various neighborhoods included within the Choice Neighborhood boundaries.[115]

Relationships between residents in the Iberville and the surrounding Choice Neighborhood, however, were not as close. Many actors charged with implementing Choice voiced concerns about "not-in-my-backyard" sentiment (NIMBYism) in opposition to affordable housing. In focus groups, residents of the Iberville spoke of feeling physically and socially isolated from the surrounding Choice Neighborhood. Iberville residents seemed to attribute this isolation to physical separation and to the prejudices of business owners and residents of the surrounding neighborhoods. Overall, they expressed skepticism about whether the Iberville development could become integrated into the surrounding areas. Residents of the surrounding neighborhoods, particularly Tremé, felt that the isolation of the Iberville from the surrounding neighborhoods needed to be mitigated through redesign of the new development and other means.

Although some NIMBYism certainly exists in the Choice Neighborhood, it is not the only sentiment. In planning meetings, interviews, and focus groups, residents of the neighborhoods near the Iberville often spoke in support of maintaining the area's current socioeconomic blend and ensuring access to affordable housing, and they raised concerns that the redevelopment of the Iberville was being conducted without adequate input from public housing residents.

The New Orleans planning process for Choice included substantial engagement of resident leaders (the Iberville resident working team) starting when the grantee team was developing its application. In interviews, resident leaders and other key stakeholders recounted a planning process that included this leadership body at every step, including decisions about preliminary site plans and identifying development sites throughout the Choice Neighborhood. Most of the resident leaders included in the early visioning process continued to participate in meetings of the core implementation partners.

After the grant was awarded, residents of the Iberville and surrounding neighborhoods were invited to a meeting in which they were asked to form working groups focused on housing, education, economic

[115] Although the Choice Neighborhood is named Iberville/Tremé, local residents do not tend to view this area as a single neighborhood but rather a series of four to five distinct neighborhoods and portions of two others.

development, and cultural preservation. After this well-attended kick-off meeting, however, this process apparently was abandoned so as not to compete with the more formal, public-input process required by Section 106 of the National Historic Preservation Act. Over time, the resident leadership group also dwindled in number and fluctuated in influence, especially as relocation proceeded. Leaders at times raised questions about the level of engagement of other residents, and they were especially concerned about relocation and the ability of residents to return to the redeveloped Iberville. These concerns seemed to fuel a general suspicion about the implementation process and a belief that community engagement efforts were merely for show. In interviews, neighborhood residents complained about a lack of follow-up on the working groups and a lack of information about the process and implementation of Choice. As one neighborhood resident commented, "I feel like every meeting I've been to is a waste of my time . . . it's like it's already decided." One-third of neighborhood residents who responded to the baseline survey did not feel they had a say in the plans for the new development. Members of the Iberville resident working team attempted to allay these suspicions, supporting the redevelopment at pivotal public input meetings during the Section 106 review process. Meanwhile, the plans for neighborhood housing remained in preliminary stages and had not been opened for community engagement. This lack of involvement seemed to fuel resident concerns about a lack of meaningful community engagement.

Case management

Urban Strategies focused heavily on completing needs assessments for the Iberville residents and setting up case management services during early implementation. By September 2013 almost all the residents of the Iberville had completed the voluntary needs assessments and were in active case management, as assessment had occurred before relocation. A key challenge that Urban Strategies thought they needed to overcome related to provision of case management services was that these services were not mandatory. Urban Strategies team members noted that the lack of built-in incentives was a barrier to attracting residents into the process and potentially would make keeping in contact with residents throughout relocation more difficult. Without an incentive for residents to stay connected, Urban Strategies was concerned about the ultimate success in preparing residents for eventual return to the redeveloped Iberville. Although some incentives were used, case managers seemed to primarily encourage resident participation through the offer of services and support during critical moments, such as the extended power outage after Hurricane Isaac or during relocation.

At the same time, residents who took part in focus groups reported mixed experiences with social services and case management. There appeared to be significant dissatisfaction with relocation options, and some residents felt inadequately supported by Urban Relocation Services, a separate entity from Urban Strategies that was managed by HANO to assist with apartment searches and moves, although the natural disruptiveness of relocation might have compounded these frustrations.

Services and programming

As of September 2013, Urban Strategies reported having expended very little of the allocated Choice funds for establishing services because they could connect to existing programming from service providers and nonprofit organizations with overlapping interest in the Choice Neighborhood. In some cases, Urban Strategies leveraged programming in place at one of the other public housing

developments to offer programing to Iberville residents. Meanwhile, most service provision programming was not yet in place, and the focus remained on completing initial needs assessments and connecting residents to existing services and supporting residents, especially the elderly and those with disabilities, through relocation.

Education. In the area of K-12 education and early childhood development, a major challenge to implementation was the decentralized choice-based nature of the public school system in New Orleans. Families living in the Iberville sent their children to dozens of schools across the city, and none of the nearby schools enrolled a significant proportion of Iberville youth. The state-run Recovery School District was a named partner in Choice but did not have representation at the coordination table, and the local Orleans Parish School Board district was not initially included as a formal partner. Most public schools in the area and across the city are charter schools overseen by nonprofit charter school boards, and as a result the two school districts have limited influence on the daily operation of these schools. The grantee team initially struggled to understand the school landscape, and creating partnerships with schools was an on-going challenge.

Hoping to win a Promise Neighborhoods grant from the US Department of Education, Urban Strategies worked to build direct partnerships with schools and education service providers within the Choice Neighborhood during the first year of implementation. Urban Strategies was not awarded a grant, but they continued to work to develop programing for school-aged children and reinforce relationships with early childhood providers under the leadership of an education coordinator who joined the team about one year into Choice implementation.

Another significant challenge to education programming was a lack of adequate space. During early implementation, Urban Strategies launched a small summer program and an afterschool program, but staff noted that these programs were limited in part by a lack of physical space at the Iberville site. The development was being prepared for eventual relocation and demolition, and creating community programming space was either not possible or not prioritized during this period. To address program space needs, the grantee team looked for nearby locations that could serve this purpose temporarily during demolition and construction and were nearing a solution by late 2013.

Employment. Workforce development programing launched in early 2013 with construction training and customer service training programs, as well as coordination of job fairs with area employers. HANO launched a HANO Academy program in mid-2013 to offer construction training for city youth. Though the academy was not directly a part of Choice, HANO planned ultimately to locate the program within the Choice Neighborhood, and many of the initial participants were residents of the Iberville or affiliated with the area in some way. The workforce development programs seemed to show early success in connecting participants to job opportunities, but they struggled to attract participants from the Iberville development. Lack of access to program space also hindered the establishment of employment services. Prior to demolition, Urban Strategies used the Iberville Community Center, but the location was too small for many of the training programs.

Health. Urban Strategies frequently noted the city's general lack of adequate support services for substance abuse and mental health care, although the Iberville's proximity to clinics and hospitals was seen as a potential advantage for health goals. Health-related activities were not a major focus during early implementation outside of case management; Urban Strategies reported success in connecting residents to existing clinics.

Relocation

Relocation presented numerous challenges, as the start of relocation was delayed because of the longer-than-anticipated archeological review process. These delays meant that residents were waiting for the start of relocation and to access relocation vouchers. Once relocation began, residents reported significant challenges with relocation both in identifying adequate housing and in the logistics of the moves. Resident leaders also raised concerns about the clarity of the reoccupancy process and requirements. HANO addressed these challenges by increasing staff focus on the relocation process, working with HUD to expedite the release of relocation vouchers, and holding resident meetings to address relocation questions. A reoccupancy committee met throughout early implementation, but the final reoccupancy plan was not yet complete (but was nearing a final version) as relocation began.

Neighborhood

Numerous improvements were underway within the New Orleans Choice Neighborhood during early implementation, bringing more than $4 billion in investments into the area, including the opening of two grocery stores, reopening and creation of neighborhood parks, construction of the new biomedical district, and roadway and transportation improvements. However, most colocated investments in Iberville/Tremé were not coordinated with the Choice plans. Ongoing neighborhood improvement efforts were routinely discussed at the IWT coordination meetings for the Choice team to keep abreast of these efforts and watch for opportunities for synergy. The view was that the larger efforts were moving forward and did not need shepherding by the IWT.

Critical Community Improvements

Although the initial Choice grant application outlined a plan to use $1.5 million in Critical Community Improvements (CCIs) funds to establish a neighborhood improvement grant program, the grantees did not further develop this plan during early implementation. They were still rethinking the CCI approach in September 2013, with technical assistance from HUD. Part of the challenge in developing CCIs might have been driven by a need to focus on complicated demolition and relocation processes, given site needs, but some might also be caused by a central structural issue in New Orleans: the fact that Choice is situated in an neighborhood undergoing an extremely extensive amount of activity, but where the Choice grantee does not directly control all planning and investment processes related to these external activities.

Public safety

Despite New Orleans' overall challenges with high rates of violent crime, the grantees spent little time discussing public safety except as related to safety features of the Iberville redevelopment, although HANO's own police department was praised in resident focus groups. This lack of focus on public safety issues is at least partially attributed to the fact that within Iberville/Tremé no areas were identified as

crime hot spots. In addition, the New Orleans Police Department did not have a seat at the Choice coordination table and generally was absent from the coordination discussions. The broader climate of police and criminal justice reform in New Orleans made it challenging to involve the police in Choice plans. During the period of early implementation, the US Department of Justice Consent Decrees required that the city address significant issues within the New Orleans Police Department and conditions at the Orleans Parish Prison.

Neighborhood economic development

During early implementation, many economic development efforts were underway within Iberville/Tremé and in adjacent areas, some of which might offer job opportunities for residents of the Choice Neighborhood. Chief among these investments was the opening of two grocery stores and the construction of the new biomedical district. Circle Foods, a long-time neighborhood institution, was poised to open in early 2014 in the center of the Choice Neighborhood, and a new fresh foods center—including a Whole Foods store and a food service and management training program—was under development on Broad Street. Both of these projects were expected to provide new jobs for local residents. The opening of two new retail areas adjacent to Iberville/Tremé during early implementation also offered new job opportunities. The continuing redevelopment of the Lafitte public housing development (located in the center of the Choice Neighborhood) provided some construction employment opportunities for graduates of Urban Strategies' construction training program. Although the new biomedical corridor under construction on Tulane Avenue was included in economic development plans, its connection with Choice had not manifested by September 2013, creating skepticism among Iberville residents, residents of the surrounding neighborhood, and some of the key actors in Choice that it would yield job opportunities for residents of Iberville/Tremé. Issues of coordination are discussed in greater detail below.

Built environment and infrastructure

Significant investments to enhance the built environment were also underway within Iberville/Tremé, funded by sources other than Choice Neighborhoods. Armstrong Park was reopened and began hosting neighborhood events, including a monthly free concert. The city's ongoing street repair program improved major thoroughfares within the Choice Neighborhood, including Esplanade and St. Bernard Avenues, with repaving and creation of new bicycle lanes. Two other major investments will improve the Iberville/Tremé's connectivity to other parts of the city. Construction for the $9.1 million Lafitte Greenway Bicycle and Pedestrian Path, a 2.6-mile multiuse trail and linear park connecting the French Quarter to Bayou St. John and Mid-City, was slated to start in late 2013. In addition, a streetcar expansion on North Rampart was in the planning stages and expected to move into construction in 2014.

Future of the neighborhood

There was strong consensus among stakeholders that the neighborhoods within the Choice Neighborhood boundaries are in the process of transition and on a trajectory toward neighborhood improvement. This ongoing neighborhood change and apparent gentrification were evident in the increasing housing costs in some neighborhoods within in the Choice boundaries (especially Tremé) and subtle changes to resident demographics as more young White newcomers were moving into the area

(especially Tremé and the Seventh Ward). Residents often raised concerns about the future affordability of the area and retention of the cultural and historic significance of the neighborhoods, especially Tremé. Opinions differed over whether Choice is helping to preserve neighborhood affordability and resident stabilization.

Summary of Progress in Coordination and Leverage

Coordination among Key Stakeholders. The joint lead-grantee structure created opportunities for collaboration and coordination between HANO and the city of New Orleans and established a strong working relationship between two political entities that have a history of contention. Key actors within both agencies, as well as external stakeholders, described the relationship as positive while also noting that the joint grantee structure created challenges in clarity of roles at times. The project was described as having "two masters" who often need to be "managed up."

Regular IWT coordination meetings were a successful vehicle for communication about implementation, as well as real-time problem solving, as leaders from most key stakeholders participated in the coordination meetings. Through routine reporting updates, coordination meetings also created a kind of accountability process as key stakeholders were expected to report progress and respond to questions about tasks that were off-track or behind schedule. The problem-solving function of the coordination meetings was particularly evident during the Section 106 process. Through team meetings, the team problem solved at pivotal moments and, perhaps equally important, stayed in strong communication during the process despite challenges and tensions. These meetings also provided a semipublic forum for highlighting threats to project progress. Use of this aspect of the meetings was particularly evident as plans for neighborhood housing development stalled in the wake of HANO's inability to acquire adjacent land. In this light, the meetings came to be a platform for pressing the development partners to create a plan for meeting offsite replacement unit goals and finding negotiation opportunities with the new owners of the adjacent parcel.

Throughout early implementation, the grantees maintained a strong relationship with HUD through the grantee support team as well as through HUD's Strong Cities, Strong Communities initiative, which embedded a HUD staff member at city hall during the first year of implementation. The working relationship with HUD was described as very positive and supportive, and key parties said HUD's expertise was critical to successful implementation and problem solving. The grantee team leaned heavily on HUD staff through the Section 106 process, which unlike the recent processes for other New Orleans public housing developments, was led by the city and not HANO. The team also depended on HUD support in addressing challenges in the neighborhood housing development plan. When developer partners seemed to have lost focus on the offsite plan, the grantees used pressure from HUD to press them for a revised plan.

With over $1 billion of investment within neighborhood boundaries, Choice in New Orleans can be seen as part of a portfolio of major investments to the area, which borders the downtown and historic French Quarter, and which had been seen for decades to offer opportunities for investment and greater physical, social, and economic connections. At the same time, these investments were often driven by their own governance and accountability requirements. Accordingly, communication about other

neighborhood development efforts underway within the Choice Neighborhood happened primarily through IWT, which comprised representatives of each of the partner agencies and organizations, and sometimes via NEWCITY, a voluntary neighborhood collaboration group hosted by Lafitte developer Providence Community Housing. Because most of the colocated investments within the Choice Neighborhood were not funded by Choice or happening as a direct result of Choice, coordination with these activities was limited and seemingly informal. The city of New Orleans, as a Choice co-grantee, had a role in other activities happening in the neighborhood, such as the Claiborne Corridor Study, a major transportation plan, and the Lafitte Greenway, a major green space and community economic development initiative, or the BioDistrict, a state-enabled, 1500-acre effort charged with promoting biosciences in the region. These three important projects were not funded by Choice and predated the Choice award, but would affect the neighborhoods. Accordingly, city representatives were often positioned to serve a liaison role to other, colocated projects and Choice investments, but it was not always clear how these investments were concretely coordinated with Choice by the time that implementation observations ended in September of 2013.

Leverage. The overall half-billion-dollar housing plan relies on significant additional investment through a blend of housing tax credits, city redevelopment funds, and HANO capital improvement funds, which all seemed to be coming into place for the early phases of the redevelopment plan. These funds could be most clearly argued as additional investments in Iberville/Tremé that likely would not have been spent in the neighborhood if not for Choice. Evidence of other leverage, however, was less clear because planning for many of the colocated investments predated the implementation of Choice. Some evidence suggests that the grantee team has been able to connect additional services with Iberville residents through case management activities that might not otherwise have been provided to the residents and to secure commitments for early childhood education services to be located at the Iberville development once construction is complete.

Exhibit B.17 provides a summary of major activities by Choice domain and their early implementation status in Iberville/Tremé as of September 2013.

Exhibit B.17. Summary of Major Activities and Early Implementation Progress in Iberville/Tremé, September 2013

Choice Domain and Related Activities	Lead Organization	Funding Level ($ thousands)	Funding Covered by Choice (%)	Funding Covered by Other Sources (%)	Summary Status
HOUSING					
Site acquisition for new affordable housing units: For the acquisition of the Eastern Adjacent property.	McCormack Baron Salazar	7,500	TBD	TBD	In progress
Phases I–III demolition, construction, and restoration of Iberville buildings: Demolition and construction or renovation of 333 units in Phases 1–3.	HRI Properties	11, 861	26	74	In progress
Construction of new affordable offsite units: Construction and/or restoration of offsite replacement units.	McCormack Baron Salazar	TBD	TBD	TBD	Not started
PEOPLE					
Case management for Iberville households: Implement household assessments of employment, education, childcare, health, training, and other needs and create individual development plans for every resident.	Urban Strategies	1,655	100	0	In progress
Early childhood learning services: Create early childhood education programs within the Choice boundaries.	Urban Strategies	100	100	0	Not started
Improvement of K-12 education services: Improve quality of public schools serving residents.	Urban Strategies	390	100	0	In progress
Service coordination	Urban Strategies	1,200	100	0	In progress
NEIGHBORHOOD					
Critical Community Improvements: Neighborhood challenge grants program.	HANO	1,500	100	0	Not started

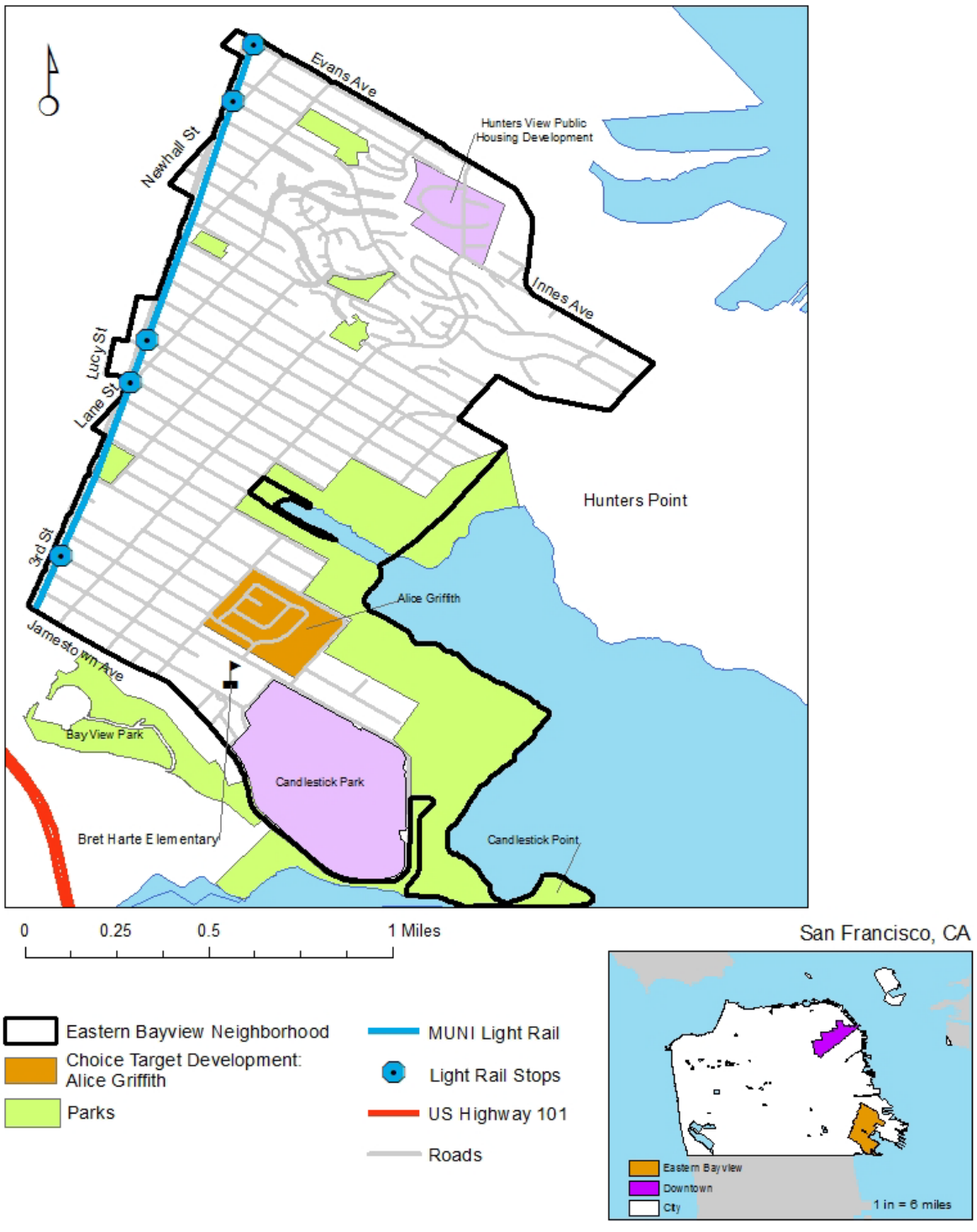
Choice Domain and Related Activities	Lead Organization	Funding Level ($ thousands)	Funding Covered by Choice (%)	Funding Covered by Other Sources (%)	Summary Status
Implementation of With Every Heartbeat is Life program: Increase access to Tulane Health Center and Louisiana State University pediatric clinic and increase access to Food for Families Program.	Urban Strategies	500	100	0	In progress
Children and youth services	Urban Strategies	350	100	0	Not started
Employment training program: Develop and implement sector-based business and employment training program and literacy training for Iberville youth and adults; provide job readiness skills; integrate youth services.	Urban Strategies	160	100	0	In progress
Establishment of neighborhood safety programs: Partner with Mayor's Empowerment Task Force, implementing a neighborhood watch and youth leadership board and increasing safety through design of onsite construction and renovation.	Urban Strategies	100	100	0	Not started

Sources: Review of documents, including Choice Neighborhoods round 1 and 2 applications and budgets, interviews with stakeholders, and observation of team meetings and phone calls.

B.4. San Francisco: Alice Griffith and the Eastern Bayview Neighborhood

Eastern Bayview sits at the extreme southeast corner of San Francisco City and County, adjacent to San Francisco Bay and the Hunters Point area on the east. Just south of the neighborhood is San Mateo County. The CalTrain tracks, a block west of 3rd Street, serve as its western boundary, and to the north is the Port neighborhood (exhibit B.18). One prominent feature in Eastern Bayview is Candlestick Park, the 83-acre former home of San Francisco Giants professional baseball and the 49ers professional football franchise. Another landmark within Eastern Bayview is the Hunters Point Shipyard, established in 1870 and the original source of development in this area. Three other San Francisco Housing Authority (SFHA) public housing developments occupy the northernmost part of the neighborhood: Hunters View, Hunters Point, and Westbrook Apartments. For many years the neighborhood has lacked good shopping and retail or a high-quality grocery store. It is physically isolated from the rest of the city.

Exhibit B.18. Map of the Eastern Bayview Neighborhood



BASELINE CONDITIONS

Eastern Bayview is among the larger three of the first five Choice Neighborhoods, at 1.6 square miles and 17,600 people. It is one of the centers of African-American population in San Francisco; by 2010, non-Hispanic African-Americans made up about half (49 percent) of the neighborhood's population (exhibit B.19). The diversity in the neighborhood is growing, however, and 24 percent of respondents identified as Hispanic. Over one-quarter were foreign born. As reported in the baseline survey, about 30 percent of heads of households had some college or technical schooling, but 34 percent had not graduated from high school. Thirty-seven percent of Eastern Bayview households had annual incomes below $15,000, and 51 percent had annual incomes below $30,000, the fewest households in these lower income brackets across the Choice Neighborhoods. At baseline, 60 percent of heads of households were employed, a higher share than Quincy Corridor, Woodlawn, and Iberville/Tremé, but about the same level as Yesler. Eighty percent of households had a car to use, and 28 percent took public transportation regularly (less than in Quincy Corridor, Woodlawn, and Yesler, but more than in Iberville/Tremé).

Exhibit B.19. Resident and Household Characteristics in Eastern Bayview

Head of Household Characteristics	Percent
Female	71
Race and Ethnicity	
Non-Hispanic African-American	49
Non-Hispanic White	5
Non-Hispanic other	5
Hispanic	23
Born in the US	77
Education	
12th grade or less	34
GED or high school diploma	36
Some technical or college or higher	30
HH is currently employed	60
Mode of Transportation	
Has a car to use	79
Takes public transit regularly	27

Household Characteristics	Percent
Households with children	30
Three-generation household	3
Household's annual income	
Under $15,000	37
$15,000 to $29,999	24
$30,000 to $49,999	20
$50,000 to $69,999	10
$70,000 or more	8
Public assistance	
Supplemental Security Income	19
Disability	11
Cash assistance	12

Ratings of Well-Being	Percent
Respondent in good health	76
Child well-being	
Focal child in good health	86
Focal child positive behavior scale (score)	4.6
Focal child 2 or more negative behaviors	40

Ratings of Housing Quality	Percent
Number of housing quality problems	
0	61
1	17
2 to 3	17
4 or more	5

Ratings of Neighborhood Quality and Safety	Percent
Rates the neighborhood as at least an 8 of 10	42
Feels safe alone outside of home during the day	80
Feels safe alone outside of home at night	50
Thinks the ngh. is a good place to raise children	56
Collective efficacy scale score	3.6

Source: Choice Neighborhoods Baseline Survey 2013–14.

Although the Bay Area housing market suffered during the past several years, San Francisco's neighborhoods were less hard-hit than those in outlying suburbs and have recently risen above prerecession levels. Demand is strong even in low-income neighborhoods such as Eastern Bayview, where vacancy rates were less than 5 percent.[116] More than one-half of Eastern Bayview's 5,600 housing units were single-family homes in 2010. Just 22 percent of households in Eastern Bayview reported two or more housing quality problems, a lower percentage than the other Choice Neighborhoods.

The five Choice Neighborhoods were very similar on measures of resident and child well-being. In Eastern Bayview most respondents (76 percent) reported good health, and 86 percent reported that their child was in good health. The baseline survey also asked about the behaviors of children and youth. In reference to positive behaviors, such as the ability to regulate emotions and get along with others, youth in Eastern Bayview averaged 4.6 positive behaviors out of a possible 6. Forty percent of respondents reported that their child aged 6 to 14 had two or more negative behaviors, such as disobedience at school or home, and restlessness or overactivity.

Survey respondents in Eastern Bayview (42 percent) were less likely to rate their neighborhood highly (an 8 or higher out of 10) than residents living in central cities nationwide (62 percent). This neighborhood rating level was lower than that in Iberville/Tremé (53 percent), but similar to the rating level in other Choice Neighborhoods. Fifty-six percent of respondents believed that Eastern Bayview is a good place to raise children, lower than in Iberville/Tremé and Yesler (about 70 percent), but comparable to the percentage of residents in Quincy Corridor and Woodlawn. Most respondents felt safe outside their homes during the day (80 percent), though it was a smaller proportion than in Iberville/Tremé and Yesler (92 to 93 percent). Fewer respondents felt safe at night (50 percent), lower than all other Choice Neighborhoods. Eastern Bayview had higher average ratings of collective efficacy (3.6 out of 5) than Quincy Corridor (3.2) but lower than Iberville/Tremé (3.7).[117]

The Choice target development in Eastern Bayview is the Alice Griffith public housing community, consisting of 256 townhouse-style units in the southeastern corner of the neighborhood. The development has 33 two-story buildings on 23 acres and a closed street grid that leaves it poorly integrated into the surrounding neighborhood. Alice Griffith is part of HOPE SF, a locally funded version of HOPE VI with principles that are highly consistent with Choice. McCormack Baron Salazar (MBS) is the lead grantee and will construct 256 public housing replacement units, and 248 new affordable units, for a total of 504 units. One hundred twenty one units of senior housing are also part of the housing component (which began construction in April 2014). Alice Griffith makes up 5 percent of the units in the Eastern Bayview neighborhood.

[116] Pendall et al. (2013).

[117] Collective efficacy includes how cohesive the residents feel the neighborhood is, with shared trust and values, as well as how likely neighbors are to exhibit informal social control and do something to address concerns in their neighborhood, from children fighting to cuts to services in their neighborhood.

Exhibit B.20. Resident and Household Characteristics in Alice Griffith

Head of Household Characteristics	Percent	Household Characteristics	Percent
Female	83	Household size (average number of people)	3.1
Race and Ethnicity		Households with children	58
Non-Hispanic African-American	65	Three-generation household	9
Non-Hispanic White	1	Household's annual income	
Non-Hispanic Asian/Pacific Islander	14	Under $15,000	75
Non-Hispanic other	7	$15,000 to $29,999	17
Hispanic	14	$30,000 to $49,999	4
Born in the US	81	$50,000 to $69,999	0
Education		$70,000 or more	0
12th grade or less	49	Public assistance	
GED or high school diploma	30	Supplemental Security Income	42
Some technical or college or higher	21	Disability	9
HH is currently employed	36	Cash assistance	30
Mode of Transportation		**Ratings of Well-Being**	
Has a car to use	79	Respondent in good health	61
Takes public transit regularly	35	Child well-being	
Currently lives in the neighborhood	94	Focal child in good health	90
Lives in original housing unit	94	Focal child positive behavior scale (score)	4.4
Desire to return after redevelopment	88	Focal child 2 or more negative behaviors	40

Source: Choice Neighborhoods Baseline Survey 2013–14.

At the time of the baseline survey, 94 percent of households were still in their original unit (exhibit B.20). Alice Griffith is home to a diverse group of residents, where 65 percent of the heads of households identified as non-Hispanic African-American, 14 percent as non-Hispanic Asian or Pacific Islander, 14 percent as Hispanic and 19 percent were foreign born. Only 21 percent had some college or technical schooling, and 49 percent had no high school degree. About 36 percent of the heads of households were working at baseline. Just over half of households had children under the age of 18 (58 percent), and the average household size was 3.1. Household incomes were very low in Alice Griffith, where 75 percent of households had an annual income of less than $15,000, and 92 percent of households had an income less than $30,000. Forty-two percent of households reported receiving supplemental security income, and 30 percent reported receiving cash assistance. Sixty-one percent of respondents reported being in good health, and 90 percent reported that their child was in good health. On a scale of 1 to 6, children averaged 4.4 positive behaviors, although 40 percent of respondents said children exhibited two or more negative behaviors. Eighty-eight percent of the heads of households had a desire to return to Alice Griffith after redevelopment.

IMPLEMENTATION OF CHOICE NEIGHBORHOODS

KEY ACTORS AND RELATIONSHIPS

The grantee team includes the developer, MBS, as the lead applicant and the housing lead; Urban Strategies, the MBS partner responsible for resident services and community building, as the people

lead; and the Mayor's Office of Housing and Community Development (MOHCD) as the neighborhood lead. SFHA and the San Francisco Unified School District (SFUSD) are also implementation co-leads (SFHA for housing and SFUSD for people). The Lennar Urban Development Corporation (Lennar) is also on the grantee team. Lennar, the master developer for the larger redevelopment area in which the Choice Neighborhood is situated, executed a joint-venture development agreement with McCormack Baron Salazar (MBS). Lennar is responsible for horizontal construction (infrastructure), and MBS is responsible for vertical construction (buildings). The residents are represented by the Alice Griffith Tenants Association (AGTA), which has been actively involved in redevelopment planning and monitoring its progress.

The key actors have regular meetings. The Choice grantee team has an internal meeting every two weeks. These meetings are often by phone, but the team also meets in person at MOHCD. SFUSD is the exception; there is no SFUSD representative attending the Choice team meetings. SFUSD coordinates with Choice by working with the people lead. The grantee team (with the exception of SFUSD) has a standing call with HUD each month. HUD's contractual relationship is with MBS (as the lead applicant), and not with the city of San Francisco. AGTA meets every two weeks. Urban Strategies, MBS, and the Office of Community Investment and Infrastructure (OCII)[118] also coordinate actively with AGTA, attending meetings to hear resident concerns about Choice (which over the first two years of Choice implementation have primarily revolved around the construction timeline).

The grantee team works with three major sets of local stakeholders. First, there is the set of stakeholders that coordinate the HOPE SF initiative, a larger San Francisco project to revitalize four public housing sites, one of which is Alice Griffith. This group includes MOHCD (the lead agency for HOPE SF), as well as the City Services Team (CST), the members of which are deputy-level staff from several city agencies. The services director (working out of MOHCD) convenes the CST, which works to ensure alignment and coordination among all city departments (and related human services agencies) that fund or provide services to HOPE SF resident populations. The CST has representatives from: MOHCD; SFHA; the Human Services Agency; the Department of Public Health; the Office of Economic and Workforce Development (OEWD); the San Francisco Police Department; the Department of Children, Youth, and Their Families; SFUSD; and First 5 San Francisco (an organization that focuses on early childhood). The services director is responsible for ensuring that case management is working well at all the HOPE SF sites and meets frequently with the Urban Strategies people lead on Choice to address case management–related issues. She also serves as a connection point to the city human services departments and agencies that provide services to Alice Griffith residents.

The two other important sets of stakeholders that the Choice grantee team works with are the OCII staff who coordinate the Hunters Point Shipyard/Candlestick Point (HPS/CP) redevelopment project (the larger project of which the Alice Griffith rebuild is a part), and the nonprofit community partners providing services to Alice Griffith residents (known as the Service Provider Network).

[118] The OCII is the agency that San Francisco created to take over the functions of its redevelopment agency, which was dissolved in 2012 (see the section on SFRA's dissolution).

KEY CONTEXTUAL FACTORS AFFECTING IMPLEMENTATION

Choice is a complex project unfolding within a complex environment. In this environment two major factors—entirely beyond the grantee team's control—have created deep challenges for timely Choice implementation: (1) the dissolution of the San Francisco Redevelopment Agency (SFRA) and (2) the linkage between Alice Griffith and the larger shipyard redevelopment project of which it is a part. Understanding this context is important for understanding the delays that the grantee team has had to contend with.

Dissolution of the San Francisco Redevelopment Agency

Very soon after the Choice grant was awarded to the San Francisco grantee team, its neighborhood lead at the time, the San Francisco Redevelopment Agency, was closed down when all redevelopment agencies in California were dissolved in February 2012 as part of the governor's plan to help balance the state budget. SFRA's dissolution caused delays because the grantee team lost (1) SFRA staff who were carrying out neighborhood lead responsibilities and (2) SFRA funding for revitalization. The city of San Francisco addressed the staffing issue smoothly: after the dissolution of SFRA, MOHCD assumed neighborhood lead responsibilities for Choice. Former SFRA staff continue to manage the Hunters Point Shipyard and Candlestick Point development (which encompassed Eastern Bayview) and the housing development component of the new Alice Griffith community.[119]

Of the projects to which SFRA had committed funds, only the projects within "major approved development project areas" were considered by the state to be "enforceable obligations." To administer these projects, the city of San Francisco created a successor agency to SFRA; in 2013 this agency was renamed the Office of Community Investment and Infrastructure. Determining enforceable obligations was a complicated process involving extensive documentation and negotiations between San Francisco's attorneys and the state. Working through the complexities of the situation will not happen quickly, and inevitable delays have occurred.

The rebuild of Alice Griffith was ultimately determined to be an enforceable obligation because the HPS/CP project area was a major approved development project area. Although there was a positive outcome for Alice Griffith, the unavoidable delays meant that Lennar and MBS needed to push back construction. One stakeholder with deep knowledge of the situation said that all the SFRA-funded projects had to contend with "11 months of uncertainty" before the SFRA dissolution, and then a complete freeze on funds for an additional 7 months after dissolution.

Linkage between Choice and surrounding redevelopment

Alice Griffith and Eastern Bayview do not constitute an isolated redevelopment project; rather, they are part of the much larger HPS/CP megaproject. Being part of a larger project means that the forces creating delays for HPS/CP will necessarily create delays for Choice as well. A challenge arose for Choice stakeholders when the Navy delayed its transfer of the next parcel of Shipyard land to the HPS/CP mega-project by five years. Prior to this delay, the Schedule of Performance included in the 2010 Development

[119] As of April 2014, these former staff members of SFRA were with OCII; they had previously worked under the Mayor's Office of Housing which became the Mayor's Office of Housing and Community Development.

and Disposition Agreement (DDA) had laid out the timeline for Alice Griffith's infrastructure phase as beginning in 2012 and ending in 2013.[120] The Schedule was amended in 2012, moving the start date for the infrastructure phase to October 2015 and the end date to September 2017. Vertical construction was to begin in December 2018 and finish in December 2021.

If the amended Schedule of Performance had remained in place, it would have meant that the grantee would not meet the Choice deadline of July 2016 for completion of the replacement public housing and LIHTC units. However, the grantee and city government were able to work together and find a way to meet the Choice deadline.[121] Lennar and MBS accelerated the schedule from the one laid out in the 2012 amendment of the DDA and worked with OCII to shift work within the HPS/CP mega-project: the Hunters Point phases of development were pushed back to accommodate moving up Alice Griffith's construction. While the delay of the HUD-approved Alice Griffith timeline was avoided, the proposed postponement of the Navy land transfer meant additional work, coordination, and challenge for the Choice stakeholders. The current agreed upon timeline is detailed in the "Progress on Housing Development" section below.

Another link between Choice and the larger HPS/CP redevelopment project has been the need for city approval of several complicated master plans pertaining to utilities, streetscapes, water management, and so forth. These plans involve a multitude of decisions involving many different actors. For example, an issue such as building the sewer system beneath the streets must be planned jointly by the Department of Public Works, the Public Utilities Commission, and the Metropolitan Transit Authority. Agreement hinges on many technical issues, such as the width of streets, the depth at which a pipe will be laid, and the specifications the pipe must meet for the Public Utilities Commission to agree to maintain the pipe.

Although there are people within the city and Lennar responsible for moving these plans through city departments, the complexity and interdependence of the steps involved mean that master plan approval will be slow. For observers who don't fully understand that development approvals for Choice cannot be teased apart from approvals for HPS/CP, the delays seem incomprehensible. As one stakeholder put it, "The project is fully financed and Lennar needs to get moving. [Why they don't do that] escapes many of us."

HOUSING

The development: Plan summary

As mentioned above, Alice Griffith is part of HOPE SF, a locally funded version of HOPE VI with principles that are highly consistent with Choice.

[120]Because it was anticipated that many factors outside of the control of the Master Developer could impact this schedule, the DDA allows the OCII Director to amend the schedule to allow for "Excusable Delay," which includes delay due to environmental litigation and delays in the Navy's transfer of Shipyard lands to OCII.

[121]Each time the timelines shifted due to circumstances beyond the grantee's control, MBS worked with HUD to have amendments to its timeline approved.

Units and buildings. The plan for Alice Griffith replaces the 256 townhouse-style public housing units with 504 mixed income units. HUD also amended the approval to bring a previously planned 121-unit senior housing building at 5800 Third Street into the project as part of the Choice housing component. No Choice funds, however, are being used for the development of the senior building (keeping the total Choice unit count at504). As the Choice-funded units are developed, MBS will build those units on vacant land on and immediately adjacent to Alice Griffith. MBS will then move current Alice Griffith tenants into the newly developed housing and the new senior housing. The vacated buildings will be demolished, and Lennar will use the cleared site to build an additional 622 units (not funded under Choice, but ultimately part of new Alice Griffith development). Exhibit B.21 shows the original site plan for Alice Griffith.

Exhibit B.21. Site Plan, Alice Griffith

Source: Choice Neighborhoods round 2 application, attachment 26.

Income mixing. The first phase, with 504 units built on parcels adjacent to the current Alice Griffith footprint, will include 256 public housing units and 248 low-income housing tax credit units. New housing construction by Lennar on the Alice Griffith footprint will incorporate 310 market-rate units, 281 workforce units, and 31 low-income inclusionary housing units.

Design.[122] Plans for site design have not changed significantly since MBS submitted its plans with the Choice application to HUD. These plans align with the Candlestick Point Design for Development Plan approved in 2010. Design goals include a compact, pedestrian-friendly, mixed-use neighborhood; location efficiency and disaster resiliency; community spaces and recreation; defensible space; and microclimate-appropriate landscaping. Community input from a 2012 workshop (details of which are discussed below in the section on resident engagement) led the design team to refine the plan in various ways. The plan will include housing on seven blocks, with most blocks having inviting frontages facing a new park. Several unit types will be constructed to accommodate families of various sizes, including one- and two-bedroom flats and flats and townhomes with three, four, and five bedrooms. When all seven blocks of the first 504 units are built out, there will be 81 one-bedroom units, 161 two-bedroom units, 151 three-bedroom units, 95 four-bedroom units, and 16 five-bedroom units. They will include a variety of amenities: one- and two-bedroom units will have laundry facilities on each building floor, while accessible two-bedroom, and all three-, four-, and five-bedroom units will have washers and dryers in the units.

Finance. The rebuild of Alice Griffith (the first 504 units including the public housing replacement units and the LIHTC units) is fully financed. The project benefits from the agreement between the former SFRA and Lennar to fund the gaps associated with the redevelopment of Alice Griffith. Of the total budget of $272,250,000, low-income housing tax credit equity makes up $131 million, Lennar's portion totals $58 million, funding from OCII provides $51 million, the Choice grant funds $21,250,000, and a first mortgage from a bank provides the remaining $11 million. Debt and equity providers are extremely aggressive in their pricing for this project due to the high demand for Community Reinvestment Act credit in the area and the amount of public support for the project.

Management. McCormack Baron Ragan (MBR), an MBS partner company, is the property management company that will serve the new Alice Griffith development. Although, SFHA formally still acts as the property manager for Alice Griffith tenants, MBR is closely involved. MBR stays in touch with the Urban Strategies' lead, as well as the MBS lead. The current MBR focus is to support Urban Strategies' in their efforts to work with off-lease residents to get on lease. Service connectors work with households in arrears, working to connect them to services that will help them to get back rent paid off and prevent eviction, and also to prepare for living in the new mixed-income community. In planning for the future relocation to the new site, MBR envisions that its focus will be on much more than collecting rent; the staff explain that the plan will be to engage the residents through community building, have staff trained and ready to address behavior issues, and partner with the governance council representing the residents.

[122] Information for this paragraph comes from the June 2012 Alice Griffith Community Workshop Summary by McCormack Baron Salazar and Torti Gallas and Partners, Inc.

Offsite housing. MBS is developing a 121-unit building for low-income seniors at 5800 Third Street (the Carroll Avenue Seniors Building), a few blocks from Alice Griffith. Adjacent to the recently extended light-rail transit line connecting Eastern Bayview with downtown San Francisco, the site will provide a relocation option for seniors currently living in Alice Griffith. SFHA supported financing of this building by awarding 120 project-based Section 8 vouchers to the developer. The Choice plan and "neighborhood vision" foresaw leverage commitments to housing improvements beyond Alice Griffith via SFRA's Model Block Program, which supported rehabilitation of single-family homes by matching "public infrastructure improvements on neighborhood streets and provid[ing] financial assistance to low-income households for home renovations." After SFRA's dissolution, the Choice team worked to ensure that MOHCD would allocate bond funding to this program. One Choice team member believes that the Choice grant has helped to sustain support for the program, in that if the city were not required to implement the program as part of its commitment to HUD, it might not expend the current level of effort and funding to pursue this avenue of redevelopment.

PROGRESS ON THE HOUSING REDEVELOPMENT

For the reasons discussed above, construction dates have been pushed back several times. Delays caused tension among Lennar, MBS, OCII, and AGTA. Residents were receiving inconsistent information from different actors about the construction schedule and believed that construction would simply never happen. As residents told city representatives, people had been promising them redevelopment for a decade, and none of their promises had been kept. To address the residents' concerns and to ensure that that all major players had the same understanding of the construction schedule, in July 2013 OCII convened the principals from Lennar, MBS, OCII, and AGTA to nail down a timeline. Lennar, MBS, and OCII each publicly stated at that meeting: "I will keep to this schedule." The schedule shows the following dates:

- Infrastructure design: 4/4/13 to 5/26/14
- Vertical design: 7/10/13 to 5/5/15
- Grading bid and construction: 12/31/13 to 5/4/15
- Infrastructure bid and construction: 3/18/14 to 5/17/16
- Vertical construction: 1/12/15 to 7/12/16

This timeline is now posted in the Alice Griffith Opportunity Center and serves as a public commitment to a construction schedule. According to city stakeholders, the residents are now more confident that construction will go forward, and AGTA members are proud of their role in developing the timeline. The principals met again in October 2013 and confirmed that they were still on track.[123] This includes the

[123] Since September 2013 the development team has achieved the following major milestones: the start of construction of Carroll Avenue Seniors Building; approval of schematic design by the Commission on Community Investment and Infrastructure (CCCI), the entitlement entity for HPS/CP; execution of predevelopment loans for Phases 1, 2 and 3 and permanent loans for Phases 1 and 2 by the CCCI; submission of tax credit and bond financing applications for Phases 1 and 2; San Francisco Housing Authority Commission approval of a project-based voucher allocation for Phases 1 and 2 (in addition to the approval of the Rental Assistance Demonstration subsidies that were previously allocated); and submission of building permit applications to the city.

Choice deadline of September 2016 for initial replacement public housing and LIHTC units, which MBS is on schedule to meet.

PEOPLE

Social dynamics and resident engagement

Stakeholders in interviews and residents in focus groups characterized the social dynamics at Alice Griffith in various ways. For many residents—and especially for those who participate in community-building activities—there is largely a sense of community and supportive social relations. At the same time there are serious points of tension. Certainly the problem of violence undermines healthy social dynamics, and according to staff working on site, residents have identified safety and the trauma associated with violence as their primary concerns. Some of the safety issues run squarely into another issue of social dynamics: relations between African-American and Samoan ethnic groups. In 2012 and 2013 there were shootings related to ethnic rivalries. Some Samoans also have the sense that providers offer programs to African-American youth and exclude Samoan youth. Service connection staff and community leaders are using community-building activities and outreach to build bridges between members of these two ethnic groups.

The issue of ethnic group competition also characterizes the social dynamics within the larger neighborhood. In a neighborhood focus group, African-American Eastern Bayview residents noted an influx of Asians and Latinos. They worried out loud about the possibility of people with high-tech jobs moving in and changing the character of the neighborhood. One resident who was himself hopeful for the future said he saw the following attitude in others: “When I see someone of a different race, or a different color, I feel rejected because you’re coming to take over my place where I’ve been for so long.” A staff person working for the city who has a great deal of contact with neighborhood residents said that people moving into the neighborhood who will qualify for higher-paying jobs create “a bit of an ‘us against them’ thing, particularly among the races.”

The social dynamics between the target development and the Choice Neighborhood are embodied in a physical barrier: the gate at the front of Alice Griffith. Several neighborhood residents in the focus group likened the site to a prison: “With the gates up, it’s like a prison . . . to get in there, it’s like you’re going into another world.” Although Alice Griffith is physically isolated, many people in the neighborhood have friends and family living in the development. At the same time, Alice Griffith residents believe many safety problems can be traced to those who come in from the wider neighborhood. Sometimes they are protected from the violence in the neighborhood by staying on site, and other times violence comes to Alice Griffith from the outside.

The grantee team had engaged residents of Alice Griffith on several levels since implementation began. In May 2012, MBS and its architecture and planning firm, Torti Gallas and Partners, hosted a week-long design workshop to receive community input on design for the first phase of the redevelopment. The workshop was meant to demonstrate to residents how the redevelopment would affect their living space and the neighborhood and to solicit input from residents on amenities and design features for the units as well as buildings and open spaces. Alice Griffith residents attended, along with representatives from community-based organizations, schools in the neighborhood, a neighborhood church, and

multiple city agencies. During the workshop, stakeholders provided input based on their hopes and concerns for the neighborhood. Their input focused on the need for safety and security; access to transit, social services, and jobs; community open spaces appropriate for all ages; a daycare center; community gardens; jobs and a job training center; access for residents with disabilities; large units and large bedrooms; and expanded transit service. The site plan, discussed above, reflects this input.

Engagement has also been important in working out details for the people plan. Although the grantee team originally emphasized connecting people to services as the central way to work with residents, onsite staff have found that resident engagement has been even more critical. In response, Urban Strategies has evolved its strategy to focus more heavily on home-grown community-building through social events and resident engagement activities. One example is the work done by an outreach coordinator who focuses specifically on elderly and disabled residents. In 2012 he organized volunteers to distribute fresh food to homebound seniors. This face-to-face contact with seniors opened up lines of communication so that volunteers and the outreach coordinator could provide information about additional community services available. As a result, the outreach coordinator has been able to connect seniors to additional programs offered by the Family Services Agency and the Bayview Hunters Point Multipurpose Senior Center. For other examples, see the discussion in the section on safety about Man-UP work and the safety focus groups organized by Urban Strategies.

The onsite staff from Urban Strategies are creative and flexible in their resident engagement work and tailor their approach to each person or family. They hold community meetings and go door to door to engage with residents who don't attend the meetings. They also use peer-to-peer engagement, asking residents to encourage other residents to attend. The staff tries to engage residents socially before asking them to complete a needs assessment. They emphasize that the team is at the Opportunity Center to help with residents' needs.

Case management

For engaging in case management with residents, Alice Griffith adopted a service connection model. Service connectors work on site to (1) build trusting relationships with residents, (2) conduct needs assessments with each family, (3) make needed referrals, and (4) support residents to connect successfully with those services to which they are referred and navigate any challenges.

Beginning in summer 2012, Alice Griffith supplemented the service connection model with the Family Rewards Program, a local adaptation of a program developed in Memphis, Tennessee, that is supported by the Social Innovation Fund, a federal program that supports the scaling of effective models. The program is designed to motivate behavior change by providing monetary rewards for taking positive steps in the areas of health, education, and employment. Many results of the program are contributing to progress toward greater job success. Urban Strategies reports that by the end of 2012, the Family Rewards Program had resulted in 6 residents enrolling in adult basic education, GED classes, or other remedial education; 8 residents receiving grants for barrier removal; 24 residents receiving grants for transportation assistance; 17 residents enrolled in offsite job readiness training; 7 residents completing the career development seminar series; and 40 residents obtaining paid employment.

Services and Programming

Education. SFUSD signed on as the education implementation entity for Choice. The most relevant component of the SFUSD strategy is the formation of "Superintendent's Zones" in specific neighborhoods, one of which is Bayview. SFUSD makes concerted efforts in these zones to reform schools through developing principals as change agents, improving teacher effectiveness, and integrating holistic student supports.

Although school reform strategies already underway in SFUSD aligned closely with Choice people goals, the collaboration between SFUSD and the rest of the Choice team has been challenging. Some of the Choice services funding was allocated for some of the Bayview Zone's strategies. However, services funding from HUD was delayed because HUD could not release any Choice funding until the issues of enforceable obligations were settled. So while the Bayview Zone activities funded with non-Choice dollars were implemented, other planned activities did not take place. For example, the plan anticipated community school coordinators at all three elementary schools in the zone. But because two of them were to be paid for with Choice dollars, only one of the schools was able put a coordinator in place.

Employment. Urban Strategies' main employment strategy has been to use service connection to link residents to workforce services (including barrier removal, job readiness programs, adult education/GED classes, and job skills training programs) and jobs (including transitional jobs). Service connection staff include a workforce specialist and an employment specialist. When—through the needs assessments—the specialists identify resident employment needs, they connect residents with workforce training opportunities in the city or support them to engage directly in a job search. As residents engage in jobs or job training, service connectors also provide wraparound services to support program or job retention. Urban Strategies has also used the Family Rewards Program (described above) to supplement the employment service connection activities. Through these activities, 17 people enrolled in offsite workforce programming (mostly with the neighborhood workforce partner Young Community Developers), and 40 people obtained jobs in the 2012 calendar year. Using rough estimates of the number of residents needing work in 2012, Urban Strategies helped to connect approximately 30 percent of job seekers with employment.

Although employment service connection activities have met with some success, the strategy has been challenged. One serious challenge stemmed from the dissolution of SFRA, which resulted in the phasing out of a key job training program (the SFRA-funded Job Readiness Initiative) targeted to Eastern Bayview residents with the most challenging workforce barriers. Construction delays, which resulted in delays in job openings for target development site construction, posed a second serious challenge. Urban Strategies has sought to fill the gaps with the work of their employment specialists and the incentives of the Family Rewards Program.

Health. The anchor of the health strategies for Eastern Bayview has been the work of the nationally recognized expert Dr. Nadine Burke-Harris. Dr. Burke-Harris has built a model of health care based on a "whole person" approach that focuses on addressing trauma and stress in patients' lives. This model is based on research showing that if trauma and stress are successfully addressed, physical health improves, and depression and anxiety will decrease. Her Southeast Health Center opened in Bayview in

2007, and she has partnered with HOPE SF stakeholders to bring high-quality health care to the neighborhood.

To expand the model to pediatric "whole child" health care, Dr. Burke-Harris opened the Center for Youth Wellness (CYW) adjacent to Eastern Bayview at the end of 2013. The CYW model is to "provide multidisciplinary care wrapped around the pediatric medical home that recognizes and treats chronic stress and trauma, including comprehensive case management, mental health, family support services, holistic interventions and education advocacy." Urban Strategies has been working closely with CYW to support building the center's presence at Alice Griffith and the surrounding Choice Neighborhood. Urban Strategies and CYW are working to create a "trauma aware zone." As part of building this zone, CYW has been training frontline service providers (including SFUSD and police) to build awareness of how to recognize trauma-related behaviors and how to intervene to appropriately address them. After the training, participants are able to recognize the signs of trauma in children and youth; identify children, youth, and families who may benefit from the services provided by CYW; and use nonstigmatizing strategies to encourage families to enroll in CYW services.

Relocation

The housing component of San Francisco's Choice plan also addresses the challenges of relocating residents. The plan splits the construction process into phases; the first phase will be on vacant land acquired by the city of San Francisco adjacent to Alice Griffith. After replacement units are completed (in 2016) and households relocate, Lennar will begin phased deconstruction of the vacant Alice Griffith buildings. This phased approach responds to residents' desire to remain in their neighborhood by ensuring that tenants are not forced to relocate off site.

Although residents are hopeful about new homes and a neighborhood with jobs and better amenities, they also seem to feel that the city does not truly plan to allow current residents to return. This belief opens up many possibilities for tension and miscommunication. For example, some residents (including resident leaders) discuss the "fact" that property managers will be doing credit checks and using poor credit as grounds for eviction, even though the developer and other stakeholders have repeatedly reassured residents that poor credit does not provide cause for eviction.

Neighborhood

Critical Community Improvements

The grantee team proposed two Critical Community Improvements (CCIs) projects in its original application to HUD: (1) building an early childhood education center and (2) building a community center (called the Opportunity Center). These projects, which were identified through a collaborative process involving the residents, the mayor's office, SFRA, and MBS, were allocated $4.5 million. Projects were selected based on community need. There have been slight changes to the original plan. First, the Opportunity Center building is now being covered by other funds, so its construction will not draw down the CCI funds. Second, HUD had asked MBS to rethink the allocation of the CCI funds, and stakeholders were reconvened to further consider the CCIs. This stakeholder group included the residents, OCII, MOHCD, and MBS. By the end of 2013 no final decision had been reached, but stakeholders close to the decisionmaking process still hope to apply the CCI funds to the early childhood education center, contending that it would meet an important identified community need.

Public safety

In the course of their work, the service connectors have found that residents consistently rank neighborhood safety as a top concern. In 2012 and 2013 there were incidents of violent crime, in particular between African-American and Samoan youth. Urban Strategies has focused on safety activities that support residents to lead and participate in efforts to improve neighborhood safety and reduce crime rates. The resident engagement strategy, as evidenced by its Man-UP Safety Initiative and its safety focus groups, has shown promising success.

- **Man-UP.** One of Alice Griffith's outreach coordinators developed the Man-UP initiative, which is designed to mobilize men to support ensuring that Alice Griffith is a safe place for their children to grow up. In 2012, Man-UP members held eight Living Room Meetings, with seven residents participating on average. In these meetings, residents discussed issues of community safety.
- **Safety focus groups.** Urban Strategies hosted a focus group on safety during which residents voiced their concerns about—and suggested solutions for—vandalism, drugs, violent crime, prostitution, reckless driving, public drinking, and gambling. Suggested solutions included a neighborhood watch, parental involvement, and volunteer opportunities for youth to keep the community clean.
- **Peacekeepers program.** Urban Strategies partnered with the grassroots CBO Hunters Point Family to enroll 24 Alice Griffith youth in the HPF Peacekeepers program. This program uses a violence interruption model to deescalate potential violence in the community.

In 2012, the Department of Justice coordinated with HUD's Choice program to award a Public Safety Enhancement grant to in the Choice team in San Francisco. Urban Strategies is using this funding to partner with the Choice development team and community partners to implement comprehensive case management and support the work of Green Streets (a social enterprise that employs public housing residents and provides recycling, hauling, composting, and janitorial services) and community safety partnerships with SFHA and the San Francisco Police Department. The Office of the District Attorney in San Francisco was also awarded a Byrne Justice Criminal Innovation grant of $1 million in September 2013 to focus on violence issues in Eastern Bayview; because the award occurred at the end of the data collection period for this report, information about its coordination with Choice is unavailable.

Neighborhood economic development

The grantee's efforts to revitalize neighborhood commerce focus on creating attractive, well-cared for spaces and providing capital to local businesses in the form of grants and loans. SFRA had committed about $4.5 million in the Choice application for three programs: the SF Shines Third Street Façade and Tenant Improvement Program, the Bayview Revolving Loan Program, and the Small Business Assistance Program. These programs benefit the Third Street corridor at the border of the Choice Neighborhood. This corridor runs about 25 to 30 blocks, from Evans on the northern border to Jamestown on the southern border.

When SFRA dissolved, the funds for these programs were lost because the programs were not enforceable obligations. The San Francisco Office of Economic and Workforce Development has taken over the commitments for SF Shines and the Small Business Assistance Program. Although the funds for

the loan program have not yet been fully replaced, OEWD has funded other business-attraction initiatives along the corridor. MOHCD is responsible for identifying new sources of neighborhood investments and has ongoing conversations with other city agencies to identify projects and sources of funds.[124]

Built environment and infrastructure

In its application, the San Francisco Choice team desired to complete a series of large investments in public assets:

- **The Bayview Opera House.** Bayview Opera House is a nonprofit community cultural and arts center that provides free and low-cost arts education and cultural enrichment to the community. Renovations included restoring the façade and the original wood flooring, creating interior ADA access, and greening the surrounding plaza.
- **The Bayview Branch Public Library.** The library underwent extensive renovations beginning in 2011. The library reopened in 2013 with a new 9,000-square-foot building with adult, teen, and children's areas that host programs for seniors, students, and young children.
- **College Track building.** In 2011 SFRA provided a $1 million grant for the new building, from which College Track was able to leverage $8.7 million in New Market Tax Credits and foundation funding. In 2012 the building, a 13,000-square-foot center with the capacity to serve 500 students from the neighborhood annually, opened to the public.

Built environment improvements include additional streetscape and façade improvements beyond the SF Shines program. In particular, the Public Utilities Commission has provided funds to use vacant store fronts as gallery space until permanent tenants for store fronts can be found and funded new mural work along Third Street. Built environment and infrastructure improvements also include transit improvements. A new bus rapid transit line in the neighborhood will have a stop located at the entrance to the new Alice Griffith site. SFRA had allocated $61,500 to transit improvements, but those funds were lost with SFRA dissolved; MOHCD has not yet identified replacement funds.

Future of the neighborhood

The two main drivers of the future of the neighborhood are the execution of the HPS/CP megaproject and the strong real estate market in San Francisco. The redevelopment plan for HPS/CP includes a massive transformation of the area. When completed, it will include more than 12,000 new residential units, a research and development campus for emerging technologies, retail and arts and community spaces, and more than 350 acres of open park space. This megaproject will entirely change the character of San Francisco's Southeast corner.

[124] The three programs discussed here are actually part of a larger set of neighborhood investments that includes the College Track building, the Model Block program, and transit improvements. All of these, together with the programs discussed in this section, make up a $6.5 million commitment made by SFRA in the Choice application. None of these were considered enforceable obligations, however, so MOHCD had to coordinate efforts for ensuring that San Francisco spends all $6.5 million in neighborhood investments.

At the same time, the high cost of real estate in San Francisco means that market-rate housing is out of reach for those below about the top 10 percent of incomes. The city's Southeast corner has thus become a destination for middle-income families wanting to buy homes. The redevelopment project—and the neighborhood improvement it promises—will likely make Eastern Bayview more attractive to these home buyers, as well.

Given the Choice goals of a thriving mixed-income community, the city and developers are making every effort to avoid gentrification. However, there is fear among Alice Griffith residents, as well as among long-time residents of the surrounding Choice neighborhood, that the redevelopment project ultimately means that poor families will be driven out and that Bayview will be taken over by newcomers with higher incomes and those with the skills for high-paying (especially high-tech) jobs. Although residents acknowledge the positive impact of new resources in their community, many are conflicted because of the negative aspects of these changes. Residents note that one negative outcome is the loss of a strong African-American community in San Francisco, adding that, while it is refreshing to see racial diversity in the community, it often comes with the displacement of African-American–owned homes and businesses.

Summary of Progress in Coordination and Leverage

Coordination among Key Stakeholders. SFRA was originally intended to implement the HPS/CP project, which was approved by the San Francisco Board of Supervisors in 2010. After the dissolution of SFRA, which was replaced by the Office of Community Investment and Infrastructure, HPS/CP was classified as an enforceable obligation. MBS (the Choice developer and housing lead) and MOHCD (the neighborhood lead) meet weekly with an OCII representative who serves as a connection between Choice and Alice Griffith and the larger HPS/CP project.

Urban Strategies and its staff at Alice Griffith have been actively working with local community-based nonprofits to build a coordinated network of providers that can serve the needs of Alice Griffith residents. A meeting of Bayview providers that grew out of HOPE SF (and predates Choice) has convened monthly as a network. The onsite senior project manager from Urban Strategies attends these meetings (as does the HOPE SF services director, who serves as meeting facilitator).

Coordination within the grantee team and between the grantee team members and key external stakeholders seems to have generally supported progress. During the Choice implementation meetings grantee team members provide updates on the progress of offsite development, onsite development, and services for the residents. Representatives also discuss emerging challenges. Choice in San Francisco also benefits from additional coordination related to the larger HOPE SF initiative; the City Services Team supports case management efforts on the ground at Alice Griffith. Stakeholders report that meetings with MBS, MOHCD, and OCII are productive and help to address challenges that arise from the linkage between the Choice effort and the larger HPS/CP project.

The beginning of the coordination was challenging for some issues, but relationship building within a collaborative always takes time. The only way in which poor coordination affected progress is related to SFUSD's lack of participation in the Choice implementation meetings. Some observers suggest that if

SFUSD had participated, some of the issues related to the Bayview Zone could have been more readily resolved. Another suggestion is that HUD could have kept a closer eye on who was included in those meetings and ensured that all key players were at the table.

Leverage. Choice reportedly had unanticipated leverage impacts on transportation and housing in Eastern Bayview. San Francisco's transit provider had planned to build a bus rapid transit line first to the shipyard, and then to the environs of Alice Griffith. Choice funding for Alice Griffith helped OCII to make the case for accelerating the bus rapid transit infrastructure. As a result, bus rapid transit will arrive in Eastern Bayview about five years sooner than planned, and a stop will be located at the entrance to Alice Griffith.[125] In addition, the frequency of one of the bus lines serving the area will increase. In another example of leverage, San Francisco won an Infill Infrastructure Grant of about $5.6 million from the state of California for the senior housing development at 5800 Third Street. The state has an interest in making investments that already show federal investments, so the Choice grant gave San Francisco an edge. These early leverage examples support stakeholders' expectation that Choice will lead to additional investment in the future.

Attributing leverage to Choice is complicated because Alice Griffith and Eastern Bayview, rather than being distinct Choice projects, are part of the much larger HPS/CP project. The attribution of neighborhood improvement to Choice will be difficult given the broader range of reinvestment driven to the neighborhood by the cost of other locations in San Francisco and by neighborhood revitalization efforts not directly connected to Choice. For example, investment in Third Street over the last decade has resulted in new stores and restaurants. The media have taken notice: in 2013 the *San Francisco Chronicle* published "Reinventing the Bayview District," which described new businesses on Third Street and called attention to the OEWD statistic that vacancy rates on Third Street are down 7 percent since 2012.[126] In the summer of 2013, the Bayview Merchants Association collaborated with the San Francisco Arts Coalition (as well as artists and local businesses) to launch "3rd on Third," a monthly arts festival to take place on Third Street on the third Thursday of each month.

In the longer term, development at Candlestick Point (planned to roll out in 2016–17) will mean additional retail, with 755,000 square feet of retail space planned as part of the HPS/CP Phase II plan. The new mixed-income housing units at the current Alice Griffith site should serve as a way to attract retail businesses.

Exhibit B.22 provides a summary of major activities by Choice domain and their early implementation status in Eastern Bayview as of September 2013.

[125] An acceleration of approximately five years is the current best understanding of OCII, but the timeline for BRT has not been finalized.

[126] See http://www.sfgate.com/bayarea/article/Reinventing-the-Bayview-district-4708490.php.

Exhibit B.22. Summary of Major Activities and Early Implementation Progress in Eastern Bayview, September 2013

Choice Domain and Related Activities	Lead Organization	Funding Level ($ thousands)	Funding Covered by Choice (%)	Funding Covered by Other Sources (%)	Summary Status
HOUSING					
Alice Griffith (public housing and affordable): Redevelopment of 504 units of multifamily, mixed-income housing (256 replacement public housing units and 248 affordable units).	McCormack Baron Salazar	72,350	8	92	In progress
Carroll Avenue Seniors Building (off site): Senior building was reclassified as part of the Choice housing component and includes 121 project-based vouchers approved for senior Alice Griffith residents eligible for Section 8.	McCormack Baron Salazar	62,300	0	100	In progress
PEOPLE					
Case Management and overall program coordination and oversight: Uses service connection model (connecting residents with existing community services). Active case management by seven case managers and staff provides referrals and linkages to programs.	Urban Strategies	2,100	100	0	In progress
Raising a Reader: Preschool youth are encouraged to read along with their parents.	FranDelJA Enrichment Center	11	0	100	In progress
Preschool for All: A locally funded universal preschool program for four-year-olds that provides access to comprehensive, high-quality, and free early childhood education.	First Five	800	0	100	In progress
Bayview Superintendents Zone: SFUSD's school reform strategy designed to close the achievement gap. Targets youth with low academic achievement levels. The schools within the zones receive extra resources to engage in school improvement efforts.	San Francisco Unified School District	1,400	0	100	In progress /delayed

Choice Domain and Related Activities	Lead Organization	Funding Level ($ thousands)	Funding Covered by Choice (%)	Funding Covered by Other Sources (%)	Summary Status
Career development seminar: Career readiness training and seminars for residents at AG. The Family Rewards Program supports positive steps toward employment, including funding for job readiness training and incentives for obtaining full time employment.	Urban Strategies	In case management budget	100	0	In progress
Job readiness initiative: A program developed by SFRA specifically for those who have multiple workforce barriers and thus are not able to qualify for other job training programs.	OEWD	1,400	0	100	In progress
Green Streets: Job training and employment from a social enterprise offering recycling, composting, janitorial, and grounds-keeping services at SFHA developments.	McCormack Baron Ragan	80	0	100	In progress
Green job readiness: An eight-week program designed to prepare at-risk youth ages 17 to 25 for the growing green economy in San Francisco.	Young Community Developers	44	0	100	In progress
Trauma Aware Zone: Training for frontline service providers (including SFUSD and police) to build awareness of how to recognize trauma-related behaviors and intervene appropriately.	Center for Youth Wellness	35	0	100	In progress
NEIGHBORHOOD					
Critical Community Improvements: TBD; some funds will likely be used for an early childhood education center.	McCormack Baron Salazar	4,500	100	0	Not started
Alice Griffith (above 50% of AMI): AG will also include 310 market-rate units, 31 inclusionary units, and 281 workforce units, all serving households above 50% of AMI.	Lennar	329,494[127]	0	100	Not started

[127] Please also note that depending on construction timeframe this estimate will change. Lennar has been seeing 10 percent year over year inflation.

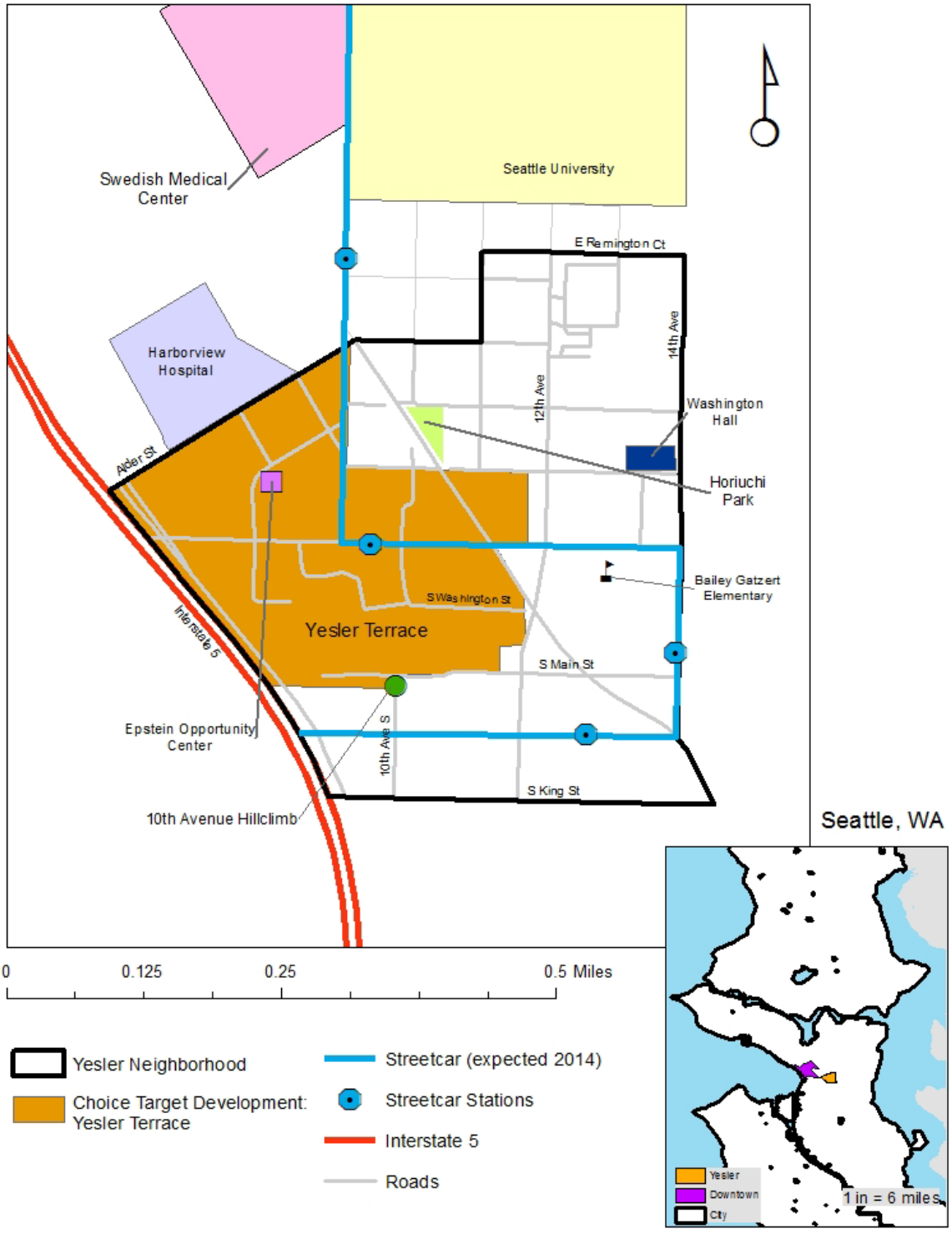
Choice Domain and Related Activities	Lead Organization	Funding Level ($ thousands)	Funding Covered by Choice (%)	Funding Covered by Other Sources (%)	Summary Status
Bus rapid transit (BRT): A BRT line in the neighborhood with a stop at the entrance to the new Alice Griffith site.	San Francisco Municipal Transporta-tion Agency	785	0	100	Not started
SF Shines: A façade and tenant improvement program for businesses on Third Street.	OEWD	1,351	0	100	In progress
Small business assistance: Loans to selected small businesses on Third Street.	OEWD	717	0	100	In progress
Bayview Branch Public Library: 9,000-sq.-ft. building with adult, teen, and children's areas built around a central courtyard. Also has upgraded computers for public access, a study room, public art, and a room dedicated to library and community events. Programs provided at the library include literacy activities for young children, homework help for students, and senior programming.	SF Public Libraries	11,800	0	100	Completed
Renovating the Bayview Opera House: A nonprofit community cultural and arts center that provides free and low-cost arts education and cultural enrichment. Renovations included restoring the façade and the original wood flooring, creating interior ADA access, and greening the surrounding plaza.	SF Arts Commission	1,900	0	100	In progress
New College Track building: 13,000-sq.-ft. center with the capacity to serve 500 students/ year from the neighborhood.	San Francisco Redevelop-ment Authority	9,700	0	100	Completed
Expansion of the South East Health Center: Includes comprehensive child crisis services, foster care mental health program, Family Mosaic Project, Children's System of Care, and Bayview Hunters Point Health and Environmental Resource Center.	San Francisco Redevelop-ment Authority and SF Department of Public Health	3,535	Leverage	100	In progress

Notes: AMI: area median income; OEWD: Office of Economic and Workforce Development; TBD: to be determined.
Sources: Review of documents, including Choice Neighborhoods round 1 and 2 applications and budgets, interviews with stakeholders, and observation of team meetings and phone calls.

B.5. SEATTLE: YESLER TERRACE AND THE YESLER NEIGHBORHOOD

Yesler is located east of Seattle's downtown core on the southern slope of the First Hill neighborhood. It is bounded by the Interstate 5 to the west; three medical centers and Seattle University to the north; the Squire Park neighborhood to the east; and Little Saigon, a part of the International District, to the south (exhibit B.23). Yesler has the smallest land area (0.2 square miles) of the five implementation Choice Neighborhoods.

Exhibit B.23. Map of the Yesler Neighborhood



BASELINE CONDITIONS

Seattle's wealthy residents led the development of the neighborhood, first known as Yesler Hill, as a haven from the growing central city and associated urban problems in the late 19th century. As Seattle grew, wealthy residents continued to move outward, eventually leaving the Yesler area. They were replaced by working class residents in the early 20th century, and increasingly by immigrants after World War II. Today, Yesler is one of the most diverse but poorest communities in Seattle, with 46 percent of households having an annual income below $15,000 and 70 percent below $30,000 (exhibit B.24). Of the five Choice Neighborhoods, Yesler had the highest percentage of foreign-born heads of households at 46 percent, and the lowest percentage of non-Hispanic African/African-American heads of households. Yesler has a sizable Asian population; about 21 percent of heads of households were non-Hispanic Asian. As reported in the baseline survey, about 29 percent of households in Yesler were families with children, about the same level as reported in Woodlawn, Iberville/Tremé, and Eastern Bayview. About 52 percent had received some college or technical schooling, but 29 percent had not graduated from high school. About 59 percent of the heads of households surveyed at baseline were currently employed, about 27 percent received supplemental security income, 9 percent received disability, and 8 percent received cash assistance. Just over one-third of heads of households reported that they used public transportation regularly; this was about the same level as reported in Woodlawn and Quincy Corridor but a higher share than in Iberville/Tremé or Eastern Bayview.

Exhibit B.24. Resident and Household Characteristics in Yesler

Head of Household Characteristics	Percent
Female	54
Race and Ethnicity	
Non-Hispanic African/ African-American	34
Non-Hispanic White	26
Non-Hispanic other	8
Hispanic	8
Born in the US	54
Education	
12th grade or less	29
GED or high school diploma	20
Some technical or college or higher	52
HH is currently employed	59
Mode of Transportation	
Has a car to use	74
Takes public transit regularly	34

Household Characteristics	Percent
Households with children	29
Three-generation household	5
Household's annual income	
Under $15,000	45
$15,000 to $29,999	24
$30,000 to $49,999	12
$50,000 to $69,999	10
$70,000 or more	9
Public assistance	
Supplemental Security Income	27
Disability	9
Cash assistance	8

Ratings of Well-Being	Percent
Respondent in good health	69
Child well-being	
Focal child in good health	99
Focal child positive behavior scale (score)	4.8
Focal child 2 or more negative behaviors	7

Ratings of Housing Quality	Percent
Number of housing quality problems	
0	42
1	28
2 to 3	21
4 or more	9

Ratings of Neighborhood Quality and Safety	Percent
Rates the neighborhood as at least an 8 of 10	44
Feels safe alone outside of home during the day	93
Feels safe alone outside of home at night	62
Thinks the ngh. is a good place to raise children	71
Collective efficacy scale score	3.5

Source: Choice Neighborhoods Baseline Survey 2013–14.

Unlike the other Choice Neighborhoods, the Yesler neighborhood is dominated by the Choice target public housing development, Yesler Terrace. Yesler Terrace makes up more than one-half of the 965 housing units in the neighborhood. Yesler consists mainly of large multifamily apartment buildings and is home to about 2,100 residents. In contrast, Yesler Terrace consists of low-rise two- and three-story buildings. Approximately 30 percent of households reported two or more problems related to housing quality. Large plots of undeveloped, underutilized, or vacant land are also found in the neighborhood.

The five Choice Neighborhoods were very similar on measures of resident and child well-being. In Yesler most respondents (69 percent) reported good health, and 99 percent reported that their child was in good health. The baseline survey also asked about the behaviors of children and youth. In reference to positive behaviors, such as the ability to regulate emotions and get along with others, youth in Yesler averaged 4.8 positive behaviors out of a possible 6. Only 7 percent of respondents reported that their

child aged 6 to 14 had two or more negative behaviors, such as disobedience at school or home, and restlessness or overactivity, lower than in the other four Choice Neighborhoods.

Survey respondents in Yesler (44 percent) were less likely to rate their neighborhood highly (an 8 or higher out of 10) than residents living in central cities nationwide (62 percent). This neighborhood rating level was similar to that of the other Choice Neighborhoods. Seventy-one percent of respondents believed that Yesler is a good place to raise children, higher than the other Choice Neighborhoods. Most respondents felt safe outside their homes during the day (93 percent), a higher proportion than in Woodlawn and Eastern Bayview (80 to 84 percent). Fewer respondents felt safe at night (62 percent). Yesler had higher average ratings of collective efficacy (3.5 out of 5) than Quincy Corridor (3.2) but lower than Iberville/Tremé (3.7).[128]

Yesler Terrace was developed in the early 1930s. Jesse Epstein, a University of Washington law school graduate, wanted to turn the Yesler neighborhood, suffering from drugs, crime, and prostitution, into a public housing development. In 1939, the Seattle Housing Authority (SHA) was created, with Epstein as its director. In 1941, SHA and Epstein created 863 low-rise row housing units, modeled after worker housing in Sweden, on 43 acres in the Yesler neighborhood. With each low-rise housing unit including a fenced-in yard, the Yesler Terrace apartments were notable for their contrast to the high-rise public housing sites constructed later in other parts of the country. Yesler Terrace was also notable for being the first racially integrated public housing project in the country. Major changes to the development include the construction of the I-5 freeway in the mid-1960s, which required ceding 11 of Yesler Terrace's original 43 acres and demolishing 266 of its 864 units. From 1978 to 1982, SHA rehabilitated and modernized 456 of the remaining units.

Today, Yesler Terrace is a 36.6-acre site containing 69 low-rise, two- and three-story wood-frame buildings comprising 561 public housing units. This development has a larger elderly population (18 percent) than the other target developments. The interior and exterior of these units are worsening significantly, the underground infrastructure is decaying, and the utilities are not sufficient. The redevelopment plan will be led by SHA in partnership with the city of Seattle.

[128] Collective efficacy includes how cohesive the residents feel the neighborhood is, with shared trust and values, as well as how likely neighbors are to exhibit informal social control and do something to address concerns in their neighborhood, from children fighting to cuts to services in their neighborhood.

Exhibit B.25. Resident and Household Characteristics in Yesler Terrace

Head of Household Characteristics	Percent	Household Characteristics	Percent
Female	68	Household size (average number of people)	2.6
Race and Ethnicity		Households with children	42
Non-Hispanic African/African-American	31	Three-generation household	4
Non-Hispanic White	6	Household's annual income	
Non-Hispanic Asian	47	Under $15,000	73
Non-Hispanic other	13	$15,000 to $29,999	20
Hispanic	3	$30,000 to $49,999	4
Born in the US	26	$50,000 to $69,999	0
Education		$70,000 or more	0
12th grade or less	52	Public assistance	
GED or high school diploma	25	Supplemental Security Insurance	53
Some technical or college or higher	24	Disability	14
HH is currently employed	50	Cash assistance	15
Mode of Transportation		**Ratings of Well-Being**	
Has a car to use	72	Respondent in good health	49
Takes public transit regularly	26	Child well-being	
Currently lives in the neighborhood	77	Focal child in good health	90
Lives in original housing unit	76	Focal child positive behavior scale (score)	4.8
Desire to return after redevelopment	87	Focal child 2 or more negative behaviors	23

Source: Choice Neighborhoods Baseline Survey 2013–14.

At the time of the baseline survey, 76 percent of households were still in their original units (exhibit B.25). The racial composition of Yesler Terrace reflects that of the Yesler neighborhood. A large percentage of heads of households (74 percent) were born outside of the United States, with about 31 percent non-Hispanic African/African-American and 46 percent non-Hispanic Asian. Only 24 percent had some college or technical schooling, and 52 percent had not graduated from high school. Forty-two percent of households had children under the age of 18, and the average household size was 2.6 people. About half the heads of households were currently working. Nearly 73 percent of households reported an annual income less than $15,000, and 93 percent were below $30,000. Fifty-three percent, higher than the other four target developments, received supplemental security income payments, and 15 percent received cash assistance. About half of all heads of households reported they were in good health. Of those who had children, 90 percent said their child was in good health. Twenty-three percent of focal children had two or more negative behaviors. On the positive behavior scale, focal children averaged 4.8 out of 6 positive behaviors. When asked if they would like to return after redevelopment is completed, 87 percent of respondents expressed a desire to return.

Implementation of Choice Neighborhoods

The plan for Yesler Terrace will be carried out with $30 million in Choice Neighborhoods funding. SHA, the lead grantee, applied in 2010 for $27 million. The FY 2010–11 award included only $10.3 million,

reportedly because city approvals were not yet in place for important parts of the plan. SHA subsequently applied successfully for additional funds, receiving an award in 2012 for $19.7 million.

KEY ACTORS AND RELATIONSHIPS

The implementation of the transformation of Seattle's Yesler Terrace has progressed favorably. This success can be attributed to the grantee team's competence; the consonance between the team's aspirations for the target development and Yesler and the stated goals of Choice Neighborhoods; and an agreeable redevelopment climate, including a city that supports the project and a promising local real estate and job market. SHA, the lead on every component of the Choice grant except for education (Seattle University), provides housing assistance in some form to more than 26,000 people in the city of Seattle and owns and operates buildings on more than 400 sites throughout the city. SHA has implemented the mixed-income redevelopment of three other low-income housing communities through HOPE VI grants and has built not only technical and political expertise but also an established network of reliable partnerships. These partnerships include strong relationships with the city of Seattle, Seattle University, and Neighborhood House, a nonprofit agency with a location in the heart of Yesler Terrace that provides a range of educational and social services.

The city of Seattle's role as SHA's partner in the implementation has been significant, especially so considering that the city is not formally part of the Choice Neighborhoods grantee team. The city government has demonstrated a high level of commitment to the redevelopment of Yesler Terrace and the surrounding area. A proposed legislative package was intensely vetted by the general public as well as the city council's special committee on Yesler Terrace.[129] The legislation, which was approved by the city council in September 2012, included the creation of a new land use zone (Master Planned Community—Yesler Terrace), a planned action ordinance, street vacations[130] and new street dedications, and a cooperative agreement between the city and SHA. This voluntary agreement describes commitments related to affordable housing, relocation, open space, district heat, and funding partnerships. It includes a "housing production plan" that specifies how many units are to be provided at varying income levels; requires that SHA use all proceeds from land sales or leasing for redevelopment activities; and reinforces federal provisions for tenant relocation by requiring SHA to submit a relocation plan to the Seattle Office of Housing.[131] The city is contributing approximately $30 million in infrastructure funds and $5 million in community services funding to the redevelopment, more than the Seattle grantee team's two Choice grant awards combined.

HOUSING

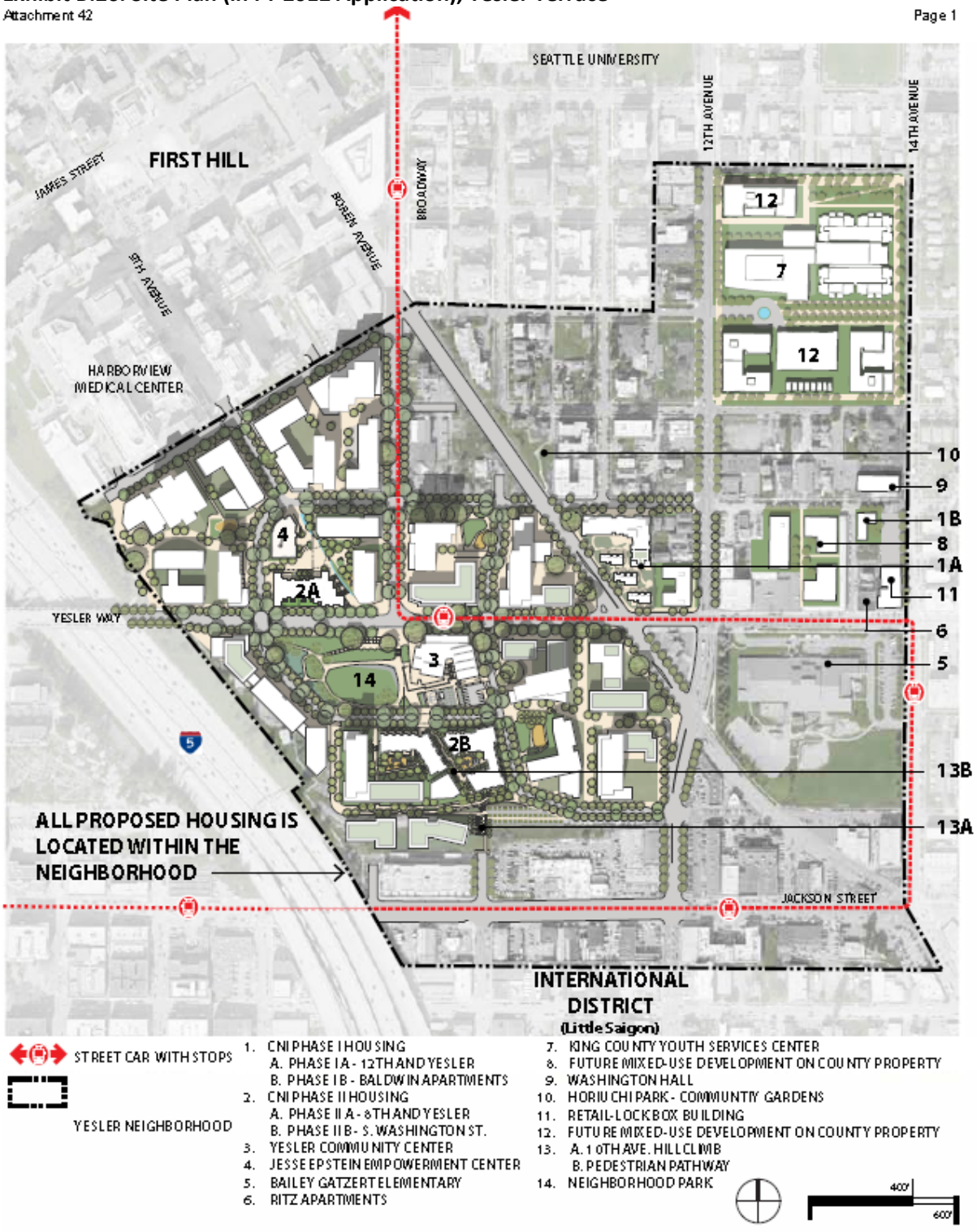
The development: Plan summary

Units and buildings. The housing plan for Yesler Terrace increases the site's density more dramatically than for any of the other developments. The current project includes 561 housing units in 69 two- to three-story buildings on a 36.6-acre site. The redevelopment plan envisions the construction in four

[129] See http://www.seattle.gov/council/attachments/2012yesler_bg/tab18/01.pdf (accessed July 28, 2014).
[130] Street vacation is an action in which a jurisdiction relinquishes its right of way.
[131] See http://www.seattle.gov/council/attachments/2012yesler_bg/201206yesler05_agreement_exha3.6.pdf.

phases of up to 5,000 housing units on this site and several nearby parcels. The FY 2010–11 Choice Neighborhoods grant funded the first phase, which includes two affordable housing developments and one market-rate project adjacent to Yesler Terrace. A 1.75-acre block previously occupied by 40 public housing units that had been leased by the YWCA as temporary housing was cleared and will be replaced by 1105 East Fir, a three-building, 103-unit SHA property, and Anthem on 12th, an apartment building with 120 workforce and market-rate units. Anthem on 12th also includes ground-floor retail. Phase I also includes the rehabilitation of the 31-unit Baldwin Apartments, a few blocks from Yesler Terrace, into 15 affordable units. Phase II, funded by the FY 2012 grant of $19.7 million, will include 174 additional units. Exhibit B.26 shows the site plan for Yesler Terrace.

Exhibit B.26. Site Plan (in FY 2012 Application), Yesler Terrace



Source: Choice Neighborhoods application (FY 2012), attachment 42.

Income mixing and affordability terms. With a planned radical increase in density, the redeveloped Yesler Terrace will be weighted toward market-rate development: 3,199 units, or 64 percent of the

prospective new housing. A combination of local incentives, investments, regulations, and federal subsidies will yield a complex mosaic of affordability levels and subsidy terms. The 561 replacement units will make up about 11 percent of the total; another 100 units of extremely low-income housing will be added beyond this. The buildout includes 290 low-income and up to 850 workforce housing units (60 and 80 percent of AMI, respectively). All the extremely low- and low-income units and 160 of the workforce units will have a 50-year term of affordability. The remaining workforce units will carry a 20-year term of affordability.

For Phase I housing construction, 98 units (83 at 1105 East Fir and all 15 units at the renovated Baldwin Apartments) will serve as replacement housing for current Yesler Terrace tenants, whose buildings will be demolished after they move to allow Phase II to proceed. Twenty low-income units make up the balance of 1105 East Fir. Despite receiving only $10.3 million in FY 2010–11, SHA maintained almost the same number of replacement housing units as proposed in its $27 million 2010 application because they believed doing so maintained stakeholder confidence. HUD provided 60 new project-based housing choice vouchers to sustain this commitment.

For Phase II housing construction, which consists of two separate building projects, SHA will build 104 replacement units and 70 low-income units on two blocks on site in Yesler Terrace. The locations for housing beyond the first two phases as well as most of the market-rate housing were undetermined in September 2013, but plans for Phases I and II indicate that buildings housing residents of varying income levels will be interspersed, with a clustering of market-rate buildings on the north side of Yesler Way.[132]

In SHA's past developments and in 1105 East Fir, SHA combines extremely low-income and low-income units in the same building. If a household's income increases, SHA can change the unit from a public housing unit to a tax credit unit without requiring the household to move. The block containing 1105 East Fir also includes Anthem on 12th, meaning that tenants with a wide range of incomes will share the same block but will probably enter their buildings from different streets. The specific mix within buildings and blocks in Phase II building projects was unavailable during the data-collection period.[133] Extremely low-income and low-income units are likely to be mixed within buildings, but SHA currently does not plan to include market-rate units in its own projects.

SHA is encouraging new construction of workforce housing by the private market in the redevelopment but has fewer incentives for it. No federal subsidies are available, though the city of Seattle does have a Multifamily Property Tax Exemption Program. Anthem on 12th will have 30 percent of its 120 units at 80

[132] For the most current site plan for the proposed redevelopment, see http://seattlehousing.net/wp-content/uploads/2013/11/Yesler-Terrace-2014-printer-friendly.pdf.

[133] The cooperative agreement requires that 36 of the Phase II replacement housing units and 24 of the 60% of AMI units "will be developed on property owned by SHA in Block 2 adjacent to the Steam Plant." (This property is the western area of the existing Yesler Terrace.) Sixty-eight replacement units, along with 46 of the 60% of AMI units, "will be developed on property owned by SHA in Block 6, adjacent to the Neighborhood Park." The latter refers to the large neighborhood park to be built by the Seattle Department of Parks and Recreation that will be sited just west of the existing Yesler Community Center. For a map showing block numbers, see http://www.seattle.gov/council/attachments/2012yesler_bg/tab05/06.pdf.

percent of AMI. The total of all new buildings in the redevelopment will have 23 percent of the units at 80 percent of AMI, but these may not be distributed equally within buildings.

Design. In 2012, the city of Seattle designated Yesler Terrace west of Boren Avenue as a Master Planned Community, a designation that requires it to provide "a mixture of uses, appropriate urban density, cohesive urban design . . . , [and] a higher level of environmental sustainability, affordable housing, and publicly accessible open space than is typically provided through conventional lot-by-lot development."[134] The redeveloped Yesler Terrace will occupy its existing footprint, both east and west of Boren Avenue, and portions of two blocks east of the footprint. If built to the scale allowable under the new zoning, half the built out redevelopment's floor area would be in midrise buildings and half would be in high-rise buildings ranging from 160 feet to 300 feet, departing dramatically from today's low-rise development.

The intersection of Yesler Way and Broadway will be the heart of the redeveloped Yesler Terrace. The Yesler Community Center sits at this intersection, one of over 20 community centers run by the Seattle Parks and Recreation Department that serve Seattle's Central Area. Services and retail will line Yesler Way, a commercial corridor between Yesler Terrace and downtown that will be reinforced by the First Hill streetcar, which begins operation late in 2014 or early in 2015. Streets will be reconfigured to provide better connections to Little Saigon south of Yesler Terrace and to the Central District, north and east of Yesler Terrace, with a planned "green street loop" to provide a favorable pedestrian experience.

The design of the Phase I housing units is varied in terms of scale and building types: midrise buildings, townhouses, and a rehabilitated historic apartment building. Housing design is informed by city of Seattle design guidelines, guidelines specific to Yesler Terrace as designated in the September 2012 legislation, HUD requirements, and resident and interdepartmental feedback to SHA. The design process also includes work on fine details between the grantee's property management and maintenance staff and the grantee's asset management team. They identify potential problems that the development team may not anticipate; examples include concerns expressed about a corner of a building that may be too dark or a hand dryer that could pose a maintenance issue.

The existing Yesler Terrace contains studio and one-, two-, three-, and four-bedroom apartments. During the city council's examination of the proposed redevelopment, residents and activist organizations, such as Puget Sound Sage, highlighted the need to create more housing for families who require large units. The cooperative agreement adopted by the city council addressed these concerns by explicitly requiring replacement housing minimums for one-, two-, three-, and four-bedroom units.

Building on its previous experience, SHA will ensure that new units meet goals for healthy and energy-efficient development. Incoming air will be filtered, and no pets, smoking, or burning of incense will be allowed. New housing construction and the rehabilitation of the Baldwin Apartments will meet Enterprise Green Community criteria, which address a range of factors from neighborhood-scale

[134] The Master Planned Community includes only the existing development west of Boren Avenue, not the entire Yesler Terrace redevelopment area (which itself is smaller than the Yesler neighborhood boundary).

considerations (distance to transit, site design, and open space) to building-level considerations such as materials and water-conserving fixtures.[135] As with the grantee's previous redevelopment at High Point, utilities for Yesler Terrace's units will be individually metered to encourage conservation.

Finance. The 2011 development plan anticipates total costs for the affordable housing, infrastructure, and community services to amount to $293 million: $200 million for housing, $80 million for infrastructure, and $13 million for community services. Anticipated financing sources for the housing include $33 million in subsidies from Choice Neighborhoods and other housing assistance programs, $47 million in low-income housing tax credit equity, $30 million in mortgage debt, and $90 million in proceeds from land sales. Land sales also account for $50 million of the funds for infrastructure and $5 million for community services.[136]

SHA is the only one of the first five implementation grantees that plans to subsidize its development using land sales. With such heavy dependence on land sale revenues, the grantee expressed concern that prices from the first round of sales would be heavily discounted because of the neighborhood's perceived instability and risk. SHA received $23,000 per unit from the sale of 12th and Yesler to Spectrum Development Solutions, a low price for multifamily land in the city of Seattle generally at that time. In other neighborhoods, they may have received two to three times that amount for land that was comparably zoned for multifamily housing. The grantee cannot be sure how much they will receive from future land sales and how and when the land's value will appreciate as redevelopment proceeds.

Management. Currently property management at Yesler Terrace is handled through a central office. The property manager, a former Yesler Terrace resident, is a familiar face to residents. Residents interviewed in focus groups for this evaluation were effusive in their description of property management personnel; in general, they feel very comfortable approaching them with problems they are experiencing. Planning specifically intended to smooth the transition in management as mixed-income development occurs has not yet taken place.

The existing Yesler Terrace public housing comprises low-rise construction with private yards; redevelopment will be in the form of high-rise buildings and some townhouses that will require a necessary shift in management practices. In response to this, the plan is to have a property manager for each building, with the manager's office located off the main lobby of the building. The grantee plans to have two to three maintenance bases (at present Yesler Terrace is served only by maintenance trucks).

Offsite housing. The development planned beyond the current Yesler Terrace at the Baldwin Apartments is discussed above.

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[135] See http://www.enterprisecommunity.com/solutions-and-innovation/enterprise-green-communities/criteria.

[136] City of Seattle sources are anticipated to cover the balance of infrastructure costs and $5 million in services costs; federal support makes up the remaining $3 million in service costs. See Seattle Housing Authority, *Yesler Terrace: Bringing Home a Better Future* (p. 19), adopted by the Board of Commissioners May 17, 2011. http://seattlehousing.org/redevelopment/pdf/DevPlanFinal-web.pdf (accessed July 29, 2014).

Progress on the housing redevelopment

A series of important redevelopment milestones were realized between 2011 and 2013: rezoning, a cooperative agreement with the city, a detailed relocation plan, an approved plat for the site, a community workforce agreement, design approvals, and established partnerships and programming. This work has taken more time and consultant expense than the grantee expected, as the city rarely does anything at such a large scale and of this level of complexity. Though some uncertainties remain (for example, the role of the private market in the redevelopment and how to promote affordable retail), most of the framework for redevelopment is in place; the work ahead, though considerable, can be largely characterized as filling in this framework. Phase I began construction in fall 2013, with expected completion of the Baldwin Apartments in spring 2014 and 1105 East Fir in early 2015. Anthem on 12th, developed by Spectrum Development Solutions, will break ground in 2014, with expected completion in spring 2015. Construction of Phase II will proceed after tenants are relocated into the Baldwin Apartments and 1105 East Fir.

One implementation setback occurred for Phase I. When the grantee entered into a purchase and sale agreement with Spectrum Development Solutions (a private developer), HUD determined that the agreement was premature because the decision for the federal release of funds had not been finalized. In HUD's terminology, the grantee had performed a "choice-limiting action," and by entering into a purchase and sale agreement with Spectrum Development, it was limiting choice of entering into a purchase and sale agreement with other private developers. This decision triggered a new review of the entire final environmental impact statement, including the mitigation portion of the document, to determine that adequate mitigations have been identified for the project. HUD approved a waiver in August 2013 allowing the project to proceed. The grantee estimates that the six-month construction delay has added between $200,000 and $250,000 in costs so far, with possible additional costs related to the difficulty of having to work in the rain, as the summer construction season was lost.

PEOPLE

Social dynamics and resident engagement

The residents of Yesler Terrace are diverse in age, race, country of origin and cultural norms, language, and family size. This diversity creates cultural and language barriers among residents that have resulted in some minor tensions, such as those created because of differences in the cultural norms of the East African Christians and the Somalis. The Southeast Asian immigrants, many of them elderly and living alone, are unlikely to interact with the newer East African immigrants, more of whom are families with young children. Yet amicable and tolerant social relations and a sense of shared community prevail among Yesler Terrace residents. Residents in focus groups uniformly described Yesler Terrace as a peaceful place where people respected one another. Residents' complaints usually relate to people from outside the development: raucous late-night patrons of a nearby hookah bar, for example. There is little interaction with residents outside of Yesler Terrace, mainly because there is little residential development in the Yesler Choice Neighborhood, which is largely institutional. Beyond the neighborhood boundaries, the site's elevation separates it from Little Saigon, and I-5 separates it from the central business district.

The grantee's community-building efforts support this sense of community. The residents report that the Yesler Terrace property management staff are approachable and sympathetic. SHA also has a dedicated "community builder" position at Yesler Terrace, has made conspicuous language translation efforts, and actively acknowledges and celebrates the diversity of the residents. They organize events to celebrate what their residents are celebrating, such as Chinese New Year, to promote understanding among residents. These efforts have enhanced the residents' willingness to accept and trust the grantee in matters relating to the redevelopment.

With each proposed new building project at Yesler Terrace, the grantee, along with its architects, sought input from residents on schematic-level design decisions such as the overall exterior appearance of the building and grounds to more detailed interior design decisions, such as kitchen partition walls for units designed to accommodate home daycare businesses. SHA's commitment to early resident input into design is exemplified by a meeting in October 2012 between the consulting architects for building 2A (part of Phase II) and the Yesler Terrace Community Council. Architects taped up various images of building exteriors and interiors. Residents were invited to place green stickers on images they found appealing and red stickers on images they did not. Their comments led the architects to provide all units with their own washers and dryers. (Initial plans had provided shared laundry facilities for families in smaller units.)

The Citizen Review Committee (CRC) required as a result of a 2002 settlement secured by the Seattle Displacement Coalition in their fight against the redevelopment of Rainier Vista, a HOPE VI redevelopment, is often cited by the grantee as evidence of resident and stakeholder participation in the redevelopment process. Begun in 2006, CRC, which met quarterly, comprises approximately 30 residents, members of the surrounding communities, and other key stakeholders. Their purpose is to make recommendations to the Seattle Housing Board of Commissioners regarding Yesler Terrace redevelopment efforts. CRC's most tangible contributions to the redevelopment are the Yesler Terrace Guiding Principles, which were adopted by SHA's Board of Commissioners. The guiding principles address core values that largely overlap with the stated goals and requirements of Choice Neighborhoods (for example, economic opportunity and one-for-one replacement housing), but the exercise in community participation that produced them set the stage for a redevelopment with significant public exposure. Though as a review committee CRC cannot enforce its recommendations, the committee's existence encourages communication among the grantee, residents, and stakeholders and promotes accountability because of its visibility. CRC has also been useful for disseminating information quickly; the grantee might, for example, e-mail the CRC member representing the Squire Park Community Council, who can then post on the Squire Park Community Council website or send out e-mails letting residents know what is happening.[137]

[137] Squire Park is a neighborhood east of Yesler Terrace. According to the Squire Park Community Council website (http://squireparkseattle.com/OLD/), Squire Park is bounded on the south by S. Jackson Street, on the west by 12th Avenue and 12th Avenue S., on the north by E. Union Street, and on the east by 23rd Avenue and 23rd Ave S., placing it within what are commonly thought of as First Hill and the Central Area.

Case management

Independent of Choice, the grantee provides comprehensive case management in-house to all its clients through its Economic Opportunities Program (their services extend beyond strictly economic opportunities). Six offices are located throughout Seattle, with one located on site at Yesler Terrace. At the Yesler Terrace office, three case managers work with a caseload of fifty households, and a Section 3 Coordinator helps residents to find construction jobs.

Case management personnel report that language is a challenge in providing services. The majority of Yesler Terrace residents are immigrants: an older wave of Southeast Asian immigrants followed by a more recent wave of East African immigrants. Only 20 percent of Yesler Terrace residents speak English in the home. This affects implementation in numerous ways: the need for interpretation and translation services; the need for familiar, trusted personnel to successfully link residents to services; the need for personnel exclusively dedicated to community building and engagement with available services; and the need for English-language skills to increase employability.

SHA case management staff work closely with Neighborhood House staff (Neighborhood House has a location in Yesler Terrace), which has a formal education role (Parent-Child Home Visit Program, Early Head Start, citizenship assistance) and also provides SHA with language assistance.

Services and programming

The grantee's progress toward its people initiatives should be measured in light of the grantee having received their Choice Neighborhoods implementation grant in two parts. The FY 2010–11 implementation grant went almost exclusively toward education, so other components have only recently been funded. The grantee applied for funding for a supportive services coordinator under the first grant, but with the reduced grant amount, they had to wait until for the FY 2012 grant before hiring someone for this position in fall 2013.

Though guided by ideas about healthy communities and the guiding principles articulated by CRC, decisions about where and how to allocate resources in the people domain were based on what the grantee could leverage and what resources were available. Seattle University, located just north of Yesler Terrace, was poised to take the lead on education; consequently, the grantee focused on education with the Choice money awarded through the first application.

Education. Since 2007, Seattle University had focused community-engagement efforts on the Bailey-Gatzert Elementary School attendance zone, located just east of Yesler Terrace, so it was prepared to take the lead on Choice educational initiatives. Their place-based approach is an "educational pipeline" model that sees education as a continuum of programming that serves toddlers to high school–aged students. Their work extends beyond strictly educational efforts. Law students have provided citizenship services, and nursing students have assisted with health education (the latter were not funded through Choice). The university's view is that providing supportive services to the whole family furthers the educational impact they have on students. Seattle University organizes these efforts through monthly meetings with educational service providers, as well as conferences and other events.

Of the first Choice grant, $300,000 went toward the Parent-Child Home Visit Program; this amount was matched by the United Way. This program, which is administered by Neighborhood House, serves three cohorts of 25 families each. The College Success Foundations received $368,000 from the first grant, and a further $142,000 from the second grant. The university itself spends approximately $55,000 a year for summer learning, as there are limited opportunities for educational advancement for Yesler neighborhood children, and the goal is to mitigate the educational setbacks that occur during the summer between academic school years.

With the first Choice grant funding, Seattle University hired a staff person to work in Bailey-Gatzert to support Seattle University students' tutoring work. Choice also funded a family educational engagement specialist from Seattle University to work with 50 Yesler Terrace families to set specific educational goals and to connect them with available resources.

SHA's collaboration with Seattle University is frequently cited by the grantee as evidence of a strong and successful partnership. Proposals for collaborative projects continue to stem from the success of the current education initiative.

Employment. With the help of the Seattle Foundation, the grantee has worked toward forging partnerships with Yesler neighborhood employers. These employers include Harborview and Swedish Medical Centers, Seattle University, the Workforce Development Council, and the Seattle Office of Economic Development. Human resource personnel from these institutions provided information about entry-level jobs that residents could obtain. In November and December 2012, the grantee hosted job fairs at Harborview Medical Center, Swedish Medical Center, and Seattle University that approximately 40 or 50 SHA residents attended. As a result of those job fairs, about six Yesler Terrace residents obtained employment. The grantee heard from the employers at the job fairs, however, that many of the candidates could not speak English sufficiently well to make them employable.

In January 2013, the grantee completed a Community Workforce Agreement for the Yesler Terrace redevelopment. It established policies and procedures for redevelopment construction and outlined opportunities for Section 3 businesses and minority- and women-owned businesses to participate as contractors and suppliers. SHA's Economic Opportunities office has a dedicated Section 3 coordinator to inform and assist Yesler Terrace residents regarding construction-related job opportunities.

Health. Yesler Terrace is within walking distance of two major medical centers. Residents repeatedly cited this proximity as an advantage to living in the target development. Yet access, in terms of understanding what resources are available, as well as insurance and payment requirements, can be challenging for residents. In response to this problem, the grantee is allocating $404,000 from its FY 2012 Choice award for funding two part-time multilingual community health educators through a contract with its partner, Neighborcare Health, and for Neighborcare's assistance with conducting an annual health survey. The grantee expected a contract to be in place by October 2013. Neighborcare Health also received funding in spring 2013 from Seattle's Family and Education Levy to open a permanent clinic at Bailey-Gatzert Elementary School, where previously the school nurse was available

only two days a week. The clinic at Bailey-Gatzert began operating in fall 2013. Neighborcare Health also planned to open a second clinic in the neighborhood, though a location had yet to be identified.

Relocation

The grantee has outlined its approach to relocation in a highly detailed document, the *Relocation Plan for Yesler Terrace*,[138] the first iteration of which was due to the city council 60 days after passage of the cooperative agreement between the city and SHA. The city of Seattle and various city departments "were intimately involved in the process" of crafting the relocation plan, and the grantee is required to make periodic reports to the city council on the progress of the relocation process.

SHA hired a relocation coordinator specifically for relocation associated with the Yesler Terrace redevelopment. SHA gives an 18-month notice before relocation so residents have ample warning and time to prepare. SHA sets up in-person meetings with each family to explain what their options are and to help them decide what they would like to do. SHA has placed a special focus on families with children to avoid children having to relocate in the middle of the school year. As of August 2013, 30 families, many with children, had elected to relocate ahead of the required time. These 30 families transferred to other SHA units at Yesler Terrace and in other SHA developments. SHA has a large housing stock, but it has still been a challenge to match people's preferences with available units. In response to this challenge, SHA has been flexible with their occupancy standards, allowing a one-bedroom family to occupy a two-bedroom unit, for example.

Housing choice vouchers were initially seen by many residents as a "golden ticket," but enthusiasm for vouchers waned as residents encountered the reality of high private market costs.

Neighborhood

A note on "Yesler neighborhood"

Although SHA has ambitious plans for redevelopment, the "Yesler neighborhood" does not currently have any local identity outside the Choice Neighborhoods implementation grant. Described by the grantee as "a hole in the donut," the Choice Neighborhood is surrounded by distinct neighborhoods, but Yesler itself is a largely institutional and underutilized area. The lack of residential development can be explained by a number of factors. First, when I-5 was built, it cut off Yesler Terrace on the west side. To the south of Yesler Terrace, the topography slopes sharply, cutting it off from the International District and Little Saigon below it. Boren Avenue is a "wall," as one resident put it, posing a barrier to the east. To the northwest is Harborview Medical Center. The King County Juvenile Detention Center compound occupies about one-eighth of the Choice Neighborhood boundary. Other than transitional housing in the Choice Neighborhood, there is very little residential use aside from the public housing development.

The transformation of Yesler Terrace is happening in concert with detailed city of Seattle planning interventions resulting from the close coordination with the grantee (described above). A comprehensive plan designation was adopted for Yesler Terrace in 2011, and the area of the existing Yesler Terrace west of Boren Avenue was designated Master Planned Community–Yesler Terrace (MPC-

[138] See http://seattlehousing.org/redevelopment/pdf/YT-resident-relocation-plan.pdf (accessed July 28, 2014).

YT). Redevelopment in MPC-YT will include up to 4,500 units of housing, up to 900,000 square feet of office space, up to 150,000 square feet of other nonresidential uses, and more than six acres of open space.

Critical Community Improvements

As with the people domain initiatives, the Critical Community Improvements (CCIs) projects were chosen because they were in accordance with the goals of the development as articulated by CRC and they overlapped with city and SHA goals. In addition, key partners were in place for implementing the projects, and the projects were projected to have an important impact in revitalizing the area.

With the first Choice grant in FY 2010–11, $1.5 million was budgeted for CCIs toward the 10th Avenue hill climb, the Horiuchi Park conversion, and affordable retail. In the FY 2012 Choice grant, $2,950,000 was budgeted for the pedestrian connection between Main Street and the neighborhood park, rehabilitation of historic Washington Hall, and the creation of South Washington Street.

Some of these projects have been slower to start than originally planned, but preparations are moving forward. Construction on the hill climb, which the grantee planned to begin in summer 2013, had only completed the city's design review process as of September 2013. The Choice grant declared a $650,000 JPMorgan Chase grant as leverage for the project, but it was still not fully funded in fall 2013.

Although the P-Patch Trust projected that Horiuchi Park would be completed by summer 2013, it was still in the permitting process, with delays related to the slope of the site. SHA explained that the P-Patch Trust was not experienced in navigating the permitting process but that it was important to engage partners by vesting them with responsibility.

Public safety

Both residents and police describe Yesler Terrace as a generally safe and quiet area, with some low-level drug-dealing activities. Yesler Terrace is patrolled by a police officer who is dedicated to Yesler Terrace and one other high-rise building owned by the grantee. SHA reimburses the city for his salary and benefits. He is familiar to residents and attends almost every Yesler Terrace Community Council meeting. At one meeting, for example, he reported that someone who had attempted robbery was apprehended because of a resident report. The example was an opportunity for him to emphasize the importance of reporting crimes, as Yesler Terrace residents are sometimes reluctant to report crime for fear of retaliation.

A small portion of the first Choice grant awarded to the Seattle grantee was spent on a survey by the Seattle Police Department (SPD) of Yesler Choice Neighborhood residents who called 911. However, because SPD did not pay for language interpretation, the survey respondents were limited to English speakers and thus were not representative of the whole population. The SPD conducted two surveys a year apart: one of Yesler Terrace residents who called 911 between January and August 2012, and another survey of residents who called between August 2012 and August 2013. Overall, the survey results reflected that residents were largely satisfied with the response they received, and some ratings improved in the second survey. The grantee has received technical assistance funding from HUD to

develop a public safety plan. In early fall 2013, the grantee worked with HUD to identify a scope of work for a consultant who will develop the plan, but they had not yet issued a solicitation.[139]

Neighborhood economic development

Affordable retail was a CCI in the grantee's first Choice application in FY 2010–11. The grantee planned to allot $750,000 in Choice grant money to subsidize affordable retail in the ground floor of Spectrum Development Solution's apartment building at 12th and Yesler, but Spectrum was unable to work out a financing plan with the affordable retail component. The grantee is still committed to using the funds for affordable retail, but they have not resolved how to invest the grant money.

Built environment and infrastructure

As noted earlier, this area is the focus of most of the CCI funds, which will result in enhanced community space and connectivity for the neighborhood. Beyond the hill climb and the pedestrian connection, the creation of South Washington Street will implement the southern portion of the Seattle Department of Transportation's Green Street plans. A green street has specific design requirements and aims to attract pedestrians and strengthen connections between residential enclaves and downtown amenities.[140]

Significant progress was made on the rehabilitation of the historic steam plant into a community center. This project, funded through a federal Capital Fund Education and Training Community Facilities grant, was planned for completion by spring 2014. Located at 8th and Yesler, the steam plant is a highly visible marker within Yesler Terrace. The renovated plant will be known as the Epstein Opportunities Center and will house Neighborhood House's Head Start program, Catholic Community Service's Youth Tutoring Program, and SHA's Economic Opportunities services.

Progress had also been made on the First Hill streetcar line, which was wholly implemented by the Seattle Department of Transportation, which laid tracks and built new sidewalks in spring 2013. Electrical work, landscaping, and station shelter construction were scheduled for completion in early 2014. The streetcar construction has been "pretty difficult for the community," according to the grantee, and caused residents to worry about dust and noise from future building construction. The grantee has accordingly noted on its recently revamped Yesler Terrace website that "the city reports that this work is not expected to be as disruptive as the work completed earlier this year and should not result in any more full street closures or loud construction noise."[141] SHA addressed the issue at its August 2013 Citizen Review Committee meeting, specifically outlining how they would hold the contractor to standards about controlling dust and noise. Though there have been challenges, the city has been responsive. Yesler Terrace residents complained directly to the city council when main streets were closed unnecessarily. In response, a city councilmember attended the Yesler Terrace Community Council leadership meeting to listen to their concerns, and the following week the streets were reopened.

[139] The consultant and technical assistance are part of the Public Safety Enhancement grant funding described in chapter 4 of the report.
[140] See http://www.seattle.gov/transportation/rowmanual/manual/6_2.asp.
[141] See http://seattlehousing.net/redevelopment/yesler-terrace/neighborhood/first-hill-streetcar/.

Another major proposed neighborhood intervention funded outside of Choice funding is a large neighborhood park that will be developed through a partnership with the Seattle Department of Parks and Recreation. As of this writing, construction is expected to begin in 2015.

Future of the neighborhood

Over the next 10 to 15 years, Yesler Terrace is expected to transform from a sleepy low-rise residential low-income development into a mid- to high-rise mixed-income, mixed-use development, with the First Hill streetcar running through its heart. An influx of more affluent residents will likely spill over into the limited residential area surrounding Yesler Terrace, but the neighborhood transformation efforts will leave the sizable institutional uses, such as the medical centers and the county Juvenile Detention Center, unchanged.

Most residents envisioned a cleaner, safer, and more attractive Yesler Terrace, and view the mixed-income aspect positively. But others worried that it would be a harder place for families with children because their peaceful and intimate community would be supplanted by a much denser, bustling community with the rapid arrival of newcomers. The 10th Avenue hill climb will safely connect Yesler Terrace with Little Saigon below it and help generate customers for business in Yesler Terrace, but the small business owners worry that greater affluence will price them out of the area.

Summary of Progress in Coordination and Leverage

Coordination within the Grantee Team and with Key Partners. Having already developed three HOPE VI communities, SHA had many of the relationships and mechanisms supporting coordination across departments and stakeholders in place before receiving the Choice implementation grant. Although the scale and complexity of the proposed redevelopment, as well as the construction of high-rise apartment buildings in an urban setting, are new challenges, SHA has a well-functioning development process and a high level of internal coordination, and they are adept at working with city agencies, governing bodies, and residents. Within SHA, coordination is supported by a weekly Yesler Terrace team meeting, biweekly Choice Neighborhood implementation meetings, and monthly Yesler onsite team meetings. SHA's design process seeks input from residents and other departments at key stages, as described above in the section on housing. Further, SHA uses a single point person for all things related to the Yesler Terrace redevelopment. She is seen by other SHA staff as the person to come to for the most current information relating to the redevelopment.

The city of Seattle is the grantee's most prominent partner. Though the city government is not named as the lead in the Choice Neighborhoods application, it nevertheless has had and continues to have a powerful shaping influence on implementation. The cooperative agreement discussed above has imposed conditions that are "extremely restrictive on what we are and [are] not supposed to do, and how we're supposed to move forward with the redevelopment," according to the grantee. Reflecting on the relocation plan for Yesler Terrace, which SHA developed to meet the terms of the cooperative agreement, the grantee states that it undertakes the development partnership "with residents, stakeholders, and the city of Seattle." When asked about which city agencies the grantee coordinates with, the grantee responded, "All of them."

In general, the early influence of the Choice Neighborhoods implementation grant is extremely positive, as it has leveraged city and private funding and garnered excitement about the redevelopment. Federal funding is seen by SHA as imperative for the success of the redevelopment not only because the money itself is directly funding redevelopment, but because of what it leverages in terms of dollars and legitimacy. Federal funding assures the city and the private market of the redevelopment's viability. The imprimatur of federal investment instills confidence in potential donors and private market developers because it is a guarantee that their investment will not be isolated. In a city notorious for protracted deliberation relating to public works, the city council was spurred to act by the prospect of further federal dollars from a second Choice implementation grant; councilmember Nick Licata wrote on his blog that while he would have preferred to deliberate further, his fellow councilmembers were concerned that additional delay could lessen the likelihood of receiving up to $20 million in federal funds for the project.[142]

SHA's relationship with HUD appears to have progressed fairly smoothly in terms of gaining approvals, though reporting requirements have been challenging. SHA's partners are not accustomed to the frequency of reporting or certain metrics that have been required, and it has been suggested that it would be helpful if grant applicants were apprised of reporting requirements early on, though the grantee reports that HUD has been flexible about allowing them to report only the data they have available.

Leverage. The most substantial funding leveraged as a result of the Choice Neighborhoods grant comes from the city of Seattle: this includes funding from the Office of Housing to support housing construction; the planning, construction, and future maintenance of a large neighborhood park by the Seattle Department of Parks and Recreation; and funding from Seattle's Family and Education Levy to open a clinic at Bailey-Gatzert Elementary School. The grantee believes the federal grant is imperative to gain the confidence of the private market.

Other sizable leveraged funds include $3,000,000 from Seattle University donors, $650,000 from a JP Morgan Chase grant for the 10th Avenue South hill climb (the Choice grant provides $700,000), and $300,000 in matching funds from United Way for the Parent-Child Home Visit Program.

More recently, SHA received a $60,000 grant from the JP Morgan Chase Foundation to conduct an economic development study about the best uses for retail space in the early phases of the redevelopment, along with funding to provide technical assistance to existing Yesler resident–owned businesses. In early 2014, the grantee learned that two private foundations will fund a proposal ($70,000) for summer employment for high school students taking summer STEM training taught by the College Success Foundation. The funding will also pay for on-the-job training for 10 Yesler adults who are taking an integrated ESL-job skills course taught by Seattle Community College in the Yesler neighborhood. The grantee believes that these opportunities would not have been possible without the momentum created by the Yesler redevelopment (possible because of Choice).

[142] See http://licata.seattle.gov/2012/09/10/the-yesler-terrace-redevelopment-project/#sthash.0r5oZDCc.dpbs (accessed July 28, 2014).

SHA has actively tried to garner additional funding for the redevelopment. In May and September 2013 they held funder's summits with major Pacific Northwest philanthropic agencies to let them know about opportunities with the Yesler Terrace redevelopment, though it is unclear whether any funding was a direct result of those efforts. It can sometimes be difficult for even the grantee to parse funding or partnerships that have been directly leveraged by Choice versus funding or partnerships that are more generally products of the momentum of redevelopment.

Exhibit B.27 provides a summary of major activities by Choice domain and their early implementation status in Yesler as of September 2013.

Exhibit B.27. Summary of Major Activities and Early Implementation Progress in Yesler, September 2013

Choice Domain and Related Activities	Lead Organization	Funding Level ($ thousands)	Funding Covered by Choice (%)	Funding Covered by Other Sources (%)	Summary Status
HOUSING					
YWCA relocation: Housing not operated by SHA, but leased to YWCA for a long-term shelter program; these units needed to be demolished in preparation for the construction of Phase 1 housing at 1105 East Fir.	SHA	1,100	36	64	Complete
Phase 1 housing: 1105 East Fir and Baldwin Apartments (118 units total). 1105 East Fir is a midrise townhome housing project that will produce 103 units (83 replacement units; 20 units at 60% of AMI), including 68 1-bedroom units, 37 2-bedroom units, 7 3-bedroom units, and 6 4-bedroom units. Baldwin is a rehabilitation project at 13th Avenue and East Fir that will produce 15 replacement units.	SHA	35,029	21	79	In progress
Private market new construction housing: Phase 1 housing located at 12th and Yesler will produce approximately 125 units; 75% will be market rate, and 25% will be for residents with incomes below 80% of AMI; ground floor will include 3,000 sq. ft. of commercial space.	Spectrum Development Solutions	23,500	0	100	In progress
Phase 2 demolition: In preparation for new housing at 820 Yesler Way and 221 10th Avenue	SHA	1,606	0	100	Not started

Choice Domain and Related Activities	Lead Organization	Funding Level ($ thousands)	Funding Covered by Choice (%)	Funding Covered by Other Sources (%)	Summary Status
Phase 2 housing: (187 units): 820 Yesler Way (Building 2A); 221 10th Avenue South (Building 2B): 820 Yesler Way will include 83 units (50 replacement units; 27 at 60% of AMI). Street level will include a retail space, a large neighborhood meeting room, and an outdoor courtyard between townhome-style apartments. 221 10th Avenue South will include 97 units (58 replacement units; 39 at 60% of AMI).	SHA	60,199	18	82	Not started
PEOPLE					
Phase 2 relocation	SHA	724	55	45	In progress
Improving economic self-sufficiency: SHA's Yesler Terrace economic opportunity staff assist residents in developing self-sufficiency plans, preparing for work, and getting placed into jobs. Partners include Harborview Medical Center, Swedish Medical Center, and Seattle University.	SHA	3,165	16	84	In progress
Education: Parent-Child Home Visit Program for toddlers, Head Start programming, youth tutoring, summer programming, and college preparation services. Choice funds are used for a family education engagement specialist with a caseload of 50 Yesler Terrace students.	Seattle University	9,174	21	79	In progress
Youth development: Arts education activities, summer youth employment work experience opportunities, and a Youth Violence Prevention Initiative.	SHA	591	100	0	In progress

Choice Domain and Related Activities	Lead Organization	Funding Level ($ thousands)	Funding Covered by Choice (%)	Funding Covered by Other Sources (%)	Summary Status
School-based health clinic and health educators: A permanent clinic at Bailey-Gatzert Elementary will offer health education, well-child care, minor and acute care, immunizations, mental health care, oral health care, and outreach and enrollment assistance for Medicaid and Children's Health Insurance Program. Two community health educators, one fluent in Vietnamese and one in Somali, will connect residents to health care and support them in navigating the health care system.	Neighborcare Health	29,069	1	99	In progress
NEIGHBORHOOD					
Epstein Opportunity Center: Phase 1 rehabilitation project of a historic steam plant located in the heart of Yesler Terrace; it will house early learning and job training programs.	SHA	5,710	0	100	In progress
Yesler Neighborhood Park: SHA will prepare park site and transfer ownership of 1.75 acres to the city. Seattle Parks and Recreation will lead park planning, design, and development.	Seattle Department of Parks and Recreation	3,000	0	100	Not started
First Hill streetcar construction: Streetcar will connect residential neighborhoods and business districts of Capitol Hill, First Hill, Yesler Terrace, Central Area, Chinatown/International District, and Pioneer Square. The streetcar will travel through Yesler Terrace and offer 15-minute headways, 20 hours/day.	Seattle Department of Transportation	32,300	0	100	In progress
Washington Hall: Renovation of historic 1908 performance venue; Choice funds are contributing to the renovation and to the accessibility of the venue to the Yesler Terrace.	Historic Seattle	7,652	4	96	In progress

Choice Domain and Related Activities	Lead Organization	Funding Level ($ thousands)	Funding Covered by Choice (%)	Funding Covered by Other Sources (%)	Summary Status
Horiuchi Park: Phase 1 conversion of existing park into a community garden.	P-Patch Trust	150	67	33	Not started
Affordable retail space: SHA's FY 2010 Choice grant award included funds for 4,000 sq. ft. of affordable retail space.	SHA	700	100	0	Not started
10th Avenue South hill climb: A new pedestrian pathway on 10th Avenue S from S Main Street to S Jackson Street will connect Yesler Terrace to Little Saigon below it.	SHA	2,500	28	72	Not started
Public safety: SHA to enlist consultant to develop a public safety plan.	SHA	114	89	11	Not started
Friends of Little Saigon Landmark Project Feasibility Study: By Seattle City Council requirement, SHA to work with Friends of Little Saigon to explore the feasibility of a mixed-use project.	SHA	100	0	100	Not started
Pedestrian pathways: Includes pedestrian connection between 9th Avenue and 10th Avenue South hill climb. This connection will create a direct path for pedestrians and cyclists to travel between First Hill, Yesler Terrace, and Little Saigon.	SHA	1,600	38	62	Not started
Sewer and streets: Infrastructure improvement.	SHA	6,194	33	67	Not started
Other infrastructure improvements: To Yesler Way, along with grading and drainage improvements.	SHA	8,090	0	100	Not started

Sources: Review of documents, including Choice Neighborhoods round 1 and 2 applications and budgets, interviews with stakeholders, and observation of team meetings and phone calls.

Appendix C:
Analysis of the Built Environment[143]

[143] This appendix was written by Emily Talen of GeoDa Group, which performed the analysis.

In broad terms, the Choice Neighborhoods program defines what the neighborhood context is meant to be: "functioning, sustainable mixed-income neighborhoods with appropriate services, public assets, transportation and access to jobs and schools." In addition to revitalization of existing distressed housing units and the importance of resident involvement in the planning process, there is a clear vision of neighborhood here: the creation of neighborhoods of mixed income and "sustainable opportunity."

The neighborhood metrics are based on a livability principle and include sustaining a mix of household incomes, providing a range of services within walking distance (a requirement of all applications was to provide the Walk Score® of the neighborhood), and providing access to good schools, parks, recreation amenities, and public transit. These factors are all hallmarks of what might be called livable neighborhoods, which are walkable, diverse, and well serviced.

The clear message here is that neighborhood context, the physical environment, will affect the success of the Choice Neighborhood Initiative. It does this by affecting the quality of public and assisted housing units, the ability to catalyze private investment, and the ability of the neighborhood to sustain mixed income, expand social networks, and promote safety. Less tangible but still powerful are the ability of the neighborhood to exert positive feelings about the neighborhood. Such positive feelings include a sense of opportunity, identity, caring, and empowerment.

This analysis assesses the built environment by focusing on the relationship of site plans to the broader neighborhood physical context.

PRINCIPLES

All Choice Neighborhood FY 2010–11 implementation grantees shared a common set of principles regarding site design and neighborhood vision. These principles, widely shared among urban planners and designers, can be summarized in three interrelated categories: connectivity, services, and public realm.

Connectivity means that the target development is well connected both internally and externally around its footprint. The connectivity goal is about integration and the need to transform these developments from being insular to being a more seamless part of the community. Achieving this goal translates to specific physical design requirements: relatively short block lengths, the removal of physical barriers like dead-end streets, and a pedestrian network (streets and paths) that is well marked and continuous (i.e., interconnected). Bicycle paths or lanes support connectivity as well. All five Choice Transformation Plans paid strong attention to improving connectivity.

Services refers to neighborhood amenities, especially services and facilities that meet the needs of residents. Neighborhoods should be complete in the sense that residents have easy access to groceries, schools, day care, transit, and other daily life needs. Access to employment is also important but may not be realistically contained within each neighborhood. Both the quality and quantity of services are important considerations. From an urban design point of view, the quality of the route between residence and service is essential. As many of these services are not provided by Choice grantees (e.g.,

retail is generally not contained on site), there was less focus on this aspect in the Transformation Plans, with the exception of recreational or park space.

Quality of the public realm considers the quantity and quality of spaces outside the home. Both the kind of public space (e.g., recreational or nonrecreational, passive or active) and the quantity and spatial distribution of public space are important. Amenities within the public space (benches, lighting) play a role in public space quality. Because a significant portion of the public realm is in the form of streets and sidewalks, the quality of the pedestrian route is a primary consideration. Mostly the goal is a vibrant pedestrian environment with "build-to" lines that promote spatial enclosure, parking behind rather than in front of buildings, complete streets that accommodate more than one travel mode, and street trees.[144] There should be no blank walls, and signage, furniture, and lighting should reinforce the character of the street. Some of the Choice Transformation Plans called attention to these qualities, but control of the public realm is generally limited to the immediate target development footprints.

BASELINE CONDITIONS

All five Choice Neighborhoods suffer from common urban design problems that fall into the three categories discussed above. Maps and tables included in this analysis present selected results of a block front (or street segment) survey that was conducted on a random sample of streets in each Choice Neighborhood using images available via Google Street View. Ninety-eight percent of the images were taken by Google during 2011. These survey results are used to highlight the design issues discussed below. The complete set of survey questions is included at the end of this appendix.

In addition, a similar protocol was used by the research team to observe pedestrian conditions in the summer of 2013 in person along a key walking route in each Choice Neighborhood:

- Quincy Corridor: Quincy Street between Blue Hill Avenue and Columbia Road.
- Woodlawn: S. Cottage Grove Avenue between E. 62nd Street and E. 64th Street and E. 63rd Street to S. Ellis Avenue.
- Iberville/Tremé: From the Iberville development to the Tremé Center on N. Villere Street.
- Eastern Bayview: From the entrance of Alice Griffith west on Fitzgerald Avenue to 3rd Street.
- Yesler: Yesler Way to Boren Avenue, then down 12th Avenue to S. Jackson.

Findings from these observations are included in the discussion below. More details on the methods used to conduct the pedestrian conditions survey and the block front survey are available in appendix A on methodology.

[144] A "build-to" line is a specification of how far a building must be from a street or sidewalk; it is used instead of a setback regulation, which only specifies a minimum distance.

CONNECTIVITY

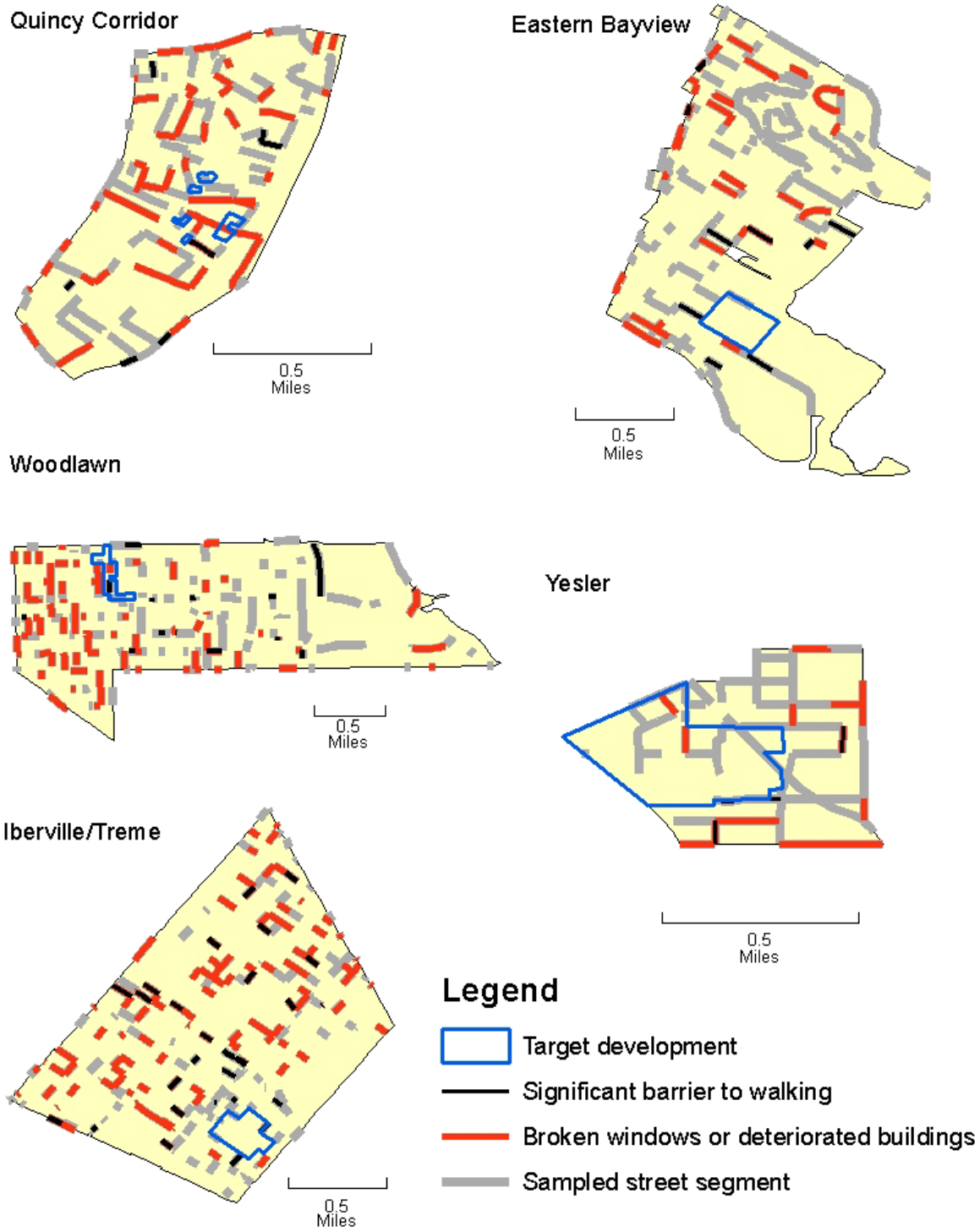
In terms of connectivity, all neighborhoods had issues related to site design based on poorly connected superblocks and cul-de-sacs, resulting in long blocks that disrupted connectivity both externally and internally. Dead-end streets are not uncommon. Exhibits C.1 and C.2 reveal the extent to which connectivity was a problem.

Exhibit C.1. Built Environment Issues Related to Connectivity

	Quincy Corridor	Woodlawn	Iberville/ Tremé	Eastern Bayview	Yesler
Street segments without sidewalks (%)	3	6	12	2	1
Street segments with significant barriers to walking (%)	4	8	14	6	4
Street segments without marked pedestrian crossings (%)	48	9	51	37	57

Source: Choice Neighborhoods block front survey, 2011.

Exhibit C.2. Barriers to Walking and Deteriorated Buildings in Choice Neighborhoods



Source: Choice Neighborhoods block front survey, 2011.

Iberville/Tremé had the most problems with connectivity related to the street segments without sidewalks (12 percent) or with significant barriers to walking (14 percent). The chosen pedestrian

observation route in this neighborhood, however, did not have any significant barriers to walking, though sidewalks were not always in good condition. There were fewer issues with sidewalk connectivity in the other neighborhoods. Along Quincy Street in Quincy Corridor, several blocks had narrow sidewalks (under 6 feet), and less than half of segments had sidewalks in good condition. The blocks included in the pedestrian observation in Woodlawn also had narrow sidewalks, though they were in good condition.

Exhibit C.2 shows that some barriers to walking were located around the target developments and thus affected the ability of the development to connect with the surrounding neighborhood. Exhibit C.1 provides data on pedestrian crossings. Most pedestrian crossings were unmarked. Woodlawn had the highest share of street segments with marked crossings. In Quincy Corridor, Iberville/Tremé, and Yesler nearly one-half or more of the blocks that should have had marked pedestrian crossings had none.

SERVICES

All target developments presented a mixed picture in that there were services in the vicinity within a one-mile radius, but the route and site design associated with many of these services presented a significant barrier. Grocery stores tended to be "big box" and automobile-based rather than pedestrian oriented and neighborhood scale. Although some neighborhoods showed relatively high Walk Scores®, closer inspection of each site revealed two occurrences. First, Walk Scores® were for a single point location and sometimes did not adequately characterize the entire neighborhood. For example, the New Orleans Choice Neighborhood had a walk score of 91, but the point location on which the score was based was at the target development, which is at the far end of the neighborhood. For Eastern Bayview, with a Walk Score® of 68 (down from a score of 72 in the round 1 application for Choice), the point location on which the Walk Score® was based was almost one mile from the target development in the center of the Eastern Bayview neighborhood. The Walk Score® for Woodlawn was 82 (up from 77 in the round 1 application), which is actually quite low for Chicago standards (even if rated "very walkable" by the Walk Score® company). Second, these Walk Score® were, apparently, based on straight-line distance ("as the crow flies") rather than street network distance.[145] This distinction matters significantly in areas plagued by lack of sidewalks and barrier issues.

Exhibits C.3 and C.4 show the block front survey results concerning land use. Residential-only street segments dominated, although there were high numbers of mixed-use blocks in all locations. Business-only blocks were particularly low in Quincy Corridor and Woodlawn. Exhibit C.4 shows that business-only block fronts in Yesler and Eastern Bayview were clustered, but they were more dispersed in the other three neighborhoods. One caution in interpreting this aspect of the survey is that mixed use does not necessarily translate to active, pedestrian-oriented streets and must be evaluated in concert with street quality. Exhibit C.3 also lists the percentage of street segments that, although labeled mixed use, had one or more of the following conditions: no sidewalk, no buffer between the sidewalk and the street, significant walking barrier, deteriorated buildings, broken or boarded-up windows, or abandoned

[145] Please see http://www.walkscore.com/methodology.shtml.

buildings or lots. The majority of mixed-use segments in all neighborhoods except Yesler had one or more of these built environment issues.

Exhibit C.3. Built Environment Issues Related to Services and Land Use

	Quincy Corridor	Woodlawn	Iberville/ Tremé	Eastern Bayview	Yesler
Street segments for business/institutional use only (%)	9	15	27	24	32
Street segments with mixed use (%)	39	26	35	22	30
Mixed-use street segments with other built environment issues (%)	94	65	74	80	41
Street segments for residential use only (%)	51	47	29	48	35
Street segments with bus stop (any type) (%)	11	17	9	9	12
Street segments with bus shelter (%)	4	7	2	6	8
Street segments with pedestrian-oriented lighting (%)	13	16	18	12	18

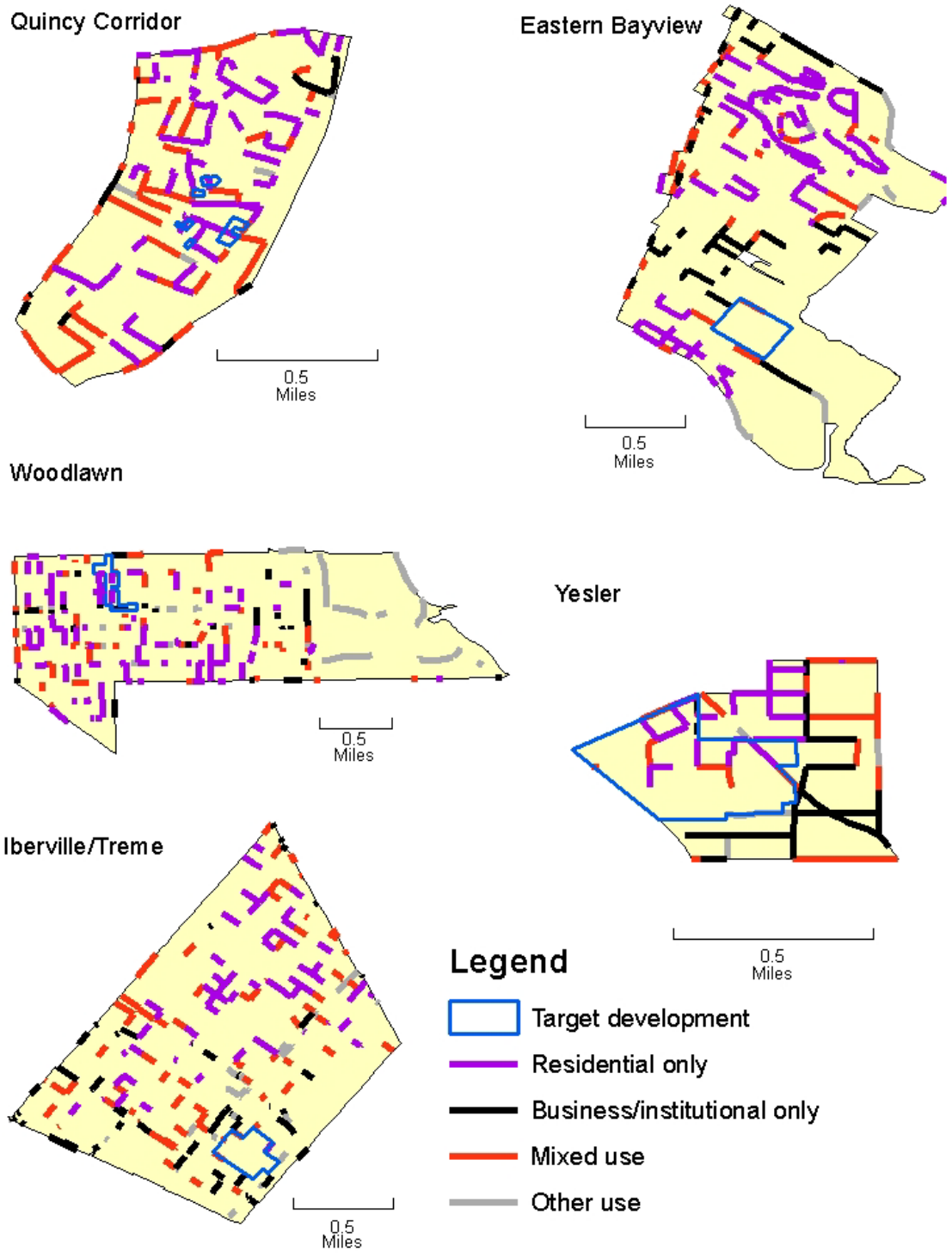
Source: Choice Neighborhoods block front survey, 2011.

The provision of bus stops and pedestrian-oriented lighting are two other issues pertaining to how well the neighborhood is serviced. Exhibit C.3 gives the percentage of sampled street segments with a bus stop, including whether a bus shelter was present. A standard principle of good urbanism is that bus stops should provide shelter that is dignified, well-lit and accessible.[146] Exhibit C.3 shows that bus stops with shelters occurred fairly infrequently (ranging from 2 percent in Iberville/Tremé to 8 percent in Yesler). As shown in exhibit C.5, target developments in Quincy Corridor and Iberville/Tremé did not have sheltered bus stops in the vicinity, although the other three target developments did.

Pedestrian-oriented lighting did not occur very often, ranging from 12 percent in Eastern Bayview to 18 percent in Iberville/Tremé and Yesler. The pedestrian observation routes chosen across the Choice Neighborhoods confirmed this lack of pedestrian-oriented lighting. As shown in exhibit C.5, the distribution tended to be random and disconnected and did not overlap with other amenities such as buffers and sheltered bus stops.

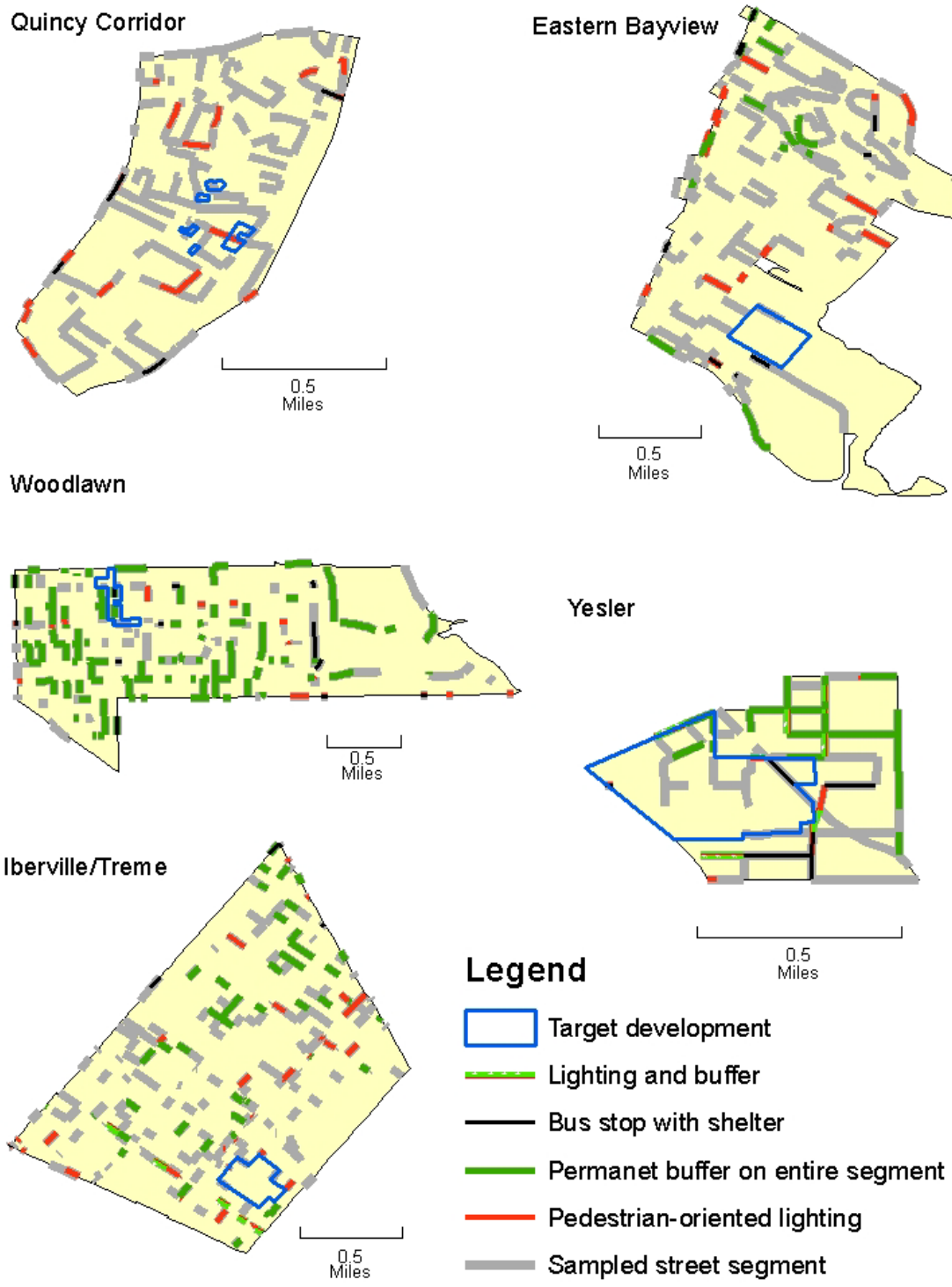
[146] However, resident stakeholders in Quincy Corridor, however, explicitly did not want bus shelters in order to reduce loitering in the neighborhood.

Exhibit C.4. Land Use in the Choice Neighborhoods



Source: Choice Neighborhoods block front survey, 2011.

Exhibit C.5. Lighting, Bus Stops, and Buffers in the Choice Neighborhoods



Source: Choice Neighborhoods block front survey, 2011.

Quality of the Public Realm

The quality of the public realm was assessed in the block front survey by evaluating landscape buffers (between the sidewalk and the street), deteriorated buildings (cracked walls, missing bricks or siding), broken windows, abandoned buildings and lots, graffiti, and litter. Exhibits C.5 and C.6 show the street segments with landscaped buffers between the street and sidewalk, an important aspect of a maintaining a pedestrian-oriented public realm. This condition varied widely among the neighborhoods. In Quincy Corridor, there were no street segments with continuous buffering, and in Eastern Bayview only 11 percent had continuous buffering. Woodlawn did much better, where more than one-half of the street segments had buffers along the entire segment. In Eastern Bayview and Iberville/Tremé, landscaped buffers were not proximal to the target developments. The pedestrian observation route in Eastern Bayview on Fitzgerald Avenue, which connects the target development to retail on 3rd Street, lacked a permanent buffer and had segments where the sidewalk became the driveway apron for businesses. As shown in exhibit C.5, there were very few block fronts in any neighborhood that had the combined qualities of pedestrian-oriented lighting and landscape buffer: none in Quincy Corridor, Eastern Bayview, or Woodlawn, and only a handful of block fronts in Yesler and Iberville/Tremé.

Exhibit C.6. Built Environment Issues Related to the Quality of the Public Realm

	Quincy Corridor	Woodlawn	Iberville/ Tremé	Eastern Bayview	Yesler
Street segments with a continuous permanent buffer (%)	0	59	25	11	47
Street segments with only a portion of the block buffered (%)	5	26	40	28	40
Street segments with buildings in disrepair (%)	39	51	59	26	22
Street segments with some or a lot of either abandoned buildings and lots, graffiti, or litter (%)	34	50	47	25	20

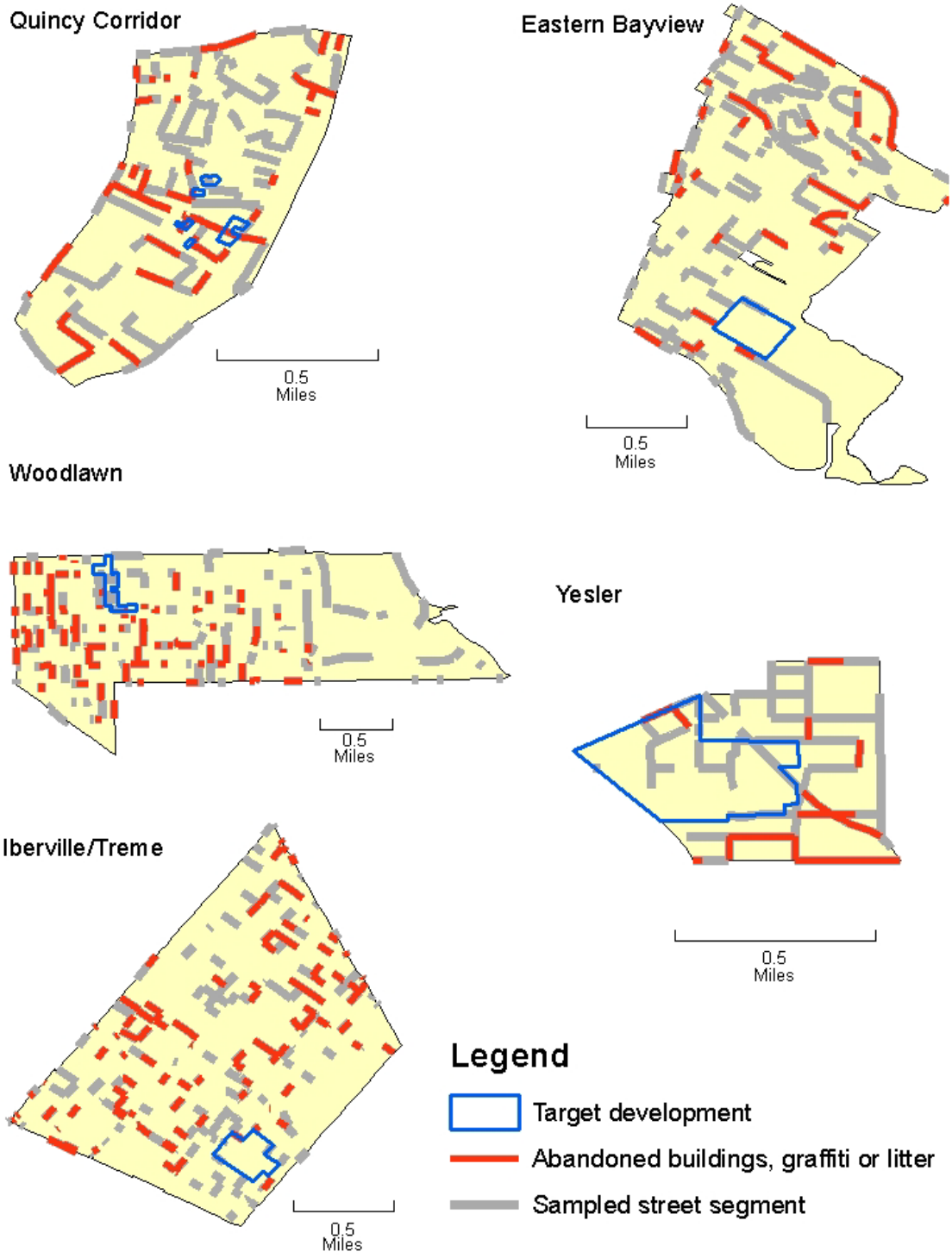
Source: Choice Neighborhoods block front survey, 2011.

Exhibits C.2, C.6, and C.7 report on the conditions related to the quality of the public realm in sampled street segments. They present a profile of significant challenges to the public realm. Nearly 51 percent of Chicago's block fronts showed deterioration, and the map (exhibit C.2) shows that these blocks tended to be clustered around the target development and in West Woodlawn. Iberville/Tremé had significant deterioration (59 percent), but these blocks tended to be away from Iberville. Most block fronts surrounding Boston's Woodledge/Morrant Bay showed deterioration. As exhibit C.6 shows, the share of street segments reporting "some or a lot" for abandoned buildings, graffiti, or litter ranged from only 20 percent in Yesler to 50 percent in Woodlawn. Exhibit C.7 shows that in Quincy Corridor and

Woodlawn, the blocks were clustered around the target developments, but in the other neighborhoods these conditions were more dispersed. The quality of the public realm along the selected pedestrian routes across the Choice Neighborhoods was also low, and had problems with abandoned or deteriorating buildings and litter.

The above analysis based on the block front survey and pedestrian conditions observations mostly highlights the problems these neighborhoods had with lack of connectivity, poor services, and a low-quality public realm. This analysis is not intended to disparage the potential of these neighborhoods to eventually meet their objective of transforming into vibrant pedestrian areas. It is only meant to caution that substantial work is needed to ensure this trajectory. The neighborhoods have a significant way to go to arrive at an interconnected, well-balanced mix of services and facilities supported by a healthy public realm, all of which are necessary conditions of complete, sustainable neighborhoods.

Exhibit C.7. Quality of the Public Realm in Choice Neighborhood



Source: Choice Neighborhoods block front survey, 2011.

PROPOSED VISIONS

The vision statements prepared by each Choice Neighborhood applicant generally adhere to the goals of improving connectivity, services, and a quality public realm. All plans are sensitive to the need for local identity, reinforced through public spaces that function as community focal points, proposing neighborhood central spaces wherever possible. In short, the plans are consistent with sustainable neighborhood principles, and all seek the creation of compact, walkable, mixed-use, mixed-income, transit-served urban neighborhoods. A summary of the physical parameters of these vision statements is given for each city below. In some cases, revisions to the plans have been made during early implementation. Please see the material presented in the body of the report and Appendix B, which includes an update on progress for each Choice Neighborhood.

QUINCY CORRIDOR

The "Vision for the Neighborhood" in Boston's Quincy Corridor is a simple statement that the goal of the Transformation Plan is to "support the transformation of the Quincy Corridor into a neighborhood of sustainable opportunity rather than moving the neighborhood's poor and low-income people to opportunities elsewhere."[147] There are few design specifics in terms of neighborhood context. Exhibit D provides a "Design Narrative" that lists the physical components of the plan, which include renovation of nine architecturally and historically significant row houses, demolition of two deteriorated properties, the provision of onsite parking, and passive and active play areas in the interior of the site. Also listed are a future transit stop, the redevelopment of the former Pearl Meats factory into a small business center, and the segregation of play areas "away from the busy streets."

WOODLAWN

The design for Chicago's Grove Parc development and surrounding neighborhood of Woodlawn takes advantage of the fact that Woodlawn is well positioned geographically. It is a compact urban neighborhood close to a major university, an Olmsted-designed park, and public transit.[148] There are plans for public investments that are likely to support the walkable, pedestrian orientation of the neighborhood, including renovation of the transit line, streetscape improvements including new pedestrian crossings, an athletic and education facility for local youth, and two new school parks. The plan also calls for a large community resource center intended to provide "a central community gathering space."

Public safety concerns motivated some of the design elements in the new site plan for Grove Parc, which places significant emphasis on defensible space concepts such as private spaces that are well delineated and access controlled (enclosed rear yards for families), as well as front-facing windows for "eyes on the street" surveillance of street activity. The site plan includes site fencing that may potentially conflict with connectivity goals.

[147] Choice Neighborhoods round 2 application, p. 39 of exhibit E.
[148] Choice Neighborhoods round 2 application, exhibit D and attachment 26.

IBERVILLE/TREMÉ

Iberville/Tremé's vision statement and conceptual site plan for the Iberville conforms to principles of walkable urban neighborhoods, relying predominantly on the recreation of the historic street grid.[149] This is an essential aspect of the redesign, which has multiple advantages: better integration of the site with the surrounding neighborhood, and, with improved connectivity, improved security. The site plan also calls for a central community square that will provide an important focal point for the neighborhood. The plan calls for unit type variety, integrated by employing a common style (indigenous Iberville/Tremé architecture), ranging from single-family to two- and three-story townhouses to multifamily structures. In terms of services, the plan envisions "integrated neighborhood retail," a community center, and "an abundance of parks and green space."

The vision calls for infrastructure improvements designed to enhance street connectivity and pedestrian-friendly streetscapes. The plan states that the city has made investments (specifically Louis Armstrong Park, the Lafitte Greenway, rehabbing of Municipal Auditorium, hospital complex, transit line expansion) in the neighborhood and that these investments will improve cultural and recreational assets.

EASTERN BAYVIEW

The vision for Eastern Bayview involves transforming Alice Griffith, which is poorly connected, and the surrounding, deteriorated commercial streets into a walkable neighborhood with pedestrian-oriented streetscape improvements.[150] The plan shows significant unit diversity, including townhouses, stacked townhouses, and four-story stacked flats. Alice Griffith's new site plan includes a community center building with townhouses and apartment buildings that enclose the space. This arrangement provides an effective "outdoor room," which in turn helps to create a more community-oriented design and sense of place. On-street parking and street trees are also enlisted to support sense of enclosure. Midblock crossings and pedestrian paths help promote connectivity by allowing public access through the middle of an otherwise privately developed block. Open space forms a continuous network, composed of interconnected parks, pedestrian pathways, and landscaped streets, also helping to integrate the development with the surrounding community.

The plan does an excellent job of spelling out design guidelines and requirements such as underground parking, concealed parking entrances, a requirement for active uses on the ground floor, and a build-to line (a minimum 70 percent of buildings to 40-foot height must be built to setback line). The plan envisions "generous sidewalks and tree-lined medians," and there is also a clear relationship between street width and building height. Building design is intended to ensure "activation and interest on the street level."

[149] Choice Neighborhoods round 2 application, exhibit E and attachment 32
[150] Choice Neighborhoods round 2 application, attachments 26 and 32 and exhibit D.

YESLER

The Yesler neighborhood's vision has well-defined goals: compact, pedestrian friendly, mixed use, with opportunities for community gathering spaces, defensible space, and better landscaping.[151] The plan consists of mixed-income housing (mostly midrise residential, three to six stories) distributed on a site with expanded pedestrian and transit connections. There is a new 1.75-acre neighborhood park, a community garden, and a restored performing arts center. Buildings and spaces are placed in a way that delineates semiprivate, semipublic, and public open space in an effort to enhance defensible space and provide a feeling of safety. Most buildings are set in courtyards. Design standards have been adopted for development that occurs on the site (i.e., all property controlled by the housing authority).

The proposed network of sidewalks, streets, and open space is intended to make Yesler Terrace less insular and provide better connectivity (the existing layout is very disconnected). An innovative aspect of the plan is a Green Street loop where cars are subordinated to pedestrians and bicyclists. Along the street there will be three pocket parks and exercise stations.

PROSPECTS FOR IMPLEMENTATION

This section discusses some of the main obstacles that may limit the ability of neighborhoods to realize their future visions. Beyond lists and maps of amenities, site plans of proposed buildings, and descriptions of proposed investments, how will the neighborhood as a whole sustain livability principles?

It is widely recognized that neighborhoods do not necessarily improve through top-down, wholesale transformation of the kind that might have been conceived under urban renewal in the 1950s and 1960s. Nevertheless, coordinated, proactive strategies are needed to provide a way for individual effort to coalesce around something greater than the sum of parts. Improving connectivity, increasing services, and strengthening the public realm are all goals that need to be approached not just for individual project sites, but for the surrounding neighborhood as a whole. All applicants argued extensively that the redevelopment of individual sites is significantly affected by the design context of the surrounding neighborhood.

All the Choice Neighborhood proposals did an exemplary job formulating future neighborhood goals in terms of improving connectivity, services, and the public realm. There is little to critique. However, two fundamental issues need to play a more direct role in realization of these visions: regulatory reform and coordinated public investment *for the neighborhood as a whole*. HUD and the Choice grantees should work in concert with local, state, and regional funding and regulatory entities to ensure quality investment in Choice Neighborhoods.

There is a need to look closely at zoning regulations and planned public improvements in areas surrounding project sites, especially any expenditures related to thoroughfares, to leverage the

[151] Choice Neighborhoods FY12 application: attachment 42, exhibits E and G.

investments being made in Choice Neighborhoods. There needs to be evidence of a more direct relationship between the proposed visions for project sites and the public investments and zoning reforms necessary to achieve these visions in the context of the larger neighborhoods. As proposed, Choice proposals were necessarily focused on project site improvements under the control of the grantees. Discussions of improvements to the surrounding neighborhood were expressed in terms of hopes and dreams rather than concrete plans. There is a need to get all levels of government on board with supportive place-making policies in the surrounding areas, and it is unclear whether this coordination has been achieved.[152] Please see chapter 5 in the full report for the status of efforts related to coordination.

Several of the neighborhoods have adopted design standards and guidelines, but these only apply to the target development itself (i.e., property controlled by the lead grantees and developers). These guidelines need to be extended to the surrounding neighborhood to aid integration of the site. Guidelines are essential for creating an appropriate relationship between buildings and public space, especially by controlling setbacks, building heights, and the treatment of ground-floor units. The relationship between street width and building height is essential, requiring forethought about street hierarchy and the ways in which building character and typology support street function. The Transformation Plan for Eastern Bayview and the master plan for Yesler seemed to be the only ones that paid explicit attention to this essential aspect.

All plans alluded to the importance of guidelines and regulations, but municipal government (not housing authorities or developers) are responsible for implementing such rules in the areas surrounding the target developments. Such guidelines should strike a balance—not too restrictive, but protective of the best qualities of the neighborhood. At a minimum, guidelines or regulations should ensure that—

- Parking is placed behind or below buildings, not in front of buildings. Large surface parking lots in front of buildings should be prohibited in Choice Neighborhoods. There was no evidence that this important aspect of neighborhood quality was being enforced.
- Buildings face the street or public open space, not parking lots.
- Building details are oriented toward pedestrians, with windows and no blank walls, and human scaled in terms of lighting and signage (the aesthetic quality of the public realm is strongly affected by the aesthetic quality of buildings); utilitarian buildings with flat roofs and no articulation should be prohibited.
- Pedestrians are able to access buildings directly from the street or public space.
- New buildings respect existing adjacent buildings in terms of massing and scale.

In terms of public investment priorities, strategic coordination of investment is important for several reasons. First, strategies for large-scale redevelopment are challenged by property ownership that is fragmented. The use of eminent domain for land assembly is difficult. Second, there is a danger that the

[152] See for example: Brown, Lance Jay. Urban Design for an Urban Century: Placemaking for People. 1 edition. Hoboken, N.J: Wiley, 2009 and Silberberg, Susan. Places in the Making: How placemaking builds places and communities. MIT Department of Urban Studies and Planning, 2013. http://dusp.mit.edu/cdd/project/placemaking

numerous stakeholders and projects working in the neighborhood are operating without formal coordination. Boston, for example, has no requirement for general or neighborhood plans, and planning occurs on a project-by-project basis. The city's Department of Neighborhood Development is primarily a funding agency for affordable housing and the redevelopment of small projects. Many goals will require coordinated change to attract investment and stimulate the creation of more sustainable neighborhoods, ultimately addressing the problem of vacant properties and abandoned buildings, improving community facilities, and promoting economic development.

This lack of coordinated investment is a problem widely recognized in city government. The city of Chicago, for example, launched a program called "Neighborhoods Now" for select neighborhoods whose main purpose is to bring public and private investment together, enabling investment in a more coordinated fashion and thereby helping neighborhoods fully achieve their potential.[153] Choice Neighborhoods should be part of such efforts.

Another issue is that although many of the Choice Neighborhoods have transit, amenities, and recreational space within their borders, these benefits may only exist in an aggregate sense. Many facilities are listed as being "within the neighborhood" but are unfortunately very poorly located and anti-pedestrian. These facilities may be contained within a one-mile "as the crow flies" circle, but equally important is whether these facilities constitute an asset to the neighborhood in terms of scale, design, connectedness, and adjoining route condition. In short, there is a crucial difference between proximity and accessibility that needs to be understood and addressed.

All Choice vision statements acknowledge future, government-backed infrastructure improvements. These are mostly judged to be in keeping with pedestrian-oriented goals and the improvement of green space, but there is little sense of how these investments coalesce around an improved neighborhood as a whole. Investments do not seem to be tied to an overall strategic investment plan, or at least there is a lack of documentation indicating that strategic investment is occurring, with the exception of Yesler. In addition, apart from public investment, there is also reliance on private enterprise for the realization of neighborhood vision statements.

Ideally, each Choice Neighborhood should have a city-adopted neighborhoodwide plan that locates future investment, adopts design guidelines, and evaluates the appropriateness of zoning regulations. Neighborhoods should work with city planning staff to request a compliance review: do existing plans and regulations, including all land use and comprehensive plans, capital investments, zoning regulations, and street improvement plans conform to the vision and goals of the Choice Neighborhood? City planning staff should help to identify possible incongruities in the same way that any new development is reviewed for plan and code compliance. Beyond an assessment of compliance, city staff should be able to identity whether there are planned investments that will work to proactively implement the

[153] See http://www.cityofchicago.org/city/en/depts/mayor/press_room/press_releases/2013/april_2013/mayor_emanuel_highlightsinvestmentsinenglewoodagriculturalexpans.html. However, Woodlawn was not one of the participating neighborhoods.

Choice vision statements – or whether no such plans exist. It is unclear whether this kind of basic analysis of plan/code compliance has been undertaken.

More specifically, a neighborhood plan that delineates prioritized nodes and character areas surrounding target developments would be very beneficial. Such neighborhood plans could help the neighborhood, and the target developments within them, to develop a sense of opportunity and identity. Character areas show differences in urban fabric and help clarify the interface between areas contained within the larger neighborhood.

Another main concern is that it is unclear whether large-scale public investments—especially large hospital complexes (in the case of the biodistrict outside Iberville/Tremé) and athletic facilities (in the case of Woodlawn)—are likely to be supportive of the goal of creative walkable, pedestrian-oriented urbanism. Without design guidelines, large-format buildings like hospitals and athletic facilities can easily undermine the other goals of the Choice Neighborhoods, especially those related to pedestrian orientation and connectivity. Ensuring minimal friction in competing goals can be worked out in a strategic plan that anticipates public investment.

The following public investments should be considered as essential components to leverage the Choice Neighborhoods investment:

- Sidewalks that are a minimum of 6 feet wide.
- Complete streets, public infrastructure investment consistent with the ITE's complete thoroughfares standards.[154]
- Street trees and landscape buffers.
- Coordinated street furniture, lighting, and signage designed to enhance the pedestrian realm; lighting should not be in the form of plain galvanized steel poles.[155]
- Corridorwide streetscape guidelines that enforce aesthetic quality.

Future investment in any streets in Choice Neighborhoods should adhere to a common set of design principles. Such standards can go a long way toward ensuring that, over time, public investment is directed in a consistent direction. Often the "devil is in the details," which is why a guided approach to public investment is needed. Street improvements should adhere to the National Association of City Officials *Urban Street Design Guide*, as well as the Institute of Transportation Engineers' *Walkable Urban Thoroughfares: A Context-Sensitive Approach* (see footnote 12). Investment in streets should prioritize bicycle paths or lanes, traffic calming, bus stop shelters, and pedestrian amenities.

[154] Further details about these guidelines and their implementation are available at www.ite.org.

[155] Improvements need to be monitored to ensure that they do not create unintended negative effects. For example, some residents expressed concern for street furniture such as benches and bus stops that would encourage loitering. Given these concerns, improvements might need to be added gradually, introduced only when the neighborhood has reached a point where the improvements, due to an overall climate of investment, increased informal surveillance and collective efficacy, are unlikely to generate negative effects.

In fact these elements were often included in the implementation proposals, but they were listed as "planned future investments." Vague statements about "planned pedestrian upgrades" and "future streetscape improvements" lack commitment on the part of outside agencies.

Segment ID: _____ Date: _____ Time of Day: _____ am/pm Observer Initials: _____ **BLOCK**

Street Name and Starting Address: _____ **FRONT**

Starting Cross Street: _____ Ending Cross Street: _____

1) How would you characterize the land use on this block?
- ☐ 1. All Residential
- ☐ 2. All Business / Institutional
- ☐ 3. Mixed Residential & Business / Institutional
- ☐ 4. All Other (parks, highways, trains, etc…)
- ☐ 5. Cannot tell

2) What kind of traffic signal is provided? <-- Not limited to one side:
- ☐ 1. Traffic signal
- ☐ 2. Stop sign
- ☐ 3. Yield sign
- ☐ 4. Multiple
- ☐ 5. None
- ☐ 6. Cannot tell MI-9

3) Consider the places that are intended for pedestrians to cross the street. Are these places marked for pedestrian crossing? <-- **Not limited to one side.**
- ☐ 1. All
- ☐ 2. Some
- ☐ 0. None
- ☐ 4. Not applicable
- ☐ 5. Cannot tell IMI-2

4) What is the condition of the road? <-Not limited to one side.
- ☐ 1. Good
- ☐ 2. Fair
- ☐ 3. Poor
- ☐ 4. Under repair
- ☐ 5. Cannot tell PEDS-14

5) What kind of on-street parking is there? <-- Not limited to one side. **Select all that apply.**
- ☐ 1. Parallel
- ☐ 2. Diagonal
- ☐ 3. None
- ☐ 4. Cannot tell IMI-151

6) What type of sidewalk or path (paved or unpaved) is there? **Select all that apply.**
- ☐ 1. Footpath (unpaved)
- ☐ 2. Paved trail
- ☐ 3. Sidewalk
- ☐ 4. Pedestrian street (closed to cars)
- ☐ 0. None
- ☐ 6. Cannot tell PEDS-4.1

7) Is there a permanent buffer (e.g. landscaped buffer strip, etc…) between the sidewalk and the street?
- ☐ 1. For all of the segment
- ☐ 2. For some of the segment
- ☐ 3. For none of the segment
- ☐ 4. Not applicable (no sidewalk)
- ☐ 5. Cannot tell

8) Is there a bus stop and if so what kind?
- ☐ 1.Bus stop with shelter
- ☐ 2. Bus stop with bench
- ☐ 3. Bus stop with signage only
- ☐ 4. No bus stop
- ☐ 5. Cannot Tell PEDS-35

9) What kind of lighting is there?
- ☐ 1. Road-oriented lighting
- ☐ 2. Pedestrian-oriented lighting
- ☐ 3. Both kinds of lighting
- ☐ 4. Other lighting
- ☐ 0 No lighting
- ☐ 6. Cannot tell PEDS-25

	Segment ID: _____	**Yes**	**No**	**Not Applic. (no buildings)**	**Cannot Tell**	
10	Is there a speed bump/speed hump/raised crosswalk/dip/rumble strip that is intended to slow down traffic? (Help) <-- Not limited to one side	☐ 1	☐ 2		☐ 4	IMI146 (adjusted)
11	Is any significant barrier to walking present? (Note: a barrier is something that significantly hinders walking, not just something annoying to pedestrians)	☐ 1	☐ 2		☐ 4	IMI98 (adjusted)
12	Do any buildings have either major cracks in walls OR missing bricks, siding, or other outside wall material?	☐ 1	☐ 2	☐ 3	☐ 4	NYC HVS-1
13	Do any buildings have broken or boarded up windows?	☐ 1	☐ 2	☐ 3	☐ 4	NYC HVS-2
		Some or a lot	**Little/Few**	**None**	**Cannot Tell**	
14	How many buildings have windows with bars?	☐ 1	☐ 2	☐ 3	☐ 4	IMI130
15	Are there abandoned buildings or lots on this block?	☐ 1	☐ 2	☐ 3	☐ 4	IMI128
16	How much graffiti is apparent?	☐ 1	☐ 2	☐ 3	☐ 4	IMI139
17	How much litter is apparent? (Help)	☐ 1	☐ 2	☐ 3	☐ 4	IMI140
18	Is there visible electric wiring overhead?	☐ 1	☐ 2	☐ 3	☐ 4	IMI142

The majority of the questions are taken from or based on established protocols and surveys. If the question was taken from a particular survey, that survey is cited at the end of the question. The references are:

IMI – The Irvine Minnesota Inventory (The Irvine Minnesota Inventory, Kristen Day, et. al., Instrument and Protocol: http://www.activelivingresearch.org/node/10634)

PEDS – Pedestrian Environment Data Scan (The Pedestrian Environment Data Scan (PEDS) Tool, Dr. Kelley Clifton, University of Maryland. Instruments and Protocols: http://planningandactivity.unc.edu/RP1.htm)

NYC HVS – The New York City Housing and Vacancy Survey (New York City Housing and Vacancy Survey, Conducted by the US Census Bureau. Instruments and Protocols: http://www.censusgov/hhes/www/housing/nychvs/nychvs.html)

Appendix D:
Energy Scorecard Report

This report was prepared by CNT Energy under subcontract to the Urban Institute for the Choice Neighborhoods Implementation Evaluation under Task Order #1. It was submitted to the Urban Institute on October 3, 2012.

The report addresses the following research questions:

- What is the projected change in the quality of public and assisted housing?
- What are the estimated savings in energy costs expected from housing rehabilitation or redevelopment?
- What is the baseline energy use before housing rehabilitation or redevelopment?

SCORECARD

CNT Energy has developed a Scorecard of energy use for affordable multifamily housing that can be used to evaluate energy performance of buildings prior to redevelopment as well as post-occupancy for the HUD Choice Neighborhoods. In this report the Scorecard is applied to sites in five cities (Boston, Chicago, New Orleans, San Francisco, and Seattle). This Scorecard is part of a baseline assessment of the physical quality of public and assisted housing developments.

The Scorecards presented here document the energy use of an average building at each of the five sites studied. Average buildings were benchmarked, rather than specific individual buildings, because energy data and building characteristics were often supplied by building owners on a site-wide total basis. Moreover, in some cases buildings in the study areas do not have individual utility meters.

BENCHMARKING

The Scorecards are based on owner data from five cities and comparison data from national data sets. It is said that the best benchmark for a building's energy performance is itself, and that remains true with these sites. The specific building characteristics, use, occupants, weather, and other elements that determine energy use make each building and site unique. However, a range of energy use for similar buildings is reported for context.

Energy use intensity (EUI) as measured in thousand British Thermal Units (BTUs) per square foot per year is becoming a standard unit of measure in building energy efficiency reporting and is the basis of energy benchmarking in the Scorecards. More information on EUI and the other scorecard elements can be found at the end of this appendix.

The national and area average EUIs used in the Scorecards come from the U.S. Department of Energy's Residential Energy Consumption Survey (RECS).[156] Area average data are from RECS for units in multifamily buildings of five units or more in the building's Census Division (or state in the case of San Francisco were state-specific data were available).

The 2005 RECS was used because public use microdata were not yet available for the 2009 RECS at the time of this writing. The individual survey responses provided in the microdata are published with the

[156] U.S. Department of Energy, Energy Information Administration, *2005 Residential Energy Consumption Survey*, Revised January 2009.

corresponding heating degree days for the survey respondent's location, enabling weather normalization of the data, which allows them to be much more comparable data points. However, one limitation of the RECS survey as a comparison for multifamily buildings is that RECS only surveys individual residential units, rather than entire buildings, so may exclude significant common area energy uses in multifamily buildings.

Building EUIs for the study sites are presented in the context of a range of more and less efficient buildings for the area. These more and less efficient values were derived in part from the most and least efficient quintiles in the RECS data for multifamily buildings with five or more units in each Census Division. CNT Energy also used a database of energy use for over 100 anonymized multifamily buildings in the study cities provided by Bright Power.

METHODS

The redevelopment that is occurring at these sites presents a unique circumstance for energy benchmarking as the buildings are being actively demolished or renovated and occupancy is changing significantly. In New Orleans, for example, 2011 occupancy was just 50%. To adjust for this, the square footage of vacant units is subtracted from the gross floor area before calculating 2011 EUIs for these Scorecards. This method aligns with that of EPA's Portfolio Manager and Energy Star benchmarking methodology, which tracks vacant space separately from occupied space.

All data were weather normalized to examine energy use under an average year's climate conditions in each city, which prevents an extremely hot or cold year from overshadowing building efficiency patterns, but does not eliminate differences in energy use due to differing climates from city-to-city. National average data used for comparison were similarly weather normalized to represent a year with the average number of heating degree days nationwide. Weather normalization of energy data used a simple ratio of actual heating degree days for the data year divided by normal heating degree days, a method consistent with the level of granularity of the energy data available. Cooling degree days were not adjusted for, as the buildings studied largely did not have air conditioning (except for some window units). Electricity data was weather normalized in Seattle where units have electric heating and hot water; all other sites are only weather adjusted for natural gas data, because electricity use in these areas will not vary with weather.

The Scorecards here present an overview snapshot of energy use in the HUD Choice Neighborhoods buildings before rehabilitation and redevelopment. They can be used to build understanding of energy use patterns to target efficiency improvement and as a benchmark for comparison in estimating cost savings post-redevelopment.

SCORECARDS

CHICAGO GROVE PARC PLAZA BUILDING ENERGY SCORECARD SUMMARY

Exhibit D.1 shows that 14 of Chicago's Grove Parc Plaza's buildings with available energy use data averaged an Energy Use Intensity (EUI) of 150 thousand BTU per square foot per year (kBTU/sqft/yr.) in 2011, compared to an area average of 89 and a national average of 59. Similar buildings in this region ranged from a less efficient EUI of 190 to a more efficient EUI of 19. Electricity use and cost values for Chicago are estimated based on tenant electricity costs and owner electric utility data.

The average energy cost per month at Grove Parc Plaza was $109 per unit in 2011, compared to a national average of $86 per month for homes in multifamily buildings with five units or more. The weather adjusted cost per unit decreased in 2011 as prices declined; natural gas was $59 and $48 per month in 2010 and 2011 respectively. Estimated electricity costs were steady at $61 those same years. These energy costs represent an estimate of the total of bills paid by the owners and the tenants and include energy used in common areas as well as individual units.

Natural gas made up the largest share of the 150 EUI for the average Grove Parc building. The total EUI was greater than the national average of 59. The EUI for natural gas alone was 141 in 2010 and 125 in 2011. The electricity EUIs were 25 for both of those same years.

Grove Parc Plaza was built in 1968. The buildings were heated with central natural gas boilers, and some units had window air conditioners. On average the buildings had 22 units each and an occupancy of 67% in 2011. The average building was 3 stories tall and had 40 bedrooms in a gross floor area of 18,652 square feet. The share of gross floor area that was conditioned was 100%. There were no in-unit laundry hookups, no common area laundry hookups, and no dishwashers.

Grove Parc's energy use was much higher than the national average for multifamily buildings due in large part to Chicago's cold winters. The age and state of repair of the buildings likely played significant roles in Grove Parc's energy demand as well, as buildings with inefficiencies, such as insufficient insulation and air leaks require more energy to keep residents comfortable.

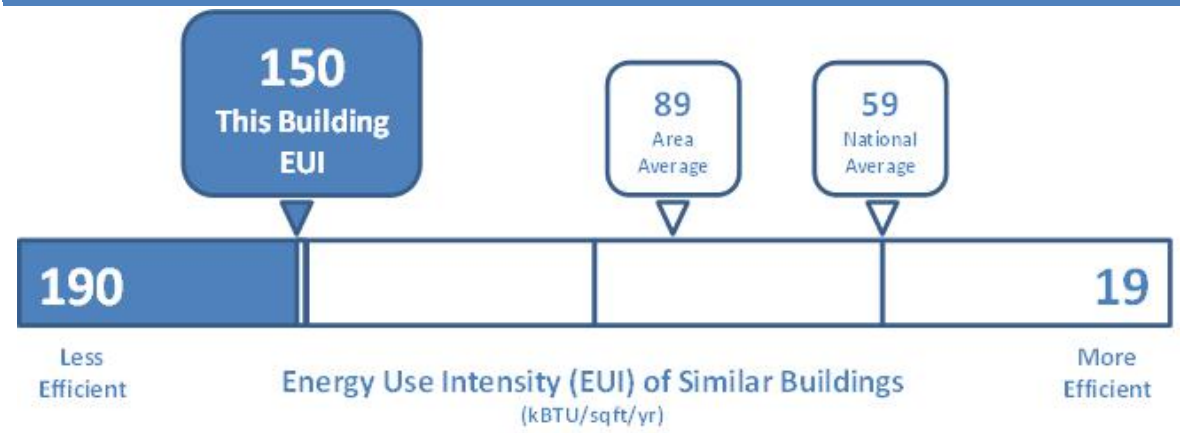
The number of window air conditioners and their usage is unknown, but if they were widely used the summer electricity consumption would have been greatly impacted by the same weatherization issues that influenced the winter heating demand. Grove Parc did not have major appliances, such as laundry machines, so its energy use would be even higher if those types of energy uses were present.

Exhibit D.1: Chicago, IL Grove Parc Scorecard

Building Energy Scorecard

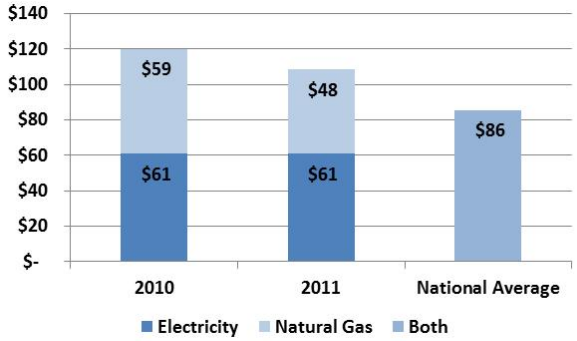
Building Name	**Grove Parc Plaza (Average of 14 Buildings)**
Location	**Chicago, IL**

2011 Energy Use Intensity (est.)



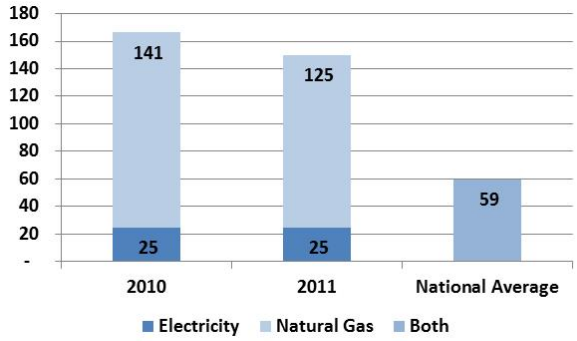
Average Cost per Unit per Month (est.)

2011 Cost **$109 per month**



Building EUI by Energy Type (est.)

2011 Total EUI **150 kBTU/sqft/yr**



Building Details

Year Built	1968	Number of Bedrooms	40
Heating Type	Natural Gas Boiler	Gross Floor Area	18,652 square feet
Air Conditioned	Window Air Conditioners	Share of Gross Floor Area Conditioned	**100%**
Number of Units	22	Number of In-Unit Laundry Hookups	**0**
Occupancy	**67%**	Number of Common Area Laundry Hookups	**0**
Number of Floors	**3**	Number of Dishwashers	**0**

New Orleans Iberville Building Energy Scorecard Summary

Exhibit D.2 shows that 71 of New Orleans' Iberville's buildings averaged an Energy Use Intensity (EUI) of 57 thousand BTU per square foot per year (kBTU/sqft/yr.) in 2011, compared to an area average of 27 and a national average of 59. Similar buildings in this region ranged from a less efficient EUI of 64 to a more efficient EUI of 10.

The average energy cost per month at Iberville was $58 per unit in 2011, compared to a national average of $86 per month for homes in multifamily buildings with five units or more. Only one year of cost data was available—spanning July 2010 to June 2011. The weather adjusted cost per unit was $42 for electricity and $16 for natural gas per month. The building owner pays the electricity, heating, and hot water bills at Iberville. There were 50 meters on-site for the 71 buildings in Iberville with some meters covering two buildings. Energy data were reported for the site as a whole.

Natural gas and electricity made up relatively even shares of the 57 EUI for the average Iberville building. The total EUI was slightly less than the national average of 59. The EUI for electricity was 30 and the natural gas EUI was 27 in 2011.

Iberville was built in 1941. The buildings were heated with natural gas wall heaters and there was no air conditioning. On average the buildings had 12 units each and an occupancy of just 50% in 2011 due to the redevelopment process. The average building was 3 stories tall and had 20 bedrooms in a gross floor area of an estimated 7,841 square feet. The share of gross floor area that was conditioned was 100%. There were no in-unit laundry hookups, no common area laundry hookups, and no dishwashers.

The average building at Iberville was more efficient than the national average, but energy use was higher than might be expected. Given New Orleans' temperate winters, with normal heating degree days of just 1,272 per year (compared to 6,329 in Chicago), the Iberville buildings likely did not require frequent heating. Though the summer is very hot, with 2,995 normal cooling degree days, the buildings did not have cooling systems, yet the average Iberville building had an EUI that was twice that of the average multifamily building in the area.

Exhibit D.2: New Orleans, LA Iberville Scorecard

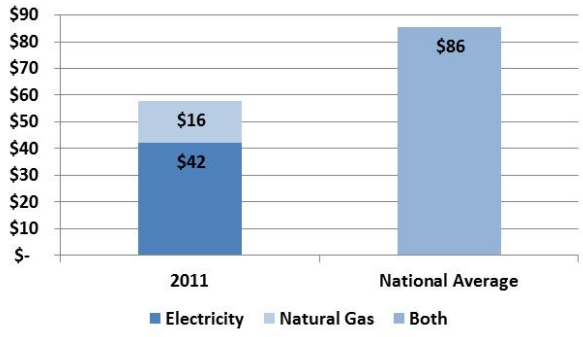
Building Energy Scorecard

Building Name	**Iberville/Tremé (Average of 71 Buildings)**
Location	**New Orleans, LA**

2011 Energy Use Intensity

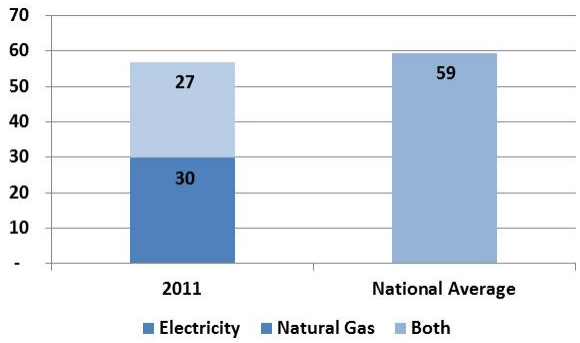
Average Cost per Unit per Month

2011 Cost **$58 per month**



Building EUI by Energy Type

2011 Total EUI **57 kBTU/sqft/yr**



Building Details

Year Built	1941	Number of Bedrooms	20
Heating Type	Natural Gas Wall Heaters	Gross Floor Area	7,841 square feet (est.)
Air Conditioned	None	Share of Gross Floor Area Conditioned	100%
Number of Units	12	Number of In-Unit Laundry Hookups	0
Occupancy	50%	Number of Common Area Laundry Hookups	0
Number of Floors	3	Number of Dishwashers	0

BOSTON WOODLEDGE/MORRANT BAY BUILDING ENERGY SCORECARD SUMMARY

Exhibit D.3 shows that 11 of Boston's Woodledge/Morrant Bay's buildings averaged an Energy Use Intensity (EUI) of 168 thousand BTU per square foot per year (kBTU/sqft/yr.) in 2011, compared to an area average of 102 and a national average of 59. Similar buildings in this region ranged from a less efficient EUI of 238 to a more efficient EUI of 23.

Energy cost data for Woodledge/Morrant Bay were not available, but an estimate of energy costs was made using average energy prices in the region.[157] Monthly energy costs were an estimated $152 per unit in 2011, compared to a national average of $86 per month for homes in multifamily buildings with five units or more. The weather adjusted monthly costs per unit were estimated at $14 and $13 for electricity in 2010 and 2011 respectively and $149 and $139 for natural gas in those same years. Energy bills were a split responsibility with tenants paying the electric bills for their units and the building owner paying for heat, hot water, and electricity use in common areas.

Natural gas made up the vast majority of the 168 EUI for the average Woodledge/Morrant Bay building. The total EUI was nearly three times the national average of 59. The EUI for natural gas was 168 in 2010 and 163 in 2011, and the electricity EUI was 5 in 2010 and 4 in 2010.

Woodledge/Morrant Bay was built in 1920. The buildings were heated with natural gas boilers and there was no air conditioning. On average the buildings had 12 units each and an occupancy of 89% in 2011. The average building was 3 stories tall and had 28 bedrooms in a gross floor area of 8,799 square feet. The share of gross floor area that was conditioned was 92%. There were no in-unit laundry hookups, no common area laundry hookups, and no dishwashers.

Woodledge/Morrant Bay's energy use was much higher than the national average for multifamily buildings, likely due to Boston's cold winters and the age and state of repair of the buildings. The overwhelming share of the EUI that comes from natural gas use is indicative of a very heavy heating load. Indeed, Boston's Choice Neighborhoods round 1 Implementation Grant application states,

> "Typical annual cost for gas for heat and hot water for the properties ranges from $1,375 to $1,690 per unit—about 60% to 75% higher than utility costs at comparable properties in the Dorchester Bay and Quincy Geneva portfolios. Outdated and inefficient heating systems; lack of insulation; poorly-fitting windows; and absence of low-flow showers and faucets all contribute to Morrant Bay's high energy costs."[158]

Woodledge/Morrant Bay did not have window air conditioners or major appliances, such as laundry machines, so its energy use would be even higher if those types of energy uses were present.

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[157] U.S. Department of Energy, Energy Information Administration, *Electric Sales, Revenue, and Average Price, Table 6,* 2012 and 2011. and U.S. Department of Energy, Energy Information Administration, *Natural Gas Prices: Massachusetts,* September 28, 2012.

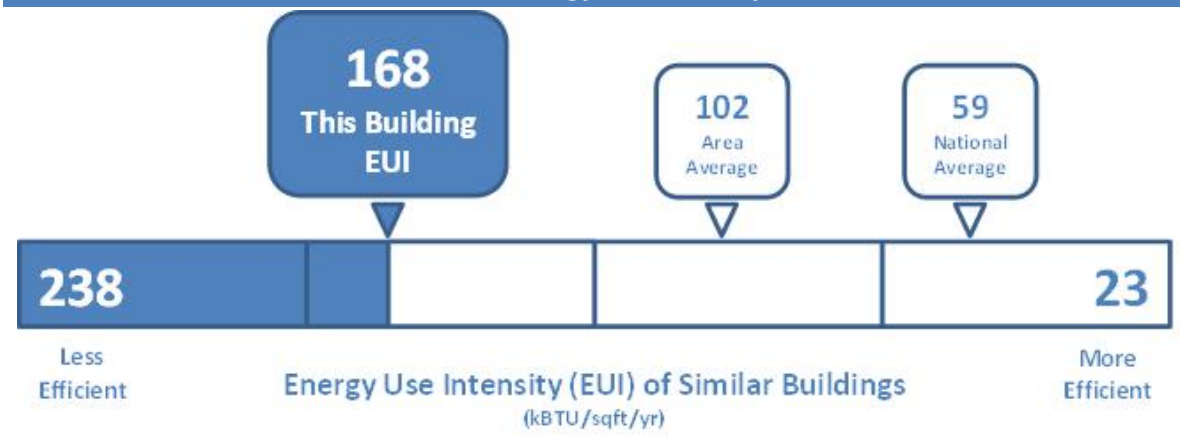
[158] City of Boston Department of Neighborhood Development, "Choice Neighborhoods Initiative Round 1 Implementation Grant Application," undated.

Data at Woodledge/Morrant Bay were reported on a building-by-building basis. Taken individually the building EUIs ranged from 113 to 208 in 2011, or a range from 33% below to 24% above than the average of 168.

Exhibit D.3: Boston, MA Woodledge/Morrant Bay Scorecard

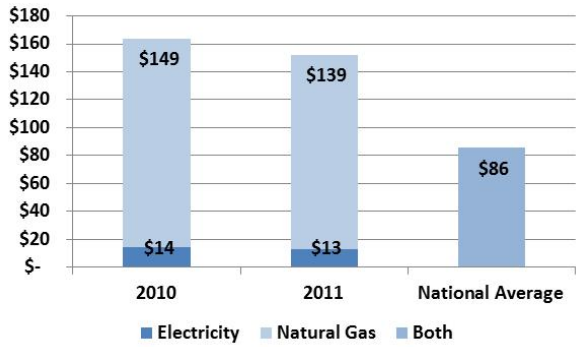
Building Energy Scorecard	
Building Name	**Woodledge/Morrant Bay (Average of 11 Buildings)**
Location	**Boston, MA**

2011 Energy Use Intensity



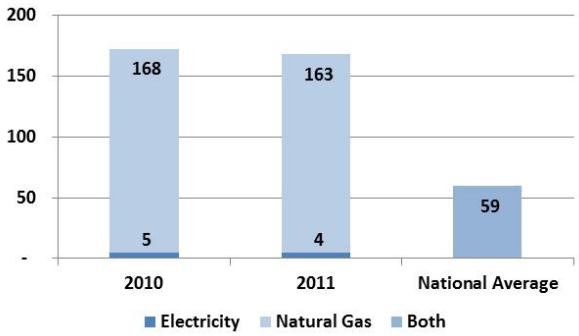
Average Cost per Unit per Month (est.)

2011 Cost **$152 per month**



Building EUI by Energy Type

2011 Total EUI **168 kBTU/sqft/yr**



Building Details			
Year Built	1920	Number of Bedrooms	28
Heating Type	Natural Gas Boiler	Gross Floor Area	8,799 square feet
Air Conditioned	None	Share of Gross Floor Area Conditioned	92%
Number of Units	12	Number of In-Unit Laundry Hookups	0
Occupancy	89%	Number of Common Area Laundry Hookups	0
Number of Floors	3	Number of Dishwashers	0

San Francisco Alice Griffith Building Energy Scorecard Summary

Exhibit D.4 shows that 33 of San Francisco's Alice Griffith's buildings averaged an Energy Use Intensity (EUI) of 98 thousand BTU per square foot per year (kBTU/sqft/yr.) in 2011, compared to an area average of 90 and a national average of 59. The area average EUI represents an average across all of California—the smallest geography at which RECS data were available. The California average EUI would be expected to be higher than San Francisco as it includes areas that typically require more heating and cooling, so the higher EUI at Alice Griffith is notable. Similar buildings in this region ranged from a less efficient EUI of 153 to a more efficient EUI of 32.

The average energy cost per month at Alice Griffith was $145 per unit in 2011, compared to a national average of $86 per month for homes in multifamily buildings with five units or more. The weather adjusted cost per unit has been fairly steady over the past three years with natural gas at $81, $83, and $83 per month in 2009, 2010, and 2011 respectively, and electricity at $61, $69, and $62 those same years. These energy costs represent the total of bills for the buildings and include energy used in common areas as well as individual units.

Natural gas made up the majority of the 98 EUI for the average Alice Griffith building. The total EUI was significantly higher than the national average of 59. The EUI for natural gas was 85 in 2009, 80 in 2010, and 75 in 2011, and the electricity EUI was 24, 24, and 23 those years.

Alice Griffith was built in 1962. The buildings were heated with natural gas boilers and there was no air conditioning. On average the buildings had 8 units each and an occupancy of 93% in 2011. The average building was 2 stories tall and had 22 bedrooms in a gross floor area of an estimated 7,727 square feet. The share of gross floor area that was conditioned was 100%. A 2009 energy audit indicated that the, "Site has central laundry and most apartment units have hook ups and portable units."[159]

Alice Griffith's energy use was quite a bit higher than the national average for multifamily buildings, which is significant because San Francisco has a temperate climate with just 2,652 normal annual heating degree days (compared to 6,329 in Chicago). The site underwent energy retrofits in the 1980's, and a 1992 study found that the retrofits reduced the site's energy use by 32% with attic insulation and other measures.[160] Nevertheless, the age and state of repair of the buildings likely played significant roles in Alice Griffith's 2011 energy demand. Additionally, the 2009 energy audit reports that the buildings were kept at an average temperature of 73 degrees during the winter, which is quite warm—many energy efficiency resources recommend a winter set point of 68 degrees during waking hours and lower during sleeping hours, though heating needs will vary. The overwhelming share of the EUI that comes from natural gas use is indicative of a very heavy heating load. Alice Griffith did not have window air conditioners, and there is little to no demand for cooling in San Francisco due to its cool summers.

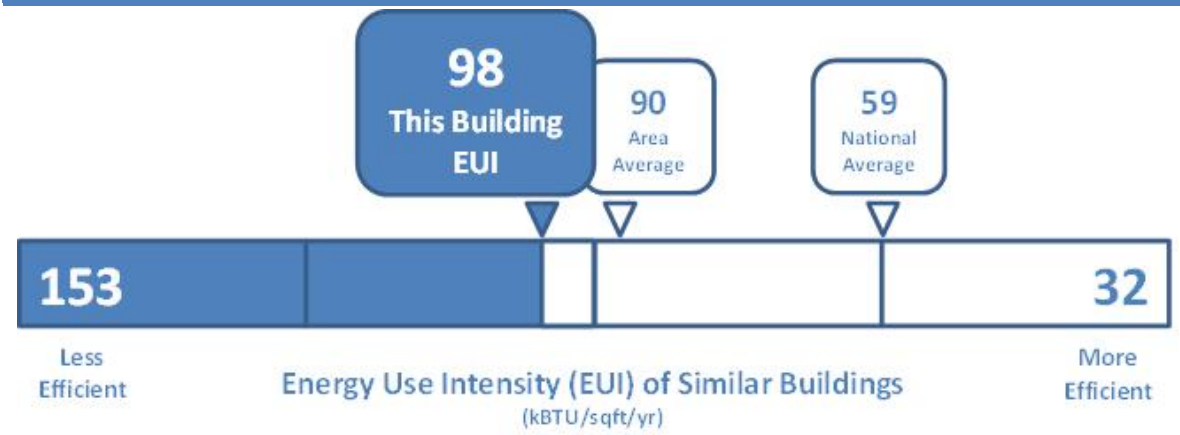
[159] Ameresco, *Energy Audit Report: San Francisco Housing Authority Alice Griffith*, March 31, 2009.
[160] Ronald Ritschard and Andrew McAllister, *Persistence of Savings in Multifamily Public Housing*, Lawrence Berkeley Laboratory, 1992.

Exhibit D.4: San Francisco, CA Alice Griffith Scorecard

Building Energy Scorecard

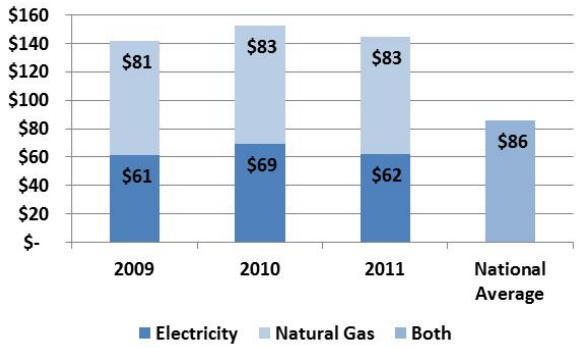
Building Name	**Alice Griffith (Average of 33 Buildings)**
Location	**San Francisco, CA**

2011 Energy Use Intensity



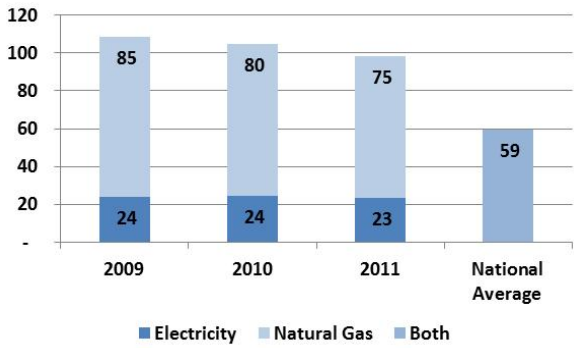
Average Cost per Unit per Month

2011 Cost **$145 per month**



Building EUI by Energy Type

2011 Total EUI **98 kBTU/sqft/yr**



Building Details

Year Built	1962	Number of Bedrooms	22
Heating Type	Natural Gas Boiler	Gross Floor Area	7,727 square feet (est.)
Air Conditioned	None	Share of Gross Floor Area Conditioned	100%
Number of Units	8	Number of In-Unit Laundry Hookups	8
Occupancy	93%	Number of Common Area Laundry Hookups	0
Number of Floors	2	Number of Dishwashers	Unknown

SEATTLE YESLER TERRACE BUILDING ENERGY SCORECARD SUMMARY

Exhibit D.5 shows that 65 of Seattle's Yesler Terrace's buildings averaged an Energy Use Intensity (EUI) of 38 thousand BTU per square foot per year (kBTU/sqft/yr.) in 2010 (the most recent year for which complete data were available), compared to an area average of 38 and a national average of 59. Similar buildings in this region ranged from a less efficient EUI of 115 to a more efficient EUI of 23.

The average energy cost per month at Yesler Terrace was $62 per unit in 2010, compared to a national average of $86 per month for homes in multifamily buildings with five units or more. Electricity was the only energy type used in the buildings. The cost per unit was $48, $49, and $62 in 2008, 2009, and 2010 respectively. These electricity costs represent the total of bills for the buildings and include energy used in common areas as well as individual units.

Because electricity was the only fuel used the electricity EUI is the same as the whole building EUI and was 33 in 2008, 34 in 2009, and 38 in 2010. The total EUI was lower than the national average of 59.

Yesler Terrace was built in 1941. The buildings were heated with electric baseboard heaters and there was no air conditioning. On average the buildings had 8 units each and an occupancy of 97% in 2011. The average building was 2 stories tall and had 14 bedrooms in a gross floor area of 7,516 square feet. The share of gross floor area that was conditioned was 86%. There were no in-unit laundry hookups, no common area laundry hookups, and no dishwashers.

Seattle has a long history of hydroelectric power generation and very low cost electricity, which is why many Seattle buildings rely solely on electricity for all energy needs. Yesler Terrace's energy use was lower than the national average for multifamily buildings, which is due in part to Seattle's moderate winters. Notably, the EUI for the average building at Yesler Terrace exactly matches that of the average for the area of 38. A 2009 study of ten new multifamily buildings in Seattle also found an average EUI of 38.[161]

Yesler Terrace has significant room for energy efficiency improvement with redevelopment. A 2007 study found that units at Yesler Terrace used 24% more energy than their equivalents at a Hope VI redevelopment in Seattle that met modern building codes (New Holly) and 40% more energy than a Hope VI green building redevelopment (High Point).[162] Yesler Terrace is located in Seattle's 2030 District, an area that is working to achieve the Architecture 2030 Challenge targets for new buildings; this includes a goal EUI of 16 for new multifamily buildings beginning in 2010 and an EUI of 12 beginning in 2015.[163]

Yesler Terrace also has 4 buildings that serve as YMCA Emergency Housing sites. These buildings were not included in the Scorecard average, because their energy use was reported separately and their usage patterns were likely quite different. Occupancy data for these buildings were unavailable, but

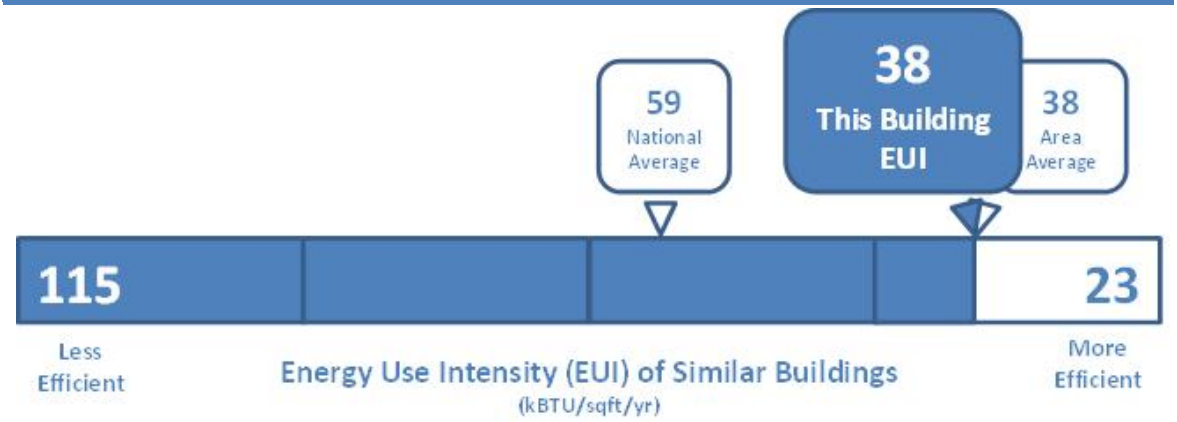
[161] Ecotope, *Multifamily Billing Analysis: New Mid-Rise Buildings in Seattle,* prepared for City of Seattle Department of Planning & Development, December 2009.
[162] Cedar River Group, *Sharing the Benefits of Building Green: A Study of the High Point Community*, 2009.
[163] CollinsWoerman & Gibson Economics, *Yesler Terrace Sustainable District Study,* December 12, 2010.

assuming 100% occupancy these buildings had an average EUI of 49 in 2010, which us notably higher than the other Yesler Terrace buildings.

Exhibit D.5: Seattle, WA Yesler Terrace Scorecard

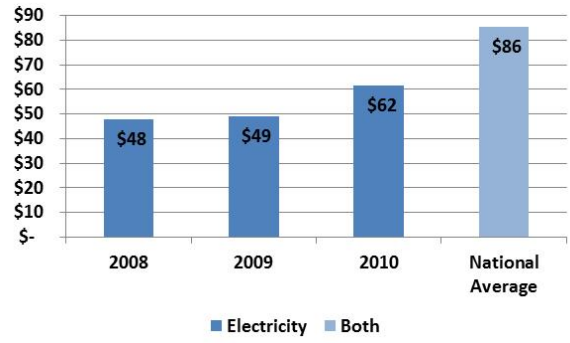
Building Energy Scorecard	
Building Name	**Yesler Terrace (Average of 65 Buildings)**
Location	**Seattle, WA**

2010 Energy Use Intensity



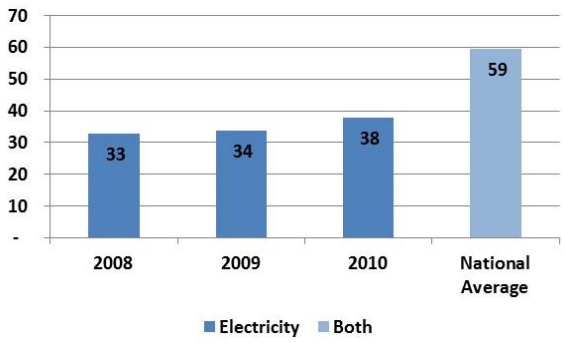
Average Cost per Unit per Month

2010 Cost **$62 per month**



Building EUI by Energy Type

2010 Total EUI **38 kBTU/sqft/yr**



Building Details			
Year Built	1941	Number of Bedrooms	14
Heating Type	Electric Baseboard Heaters	Gross Floor Area	7,516 square feet
Air Conditioned	None	Share of Gross Floor Area Conditioned	86%
Number of Units	8	Number of In-Unit Laundry Hookups	0
Occupancy	97%	Number of Common Area Laundry Hookups	0
Number of Floors	2	Number of Dishwashers	**0**

CHICAGO UTILITY DATA

Working with the building owner, Preservation of Affordable Housing, gas and electric utility data were collected for Grove Parc Plaza in Chicago. These utility data are in addition to the owner-reported data used in this study and allow for comparison between data from these two different sources.

The issues encountered in the process of gathering utility data in Chicago were typical of the challenges faced when working to assess multifamily buildings. Specifically, buildings were not individually metered, building addresses did not match utility records, and data for utilities paid by tenants were often missing or difficult to align with other building data.

The median difference in natural gas utility-reported and owner-reported data at 14 Grove Parc buildings was quite small at 3% and ranged from -27% to 21% on a building-by-building basis . Typical issues that cause such variance are billing estimates, inconsistent billing dates, and transcription errors. Because the building owner at Grove Parc pays all natural gas utility bills, the dataset for these buildings was relatively straightforward.

Comparatively, accessing electric utility data paid by tenants at Grove Parc was extremely challenging. Grove Parc tenants pay their own utility bills for in-unit electricity use while the building owner pays for common area electricity use. Utility records have not historically been set up to easily enable the roll up of accounts from multiple different customers, so data requested for Grove Parc buildings was often missing the vast majority of tenant accounts.

In the end, complete electricity use data for two buildings that share a common meter were gathered. The electricity use at these buildings was much higher than the average with an EUI of 56, as compared the EUI of 25 estimated for the 14 buildings in Grove Parc's Scorecard. These two buildings had some unusual characteristics, such as being the only buildings in Grove Parc with studio and one-bedroom apartments, as well as having the only elevators in the complex—both factors that will increase the EUI of a building. As a result, it was decided these two buildings were not enough of a representative sample to warrant adjusting the other building's electricity use upward in line with these buildings.

CONCLUSION

All of the buildings studied were ripe for energy efficiency improvements, and will likely see better energy performance after redevelopment, barring the addition of new major energy uses such as air conditioning, elevators, and large appliances. Benchmarking and tracking energy use and costs will help drive ongoing energy improvements by allowing building owners to identify and address inefficiencies. Improving the efficiency of multifamily buildings will reduce costs and increase affordability.

Gathering the data necessary for these Scorecards posed many challenges, not least of which was that many of the buildings were not individually metered for energy use. Future benchmarking efforts would be well served by developing stronger energy data standards for buildings in HUD programs.

Historically, public housing authorities were only required to report energy expenditures to HUD on an agency-wide basis, and today's required property-by-property reporting of consumption data has been an improvement in transparency. But, building-level meters with automatic monthly reporting would bring a much deeper and more accurate level of understanding of building energy use patterns.

New utility initiatives are making energy data collection easier than ever before with online reporting systems. The days when building owners had to hand-enter data from paper bills into spreadsheets and survey residents to track usage and costs should be coming to an end. Supporting adoption of automated reporting in affordable housing would benefit owners and residents.

In many places around the country new building disclosure laws have been developed which encourage or require building owners to disclose energy use. As these policies are implemented data issues related to building energy benchmarking are coming into sharper focus. PlaNYC's, *New York City Local Law 84 Benchmarking Report,* makes a set of recommendations for improved data gathering and benchmarking that apply well to multifamily affordable housing, including automatic uploading of utility data, building-level metering, corrections to service addresses and building square footage, improvements to Energy Star Portfolio Manager, and the creation of evaluation and feedback systems to continually improve data over time.[164] Coordinating affordable housing benchmarking with benchmarking and disclosure policies such as New York City's will standardize and improve the practice for everyone involved.

ADDITIONAL METHODOLOGY: SCORECARD COMPONENTS

The Scorecard is made up of a set of four key components that are explained in detail here— Building Energy Use Intensity; Average Cost; EUI by Energy Type; and Building Details.

BUILDING ENERGY USE INTENSITY

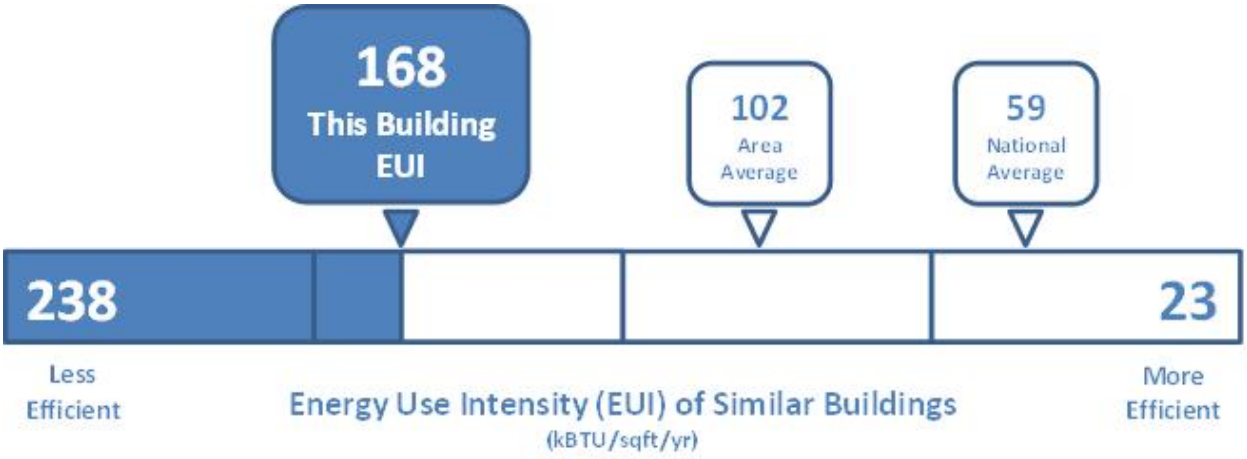
Energy use intensity (EUI) as measured in thousand British Thermal Units (BTUs) per square foot per year is becoming a standard unit of measure in building energy efficiency reporting. It enables comparison by including all types of energy use, such as natural gas, electricity, and fuel oil. To calculate EUI annual energy use values are converted into common units and summed. Dividing this total energy use by square footage provides some normalization and comparability among buildings of very different sizes. This can be important in multifamily housing where buildings can range from 5 units to 150 units and more.

Exhibit D.6 shows the average building EUI for Boston, normalized for Boston's average weather, on a scale that includes a range of intensities as well as a national and area average gives the EUI context. The national average used in the Scorecard is the average value for apartments in buildings with five or more units in the U.S. from the Department of Energy's 2005 Residential Energy Consumption Survey (RECS) normalized for an average national weather year. The average RECS EUI of apartments in buildings with five or more units in the associated Census Division (or state for San Francisco) weather

[164] City of New York, PlaNYC, *New York City Local Law 84 Benchmarking Report,* August 2012.

normalized for the average year's climate in the area is used as the area average. The "more efficient" and "less efficient" values represent the average of the upper and lower quintiles of the RECs microdata for multifamily buildings with five or more units in each region. CNT Energy also used a database of energy use for over 100 anonymized multifamily buildings in the study cities provided by Bright Power.

Exhibit D.6: Energy Use Intensity Chart



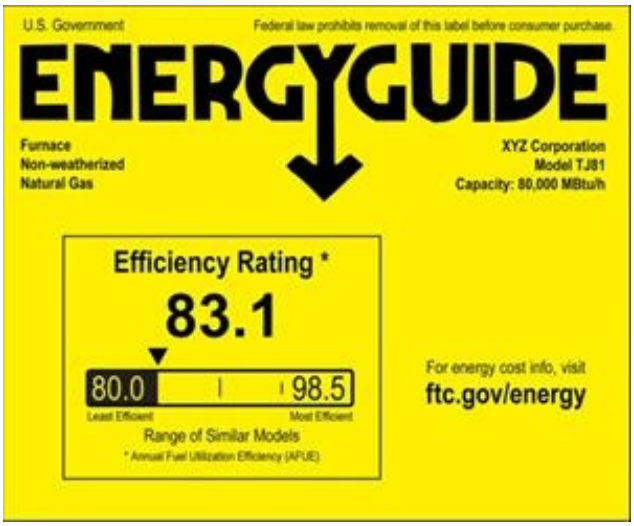
The EUIs for the buildings can be represented in two ways—the energy used on site, or the life cycle total of energy use including the source energy lost in the process of generating the electricity and transporting the natural gas used in the building. These two types are known as site EUIs and source EUIs. Site EUIs represent energy use as building owners and residents usually understand it. Source EUIs have the benefit of presenting the full energy use of a building from a global perspective. Unless stated otherwise, all of the EUIs presented here are site-based EUIs. Source EUIs are calculated using US EPA multipliers of 3.34 for electricity and 1.047 for natural gas. However, it should be noted that these national average multipliers may distort the impact of electric use in Seattle, which is largely hydropowered, so does not face the same source energy inefficiencies of the average fossil fuel power.

Exhibit D.7: Site and Source Energy Use Intensity

	2011 Site EUI (kBTU/sqft/yr.)	2011 Source EUI (kBTU/sqft/yr.)
Chicago (Grove Parc Plaza)	150	214
New Orleans (Iberville)	57	128
Boston (Woodledge/Morrant Bay)	168	186
San Francisco (Alice Griffith)	98	156
Seattle (Yesler Terrace)	38	127

The visuals for the EUI portion of the Scorecard are loosely based off of the federal EnergyGuide label for appliances (Exhibit D.8), which provides a quick glance look at how an appliance ranks in energy use in comparison to other similar items.[165]

Exhibit D.8: Energy Guide Label



Average Cost

Where cost data are available it is useful to include them in the Scorecard as energy cost is a much more tangible factor for households and building owners than energy use. However, it should be stressed that energy costs vary significantly over time and by place. Costs should not be the primary metric to score building energy efficiency, as two buildings in two different places using the same amount of energy may have very different energy bills due to regional energy generation and delivery costs. Moreover, the same building using constant energy over time could have increasing energy costs due to changes in the energy market.

Utility costs are split in a variety of ways in multifamily buildings—owners may pay all energy costs; tenants may pay for electricity in their units while owners pay for heating, hot water, and common area energy use; or there may be some other split of costs. For simplicity and comparability cost data are reported here on a total average per-month, per-occupied-unit basis.

A national average energy cost value is presented as a point of comparison. The national average value is for multifamily rental buildings of five units or more and it is not broken out by fuel, because home energy fuels vary across the country—heating oil is common in the Northeast U.S., while other areas may use only electricity for all household energy needs.

[165] U.S. Federal Trade Commission, "Proposed 2012 Energy Guide Label for Heating Ventilation and Air Conditioning Equipment," May 2012. http://www.ftc.gov/opa/2012/05/images/energyguide-label.jpg

EUI by Energy Type

The third chart presented in the Scorecard is Energy Use Intensity (EUI) by fuel by year. This uses some of the same information as the first chart, but provides a trend if enough data points are available. It also shows the energy intensity of the different types of energy used in the building, which can be quite different than the breakdown by cost in the previous chart. As with the cost data, a national average is presented as a point of comparison, but the data are not broken up by energy type because different types of energy are used in different regions.

Building Details

The building details section of the Scorecard provides information on some of the major factors that will impact the building's energy use. For simplicity's sake, not all variables affecting energy use are included here. Instead, the focus is on factors that could change and impact energy use after redevelopment or renovation. For example, if a redevelopment adds air conditioning the energy use of the new building will likely be much higher unless other efficiency improvements offset the new source of energy demand. On the other hand, measures of local climate are not included in the Scorecard, as they will not change upon redevelopment or rehabilitation. More information on the variables affecting energy use is provided in the next section.

Variables Affecting Energy Use

Size and Occupancy

Multifamily homes tend to have higher energy use intensities on a per-square-foot basis than single family homes in large part because multifamily homes are smaller. There are typically more people and more appliances per square foot in a multifamily home than in a single family home. The more people there are, the greater the use of lighting, hot water, and other energy consuming appliances. Occupancy patterns can also affect energy use, for if household members are home during the day the unit will need to be heated, cooled, and lighted for more hours than if it was vacant during the day.

Age, Construction, and Weatherization

The materials that a home is built of, along with its age and state of repair, can determine how hard the heating and air conditioning have to work in order to keep the home at a comfortable temperature. If a home has been weatherized and improvements have been made to insulation, leaky windows, and other building elements it will be more efficient to heat and cool.

Appliances

Appliances such as refrigerators, stoves, clothes washers, and dryers are all major energy users. A home that has a lot of appliances or old, inefficient appliances will have higher energy bills. The trend in the last decade is that homes have more and more electrical equipment, but appliances are getting more efficient due to federal standards.

CLIMATE AND WEATHER

The climate in which a home is located is one if the major drivers of its energy use. Because heating and air conditioning are typically a home's largest energy users, homes in extreme climates tend to demand more energy.

Heating degree days (HDDs) and cooling degree days (CDDs) are common units of measure for the influence of climate and weather on energy use. HDDs and CDDs are measures of the difference between a day's average temperature and a base temperature of 65 degrees Fahrenheit. This gives one a sense of how much heating or cooling might be required to make a building comfortable. These measures also allow one to compare actual weather with the "normal" average. Exhibit D.9 shows 2011 actual and normal HDDs and CDDs in the five Choice cities.

Exhibit D.9: Actual and Normal Heating and Cooling Degree Days in five Choice cities

		2011 Actual	Normal
Chicago	HDD	6133	6329
New Orleans	HDD	1231	1272
Boston	HDD	5137	5667
San Francisco	HDD	2960	2652
Seattle	HDD	5151	4694
Chicago	CDD	1033	827
New Orleans	CDD	3358	2995
Boston	CDD	1008	741
San Francisco	CDD	115	156
Seattle	CDD	121	184

The climates in the Choice cities are significantly different from each other, so energy use patterns will inherently vary from site-to-site. The chart also shows that actual values are above normal in some places but below normal in others within the same year. A close-up look at Boston alone in Exhibit D.9 shows that these patterns vary year-to-year even in the same place.

Energy data in the Scorecards are adjusted to "normalize" for weather, so changes in energy use due to weather do not overshadow other building energy use patterns. Best practice is to normalize a building's energy use on a month-by-month basis using regression analysis and separating base load energy uses from energy uses impacted by weather, but annual ratios of actual to normal HDDs were used in this study because only annual data were available

Appendix E: Analysis of Financial Feasibility

This appendix provides an analysis of operating pro formas associated with the housing transformation plans for Grove Parc (Chicago), Quincy Heights (Boston), Iberville (New Orleans), and Yesler Terrace (Seattle). Strategic Economics, Inc. (SE) conducted the analysis with the goal of understanding the issues generally affecting operating feasibility in the Chicago, Boston, New Orleans, and Seattle regions and to evaluate the project pro formas within those contexts.[166] The analyses in this appendix are based on memoranda received from Strategic Economics. The assessment indicates how local operating cost and revenue challenges may affect the long-term financial sustainability of the Choice housing redevelopments. Completed operating pro formas for the Eastern Bayview/Alice Griffith redevelopment plan were not available at the time of this analysis. The operating pro forma analysis contributes to a better understanding of the ongoing operating feasibility of the grant recipient projects.

This appendix begins with a general overview of pro forma financial statements to provide a basic understanding of their purpose and content. Next, a step-by-step description of the study methodology and a discussion of the data sources used are provided. The next sections present the analysis and findings associated with each of the operating pro formas provided by the grant recipient developers. Each analysis describes the development program analyzed, followed by an assessment of operating revenues, costs, and a summary of findings.

Overview of Pro Forma Statements

A pro forma financial statement (pro forma) is a tool used to model the financial performance of a real estate development project. [167] A pro forma for a new multifamily construction or rehabilitation project typically makes assumptions related to three phases of project development and operations:

- **Preconstruction or construction.** The pro forma reflecting this phase of project development describes the finances related to project construction or rehabilitation. During this time, major expenditures are made to cover start-up costs such as land acquisition, project design, permitting, and construction; these one-time expenditures are typically funded by large infusions of debt or equity financing.
- **Lease-up and ongoing operation.** Once the project is constructed, tenants will begin to move in and pay rent. The project pro forma reflecting this phase estimates the annual net operating income (NOI) of the project, which is used to pay ongoing debt service. NOI is calculated by subtracting projected ongoing operating expenses from the rental revenue generated by occupied units before income taxes and financing costs.
- **Disposition.** Pro formas typically assume that a project will be sold at the end of a specified period of time – often 30 years – at which point proceeds from the sale of the project will provide returns on equity or pay down any remaining debt associated with the project. This assumption provides a means of estimating the project's terminal value – and, therefore, total investment return – and is frequently included regardless of intent to sell.

[166] Dena Belzer, Amanda Gehrke, and Derek W. Braun of Strategic Economics, Inc. authored the memoranda.
[167] Pro forma financial statements can take many forms; individual pro formas, including those reviewed for this report, may vary based on the standards of developers and financing institutions associated with a project.

The analyses conducted for this study pertain specifically to the assumptions made in the project pro formas during the period of ongoing operations (the operating pro forma). The components of an operating pro forma are described in more detail below.

- **Operating revenues** are chiefly composed of effective gross income (EGI), which represents the rent generated by occupied units within a project. EGI is typically estimated by multiplying expected project rents by the number of units, less expected vacancies due to unit turnover, as illustrated in exhibit E.1. Rents are generally estimated through market analysis or – in the case of an affordable housing project – a projection of attainable rents based on affordability restrictions of the housing units.

Exhibit E.1. Sample Calculation of Effective Gross Income per Month

Rent per unit	$1,000
Number of units	55
Gross income	$55,000
Expected project vacancy	-5%
Effective gross income	$52,250

Source: Strategic Economics, 2013.

Rents at housing units constructed with low-income housing tax credits (LIHTCs) may not exceed applicable rent and household income limits established by HUD. Essentially, LIHTC unit revenues are restricted in exchange for construction subsidies, whereas units covered by the HUD Section 8 program receive ongoing subsidies that are intended to approximate the fair market value of housing rents in the region. The developments at Grove Parc and Quincy Heights will be operated under HUD Section 8 project-based housing assistance payments (HAP) contracts. These contracts specify that HUD will provide rental subsidies that close the gap between resident rent contributions and the approved "contract rent" delineated in the contract. Fair market rent is recalculated annually based on a region's most recent Census-determined gross rental rate, which is then adjusted based on rental rates of households that have recently moved (if rents have increased), regional or local changes in the consumer price index inflation measure, national changes in the consumer price index, the most recent trends in the national median gross rent, and comparison to the current minimum statewide rent. The net impact of these adjustments is that fair market rents are strongly affected by overall regional rental rates and adjusted upward to reflect aggregate trends in rents and costs of living.

- **Operating expenses** represent the ongoing costs associated with operating a multifamily residential project. These costs are generally estimated on a per unit basis based on the performance of comparably designed newer development projects. Operating cost categories vary, but typically include—
  - Administration, such as ongoing building management.
  - Operations, including building supplies, utilities, and building services.

  - Maintenance, including security, ongoing repairs, and ground maintenance.
  - Taxes and insurance, such as property taxes, fire or flood insurance, and any ongoing fees or permits.
  - Recreational amenities, such as fitness rooms, swimming pools, and other common recreational facilities.

  Other payroll includes any payroll expenses not included in previous categories.

- In addition to these ongoing expenses, **capital or replacement reserves** are set aside to pay for future capital improvements. To determine the appropriate level of reserves, a developer will conduct a property needs assessment – also called a capital needs assessment – to determine future costs for major repairs and replacement of building components such as the roof, heating and ventilation equipment, appliances, countertops, and carpeting. The annual funding for the reserve is often not included in the pro forma statement as an operating cost but instead subtracted from annual net operating income before financing costs. Note that this reserve is different from the operating reserve, which is an upfront capital cost in affordable housing developments designed to cover three to six months of operating expenses in case of unexpected income shortfalls.

Operating Pro Forma Analysis Methodology

The methodology used to understand the local context for multifamily residential development and operations and to analyze the cost and revenue assumptions in the operating pro forma statements involves five steps.

Step 1. Operating Revenue Analysis

As part of an earlier phase of work, SE completed market studies of the four redevelopment plan areas with the goal of better understanding the market, demographic, and economic factors driving residential demand in the cities and evaluating how these factors intersect with the proposed redevelopment programs. The findings from these market studies, including local multifamily housing rents and vacancy rates, provide insight into the assessment of operating revenues associated with market rate development.

Operating Costs As a Percentage of Revenues

Operating costs and revenues vary across projects, due to factors such as location, building type, target market, and recreational amenities. Projects with higher operating costs generally project higher revenues, generated by premium rents or other funding sources. Given this variation, Strategic Economics chose operating costs as a percentage of revenues as a key metric for this analysis, in order to standardize cost and revenue data from individual projects for comparison with regional benchmarks.

Step 2. Operating Cost Analysis

As a baseline test of operating assumptions, SE first calculated operating costs as a percentage of revenues for each of the major cost categories (administration, maintenance, operation, taxes and insurance, recreational amenities, and other payroll) and the project as a whole. These metrics were then compared against the range of average costs as a percentage of revenues established by a sample of comparable buildings. The results

demonstrated whether the project's operating costs fell within a normal range. The range of operating costs as a percentage of revenues is based on maximum and minimum average values for each operating expense category at market rate and federally assisted buildings in the local metropolitan area and multistate region. SE also examined total costs per unit to provide another point of comparison with local and regional data.

Regional operating cost and revenue data were purchased from the Institute of Real Estate Management (IREM) Income/Expense Analysis research program and were supplemented by other sources of local data when possible.

Institute of Real Estate Management Data (IREM)

Data from IREM's Income/Expense Analysis research program are based on an annual survey of over 10,000 real estate projects nationwide compiled into a comprehensive database. In identifying the correct IREM data for comparison, SE considered several factors:

- *Market-Rate versus Federally Assisted Buildings*
  The IREM data include income and expense figures for both market-rate and federally assisted properties. SE examined data for both types of properties to establish the typical range of operating costs per unit and operating costs as a percentage of revenues.
- *Building Size and Type*
  IREM data are categorized by building size and type. For the purposes of this analysis, SE examined data for "Garden Type Projects," defined as "a group of low-rise apartment buildings situated on a sizable landscaped plot, under one management." This choice most closely reflects the type of development planned at Grove Parc, Quincy Heights, Iberville, and Yesler Terrace.
- *Geography*
  IREM data are available at the national, multistate regional, and metropolitan area local level. SE based the analysis on local *and* regional data due to the regional data's larger sample size.

Data Limitations

It is important to note that these data represent operating costs and expenses voluntarily submitted on a range of buildings in different conditions and locations throughout the region. The data do not represent ideal or standard operating costs and expenses but serve as a benchmark for analysis, comparison, and evaluation.

STEP 3. INTERVIEWS WITH DEVELOPERS

Strategic Economics conducted interviews with independent market rate and affordable housing developers in each city to identify any factors that may cause operating costs or revenues in the Choice Neighborhoods projects to vary from normative trends. Given that costs and revenues are typically based on previous performance of comparable projects, any factors that cause costs or revenues to

deviate from these trends have the potential to cause financial distress for a project if not properly accounted for in the operating pro forma. These interviews provided insight into the local factors that inform the grantees' operating pro forma assumptions, allowing SE to better understand any deviations from national data and identify any areas of potential concern. Local developers also sometimes provided additional data for comparative analysis.

Step 4. Interviews with Grantees

Strategic Economics conducted interviews with each of the grantee developer teams to—

- Understand how and why their cost and revenue assumptions vary from the normal range for the region, if at all.
- Discuss how their operating pro formas account for potential variations in costs and revenues over time, as identified in interviews with independent developers.
- Clarify any remaining questions about the operating pro formas.

Step 5. Pro Forma Assessment

Building off of the initial pro forma analysis and interviews with independent and grantee developers, SE conducted an overall assessment of operating costs and revenues for the Choice redevelopment projects. SE examined whether and how operating cost and revenue trends and conditions were reflected in the pro formas. SE also performed a sensitivity analysis to test the redevelopment projects' long-term financial sustainability by modeling a scenario in which noteworthy costs or revenues grow at a different rate than was assumed.

E.1. Assessment of Grove Parc, Chicago, Illinois

This section describes SE's findings regarding multifamily residential operating conditions in the Chicago region and evaluates whether those conditions are sufficiently accounted for in the operating pro forma statements for the first housing developments funded by the HUD Choice Neighborhoods Initiative grant.

The Grove Parc Comprehensive Transformation Plan received a $30.5 million HUD Choice Neighborhoods Initiative grant; $20.35 million of this grant was awarded toward the housing component, which includes projects examined in this section.

Grove Parc Development Program

This analysis assesses operating pro formas for two grant-funded housing developments: the rehabilitation of 6418 South Maryland Avenue and the construction of Woodlawn Center Senior Apartments (exhibit E.2). These housing developments are the first Choice Neighborhoods–funded components of the larger Grove Parc Transformation Plan. That plan's housing component includes demolition of the existing 504 units at Grove Parc Plaza Apartments (located along South Cottage Grove Avenue between East 60th Street and East 63rd Street); construction of 420 units in the newly renamed Woodlawn Park mixed-income, mixed-use development at the former Grove Parc Plaza sites; and rehabilitation or construction of at least 575 mixed-income units on sites located throughout the surrounding neighborhood. The project developer is Preservation of Affordable Housing, Inc. (POAH),

and the units will be managed by Preservation Housing Management (PHM). POAH acquired Grove Parc Plaza prior to initiating redevelopment. All Grove Parc Plaza units will be replaced as part of the plan.

Exhibit E.2. 6418 South Maryland Avenue and Woodlawn Center Senior Apartments Development Summary

Developer	Preservation of Affordable Housing
Buildings	6 units in rehabilitated 6418 South Maryland Avenue 65 units in new senior apartments building on the 6100 block of South Cottage Grove Avenue
Units affordable to households earning up to 50% of AMI	All units (HAP Section 8 contract)
Additional amenities and services	Senior apartments include computer center, management offices, lounge, health care space

6418 South Maryland Avenue (6418) is an existing six-unit apartment building located near East 64th Street and South Cottage Grove Avenue. The six apartments will be rehabilitated and made available to households earning up to 50 percent of area median income (AMI) under POAH's housing assistance payments (HAP) contract.

Woodlawn Center Senior Apartments (WCSA) will be constructed on the west side of South Cottage Grove Avenue between East 61st and East 62nd Streets. The planned building will consist of five floors, with four stories of residences and over 16,000 square feet of ground floor uses, including property management offices, community spaces, and the Woodlawn Resource Center. The 65 units will serve senior citizens earning up to 50 percent of AMI under POAH's HAP contract and will be subject to LIHTC income limits. The WCSA site is part of the existing Grove Parc Plaza development; six existing buildings will be demolished to make way for the development, and the residents will be relocated to replacement housing units.

The 6418 and WCSA pro forma statements analyzed in this section were current as of late-October of 2013. POAH further refined the pro forma statements in subsequent revisions. When possible, updated results are noted and discussed in footnotes.

Operating Revenues Findings

As entirely income-restricted, subsidized projects, the rents at 6418 and WCSA will be determined by HAP contract rents. 6418 and WCSA are both entirely income-restricted, subsidized housing developments operating under HUD Section 8 HAP contracts. Maximum rents and revenues are predetermined by the contract provisions, and household incomes will be limited to 50 percent of AMI. The operating pro forma for 6418 assumes rental income of approximately $1,250 per unit per month

before vacancy.[168] The WCSA pro forma assumes rental income of approximately $1,030 per unit per month. The pro formas for both projects assume 2 percent annual rent increases under the HAP contracts. Chicago-area affordable housing developers interviewed for this study noted that HUD fair market rents for the region are often higher than actual market rents in low-income communities; the additional revenues help cover additional compliance and maintenance needs for affordable housing.

The operating pro forma assumptions for 6418 and WCSA appropriately incorporate a higher vacancy rate assumption for 6418. The 6418 pro forma assumes a 5 percent vacancy rate compared to 2 percent at WCSA. It is generally reasonable to assume vacancy rates of 5 percent or less for new or rehabilitated affordable housing due to strong demand and need. The higher vacancy rate at 6418 recognizes the development's small size and, therefore, relatively more significant impact of any vacant units compared to the larger WCSA development.

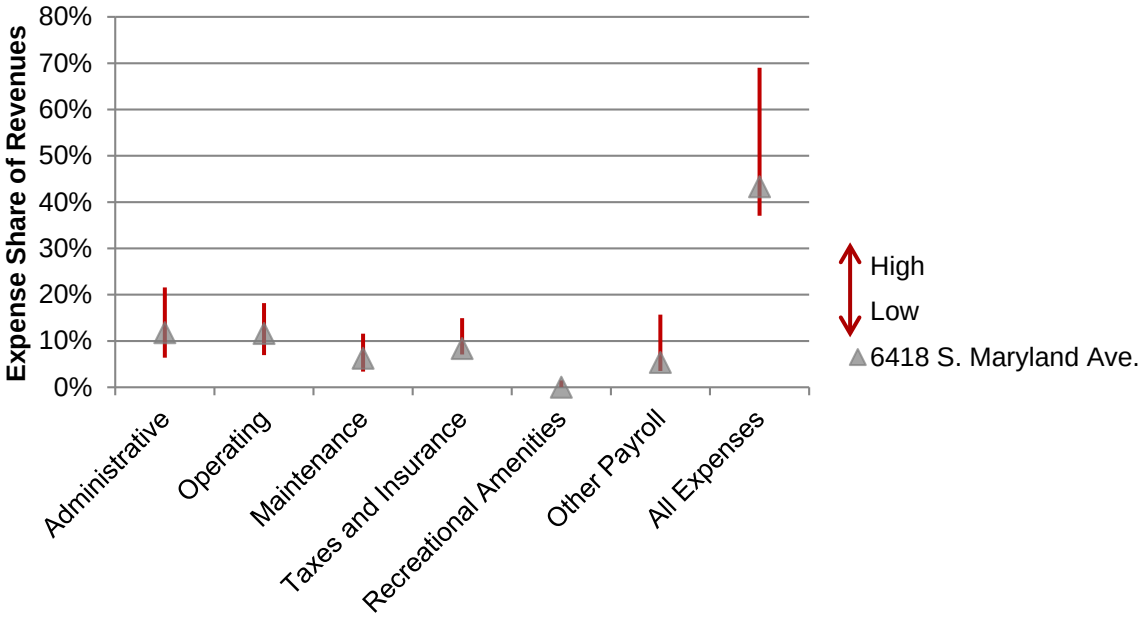
WCSA includes significant amounts of nonrevenue-generating ground floor uses, including resident gathering areas, service provider offices, and management offices. The entire first floor of WCSA is dedicated to common areas for residents, offices for the Woodlawn Center property management office, and social services offices. These ground floor spaces are assumed to not generate any revenue for the project. The services provided by these office tenants are necessary to effectively and sustainably operate the entire Woodlawn Park development, despite not generating revenue for the WCSA building.

Operating Costs Findings

Based on comparison to IREM Chicago metropolitan area data, IREM Region V[169] data, and local developer input, operating costs at 6418 are within a typical range of costs as a percentage of income. Projected operating costs at 6418 are 43 percent of projected revenues and are well within a typical range established by IREM for the Chicago area and wider region (exhibit E.3).[170] These costs are also below the typical range of 50 to 55 percent provided by a local affordable housing developer. 6418's total annual operating costs per unit are projected to be $6,500; this compares to a typical range of $4,500 to $5,500 for a comparable market-rate project, with the higher costs driven by higher compliance and management costs for affordable housing. The developer of 6418 stated that operating costs were based partly on their experience operating the existing and new housing at Woodlawn Park.

[168] Average rent per unit at WCSA was revised downward to $860 in subsequent revisions to the pro forma assumptions.
[169] Region V consists of the states of Illinois, Minnesota, Wisconsin, Indiana, Michigan, and Ohio.
[170] Projected operating costs for 6418 were revised upward to 58 percent of projected revenues and $7,800 per unit annually in subsequent revisions to the pro forma assumptions. As a percent of revenues, these costs remain within the typical IREM range for the region but are above the range provided by the local housing developer.

Exhibit E.3. Expenses As a Share of Revenues, 6418 South Maryland Avenue versus IREM Local and Regional Range



Sources: IREM, 2013; Grove Parc Transformation Plan development team, 2013; Strategic Economics, 2013.

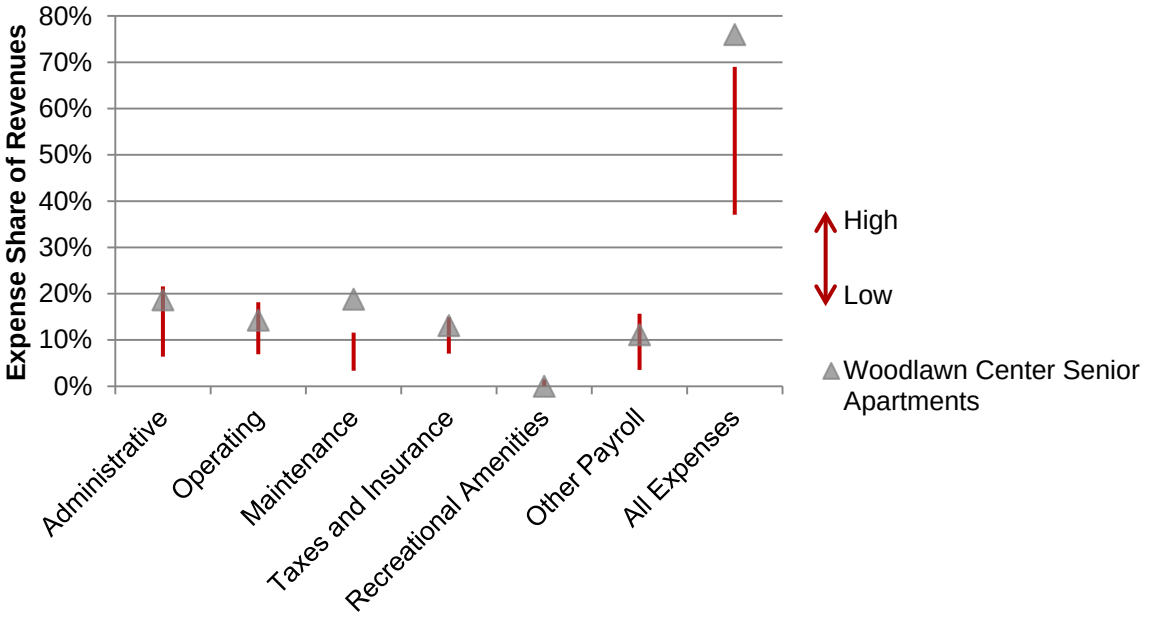
Based on comparison to IREM Chicago metropolitan area data, IREM Region V data, and local developer input, operating costs at WCSA are unusually high as a share of revenues and overall cost per unit. Projected operating costs at WCSA are 76 percent of projected revenues, exceeding the typical local and regional IREM range of 37 percent to 69 percent (exhibit E.4). WCSA's projected annual operating costs per unit are $7,200; affordable housing developers interviewed for this study stated that annual operating costs at larger subsidized housing developments are typically $6,500 per unit or higher in Chicago.[171] The cost projections for WCSA were created by POAH based on their actual operating costs for units in the Woodlawn neighborhood and then adjusted based on POAH's experience operating senior housing in other locations.

The high operating costs at WCSA are driven by inclusion of large amounts of community spaces, high levels of services (many of which serve both the senior residents and the larger Woodlawn Park population's needs) and property management offices. The high operating costs at WCSA are driven by a number of factors and are a realistic projection by POAH. Local developers interviewed for this study noted that senior housing incurs less wear and tear than family housing. However, residents in senior housing spend significantly more time on the property and therefore require additional community gathering spaces, services, programming, and security and wellness checks. WCSA incurs relatively high maintenance costs because of these community spaces, resident services, elevator maintenance needs, and the maintenance needs of numerous smaller units. Administration and service costs are higher due to onsite property management (including the cost of operating office space for property management

[171] Projected operating costs for WCSA were revised upward to 78 percent of projected revenues and $7,600 per unit annually in subsequent revisions to the pro forma assumptions.

and administration covering other buildings in Woodlawn Park, despite no additional revenue being generated for WCSA), an onsite resident services coordinator, and onsite security staff.

Exhibit E.4. Expenses As a Share of Revenues, Woodlawn Center Senior Apartments versus IREM Local and Regional Range



Sources: IREM, 2013; Grove Parc Transformation Plan development team, 2013; Strategic Economics, 2013.

Local developers identified four key factors with the potential to affect operating costs for new development in Chicago. Operating costs that unexpectedly increase above those included in the operating pro forma can result in financial distress for a project. The factors listed below represent common issues that may lead to higher than expected operating costs, as well as future trends that may result in operating costs deviating from historic norms. Each of these factors is listed below, followed by a response describing how the 6418 South Maryland Avenue and WCSA development programs address these areas of concern based on interviews with the development team, independent local developers, and additional analysis where possible.

Issue: Increasing property tax costs

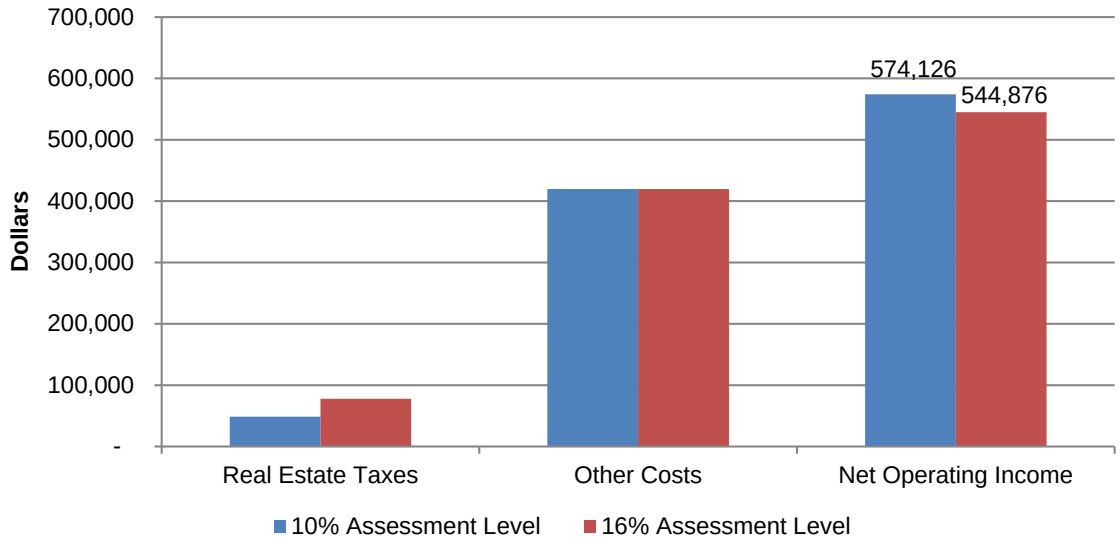
Affordable housing developments in Cook County are assessed and taxed in the same manner as market-rate housing developments. Affordable housing developments are therefore reassessed to reflect market value every three years. Few protections exist against rapid increases in assessed value and the consequent increases in property taxes. Local affordable housing developers stated that they must regularly appeal assessed values to demonstrate the limited income (and therefore value) their properties can generate. Interviewees also noted that increases in assessment levels and tax rates are a constant concern given the well-publicized need for additional local and state tax revenue to balance public budgets.

Response:

POAH projects 3 percent annual increases in property taxes at 6418 and WCSA and proactively seeks to reduce property tax burdens. POAH will seek designation of 6418 and WCSA as Class 9 Multi Family Incentive properties by the Cook County Assessor and is likely to appeal valuations that appear unreasonably high. The Class 9 designation was originally created as an affordability incentive program in which a property with 30 percent of units affordable to 80 percent of AMI or less would be subject to taxes on 16 percent of its market value instead of the 32 percent in effect for market-rate rental properties.[172] The benefits of Class 9 status were diminished in 2008 when assessment levels were adjusted so that nearly all residential properties are now assessed based on 10 percent of assessed value. However, Class 9 status can still ease tax appeals and may protect 6418 and WCSA from future adjustments to assessment levels. Local affordable housing developers also noted that Cook County tends to be less aggressive in pursuing higher tax valuations for properties in low-income neighborhoods.

Given that assessment levels could increase in the future, SE examined the impact of a return to prerecession assessment levels on WCSA. Under such a scenario, taxes would be levied on 16 percent of the project's assessed value instead of on the projected 10 percent. The results are shown in exhibit E.5. As shown, this increase in tax rates would have a minor impact on the long-term sustainability of the project, but cost efficiencies would be needed to achieve necessary debt service coverage.

Exhibit E.5. Impact of Pre-2008 Tax Assessment Level on Woodlawn Center Senior Apartments' Net Operating Income



Sources: Grove Parc Transformation Plan development team, 2013; Strategic Economics, 2013.

[172] Cook County property taxes are levied on the assessment level of a property based on its use code; the assessment level is the share of a property's market value subject to taxation at the local tax rate. For example, taxes are levied on 25 percent of the market value of most commercial and industrial properties and on 10 percent of the value of residential properties.

Issue: Increasing water and utility costs

Chicago energy and water costs are increasing at a relatively fast rate. Interviewees stated that water and sewer costs are their primary concern and noted that it is reasonable to assume 5 percent annual increases in long-term operating pro forma projections. Data provided by POAH show that combined water rates increased an annual average of 15 percent between 2012 and 2015, and sewer rates increased an annual average of nearly 20 percent over the same period.

Response:

POAH seeks to reduce water, sewer, and energy costs by pursuing highly efficient construction at WCSA and having tenants at WCSA and 6418 pay their own electric costs. POAH will pay for gas/heat, but will limit tenants' ability to adjust thermostats beyond a specified range. POAH will also pay for water and sewer costs. WCSA will be designed to meet LEED gold classification requirements, including highly efficient heating and ventilation systems, low-flow water fixtures, and solar panels for hot water systems. The operating pro forma for WCSA assumes that overall utility costs will increase at the same 3 percent annual rate as most other expenses due to these efficiency measures. The operating pro forma for 6418 assumes a more conservative 4 percent increase because the building is a rehabilitation project and less efficient to operate.

Issue: Adequate budgeting for administration and compliance costs

Subsidized affordable housing projects incur additional administrative and compliance costs compared to market rate housing projects. These additional costs are driven by the need to document eligibility of residents and conduct audits required by lenders and HUD. Local affordable housing developers provided estimates that affordable housing developments typically incur administrative and management costs of at least $250 or more per unit plus a management fee equal to 5 percent of revenues. This compares to typical administrative costs of $50 to $100 per unit per year at Chicago area market-rate developments. However, these numbers are rough guides and will vary based on project size, design, types of subsidy programs, and so forth.

Response:

POAH is an experienced national operator of affordable housing and, given lender oversight, likely to ensure adequate budgeting for long-term administration and management. Both 6418 and WCSA dedicate significant resources to project administration and management. The 6418 operating pro forma assumes an annual management fee of 5.5 percent of project revenues and an additional $937 per unit per year for other administrative costs.[173] The WCSA operating pro forma assumes an annual management fee of 5.8 percent of revenues and an additional $1,218 per unit per year for other administrative costs.

[173] The 6418 management fee percentage was revised upward to 5.8 percent in subsequent revisions to the pro forma assumptions.

Issue: Maintaining adequate replacement reserves

Affordable housing projects often require high replacement reserves due to the long-term ownership of the properties and limited opportunities for substantial rehabilitation due to continuous occupancy. Units restricted to high levels of affordability and large units also experience more substantial maintenance and repair costs upon turnover. Based on local Chicago developer interviews, replacement reserves should be at least $275 to $400 for affordable market rate units.

Response:

Projected replacement reserves are $400 per unit per year at 6418 and $350 per unit per year at WCSA, well within the appropriate range to ensure long-term sustainability. A representative of the POAH development team noted that more-typical replacement reserves of $250 to $300 per unit per year have proven inadequate in their experience. 6418 has a higher replacement reserve contribution due to the building's older age and small size, which limits its ability to spread unexpected costs across a large number of units.

Summary of Findings

Strategic Economics finds that the revenues and costs projected in the 6418 South Maryland Avenue and Woodlawn Center Senior Apartments operating pro formas are supportable despite some explainable deviations from comparative data sources. Rents at both developments will be determined by POAH's Section 8 HAP contract, and the operating pro formas revenues are inflated at a conservative 2 percent annual rate. Vacancy rate assumptions were adjusted to reflect building size. Overall projected costs and costs as a share of revenues are within a typical range at 6418. Projected costs and costs as a share of revenues are unusually high at WCSA compared to local and national sources, but these high costs are explained by the extensive services offered and the presence of nonleasable communal and service-provider spaces at WCSA. These tenants will help ensure the sustainability of WCSA and the entire Woodlawn Park development by providing necessary supportive services. WCSA and 6418 have planned for adequate property tax costs and appear able to absorb some future increases in costs. Increasing water and utility costs are addressed through efficient design and an increased annual cost escalation assumption for 6418. There is no reason to believe administration and compliance cost assumptions and replacement reserve assumptions are inadequate to ensure sustainable operations at WCSA and 6418.

E.2. Assessment of Quincy Heights, Boston, Massachusetts

This section describes SE's findings regarding multifamily residential operating conditions in the Boston region and evaluates whether those conditions are sufficiently accounted for in the operating pro forma statements for the Quincy Heights housing development project funded by the HUD Choice Neighborhoods Initiative grant.

The Quincy Corridor Comprehensive Transformation Plan received a $20.5 million HUD Choice Neighborhoods Initiative grant; $12.3 million of this grant was awarded toward the housing component, which is the focus of this analysis.

Quincy Heights Development Program

The Quincy Heights housing development includes the rehabilitation and/or new construction of 129 residential units across 16 buildings. A scattered-site development, Quincy Heights is distributed over a roughly four block area in the Grove Hall section of the Dorchester neighborhood in Boston, centered on the intersection of Howard Avenue and Quincy Street. Further details are provided in exhibit E.6. The project is being jointly developed by Dorchester Bay Economic Development Corporation (DBEDC) and Quincy Geneva Housing (Quincy Geneva). United Housing Management (UHM) will manage the units.

Quincy Heights represents the redevelopment of Woodledge/Morrant Bay, a distressed affordable housing project containing 129 units of affordable housing spread throughout 11 buildings. Of the existing buildings, 9 will be rehabilitated and 2 will be demolished. All 129 existing units will be fully replaced, although the new units will be larger and spread among a greater number of buildings. The new housing units will be operated under a 20-year Section 8 housing assistance payments (HAP) contract – a renewal of the previous 40-year HAP contract associated with Woodledge/Morrant Bay – that went into effect in March 2012. Most units will be limited to households earning up to 50 percent of AMI.

Exhibit E.6. Quincy Heights Development Summary

Developer	Dorchester Bay Economic Development Corporation and Quincy Geneva Housing
Buildings	Rehabilitation and reconfiguration of nine apartment buildings to provide 80 units Construction of seven new apartment buildings to provide 49 new affordable units; requires demolition of four buildings on five city- and privately owned lots
Income restrictions	All units income-restricted; nearly all affordable to households earning up to 50% of AMI. LIHTC income limits also apply.

Operating Revenues Findings

As an income-restricted development, Quincy Heights's revenues will be determined by affordable housing program requirements. The ongoing operation of Quincy Heights will be subsidized by a Section 8 HAP contract, which fills the gap between the affordable rents paid by tenants and the market rate rents needed to maintain a high level of service, management, and maintenance at the project. This contract sets monthly rental income in the first year at $1,963 per unit (less a 3 percent vacancy rate), projected to escalate at 1.75 percent annually.

Due to a recently updated HAP contract, Quincy Heights's revenues are comparable to those of market rate housing and higher than many affordable housing projects operating under outdated contracts. The current HAP contract represents a "mark up to market" renewal of the previous contract associated with the Woodledge/Morrant Bay project, which originated in 1977. Due to unforeseen increases in market rents over the last 30 years, the rents associated with the original contract were no longer consistent with market rents in the area; the mark-up-to-market contract renewal therefore included a significant increase in rental income to bring revenues for Quincy Heights more in line with

comparable market rate buildings in the area. As a result, rental income for Quincy Heights is relatively high for the area, particularly in comparison with affordable housing projects operating under older HAP contracts that have not been recently updated. Although the renewed contract will provide a predictable stream of revenue over the next 20 years, its relatively modest rent escalation may result in Quincy Heights rents being outpaced by operating cost increases over time, particularly as rents cannot be raised to market rates in response.

Operating Cost Findings

Although within the typical range as a share of revenues, total per unit operating costs for Quincy Heights are higher than local standards. Total operating costs for Quincy Heights account for 54 percent of revenues, within the acceptable range of 39 to 65 percent established by the IREM data (exhibit E.7). However, local affordable housing developers report that at $12,357 per unit, annual operating costs for Quincy Heights are significantly higher than local standards, which typically range from $9,000 to $10,000 per unit for subsidized projects in the city of Boston.

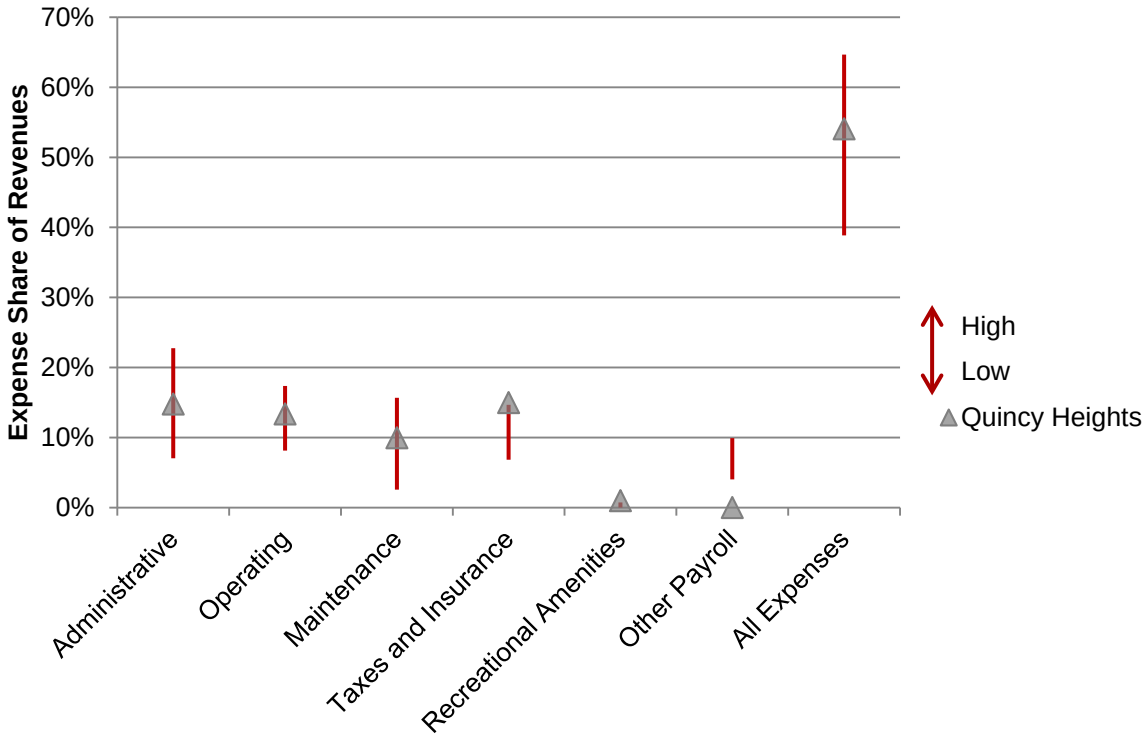
The reasons for these higher per-unit costs are as follows:

- **Scattered-site operations.** With 16 buildings over four blocks, Quincy Heights can be described as a scattered-site housing development. Scattered-site projects are relatively common in Boston, where the availability of parcels for large-scale development in residential neighborhoods is limited, and affordable housing developers must often assemble a series of smaller, noncontiguous parcels to meet housing goals. Although these smaller-scale buildings better reflect the built environment and are more easily integrated into existing neighborhoods, local developers report that they also present operational challenges that can result in increased costs. Administrative and management costs are higher because onsite management services are not available in all buildings, and greater outreach and coordination is required. Maintenance costs are higher because scattered-site projects have a higher share of common space, such as entries, exits, hallways, and stairwells, which must be cleaned and maintained. Developers cited snow removal as a significantly higher cost for scattered-site projects; for example, Quincy Heights will require snow removal from 16 distinct entries and exits and associated public spaces. Equipment for cleaning, maintenance, and snow removal must be transported between buildings rather than remaining in a central location. Finally, developers reported that a lack of control over the management and maintenance of nearby buildings can also adversely impact scattered-site projects, resulting in higher security and maintenance costs. Although DBEDC, Quincy Geneva, and UHM are taking steps to minimize these costs – as described in the following section – they are a critical factor in higher overall operating costs.
- **Resident services.** DBEDC and Quincy Geneva consider a high level of resident services to be critical to the long-term success of Quincy Heights and the broader Quincy Corridor Comprehensive Transformation plan and therefore include a much higher operating budget for resident services: $849 per unit compared to the $200 per unit typically provided for subsidized housing. These resident services, which will include after school programs,

computer classes, and senior programs, supplement the array of neighborhood-level services offered through the community support services component of the Quincy Corridor Comprehensive Transformation Plan. DBEDC and Quincy Geneva's unique approach to budgeting for residential services, which result in higher than average taxes and insurance costs, is described in more detail below.

Quincy Heights's higher than average operating costs are directly related to the challenges associated with managing and operating a scattered-site project and the higher level of resident services offered for an affordable housing project. Given that the project's operating costs as a percentage of revenues are well within an acceptable range for the region, however, these higher total operating costs do not present a cause for concern.

Exhibit E.7. Expenses As a Share of Revenues, Quincy Heights versus IREM Local and Regional Range



Sources: IREM, 2013; Quincy Heights Development Team, 2013; Strategic Economics, 2013.

Higher than average taxes and insurance for Quincy Heights are the result of an innovative approach to funding resident services and therefore are not an area of concern. As noted above, the Quincy Heights developers consider a high level of resident services and community involvement as critical to the long-term success and stability of the project. As such, the developers initially proposed an annual resident services line item of $109,490, or approximately $849 per unit, considerably higher than the $200 per unit typically budgeted by local affordable housing developers. The developers covered the higher cost of services through a negotiated 121A tax agreement with the state of Massachusetts. The agreement reduces the property tax rate from the typical 10 percent of revenue to 9 percent and then further reduces it to 7 percent of revenue to offset the addition of resident services. In order to satisfy underwriting requirements established by LIHTC lenders, the developers maintained the resident

services line item at the typical amount of $200 per unit ($25,800 in total) and included the budget for additional resident services (approximately $649 per unit or $83,690) in the taxes and insurance category (exhibit E.8).

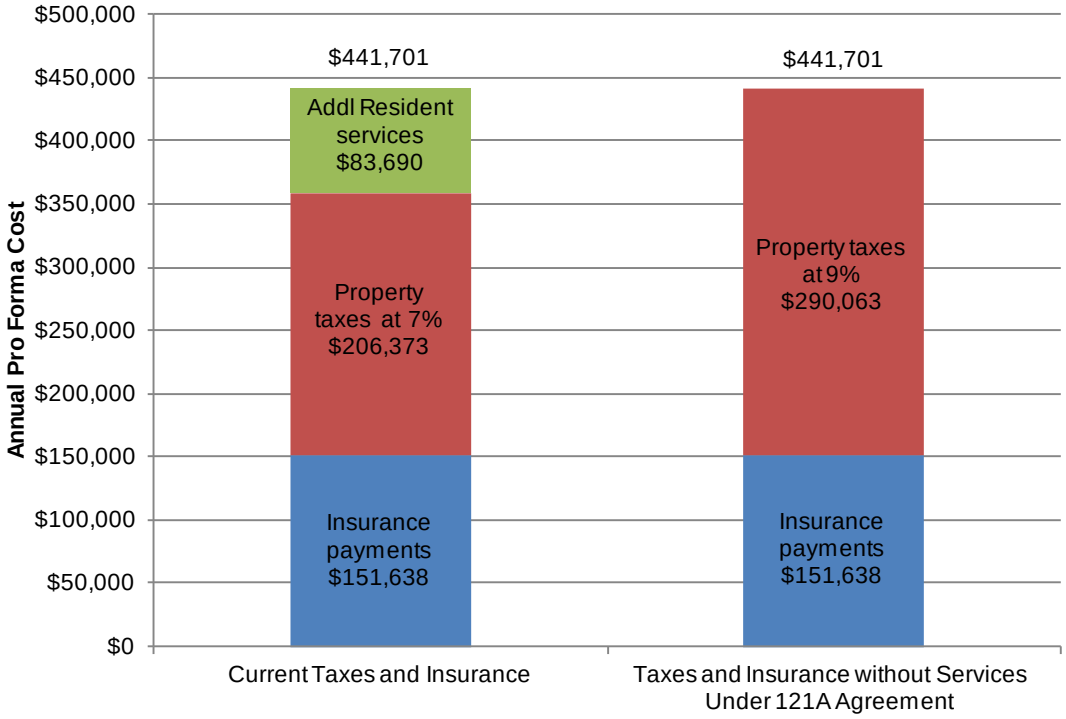
Exhibit E.8. Taxes and Insurance and Resident Services, Quincy Heights Operating Pro Forma

	Per Unit	Total
Resident Services	$200	$25,800
Taxes and Insurance		
Property Taxes	$1,600	$206,373
Additional Resident Services	$649	$83,690
Insurance Payments	$1,175	$151,638

Sources: Quincy Heights Development Team, 2013; Strategic Economics, 2013.

Given that that the tax rate reduction from 9 percent to 7 percent in the 121A agreement is only valid while a higher level of resident services are being offered, SE conducted a sensitivity analysis to illustrate the project's ability to withstand loss of the services-contingent 2 percent tax reduction. The left-hand column of exhibit E.9 illustrates the combination of insurance payments, property taxes at 7 percent, and resident services, all of which are included in the taxes and insurance section of the current pro forma. The current pro forma budgets $441,701 for this category. Should the developers fail to offer the promised level of resident services, the 121A agreement reduction to a 7 percent rate would be invalidated, and property taxes would revert to 9 percent of revenues, as illustrated in the right-hand column. Costs for taxes and insurance would remain at $441,701; that is, they would not increase over the current budget amount for the total category. In this scenario, the total budget for resident services would revert to the existing line item of $200 per unit, which is typical of local affordable housing projects but low for this project. Although there is no reason to suggest that the developers will not provide the level of resident services anticipated by the current operating pro forma, this analysis suggests that such a scenario would not adversely affect the operating budget unless the reduced services drive up costs in other expense categories.

Exhibit E.9. Taxes and Insurance Sensitivity Analysis to Services Shortfall



Sources: Quincy Heights Development Team, 2013; Strategic Economics, 2013.

Local developers identified the following four key factors with the potential to affect operating costs for new development. Operating costs that unexpectedly increase above those included in the operating pro forma can result in financial distress for a project. The factors listed below represent common issues that may lead to higher than expected operating costs and future trends that may result in operating costs deviating from historic norms. Each factor is identified and followed by a response describing how the Quincy Heights development program addresses these areas of concern based on interviews with the development team, independent local developers, and additional analysis when possible.

Issue: Rising water and sewer rates

Local developers report that water and sewer rates in Boston are on the rise as the city updates infrastructure and encourages a more efficient use of resources. Developers report expected increases of 8 to 10 percent annually.

Response:

The Quincy Heights pro forma accounts for expected cost increases by projecting a 6 percent annual increase in water and sewer rates compared to the 3 percent escalation assumed for most costs. The developers have also taken measures to reduce the impact of rising water and sewer costs by reducing water consumption through the installation of efficient fixtures and appliances, such as low-flow toilets and shower heads in all units. Although energy costs are not expected to experience similar increases in the short term, the developers have also taken measures to reduce energy use in both rehabilitated and

new construction buildings through the use of energy-efficient appliances and HVAC systems, efficient building design, and improved insulation. The inclusion of these elements during construction/ rehabilitation will make the project less vulnerable to fluctuating energy, water, and sewer costs over the long term.

Issue: Unpredictable property insurance rates

Local developers report that the rising number of national disasters has had an unpredictable effect on national insurance rates in recent years, with increases of 40 to 45 percent associated with Hurricanes Katrina and Isaac alone. However, the impact of these events is highly unpredictable: although rates are expected to increase by 10 to 15 percent this year, developers also report receiving refunds in recent years due to an overestimation of previous premiums.

Response:

The Quincy Heights pro forma assumes a 3 percent annual increase in insurance rates, which is the local standard for affordable housing based on historic trends. Given the unpredictable nature of the events affecting property insurance rates and the fact that the operating pro forma represents a 25-year time period, this assumption appears reasonable. However, the potential impact of unpredictable property insurance premiums remains a concern for Quincy Heights, as it does for the broader development community in Boston and across the nation.

Issue: Rising property taxes

Local market-rate developers report that property taxes in Boston are on the rise; although rates remain steady, the assessed value of properties is increasing as the real estate market strengthens, leading to an increase in property tax bills. Buildings that were undervalued during the recession are reported to have experienced the most notable increase in property taxes.

Response:

The Quincy Heights pro forma assumes a modest annual escalation of property taxes at 1.8 percent per year. Given the income-restricted nature of this project, this assumption appears reasonable: the value of the project is directly tied to its revenue potential, which is set by the 20-year HAP contract described in the previous section. Unexpected property tax increases are more likely to affect market-rate projects, which are more susceptible to fluctuating market cycles.

Issue: Higher costs to audit scattered-site projects

Local affordable housing developers report that the cost to audit scattered-site projects in compliance with funding requirements can be high. For example, affordable housing developments receiving LIHTC funding require annual audits. If separate audits are required for each building of a scattered-site project, the costs of the audit are much higher than for a similar number of units in one larger building.

Response:

As a recipient of LIHTC funding, Quincy Heights will be subject to the LIHTC auditing process, with each building receiving a separate identification number. The initial postcompletion certification will be done

for each individual building. As each building is classified as part of a multibuilding project, however, the annual audit will not have to be performed on a building-by-building basis. As a result, the higher compliance costs associated with ongoing, individual LIHTC audits of scattered-site buildings are not a concern for Quincy Heights.

Summary of Findings

Strategic Economics finds the operating revenues and costs included in the Quincy Heights operating pro forma to be supportable in comparison to regional benchmarking data and within the context of local trends. Operating revenues are primarily determined by a 20-year HAP contract, which was recently renewed to reflect current market rents. Although the revenues for this project are higher than those received by comparable projects with contracts reflecting outdated rents, it is possible that Quincy Heights's relatively modest rent escalation may again result in rents being outpaced by the local market over time.

Although operating costs as a percentage of revenues were found to be within an acceptable range, per unit operating costs were high in comparison with local norms reported by other developers. These higher per unit costs were found to be directly related to the challenges associated with managing and operating a scattered-site project and the higher level of resident services offered. Given that these costs were offset by the project's higher than average revenues, they do not present a cause for concern. Finally, although most areas of concern were sufficiently addressed through information gained through the interview process and a review of the operating pro forma statements, the potential impact of unpredictable property insurance premiums remains a concern for Quincy Heights. Nevertheless, given the unpredictable nature of events affecting these premiums and the long-term timeline of the operating pro forma, which allows for variation in costs between years, SE does not at this time recommend an increase to the property insurance escalation factor used in the Quincy Heights pro forma.

E.3. Assessment of the Iberville, New Orleans, Louisiana

This section describes the Strategic Economics findings regarding multifamily residential operating conditions in the New Orleans region and evaluates whether those conditions are sufficiently accounted for in the operating pro forma statements for the Iberville redevelopment program.

The Iberville Comprehensive Transformation Plan received a $30.5 million HUD Choice Neighborhood Initiative grant; $24.4 million of this grant was awarded toward the housing component, which includes redevelopment of the existing Iberville housing development.

Iberville Development Program

This analysis assesses the operating pro formas for the Phase I and Phase II onsite Iberville redevelopment program (exhibit E.10). These are components of a much larger vision for the creation of a mixed-income, mixed-use neighborhood that incorporates additional offsite residential and commercial development. The full onsite Iberville program will eventually result in the rehabilitation of

16 existing structures, demolition of the remaining structures, and replacement with new mixed-income housing.

The Phase I and II program will include 227 total units in eight renovated historic buildings, three new townhouse-style buildings, and three new three- to four-story multifamily buildings. The market-rate units are primarily one-bedroom units, and most three-bedroom units are public housing targeted toward low-income families. Development of Phases I and II is now underway. Demolition of existing buildings began on September 10, 2013.

Exhibit E.10. Iberville Phase I and II Onsite Development Program

Developer	Iberville Revitalization Company (McCormack Baron Salazar and HRI Properties)
Buildings	8 renovated existing buildings 3 new townhouse buildings 3 new 3–4 story multifamily buildings
Public housing replacement units	81 units
Workforce housing units	49 units
Market-rate units	97 units
Additional amenities and services	Computer lab, day library, fitness center, playground

Operating Revenues Findings

Rents for the majority of units in the Iberville Phase I and II development will be determined by affordability program requirements rather than the market. More than half the units (57 percent) in Phase I and Phase II of the Iberville redevelopment are subsidized; rents and associated revenues for these units are therefore set by affordability program requirements. The 81 public housing replacement units will receive ongoing Section 8 project-based subsidies from the Housing Authority of New Orleans. The 49 workforce housing units are subject to low-income housing tax credit (LIHTC) requirements restricting affordability to households earning below 50 percent of the area median income. Advantages to subsidized rents include a more predictable stream of revenue less subject to short-term market cycles; disadvantages include a lack of flexibility to adjust rents (and therefore, revenues) in response to changing costs and market conditions.

Affordable units are expected to lease quickly and maintain high occupancy rates, achieving the anticipated revenue stream. Developers of mixed-income and affordable housing projects in the New Orleans region noted that the project's affordable units are expected to quickly achieve the projected occupancy rates of 94 percent because waiting lists are long and there is pent-up demand from low-income households currently residing in substandard housing. As a result, Iberville Phases I and II are not expected to experience any difficulty in achieving anticipated revenues from the subsidized units, which account for more than half of the project's residential units.

Iberville is well-positioned to attract residents to market-rate units. Iberville is located within the strong Central New Orleans rental market, and sufficient demand exists to absorb the market-rate units.

Iberville is close to employment in the central business district, future employment in the biodistrict, and nightlife and entertainment options in the French Quarter.

Iberville's anticipated market-rate rents, vacancy rates, and unit mix are also supported by current market conditions. Based on their own market studies, the Iberville development team is currently underwriting development with an assumed average monthly rent of $1,050 per market-rate unit, which is well below the $1,206 average rent for the second quarter of 2012 in the Central New Orleans market area (exhibit E.11). Independent developers interviewed for this study recommended that anticipated market-rate rents in a mixed-income project be reduced by 10 to 15 percent compared to an all market-rate project. At 13 percent below the area average, Iberville's rents are therefore consistent with local market conditions. Furthermore, the operating pro forma assumes a vacancy rate of 6 percent, which is relatively conservative in comparison with the vacancy rate of 4.8 percent reported for Central New Orleans in the second quarter of 2012. Finally, developers interviewed for this study stated that demand for one- and two-bedroom rental units in the Central New Orleans market, generated by growth in small and childless households in New Orleans, is very strong. Iberville's emphasis on one- and two-bedroom market-rate units is therefore consistent with local demand and avoids competition for large households that may prefer a single-family home.

Exhibit E.11. Average Rents and Vacancy Rents, Iberville Phases I and II and Central New Orleans Market Area

	Average Rent	Vacancy Rate
Central New Orleans, 2012 (second quarter)	$1,206	4.8%
Iberville Phases I and II, operating pro forma assumptions	$1,050	6.0%

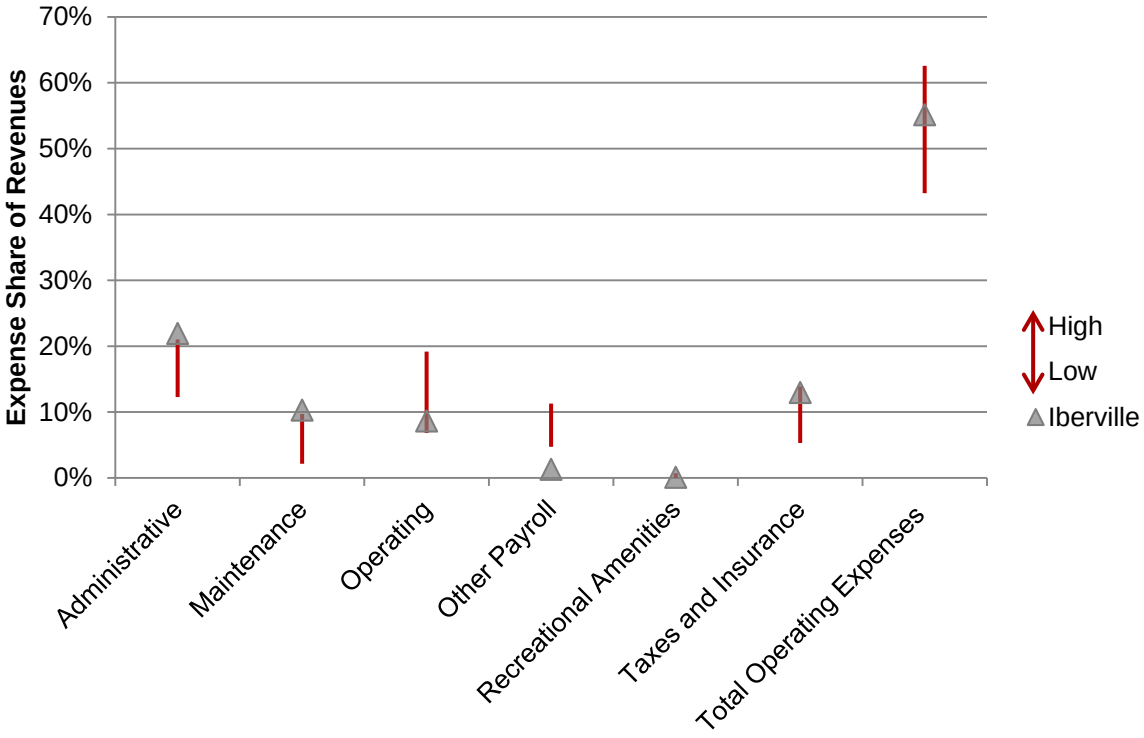
Sources: Iberville Development Team, 2013; REIS, Inc. 2012; Strategic Economics, 2013.

Operating Costs Findings

Based on a comparison to IREM data for the New Orleans metropolitan area and IREM's Region VI[174], Iberville's Phase I and II projected operating costs as a percentage of revenues are well within a typical range. Total operating expenses for Iberville Phase I and II account for 55 percent of revenues, well within the acceptable range of 43 to 63 percent established by IREM data (exhibit E.12). Although a precise comparison between Iberville and IREM cost categories is challenging due to variations in how different types of costs are categorized, each of the expense categories included in the Phase I and II pro formas are approximately within the standard range established by IREM data. As shown in exhibit E.12, Iberville costs are within the extremes of the range for most cost category ranges, but these costs are primarily the result of differences in expense categorizations compared to the IREM data.

[174] IREM's Region VI includes New Mexico, Texas, Oklahoma, Arkansas, and Louisiana.

Exhibit E.12. Expenses As a Share of Revenues, Iberville Phases I and II versus IREM Local and Regional Range



Sources: IREM, 2013; Iberville Development Team, 2013; Strategic Economics, 2013.

Local developers identified five key factors with the potential to affect operating costs for new development in New Orleans. Operating costs that unexpectedly increase above those included in the operating pro forma can result in financial distress for a project. The factors listed below represent common issues that may lead to higher than expected operating costs and future trends that may result in operating costs deviating from historic norms. Each of these factors is listed below, followed by a response describing how the Iberville development program addresses these areas of concern based on interviews with HRI Properties, independent local developers, and additional analysis when possible.

Issue: Quality of property management

Market-rate and affordable housing developers alike report that the quality of property management is an important factor in achieving profitability and long-term project stability. Mismanagement can lead to increased expenses and a loss in revenues as tenants move away or substandard living conditions for tenants in subsidized housing who cannot afford to move.

Response:

Local developers report that HRI Properties has considerable experience managing affordable housing and is likely to provide high-quality management for the Iberville project**.** HRI Properties manages a portfolio of 36 multifamily residential buildings in nine cities. Given the firm's extensive experience and strong reputation among local independent developers, it is unlikely that poor management will be a significant issue for the project.

Issue: Property and flood insurance costs

Property insurance rates increased significantly in the wake of Hurricanes Katrina and Isaac (by 300 to 500 percent, according to developers), resulting in unexpected increases in multifamily operating costs. Flood insurance costs are also projected to increase due to changes in the National Flood Insurance Program under the Biggert-Waters Flood Insurance Reform Act of 2012. These increased costs continue to represent a challenge to the financial feasibility of new market-rate construction.

Response:

As a large national developer, HRI Properties maintains a national insurance policy on its properties across the country. The higher costs associated with projects located in New Orleans are absorbed by this "blanket" policy, resulting in much lower premiums compared to those paid by developers with local insurance policies. Local developers report that teaming with large national developers to gain access to a national insurance policy is common practice in the New Orleans market. Furthermore, flood insurance costs at Iberville are not anticipated to be unusually high for the New Orleans market due to the project's location.

Issue: Property tax costs

Developers report that property tax assessments have recently become more aggressive as the Orleans Parish Assessor's Office works to update and standardize the assessment process. The resulting increases to assessed property values can lead to unexpected increases in property taxes that have a direct impact on operating costs.

Response:

HRI Properties has negotiated a 25-year payment in lieu of taxes () with the Industrial Development Board and the city of New Orleans. Rather than pay traditional property taxes, which are based on the assessed value of land and likely to rise over time as improvements are made, PILOT sets a predetermined schedule of payments. PILOT is a form of subsidy to encourage affordable and mixed-income housing development. In the case of the Iberville development, the developers will pay $5,000 per year for the first five years; the payment will then increase to $7,500 per year until the last three years, when it rises to $10,000. This distribution of payments is consistent with the $7,500 per year budgeted in the operating pro forma for property tax payments. This prenegotiated PILOT provides predictability around future property tax costs and ensures that the project will not face unexpected increases.

Issue: Water and sewer rate increases

In 2012, the New Orleans City Council passed a major rate increase to fund needed improvements to the city's water and sewer systems[175] that is expected to result in a 15 percent annual increase in water and

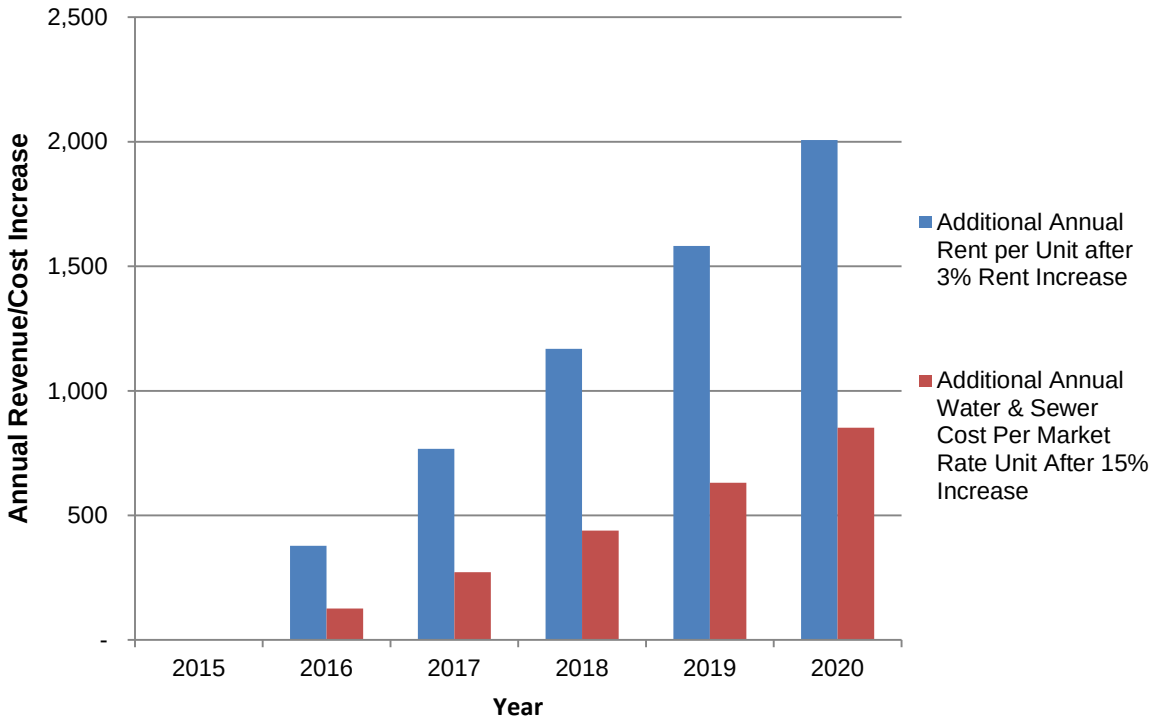
[175] Rainey, R. "New Orleans City Council Passes Major Sewer and Water Rate Hikes," *The Times Picayune*, December 6, 2012. http://www.nola.com/politics/index.ssf/2012/12/new_orleans_city_council_passe_4.html.

sewer rates over the next 10 years. These increases will have a direct, although predictable, increase on operating costs.

Response:

HRI Properties reports that their cash flow statement, which shows how operating costs and revenues are expected to change over the life of the project, reflects this expected increased in water and sewer rates. Because SE did not have access to the multiyear cash flow statement to confirm this claim, a sensitivity analysis was conducted to test the potential impact of the water and sewer rate hike on the Iberville operating pro forma. First, SE calculated the annual increase in market-rate rents from 2015 to 2020 generated by a standard 3 percent annual increase in rents. Next, SE estimated the additional annual costs associated with the expected 15 percent annual increase in water and sewer rates for the same five-year time period. Because subsidized units have less flexibility to adjust rents quickly in response to fluctuating costs, the increased costs are assumed to be supported solely by the rental increases from market-rate units. As illustrated in exhibit E.13, this analysis suggests that the water and sewer rate increase could easily be absorbed by standard rent increases. In reality, subsidized rents are also supposed to be adjusted on a regular basis to reflect changes in market rents, adding further support to this finding. In combination with the predictable nature of the water and sewer rate increases, this analysis suggests that the rate hikes are not an area of significant concern for the Iberville Phase I and II redevelopment.

Exhibit E.13. Additional Water and Sewer Costs versus Additional Rental Income, 2015–2020



Source: Strategic Economics, 2013.

Issue: Adequacy of replacement reserves

Affordable housing projects often require high replacement reserves due to the long-term ownership of the properties and limited opportunities for substantial rehabilitation due to continuous occupancy. Units restricted to high levels of affordability and large units also experience more substantial maintenance and repair costs upon turnover.

Response:

The Phase I and II development team stated that replacement reserves met typical minimum financing standards of $300 per unit; the reserve set-aside is included as a separate cost after operations expenses, as is typical. A project needs assessment will be required to fully determine the appropriate replacement reserve set-aside.

Summary of Findings

Strategic Economics finds the operating revenues and costs included in Iberville's Phase I and II operating pro forma to be supportable, both in comparison to regional benchmarking data and within the context of local market conditions and trends. More than half the project's residential units are subsidized and are expected to lease up quickly, maintain strong occupancy, and provide a steady and predictable revenue stream. Market-rate units are responsive to local demand, and projected rents and vacancy rates are consistent with local market conditions. In addition, project operating costs as a percentage of revenues were found to be within an acceptable range, both for the project as a whole and within specific cost categories. Finally, potential areas of concern were sufficiently addressed through information gained from interviews with HRI Properties and independent local developers, a review of the operating pro forma statements, and additional sensitivity analysis as needed.

E.4. Assessment of Yesler Terrace, Seattle, Washington

This section describes the Strategic Economics findings regarding unique residential project operating conditions in the Seattle region and evaluates whether those conditions are sufficiently accounted for in the operating pro forma statements for the first Phase of development under the Yesler Terrace Neighborhood Transformation Plan.

The Yesler Terrace redevelopment project was awarded a $10.27 million implementation grant in 2011 as part of HUD's Choice Neighborhoods Initiative. Of the total initial grant, $7,229,950 was allocated toward the housing component of the plan. The Seattle Housing Authority (SHA) received an additional $19.73 million implementation grant in 2012, with $11,081,105 allocated to the housing component.

Yesler Terrace Development Program

This analysis assesses the initial development program of the larger Yesler Terrace Neighborhood Transformation Plan. The larger development program envisions creation of a mixed-income neighborhood including approximately 1,800 income-restricted housing units and 1,200 to 3,200 market-rate housing units. The existing Yesler Terrace housing units will be demolished and replaced.

Strategic Economics analyzed the Transformation Plan's first phase of housing development at 1105 East Fir Street and at Baldwin Apartments at 124 13th Avenue (exhibit E.14). These offsite units are not part

of the existing Yesler Terrace complex but are located within two blocks of it. They were strategically selected by SHA because they can be redeveloped or rehabilitated relatively easily, providing the first replacement units for Yesler Terrace households relocated due to demolition of the existing complex. Operating pro formas for future phases of housing are still under development and were therefore unavailable for this analysis.

The redeveloped 1105 East Fir Street site will contain 103 units of housing, with 83 units restricted to households earning up to 30 percent of area median income (AMI) and 20 units restricted to households earning up to 60 percent of AMI. The project will include a six-story building and adjacent townhouses. The site currently contains emergency housing leased by SHA to the YWCA; redevelopment can proceed relatively quickly because there are no permanent tenants and few zoning or other regulatory barriers.

The Baldwin Apartments building will be rehabilitated to contain 15 housing units serving households earning up to 30 percent of AMI. The building is currently vacant and is owned by SHA.

Exhibit E.14. Yesler Terrace Phase I Offsite Development Program

1105 East Fir Street and Baldwin Apartments Development Summary	
Developer	Seattle Housing Authority
Buildings	103 units in a six-story building and adjacent townhouses 15 units in rehabilitated Baldwin Apartments
Public housing replacement units	98
Workforce housing units	20
Market-rate units	None; an adjacent parcel sold to a private developer by SHA will include 120 units, with 20% affordable to households earning up to 50% of AMI
Additional amenities and services	Green roof, playground, community room and spaces, underground parking

Operating Revenues Findings

As an income-restricted development, potential revenues will be determined entirely by affordable housing program requirements. The first phase of construction at 1105 East Fir Street and the Baldwin Apartments consists entirely of affordable units. The project is subsidized through ongoing Section 8 project-based assistance and through low-income housing tax credit financing. The 1105 East Fir Street operating pro forma projects average rents of approximately $980 per month per unit in the first year of operations, before accounting for 5 percent vacancy. The Baldwin Apartments pro forma projects $845 per month per unit before accounting for 7 percent vacancy; average rents are lower for these units because they are one-bedroom apartments instead of the variety of sizes to be constructed at 1105 East Fir Street. An advantage of subsidized rents is a predictable stream of revenue less subject to short-term market cycles; disadvantages include a lack of flexibility to adjust rents in response to changing costs and market conditions.

The rental revenue inflation factor applied to Phase 1 of development reflects slowing growth in allowable rents. The operating pro forma statements for 1105 East Fir Street and Baldwin Apartments assume rental revenue increases of 2 percent per year. SHA representatives noted that these inflation

factors are more conservative than those used in the past due to slowing growth rates in fair market rents supported by the Section 8 program and slowing growth rates in median incomes. Review of HUD Section 8 fair market rent limits for two-bedroom apartments in King County, Washington, supports this conservative approach: average year-over-year increases were 2.28 percent over the past 10 years, compared to 3.63 percent in the previous 10 year period.[176] As was described in the section on methodology above, these fair market rent limits incorporate adjustments for increasing market rents and general inflation.

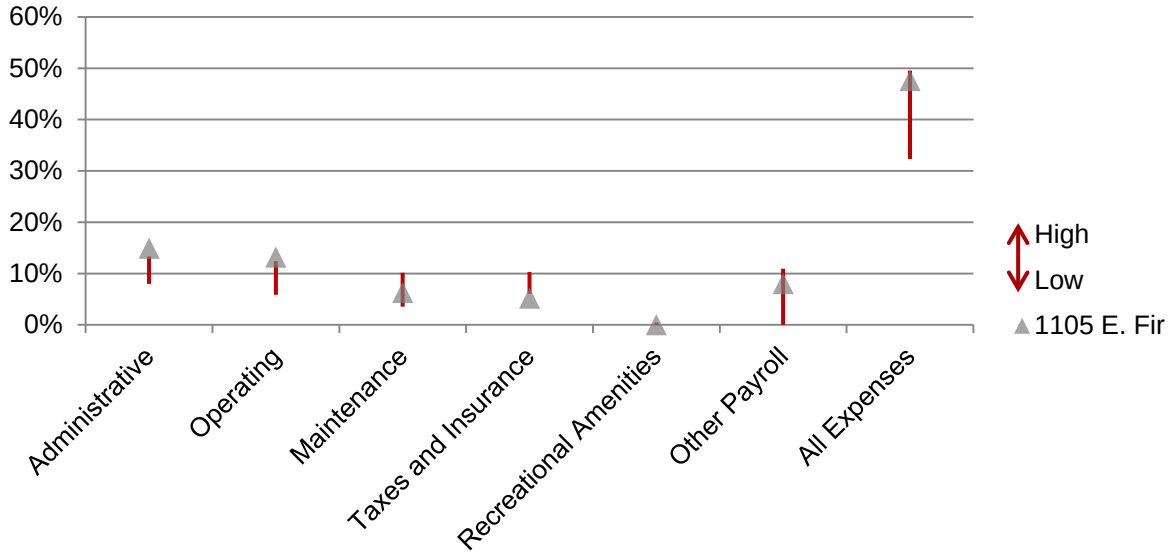
Operating Costs Findings

Based on comparison to IREM and other data sources, projected total operating costs per unit at 1105 East Fir Street and Baldwin Apartments are within a typical range. The development pro forma statements for 1105 East Fir Street and the Baldwin Apartments assume total operating costs of $5,410 and $5,068 per unit per year, respectively. Data sources, including IREM, the National Apartment Association,[177] and local interviewees suggest that these costs would be unusually high for an all market-rate project in the Seattle region, with estimates at such projects of approximately $4,500 per unit. However, the costs are within a typical range for a federally assisted housing development, with local affordable housing developers citing a range of $5,100 to $5,200 in the Seattle region and IREM and RubinBrown[178] citing costs of between $4,400 and $6,100 per unit in the Pacific Northwest. Operations and maintenance costs for affordable housing are typically higher due to relatively high salaries and benefits, higher staffing levels, increased administrative compliance costs, and increased maintenance and repair needs.

Based on a comparison to IREM Seattle metropolitan area data and Region X[179] data, Yesler Terrace and Baldwin Apartments costs as a percentage of revenues are relatively high (exhibits E.15 and E.16). Total projected operating expenses at Yesler Terrace and Baldwin Apartments comprise 48 and 54 percent of projected revenues. These approach and exceed the 50 percent high end of comparable data available from IREM for market rate and federally assisted housing projects in the Seattle metropolitan area and larger Region X. These high costs relative to revenues are likely driven by SHA's high labor costs, the limited amount of income available to this all-affordable development, and the relatively cost-inefficient format of Baldwin Apartments. Baldwin Apartments' 15 units provide less efficiency in distributing fixed operating costs among a large number of units. The units themselves are single-bedroom, which provides less rental revenue per unit compared to two- and three-bedroom units. The building is a rehabilitated existing structure, which is likely to require additional maintenance and offer less energy and space efficiency compared to a new building. Although scattered-site development and rehabilitated buildings will play key roles in revitalizing an entire neighborhood under Choice Neighborhood Initiative Transformation Plans, the approach does create cost inefficiencies.

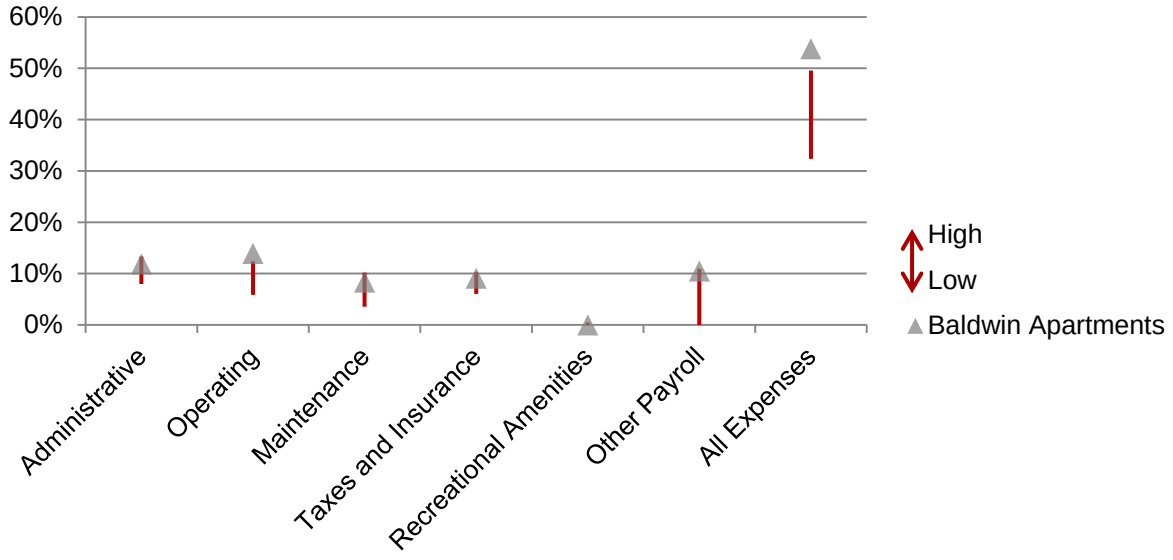
[176] Historical fair market rent data is available at HUDUser.org (accessed October 27, 2013).
[177] National Apartment Association 2012 Survey of Operating Income and Expenses in Rental Apartment Communities.
[178] RubinBrown LLP, Apartment Stats 2013.
[179] Region X consists of the states of Washington, Oregon, and Idaho.

Exhibit E.15. Expenses As a Share of Revenues, 1105 East Fir Street versus IREM Local and Regional Range



Sources: IREM, 2013; Seattle Housing Authority, 2013; Strategic Economics, 2013.

Exhibit E.16. Expenses as a Share of Revenues, Baldwin Apartments versus IREM Local and Regional Range



Sources: IREM, 2013; Seattle Housing Authority, 2013; Strategic Economics, 2013.

Local developers identified five key factors with the potential to affect operating costs for new development in Seattle. Operating costs that unexpectedly increase above those included in the operating pro forma can result in financial distress for a project. The factors listed below represent common issues that may lead to higher than expected operating costs and future trends that may result in operating costs deviating from historic norms. Each of these factors is listed below, followed by a response describing how the Yesler Terrace Phase I development program addresses these areas of

concern based on interviews with SHA, independent local developers, and additional analysis when possible.

Issue: Higher management costs of affordable housing projects

Developers in the Seattle region noted that administrative costs for affordable housing developments generally exceed those of market-rate projects due to annual audits, other affordable housing compliance-related administration, and more frequent service needs at buildings with especially low median incomes and/or high concentrations of large units.

Response:

SHA will manage the first phase of development at 1105 East Fir Street and Baldwin Apartments. Management by SHA allows potential cost efficiencies by centralizing compliance-related administration duties. At the site level, SHA is providing onsite property managers at each major development rather than a single administration office as currently exists at Yesler Terrace. Maintenance will be performed out of two to three "bases" covering all SHA properties in the Yesler Terrace neighborhood. Although these site-level administration and maintenance activities may slightly increase costs due to greater staffing needs, they can potentially provide more attentive service that prevents larger administration and maintenance problems from emerging. The operating pro forma statements for the first phase of development reflect relatively high overall operating costs expected at an affordable housing site.

Issue: High wage and benefit costs

Developers noted that Seattle has a higher cost of living and generally higher wage and benefit costs compared to the United States overall. Affordable housing projects often employ full-time staff and provide a living wage and relatively generous employee benefits, further increasing employment costs.

Response:

SHA representatives reported that staffing costs were examined and adjusted to account for union wage rates and staffing in the operating cost projections for 1105 East Fir Street and Baldwin Apartments. SHA staff is familiar with the unique cost considerations involved in planning for project operations and maintenance. SHA employees are represented by three collective bargaining units, each with its own set of employee job titles and responsibilities. SHA's higher employment costs are reflected in the relatively high operating costs per unit at the Phase I housing developments.

Issue: Maintaining adequate replacement reserves for affordable housing and rehabilitated units

Local developers stated that affordable housing projects require higher replacement reserves compared to market-rate housing projects. Although affordable housing units typically experience less tenant turnover compared to market rate units, particularly in new buildings with strong demand and long wait lists, the units will often require significant repair and replacement upon vacancy. Interviewees also noted that affordable housing developments must perform relatively substantial ongoing maintenance because major capital rehabilitation projects are difficult to perform in a continuously occupied building with few outside sources of reinvestment funds. Finally, developers noted that rehabilitated buildings require higher replacement reserves due to more frequent repairs.

Response:

SHA plans to set aside relatively high replacement reserves for the Phase I developments. SHA typically sets aside replacement reserves of $300 to $350 per unit per year for new developments, which is typical at affordable housing projects in Seattle, but market-rate projects set aside lower amounts of approximately $250. Planned replacement reserves at 1105 East Fir Street are $350 per unit per year with a 3 percent annual increase to account for higher costs as the building ages. Planned reserves at Baldwin Apartments start higher, at $500 per unit per year, in anticipation of higher costs due to its historic rehabilitation; contributions will increase by 3 percent annually.

Issue: Sewage treatment capacity charge

The Metropolitan King County Council charges a sewage treatment capacity charge for all new sewer connections. The charge can either be paid monthly for 15 years (at $55.35 per month as of 2013) or paid upfront for a 5.5 percent discount.[180] The capacity charge has been in place since 1990 and represents a significant cost for new housing developments.

Response:

Unlike most market-rate developments in the Seattle region, SHA pays the sewer treatment capacity charge upfront as a development capital cost rather than an ongoing operating cost. This allows SHA to receive the discounted rate and ensure reduced operating costs in the future. SHA will also receive credits for preexisting sewer connections for units demolished at the Phase I sites. Residents in new or rehabilitated onsite and offsite Yesler Terrace buildings will have individually metered water connections, thereby incentivizing reduced water usage and sewage volume.

Issue: Overall operating costs are increasing more rapidly than revenues at affordable housing developments in Seattle

Overall operating costs are increasing more rapidly than affordable housing revenues in the Seattle region. For example, developers particularly noted that utilities costs are increasing between 4 and 6 percent overall even as affordable housing rental rates remain stagnant.

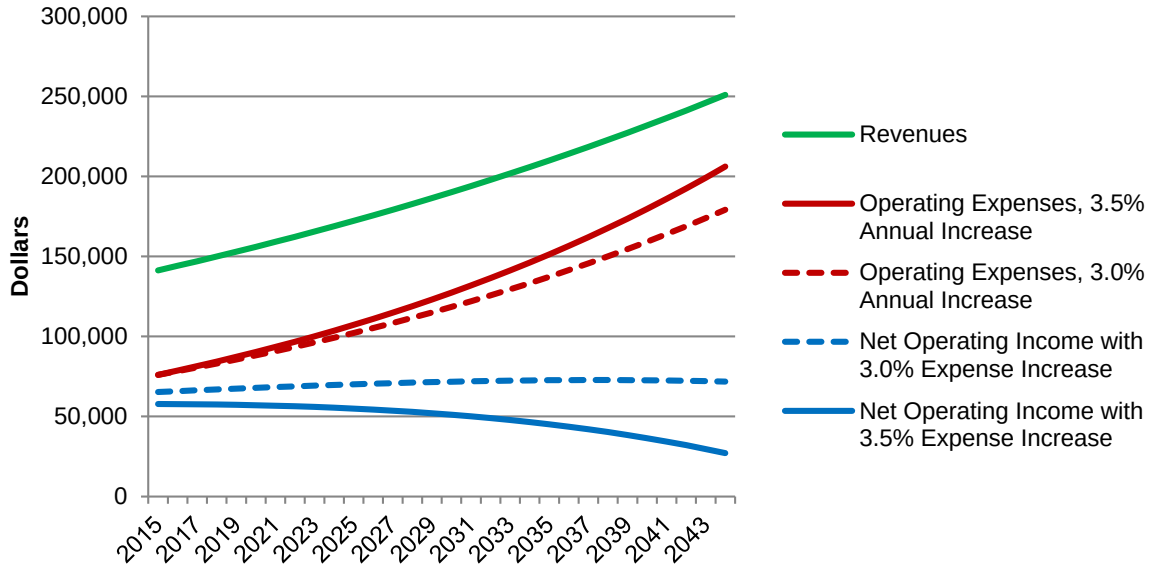
Response:

SHA historically assumed that operations costs at new or rehabilitated buildings would increase by 3 percent annually. Costs at 1105 East Fir Street and Baldwin Apartments are instead assumed to increase by 3.5 percent annually to account for rising operations expenses. Revenues, which are limited by affordability requirements, are projected to increase by only 2 percent annually. This mismatch properly accounts for cost increases exceeding revenue increases, but it poses a long-term challenge to the financial feasibility of operating these developments. As shown in exhibit E.17, the pro forma cash flow statement analyzed for Baldwin Apartments shows declining net operating income due to cost increases exceeding revenue increases. SE performed a sensitivity analysis to demonstrate the impact of these

[180] Metropolitan King County Council. "Council Approves 2014 Sewer Rate That Maintains 2013 Levels," kingcounty.gov, June 12, 2013. http://www.kingcounty.gov/council/news/2013/June/sewer.aspx.

rising expenses on long-term development feasibility. As shown, Baldwin Apartments would have maintained positive operating revenues for a significantly longer period under the previous assumption of 3 percent annual operating expense increases. Seattle's affordable housing developers will need to pursue increasing levels of cost efficiency and additional revenue sources if current trends continue.

Exhibit E.17. Net Operating Income Impact of Projected 3.5% Annual Operating Expense Increase versus Historical 3.0% Assumption



Source: Strategic Economics, 2013.

Summary of Findings

Strategic Economics finds that the projected operating revenues and total operating costs in the Yesler Terrace Phase I offsite developments are supported by existing conditions and trends in the Seattle region. As an entirely affordable housing development, operating revenues will be limited by Section 8 and LIHTC program requirements. Projected revenue growth is adequately conservative to match slow growth in fair market rents and allowable rents under those programs in the Seattle region. Although operating costs per unit at both 1105 East Fir Street and Baldwin Apartments are within a typical range for federally assisted housing, projected costs at Baldwin Apartments are unusually high as a percentage of revenues. Contributing factors include the building's small size, small units, and age.

The SHA operating pro forma projections incorporate the impacts of key operations issues including high overall management costs for affordable housing, the region's high wage and benefit costs, maintenance of adequate replacement reserves, payment of sewage treatment capacity charges, and the higher growth rate of operating costs compared to affordable housing revenues. The latter trend poses a long-term challenge to the financial sustainability of all affordable housing in the Seattle region. The pro forma statements provided by SHA reflect those challenges, with the Baldwin Apartments pro forma showing operating cost growth exceeding revenue growth. The sensitivity analysis in this memorandum demonstrates that small differences in revenue or cost growth can strongly influence the financial sustainability of new affordable housing developments in the Seattle region.

Appendix F: Performance Measurement Indicators for the Choice Neighborhoods Implementation Grantees

HOUSING

(where Recording/Collection/Aggregation Responsibilities = Grantee)

No.	Metric	Description	Frequency
Relocation			
1	Relocation (1st move out of target site)	These are the number of households that will be moved from the target site because of the Choice Neighborhoods project. The target site is defined as the Public Housing or HUD Assisted Housing identified in the Severe Distress Certification document (attachment 11) as part of your Round 1 Application. These are households that are required to move into alternate housing because their original unit is no longer available due to demolition, construction or rehabilitation activities. If a household must be moved more than once because of the Choice Neighborhoods project, you should only count one of the moves. We want to determine the number of households that move, not the number of moves that occur. If a household is split up at the time of the relocation, thereby creating multiple households, each new household shall be counted as a separate relocation.	Quarterly
2	Relocation to Public Housing Annual Contribution Contract (ACC)	The total number of households that will be relocated from the target site into other Public Housing ACC Units (units which are under ACC and receive operating subsidies). The target site is defined as the Public Housing or HUD Assisted Housing identified in the Severe Distress Certification document (attachment 11) as part of your Round 1 Application.	Quarterly
3	Relocation to HUD-Assisted Multifamily Housing	The number of households relocated from the target site into any form of HUD-Assisted Housing. That is, they are moved to housing that is subsidized through project-based Section 8, Section 221(d)(3), Section 221(d) 4, Section 202, or Section 811. The target site is defined as the Public Housing or HUD Assisted Housing identified in the Severe Distress Certification document (attachment 11) as part of your Round 1 Application. If a family moves multiple times and one of those moves is into a housing unit subsidized above, they should be accounted for in this line item in order to accurately track the number of relocations in HUD-Assisted Housing. Please note that household relocation with a Section 8 tenant-based voucher is captured in a separate field.	Quarterly
4	Relocation with Section 8 Tenant-based Vouchers	The number of households that are relocated from the target site who receive a Section 8 tenant-based housing voucher. The target site is defined as the Public Housing or HUD Assisted Housing identified in the Severe Distress Certification document (attachment 11) as part of your Round 1 Application.	Quarterly

5	Relocation to Homeownership Units	The number of households that are relocated from the target site into housing units that are sold under a lease purchase program. The target site is defined as the Public Housing or HUD Assisted Housing identified in the Severe Distress Certification document (attachment 11) as part of your Round 1 Application	Quarterly
6	Relocation to Other Housing Units	The number of households that are relocated from the target site into market rate housing or any other form of housing not mentioned above. The target site is defined as the Public Housing or HUD Assisted Housing identified in the Severe Distress Certification document (attachment 11) as part of your Round 1 Application	Quarterly
Involuntary Termination			
7	Involuntary Termination	This is the actual number of households from the target site that were evicted from the development during the current reporting period. Evictions are only captured as actual values as they cannot be foreseen or planned. Only those households who were part of your original caseload for relocation should be counted under evictions.	Quarterly
8	Involuntary Terminations-Public Housing ACC	Actual number of households from the target site that were evicted from Public Housing during the current reporting period.	Quarterly
9	Involuntary Terminations-HUD Assisted Multifamily Housing	Actual number of households from the target site that were evicted from HUD Assisted Housing during the current reporting period.	Quarterly
Demolition			
10	Demolition	The number of units completely demolished in order to complete the project. Any partial demolition or interior demolition activity should be accounted for in the rehabilitation line item.	Quarterly
11	Demolition-Public Housing ACC	The actual number of Public Housing ACC Units demolished.	Quarterly
12	Demolition-HUD Assisted Multifamily Housing	The actual number of HUD-Assisted units demolished.	Quarterly
Replacement Housing			
13	Replacement Housing	Total number of newly constructed, acquired, or rehabilitated units that replace demolished or disposed Public Housing ACC or HUD-Assisted rental Units. This includes units under ACC, Project-Based Section 8, Section 221(d) (3), Section 221(d) 4, Section 202, or Section 811.These units satisfy the one for one replacement requirement. This does not include Section 8 tenant-based vouchers.	Quarterly
14	New Construction/Acquisition	All units newly constructed or acquired that replaced previous demolished or disposed Public Housing ACC or HUD-Assisted rental Units. To satisfy the one for one replacement through acquisition the replacement unit must not have been receiving any HUD assistance prior to acquisition.	Quarterly

15	New Construction/Acquisition-On-site Public Housing ACC Rental Units	All newly constructed or acquired rental Public Housing ACC Units built on target housing development footprint and replaced previous demolished or disposed Public Housing ACC or HUD-Assisted rental Units.	Quarterly
16	New Construction/Acquisition-On-site Public Housing ACC only Rental Unit	All newly constructed or acquired on-site rental Public Housing ACC Units that replaced previous demolished or disposed Public Housing ACC or HUD-Assisted rental Units. These are non mixed finance units meaning they received no subsidy other than from the Public Housing Program.	Quarterly
17	New Construction/Acquisition-On-site Public Housing ACC/Low-Income Housing Tax Credit (LIHTC) Unit	All newly constructed or acquired on-site rental Public Housing ACC Units that replaced previous demolished or disposed Public Housing ACC or HUD-Assisted rental Units. These are mixed finance units subsidized by both Public Housing and LIHTC funds.	Quarterly
19	New Construction/Acquisition-Off-site Public Housing Rental Units	All newly constructed or acquired rental Public Housing ACC Units outside the target housing development footprint and replaced previous demolished or disposed Public Housing ACC or HUD-Assisted rental Units.	Quarterly
20	New Construction/Acquisition-Off-site Public Housing ACC Only Rental Unit	All newly constructed or acquired off-site rental Public Housing ACC Units that replaced previous demolished or disposed Public Housing ACC or HUD-Assisted rental Units. These are non mixed finance units meaning they received no subsidy other than from the Public Housing Program.	Quarterly
21	New Construction/Acquisition-Off-site Public Housing ACC/Low-Income Housing Tax Credit (LIHTC) Unit	All newly constructed or acquired off-site rental Public Housing ACC Units that replaced previous demolished or disposed Public Housing ACC or HUD-Assisted rental Units. These are mixed finance units subsidized by both Public Housing and LIHTC funds.	Quarterly
22	New Construction/Acquisition-HUD-Assisted Multifamily Housing Rental Units	All newly constructed or acquired rental units subsidized through project-based Section 8, Section 221(d) (3), Section 221(d) (4), Section 202, or Section 811 and replaced previous demolished or disposed Public Housing ACC or HUD-Assisted rental Units.	Quarterly
23	New Construction/Acquisition-On-site Rental Project-Based Voucher/LIHTC	All newly constructed or acquired on-site rental Project-Based Voucher Units that replaced previous demolished or disposed Public Housing ACC or HUD-Assisted rental Units. These are mixed finance units meaning they receive a subsidy from the Project-Based Voucher and LIHTC.	Quarterly
24	New Construction/Acquisition-On-site Rental HUD-Assisted Multifamily Only Units	All newly constructed or acquired on-site rental HUD Assisted units that replaced previous demolished or disposed Public Housing ACC or HUD-Assisted rental Units. These are non mixed finance units meaning they only receive one source of subsidy either from, Section 221(d) (3), Section 221(d) 4, Section 202, or Section 811. Do not include Project-Based Vouchers in this field as they are captured in another data field.	Quarterly

25	New Construction/Acquisition-On-site Rental HUD-Assisted Multifamily/LIHTC Units	All newly constructed or acquired on-site rental HUD Assisted units that replaced previous demolished or disposed Public Housing ACC or HUD-Assisted rental Units. These are mixed finance units meaning they receive a subsidy from either, Section 221(d) (3), Section 221(d) 4, Section 202, or Section 811 and LIHTC. Do not include Project-Based Vouchers in this field as they are captured in another data field.	Quarterly
26	New Construction/Acquisition-Off-site HUD-Assisted Housing Rental Units	All newly constructed or acquired rental units built outside the target housing development footprint and subsidized through project-based Section 8, Section 221(d) (3), Section 221(d) (4), Section 202, or Section 811. These units replaced previous demolished or disposed Public Housing ACC or HUD-Assisted rental Units.	
27	New Construction/Acquisition-Off-site Rental Project-Based Voucher Only Units	All newly constructed or acquired off-site rental Project-Based Voucher Units that replaced previous demolished or disposed Public Housing ACC or HUD-Assisted rental Units. These are non mixed finance units meaning they received no subsidy other than from the Project-Based Voucher.	Quarterly
28	New Construction/Acquisition-Off-site Rental Project-Based Voucher/LIHTC	All newly constructed or acquired off-site rental Project-Based Voucher Units that replaced previous demolished or disposed Public Housing ACC or HUD-Assisted rental Units. These are mixed finance units meaning they received a subsidy from both Project-Based Voucher and LIHTC.	Quarterly
29	New Construction/Acquisition-Off-site Rental HUD-Assisted Multifamily Only Units	All newly constructed or acquired off-site rental HUD Assisted units that replaced previous demolished or disposed Public Housing ACC or HUD-Assisted rental Units. These are non mixed finance units meaning they only receive one source of subsidy either from, Section 221(d) (3), Section 221(d) (4), Section 202, or Section 811. Do not include Project-Based Vouchers in this field as they are captured in another data field.	Quarterly
30	New Construction/Acquisition-Off-site Rental HUD-Assisted Multifamily/LIHTC units	All newly constructed or acquired off-site rental HUD-Assisted rental Units that replaced previous demolished or disposed Public Housing ACC or HUD-Assisted rental Units. These are mixed finance units meaning they receive a subsidy from either, Section 221(d) (3), Section 221(d) (4), Section 202, or Section 811 and LIHTC. Do not include Project-Based Vouchers in this field as they are captured in another data field.	Quarterly
31	Rehabilitation	Rehabilitated units are classified as existing units in the Public Housing and HUD-Assisted Housing stock that have been completely renovated for the purpose of occupancy.	Quarterly
	Rehabilitation-Rental Units	All rehabilitated units that will be rented from the owners of the property and that replaced previous demolished or disposed Public Housing ACC or HUD-Assisted rental Units.	Quarterly
32	Rehabilitation-Public Housing ACC Rental Units	All rehabilitated rental units under an ACC that receive operating subsidies and replaced Public Housing ACC or HUD-Assisted rental Units.	Quarterly

33	Rehabilitation-On-Site Public Housing Rental Units	All rehabilitated rental Public Housing ACC Units built on target housing development footprint and replaced previous Public Housing ACC or HUD-Assisted rental Units.	Quarterly
34	Rehabilitation-On-Site Public Housing ACC only Rental Unit	All rehabilitated on-site rental Public Housing ACC Units that replaced previous Public Housing ACC or HUD-Assisted rental Units. These are non mixed finance units meaning they received no subsidy other than from the Public Housing Program.	Quarterly
35	Rehabilitation-On-Site Public Housing ACC/Low-Income Housing Tax Credit (LIHTC) Unit	All rehabilitated on-site rental Public Housing ACC Units that replaced previous Public Housing ACC or HUD-Assisted rental Units. These are mixed finance units subsidized by both Public Housing and LIHTC funds.	Quarterly
36	Rehabilitation-Off-site Public Housing Rental Units	All rehabilitated rental Public Housing ACC Units outside the target housing development footprint and replaced previous Public Housing ACC or HUD-Assisted rental Units.	Quarterly
37	Rehabilitation-Off-site Public Housing ACC Only Rental Unit	All rehabilitated off-site rental Public Housing ACC Units that replaced previous Public Housing ACC or HUD-Assisted rental Units. These are non mixed finance units meaning they received no subsidy other than from the Public Housing Program.	Quarterly
38	Rehabilitation-Off-site Public Housing ACC/Low-Income Housing Tax Credit (LIHTC) Unit	All rehabilitated off-site rental Public Housing ACC Units that replaced previous demolished or disposed Public Housing ACC or HUD-Assisted rental Units. These are mixed finance units subsidized by both Public Housing and LIHTC funds.	Quarterly
39	Rehabilitation-HUD-Assisted Multifamily Housing Rental Units	All rehabilitated rental units subsidized through project-based Section 8, Section 221(d) (3), Section 221(d) (4), Section 202, or Section 811 and replaced previous Public Housing ACC or HUD-Assisted rental Units.	Quarterly
40	Rehabilitation-On-Site HUD-Assisted Multifamily Housing Rental Units	All rehabilitated rental units built on the target housing development footprint and subsidized through project-based Section 8, Section 221(d) (3), Section 221(d) (4), Section 202, or Section 811. These units replaced previous Public Housing ACC or HUD-Assisted rental Units.	Quarterly
41	Rehabilitation-On-Site Rental Project-Based Voucher Only units	All rehabilitated on-site rental Project-Based Voucher Units that replaced previous Public Housing ACC or HUD-Assisted rental Units. These are non mixed finance units meaning they received no subsidy other than from the Project-Based Voucher.	Quarterly
42	Rehabilitation-On-Site Rental Project-Based Voucher/LIHTC	All rehabilitated on-site rental Project-Based Voucher Units that replaced previous Public Housing ACC or HUD-Assisted rental Units. These are mixed finance units meaning they receive a subsidy from the Project-Based Voucher and LIHTC.	Quarterly

43	Rehabilitation-On-Site Rental HUD-Assisted Multifamily Only Units	All rehabilitated on-site rental HUD Assisted units that replaced previous demolished or disposed Public Housing ACC or HUD-Assisted rental Units. These are non mixed finance units meaning they only receive one source of subsidy from either Section 221(d) (3), Section 221(d) 4, Section 202, or Section 811. Do not include Project-Based Vouchers in this field as they are captured in another data field.	Quarterly
44	Rehabilitation-On-Site Rental HUD-Assisted Multifamily/LIHTC Units	All rehabilitated on-site rental HUD Assisted units that replaced previous Public Housing ACC or HUD-Assisted rental Units. These are mixed finance units meaning they receive a subsidy from either Section 221(d) (3), Section 221(d) (4), Section 202, or Section 811 and LIHTC. Do not include Project-Based Vouchers in this field as they are captured in another data field.	Quarterly
45	Rehabilitation-Off-site HUD-Assisted Multifamily Housing Rental Units	All rehabilitated rental units built outside the target housing development footprint and subsidized through project-based Section 8, Section 221(d) (3), Section 221(d) (4), Section 202, or Section 811. These units replaced previous Public Housing ACC or HUD-Assisted rental Units.	Quarterly
46	Rehabilitation-Off-site Rental Project-Based Voucher Only Units	All rehabilitated off-site rental Project-Based Voucher Units that replaced previous Public Housing ACC or HUD-Assisted rental Units. These are non mixed finance units meaning they received no subsidy other than from the Project-Based Voucher.	Quarterly
47	Rehabilitation-Off-site Rental Project-Based Voucher/LIHTC	All rehabilitated off-site rental Project-Based Voucher Units that replaced previous Public Housing ACC or HUD-Assisted rental Units. These are mixed finance units meaning they received a subsidy from both Project-Based Voucher and LIHTC.	Quarterly
48	Rehabilitation-Off-site Rental HUD-Assisted Multifamily Only Units	All rehabilitated off-site rental HUD Assisted units that replaced previous Public Housing ACC or HUD-Assisted rental Units. These are non mixed finance units meaning they only receive one source of subsidy from either Section 221(d) (3), Section 221(d) 4, Section 202, or Section 811. Do not include Project-Based Vouchers in this field as they are captured in another data field.	Quarterly
49	Rehabilitation-Off-site Rental HUD-Assisted Multifamily/LIHTC Units	All rehabilitated off-site rental HUD Assisted units that replaced previous Public Housing ACC or HUD-Assisted rental Units. These are mixed finance units meaning they receive a subsidy from either Section 221(d) (3), Section 221(d) (4), Section 202, or Section 811 and LIHTC. Do not include Project-Based Vouchers in this field as they are captured in another data field.	Quarterly
Non-Replacement Housing			
50	Non-Replacement Housing	Total number of newly constructed, acquired, or rehabilitated units that do not replace any previous Public Housing or HUD Assisted Housing and do not count towards the one for one replacement requirement.	Quarterly

51	New Construction/Acquisition	All rental and homeownership units newly constructed or acquired that are not replacements for any previous Public Housing ACC or HUD-Assisted inventory.	Quarterly
52	New Construction/Acquisition-Rental Units	All rental units newly constructed or acquired that are not replacements for any previous Public Housing ACC or HUD-Assisted inventory.	Quarterly
53	New Construction/Acquisition-Affordable Housing Rental Units	All rental units newly constructed or acquired that are restricted to households making less than 120 percent of the area median income. These households are not allowed to pay more than 30 percent of their household income towards housing expenses. These units are not replacements for any previous Public Housing ACC or HUD-Assisted inventory.	Quarterly
54	New Construction/Acquisition-On-site Affordable Housing Rental Units	All affordable rental units newly produced or acquired located on the target housing development footprint and are not replacements for any previous Public Housing ACC or HUD-Assisted inventory.	Quarterly
55	New Construction/ Acquisition-On-site Affordable Housing Rental Units	All on-site affordable rental units newly constructed or acquired using any source of funding except Choice Neighborhood and LIHTC funds. These units are not replacements for any previous Public Housing ACC or HUD-Assisted inventory.	Quarterly
56	New Construction/ Acquisition-On-site Affordable Housing Rental LIHTC Only Units	All onsite affordable rental units newly constructed or acquired using LIHTC funding. These units are not replacements for any previous Public Housing ACC or HUD-Assisted inventory.	Quarterly
57	New Construction/ Acquisition-On-site Affordable Housing Rental Developed with CN Funds	All on-site affordable rental units newly constructed or acquired using CN funds. Units must be income restricted. These units are not replacements for any previous Public Housing ACC or HUD-Assisted inventory.	Quarterly
58	New Construction/Acquisition-Off-site Affordable Housing Rental Units	All affordable rental units newly constructed or acquired located outside the target housing development footprint and are not replacements for any previous Public Housing ACC or HUD-Assisted inventory.	Quarterly
59	New Construction/Acquisition-Off-site Affordable Housing Rental Units	All off-site affordable rental units newly constructed or acquired using any source of funding except Choice Neighborhood and LIHTC funds. These units are not replacements for any previous Public Housing ACC or HUD-Assisted inventory.	Quarterly
60	New Construction/Acquisition-Off-site Affordable Housing Rental LIHTC Only Units	All off-site affordable rental units newly constructed or acquired using LIHTC funding. These units are not replacements for any previous Public Housing ACC or HUD-Assisted inventory.	Quarterly
61	New Construction/Acquisition-Off-site Affordable Housing Rental	All off-site affordable rental units newly constructed or acquired using CN funds. Units must be income restricted. These units are not replacements for any previous Public Housing ACC or HUD-Assisted inventory.	Quarterly

	Developed with CN Funds		
62	New Construction/Acquisition-Market Rate Rental Units	These are non income restricted rental units which receive no subsidies and are not replacements for any previous Public Housing ACC or HUD-Assisted inventory.	Quarterly
63	New Construction/Acquisition-On-site Market Rate Rental Units	These are non income restricted rental units which receive no subsidies located on the target housing development footprint. These units are not replacements for any previous Public Housing ACC or HUD-Assisted inventory.	Quarterly
64	New Construction/Acquisition-Off-site Market Rate Rental Units	These are non income restricted rental units which receive no subsidies located outside the target housing development footprint. These units are not replacements for any previous Public Housing ACC or HUD-Assisted inventory.	Quarterly
65	New Construction/Acquisition-Homeownership Units	All units newly constructed or acquired that are sold under a lease purchase program. These units are not replacements for any previous Public Housing ACC or HUD-Assisted inventory.	Quarterly
66	New Construction/Acquisition-Affordable Homeownership Units	These are income restricted homeownership units for households making less than 120 percent of the area median income and must remain affordable for over 20 years. These units do not include any public housing units or assisted housing units. Households pay no more than 30 percent of their annual income to rent these units.	Quarterly
67	New Construction/Acquisition-On-site Affordable Homeownership Units	All homeownership units newly constructed or acquired located on the target housing development footprint. These units are restricted to households making less than 120 percent of the area median income and must remain affordable for over 20 years. These households are not allowed to pay more than 30 percent of their household income towards housing expenses. These units are not replacements for any previous Public Housing ACC or HUD-Assisted inventory.	Quarterly
68	New Construction/ Acquisition-On-site Affordable Homeownership Units with CN Financing	All on-site affordable homeownership units that received Choice Neighborhood financing. These units are not replacements for any previous Public Housing ACC or HUD-Assisted inventory.	Quarterly
69	New Construction/ Acquisition-On-site Affordable Homeownership 2nd Mortgage Only	These are on-site affordable homeownership units financed with a 2nd mortgage which allows a buyers a low-interest loan to help with down payment, closing costs, or a gap in financing. These units are not replacements for any previous Public Housing ACC or HUD-Assisted inventory.	Quarterly

70	New Construction/Acquisition-Off-site Affordable Homeownership Units	All homeownership units newly constructed or acquired located outside the target housing development footprint. These units are restricted to households making less than 120 percent of the area median income and must remain affordable for over 20 years. These households are not allowed to pay more than 30 percent of their household income towards housing expenses. These units are not replacements for any previous Public Housing ACC or HUD-Assisted inventory.	Quarterly
71	New Construction/Acquisition-Off-site Affordable Homeownership Units with CN Financing	All off-site affordable newly constructed or acquired homeownership units that received Choice Neighborhood financing. These units are not replacements for any previous Public Housing ACC or HUD-Assisted inventory.	Quarterly
72	New Construction/Acquisition-Off-site Affordable Homeownership 2nd Mortgage Only	These are off-site affordable homeownership units financed with a 2nd mortgage which allows a buyers a low-interest loan to help with down payment, closing costs, or a gap in financing. These units are not replacements for any previous Public Housing ACC or HUD-Assisted inventory.	Quarterly
73	New Construction/Acquisition-Market Rate Homeownership Units	These are non income restricted newly constructed or acquired homeownership units which receive no subsidies. These units are not replacements for any previous Public Housing ACC or HUD-Assisted inventory.	Quarterly
74	New Construction/Acquisition-On-site Market Rate Homeownership Units	These are non income restricted newly constructed or acquired homeownership units which receive no subsidies located on the target housing development footprint. These units are not replacements for any previous Public Housing ACC or HUD-Assisted inventory.	Quarterly
75	New Construction/Acquisition-Off-site Market Rate Homeownership Units	These are non income restricted newly constructed or acquired homeownership units which receive no subsidies located outside the target housing development footprint. These units are not replacements for any previous Public Housing ACC or HUD-Assisted inventory.	Quarterly
76	New Construction/Acquisition-Other Homeownership Units	All units newly constructed or acquired for homeownership other than those listed above. These units are not replacements for any previous Public Housing ACC or HUD-Assisted inventory.	Quarterly
77	New Construction/Acquisition-On-site Other Homeownership Units	All onsite units newly constructed or acquired for homeownership other than those listed above. These units are not replacements for any previous Public Housing ACC or HUD-Assisted inventory.	Quarterly
78	New Construction/Acquisition-Off-site Other Homeownership Units	All off site units newly constructed or acquired for homeownership other than those listed above. These units are not replacements for any previous Public Housing ACC or HUD-Assisted inventory.	Quarterly

79	Rehabilitation	All rental and homeownership units rehabilitated that are not replacements for any previous Public Housing ACC or HUD-Assisted inventory.	Quarterly
80	Rehabilitation-Rental Units	All rental units rehabilitated that are not replacements for any previous Public Housing ACC or HUD-Assisted inventory.	Quarterly
81	Rehabilitation-Affordable Housing Rental Units	All rental units rehabilitated that are restricted to households making less than 120 percent of the area median income. These households are not allowed to pay more than 30 percent of their household income towards housing expenses. These units are not replacements for any previous Public Housing ACC or HUD-Assisted inventory.	Quarterly
82	Rehabilitation-On-Site Affordable Housing Rental Units	All affordable rental units rehabilitated located on the target housing development footprint and are not replacements for any previous Public Housing ACC or HUD-Assisted inventory.	Quarterly
84	Rehabilitation-On-Site Affordable Housing Rental Units	All on-site affordable rental units rehabilitated using any source of funding except Choice Neighborhood and LIHTC funds. These units are not replacements for any previous Public Housing ACC or HUD-Assisted inventory.	Quarterly
85	Rehabilitation-On-Site Affordable Housing Rental LIHTC Only Units	All onsite affordable rental units rehabilitated using LIHTC funding. These units are not replacements for any previous Public Housing ACC or HUD-Assisted inventory.	Quarterly
86	Rehabilitation-On-Site Affordable Housing Rental Developed with CN Funds	All onsite affordable rental units rehabilitated using CN funds. Units must be income restricted. These units are not replacements for any previous Public Housing ACC or HUD-Assisted inventory.	Quarterly
87	Rehabilitation-Off-site Affordable Housing Rental Units	All affordable rental units rehabilitated located outside the target housing development footprint and are not replacements for any previous Public Housing ACC or HUD-Assisted inventory.	Quarterly
88	Rehabilitation-Off-site Affordable Housing Rental Units	All off-site affordable rental units rehabilitated using any source of funding except Choice Neighborhood and LIHTC funds. These units are not replacements for any previous Public Housing ACC or HUD-Assisted inventory.	Quarterly
89	Rehabilitation-Off-site Affordable Housing Rental LIHTC Only Units	All off-site affordable rental units rehabilitated using LIHTC funding. These units are not replacements for any previous Public Housing ACC or HUD-Assisted inventory.	Quarterly
92	Rehabilitation-Off-site Affordable Housing Rental Developed with CN Funds	All off-site affordable rental units rehabilitated using CN funds. Units must be income restricted. These units are not replacements for any previous Public Housing ACC or HUD-Assisted inventory.	Quarterly
91	Rehabilitation-Market Rate Rental Units	These are non income restricted rental units which receive no subsidies and are not replacements for any previous Public Housing ACC or HUD-Assisted inventory.	Quarterly

92	Rehabilitation-On-Site Market Rate Rental Units	These are non income restricted rental units which receive no subsidies located on the target housing development footprint. These units are not replacements for any previous Public Housing ACC or HUD-Assisted inventory.	Quarterly
93	Rehabilitation-Off-site Market Rate Rental Units	These are non income restricted rental units which receive no subsidies located outside the target housing development footprint. These units are not replacements for any previous Public Housing ACC or HUD-Assisted inventory.	Quarterly
Occupancy			
94	Occupancy	These are the number of all newly constructed, acquired, and rehabilitated units that have been occupied throughout the entire project each quarter. An occupied unit is defined as one that has residents living in it at the time. This should include the number of households from the original development as well as all other households occupying all new and rehabilitated units. At the completion of the project, the goal is for all units to be occupied. Therefore, at end of construction the total occupancy should equal the total number of units constructed.	Quarterly
Re-Occupancy			
95	Re-Occupancy	The number of households from the original Public Housing ACC or HUD Assisted target site that will occupy (or move into) a newly constructed, acquired, or rehabilitated unit.	Quarterly
96	For those residents relocated temporarily, average duration of temporary relocation	The total number of days each household from the target site was temporarily relocated divided by number of temporarily relocated households from the target site. Temporary relocation refers to households that were relocated due to CN construction and returned back to a CN development.	Quarterly
Quality, Energy Efficiency, and Financial Sustainability			
97	Percent units good quality that meet satisfactory REAC score	Total number of Choice Neighborhoods housing development units with a Real Estate Assessment Center (REAC) score over 60 divided by total number Choice Neighborhoods housing development units. The resultant percent of good quality units (post CN grant award) is compared to number of good quality units before the award of the CN grant.	Annual
98	Number of energy efficient units constructed	Total number of units constructed as part of the Transformation Plan that meets national or local standards for an energy efficient units.	Quarterly
99	Number of energy efficient replacement units constructed	Total number of replacement units constructed as part of the Transformation Plan that meets national or local standards for an energy efficient units.	Quarterly

100	National or regional green certification, other than Energy Star, such as (LEED, Enterprise Green Communities, Earthcraft, Built Green, etc.) for replacement units	Total number of replacement units constructed as part of the Transformation Plan that obtain certification from national or local organizations for energy efficiency that are not Energy Star such as LEED, Enterprise Green Communities, Earthcraft, Built Green, etc.	Quarterly
101	Energy Star for New Construction (replacement units)	Total number of replacement units constructed as part of the Transformation Plan that meet Energy Star standards for new construction.	Quarterly
102	Number of energy efficient non-replacement units constructed	Total number of non- replacement units constructed as part of the Transformation Plan that meets national or local standards for an energy efficient units.	Quarterly
103	National or regional green certification, other than Energy Star, such as (LEED, Enterprise Green Communities, Earthcraft, Built Green, etc.) for non - replacement units	Total number of non- replacement units constructed as part of the Transformation Plan that obtain certification from national or local organizations for energy efficiency that are not Energy Star such as LEED, Enterprise Green Communities, Earthcraft, Built Green, etc.	Quarterly
104	Energy Star for New Construction (non-replacement units)	Total number of non- replacement units constructed as part of the Transformation Plan that meet Energy Star standards for new construction.	Quarterly
105	Housing development vacancy rates	Amount of unoccupied housing units built as part of the Choice Neighborhoods Transformation Plan divided by total amount of housing units built as part of the Choice Neighborhoods Transformation Plan. This number will only be entered after construction of the phase is complete.	Quarterly
106	Vacancy rates in Public Housing Units	Amount of unoccupied Public Housing units divided by total Public Housing units. This also includes Public Housing ACC units receiving LIHTC funds or other funds. This number will only be entered after construction of the phase is complete.	Quarterly
107	Vacancy rates in HUD-assisted units	Amount of unoccupied HUD-assisted units divided by total HUD-assisted units. HUD assisted Units are units subsidized through project-based Section 8, Section 221(d) (3), Section 221(d) 4, Section 202, or Section 811.This also includes HUD assisted units receiving LIHTC funds or other funds. This number will only be entered after construction of the phase is complete.	Quarterly
108	Vacancy rates in LIHTC units	Amount of unoccupied Low Income Housing Tax Credit (LIHTC) units divided by total LIHTC housing units. LIHTC units are units receiving LIHTC tax credits. This number will only be entered after construction of the phase is complete.	Quarterly

109	Vacancy rates in market rate units	Amount of unoccupied market rate units built as part of the Choice Neighborhoods Transformation Plan divided by total market rate housing units built as part of the Choice Neighborhoods Transformation Plan. Market rate units are defined as units not receiving any subsidies. This number will only be entered after construction of the phase is complete.	Quarterly
110	Number of ADA units	Total number of units accessible to people with disabilities.	Quarterly
111	Bedroom mix- Studio	Total number of Choice Neighborhood studio units	Quarterly
112	Bedroom mix- One Bedroom	Total number of Choice Neighborhood one bedroom units	Quarterly
113	Bedroom mix- Two Bedroom	Total number of Choice Neighborhood two bedroom units	Quarterly
114	Bedroom mix- Three Bedroom	Total number of Choice Neighborhood three bedroom units	Quarterly
115	Bedroom mix- Four Bedroom	Total number of Choice Neighborhood four bedroom units	Quarterly
116	Bedroom mix- Five Bedroom or more	Total number of Choice Neighborhood five bedroom or more units	Quarterly
117	Number of units targeted to seniors	Number of units available to people over 62 in the Choice Neighborhood developments.	Quarterly
118	Number of Households	Total number of households occupying a new constructed, acquired, or rehabilitated Choice Neighborhoods units.	Quarterly
119	Total number of ELI (Extremely Low Income) households	Total number of occupied units with household making less than 30% of Area Median Income.	Quarterly
120	Total number of VLI (Very Low Income) households	Total number of occupied units with household making between 31%-50% of Area Median Income.	Quarterly
121	Total number of LI (Low Income) Households	Total number of occupied units with household making between 51%-80% of Area Median Income.	Quarterly
122	Total number of Moderate Income households	Total number of occupied units with household making between 81%-100% of Area Median Income.	Quarterly
123	Total number of Above Moderate Income households	Total number of occupied units with household making over 101% of Area Median Income.	Quarterly

NEIGHBORHOOD

(where Recording/Collection/Aggregation Responsibilities = Grantee)

No.	Metric	Description	Frequency
Economic Opportunity			
1	Number of neighborhood residents assisted through Sec. 3	Total number of residents within defined census tracts of a CN grant neighborhood who participate in Section 3 programs.	Annual
2	*Number of commercial properties redeveloped or developed as part of the Transformation Plan	Total number of properties that have been revitalized or redeveloped within the Transformation Plan boundary for the sole purpose of commercial usage. These properties include only those properties that are zoned for office, retail or industrial use.	Annual
3	*Number of building permits filed	Total number of building permits filed within the CN grant neighborhood.	Quarterly
4	*Number of new businesses in the neighborhood (net change)	Total number of new business permits issued by the local business permit agencies in the defined census tracts for the CN grant neighborhood.	Quarterly
Neighborhood Stability			
5	*Number of vacant and undeveloped lots	This is sum total number of properties having no associated structure within the CN neighborhood.	Annual
Crime and Safety			
6	*Number of crimes reported in the neighborhood	Total crimes include Part 1 Violent (murder, non-negligent manslaughter, forcible rape, robbery, and aggravated assault), Part 1 Property Crimes (burglary, larceny, auto theft, and arson), Part 2 (simple assault, curfew offenses and loitering, embezzlement, forgery and counterfeiting, disorderly conduct, driving under the influence, drug offenses, fraud, gambling, liquor offenses, offenses against the family, public drunkenness, runaways, sex offenses, stolen property, vandalism, vagrancy, and weapons offenses).	Quarterly
7	*Part I Violent crime rates per 1,000 residents as defined in the Round 1 Choice Neighborhoods NOFA, compared to citywide rate	Part I crime rates are defined as murder, non-negligent manslaughter, forcible rape, robbery, and aggravated assault by FBI. This measure is a comparison between citywide Part I crime rates (per 1000 residents) and the CN grant neighborhood Part I crime rates (per 1000 residents). It is derived from the difference between these two numbers and indicates the overall safety of the CN neighborhood as compared to the rest of the city.	Quarterly
8	*Number of murders	Murder is defined by the number of homicides or the unlawful killing of another human being.	Quarterly
9	*Number of shootings	Shootings is defined by the number of gun expulsions aimed at another human being.	Quarterly
10	*Part I property crime rates per 1,000 residents, compared to citywide rate	Part I Property Crimes include burglary, larceny, auto theft, and arson as defined by the FBI. This measure is a comparison between citywide Part I property crime rates (per 1000 residents) and the CN grant neighborhood Part I property crime rates (per 1000	Quarterly

		residents). It is derived from the difference between these two numbers and indicates the overall safety of the CN neighborhood from the rest of the city.	
11	*Part II crime rate per 1,000 residents, compared to citywide rate	Part II crimes are defined as simple assault, curfew offenses and loitering, embezzlement, forgery and counterfeiting, disorderly conduct, driving under the influence, drug offenses, fraud, gambling, liquor offenses, offenses against the family, public drunkenness, runaways, sex offenses, stolen property, vandalism, vagrancy, and weapons offenses by the FBI. This is a comparison between city wide Part II crime rates (per 1000 residents) and the CN grant neighborhood Part II crime rates (per 1000 residents). It is derived from the difference between these two numbers and indicates the overall safety of the CN the CN neighborhood from the rest of the city.	Quarterly
12	*Number of arrests made in the neighborhood resulting in bookings	Total number of all arrests made by the local police and law enforcement agencies in the CN grant neighborhood(or closest equivalent police beat, station area, police district) that resulted in bookings.	Quarterly
13	*Percent Reduction in illegal drug activity	See your Public Enhancement Grant (PSE) for definition and contact the technical assistance provider for PSE grant with any questions. This measure will be the same as is required for you PSE grant.	Quarterly
14	*Percent reduction in gang activity	See your Public Enhancement Grant (PSE) for definition and contact the technical assistance provider for PSE grant with any questions. This measure will be the same as is required for you PSE grant.	Quarterly
Educational Opportunity			
15	*Enrollment numbers in neighborhood schools	Total number of K through 12 enrollments will be captured one time at the beginning of the school year for each school (only public) within the CN grant neighborhood.	Annual
16	*Number of schools located in the neighborhood	Sum total of all schools including elementary, middle, secondary, and high schools within the CN grant neighborhood.	Annual
17	*Number and percent of students at or above grade level according to State mathematics and reading or language arts assessments in at least the grades required by the ESEA (3rd through 8th and once in high school)	Total number of students in 3rd, 4th, 5th, 6th, 7th and 8th grades in each school in the defined census tracts who score at or above grade level for math and reading/language arts divided by the total number of students in each of the above mentioned grades in each school within the CN grant neighborhood	Annual
19	*Absentee rates in neighborhood schools	Total number of student days lost due to absenteeism (only unexcused absences) divided by total number of student days offered by the non post-secondary schools within the CN grant neighborhood. If absentee rates are calculated differently by the school please provide definition to T&H.	Annual

20	*High School graduation rate	The number of high school graduates in a given year divided by the number of students who enrolled four years earlier. If graduation/completion rates are calculated differently by the school please provide definition to T&H.	Annual
21	*High school dropout rate	A dropout is a student who attends school in a particular school year but does return the following Fall; is not expelled, does not graduate or receive a GED, continue school outside of the system, begin college, or die. Dropout rate is calculated by dividing the number of students who have dropped out from school before graduating by the total number of students who enrolled four years earlier. If graduation/completion rates are calculated differently by the school please provide definition to T&H.	Annual
22	*Number of center-based or formal home-based early learning/childcare slots offered in the neighborhood	This is a sum total of all center based or formal home-based early learning and childcare slots that within the CN neighborhood.	Annual
Public Health			
23	**Incidence per 1000 of asthma hospitalization	Total number of asthma hospitalizations reported at the nearest hospital to the CN grant neighborhood divided by 1000. The underlying assumption is that asthma patients hospitalized at the nearest hospital reside in the CN grant neighborhood. This assumption is made because the personal information including patient addresses are not accessible due to HIPPA regulations.	Annual
24	**Incidence per 1000 of childhood obesity	Number of children within the CN grant neighborhood who are 20% above their ideal weight based on age, height and weight divided by 1000. The underlying assumption is that obesity is determined by the local health facilities and or through physical education programs at local schools.	Annual
25	**Number of Diabetes related hospitalization	Number of diabetes related hospitalizations within the defined census tracts.	Annual
26	**Incidence per 1000 of heart disease	Number of heart disease patients within defined census tracts divided by 1000.	Annual
27	**Incidence per 1000 of lead poisoning	Number of lead poisonings (as defined by state thresholds) at facilities within defined census tracts divided by 1000.	Annual
28	**Incidence per 1000 of low birth weight	Number of low birth weight incidences at facilities within defined census tracts divided by 1000. Low birth weight is defined as birth weight lower than 5.5 pounds by the International Statistical Classification of diseased and related health problems.	Annual
29	**Teen birth rate	Number of childbirths to 13-19 year old females residing in the defined census tracts divided by total number of births to all females residing in census tracts.	Annual

30	**Late entry or no prenatal care	Late or no prenatal care is the percentage of births that occur to mothers residing within the CN grant neighborhood that on their child's birth certificate reported receiving prenatal care only in the third trimester of their pregnancy, or reported receiving no prenatal care.	Annual
Community Engagement and Capacity Building			
31	*Number of neighborhood meetings held as part of Transformation Plan / Choice Neighborhoods grant	Total number of Choice Neighborhood related meetings open to residents and community alike held by grantee or their partners.	Annual
32	*Number of total participants in CN related meetings	Total number of participants in all the CN related meetings open to residents and community members alike held by grantee or their partners.	Annual

*Thomas & Herbert will obtain this data from the Grantees through mutual assistance and partnerships

** Thomas & Herbert will obtain this data from the local health depts. T&H will strategize data collection methodologies for these measures with assistance from the grantee.

PEOPLE

(Assisted Residents) (where Recording/Collection/Aggregation Responsibilities = Grantee)

No.	Metric	Description	Frequency
Assisted Residents			
1	Current Total Assisted Residents	Number of Current Total Original Residents plus New Assisted Residents	Quarterly
2	Current Total Original Assisted Residents	Number of original public and assisted residents at the time of Choice Neighborhoods application including new births and additions (i.e. marriage, adoptions, etc.) and deducting the deaths, evictions and out of states moves.	Quarterly
3	Original Assisted Residents	Total number of residents in public and assisted housing at the time of Choice Neighborhood Application. This number can be found in Round 1 Application. This number will never change.	One Time
4	Number of Births	Number of children born to original public and assisted residents since the time of Choice Neighborhoods Application.	Quarterly
5	Number of Deaths	Number of original public and assisted residents at the time of Choice Neighborhoods Application who have since passed away.	Quarterly
6	Number of non birth additions	Number of non birth addition (i.e. new spouse, adoption, etc.) to original public and assisted residents since the time of Choice Neighborhoods Application.	Quarterly
7	Number of non death deductions	Number of original public and assisted residents at the time of Choice Neighborhoods Application who have either been involuntarily terminated or moved out of state.	Quarterly
8	Current Total Original Assisted Residents in Case Management	Number of Current Total Original Assisted Residents who are receiving supportive services.	Quarterly
9	Current Total Original Assisted Residents not in Case Management	Number of Current Total Original Assisted Residents who are not receiving supportive services for the following reasons: residents did not need the services provided, resident refused the services, residents were not authorized to receive services, or resident that cannot be found.	Quarterly
10	New Assisted Residents	Number of non original assisted residents in the replacement public and assisted housing units for the reporting quarter.	Quarterly
11	New Assisted Residents in Case Management	Number of non original assisted residents in replacement public and assisted housing units who are receiving supportive services.	Quarterly
12	New Assisted Residents not in Case Management	Number of non original assisted residents who are not receiving supportive services for the following reasons: residents did not need the services provided, resident refused the services, residents were not authorized to receive services, or resident cannot be found.	Quarterly
Education			

13	Number and percent of children enrolled in neighborhood schools	Number of school aged public and assisted housing children enrolled in a school within the defined CN grant neighborhood divided by total number of school aged public and assisted housing children within the defined CN grant neighborhood. School age defined as between the ages of 5-18.	Annual
14	Number and percent of children enrolled in schools outside the neighborhood footprint	Number of school aged public and assisted housing children enrolled in a school outside of the CN grant neighborhood divided by total number of school aged public and assisted housing children within the CN grant neighborhood. School age is defined as between the ages of 5-18.	Annual
15	Number and percent of children, from birth to kindergarten entry, participating in center-based or formal home-based early learning settings or programs*	Number of public and assisted housing children, from birth to kindergarten entry, participating in center-based or formal home-based early learning settings or programs divided by total number of public and assisted housing children, from birth to kindergarten. Early learning programs may include Early Head Start, Head Start, certain child care or preschool.	Annual
16	Attendance rate of students in elementary, 6th, 7th,8th, 9th grades	Number of attended school days of public and assisted housing children in elementary, 6th, 7th, 8th, and 9th grade divided by number of student days by grade. If attendance is calculated differently in your school district please inform T&H of the definition being used.	Annual
17	High School graduation/completion rate	The number of public and assisted housing high school graduates in a given year divided by the number of public and assisted housing students who enrolled four years earlier. If graduation rate is calculated differently in your school district please inform T&H of the definition being used.	Annual
19	Number participate in PTA or other school support organization	Sum total of all parents of public and assisted housing school age children who have attended a PTA or an equivalent school support organization.	Annual
20	Number and percent of parents or family members who report reading to their children three or more times a week	Sum total of parents of public and assisted housing children between the ages of 0-7 who report reading to their children on a regular basis i.e., 3 or more times a week.	Annual
21	Number and percent of parents that have explored school choice options for their children*	Sum total of parents residing in the CN development who report researching more than one school option for their children.	Annual
22	Number/% of children in kindergarten who demonstrate at the beginning of the program or school year age-appropriate functioning	Early learning development measures needs to be defined. The measure is calculated as total number of children residing in public and assisted housing who demonstrate at the beginning of the program or school year age-appropriate functioning across multiple domains of early learning as determined using developmentally appropriate early learning measures divided by	Annual

	across multiple domains of early learning as determined using developmentally appropriate early learning measures*	total number of children entering school (5 years old).	
23	Number and percent of students at or above grade level according to State mathematics and reading or language arts assessments in at least the grades required by the ESEA (3rd through 8th and once in high school)*	Total number of public and assisted housing students in each grade i.e. 3, 4, 5, 6, 7, and 8 who score at or above grade level for math and reading or language arts assessments divided by total number of public and assisted housing students in each grade.	Annual
24	Number of youth involved in positive youth development activities	Total number of public and assisted housing residents 5-18 year olds who are involved in at least one positive youth development activity. Positive youth development activities are activities for youth 5-18 years old that target increased mental, physical, and/ or social development. These can include but are not limited to: Sport teams, school sponsored extracurricular activities, Boys/Girl Scouts, mentoring programs, church youth groups, etc.	Annual
Health			
25	Number and percent of residents who have a place where they regularly go other than an emergency room when they are sick or need advice about their health	Total number of public and assisted housing residents who have a place where they regularly go other than an emergency room when they are sick or need advice about their health divided by the total number of public and assisted housing residents. Places residents may go other than the emergency room when they are sick include but are not limited to health clinics, doctor's officers, urgent care centers, minute clinics, and free clinics.	Annual
26	Number and percent of children, from birth to kindergarten entry, who have a place where they usually go, other than an emergency room, when they are sick or in need of advice about their health	Total number of public and assisted housing children, from birth to kindergarten entry, who have a place where they usually go, other than an emergency room, when they are sick or in need of advice about their health divided by the total number of public and assisted housing children. The relevant age group is 0-5.	Annual
27	Number and percent of residents who have health insurance	Total number of public and assisted housing residents who have health insurance divided by the total number of public and assisted housing residents. Health Insurance includes insurances from both private and public sources.	Annual

28	Number and percent of children who have health insurance	Total number of public and assisted housing children (0-17 yrs.) who have health insurance divided by the total number of public and assisted housing residents children. Health Insurance includes insurances from both private and public sources.	Annual
29	Number of residents covered by Medicaid or Medicare	Sum total of public and assisted housing residents who have Medicaid and/or Medicare coverage.	Annual
30	Number and percent of residents, including children, reporting good physical health	Good physical will be a self-reported data by the residents. A person with good health will not suffer from any chronic illness such as those listed below but this is not an exclusive list. The total number of public and assisted housing residents with fewer than one chronic illness divided by the number of public and assisted housing residents.	Annual
31	Number and percent of residents, including children, with asthma	Total number of public and assisted housing residents, including children, with Asthma divided by the total number of assisted and public housing residents including children. This includes only those diagnosed as such by a licensed medical provider.	Annual
	Number and percent of residents, including children, with Type II diabetes	Total number of public and assisted housing residents, including children, with Type II diabetes divided by the total number of assisted and public housing residents including children. This includes only those diagnosed as such by a licensed medical provider.	Annual
32	Number and percent of children with lead poisoning	Total number of public and assisted housing children, with lead poisoning divided by the total number of assisted and public housing children. Use your states definition and threshold for lead poisoning not elevated levels of lead.	Annual
33	Number and percent of low birth weight babies born	Total number of low birth babies born to assist and public housing residents divided by the total number of babies born to the assisted and public housing residents. Birth weight under 5.51 pounds is considered to be low birth weight and is an indicator of pre natal care and maternal health.	Annual
34	Number and percentage of residents reporting stress or psychological distress	This is a perceptual indicator and will be captured on a comparative scale from 1-5. Total number of public and assisted housing residents reporting 3 or higher on a scale of 1-5 who feel stressed divided by the total number of assisted and public housing residents.	Annual
35	Number and percent of adults unable to work due to health restrictions	Total number of public and assisted housing residents not able to work due to health restrictions divided by the total number of assisted and public housing residents. Adults unable to work due to health is defined as a public or assisted housing resident 18 or over that has been certified as medically disabled by the Social Security Administration. This does not count temporarily disabled residents or residents with a doctor's note.	Annual
36	Number and percent of residents, including children with	Total number of public and assisted housing residents, including children, with hypertension divided by the total number of assisted and public housing residents including children. This	Annual

	hypertension	includes only those diagnosed as such by a licensed medical provider.	
37	Number and percent of residents, including children with high cholesterol	Total number of public and assisted housing residents, including children, with high cholesterol divided by the total number of assisted and public housing residents including children. This includes only those diagnosed as such by a licensed medical provider.	Annual
Economic Self-Sufficiency			
38	Number of households enrolled in food stamps or WIC	Sum total of public and assisted housing households receiving food stamps or WIC.	Annual
39	Number of hours worked per week	The number of hours per week worked by public and assisted housing residents divided by the number of employed public and assisted housing residents.	Annual
40	Number that received EITC	EITC (Earned Income Tax credit) is an outcome of tax returns filed by public and assisted housing residents once a year. Residents under a certain income threshold earn an EITC from the Federal government. The total number of public and assisted housing residents receiving EITC is an indicator for low income residents.	Annual
41	Number of residents who have been employed for 6 months or longer	Number of public and assisted housing residents who have been employed at their current job consecutively over the last six months or more without any voluntary or involuntary gaps (sick and/or vacation days don't count as gaps).	Annual
42	Number residents employed by Grantee or its contractors through Section 3	Number of public and assisted housing residents employed full or part time by grantee or its contractors through section 3. The number will indicate the number of jobs filled by the grantees and their contractors to fulfill section 3 requirements, under the CN funding. This will include all employment pre or post CN grant award. Only those contractors who are directly associated with the CN grant are taken into account for this measure.	Quarterly
43	Number/percent that are unemployed	Total number of unemployed public and assisted housing residents between the ages of 18-65 who are not employed but seeking employment divided by the number of public and assisted housing residents between the ages of 18-65 who are able to work.	Annual
44	Number receiving Unemployment Insurance	Total number of public and assisted housing residents who receive Unemployment Insurance. Unemployment insurance includes unemployment benefits received from the state.	Annual
45	Number of residents that have been unemployed for 6-24 months	The total number of public and assisted housing residents between the ages of 18-24 that have been out of work for 6-24 months divided by the number of public and assisted housing residents classified as unemployed.	Annual

46	Number enrolled in job training or other workforce development programs	The number of public and assisted housing residents that have enrolled in a job training or other workforce development program.	Quarterly (for residents in Case Management) Annual (for all residents)
47	Number completed job training or other workforce development programs	The number of public and assisted housing residents that have completed a job training or other workforce development program.	Quarterly (for residents in Case Management) Annual (for all residents)
48	Number/percent enrolled in IDA or other savings program	The number of public and assisted housing residents enrolled in an IDA or other savings program divided by the total number of public housing and assisted residents. Individual Development Account; A savings account for persons with lower income. The funds put into an IDA are matched by a public or private organization. One may use the funds in an IDA for educational purposes, starting a business, or buying a first house. IDAs are accompanied by programs for credit improvement and other classes to help account holders move up from poverty and into the middle classes.	Annual
49	Number/percent that have a bank account	The number of public and assisted housing residents with a bank account divided by the total number of public and assisted housing residents. Bank Account includes Checking Account, Savings Account, IRA, Certificate of Deposit, Money market account maintained by residents on a continuous basis	Annual
Crime and Safety			
50	Number of residents reporting that they were victims of crime in their home or their neighborhood	The number of public and assisted housing residents reporting to a case manager or on a survey that they were a victim of a crime in their unit or in the defined census blocks. Crimes include: Part 1 Violent (murder, non-negligent manslaughter, forcible rape, robbery, and aggravated assault), Part 1 Property Crimes (burglary, larceny, auto theft, and arson), Part 2 (simple assault, curfew offenses and loitering, embezzlement, forgery and counterfeiting, disorderly conduct, driving under the influence, drug offenses, fraud, gambling, liquor offenses, offenses against the family, public drunkenness, runaways, sex offenses, stolen property, vandalism, vagrancy, and weapons offenses).	Annual

51	Residents report feeling safe in their homes	This is a perceptual indicator and will be captured on a comparative scale from 1-5.	Annual
52	Original Residents report feeling safe in their homes	This is a perceptual indicator and will be captured on a comparative scale from 1-5.	Annual
53	Residents report feeling safe in their neighborhood	This is a perceptual indicator and will be captured on a comparative scale from 1-5.	Annual
54	Original Residents report feeling safe in their neighborhood	This is a perceptual indicator and will be captured on a comparative scale from 1-5.	Annual
55	Number and percent of students who feel safe at school	This is a perceptual indicator and will be captured on a comparative scale from 1-5.	Annual
56	Number and percent of students who feel safe traveling to and from school	This is a perceptual indicator and will be captured on a comparative scale from 1-5.	Annual
Technology			
57	Number of units with broadband access	Sum total of public and assisted housing units with broadband access capability.	Annual
58	Number of households with a computer	Number of public and assisted housing households with a computer which includes: desktop computers, laptops and tablets not smart phones.	Annual
59	Number and percent of residents who have home access to broadband internet and a connected computing device	Total number of public and assisted housing residents who have access to broadband internet and a connected computing device (desktop computers, laptops, and tablets, not smart phones) in their homes divided by total number of public and assisted housing residents	Annual
60	Number and percent of students who have school and home access to broadband internet and a connected computing device	Total number of public and assisted housing resident students who have access to broadband internet and a connected computing device (desktop computers, laptops, and tablets, not smart phones) in their homes and school divided by total number of public and assisted housing students.	Annual
Community Engagement and Capacity Building			
61	Number of resident meetings held as part of Transformation Plan / Choice Neighborhoods grant	Total number of CN related meetings held by grantee or partner organizations primarily targeted to public and assisted housing CN residents.	Annual

62	Number/percent of residents that have participated in a Choice Neighborhoods-related meeting	Total number of public and assisted housing residents who participated in CN related meetings held by the grantee or partner organizations primarily targeted to public and assisted housing CN residents over a year divided by total number of public and assisted housing residents.	Annual
63	Number of residents that participate in 50 percent or more of all Choice Neighborhoods -related meetings	Total number of public and assisted housing resident who have participated in 50 percent or more of all CN related meetings held by the grantee or partner organizations targeted to CN public and assisting housing residents.	Annual
64	Number of residents occupying leadership positions on councils or committees formed as part of the Choice Neighborhood effort	Total number of CN public and assisted housing resident who have a titled position on a council or committee related to CN grant.	Annual

Appendix G: Detailed Crime Statistics

Chapter 4 of the Baseline Report includes a discussion of reported crime statistics in the neighborhoods of the FY10/11 Choice grantees and how the neighborhoods compare to their respective cities. Detailed statistics compiled from local administrative data are presented in this appendix. It should be noted that not all crimes are reported, so actual crime may be higher than these rates indicate.

Analysis for this report aggregated block-level reported crime data from the sources listed below to the Choice Neighborhoods and cities.

- **Boston**: The data were provided to the Urban Institute by the Boston Police Department. Arson is not reported as part of Part I property crimes.
- **Chicago**: The data were downloaded from the City of Chicago's open data platform.[181]
- **New Orleans**: The data were provided to the Urban Institute by the New Orleans Police Department. These data represent raw reported crimes that have not been processed for reporting to the FBI. Analysis of the 2011 data results in violent crime counts that are 10 percent lower than those reported by the FBI.[182]
- **San Francisco**: The data were downloaded from the City of San Francisco's open data platform.[183] Preliminary analysis of local crime data resulted in violent crime counts 11 percent higher and property crime counts 6 percent higher than those reported by the FBI (see above). Homicide was not reported as part of Part I violent crimes on the open data platform and was obtained separately by the Urban Institute, directly from the San Francisco Police Department.
- **Seattle**: The data were obtained by the Urban Institute from the Seattle Police Department through a research data use agreement.

Exhibit G.1. contains rates of reported crime for Part I and Part II crimes, and Exhibit G.2. provides the number of reported crimes for violent crimes, homicide, and rape. Part I crimes are categories of serious crime submitted by police departments to the Federal Bureau of Investigation (FBI). Part I violent crime includes homicide, rape, aggravated assault and robbery. Part I Property crime includes burglary, larceny, motor vehicle theft, and arson. Part II crimes are all other types of reported.

To calculate crime rates for cities we used population data from the 2010 decennial census as well as the Census Bureau's Population estimates program. In order to calculate crime rates for the Choice Neighborhoods, we applied the city's rate of change in the population estimates to the 2010 block-level population for the neighborhood to estimate population for 2011 and 2012. The crime statistics listed here may not match rates from other sources for various reasons, such as the source of the denominator and whether the dataset provided to us represented a file cleaned for the FBI submission or an earlier iteration of the file.

[181] See http://data.cityofchicago.org/Public-Safety/Crimes-2001-to-present/ijzp-q8t2

[182] See http://www.fbi.gov/about-us/cjis/ucr/crime-in-the-u.s/2011/crime-in-the-u.s.-2011/tables/table_8_offenses_known_to_law_enforcement_by_state_by_city_2011.xls/view

[183] See http://apps.sfgov.org/datafiles/index.php?dir=Police

Exhibit G.1. Detailed Crime Rates for the Choice Neighborhoods and their Cities, 2010-12

		Choice Neighborhoods					Choice Cities				
Type of Crime	Year	Quincy Corridor	Wood-lawn	Iberville/ Tremé	Eastern Bayview	Yesler	Boston	Chicago	New Orleans	San Francisco	Seattle
Total Part I crime rate	2010	56.6	86.2	76.2	61.1	82.5	42.4	56.7	43.6	49.0	60.1
	2011	59.4	84.4	76.9	53.6	105.3	39.4	55.2	45.8	50.3	56.9
	2012	59.0	76.0	80.9	58.7	100.9	37.2	52.2	44.5	59.3	56.2
Part I Violent Crime Rate	2010	19.9	26.7	15.7	18.8	13.5	9.3	11.4	6.6	7.7	5.3
	2011	16.5	23.8	15.5	15.0	13.7	8.4	10.7	6.9	7.5	5.3
	2012	19.9	22.8	17.1	17.6	19.9	8.3	10.4	6.7	8.1	5.5
Homicide rate	2010	0.3	0.3	0.8	0.6	0.5	0.1	0.2	0.4	0.1	0.0
	2011	0.2	0.6	0.8	0.2	0.0	0.1	0.2	0.4	0.1	0.0
	2012	0.1	0.8	0.8	0.4	0.0	0.1	0.2	0.4	0.1	0.0
Rape rate	2010	0.5	1.3	0.6	0.5	0.0	0.4	0.5	0.4	0.2	0.2
	2011	0.8	1.1	1.2	0.3	0.9	0.4	0.6	0.5	0.2	0.2
	2012	0.6	0.5	1.2	0.8	0.5	0.5	0.5	0.4	0.2	0.2
Robbery rate	2010	5.0	10.2	6.6	8.6	6.3	3.1	5.3	2.6	4.1	2.3
	2011	3.4	9.1	6.2	6.5	4.7	3.0	5.2	2.8	4.1	2.3
	2012	4.8	9.2	7.6	8.1	11.1	3.0	5.0	2.6	4.7	2.3
Aggravated assault rate	2010	14.0	14.8	7.7	9.0	6.8	5.7	5.4	3.2	3.3	2.8
	2011	12.0	13.1	7.4	8.0	8.0	4.8	4.8	3.2	3.1	2.8
	2012	14.4	12.3	7.5	8.3	8.3	4.8	4.7	3.3	3.0	3.0
Simple assault rate	2010	35.9	62.5	23.3	28.1	27.5	17.5	27.1	10.0	10.2	10.4
	2011	31.8	50.6	22.7	26.5	31.2	16.9	25.5	10.4	9.5	10.2
	2012	38.8	51.4	27.0	22.0	29.2	17.0	24.9	10.3	8.9	9.9
Part I property crime rate	2010	37	60	60	42	69	33	45	37	41	55
	2011	43	61	61	39	92	31	45	39	43	52
	2012	39	53	64	41	81	29	42	38	51	51
Burglary rate	2010	10	19	16	13	14	6	10	11	6	11
	2011	7	17	14	10	18	6	10	11	6	11
	2012	7	14	14	10	13	5	8	9	7	10
Larceny rate	2010	22	32	31	16	44	24	28	19	30	38
	2011	30	33	33	19	61	22	27	21	31	35
	2012	27	33	37	19	57	21	27	22	36	35
Motor vehicle theft rate	2010	5	9	13	11	10	3	7	7	5	6
	2011	6	10	13	8	13	3	7	7	6	5
	2012	6	6	13	10	11	2	6	6	7	6

Type of Crime	Year	Choice Neighborhoods					Choice Cities				
		Quincy Corridor	Wood-lawn	Iberville/ Tremé	Eastern Bayview	Yesler	Boston	Chicago	New Orleans	San Francisco	Seattle
Arson rate	2010	n.r.	0.2	0.9	2.2	0	n.r.	0.2	0.4	0.3	0
	2011	n.r.	0.2	0.9	1.5	0	n.r.	0.2	0.4	0.2	0
	2012	n.r.	0.2	0.2	1.8	0	n.r.	0.2	0.2	0.3	0
Vandalism rate	2010	19	30.4	20.8	22.5	15.4	11	15.1	11.0	9.4	8.4
	2011	17	22.8	18.9	19.7	21.7	10	13.8	10.1	8.5	7.8
	2012	12	23.5	17.5	19.8	32.4	9	13.2	9.4	9.1	7.6
Part II crime rate	2010	83	185.7	107.8	139.4	120.2	48	80.3	38.7	65.8	34.6
	2011	77	153.5	87.1	127.8	91.6	44	74.3	35.8	57.1	30.2
	2012	78	147.2	90.6	128.8	102.3	43	70.8	35.6	53.8	29.5

Notes: All rates are rates per 1,000 population. Part I violent crime includes homicide, rape, aggravated assault and robbery. Part I Property includes burglary, larceny, motor vehicle theft, and arson. N.r.: Not reported.
Sources: Analysis by the Urban Institute of *r*eported crimes counts obtained from local police departments; 2010 decennial census, Census Population Estimates.

Exhibit G.2. Selected Detailed Crime Counts for the Choice Neighborhoods and their Cities, 2010-12

Type of Crime	Year	Choice Neighborhoods					Choice Cities				
		Quincy Corridor	Wood-lawn	Iberville/ Tremé	Eastern Bayview	Yesler	Boston	Chicago	New Orleans	San Francisco	Seattle
Part I violent crime (count)	2010	193	633	182	330	28	5,766	30,643	2,275	6,218	3,241
	2011	163	567	189	266	29	5,272	28,995	2,479	6,083	3,270
	2012	199	546	213	317	43	5,292	28,202	2,484	6,658	3,483
Homicide (count)	2010	3	8	9	11	1	72	437	144	50	19
	2011	2	14	10	3	0	64	435	161	50	22
	2012	1	20	10	8	0	56	513	160	69	23
Rape (count)	2010	5	31	7	9	0	263	1,467	149	195	105
	2011	8	26	14	5	2	271	1,537	173	193	99
	2012	6	13	15	14	1	288	1,429	143	186	117

Notes: Part I violent crime includes homicide, rape, aggravated assault and robbery.
Sources: Analysis by the Urban Institute of reported crimes counts obtained from local police departments; 2010 decennial census, Census Population Estimates.

Appendix H: Questions for Future Research and Evaluation

The Choice Neighborhoods Initiative represents an important evolution of housing and community development policy. Building on lessons from HOPE VI and other place-based initiatives, Choice has the potential to accelerate the development of revitalized, mixed-income neighborhoods. At the same time, Choice's long-term goals are ambitious, and an investment of up to $30.5 million, while significant for a federal initiative, still will not transform neighborhoods immediately. As an important policy goal that may only be attained over time, it will be important to track implementation processes, and outcomes and impacts related to housing, people, and neighborhoods in the communities in which it operates. The following sections of this appendix outline research questions for future evaluation efforts in each domain: housing, people, neighborhoods, and coordination and leverage.

HOUSING

The housing-related findings from the study of the initial grantees suggest a number of questions about implementation activities and outcomes that could be explored through future research and evaluation efforts.

ACTIVITIES

Are redevelopment plans moving forward? What factors lead grantees to change elements of their plans?

Future evaluation studies can assess whether grantees and housing partners are able to complete their housing redevelopment plans, identify changes to the plans during the course of implementation, and identify factors that lead to significant changes, whether financing, site control, political support, or other things. With the exception of Boston's housing plan that is scheduled to be completed within a shorter timeframe, the plans will be implemented over a number of years. A final assessment could only happen years from now. During the interim, additional implementation studies could provide valuable information for policymakers and practitioners.

OUTCOMES

What factors affect the achievement of mixed income goals?

Studies of income mix could focus on replacement housing and other housing development in the Choice neighborhood claimed as part of the broader redevelopment effort. Beyond a descriptive assessment of resident income mix, research could examine factors that support or inhibit the formation and stability of mixed-income communities. Such research would contribute to the growing body of work focused on mixed-income communities. Factors to study could include property features (such as management structure and policies, building amenities, housing unit design and quality) and neighborhood and city factors (housing demand, perceived safety, access to amenities and transportation, and so on).

What factors support community building among residents?

Resident engagement and interaction in the Choice developments likely will be affected by a number of factors, some within and others beyond the influence of property managers. Research could examine the role of site designs (placement of buildings, location of open space, connections and barriers between spaces) and building design (wholly market rate or affordable unit buildings versus mixed-income buildings) in supporting or inhibiting community building. Depending on the management

practices put in place to support community building efforts, it might be possible to compare approaches across Choice developments.

How do design decisions about housing unit sizes affect the composition of the tenant base after redevelopment? And, how do households, large and small, fare after final relocation, whether they return to the target development or not?

Once replacement housing is built and occupied, research can reconsider a number of questions related to household size and housing outcomes. Post-redevelopment occupants' household size and composition can be compared with those of pre-redevelopment occupants to understand how the resident base changes. Such a study would answer the question: Do the developments serve households that are markedly different from those that lived in them before Choice? The household tracking study could support a future survey of pre-Choice households to understand how they fare after relocation in terms of housing adequacy. Survey data could be used to assess whether post-redevelopment unit sizes affect households' decisions to return, to restructure their household, or to seek subsidized or nonsubsidized housing elsewhere.

How have energy efficiency and use changed as a result of redevelopment and which types of design and technology advances and resident training lead to the most significant improvements?

Housing designs for buildings and units should lead to significant improvements in energy consumption. Research on post-occupancy consumption can use CNT Energy's baseline analysis to gauge energy efficiency and energy use improvements. Approaches to energy efficiency improvements and energy use reductions can be assessed comparatively to identify those with the greatest returns.

Will Choice be a catalyst for housing improvements in the neighborhood?

As redevelopment of the target housing properties and off-site housing proceeds, research can assess the impact Choice has on nearby property owners. Studies also could attempt to identify the features of redevelopment and the neighborhood characteristics most closely associated with positive spillover effects.

PEOPLE

The findings from this study about the early implementation of Choice's resident and community supports suggest a number of questions that could be explored through future research.

ACTIVITIES

This first set of research questions align with the four program areas the Urban Institute has identified, followed by questions that address the overall theory of change in the design of Choice's resident and community supports model.

How will grantees engage neighborhood residents to plan for and support transformation efforts?

Resident and community engagement efforts should reach all residents. Neighborhood residents, businesses, and community organizations need to be engaged with the redevelopment process through efforts that seek to foster connections among stakeholders and residents across income and housing

tenure. Future research should identify successful strategies for engaging neighborhood residents and other stakeholders in transformation efforts and assess the potential costs and benefits of each.

Which grantees' configurations and activities will help to ensure existing leverage commitments and establish new ones?

Choice's aims for interagency collaboration and systems partnerships, which were established at the federal level, are still working their way to the local level. All Choice grantees faced challenges in building the capacity of partners, working toward a shared vision of success, and seeking joint funding opportunities, such as through the US Departments of Labor, Justice, and Education. Local interagency collaborations continued to challenge grantees as they sought to expand neighborhood-based resident and community support activities. Grantees needed to foster new and existing partnerships with nonprofit community-based organizations, public safety net service providers, and anchor institutions to enhance residents' opportunities for access to education, employment, and health services. We need to know more about how to integrate existing publicly funded services through the municipal departments with service provision in the neighborhood, ensure that case managers and other service providers know about and access neighborhood-based resources, and connect to and build the capacity of local organizations when service gaps exist.

How will the grantees structure and sequence the relocation and case management services?

Grantees are offering case management services to all original residents of the target developments, and in some cases are prioritizing households that face the greatest vulnerability during and after relocation. Initiating case management services before relocation is crucial for ensuring housing stability. When relocation must happen prior to initiating case management services, as it did in Grove Parc, residents may be at greater risk for losing HUD assisted housing in the process of relocation. Future research should examine how grantees' decisions about the design and sequencing of case management services affect relocation outcomes and longer-term outcomes for families. In addition, we need to know more costs and benefits of grantee strategies to identify, engage and provide services for residents that are consistent with what they need.[184]

Which grantee team configurations and activities will prove most and least conducive to strong and effective teams, and why?

Coordination between grantees and their subcontracted providers who interact with residents on a frequent basis is essential to meeting the intended outcomes for residents. Social service providers, relocation specialists, property managers, and other staff would benefit from training on how to build more collaborative and trusting partnerships that result in better referrals and coordinated planning of housing relocation and social services. Training and ongoing technical assistance for grantee teams in effective communication, transparent referral systems, shared data systems, and service planning integration between partners could result in residents having better outcomes.

[184] Such a prioritization strategy is being implemented by Urban Strategies in New Orleans and San Francisco. See Case Management section above for description.

How will the evolution of performance measurement requirements help or hinder progress as the grantees seek to improve resident outcomes?

HUD has already made a number of modifications to the performance measurement requirements. Through technical assistance, HUD has also made great advances in helping grantees to use the data to shape the service delivery models and make midcourse corrections so that performance measurement activities translate into improved services and outcomes. Following the data collection period, HUD staff made significant changes in the performance measurement expectations, including providing clarity to grantees through helpful revisions to a "data dictionary" and providing significant support for the Grant Management reporting system. HUD staff demonstrated responsiveness to grantees needs while figuring out the software and reporting expectations. Future research should examine the streamlined set of indicators and grantees ability to not only collect them but also use them to make decisions.

Outcomes

This next set of research questions aims to understand how Choice impacts the long-term quality of life for assisted and other low-income households in the Choice neighborhood.

How will Choice contribute to families' capacities to meet their children's developmental needs?

Choice aims to address persistent intergenerational poverty through interventions designed for both youth and families in the areas of education, employment, and health. Future research should explore how Choice interventions result in new opportunities and future trajectories for youth growing up in distressed urban neighborhoods.

How will Choice interventions improve the physical and mental health of assisted residents?

Stress and physical decline have been linked with involuntary relocation. However, when relocation efforts are coordinated with preventative health activities, that link can be broken. As Choice implementers continue to develop models for health supports, future research can explore the ways that health interventions support the immediate and long-term wellness for assisted residents and low-income residents in the surrounding area.

To what extent will Choice stabilize neighborhood schools, support student academic achievement, and leverage additional federal, state, and local education investments?

School improvement and student achievement are essential for changing the trajectory of these revitalizing neighborhoods. Future research should identify the reciprocal benefits of Choice and federal education efforts like Promise Neighborhoods, as well as local models like the partnership between Seattle Housing Authority, Seattle University, the school district and child-centered non-profit organizations. Understanding the relationship between school choice and place-base initiatives is also an area that increasingly needs to be understood in the context of how to best support families whose children do not attend school in the neighborhood.

What combinations of resident engagement, service coordination, and case management strategies will result in the greatest improvements in job readiness and employment?

Future research should look at the connection between Choice people activities, including workforce development initiatives, and nearby job opportunities. Residents' need and desire for jobs in the local

area meant that Choice grantees needed to develop stronger relationships with institutions that offer jobs congruent with residents' skills. Building these connections has been difficult, particularly where there are language and cultural differences.

What will be the impact of Choice services and relocation approaches on the rate at which families leave HUD assistance?

Choice provides services and supports to reduce the disruption caused by relocation processes and ensure the right to return to lease compliant households. Future research should examine supportive services and relocation efforts to understand how residents experience these strategies. More research is needed to understand the reasons why some households in target developments leave HUD assistance and how best to ensure their housing stability during and after relocation.

NEIGHBORHOOD

The findings from the neighborhood and public safety sections of this study suggest several questions to follow up on for the Choice implementation activities. Future research can also investigate the benefits of the inclusion of neighborhood goals in Choice and provide lessons for other neighborhood revitalization efforts.

ACTIVITIES

What kinds of projects will the grantees in Eastern Bayview, Woodlawn, and Iberville/Tremé pursue for their Critical Community Improvements?

In this early implementation period, the Boston and Seattle Choice grantees made considerable progress on their CCI plans by September 2013, and residents will benefit from the fruits of that work in 2014. In the other three neighborhoods, the grantee plans for the neighborhood activities were less definite than those related to housing and people, but the Choice teams in Woodlawn and Eastern Bayview were moving forward with concrete proposals. The original CCI plans in Iberville/Tremé were being revisited.

Will the CCIs be successfully implemented and improve the quality of life for current residents?

In Yesler and Quincy Corridor, early signs are positive that CCIs will help improve the quality of life for residents. The CCI projects that have been selected will be very visible signals of the benefits Choice may bring to the neighborhood and can earn community buy-in for the initiative. Stakeholder comments confirm that the projects chosen were ones that the residents considered important and believed would enhance the neighborhood. In Yesler, CCIs are funding key components of the overall vision of the rebuilt neighborhood and seem likely to have a greater influence than if they were isolated investments. The Quincy Corridor interventions, consistent with their Choice approach to incremental change in the neighborhood, reinforce preexisting initiatives and have the advantage of being concentrated in the small Choice Neighborhood. In both these cases, the parks, playgrounds, gardens, and community centers may provide important public spaces to build community among both the target development and the neighborhood residents. For these projects and the CCIs yet to be determined by the other three Choice grantees, HUD could explore how the CCI selection process contributed to the success or delays in the implementation of the projects in order to give guidance to future grantees.

How will the implementation of PSE and public safety activities proceed?

There will be a lot to learn from the FY 2010-2011 grantees' implementation of their PSE efforts and other public safety activities. Future process studies should assess how the planning and technical assistance related to the PSE influenced local program design and whether grantees are able to meet their interim objectives and leverage goals and ultimately complete their implementation plans.

How can the federal government induce local efforts and build capacity on important topic areas?

HUD's partnership with DOJ to expand opportunities for the Choice grantees to receive technical assistance on and additional federal funding for public safety interventions, stands out as an important effort to follow. These grants served to call attention to the public safety issue, provide additional direct funding, require additional leverage partnerships, build substantive expertise at the local level through technical assistance and requirements to implement evidence-based programming, and monitoring program outcomes. The PSE grants offer a model of strong coordination between federal agencies that could be expanded to other topic areas. For example, Choice aims to increase the number of jobs in the neighborhood and the income levels of neighborhood residents. A partnership with the U.S. Department of Labor (DOL) on a grant to fund workforce development programs in the Choice Neighborhoods along with the technical assistance and expertise of the DOL staff could help HUD and the grantees achieve these goals. Future research should explore the extent to which interagency coordination at the federal level could be an important lever for comprehensive neighborhood transformation initiatives.

OUTCOMES

How do CCIs contribute to successful neighborhood outcomes and catalyze external investments?

Beyond knowing if the CCIs are successfully completed and serve the current residents, future researchers will be interested in which ones seemed to accelerate or substantially contribute to neighborhood revitalization. How do investments in the built environment such as the development of recreational space compare with those designed to bring residents new retail options? Which CCIs catalyze new investments by the private sector in the neighborhood? While the Choice Neighborhoods all exhibited signs of distress, they are not homogeneous. Better understanding about what mix of investments appear best suited to different neighborhood conditions would inform future federal and local efforts to revitalize neighborhoods.

In addition to the neighborhood context, the grantees' design choices for their Transformation Plan could also affect whether CCIs spur neighborhood transformations. As one example, the selection and size of the neighborhood area could affect the ultimate impact of Choice interventions. Does choosing a boundary consistent with preexisting local neighborhood areas facilitate alignment of Choice and non-Choice activities? How does the size of the chosen area affect the pace of neighborhood revitalization? On one hand, effecting change with the fixed amount of Choice funding for neighborhood interventions is potentially more difficult in a larger area.[185] A larger area may also be less cohesive. For example,

[185] See, for example, Galster, Tatian, and Accordino (2006) and Galster et al. (2004).

Iberville/Tremé covers three neighborhoods from the local perspective, which has presented challenges for building social and physical connections across the entire area. On the other hand, a larger area may encompass more institutional resources and broader constituencies to advocate for support.

Whatever the neighborhood size, the Choice interventions are unlikely to affect all parts of the neighborhood equally. What is the geographic extent of the impact of neighborhood interventions? Are interventions more effective clustered together? The Neighborhoods in Bloom program in Richmond, Virginia, in which there were two areas of treatment, provides an example of this approach. The impact areas received direct investments and the larger target area (surrounding the impact area) only received priority for city services.[186]

What approaches will be most effective for improving public safety outcomes?

The design of the FY 2010-11 NOFA, with the division of program activities into housing, people, and neighborhood domains, meant that the grantees' proposed approaches to public safety were fragmented. The Transformation Plans did not describe how all elements would contribute and interact to reduce violence in the community. However, the FY 2012 and FY 2013 grantees were required to describe their overall public safety strategy and how community groups and criminal justice entities would coordinate activities to improve safety outcomes. In addition, the step of setting baseline and program target goals for the PSE grants has been incorporated into the FY 2013 Choice NOFA, which awards more points to applicants who can identify these goals and describe a public safety strategy that aligns with those outcomes. Future evaluations should look at the differences in Choice program activities that occur as well as crime rates and resident ratings of safety between these grantee cohorts.

Another important question for Choice is whether leadership by an entity on the Choice team, such as Project RIGHT in Quincy Corridor or the Woodlawn Public Safety Alliance on the issue, will increase the likelihood of successfully addressing the high levels of violence in these communities, potentially through more or higher quality programming and coordination with the police. The Choice program already has a precedent for formalizing leadership on a specific issue, with the designation of an education implementation entity, such a study could assess whether this would be helpful on public safety.

How will the grantees' choices of sequencing neighborhood activities affect the pace and character of neighborhood revitalization?

Over the next several years, the early grantees and those in other implementation sites will be making choices about what neighborhood revitalization activities to prioritize and how to sequence them. These choices represent excellent potential learning opportunities for other grantees, for HUD, and for the community development field more broadly. There may be a logical sequencing of activities in public safety, economic development and the built environment. These long-distressed neighborhoods remain in the early phases of transformation, with a great amount of uncertainty and demand for potential investors. Stakeholders see high crime and lack of safety as key obstacles thwarting investment that

[186] Galster, Tatian, and Accordino (2006).

could lead to new jobs and broader economic development. One specific question future research efforts could address is whether earlier attention to public safety efforts will speed transformation of the neighborhoods, or whether economic development efforts will thrive even within an environment of high crime.

In the various topic areas that fall under the neighborhood domain, how important is coordination with external partners? Which types of government agencies, nonprofits, and private sector actors are most critical in each issue area?

HUD's intention is that the CCI activities will both focus current funding and spur new public and private investments. Achieving this intention will require purposeful and ongoing engagement on the part of the Choice grantee teams. The level of Choice funding means that money alone will likely not induce influential external partners to come the table, but the grantee teams can also draw on the team's relationships and political influence.

The current grantees have provided good examples of the payoff of this approach. The community engagement related to the Quincy Street Public Realm Improvement Project resulted in a broader range of community perspectives being considered before final decisions were made. Engagement with anchor institutions can leverage additional resources. For example, the University of Chicago's $2.55 million investment allowed the grantee team to enhance their public safety activities.

Future process studies should look at what kind of organizations (community building, advocacy, service providers, schools, etc.) need to be at the table and the extent and structure of their involvement. One specific question should be the roles that the anchor institutions, such as hospitals, universities, or other major employers, choose to play in Choice neighborhood planning. Studies should also explore how the coordination relates to outcomes. For example, do grantees that collaborate with law enforcement and community organizations engaged in activities related to public safety succeed in reducing the violent crime rates compared to other high-crime areas? Economic development would require a different set of actors, such as the key stakeholders of the biomedical district in New Orleans, and different outcome measures, like the number of target development residents employed in the district.

How (and to what extent) do neighborhood and regional context facilitate or hinder neighborhood revitalization?

The five neighborhoods vary in factors that are difficult for the Choice grantees to shift in the short- and medium-term, such as proximity to job centers, access to transit, and presence of anchor institutions. The Choice Neighborhoods also do not function in isolation from their surrounding city and regional context. For example, the likelihood of new middle-income households moving into the redeveloped Choice Neighborhoods will be affected by the citywide demand for market-rate housing. The city and regional labor markets will mediate Choice Neighborhood workforce and economic development efforts, no matter how well executed. Future evaluation will need to view the apt selection and successful implementation of Choice housing, people and neighborhood investments within an understanding of how each place's broader environment contributed to the neighborhood trajectory.

How will a neighborhood being part of a broader comprehensive plan affect the role that Choice plays in neighborhood revitalization? In sites without a preexisting holistic plan, will the presence of Choice spur new efforts to plan for neighborhood development in an integrated way?

Achieving neighborhood transformation appears more likely in the Yesler Choice Neighborhood because Choice-funded and externally funded activities are well-integrated and are helping to execute a shared vision of how the neighborhood will change. For example, the city of Seattle's infrastructure improvements in combination with the CCIs to better connect residents to amenities anticipate the large-scale transformation plans put forward by SHA. Watching the progress in Yesler can help to answer whether coordination around neighborhood activities helps to accelerate the execution of the comprehensive plan and results in better neighborhood outcomes.

In Choice Neighborhoods without a neighborhood plan with broad civic support and resources, the examples of how Yesler and Eastern Bayview coordinate public and private investments may inspire other grantees to pursue a similar path. Relationships forged by implementing Choice could be leveraged to build consensus around a comprehensive vision and to begin formulating the high-level strategies necessary to achieve the community's goals. Having a role in creating this shared vision is a long-term process that goes beyond the Choice grant period, but would be an important outcome for the Choice initiative.

COORDINATION AND LEVERAGE

While expectations for early implementation progress should be based on HUD's requirements and those in the reasonable control of implementers, process research can also point toward issues that may be critical components of the initiatives' longer-term theory of change, and which future research should explore.

ACTIVITIES

To what extent do future grantees develop the authority and capacity to coordinate significant, neighborhood-level change efforts?

As described above, first-round grantees generally coordinated work well within implementation teams, but making progress in the broad goals of Choice—creating mixed-income neighborhoods of choice and opportunity through direct and leveraged investments—appears to be promoted best when HUD has a local partner with the ability to coordinate and control local action at a significant scale, and to hold partners accountable for meeting their commitments to the transformation. Political support helped move Choice toward scale, and may help engage local schools, and anchor institutions such as hospitals, college, and universities, in the future. Understanding how grantees develop this authority may be an important component of future process research.

How will the federal government continue to coordinate resources for the benefit of Choice Neighborhoods?

As described above, Choice is a part of the White House's Neighborhood Revitalization Initiative (NRI), which provided a venue for HUD to facilitate interagency agreements to direct resources and deliver technical assistance to Choice. Participation within NRI working groups allowed HUD greater access to

partners at the Departments of Education and Justice, with subject-area expertise to craft the Choice NOFA and to review education- and safety-related applications. As Choice implementers continue to develop their comprehensive improvement programs, future research can explore the ways that federal interagency coordination expands to other federal agencies to the benefit of local neighborhoods and how Promise Zones contribute to that coordination.

OUTCOMES

How will Choice grantees enact systemic changes or improvements in local interagency function?

Choice was credited by many of the grantees as helping to set in motion or put in place some systemic changes or improvements in local interagency functioning. At the same time, other aspects of local or federal policy made it more difficult for Choice efforts to extend their reach beyond the target development into the Choice Neighborhood as a whole. For example, the absence of neighborhood schools among all the Choice Neighborhoods except Yesler made Choice's goal of coordination with education reform more difficult, although grantees did develop tools to engage with school improvement efforts. Choice's ability to spark systems change and reform is a topic future research might explore.

How much additional investment will Choice attract to neighborhoods over time?

While colocated investments previously committed to Choice Neighborhoods are significant, examples of the Choice grant catalyzing additional resources were infrequent at this early point in Choice implementation. Given ongoing challenges stemming from the financial crisis, federal spending retrenchment after the wind-down of the American Recovery and Reinvestment Act of 2009, and strains in the public and private sector, it is not surprising that obtaining significant additional leverage has been challenging for grantees. Implementation of Choice is still in its very early phases, however, and financing obtained to reconstruct new housing and commercial facilities will undoubtedly help Choice implementation in the future. This issue can be studied in different ways, including the quantitative comparison of neighborhood investment trajectories in Choice relative to similar areas.

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