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Exploring the Impacts of the HOPE VI Program on Surrounding Neighborhoods

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1

INTRODUCTION

In the 1980's, public housing captured the attention of the nation and Congress when media exposes highlighted the epidemic proportions of poverty, crime and drugs at the nation's worst public housing sites. On the front page of city newspapers, in national news magazines, and on our television screens, we saw image after image of deteriorating public housing projects and the crime-ridden communities that surround them. In too many cities, public housing projects and unsafe neighborhoods became synonymous. As these projects aged and physical conditions worsened, even more attention was focused on the distressed conditions in public housing.

In response to the worsening conditions in and around many large-scale public housing projects, Congress established the National Commission on Severely Distressed Public Housing in 1989 and charged this bipartisan group of housing experts with developing an action plan to revitalize the nation's most dysfunctional public housing developments. The Commission's extensive investigation found that severely distressed developments shared three characteristics:

- significant physical deterioration;
- a resident population living in despair and needing significant levels of supportive services; and
- surrounding communities that typically evidenced decades of public and private disinvestment.¹

The HOPE VI program was authorized by Congress in 1993 to address these problems. Since 1993, the U.S. Department of Housing and Urban Development (HUD) has awarded more than \$4.5 billion in HOPE VI funds to local housing authorities and billions more have been leveraged with these federal funds. Over 70 percent of all budgeted funds have been (or will be) used for new construction or substantial rehabilitation.² This massive investment will not only change the face of public housing across the nation; it will also affect the surrounding neighborhoods that are home to these projects.

¹ The Final Report of the National Commission on Severely Distressed Public Housing, August 1992.

² U.S. Department of Housing and Urban Development. *HOPE VI: Best Practices and Lessons Learned 1992-2002*. June 14, 2002.

Ten years later, there is increasing interest and activity in assessing the impacts of this large scale, complex program, including measuring the intended outcomes as well as the unintended consequences. Recent research has focused on the impacts of the program on residents³ but less is known about the role of public housing redevelopment in stimulating reinvestment in the surrounding communities.

PURPOSE OF THE STUDY

HOPE VI redevelopment efforts are inextricably linked to the challenges and opportunities found in their surrounding neighborhoods. Indeed, the HOPE VI program has evolved from a large-scale rehabilitation program into a comprehensive revitalization initiative whose scope extends beyond the immediate housing project to include the broader community. At times, community development objectives are explicitly woven into the redevelopment plan in the form of specific proposals, and other times these objectives are viewed as implicit spillover effects of the housing redevelopment itself. Regardless, nearly every HOPE VI initiative is viewed as a catalyst for positive community change and neighborhood revitalization.

This study has several purposes:

1. to identify some key indicators for measuring change in a neighborhood, based on current research in this emerging area;
2. to undertake case studies across five different cities to explore evidence of change in selected key indicators;
3. to identify preliminary patterns of change that are emerging across the case study sites; and
4. to provide guidance to local evaluators of HOPE VI efforts in the types of indicators that might be useful and in sources of data for measuring change at the neighborhood level.

This chapter includes a review of the various strategies that many housing authorities are utilizing in their HOPE VI projects to address distressed conditions in the neighborhoods surrounding the targeted public housing. There is a discussion of how each strategy is linked to neighborhood change in the current research literature. This is followed by an overview of the five case studies and the specific indicators that are the focus of these

³ In December 2002, the Urban Institute presented results from the *HOPE VI Resident Tracking Study*. This study contacted over 800 residents from eight HOPE VI sites to assess how residents' living situations have changed as a result of the HOPE VI program.

case studies. Chapters 2 through 6 cover the individual case studies, and the final chapter (7), summarizes preliminary patterns of change at the neighborhood level and provides guidance to local evaluators on specific indicators and sources of data for these indicators. It should be noted that these case studies are exploratory in nature and serve more as ‘baseline’ studies of neighborhood change that will need to be revisited over time.

NEIGHBORHOOD CHANGE: THEORY AND INDICATORS

The desire to affect neighborhoods surrounding HOPE VI projects raises a key question: What are the broader community development goals of HOPE VI projects and how are these goals directly related to changes in neighborhood dynamics? The renovation and/or replacement of severely distressed public housing projects, the potential introduction of a new mix of tenants, and the prospects for off-site redevelopment activity can directly affect surrounding neighborhoods in various ways.

Many HOPE VI plans clearly articulate the goals and strategies for transforming severely blighted neighborhoods into healthy places for families to live and work. The strategies often address a neighborhood’s demographic profile, housing market conditions, and quality-of-life issues. They include:

Demographic Profile

- Deconcentrating poverty by creating mixed-income communities and reducing the density of subsidized units that target extremely low-income families; and
- Increasing the self-sufficiency of original residents by providing employment and economic development opportunities that lead to increased household income.

Housing Market Conditions

- Enhancing neighborhood property values by upgrading or replacing existing public housing and eliminating neighborhood eyesores;
- Creating a range of housing options for neighborhood families of all income levels and preserving or creating affordable housing through infill and scattered-site housing; and
- Promoting housing maintenance and upkeep behavior among neighborhood residents by increasing homeownership rates and encouraging the creation of neighborhood associations.

Quality-of-Life Issues

- Improving commercial amenities and housing conditions by stimulating private investment in the neighborhood;
- Providing access to opportunity structures and improving neighborhood aesthetics by stimulating collateral and coordinated investment;
- Creating safer neighborhoods by implementing “defensible space” designs and anti-crime programs; and
- Supporting city services and investments by creating an enhanced tax base.

How each of these strategies is linked to economic, social and physical outcomes is discussed below.

Demographic Profile

Deconcentrating poverty by creating mixed-income communities and reducing the density of subsidized units serving the extremely low-income population. Promoting income diversity in the immediate area deconcentrates poverty in the community by attracting residents with incomes comparatively higher than existing residents to the HOPE VI project’s tax credit and market-rate units. Increasing the self-sufficiency of existing residents through job training and skills development also contributes to higher incomes. Deconcentrating poverty is an important neighborhood outcome since extensive research suggests that neighborhood poverty rates have significant effects on a family’s well being, economic self-sufficiency, youth outcomes and an array of social behaviors.⁴ For example, living in high poverty neighborhoods increases the likelihood for teen parenthood and out-of-wedlock births,⁵ youth dropping out of school,⁶ and labor

⁴ Jargowsky, Paul A. 1996. *Poverty and Place*. New York: Russell Sage Foundation; Jencks, Christopher and Susan Mayer. 1990. The Social Consequences of Growing Up in a Poor Neighborhood. In *Inner-City Poverty in the United States*, ed. Laurence E. Lynn, Jr. and Michael G.H. McCreary, 111-86. Washington, DC: National Academy Press; Wilson, William J. 1987. *The Truly Disadvantaged: The Inner City, the Underclass and Public Policy*. Chicago: University of Chicago Press.

⁵ South, S.J. and Crowder, K.D. 1999. Effects of Neighborhood Poverty on Family Formation. *American Sociological Review*, 64(1): 113-132.

⁶ Crane, Jonathan. 1991. The Epidemic Theory of Ghettos and Neighborhood Effects on Dropping Out and Teenage Childbearing. *American Journal of Sociology*, 96(5): 1226-1259; Clark, Rebecca. 1992. Neighborhood Effects of Dropping Out of School among Teenage Boys. Discussion Paper No. PSC-DSC-UI-13. Washington, DC: Urban Institute; Duncan, Greg J., James P. Connell, and Pamela Klebanov. 1997. Conceptual and Methodological Issues in Estimating the Causal Effects of Neighborhood and Family Conditions on Individual Development. In *Neighborhood Poverty: Context and Consequences for Children*, ed., Jeanne Brooks-Gunn, Greg J. Duncan, J. Lawrence Aber, 219-50. New York: Russell Sage Foundation.

force nonparticipation.⁷ Living in high poverty neighborhoods has also been associated with lower lifetime incomes among males, compared to their counterparts in other types of neighborhoods, and long-term welfare use.⁸

In many inner-city neighborhoods, the confluence of poverty and race can lead to more pronounced changes. Perceived or real changes in the proportion of minority households are frequently used by existing residents, potential new residents, real estate interests, and other investors to decide whether to remain in, or leave, the neighborhood.⁹ These decisions are often motivated by racial fears or discriminatory practices. A neighborhood that experiences a considerable rise in minority households is likely to be regarded as a “neighborhood in decline” and this perception may subsequently trigger neighborhood disinvestment. However, a diverse neighborhood is likely to be perceived as a desirable place to live, work, buy and maintain property.

Increasing the self-sufficiency of original residents by providing employment and economic development opportunities that lead to increased household income. The provision of community and supportive services (CSS) in support of this strategy has been a central component of the HOPE VI program since its inception. Among the many different types of services provided through CSS plans are a variety of services, including: childcare; transportation; substance abuse programs; continuing education and GED courses; job skill training; and employment preparation, placement, and retention programs. These services address deficits in both life and work skills as well as inadequate education among many residents. Over time, a community’s higher employment rate and improved skills base can help to attract businesses seeking to capitalize on the increased demand for products and services.

⁷ Rosenbaum, Emily and Laura Harris. 2001. Residential Mobility and Opportunities: Early Impacts of the Moving to Opportunity Demonstration Program in Chicago. *Housing Policy Debate* 12(2); Vartanian, Thomas P. 1997. Neighborhood Effects on AFDC Exits: Examining the Social Isolation, Relative Deprivation, and Epidemic Theories. *Social Science Review*, December, pp. 548-73; Vartanian, Thomas P. 1998. Childhood Neighborhood Effect on Labor Market and Economic Outcomes. Unpublished Paper. Bryn Mawr College: Department of Economics; Vartanian, Thomas P. 1999. Childhood Condition and Adult Welfare Use: Examining Neighborhood and Family Factors. *Journal of Marriage and the Family*, 61(1): 225-37.

⁸ Corcoran, Mary, Roger Gordon, Deborah Laren, and Gary Solon. 1992. The Association Between Men’s Economic Status and Their Family and Community Origins. *Journal of Human Resources*, 27: 575-601.

⁹ Galster, George. 1987. *Homeowners and Neighborhood Reinvestment*. Durham, NC: Duke University Press; Grigsby, William, Morton Baratz, George Galster and Duncan Maclennan. 1987. *Neighborhood Change and Decline*. London: Pergamon; Taub, Richard, D. Garth Taylor and Jan Dunham. 1984. *Paths of Neighborhood Change*. Chicago: University of Chicago Press.

Housing Market Conditions

Enhancing neighborhood property values by upgrading existing public housing and eliminating neighborhood eyesores. The comprehensive redevelopment of the nation's most distressed public housing into a variety of modern housing types—including single-family homes, duplexes, town homes, apartments, and studios—can buoy housing prices in the surrounding community. In fact, there is a growing literature that focuses on the impacts of assisted housing on owner-occupied, market-rate housing prices that tests the hypothesis that the negative externalities generated from public housing depress surrounding neighborhood property values.¹⁰ Earlier less sophisticated studies conducted during the 1980s largely failed to find statistically significant associations between proximity to assisted housing and price effects;¹¹ a few studies even found positive price effects. These studies were criticized for failing to disentangle causation and the potential effects of spatial econometrics.¹² More recent studies have begun to address the methodological shortcomings of the past efforts and some have found statistically significant, though dissimilar, effects. Overall, the research on the price effects of assisted housing produces mixed, nongeneralizable results that are likely explained by the different methodologies employed.

There is mounting concern, however, that higher property values will effectively displace lower income residents who are unable to pay the higher housing costs associated with neighborhood revitalization. Accusations of gentrification are particularly acute in cities

¹⁰ Briggs, Xavier de Souza, Joe T. Darden, and Angela Aidala. 1999. In the Wake of Desegregation: Early Impacts of Scattered-Site Public Housing on Neighborhoods in Yonkers, New York. *Journal of the American Planning Association*, 65(1): 27-49; Galster, George, Peter Tatian, and Robin Smith. 1999. The Impact of Neighbors Who Use Section 8 Certificates on Property Values. *Housing Policy Debate*, 10(4): 879-917; Lee, Chang-Moo Lee, Dennis P. Culhane, and Susan M. Wachter. 1999. The Differential Impacts of Federally Assisted Housing Programs on Nearby Property Values: A Philadelphia Case Study. *Housing Policy Debate*, 10(1): 75-93; Newman, Sandra J. and Ann B. Schnare. 1997. '...And a Suitable Living Environment': The Failure of Housing Programs to Deliver on Neighborhood Quality. *Housing Policy Debate*, 8(4): 703-741; Santiago, Anna M., George Galster, and Peter Tatian. 2000. Assessing the Property Value Impacts of the Dispersed Housing Subsidy Program in Denver. *Journal of Policy Analysis and Management*, 20(1): 65-880.

¹¹ For a review, see Martinez, Marco A. 1988. The Effect of Subsidized and Affordable Housing on Property Values: A Survey of Research. Report to the State of California, Department of Housing and Community Development, Sacramento, California.

¹² Critics noted that these studies were unable to clearly distinguish the direction of causation between existing trends in neighborhood property values and the siting of assisted housing. That is, since prior studies failed to adequately control for a neighborhood's housing market price levels and trends prior to the development of assisted housing, these studies were unable to determine whether the presence of assisted housing lead to neighborhood decline or whether subsidized housing sites were systematically located in areas with low property values that were expected to depreciate even further. In addition, these prior studies have been criticized for failing to account for spatial econometric issues. Concerns over the spatial dependence (autocorrelation) among proximate home prices suggest that the property value associated with a home in a particular location depends on the property values of homes in other locations.

where a large portion of the former public housing units has been replaced by single-family homes and unaffordable rental properties. Gentrification remains a difficult challenge for federal and local policymakers. One potential ameliorative measure has been the use of infill development to preserve affordable housing in the area.¹³ Another strategy is to provide protections—through tax rebates or tax freezes—to existing low income owners against increasing property values. An important goal is to ensure that low income families can afford to remain in a revitalizing neighborhood.

Creating a range of housing options for families of all income levels through infill and scattered-site housing. Many housing authorities have used infill and scattered-site housing strategies to enlarge the supply of affordable housing as part of their HOPE VI revitalization process.¹⁴ This strategy helps to reduce the negative effects of gentrification in the surrounding community, and it also provides an opportunity to replace abandoned, vacant structures or empty lots with new, high-quality housing. The elimination of neighborhood eyesores and new construction of housing, in turn, can help to retain existing residents and attract new residents to the neighborhood.

Promoting housing maintenance and upkeep behavior among neighborhood residents by increasing homeownership rates and encouraging the formation of neighborhood associations for both renters and owners. Many HOPE VI revitalization plans include the new construction of single-family homes and implementation of homeownership programs. Increasing homeownership rates within distressed areas has been viewed as critical to developing long-term sustainable communities. Research suggests that neighborhoods with a large proportion of owner-occupied households are generally more stable since homeowners typically have a greater stake in the neighborhood, maintain and invest in their properties at a higher rate, better enforce collective norms that can reduce crime and vandalism, and have longer residential tenures compared to renters.¹⁵ Encouraging renters to take pride in and take care of their property is also critical to sustaining healthy communities.

Quality of Life Issues

Improving commercial amenities and housing conditions by stimulating private investment in the neighborhood. The presence of commercial, recreational, and

¹³ HOPE VI: Best Practices and Lessons Learned 1992-2002.

¹⁴ HOPE VI: Best Practices and Lessons Learned 1992-2002.

¹⁵ Rohe, W. M. and L. S. Stewart. 1996. Homeownership and Neighborhood Stability. *Housing Policy Debate*: 37-81; Rothenberg, J., G. Galster, R. Butler, and J. Pitkin. 1991. *The Maze of Urban Housing Markets: Theory, Practice and Evidence*. Chicago, Illinois: University of Chicago Press; Galster, George. 1987. *Homeowners and Neighborhood Reinvestment*. Durham: Duke University Press.

entertainment facilities improves a neighborhood's quality-of-life and can help retain existing residents, or attract new ones. Access to public transportation nodes, employment centers, schools, parks, banks, grocery stores and other commercial or retail centers fosters the long-term sustainability of the redevelopment effort and the neighborhood's residential appeal. Similarly, the availability of high quality, well-maintained housing—both subsidized and market-rate—can lead residents to have a greater sense of personal stake in the community¹⁶ and satisfaction with their living arrangements.

Providing access to opportunity structures and improving neighborhood aesthetics by stimulating collateral and coordinated investment. Public and non-profit investments in day care, job training, and health facilities contribute to the neighborhood's overall package of amenities and make these neighborhoods attractive places to live. More importantly, these facilities provide residents with the critical support structures that are increasingly viewed by researchers as necessary to promote economic upward mobility.¹⁷ For instance, many welfare recipients, who typically constitute a large proportion of the project and area's population, identify the lack of adequate daycare as the major barrier to obtaining employment.¹⁸ In addition, public investments in infrastructure improvements (e.g., street lights, sidewalks, roads) similarly improve the neighborhood's attractiveness to existing and prospective residents. Recent emphasis has been placed on the importance of high quality schools in sustaining healthy communities. Many HOPE VI efforts, including those described in the following case studies, have the improvement of neighborhood-based schools as a central component of creating mixed-income communities.

Creating safer neighborhoods by implementing "defensible space" designs and anti-crime programs. The HOPE VI program set new public housing design standards that stress safety and architectural integration into the surrounding community. These standards encourage "eyes on the street" designs that include individual entrances facing the street, windows that also look toward the street, and the clear demarcation of public and private spaces. In addition, some HOPE VI projects also encourage neighborhood watch groups, establish partnerships with local police departments, and implement other community-based anti-crime programs to create safe and healthy communities.

¹⁶ This is discussed in more detail in the following pages.

¹⁷ Newman, Sandra J., ed. 1999. *The Home Front: Implications of Welfare Reform for Housing Policy*. Washington, DC: The Urban Institute Press.

¹⁸ Turnham, Jennifer, Alvaro Cortes, Michelle Wood, Jenny Berrien. 2002. *Welfare to Work Voucher Evaluation: Interim Report on Qualitative Research*. Unpublished Report: Abt Associates.

Research suggests that a neighborhood's incidence of crime plays an important role in shaping neighborhood change. Safety is often a high priority for existing residents and potential new residents, especially families.¹⁹ High crime rates can lead to neighborhood disinvestments and resident out-migration, or discourage future investment if investors take their resources to more secure communities. In addition, exposure to crime and violence is associated with serious detrimental effects on children's behavioral outcomes.²⁰

Supporting city services and investments by creating an enhanced tax base. HOPE VI developments potentially serve as catalysts for neighborhood-based and citywide economic development through a variety of tax base enhancements. First, cities are likely to benefit from the payroll taxes associated with the construction of the HOPE VI development. Second, under Section 3 of the Housing and Urban Development Act of 1968, preferences for employment, contracting, and training opportunities are provided to public housing and neighborhood residents in which the project receiving the federal funds are located. These preferences effectively ensure that a portion of the employment opportunities stemming from the HOPE VI redevelopment project is reserved for public housing residents and residents of the surrounding neighborhood. Many HOPE VI initiatives contain specific plans for commercial and retail development that can convert economically underused property into tax-generating resources. In addition, several large-scale HOPE VI initiatives have triggered the establishment of a Tax Increment Financing (TIF) district to fund neighborhood improvements with the increased property tax revenues from that neighborhood.

These three aspects of neighborhood life are generally viewed as good predictors of how a neighborhood will change and are, in turn, often influenced by many different sources and interventions. But as is typical of any type of social change, neighborhood change is often difficult to measure and is highly dynamic. In this report, we use several readily available Census variables and other administrative data to serve as proxies for these three aspects of neighborhood life.²¹ Also, the following case studies represent only a 'snapshot' of the evolution of five communities. It is critical that we continue to track how these neighborhoods change and sustain themselves over a much longer period of time.

¹⁹ Ibid, Taub, Taylor and Dunham, 1984.

²⁰ Martinez, Pedro and John Richters. 1993. The NIMH Community Violence Project: Children's Distress Symptoms Associated with Violence Exposure. *Psychiatry*, 56:22-35.

²¹ The final chapter presents additional neighborhood indicators that local evaluators can collect to measure the neighborhood change associated with a HOPE VI redevelopment project.

FIVE CASE STUDIES OF NEIGHBORHOOD IMPACTS

Five HOPE VI efforts in different cities were selected to explore the ways in which neighborhoods undergo change when public housing authorities (PHAs) revitalize distressed public housing. The five case studies include:

- Chester (PA): Chatham Estates and Wellington Ridge
- Atlanta (GA): Villages of East Lake²²
- St. Petersburg (FL): Jordan Park
- New Brunswick (NJ): Memorial Homes
- Boston (MA): Orchard Gardens

These developments were selected because of the perceived impact the HOPE VI effort is having on the immediate neighborhood, thus making them rich candidates for exploring the variety and level of investment that parallels the HOPE VI investment. The five sites were also selected to represent different types of neighborhoods and housing markets that are characteristic of the neighborhoods where PHAs across the country are undertaking public housing redevelopment. For example, one case study focuses on a neighborhood in Chester, a small municipality just south of Philadelphia that became a symbol of urban decay and mismanagement. Several years ago, it was designated by HUD as the most distressed U.S. city of its size. The city's public housing authority and public schools are presently operating under court-ordered receivership. The Atlanta site, by contrast, is located in a neighborhood that is in the shadows of that city's thriving downtown, an area that has benefited from tremendous economic growth in recent years (some of which can be attributed to the 1996 Olympics). Within this strong growth market, however, the East Lake neighborhood became known as "Little Viet Nam"—a name that stemmed from the community's reputation for persistent (drug-related) violence and crime, and intense poverty. Such dissimilarities in market conditions among public housing revitalization efforts are not uncommon. While the tools may vary from one revitalization effort to the next—ranging from encouraging market rate households to move into the neighborhood to preserving affordable housing options in a rapidly gentrifying community—the goal of stimulating positive community change is key.

Each case study describes the following:

²² The revitalization of the Villages of East Lake was funded by public housing capital funds that leveraged additional public and private funding. While not technically a HOPE VI-funded site, the revitalization effort incorporated the major goals of the HOPE VI program in its implementation, including the creation of a mixed-income community.

- background information on pre-revitalization conditions of the public housing site and the surrounding neighborhood;
- the intervention strategy, or critical aspects of the housing redevelopment process; and
- how surrounding neighborhoods have changed after redevelopment.

These case studies tell a story of neighborhood transformation by highlighting ways in which housing revitalization activities may have contributed to changes in aspects of community life. While some preliminary data are available to describe before and after conditions, these case studies rely heavily on the perspectives of public housing authority officials, public housing and neighborhood residents, private sector participants, nonprofit organizations and political leaders. In doing so, these case studies paint a portrait of the public housing redevelopment efforts using the experiences of key stakeholders. In many ways, their *perception* of change in the neighborhood is as important as statistical trends and characteristics, if this *perception* leads to investment decisions in the community.

2

CHESTER, PA

This case study focuses on Chatham Estates (previously called Lamokin Village) and Wellington Ridge (previously called McCaffery Village), two Chester City, Pennsylvania public housing sites that are located in the same west Chester neighborhood. Chatham Estates received a \$14.9 million HOPE VI grant in 1996 and Wellington Ridge was awarded a \$9.7 million HOPE VI grant in 1998. At the time this report was written, Chatham Estates was completed and fully occupied, while Wellington Ridge was nearing completion, and only about half of the residents had moved in.

Chester is small industrial city located in Delaware County, Pennsylvania, just southwest of Philadelphia. Although a distressed city with falling property values and declining population, it has attracted more than \$500 million in investment in recent years. This report asks why are private interests so eager to direct enormous sums of money into a city and a neighborhood in decline? While the full impact of the HOPE VI grants are not fully manifest, there is some preliminary evidence that this public housing redevelopment effort has been an important factor in leveraging interest that has helped fuel the city's investment momentum

CONTEXT AND BACKGROUND

Chester is an industrial city located in Delaware County, Pennsylvania on the Delaware River, just southwest of Philadelphia (see Exhibit 2-1). The city's steady economic growth helped create a stable employment base through the years immediately following World War II, during which time Chester's population peaked at 66,039. However, since the mid-1950s, Chester has experienced broad declines with many social and economic characteristics changing faster than the city could adjust. Employment declined as major industries moved out of the city and retail growth declined. Chester was left with a depressed tax base; vacant homes, offices, retail stores and businesses; and an underutilized but decaying infrastructure. A 1996 Philadelphia Inquirer article reported Chester ranking at the top of the state in crime, unemployment, and poverty. The Chester high school was ranked last in the Commonwealth in terms of student achievement. Economic opportunity, along with cultural and recreational activity, was virtually non-existent. Over 80 percent of the public housing residents were on welfare. The illegal drug trade was clearly the dominant and most lucrative industry in the area.

Recognizing the urgent need for a radical yet practical vision for the rejuvenation of Chester, the City and the Chester Housing Authority (CHA), embarked on an ambitious

and community-based strategic planning effort that culminated in the award of two HOPE VI grants. Chatham Estates (previously called Lamokin Village) was awarded a \$14.9 million HOPE VI grant in 1996. Wellington Ridge (previously called McCaffery Village) was awarded a \$9.7 million grant in 1998. The plans for these two sites were the result of a very intense and community-focused planning process. Given that CHA's public housing was located in a neighborhood with several indicators of distress—high vacancies, high crime rates, high unemployment levels, high poverty levels—it was critical that the revitalization effort not only address problems on the public housing sites, but also the needs of those in the larger community. As stated in early planning documents, "...the challenge...is to rebuild...networks of support and partnership between public housing residents and their neighbors, the businesses that serve them, and the organizations that provide much needed services."²³

To help build the new partnerships, the Chester HOPE VI Advisory Committee was convened to ensure that the wide range of stakeholders impacted by the revitalization effort were given the opportunity to learn about and provide advice and input into the planning process. More specifically, and as stated in the Lamokin/McCaffery Villages Existing Conditions Report, some of the goals and responsibilities of this group were to:

1. Use the redevelopment plan for these two CHA developments as an opportunity to stimulate private and public reinvestment in the surrounding neighborhoods and to stimulate investment designed to economically empower neighborhood residents;
2. Contribute to a visionary plan for revitalizing public housing in Chester that incorporates the expertise and talent of those who will be most impacted by changes; and
3. Overcome barriers between public housing residents, agencies and the surrounding neighborhood.²⁴

Residents from the public housing sites were heavily involved in the planning process. Residents were members of the Advisory Committee, participated in a survey, prepared and distributed newsletters, and, in an effort to involve the children in the planning process, several teams of children were given disposable cameras and were asked to photograph the good and bad attributes of their environment. This "Through the Eyes of Children" exercise illuminated important points to the planners, including the fact that children are cognizant of what is going on in and around their surroundings, particularly the negative aspects of their neighborhood. Like most children, the children from

²³ Lamokin/McCaffery Villages Existing Conditions Report, October 1996, p. 1-2.

²⁴ Lamokin/McCaffery Villages Existing Conditions Report, October 1996, p. 1-2.

Chatham Estates and Wellington Ridge want to grow up in a safe environment, with places to meet friends, places to learn, and nice places to live.

Members of the Advisory Committee, public housing residents, and city officials were clear that the overriding purpose of the revitalization program would be to integrate the Chatham Estates and Wellington Ridge developments with the larger neighborhood. Given this goal, it was important for the stakeholders to understand the city and neighborhood-wide issues that would have an impact on the revitalization of Chatham Estates and Wellington Ridge. To this end, the following statistics underscore the dismal conditions of the city of Chester, the HOPE VI neighborhood, and the HOPE VI sites themselves prior to the award of the HOPE VI grants. If anything, this information emphasizes the challenges (both physical and emotional) that needed to be addressed in the intervention strategy.

1. As of the 1990 Census, there were 41,856 persons in the city, which represented a decline of approximately 10 percent from its 1980 population; this is the largest population decline relative to other cities in Delaware County.
2. The lack of employment opportunities has contributed to an undue concentration of poor households in Chester. In 1990, 25% of the population in Chester lived in poverty compared to only 7% elsewhere in the county.
3. Chester's housing stock is old and in need of substantial rehabilitation. In 1990, 11% of the 17,501 housing units were vacant. While 55% of this Chester stock was owner-occupied, 73% of the housing stock in the surrounding county was owner-occupied.
4. According to a city report, the area surrounding Chatham Estates and Wellington Ridge neighborhood was the most distressed area in Chester. Income levels for the public housing residents were very low - \$8,023 for Chatham Estates and \$6,966 for Wellington Ridge. Only 16% of CHA households reported any earned income. The overwhelming majority (97%) of all CHA residents had incomes below 50% of area median.
5. In 1995, the city reached a low point: (1) it was \$4.3 million in debt; (2) the housing authority received a PHMAP score of 35; (3) the city's previous five years of CDBG funding were impounded; (4) the city's redevelopment authority was dissolved; (5) the public school system was in receivership; and (6) the Pennsylvania Department of Community Affairs officially designated Chester as a distressed municipality.

THE INTERVENTION STRATEGY

The Chester HOPE VI Advisory Committee developed a list of goals and objectives to guide the development of different policies and programs and to provide criteria for evaluating the revitalization alternatives that were prepared. The intervention strategy that was pursued and is being implemented in Chester is reflective of these goals, which were to:

- integrate public housing into the surrounding community;
- provide a range of housing opportunities for the public housing residents;
- pursue income mixing to encourage working families to reoccupy units at the new sites;
- develop a community and supportive services plan and economic development opportunities, which will benefit all CHA residents;
- reinforce neighborhood stabilization activities and enhance the commercial and economic revitalization of Chester; and
- create affordable homeownership opportunities on the public housing sites and in the surrounding neighborhood.

The revitalization strategy focused on four major components, each of which is described in the following pages. The strategy was the result of countless discussions among public housing residents, CHA staff, city representatives, business community, neighborhood groups, real estate professionals, architects, and legal counsel representing the residents.

Chatham Estates Redevelopment

Chatham Estates was constructed in the 1940s as family housing. The development had 350 units in 48 residential buildings (see Table 2-1). In 1996, the site was a severely blighted, 350-unit complex with 200 vacant units. CHA successfully applied for a \$14.9 million HOPE VI grant for the complete demolition and redevelopment of the Chatham Estates site. CHA elected to serve as its own developer for the 110 family townhouse units but procured a developer for the 40-unit Senior Village. The 150 units that have been developed are public housing units; the 40 units in the Senior Village are also Low Income Housing Tax Credit (LIHTC) units (see Table 2-2). In July 2000, the residents, city, and housing authority were able to celebrate the opening of the Senior Village.

Table 2-1. Unit Summary – Pre- and Post-Revitalization for Chester

City of Chester, PA									
Chatham Estates (Lamokin)					Wellington Ridge (McCaffery)				
		Pre-Revitalization		Post-Revitalization		Pre-Revitalization		Post-Revitalization	
Total Units	350		150		350		186		
Total Acres	17.7		17.7		22		11		
Density (du/acre)	19.8		8.5		15.9		12.4		
Building Type	Row house		Senior/Townhomes		Row house		Townhomes/Single family		
Unit Mix	Number	% of Total	Number	% of Total	Number	% of Total	Rental Units	% of Total	
1 BR	120	34.3%	50	33.3%	84	24.0%	28	25.0%	
2 BR	150	42.9%	58	38.7%	131	37.4%	49	45.0%	
3 BR	58	16.6%	32	21.3%	99	28.3%	33	30.0%	
4 BR	22	6.3%	8	5.3%	36	10.3%	0	0.0%	
5 BR +	0	0.0%	2	1.3%	0	0.0%	0	0.0%	
Rental Units	No. Units	Avg. Rent	No. Units	Avg. Rent	No. Units	Rents	No. Units	Avg. Rent	
PH only	350	\$175	110	-	350	\$162	-	-	
PH/LIHTC	-	-	40	-	-	-	110	n/a	
LIHTC only	-	-	-	-	-	-	-	-	
Market	-	-	-	-	-	-	-	-	
For-Sale Units			No. Units	Sale Price			No. Units	Sale Price	
On-site	n/a	n/a	n/a	n/a	n/a	n/a	26	\$50,000	
Off-site	n/a	n/a	n/a	n/a	n/a	n/a	50	TBD	
Income Mix	Households	% of Total	Households	% of Total	Households	% of Total	Households	% of Total	
0-30% AMI	211	95.5%	111	75.0%	222	98.2%	42	68.9%	
31-60% AMI	7	3.2%	32	21.6%	4	1.8%	19	31.1%	
61-80% AMI	3	1.4%	5	3.4%	0	0.0%	0	0.0%	
>80% AMI	0	0.0%	0	0.0%	0	0.0%	0	0.0%	
Median HH income	\$8,023		\$10,478		\$7,668		\$12,376		

Table 2-2. Chatham Estates Sources of Financing

Source	Senior Village	Family Townhouses	Total
HOPE VI Funds	\$0	\$10,601,079	\$10,601,079
CHA Development Funds	\$1,958,210	\$2,449,570	\$4,407,780
CHA Capital Funds	\$425,688	\$386,303	\$811,991
Tax Credit Equity	\$2,632,376	\$0	\$2,632,376
FHLB	\$150,000	\$0	\$150,000
Total	\$5,166,274	\$13,436,952	\$18,603,226

The 110 family townhouse units were developed by CHA as conventional public housing. The new site creates a clear separation between public and private zones within the site and provides street addresses and frontage to every unit. The townhomes are designed like other housing in the neighborhood, with pitched roofs, front porches for each unit, and articulated massing to express individual units. The new units were also designed to meet current spatial standards to attract and retain working families. Residents began occupying these one- and two-story townhome units in March 2002.

Exhibit 2-2. Chester, PA: Before and After Photographs

Before



Wellington Ridge (new construction to right)



Chatham Estates

After



Wellington Ridge (under construction)



Chatham Estates Senior Village (front)



Chatham Estates Townhomes



Chatham Estates Senior Village (rear)

Wellington Ridge Redevelopment

The public/private partnership between CHA and Wellington Housing Partnership LP is resulting in the private ownership and operation of public housing units interspersed within a mixed-income neighborhood of sales and rental housing. Of the 186 units being developed, 110 are public housing LIHTC rental units. The remaining 76 units will be homeownership units: 26 onsite and 50 units to be constructed in the adjacent neighborhood (see Table 2-1). The architectural design of the new development allows it to blend in and become part of the other residential communities of the city. Careful sensitivity to density and critical marketing issues such as the provision of off-street parking will create an appeal that will attract working families to the site. The physical plan for the development utilizes New Urbanism principles. A series of new streets introduces the grid of adjacent homeownership neighborhoods to the site, creating residentially-scaled blocks. The reintroduction of this street grid, which will be public, physically links the site with the adjacent neighborhood, eliminating its previous isolation. The housing designs eliminate the existing “barracks” type of structure and introduce several new types that are reflective of other residential neighborhoods in the city. Heavy gables, small corner porches, and bracketed cornices marry the image of the new units with local traditions. The new units came on line in April 2002 and reached full occupancy by November 2002.

The Shops at Wellington Ridge

Given its close proximity to the Interstate 95 exit ramps, CHA explored the possibility of commercial development on the northern section of the Wellington Ridge site. Based on the findings from a market study and overwhelming interest from neighborhood residents for a new retail development, CHA decided to set aside over 50% of the Wellington Ridge site for this venture. Dedicating this much land for non-residential purposes in an extraordinarily distressed neighborhood was a controversial and critically-important decision on the part of CHA. This commitment by the housing authority contributed to the city’s successful effort in obtaining state approval to designate this parcel of land a Keystone Opportunity Zone (KOZ). The KOZ program aims to stimulate job growth and business investment through abatements of state and local taxes. In addition to tax incentives, the program provides priority consideration for a variety of economic, job training and crime prevention programs.

Chester Timeline

- 1940** McCaffery Village and Lamokin Village are constructed.
- 1994** Chester Housing Authority placed in receivership by the U.S. District Court of Eastern Pennsylvania on August 31. Robert C. Rosenberg is the federal district court appointed Receiver.
- 1996** HOPE VI Planning Process undertaken for Lamokin Village and McCaffery Village.
37% vacancy rate at Lamokin Village and 35% vacancy rate at McCaffery Village.
HUD awards \$14.9 million HOPE VI grant to Lamokin Village (renamed Chatham Estates).
Chatham Estates: 84 percent of residents are receiving cash assistance from the Department of Public Welfare.
- 1997** Chatham Estates: HOPE VI Grant Agreement executed (July).
- 1998** HUD awards \$9.7 million HOPE VI grant to McCaffery Village (renamed Wellington Ridge).
Wellington Ridge: Grant Agreement executed.
One-Stop Shop serving Chatham and Wellington residents opens in March.
Chatham Estates: Developer for Senior Village selected.
- 1999** Chatham Estates: Demolition completed and construction started (Senior Village) (July).
Wellington Ridge: Developer for rental and for-sale units selected.
- 2000** Chatham Estates: Occupancy of 40 units (Senior Village) (June).
Chatham Estates: Demolition completed and construction started (Family development) (November).
Chatham Estates: Number of residents receiving cash assistance from the Department of Public Welfare decreases by 79%.
- 2001** Wellington Ridge: Demolition completed and construction starts for first 54 rental units (August).
Wellington Ridge: Submission of onsite homeownership plan to HUD (August).
Wellington Ridge: Construction started for 56 rental units (October).
- 2002** Chatham Estates: Occupancy of 110 units (Family development) (March).
Wellington Ridge: Occupancy begins for first 54 units (April).
Wellington Ridge: Occupancy of all rental units complete (November).
Wellington Ridge: Begin construction of The Shops at Wellington.
-

Table 2-3. Wellington Ridge Sources of Financing

Sources	Phase I	Phase II	Onsite HO	Offsite HO	Infrastructure	Total
	Rental	Rental				
HOPE VI funds	\$184,655	\$0	\$3,424,552	\$0	\$3,650,472	\$7,259,679
CHA Capital Funds	\$2,275,345	\$1,046,749	\$0	\$2,030,053	\$0	\$5,352,147
Tax Credit Equity	\$5,271,395	\$5,452,895	\$0	\$0	\$0	\$10,724,290
PennHomes (PHFA)	\$0	\$861,764	\$0	\$0	\$0	\$861,764
Deferred Developer Fee	\$0	\$47,375	\$0	\$0	\$0	\$47,375
DCED Funding (anticipated)	\$0	\$0	\$0	\$5,525,543	\$0	\$5,525,543
Homeowner End Loan	\$0	\$0	\$1,247,740	\$2,400,000	\$0	\$3,647,740
Homeowner Downpayment	\$0	\$0	\$26,000	\$50,000	\$0	\$76,000
FHLB- AHP	\$0	\$0	\$130,000	\$250,000	\$0	\$380,000
HOME/CDBG (city)	\$0	\$0	\$0	\$500,000	\$0	\$500,000
Downpayment Assistance (city)	\$0	\$0	\$26,000	\$50,000	\$0	\$76,000
Closing Cost Assistance (city)	\$0	\$0	\$130,000	\$250,000	\$0	\$380,000
Total	\$7,731,395	\$7,408,783	\$4,984,292	\$11,055,596	\$3,650,472	\$34,830,538

This 124,000 square foot shopping center, which will be developed by a major Real Estate Investment Trust (REIT) listed on the New York Stock Exchange, will be anchored by a 30,000 square foot supermarket—the first full-service grocery store in the neighborhood in over 40 years—and a well-known apparel department store. The developer is finalizing a lease document with the department store, and expects to execute a lease agreement with the supermarket as early as May 2002. The supermarket and the department store are scheduled to open in 2003. This \$25 million development is projected to provide approximately 300 jobs for residents of the Wellington Ridge complex and the surrounding neighborhood. This venture is not a charitable one on behalf of the developer. Real estate developers are not altruists—the developer for this retail center absolutely expects to realize sufficient revenue and profit to satisfy its shareholders.

Little progress was made on the retail front until after the original Wellington Ridge development was demolished and the new housing units were under construction. The demolition of the public housing site created a “clean slate” and thus afforded all parties—CHA, local residents, city officials, and the retail developer—the chance to capitalize on a mutually beneficial opportunity. Indeed, the “clean slate” issue appears to have factored prominently in the developer’s decision-making process. According to the retail developer, the demolition of the blighted buildings allowed company executives to realize and market some of the benefits of the site, such as its proximity to and visibility from the interstate. The director of real estate for one of the development’s prospective tenants stated that the presence of new mixed-income housing was a “plus” because it provided them with a captive local market.

Resident Initiatives

Clearly, the factor that will sustain Chester's revitalization effort is the transformation of the residents. CHA has never wavered from its commitment to involving the residents in every aspect of the HOPE VI program and this is reflected in its overwhelmingly successful community and supportive services program. The backbone of this program is the One-Stop Shop (OSS), which exists as the conceptual and physical intersection of CHA and its multitude of supportive service partners. The OSS provides case management services, skills assessments, job-readiness programs, homeownership counseling, transportation assistance, supportive service referrals, and other programs and services designed to meet the needs of CHA's residents. The case managers sponsor workshops on a monthly basis that include topics such as resume writing, interview skills, parenting skills, nutrition and wellness programs, and computer classes. Dr. Stephen Kauffman of the Widener University School of Social Work and the evaluator for Chester's HOPE VI program pointed out in his 2000 Evaluation Report that the OSS has been visited by over 1,000 residents, and staff have provided case management services to almost 1,300 residents. The OSS has been instrumental in decreasing the number of public housing households who receive cash assistance from the Department of Public Welfare by almost 80% during the past four years. The OSS is recognized as a model for assisting low-income individuals transition from welfare to work and to become increasingly more self-sufficient.

NEIGHBORHOOD CHANGE

Chester's HOPE VI redevelopment effort remains a work in progress. It began in earnest in 1997 but only a small number of families have moved into the recently completed Chatham Estates townhomes. Wellington Ridge was completed and occupied in December 2002. Thus, it is premature to fully assess the impact of HOPE VI on Chester. Nevertheless, there are observable changes and they are notable. For example, despite continued population decline and high poverty, Chester has attracted more than a half billion dollars for public works and private real estate development initiatives in the last five years. Several major investments are targeted for areas directly adjacent to the new housing developments. Highlighted in the following pages are observations and trends with respect to demographics, housing market conditions and other quality-of-life factors.

Demographics

Population

Chester lost approximately half of its population since 1950, and information collected from the 2000 Census reveals a continued decrease in the number of persons residing in

the city (see Table 2-4). The data also show an even steeper population decline in the neighborhoods where Chatham Estates and Wellington Ridge are located (40% and 26%, respectively, compared to a 12% decline in the city's population from 1990 to 2000). This decline could be attributed to the temporary relocation of public housing residents prior to demolition of both sites. Nevertheless, prolonged depopulation can adversely affect a community's prospects for further growth and development by contributing to a decline in housing demand, which in turn, could discourage certain types of investment. In Chester, there has been little investment in market-rate housing development for several years,²⁵ and the ongoing population decline could exacerbate this trend. Also, since retail-oriented businesses rely heavily on the presence of "rooftops," a concentration of residents within targeted geographic areas, Chester's ability to develop and sustain a firm base of enterprises may be threatened if out-migration continues to plague the city.

Table 2-4. Demographic Information

	Chatham Estates			Chatham Estates Neighborhood*			Wellington Ridge			Wellington Ridge Neighborhood**			Chester		
	Pre-Rev ¹	Post-Rev	% Change	1990	Post-Rev	% Change	Pre-Rev ¹	Post-Rev	% Change	1990	Post-Rev	% Change	1990	2000	% Change
Population															
Total Persons	595	235	-61%	4,506	2,721	-40%	727	n/a		3,199	2,379	-26%	41,856	36,854	-12%
Households	221	80	-64%	1,569	1,059	-33%	226	n/a		1,137	842	-26%	14,537	12,814	-12%
Average Family Size	2.69	2.41	-10%	3.41	3.19	-6%	3.21	n/a		3.42	3.39	-1%	3.38	3.34	-1%
Racial Composition															
White	2	0	-100%	52	40	-23%	31	n/a		1,220	402	-67%	13,392	6,980	-48%
Black	217	184	-15%	4,366	2,611	-40%	195	n/a		1,879	1,912	2%	27,276	27,897	2%
Hispanic	0	7		126	88	-30%	0	n/a		114	50	-56%	1,579	1,986	26%
Income															
Median Income	\$8,023	\$10,478	31%	\$10,474	\$18,803	80%	\$7,668	n/a		\$19,452	\$25,152	29%	\$20,864	\$25,703	23%

Source for 1990 and 2000 statistics: US Census Bureau

*The Neighborhood is identified as Census Tract 4052 in Delaware County, Pennsylvania.

**The Neighborhood is identified as Census Tract 4054 in Delaware County, Pennsylvania.

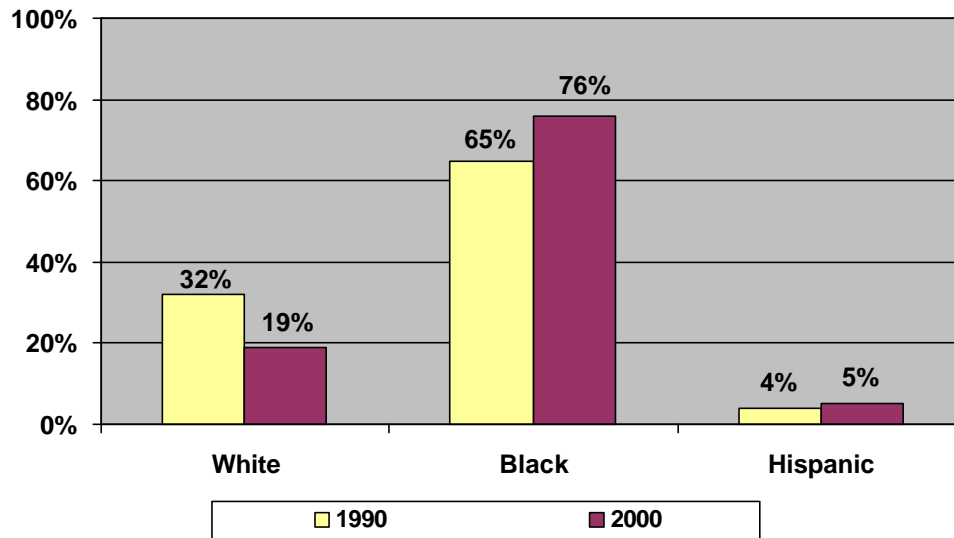
¹ CHA Report, 1996

Racial Composition

As many white residents moved to different communities over the past 10 years, Chester became home to a growing number of mainly poor African-Americans. The 2000 Census shows that blacks comprise 76 percent of the city's population (as compared to 15 percent countywide) (see Exhibit 2-3). The two HOPE VI neighborhoods have an even higher percentage of blacks; 95 percent of the Chatham Estates neighborhood is African-American and 81% of the Wellington Ridge neighborhood is African-American. It is too early to tell if the revitalization activities in this Chester neighborhood will change the racial composition over time, particularly given the racial changes occurring citywide.

²⁵ David N. Sciocchetti, Executive Director of the Chester Economic Development Authority.

Exhibit 2-3. Chester Racial and Hispanic Comparison



Income

Median household incomes in the two HOPE VI neighborhoods have increased in the past decade. One possible explanation is the temporary relocation of Wellington Ridge and Chatham Estates residents. They had pre-revitalization median household incomes of \$7,668 and \$8,023, respectively, placing them below the neighborhood median income. Thus, the relocation of these public housing residents would have resulted in a larger proportion of residents with higher incomes remaining in the neighborhood.

Preliminary data suggests that many of the original residents returning to the HOPE VI sites have higher incomes (due to very successful job training and job placement programs) and it will be critical to track household income data over time to test the redevelopments efforts to both attract and retain working households.

Housing Market Strengths

Homeownership

Some of the trends captured in the table below suggest that the Chester housing market is not faring well. In the past decade, the total number of units in Chester has decreased, the vacancy rate has risen from 12 to 14 percent, and owner-occupancy has decreased from 47 percent to 41 percent (see Table 2-5). These data carry negative implications for neighborhood stability. First, sizable decreases in the proportion of owner-occupied

housing units could aggravate a neighborhood's decline as it is generally believed (although not necessarily supported by research) that renters do not share the same housing up-keep and investment behaviors as homeowners. Second, the increase in vacancy rates again provides evidence of declining housing demand in the city and could similarly trigger further destabilization. Generally, if property owners see their profits dwindle because too many of their units are vacant, then they may decide to cut back on maintenance and up-keep to reduce costs. Over time, these properties could fall into disrepair or even become abandoned.

Table 2-5. Housing Tenure

Housing Tenure	Chatham Estates Neighborhood ¹				Wellington Ridge Neighborhood ²				Chester			
	1990	% Total	2000	% Total	1990	% Total	2000	% Total	1990	% Total	2000	% Total
Owner-Occupied	548	44%	442	39%	531	30%	412	38%	7,720	47%	6,107	41%
Renter-Occupied	589	47%	617	55%	1,038	59%	430	40%	6,817	41%	6,707	45%
Vacant Units	114	9%	71	6%	190	11%	233	22%	1,975	12%	2,162	14%
Total Units	1,251	--	1,130	--	1,759	--	1,075	--	16,512	--	14,976	--

Source for 1990 and 2000 statistics: US Census Bureau and Claritas Inc.

¹ The Neighborhood is identified as Census Tract 4052 in Delaware County, Pennsylvania.

² The Neighborhood is identified as Census Tract 4054 in Delaware County, Pennsylvania.

The housing dynamics in each HOPE VI neighborhood vary somewhat from the citywide dynamics. In the Chatham Estates neighborhood, the loss of owner-occupied units has shifted the renter-occupied rate from 47 percent in 1990 to 55 percent in 2000, but the vacancy rate is well below that for the city. In the Wellington Ridge neighborhood, however, the vacancy rate is very high and the total number of renter-occupied units has dropped substantially from 1,038 to 430 units in 2000. Some of this is attributable to the demolition of renter occupied units at the HOPE VI sites. It will be interesting to track any changes over time in owner-occupancy rates, especially at Wellington Ridge where a total of 76 new for-sale units are part of the HOPE VI plan (26 on-site and 50 targeted for the immediate neighborhood).

Property Values

Fair market values are unavailable,²⁶ but stakeholder perceptions help provide some insight into property value trends in Chester. According to Larry Ozer, realtor and Chester Tax Assessor, the investor market has been strong in relation to previous years. He estimates that sales prices of investor properties have increased from ten to 15 percent

²⁶ The City of Chester has not updated its property assessments for a number of years.

between 2000 and 2001.²⁷ This increase could be attributed to speculative buying or by the increase in number of Section 8 vouchers in recent years which can lead to inflated rents at Fair market Rent levels if not carefully monitored.

Quality of Life

Crime

For many years, crime and public safety have represented a persistent challenge for Chester. The city has the highest crime rate in Delaware County. However, this should not cloud the fact that the incidence of every major category of crime has steadily decreased in recent years (in keeping with a national drop in crime) (see Table 2-6). Chester's Mayor attributes this trend to the HOPE VI redevelopment effort. Since the demolition and continuing revitalization of the distressed public housing, the southwest area has "gone from being one of Chester's most crime-infested neighborhoods, to one of its safest."²⁸ Those who once viewed the city as being overrun by criminals engaged in violent gang warfare²⁹ are beginning to recognize Chester's favorable attributes. Private sector stakeholders in particular have responded positively by making sizable investments in many commercial initiatives (see next section). A more general lesson to be learned from the mounting private investment is the extent to which public safety considerations (perceived or actual) can affect neighborhood change. Without a mechanism for addressing crime, communities may effectively be discouraging investment that can affect many other spheres (e.g., economic, social) of neighborhood life.

Table 2-6. City of Chester Crime Statistics 1995-2000

Chester	1995	1996	1997	1998	1999	2000	% Change 95 - 00
Violent Crime*	2,435	2,024	1,970	1,605	1,467	1,326	-46.0%
Burglary	959	873	604	690	579	432	-55.0%
Theft	1,478	1,374	1,224	1,066	946	791	-46.0%
Auto Theft	741	730	724	695	435	425	-43.0%

*Crimes Include: Homicide, rape, robbery, and aggravated assault.

Source: Chester Police Department

²⁷ Larry Ozer, Realtor and Chester City Tax Assessor, December 2001, telephone interview.

²⁸ Mayor Dominic Pileggi, December 2001 interview.

²⁹ *Fighting the Culture of Poverty in a Worst-Case School*, by Brent Staples, New York Times, March 4, 2002.

Education

One specific measure of the quality of schools is high school dropout rates. In the Chester Upland School District, the rate was 8.3 percent in 1999, which was nearly three times the Delaware County dropout rate. As described in a recent New York Times editorial, Chester High School is facing an array of challenges (e.g., violence and managerial dysfunction) that contribute to poor educational outcomes.³⁰ It does not appear that any significant changes have occurred with respect to Chester's schools since the two HOPE VI redevelopment efforts have been underway. Because the quality of schools can contribute to neighborhood change by attracting and retaining working families, it will be important to continue to examine the issue of school stability in the context of the newly revitalized public housing. Over time, local stakeholders and other observers may learn that the future of the schools and the new housing is very closely linked.

Collateral Investment

What emerged from discussions with local government officials is that HOPE VI efforts assisted them from an industrial recruitment standpoint. The presence of new housing in the southwest corridor helped illustrate to the developer that the city is experiencing a "renaissance"³¹ in the area. This points to the powerful marketing value of newly revitalized public housing. As Chester's economic development chief explained, the HOPE VI initiative may be one of the "most valuable tools" in the city's effort to recruit and retain business.³²

Since 1996, approximately \$557.6 million in private and public resources has been slated for investment in Chester, and much of this is for private enterprises that have the potential to expand the city's employment base. (See Table 2-7 and Exhibit 2-4.) These initiatives include, but are not limited to, the \$181 million expansion of the Kimberly Clark plant, and the development of a \$10 million business park for technology companies. One project that appears to be of great importance to City leaders is The Wharf at Rivertown. It is one of Chester's most aggressive economic development initiatives in over a half century. A major Philadelphia-area developer is investing up to \$300 million to redevelop the former PECO Energy power plant located along the banks of the Delaware River. The Wharf at Rivertown will consist of 400,000 square feet of office space, two marinas and a sailing regatta, a sports and recreation center, plus residential and retail components. The developer has thus far secured the technology

³⁰ *Fighting the Culture of Poverty in a Worst-Case School*, by Brent Staples, New York Times, March 4, 2002.

³¹ Mayor Dominic Pileggi, December 2001 interview.

³² David N. Sciochetti, December 2001 interview.

company, Synergy, as a major tenant. A provider of Enterprise Incentive Management software and services, the company will relocate its world headquarters to the former energy plant. Synergy will occupy 200,000 square feet and will create 500 new jobs.

SUMMARY

While Chester's HOPE VI projects have undoubtedly played a critical role in attracting private-sector capital to the city and have made significant inroads in addressing the blight and despair that once defined the city, data indicate that the challenge of sustaining neighborhood transformation is ongoing. For example:

- Chester has lost more than half its population since 1950 and information collected from the 2000 Census reveals a continued net outmigration from the city and an increasingly higher percentage of blacks in the overall population.
- The Chester housing market continues to struggle. The city has experienced sharp declines in the percentage of owner-occupied housing units, coupled with an increasing vacancy rate. Research indicates that decreases in the proportion of owner-occupied to renter-occupied units could facilitate declining neighborhood dynamics. Further, the increase in vacancy rates provides evidence of declining housing demand in the area and could trigger neighborhood destabilization.
- The city continues to have the highest crime rate in Delaware County. However, this statistic should not cloud the fact that the incidence of every major category of crime has steadily decreased in recent years—a trend the Mayor attributes to the HOPE VI redevelopment effort.
- The Chester Upland School District is in receivership as a result of mismanagement and poor student performance. Clearly, to attract working households to the city in general and to the HOPE VI sites in particular, the quality of the schools must improve. School quality is perhaps the largest single factor that will determine whether Chester can complete its transformation from distressed city to a vibrant, energized, and economically diverse one.

Table 2-7. City of Chester, PA: Public and Private Investments 1996-2001

Business/Retail	
Wellington Ridge Retail Complex*	\$25,000,000
Ace Linen & Del. County Linen New Business	\$1,600,000
Kimberly Clark Major Plant Investment	\$181,000,000
Lobec, Inc. New Business	\$1,000,000
DELCORA Headquarters	\$1,400,000
SCI Chester New Construction	\$70,000,000
Flynn Company New Office Building	\$2,600,000
ABC Lid Co. New Business	\$1,000,000
Days Inn Acquisition & Renovation	\$3,000,000
Chester Transit Center Reconstruction	\$8,000,000
Crozer Office Building Rehab.	\$1,500,000
Total	\$296,100,000
Housing	
Wellington Ridge New Housing*	\$34,800,000
Wharf @ Rivertown	\$50,000,000
Central Avenue New Townhouses	\$1,500,000
Chatham Estates New Housing*	\$18,600,000
William Penn New Housing	\$10,000,000
Residences at Chestnut Ridge Construction	\$20,000,000
St. James Place Renovation	\$3,000,000
Total	\$137,900,000
Infrastructure/Public Improvements	
New City Hall	\$7,000,000
Barry Bridge Park	\$1,600,000
Memorial Park Renovations	\$1,000,000
Route 291 West Reconstruction	\$32,000,000
Seaport Drive	\$2,500,000
Fifth St. Bridge Reconstruction	\$1,900,000
Edgmont Avenue I-95 On-Ramp	\$6,000,000
Route 291 East Reconstruction	\$21,000,000
Total	\$73,000,000
Medical/Technology	
Norquay Tech. Acquisition and renovation	\$1,400,000
University Technology Park Phase I & II	\$10,000,000
CWA Distribution Headquarters	\$2,400,000
Crozer Regional Cancer Center	\$12,000,000
National Medical Imaging Corp. Open MRI Center	\$2,300,000
Total	\$28,100,000
Education	
Widener Office Building Renovation	\$2,000,000
Widener School of Business	\$9,000,000
Widener University Center Expansion	\$8,500,000
Widener Cottee Hall Addition	\$3,000,000
Total	\$22,500,000
Total Investment	\$557,600,000

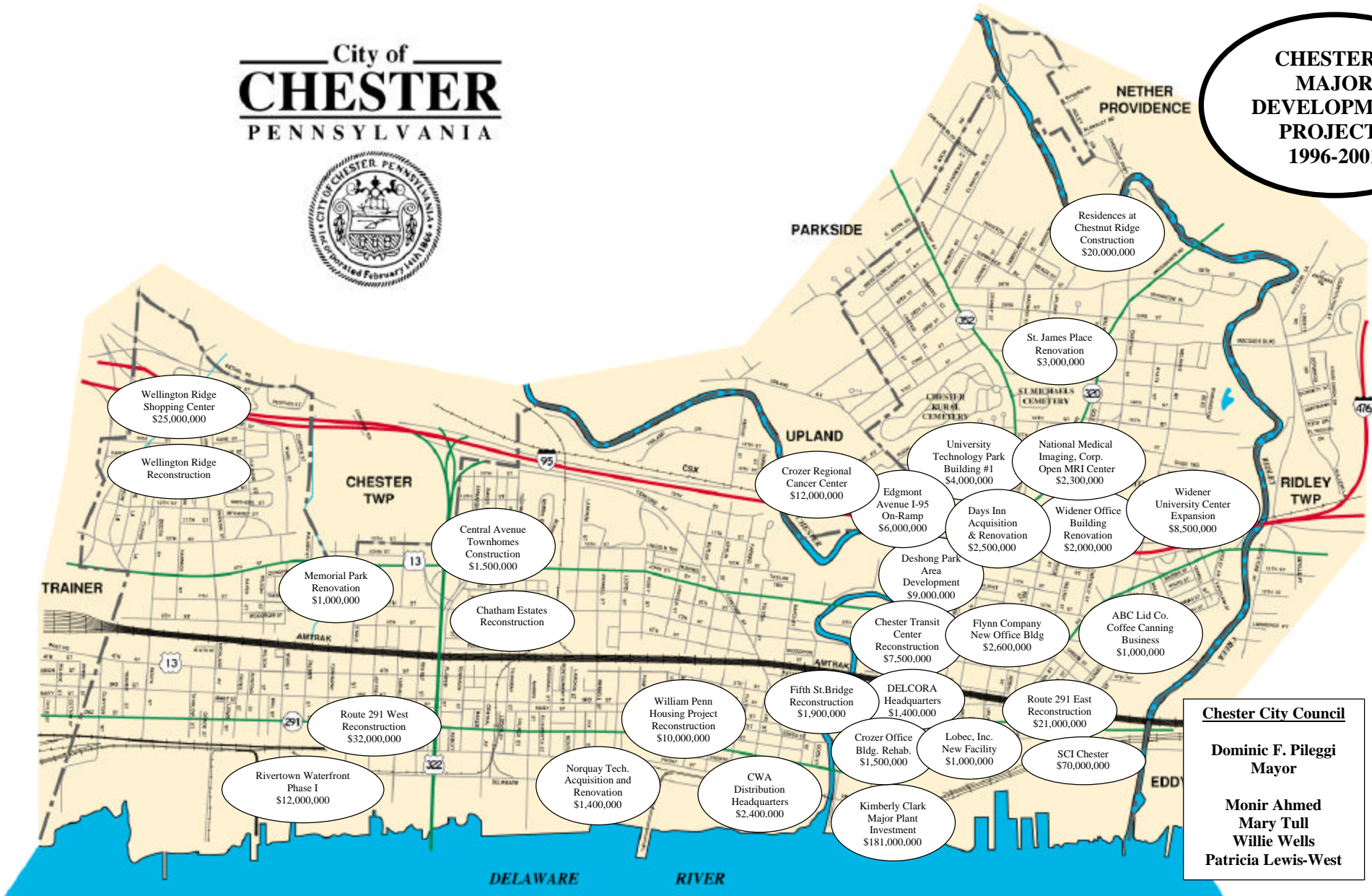
*HOPE VI Investment

Exhibit 2-4. Chester: Map of Chester's Major Redevelopment Projects

City of
CHESTER
PENNSYLVANIA



CHESTER'S MAJOR DEVELOPMENT PROJECTS 1996-2001



Chester City Council

Dominic F. Pileggi
Mayor

Monir Ahmed
Mary Tull
Willie Wells
Patricia Lewis-West

Wellington Ridge Shopping Center
\$25,000,000

Wellington Ridge Reconstruction

Memorial Park Renovation
\$1,000,000

Central Avenue Townhomes Construction
\$1,500,000

Chatham Estates Reconstruction

Route 291 West Reconstruction
\$32,000,000

Rivertown Waterfront Phase I
\$12,000,000

Norquay Tech. Acquisition and Renovation
\$1,400,000

CWA Distribution Headquarters
\$2,400,000

William Penn Housing Project Reconstruction
\$10,000,000

Fifth St. Bridge Reconstruction
\$1,900,000

Crozer Office Bldg. Rehab.
\$1,500,000

Kimberly Clark Major Plant Investment
\$181,000,000

Chester Transit Center Reconstruction
\$7,500,000

DEL CORA Headquarters
\$1,400,000

Deshong Park Area Development
\$9,000,000

Flynn Company New Office Bldg
\$2,600,000

Days Inn Acquisition & Renovation
\$2,500,000

Widener Office Building Renovation
\$2,000,000

ABC Lid Co. Coffee Canning Business
\$1,000,000

Route 291 East Reconstruction
\$21,000,000

SCI Chester
\$70,000,000

Crozer Regional Cancer Center
\$12,000,000

Edgmont Avenue I-95 On-Ramp
\$6,000,000

University Technology Park Building #1
\$4,000,000

National Medical Imaging, Corp. Open MRI Center
\$2,300,000

Widener University Center Expansion
\$8,500,000

St. James Place Renovation
\$3,000,000

Residences at Chestnut Ridge Construction
\$20,000,000

While Chester continues to confront and address its challenges, the housing authority and city are also committed to sustaining the positive changes that have taken place in Chester over the past few years. This effort has taken two forms: (1) a resident-led community development corporation and (2) a sustainability committee. One of the distinguishing features of HOPE VI is its emphasis on engaging key stakeholders throughout every phase of the development process. As a result of participating in HOPE VI planning and implementation, several of the Chatham Estates residents strengthened their leadership and community-building skills. Their initiative and commitment to their community and neighborhood paved the way for the creation of a resident-led community development corporation (CDC) that will serve as a permanent institutional mechanism for engaging a grassroots constituency in revitalization citywide. The new CDC and the Chatham Estates Resident Council will continue working with partners to further promote revitalization efforts within the city, including developing additional affordable housing units and expanding economic opportunities for residents. The CDC has received a \$100,000 start-up grant and is applying for IRS tax-exempt designation. The establishment of this CDC will thus serve as a powerful, tangible illustration of what can occur when residents become more vested in their community.

In March 2001, CHA convened its first meeting of a sustainability committee. The sustainability committee meetings have been very well attended and include representatives from the resident organization, public sector, foundations, banks and real estate development industry, universities, and nonprofit supportive service providers. The committee is engaged in developing a short- and long-term strategic plan that will serve to sustain recent successes and guide all future development and investment-related initiatives for the HOPE VI neighborhood and housing authority.

The story presented in this case study presents some contradictory information. Most notably, Chester is burdened with falling property values and a declining population, yet it has attracted more than \$500 million in investment in recent years. Why are mainly private interests eager to direct enormous sums of money into a city, and a HOPE VI neighborhood, that by many measures is in decline? As one executive noted, “[real estate developers] are not altruists.” It may be that the perception of change, as evidenced by substantial new construction of housing and retail facilities in the HOPE VI neighborhood, is more powerful than Census data or public records in influencing investment decisions. The full impact of HOPE VI revitalization on collateral investment and neighborhood change will be measured years from now.

It is undeniable that the revitalization of public housing has been an important factor in Chester’s progress. By demonstrating to the private sector that steps are being taken to reverse the conditions with which Chester and the former Lamokin Village and McCaffrey Village have been associated—high crime, urban blight and high

unemployment—local officials have addressed, head-on, the negative public perceptions that have discouraged investment in the past. Overall, HOPE VI may not be singularly responsible for increased private and public investment, but has been an important factor in leveraging interest that has helped fuel investment momentum in the HOPE VI neighborhood and the city of Chester.

ACKNOWLEDGEMENTS

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Steven Lalli, Director of Planning & Development, Chester Housing Authority
Michael Lundy, Executive Director, Chester Housing Authority
Renee O'Neil, Planning Manager and HOPE VI Grant Coordinator, Chester Housing Authority
Larry Ozer, Tax Assessor, City of Chester
William Payne, Director, Chester Planning Department
Honorable Dominic Pileggi, Mayor
Robert Rosenberg, Receiver, Chester Housing Authority
David N. Sciocchetti, Executive Director, Chester Economic Development Authority

3

ATLANTA, GA

This case study focuses on the Villages of East Lake, located in the easternmost section of the city of Atlanta, just six miles from the central business district. This once distressed public housing site was revitalized in 1995 with the assistance of a \$33.5 million HUD development grant initially awarded to the Atlanta Housing Authority in 1993. AHA partnered with a major local developer to transform a distressed public housing site into an economically diverse housing community rich in recreational and service-oriented amenities. This project was completed in 1997 and has been occupied since this time.

This case study examines, among other issues, how public housing redevelopment could capitalize on a citywide trend of central city in-migration to produce positive outcomes as well as some unintended consequences for area residents. A community foundation is taking the lead role in ensuring the long-term sustainability of this major revitalization effort.

CONTEXT AND BACKGROUND

Incorporated in 1845, Atlanta is the largest city in Georgia, and the seat of Fulton County. Today, Atlanta is arguably the principal commercial and transportation hub of the southeastern U.S., and is the economic engine of a 3.3 million-population (416,474 in the city proper), ten-county region.³³ The area has a diverse job base that is anchored by employers across every sector. In fact, Atlanta is the corporate headquarters of several major business enterprises such as Coca-Cola, CNN-Time Warner and United Parcel Service. Atlanta has also achieved greater prominence on the world stage, partly as a result of hosting the 1996 Summer Olympics.

Due to significant economic growth during the 1980s and 1990s, the region experienced rapid suburban growth. The growth of suburban communities, in turn, contributed heavily to sprawl, traffic congestion, and also a decline in the population of Atlanta proper. Specifically, many city residents moved to suburban areas to take advantage of various amenities and opportunities. However, due in part to renewed economic interest in urban areas of Atlanta, widespread frustration with long commutes to and from the suburbs, and incentive programs for pursuing housing and economic (re)development in distressed

³³ As defined by the Atlanta Regional Commission, 2000 Census data.

areas, many families are returning to Atlanta's neighborhoods. As a result, many of Atlanta's inner-city neighborhoods—predominantly African-American communities that have been plagued with violent crime, entrenched poverty, severe blight and other adverse conditions—are experiencing a renaissance.

Professor Larry Keating of the Georgia Institute of Technology asserts that the heightened demand for housing in the city (among a largely middle-class group of in-movers) has been a “blessing” for these neighborhoods, because it set in motion many positive trends that have strengthened communities once in decline. New single-family homes have been built on land that was previously neglected and dangerous; new apartments and mixed-use facilities are being built on the sites of former public housing projects; vacant industrial and commercial properties have been converted to condominiums; and there is greater demand for retail and commercial enterprises. The increased demand for housing in these neighborhoods has thus laid the foundation for community revitalization and has helped reverse the patterns of deterioration and abandonment once evident in these communities.³⁴

The East Lake neighborhood is located in the easternmost section of the city of Atlanta, and partially extends into DeKalb County³⁵ (see Exhibit 3-1). The neighborhood is less than six miles from downtown Atlanta. East Lake's modern history is not unlike that of many other southern communities that experienced major demographic shifts in the years following desegregation. Sweeping civil rights legislation liberated many African-Americans who moved to neighborhoods previously unavailable to them. In areas like East Lake, white residents sold their homes and businesses and moved to suburban neighborhoods on the outskirts of the central city. Massive white-flight unfortunately occurred hand-in-hand with major disinvestments in the neighborhood.³⁶ One symbol of white-flight was the closing of the East Lake Golf Club. Since 1920, it had been considered one of the greatest courses in this country; it was also the home course of golf legend Bobby Jones.

The neighborhood increasingly suffered physical and social deterioration and the 650-unit East Lake Meadows public housing complex, which was built in 1970, soon became ground zero. By the early 1990s, the East Lake Meadows area was disparagingly dubbed “Little Viet Nam.” The community was one of the most violent neighborhoods in the city; Two young people were shot dead in their beds and drug deals were conducted in the

³⁴ *A City for All*, Report of the Gentrification Task Force of the Atlanta City Council, September 17, 2001.

³⁵ The city of Atlanta is primarily located within Fulton County, but a small portion straddles DeKalb County.

³⁶ *Miracle at East Lake*, Opulance, 2000, by Dan Gleason.

streets in broad daylight.³⁷ The following data summarize the dismal conditions that existed in the East Lake neighborhood:

1. As of the 1990 Census, the median income in the East Lake neighborhood was \$13,494 as compared to \$22,275 citywide.
2. The 1990 Census revealed that 9.2 percent of East Lake area residents lived in poverty, as compared to 5.5 percent of all Atlantans.
3. Prior to revitalization of East Lake Meadows, the public housing complex had a 36 percent vacancy rate—more than twice the 15 percent vacancy rate in the city.

THE INTERVENTION STRATEGY

In 1993, real estate developer Tom Cousins, CEO of Atlanta-based Cousins Properties, purchased the dilapidated East Lake Golf Club. Cousins had long been an admirer of golf legend, Bobby Jones, who learned to play the game at the East Lake facility and considered it to be his home course. He therefore welcomed the chance to acquire the country club and spend approximately \$25 million to restore it to its original luster. Cousins then sold corporate memberships at \$75,000 per company, and then encouraged members to donate \$200,000 to the East Lake Community Foundation—which was established by the Cousins Foundation—to help improve conditions in the troubled East Lake neighborhood surrounding the golf club. He was keenly interested in addressing the myriad social and economic challenges confronting local residents, especially those living in the nearby East Lake Meadows public housing complex, which at that time was perceived as a primary source of the community's crime and poverty. Cousins had been a dedicated financial supporter of urban improvement activities throughout Atlanta, but they had typically been small-scale initiatives—piecemeal responses to pressing conditions. He was eager to become involved in a project that would have a greater impact on a severely distressed neighborhood.

The opportunity for a value-added partnership between Cousins and the AHA developed when Renee Glover, a former corporate lawyer, was appointed the AHA's new Executive Director in September 1994. She overhauled the leadership and management team, and sought to make dramatic, long-term improvements at the East Lake public housing development using a \$33.5 million HUD grant initially awarded to the AHA in 1992. The grant was intended to assist with the rehabilitation of East Lake Meadows. However, Glover sought to implement more dramatic changes by using the agency's resources to

³⁷ *Hope from the Ground Up*, Atlanta Journal-Constitution, October 17, 1999, by Cynthia Tucker.

leverage private sector dollars that would help support a full-scale revitalization.³⁸ Through a competitive procurement process, the AHA selected the Cousins Family Foundation as its partner in the redevelopment effort.

In 1995, the Cousins Family Foundation established the East Lake Community Foundation (ELCF).³⁹ ELCF eventually assumed a leading role, serving along with the AHA as developer. The goal of this mixed-finance revitalization project was to create a moderate density, economically diverse housing community that was rich in recreational and service-oriented amenities. The standard for the East Lake project was set by the revitalization of Centennial Place—the AHA’s first mixed-income project, and the first mixed-finance project approved by HUD in the nation.⁴⁰ Located in downtown Atlanta, Centennial replaced the distressed and crime-ridden Techwood and Clark Howell housing communities. The new complex consists of 728 units (40 percent public housing, 40 percent market rate, and 20 percent tax credit units), an on-site elementary school and new state-of-the-art YMCA, a new branch bank, and a heavy emphasis on self-sufficiency programs. Photographs depicting conditions at East Lake before and after HOPE VI revitalization are show in Exhibit 3-2.

Housing Revitalization

As with other public housing redevelopment efforts nationwide, the revitalization of East Lake Meadows—renamed the Villages of East Lake—was initially greeted with disbelief by many residents who felt they had no reason to trust the AHA. The agency, in their view, failed to live up to its responsibility to provide the residents with quality services. This perception was compounded by racial mistrust. Lucia Clark recalled being skeptical of any “white folks who set foot on that property [claiming to have an interest in] helping the residents.”⁴¹ Many residents bought into the notion of conspiracy, believing that the proposed revitalization was merely an underhanded way to evict them from their homes.⁴² She and others joined then-tenant association leader Eva Davis in opposing Phase I of the redevelopment effort. After lengthy discussion, the residents backed off of their opposition to the project when the development team agreed to an income mix that provided for a 50/50 breakdown of public housing versus market rate units.

³⁸ Carol Naughton, Executive Director of the East Lake Community Foundation, December 2001 interview.

³⁹ Carol Naughton, December 2001 interview.

⁴⁰ Renee Glover, Executive Director of the Atlanta Housing Authority, December 2001 interview.

⁴¹ Lucia Clark, Villages of East Lake Resident, December 2001 interview.

⁴² Lucia Clark, Villages of East Lake Resident, December 2001 interview.

Exhibit 3-2. Atlanta, GA: Before and After Photographs

Before



After



The severe mistrust that characterized the discussion between residents and the development team during Phase I re-emerged during negotiations on Phase II. Residents were most concerned about the relocation plan, and in October 1998 the resident association sued the AHA to stop the redevelopment process. However, the courts dismissed the suit two months later, and a final development agreement was reached by April 1999. Construction began on Phase II in August 1999 and was 100 percent completed by February 2001.

Overall, the housing component of the Villages of East Lake is a \$52 million effort (with public housing capital funds representing \$33.5 million) that replaced a severely distressed, 650-unit public housing development with 542 new mixed-income rental townhouses and garden apartments (see Table 3-1).

Supportive Services

This facility serves as the primary venue for self-sufficiency programs for unemployed public housing residents of the Villages. They receive adult education, job readiness training, job placement and counseling through programs operating at the YMCA. Residents also receive services through several other providers such as the DeKalb Private Industry Council, Goodwill Industries, and the Support to Employment Program (STEP). The Villages of East Lake property manager is responsible for coordinating and overseeing case management outreach, and financial support for self-sufficiency programs comes from AHA's public housing capital funds. Overall, the self-sufficiency programs have helped increase employment of public housing residents at the Villages to 80-90 percent. This stands in stark contrast to the mere 10 percent of residents who were employed at the old East Lake Meadows complex.

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Table 3-1. Unit Summary of Pre- and Post-Revitalization

Atlanta Villages of East Lake					
Pre-Revitalization			Post-Revitalization		
Total Units	650		542		
Total Acres	57		69		
Density	11.4		7.9		
Building Type	Walkup/row/semi-detach		Townhome/Garden Apt.		
Unit Mix	Number	% of Total	Number	% of Total	
1 BR	76	11.7%	46	8.5%	
2 BR	88	13.5%	259	47.8%	
3 BR	223	34.3%	191	35.2%	
4 BR	203	31.2%	46	8.5%	
5 BR +	60	9.2%	0	0.0%	
Rental Units	No. Units	Rents	No. Units	Avg. Rent	
PH only	650	\$112	-	-	
PH/LIHTC	-	-	271	\$185	
LIHTC only	-	-	-	-	
Market	-	-	271	\$1,000	
Income Mix	Households	% of Total	Households	% of Total	
0-30% AMI	405	97%	183	34%	
31-60% AMI	14	3%	83	15%	
61-80% AMI	0	0%	5	1%	
>80% AMI	-	-	271	50%	
Median HH income	\$4,536		\$14,600*		

*Public housing units only

NEIGHBORHOOD CHANGE

Nearly four years after occupancy of Phase I, the Villages of East Lake represents an impressive public housing revitalization effort. A closer look at demographics, housing market conditions, and quality-of-life issues illustrate the transformations that have emerged since the completion of this ambitious project.

Demographics

Population

The sharp population decline (both in terms of total persons and households) from 1990-2000 evidenced in Census data is generally a signal of a community in decline (see Table

3-2). As noted in the Introduction, depopulation can contribute to a decline in housing demand, thus increasing the likelihood of other forms of disinvestment (e.g., out-migration of commercial establishments and other businesses). However, other important indicators such as median income (which increased 59 percent in the East Lake neighborhood) and average home sales prices (which have been steadily increasing since 1997) appear to be strong and thus do not support the view that the East Lake neighborhood is in trouble. One possible factor in the population decline is the temporary relocation of 419 public housing families prior to the demolition of the site, but this would still account for less than 15 percent of the 3,089 persons who no longer reside in the neighborhood. To what can we attribute the 33 percent drop in population? Have there been far-reaching trends that may have contributed to the out-migration of large numbers of residents? The section on housing market strengths shows that escalating property values (which increased 264 percent between 1998 and 2001) and rising home sales prices (which have gone from \$45,884 in 1994 to \$166,771 in 2001) may have fueled an out-migration of persons, and along with this, a dramatic decrease in the number of African-American residents.

Table 3-2. Demographic Information for Villages of East Lake

Demographics	Villages of East Lake			East Lake Neighborhood*			Atlanta		
	Pre-Rev ¹	Post-Rev ²	% Change	1990	2000	% Change	1990	2000	% Change
Population									
Total Persons	1529	733	-52%	9,502	6,413	-33%	394,017	416,474	6%
Households	419	270	-36%	2,892	2,355	-19%	155,752	168,147	8%
Average Family Size	3.65			3.86	3.45	-11%	3.18	3.16	-1%
Racial Composition									
White	0	0		359	889	148%	122,327	138,352	13%
Black	1529	733		9,089	5,221	-43%	264,262	255,689	-3%
Hispanic	0	0		32	139	334%	7,525	18,720	149%
Income									
Median Income	\$4,536	\$15,000	231%	\$13,494	\$21,441	59%	\$22,275	\$34,770	56%

Source for 1990 and 2000 statistics: US Census Bureau and Claritas Inc.

*The East Lake Neighborhood is identified as Census Tract 208 in DeKalb County, Georgia.

¹ AHA Report, 1995

² AHA Report, 1999

*The Atlanta Housing Authority collects demographic information on public housing residents only. Demographic information is not collected for market-rate residents.

East Lake Timeline

1968	All but 25 members of the East Lake Golf Club vote to move their memberships to a country club in North Fulton County
1970	East Lake Meadows is constructed on land formerly owned by the East Lake Golf Club
1990	Four-year-old Monica Rose Mae Carr is killed by gunfire at East Lake Meadows
1991	Eight-year-old Xavier Antone Bennett, Jr. dies in a shoot-out between his father (an alleged drug dealer) and Atlanta Police
1993	Cousins Family Foundation acquires East Lake Golf Club
1994	New executive management at the AHA. Informal discussions take place between Cousins and AHA
1995	AHA and Cousins hold initial meetings with East Lake residents regarding redevelopment effort (February) The ELCF is formed by the Cousins Family Foundation (November)
1996	Began design / planning process with residents (March) Phase I: Application by AHA to HUD (September) Phase I: HUD approval (November) Closed on Phase I (December)
1997	Phase II: RFP issued (January) Phase I: Demolition (January) Phase I: Start Construction (April) Phase II: RFP Closed (May)
1998	Phase I: Begin Occupancy (March) Phase II: Start design / planning process (April) Phase I: 100 percent occupancy (August) AHA sued by residents over relocation plan (October) Residents' suit dismissed. Application by AHA to HUD for Phase II (December)
1999	Agreement reached for Phase II (April) Closed on Phase II (July) Phase II: Demolition (April) Phase II: Start construction (August) Charlie Yates Public Golf Course opens (September)
2000	Charles R. Drew Charter School begins classes in a temporary facility (August) Phase II: 45 percent Complete Construction & Occupancy (September)
2001	Phase II Complete (February) Phase II 100 percent Occupied (March) Charles R. Drew Charter School begins classes in new building (August) YMCA opens (September) Publix Supermarket opens (November)

Racial Composition

Some stakeholders indicated that changing racial composition has been one of the most visible transformations to occur since the East Lake revitalization. Most notably, the number of whites has more than doubled (from 359 in 1990 to 889 in 2000) (see Table 3-2), while the black population has dropped by nearly half (from 9,089 in 1990 to 5,221 in 2000). A walk through the new YMCA on the Villages of East Lake property enables one to observe, first hand, the neighborhood's increasing diversity. That the East Lake YMCA's clientele includes a significant number of young, white professionals⁴³ is quite remarkable. It is doubtful that this largely African-American neighborhood known for high crime and poverty would have drawn many "outsiders" either as new residents or visitors to local businesses or other establishments several years ago. This dramatic change in the racial composition speaks to improving perceptions of the East Lake neighborhood as a place for living and doing business—among a much larger, more diverse constituency. However, the dramatic decline in the black population is a trend that merits the attention of local policy-makers and community development professionals, particularly if the reason for the decline is linked to increasing housing values and rents.

Income

The 59 percent increase in the median income further underscores the profound demographic shift that has occurred in the East Lake neighborhood. This increase even outpaced the 36 percent citywide jump in income. This sharp rise in neighborhood income has lifted the community-wide income level from below the poverty line, and this is important because income and class diversification of poor areas can signal that a community is becoming more economically stable. Yet, it is important to emphasize that the East Lake median income is still approximately 33 percent less than the citywide median income.

Housing Market Strengths

Housing Tenure

In the past decade, the proportion of owner-occupied units has increased (a trend that is generally viewed positively since homeowners are perceived as having better upkeep and investment behaviors than renters), but the actual number of owner-occupied units was virtually unchanged (see Table 3-3). At the same time, the number and proportion of renter-occupied units have decreased. One small factor in the loss of 542 renter-occupied units could be the reduction in the number of units at East Lake Villages—it has 108

⁴³ RC Pruitt, East Lake YMCA Executive Director, December 2001 interview.

units fewer than the original East Lake Meadows public housing complex. But given the large decrease in renter-occupied units, there are clearly other contributing factors. Did some rental units become owner-occupied units? Were some rental properties demolished and rebuilt with fewer units? Or, were they demolished altogether? The cause for the drop in renter-occupied units is inconclusive, but what is certain is that there are fewer options available for persons who want to rent as oppose to own housing in East Lake. Finally, the proportion of vacant units has decreased, which could suggest increased demand for housing.

Table 3-3. Housing Tenure for the Villages of East Lake

Housing Tenure	Villages of East Lake				East Lake Neighborhood*				Atlanta			
	Pre-Rev ¹	% Total	Post-Rev ²	% Total	1990	% Total	2000	% Total	1990	% Total	2000	% Total
Owner-Occupied	0	0%	0	0%	1,602	49%	1,607	63%	67,126	37%	73,473	39%
Renter-Occupied	419	100%	528	97%	1,290	39%	748	29%	88,626	48%	94,674	51%
Vacant Units	231	36%	14	3%	386	12%	202	8%	27,002	15%	18,778	10%
Total Units	650	--	542	--	3,278	--	2,557	--	182,754	--	186,925	--

Source for 1990 and 2000 statistics: US Census Bureau and Claritas Inc.

*The East Lake Neighborhood is identified as Census Tract 208 in DeKalb County, Georgia.

¹ AHA Report, 1995

² AHA Report, 2002.

Property Values and Housing Market Conditions

Dramatic property value and housing market changes have occurred in the East Lake neighborhood since the revitalization of the Villages of East Lake. Real estate professionals and DeKalb County Tax Department officials report that between 1998 (the year in which the first phase of the Villages of East Lake was completed) and 2001, median fair market values of parcels in the neighborhood have more than doubled⁴⁴ (see Table 3-4). These numbers lend further credence to the view of one Atlanta-based real estate market analyst who, at the mention of East Lake could only say, “high price appreciation...very high price appreciation.”⁴⁵ Anecdotally, other industry professionals have remarked that “you can’t touch anything in [the East Lake neighborhood] for under \$200,000.”⁴⁶ Furthermore, a housing market analysis prepared for the ELCF shows that between 1994 and 2001 average sales prices have tended to increase at a much higher rate in the East Lake neighborhood than in Metro Atlanta (see Exhibit 3-3). While average sales prices still remain below Metro area sales prices, it is still noteworthy that average sales prices in the East Lake neighborhood have risen from \$45,884 in 1994 to \$166,771 in 2001 (see Table 3-5).

⁴⁴ DeKalb County property deed records.

⁴⁵ Steve Palm, Smart Numbers, Inc., January 2002 telephone interview.

⁴⁶ Barry Williams, Senior Project Manager, Atlanta Housing Authority, December 2001 interview.

Table 3-4. Fair Market Values for the East Lake Neighborhood, 1995-2001

	Year			
	1998	1999	2000	2001
Median Fair Market Value*	\$9,100	\$5,000	\$6,500**	\$33,085

*Market values are for land parcels including any structures on the land. The East Lake neighborhood in this case is a county designated area and its boundaries loosely overlap with Census Tract 208.
 **This large jump from \$6,500 to \$33,085 most likely reflects increased development between 2000 and 2001.
 Source: DeKalb County Property Appraisal and Assessment Administration

Exhibit 3-3. Average Home Sales Price in East Lake and Metro Atlanta, 1994-2001

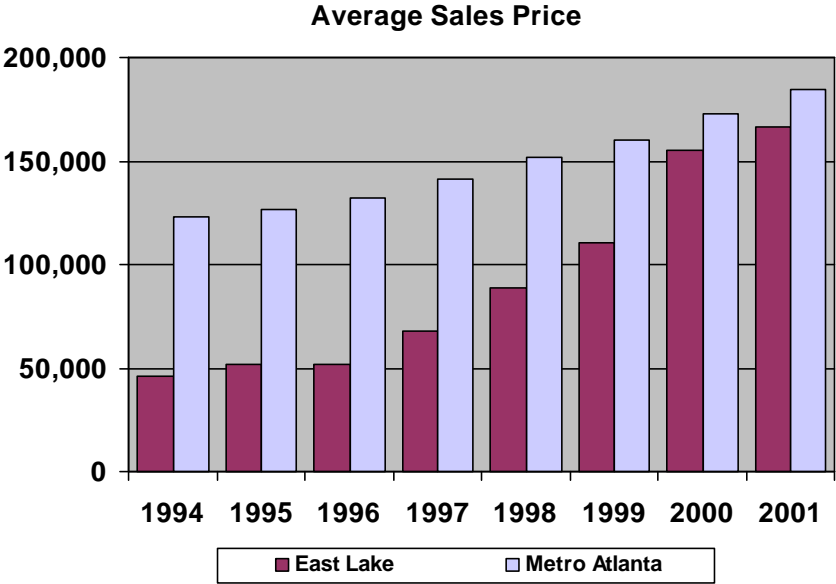


Table 3-5. Average Sales Price: East Lake Neighborhood vs. Metro Atlanta
East Lake Neighborhood

Year	Average Price	% Change
1994	45,884	
1995	51,911	13.1%
1996	52,050	0.3%
1997	67,531	29.7%
1998	88,467	31.0%
1999	110,457	24.9%
2000	154,973	40.3%
2001	166,771	7.6%

Metro Atlanta

Year	Average Price	% Change
1994	123,234	
1995	126,449	2.6%
1996	132,086	4.5%
1997	141,127	6.8%
1998	151,489	7.3%
1999	159,970	5.6%
2000	172,738	8.0%
2001	184,303	6.7%

High property values and average sales prices could help inform our understanding of some of the aforementioned demographic shifts. For example, the sharp decline in population may be linked to increasing housing costs. Specifically, some of the out-movers may have been forced to explore housing options in other communities due to increasing housing costs in the East Lake neighborhood.⁴⁷

The displacement of lower-income residents is a potential unintended consequence of community revitalization that is being addressed by ELCF and the AHA. These organizations are working with the administration of newly-elected Mayor Shirley Franklin (who is also a former ELCF Board member) to craft legislation that will provide property tax relief for seniors. This is one group that could be particularly vulnerable as property taxes increase as a result of escalating housing values.⁴⁸

⁴⁷ However, it is important to stress that we don't have conclusive evidence that residents are being displaced due to rising rents and property values.

⁴⁸ Carol Naughton, Executive Director, East Lake Community Foundation, December 2001 interview.

Quality of Life

Crime

Safety is a key element of the quality-of-life for urban dwellers. A recurring theme in resident interviews was the significant reduction in crime since the revitalization of East Lake Meadows. During the early 1990s, the public housing complex experienced two highly-publicized shooting deaths of young children.⁴⁹ The Villages of East Lake is unrecognizable when compared to its predecessor, explained Angela Hines, a United Parcel Service employee who lived at the complex for five years prior to the revitalization. “A [sense of order] has replaced the drive-by’s” that were all too common at East Lake Meadows.⁵⁰ This view of East Lake’s transformation was also expressed by other residents. Lucia Clark believes that with respect to crime, the decline in illegal drug activity represents East Lake’s greatest success. To highlight the contrast between the “old” and the “new” she described East Lake Meadows as a place where fearful residents remained inside their homes because the project was so tightly controlled by drug dealers that “even the police stayed away.”⁵¹

An enhanced sense of safety and security, and the perception of diminishing crime are bolstered by Atlanta Police Department statistics for Zone 6, the APD-designated patrol area that includes the Villages. Violent crime (homicide, rape, robbery and aggravated assault) declined 43 percent between 1995 (the year pre-development started in earnest for the Villages) and 2000. This was more than double the 21.4 percent decline for violent crime for the city of Atlanta during the same five-year period (see Table 3-6).

Education

The Charles Drew Charter School is the centerpiece of the human capital investment component of the Villages of East Lake revitalization. We focus on the performance of the Drew School because the institution plays a vital role in the lives of so many Villages of East Lake and neighborhood children (nearly all of the elementary school-age children who live in the Villages attend Drew, and 65 percent of Drew’s students are drawn from the new housing complex and the surrounding neighborhood). Highlights of improvements in student performance include:

⁴⁹ *Hope from the Ground Up*, Atlanta Journal-Constitution, October 17, 1999, by Cynthia Tucker.

⁵⁰ Angela Hines, Villages of East Lake resident, December 2001 interview.

⁵¹ Lucia Clark, Villages of East Lake resident, December 2001 interview.

Table 3-6. Summary of Atlanta and Zone 6 Incidents of Crime, 1995-2000

		Atlanta & Zone 6 Crime Statistics 1995-2000						
		1995	1996	1997	1998	1999	2000 95 - 00 % Change	
Atlanta	Violent Crime*	14,744	13,699	12,830	12,624	11,227	11,583	-21.4%
	Burglary	11,694	10,471	9,183	9,093	8,571	9,256	-20.8%
	Larceny**	34,221	37,104	28,709	28,513	28,352	27,278	-20.3%
	Auto Theft	8,352	9,247	7,869	7,899	7,328	7,351	-12.0%
Zone 6 (East Lake Neighborhood)								
Zone 6 (East Lake Neighborhood)	Violent Crime*	2,094	1,886	1,720	1,461	1,230	1,193	-43.0%
	Burglary	1,582	1,467	1,402	1,270	1,264	1,490	-5.8%
	Larceny**	3,833	3,762	2,936	3,322	2,992	2,917	-23.9%
	Auto Theft	999	1,022	964	808	764	706	-29.3%

*Crimes Include: Homicide, rape, robbery, and aggravated assault.

**Crimes Include: Shoplifting, theft, and petty theft.

Source: City of Atlanta Police Department, Uniform Crime Reports

- In the 2000-2001 academic year, Drew saw reading scores more than double based on the Gates-MacGinitie reading assessment. Nineteen percent of Drew students were at or above grade level at the start of the year, but 43 percent were reading at grade level or higher by the end of the school year.
- On the Spring 2001 Stanford standardized tests, 25 percent of Drew's students scored at or above the national norm in math, and 39 percent scored at or above the national norm in reading. (Under Drew's Charter, the school must improve these scores to 70 percent by 2005.)

These statistics offer signs of hope for the Drew Charter School's future progress, but Principal Karen Eldridge acknowledges that work remains to be done to improve the quality of education for students of all ages in the East Lake neighborhood.

Collateral Investment

Collateral investment, particularly in facilities that offer a vast array of programs and services, is another important aspect of the revitalization of the Villages of East Lake. Outlined below is a breakdown of the new facilities that have accompanied the redevelopment of the public housing community. A new YMCA, which is the largest in the city, a public K-6 charter school, an 18-hole golf course, and a Publix supermarket have been constructed with funds raised by the ELCF.

- **Revitalization of the East Lake Golf Club.** The \$25 million renovation of this historic facility was a critical element in the overall redevelopment of the East Lake neighborhood. By providing employment opportunities for young people, and

financial support to the ELCF, the East Lake Golf Club occupies an important place as a stabilizing force in the East Lake neighborhood.

- **The Charlie Yates Golf Course and the East Lake Junior Golf Academy.** The Charlie Yates golf course is an 18-hole public facility that was developed by the ELCF on property adjacent to the public housing land. The golf course houses the East Lake Junior Golf Academy, which occupies a central role in the lives of many neighborhood youth. The Academy provides a year-round, five-day per week after-school program for children from the East Lake community, and has introduced more than 150 of them to the game of golf.

However, the Academy is not merely about recreation, according to ELCF's Executive Director. Academy students earn money as part-time summer caddies at the nearby East Lake Country Club, and are eligible for ELCF's college scholarship program. Additionally, by exposing these young people to golf—a game associated with privilege and achievement—they begin to appreciate that their (e.g., social, educational and economic) opportunities are not necessarily constrained by race and class.⁵² In turn, this can help enhance self-esteem and give hope to people who may have previously been hopeless.

- **East Lake Family YMCA.** As of the fall of 2001, the Villages of East Lake is the home of a full-service, 57,000 square foot YMCA. This facility features:
 - Youth and Children's Education Center (fitness area and computer lab)
 - Family Aquatics Center (indoor pool with recreational play and lap swimming areas; swim lessons and aquatics classes)
 - Family Gymnasium (basketball and volleyball courts; exercise area)
 - Wellness Center (aerobics studio; weight room)
 - Teen Center (computer lab; interactive games; media center and library)
 - Community and Collaborative Center (multi-purpose rooms; intergenerational room for active older adults).

Most important, this building serves as the principal site for vital workforce development programs and services for the residents of the Villages of East Lake.

- **Redevelopment of the Charles R. Drew Elementary School.** Recognizing that a quality school is an essential component of a healthy community, the ELCF worked

⁵² Carol Naughton, Executive Director, East Lake Community Foundation, December 2001 interview.

with the Atlanta Public Schools to establish the Charles Drew Elementary School. This 105,000-square foot building is attached to the YMCA. It is presently a K-6 school, but will eventually become a K-8 institution. Drew's mission is threefold: improve academic opportunities in the community, serve as a model public school that assists children from low-income families, and attract middle-income families back to the area. Drew is managed by Edison Schools—a company that specializes in teacher training and development—and is the first Charter school in the city. Drew was developed with private dollars raised by the ELCF and replaced a school in the neighborhood that ranked near the bottom of the city's 68 elementary schools. As a charter school, Drew has some advantages not afforded other public schools in Atlanta. For example, it can recruit and select new teachers, and negotiate salaries.

Drew has some other distinguishable features that underscore its strong focus on enhancing educational outcomes for its 575 students, 99 percent of whom are African American. Most notably, it has an extended day (8:00 a.m. to 4:00 p.m.) that is one-and-a-half hours longer than the traditional Georgia public school instructional day. It also has an extended school year (200 days as compared to 180 days for most other schools in the state), which allows students to spend 37 percent more time in the classroom than other Atlanta public school students. With respect to the curriculum, there is an intensive focus on reading and math: Drew students receive 90 minutes of reading instruction and 60 minutes of math instruction per day.

- **Publix Grocery Store.** The ELCF wanted to fill a major void in the availability of a full-service grocery store in the neighborhood. The Foundation therefore developed a shopping center across the street from the Villages of East Lake, and recruited Publix as its anchor tenant. Publix exhibited a willingness to site stores in other urban neighborhoods, and was therefore a strong candidate to operate one in the East Lake neighborhood. It is the first full-service grocery store in the neighborhood in many years.⁵³
- **Sheltering Arms Child Development Center.** Sheltering Arms, which was founded in 1888, is Atlanta's oldest child development organization. It operates 18 facilities in the metro Atlanta area, providing educational, growth and development opportunities to approximately 2,800 children daily.

Sheltering Arms opened its East Lake center in The Villages of East Lake in February 2001. The center serves 144 children—infants through Pre-K. The focus of Sheltering Arms goes beyond its children and offers the parents

⁵³ Carol Naughton, Executive Director, East Lake Community Foundation, December 2001 interview.

seminars on a wide variety of topics. This approach supports its mission to empower families and strengthen communities by providing:

- High quality, affordable child care and education.
- Comprehensive support services for families.
- Professional development.
- Community outreach.

Table 3-7. Collateral Investment in East Lake Neighborhood

Initiative	
Restoration of East Lake Golf Club (Private)	\$25,000,000
Charlie Yates Golf Course (Public)	\$6,500,000
YMCA	\$11,600,000
Redevelopment of Drew Elementary School	\$17,500,000
Publix Grocery Store	\$5,000,000
Sheltering Arms Child Development Center	\$2,500,000
Total Investment	\$68,100,000

In addition to these accomplishments, there are new market-rate residential sub-divisions being planned for the East Lake neighborhood including the Olmstead at East Lake. This project will consist of townhomes and single-family detached homes.

SUMMARY

The East Lake community is experiencing a rebirth, and many of the indicators clearly point in this direction. For example:

- Census data show that median income has increased 59 percent between 1990 and 2000.
- In 1996-2000, the community achieved the highest home resale value price appreciation in the metropolitan Atlanta region.
- Fair market property values increased 264 percent from 1998 to 2001.
- Violent crime dropped 43 percent between 1995 and 2000. Crime in the new mixed-income Villages of East Lake is down 96 percent compared to the original East Lake Meadows public housing development.

- Up to 90 percent of the Villages of East Lake residents are employed, as opposed to 10 percent of former East Lake Meadows residents.

The citywide urban renaissance brought about by the increased demand for housing in Atlanta's neighborhoods provided the foundation for the overall improvement of the East Lake community, but the revitalization of the Villages of East Lake has arguably been an important factor in the neighborhood's turnaround. It has replaced one of the city's most impoverished, dangerous, and blighted public housing "projects" with a thriving, aesthetically attractive, more economically diverse community. Moreover, through the recreational, social and educational facilities that were integrated into the redevelopment strategy, residents (of the Villages and the larger community) have been afforded the opportunity to access services and programs that will help ensure a healthier quality-of-life.

Despite the East Lake neighborhood's transformation, city officials and community development professionals will have to remain attentive to the East Lake neighborhood's ongoing or emerging challenges including:

- Many families are still confronted with formidable economic challenges, a condition underscored in the enormous disparity between East Lake residents and other Atlantans—median household income is nearly 33 percent lower than that of households citywide.
- While student performance is improving, the Charles Drew Charter School faces an uphill struggle in moving from the last quartile of the rankings for Atlanta's public schools. High performing schools can contribute greatly to overall neighborhood stability, particularly in helping attract middle-class families and promoting other forms of investment.
- Low-income households are adversely affected by escalating housing costs and values. This is an unintended consequence of the increasing demand for housing in the East Lake neighborhood. While gentrification of low income neighborhoods can lead to economic investment, improved services, and safer environments, it can also reduce the housing options for low-income families.

The redevelopment of the Villages of East Lake has played a major role in the transformation of the East Lake neighborhood into a vital, mixed income community. Once a crime-ridden neighborhood, it now attracts market-rate renters and homebuyers, driving up the cost of housing beyond the reach of many original residents. Planning for such change in the housing market is essential to ensure that low income families can find affordable housing—both rental and for-sale—in this neighborhood. Creating a

range of housing options and tools to protect existing low income homeowners so they too can benefit from a revitalized community must be part of the early planning process.

The East Lake Community Foundation, through its affiliation with Tom Cousins and the East Lake Golf Club, is committed to addressing these challenges. ELCF has convinced City officials to craft a public policy measure that will provide property tax relief to seniors. ELCF, which has factored prominently in the revitalization of the East Lake neighborhood, is also well-positioned to sustain the progress made thus far. ELCF has raised approximately \$50 million since 1995, including \$17 million contributed by corporate members of the East Lake Golf Club. This fundraising work has been accompanied by ELCF's efforts to directly expose people to the East Lake "story" (e.g., via tours), and to share information on the public/private partnerships committed to the long-term sustainability of the East Lake mixed-income community.

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ST. PETERSBURG, FL

This case study focuses on the revitalization of Jordan Park, formerly a 446-unit public housing site in St. Petersburg's largely African-American Midtown area just south of the central business district. In October of 1997, SPHA was awarded a \$27 million HOPE VI revitalization grant.

At the time this case study was written, the Jordan Park on-site redevelopment effort was nearing completion and full occupancy. The off-site components, including construction of homeownership units and the acquisition of additional rental properties, are still in process.

This report illustrates how the HOPE VI community planning process can lay the foundation for dialogue between City and Housing Authority officials and constituencies that have been historically excluded from civic decision-making processes.

CONTEXT AND BACKGROUND

Incorporated in 1892, St. Petersburg is one of the oldest cities in Florida, and its population of 248,323 (as of the 2000 Census) makes it the fourth largest city in the state. This southern Florida community, with its year-round warm climate and numerous beaches, lies on the Tampa Bay side of the Pinellas Peninsula in southern Pinellas County.

St. Petersburg's early growth and development were closely linked with the Orange Belt Railroad system. Established in St. Petersburg in 1888, this rail system enabled local fisheries to ship large quantities of mackerel and snapper to cities along the eastern seaboard. The Orange Belt system also helped transform St. Petersburg into a tourist mecca by the early 20th century.⁵⁴ This expansion of tourism contributed to, and was enhanced by, the decision of many professional baseball franchises to make St. Petersburg their base of operation for spring training.

In recent years, St. Petersburg has remained a major tourist destination, and due to the arrival of professional sports franchises, and the hosting of various amateur athletic events, the city has solidified its position as a leading regional sports center. St.

⁵⁴ City of St. Petersburg website, www.stpete.org.

Petersburg's local economy has also experienced growth in other sectors including television, retail, financial services and radio and cable manufacturing. The city is also part of an information technology corridor that runs across the state from Cape Canaveral. Finally, St. Petersburg has the largest infrastructure of public and private marine science institutions in the nation.

Within this context of economic development, however, some of St. Petersburg's communities have faced serious challenges. The Jordan Park residential complex, the focus of a HOPE VI award, is located in one such community. Jordan Park is located in St. Petersburg's Midtown district, a 5.5 square mile area which overlaps with the central business district (see Exhibits 4-1 and 4-2). This overwhelmingly African-American neighborhood is the historic hub of St. Petersburg's black community. Within the Midtown district, the immediate neighborhoods around the Jordan Park complex are Wildwood Heights and Melrose/Mercy—both residential, largely single-family low- and moderate-income communities. These two neighborhoods and the Jordan Park complex—collectively referred to as the Jordan Park area or the Jordan Park complex—are the focus of this case study.

The Midtown district developed in the early 20th century as a result of the in-migration of southern blacks seeking opportunities in St. Petersburg's growing hospitality industry. Blacks were allowed to serve as hotel workers, domestics and porters, but were prohibited from whites-only hotels, beaches and other tourist attractions.⁵⁵ Race defined virtually every sphere of public life for members of St. Petersburg's growing African-American community. At this point in its history, the city was obsessed with maintaining a "sanitized social environment," which, by definition, meant barring blacks from most major public establishments.⁵⁶ In 1936, the City Council even voted to force African-Americans to live in a 17-block area far removed from the heart of the city's tourist and commercial infrastructure.⁵⁷ While this plan proved unworkable, the Council measure nevertheless reinforced the powerful and institutional nature of efforts to disenfranchise black citizens.

Many African-Americans moved to Midtown to be closer to the downtown establishments that employed them. This demand for housing contributed to the construction of the Jordan Park public housing development, a 63-building, 446-unit complex built between 1939 and 1942. The in-migration also gave way to the founding of social and religious institutions that helped anchor the African-American population and establish Midtown as a place where the black community could flourish, particularly

⁵⁵ St. Petersburg Midtown Strategic Planning Initiative, page 5, April 2002.

⁵⁶ "Civil Rights, Civil Matters," *St. Petersburg Times* On-line, July 27, 1999.

⁵⁷ *St. Petersburg and the Florida Dream* by Ray Arsenault, University Press of Florida, 1996.

with respect to culture and private enterprise. Indeed, black culture and commerce were two of the distinguishing features of Midtown throughout much of the first half of the 20th century, especially during the 1930s and 1940s. For example, the 22nd Street entertainment and commercial district saw the emergence of the Manhattan Casino—which drew such internationally-renowned Jazz artists as Duke Ellington, Count Basie and Ella Fitzgerald—as well as numerous service-oriented businesses including medical and dental practices.⁵⁸

By the 1960s, however, many in St. Petersburg’s black community had grown frustrated with the rigid and oppressive social and political system that relegated them to second-class citizenship. This collective discontent manifested in political protest activity that, according to historian Raymond Arsenault, earned St. Petersburg the distinction of having had “one of the most vibrant civil rights movements in one of the most residentially segregated cities.”⁵⁹ These events included the 1960 boycott of city services, the 1966 removal of a racist painting from the walls of St. Petersburg City Hall by a group of young black men,⁶⁰ and a 1968 strike by black sanitation workers. These and other similar activities commanded the attention of local leaders who feared that black political protest would disrupt St. Petersburg’s tourism industry. As a result, there was a gradual loosening of restrictions at the local level (as well as major reforms at the federal level) that served to enhance social, political and economic opportunities for many African-Americans.

Reflective of a national pattern, the increased mobility afforded African Americans in St. Petersburg contributed to the out-migration of many of Midtown’s middle-class black residents. No longer circumscribed by legal segregation, “those who could afford to leave, did in fact leave.”⁶¹ This trend, coupled with other private and public disinvestments, contributed to the social and physical deterioration of the Midtown district and the Jordan Park public housing complex. By the early 1990s, it was not uncommon for Jordan Park residents to witness open-air drug dealing, robberies, and even gun-related homicide.⁶²

The conditions evident at Jordan Park and throughout much of the Midtown district over the years fueled a perception among local residents that they had been neglected by the city’s white power structure and excluded from the decision-making processes that

⁵⁸ St. Petersburg Midtown Strategic Planning Initiative, page 5, April 2002.

⁵⁹ “Civil Rights, Civil Matters,” *St. Petersburg Times* On-line, July 27, 1999.

⁶⁰ “Effort to Heal Old Racial Wounds Brings New Discord,” *New York Times* On-line, July 2, 1999.

⁶¹ George Smith, Executive Director, Mt. Zion Human Services, October 2002 interview.

⁶² Melody Moorer, Jordan Park Resident, October 2002 interview.

directly affected them. As stated by one reporter back in 1999, African-Americans make up about 22 percent of the city's population, but must still "remind the city to include black people on planning committees."⁶³ This mistrust was intensified in the early 1990s when public agencies as well as private interests pushed certain projects that were considered by many local residents to be of questionable benefit to the Midtown community. These included the construction of Interstate 275, and the demolition of homes—including a former public housing site that was not replaced elsewhere—as well as churches and black-owned businesses to accommodate a new professional baseball stadium, Tropicana Field. The latter sparked protests by local black activists,⁶⁴ but few events did more to ignite racial tensions than the fatal shooting in 1996 of a black teenager, TyRon Lewis, by police officers during a traffic stop.

The Lewis shooting set off two days of violent riots in the Jordan Park neighborhood, and brought the area's dire social and economic conditions to the top of the agendas of local, state and federal government entities. Then-Mayor David Fischer developed a plan to improve the quality of life for Midtown residents in four vital categories: economic equity, community renewal, education, and public safety. The neighborhood was designated by the Mayor as a "Challenge Area" and was targeted for major investment of public and private resources in an effort to bring the district's troubling statistics in line with those of the city.⁶⁵ This resulted in, among other things, federal Weed and Seed designation, as well as Front Porch Florida and State Empowerment Zone designation.

The federal government also became directly involved, as President Clinton established a federal interagency task force that was charged with working with local officials to coordinate federal resources to rebuild the community. This body was comprised of representatives from the U.S. Department of Housing and Urban Development, the U.S. Department of Labor, the U.S. Department of Health and Human Services, the U.S. Small Business Administration, the U.S. Department of Justice, the U.S. Department of Education, the U.S. Department of Defense, and the U.S. Environmental Protection Agency. In turn, the Task Force appointed a Citizen's Advisory Commission so that local stakeholders would have a meaningful role in shaping the programs that would be developed and implemented in Midtown. Over the course of fifteen months, the Task Force earmarked over \$45 million in federal funding for the Midtown district.

It was in this context that the St. Petersburg Housing Authority began work on an intervention strategy for the distressed Jordan Park public housing complex—a strategy designed to arrest the alarming disparities captured in the statistics below:

⁶³ "Civil Rights, Civil Matters," by Susan Aschoff, *St. Petersburg Times*, July 27, 1999.

⁶⁴ "Six Arrested During Uhuru Protest Along Interstate 175," *St. Petersburg Times*, April 1, 1998.

⁶⁵ "Mayor Outlines Plan for Inner City," *St. Petersburg Times*, May 30, 1997.

1. As of the 1990 Census, the two neighborhoods immediately adjacent to Jordan Park (Wildwood Heights and Melrose Mercy) had median household incomes of \$7,308 and \$12,398, respectively, as compared to a \$23,577 median household income for the city of St. Petersburg as a whole.
2. The 1990 Census showed that Wildwood Heights had a poverty rate more than four times that of St. Petersburg as a whole.
3. In 1996, the average assessed value of single-family homes in Wildwood Heights was only \$21,011, in contrast to a \$62,778 citywide average assessed value for single-family homes.

THE INTERVENTION STRATEGY

To address the distressed conditions at Jordan Park, the SPHA submitted an unsuccessful HOPE VI application in 1996. The plan called for the demolition of the public housing units and the reconstruction of a new community similar in density, scale, and design to the surrounding neighborhood. In 1997, SPHA invited another consultant to prepare a new HOPE VI application, on the heels of the civil disturbances that jolted the city in 1996.

Many local residents and their advocates felt that HOPE VI was nothing more than a government “scam” designed to drive poor people from their homes to free up valuable land for projects that would benefit other groups and interests.⁶⁶ This perception was not altogether unfounded, as just a few years earlier the City demolished many homes and businesses in Midtown to make room for a new baseball stadium. In response to this mistrust, the new plan called for the rehabilitation of existing buildings rather than new construction.

In October of 1997, SPHA was awarded a \$27 million grant for the redevelopment of Jordan Park. This revitalization effort comprised the cornerstone of St. Petersburg’s federally-supported anti-poverty initiative, as it accounted for more than half of the \$45 million of funding pumped into local projects and programs in the years immediately following the civil disturbances. Moreover, this undertaking marked the start of the largest housing revitalization initiative in the city’s history. Conditions at Jordan Park before and after revitalization are shown in Exhibits 4-3 and 4-4.

Upon award of the grant, SPHA staff and Board of Commissioners raised concerns about the rehabilitation approach and argued for more new construction to change the image of

⁶⁶ Uhuru Movement flyer.

Exhibit 4-4: Jordan Park: Pre-Revitalization Photos



Exhibit 4-4: Jordan Park: Post-Revitalization Photos



the development. With the support of a HUD-funded technical assistance team and new local consultants, a broad-based community engagement process was undertaken that included Jordan Park residents as well as representatives from the City of St. Petersburg, the Federal Task Force, the NAACP, the Southern Christian Leadership Council, the Melrose-Mercy Neighborhood Association, and the University of South Florida.

The Jordan Park steering committee adopted a comprehensive set of goals to guide the implementation of the Jordan Park revitalization effort. These included:

- Reducing density and concentration of poverty on the Jordan Park site.
- Creating employment and business opportunities to promote self-sufficiency.
- Encouraging the development of community facilities that support the revitalized community, such as a new day care center, community center, Head Start and an Achievement Center.
- Creating, through a new site plan and off-site housing designs that weave the public housing into the larger neighborhood, a “seamless community” that eliminates the physical, economic and social barriers between Jordan Park and the surrounding areas.

Based on these goals, the critical elements of the Jordan Park revitalization effort fell into two broad categories: housing redevelopment and community supportive services geared toward self-sufficiency.

Reflecting residents’ strong emotional connection to the “old” Jordan Park, the plan contained in SPHA’s HOPE VI application aimed to preserve as many of the existing structures as possible. The application envisioned a 50 percent reduction in on-site units, from 446 to 223. Nine of the 63 “barracks-style” buildings were slated for demolition, while the remaining 54 structures would undergo substantial rehabilitation.

However, the HOPE VI Steering Committee subsequently determined that a substantial revision of the original concept would be necessary to help achieve a principal goal—the “seamless integration” between Jordan Park and the surrounding area. Therefore, in contrast to the plan in the grant application, the new Revitalization Plan—developed in 1998—placed a heavy emphasis on new construction. The only buildings to be preserved and remodeled were nine structures in the northeastern section of Jordan Park that included units for senior residents. New streets were constructed that replicate the grid pattern in the surrounding the neighborhood. In total, the site now contains 237 new family units and additional renovated units in a senior village (see Table 4-1).

Table 4-1: Unit Summary of Pre- and Post-Revitalization

	Pre-Revitalization	Post-Revitalization
<i>On-Site Program</i>		
Total Units	446	237
Total Acres	25	25.17
Density	17.84	9.48
1 BR	182 (41%)	33 (14%)
2 BR	154 (35.5%)	109 (46%)
3 BR	98 (22%)	90 (38%)
4 BR	12 (2.5)	5 (2%)
PH Units	446	
PH/LIHTC Units	—	237
Average Rent	\$100	\$252
Unit Income Mix:		
Tier 1 = 0 -20% of AMI	446	79
Tier 2 = 20% - 40% of AMI	—	79
Tier 3 = 40% - 60% of AMI	—	79
Median HH Income	\$7,087	\$12,034
<i>Off-Site Program</i>		
Public Housing Rental Units (in North St. Petersburg)	—	50
New Construction For-Sale Homes (in HOPE VI neighborhood)	—	40
Loan-to-Purchasers Program	—	100

To minimize the loss of public housing units, the Jordan Park steering committee required that all on-site units be public housing, partially funded with tax credit equity. There are no tax credit only units or market-rate units. However, the SPHA, the developer, Landex-Richmond, the City and HUD would prefer that the revitalized Jordan Park include a mix of public housing units and non-public housing units but the community felt strongly that given the loss of public housing to demolition in the past, that the number of public housing units going back on-site should be maximized. To encourage income-mixing, the public housing units are utilizing an income-tiering approach where one third of the units are occupied by households with incomes between 0 and 20 percent of the Area Median Income (AMI), one third by households with incomes between 20 and 40 percent of AMI, and the remaining third are occupied by households with incomes between 40 and 60 percent of AMI (see Table 4-1). The off-site components include 50 public housing rental units in North St. Petersburg, 40 new

construction for-sale affordable homes in the Melrose-Mercy neighborhood, and 100 loans to eligible purchasers for new or existing homes anywhere in the city of St. Petersburg.

SPHA received HUD approval for this new Revitalization Plan in May 1999, and procured a developer to begin the implementation phase in earnest. On-site construction began in February 2001, and the first senior units were completed in June of that year. Construction on the new family units began in August 2001 and was completed in December 2002. The new community includes attractive bungalows and duplexes designed to look like the single-family homes in the surrounding neighborhood. SPHA is currently implementing the homeownership component.

Overall, the residential component of the Jordan Park revitalization is a \$46.2 million effort, which is being financed with the HOPE VI grant as well as SPHA funds, Low-Income Housing Tax Credits, Community Development Block Grant funds, and a grant from the Federal Home Loan Bank. Table 4-2 provides a breakdown of the financing sources for the project:

Table 4-2: Financing Sources for the Jordan Park On-Site Revitalization

HOPE VI Grant	\$14,335,000
SPHA funds (proceeds from the sale of Laurel Park property)	\$2,500,000
Community Development Block Grant (CDBG) funds from the City of St. Petersburg	\$3,167,000
Low Income Housing Tax Credits	\$11,962,278
SPHA Funds (proceeds from the sale of scattered site properties)	\$897,256
Federal Home Loan Bank Grant	\$500,000
Total Project Cost	\$33,361,534

Regarding the redevelopment process, it also bears emphasis that the developer took an important step toward maximizing employment opportunities for local residents, and ensuring the participation of local businesses in the reconstruction of Jordan Park. Landex teamed up with a respected local African-American non-profit executive, George Smith of Mt. Zion Human Services, to develop and implement an outreach strategy. This effort resulted in the employment of local residents and participation of 20 local businesses, which, collectively, performed over \$4 million of the work. While local enterprises may not have received a large share of the work, the developer's strong

outreach activities resulted in the participation of individuals and businesses that may not otherwise have had the opportunity.⁶⁷

In keeping with the human capital development emphasis of HOPE VI, the revised revitalization plan also contained a self-sufficiency component to enhance residents' lives and promote job skills training and basic education—the foundation of increased self-sufficiency. SPHA recently hired a respected organization, Partners in Self-Sufficiency (PSS), to assist with implementation. Out of 364 families living at Jordan Park just prior to revitalization, 82 relocated to other public housing, 150 used a Section 8 voucher to move into privately-owned housing, 82 stayed on-site, 43 moved into unassisted housing, and 7 were evicted. The CSS case management component, which has lagged behind the rest of the redevelopment effort, is still in its early stages but PSS has been successful in its outreach to residents and their placement in numerous services and jobs. Fifty of the original families have moved back.

A central element of SPHA's self-sufficiency component for Jordan Park residents is the construction of the 10,000-square foot Center for Achievement. This new facility will serve as the principal venue for a number of services and activities including computer classes, homeownership counseling provided by St. Petersburg Housing Services, and college courses offered by St. Petersburg College. A new community center and museum have also been constructed on site. The latter will likely house exhibits that celebrate Jordan Park's African-American history.

NEIGHBORHOOD CHANGE

Considerable progress has been made on the Jordan Park HOPE VI revitalization effort. The on-site units have been completed, the majority of which are occupied. Given that (re)occupancy is still under way, it is not possible to fully gauge the impact of HOPE VI on the Jordan Park area and the Midtown district. The Jordan Park area underwent significant change between 1990 and 2000, much of which can be attributed to HOPE VI redevelopment activities. However, because our most recent neighborhood data are from 2000—the demolition phase of the project—we cannot state with certainty what impact the Jordan Park redevelopment has had or will have on neighborhood demographics, housing market conditions, or quality-of-life issues. Nevertheless, in the following pages we document what has occurred in the neighborhood thus far and suggest areas where HOPE VI redevelopment can be expected to play a role in future neighborhood transformation.

⁶⁷ George Smith, Executive Director, Mt. Zion Human Services, October 2002 interview.

St Petersburg Timeline

Early 1930s	Significant numbers of African Americans migrate to St. Petersburg in search of opportunities in the tourism industry, and many move into Midtown.
1939-1942	The Jordan Park housing project is constructed.
1960s	St. Petersburg experiences civil rights protest activities including sit-ins, boycotts and removal of offensive painting from the walls of City Hall by black activists
1970s	Interstate 275 is constructed in a residential section of Midtown, which makes the area a less desirable place for investment.
1993	Homes and businesses Downtown are cleared to make room for Tropicana Field.
1996	SPHA submits unsuccessful HOPE VI application to HUD. 18 year-old TyRon Lewis is fatally shot by police during a traffic stop. Race riots ensued; Federal task force was established.
1997	SPHA submits successful HOPE VI application to HUD. Vice President Al Gore visits St. Petersburg and announces the award of a \$27 million HOPE VI Grant to the St. Petersburg Housing Authority.
1998	SPHA executes formal Grant Agreement with HUD. SPHA staff and board members raise concerns regarding the plan and the limited amount of demolition. HUD then assigns a Technical Assistance Team to work with SPHA in developing a Revitalization Plan to implement the grant. An extensive community planning process results in a revised plan with a new construction focus.
1999	HUD approves the Jordan Park Revised Revitalization Plan.
2000	Landex-Richmond is procured as the developer of the new Jordan Park. Demolition of Phase I is completed. SPHA is awarded \$11 million in Tax Credits for Jordan Park
2001	Construction begins on the Historic Village renovations. Construction begins on the site-wide infrastructure improvements. The first senior units are completed. Construction begins on the new family units at Jordan Park.
2002	Jordan Courts, a 33-unit apartment complex, is acquired for public housing rental units. Homeownerships plans are approved by HUD. Construction is completed on the family units and new community center.

Demographics

Population

As illustrated in Table 4-3, the two neighborhoods that make up the Jordan Park area experienced significant population decline between 1990 and 2000. The population of the area as a whole—including both Wildwood Heights and Melrose/Mercy—dropped by approximately 38 percent over this period, from 3,870 to 2,393. According to local planning officials, this decline can be only partially attributed to the relocation of 150 families during the HOPE VI redevelopment process.

Such steep decreases in population are generally telltale signs of a community in decline, because less population often means less demand for housing, and less incentive for commercial investment. While several stakeholders acknowledged that there have been positive developments in the area's business corridor as a result of City and HOPE VI investment (see Collateral Investment section below), the neighborhood's long-term ability to attract and retain retail investment hinges in part upon the expansion of the residential base to create a critical mass of consumers.⁶⁸ A more thorough assessment of the size of this base will be possible once the HOPE VI project is (re)occupied. In the meantime, the owners and managers of some long-time popular existing establishments have reported suffering a loss of business as a result of the population decline.⁶⁹

Racial Composition

There has been no significant change in the racial composition of the Jordan Park area. The neighborhood has been overwhelmingly African-American for the last fifty years, and the slight decline in the overall proportion of blacks (94.6 percent in 2000, down from 96.2 percent in 1990) does not suggest that a major shift is underway.

It will be interesting to observe over time the extent to which race continues to be a factor in commercial investment. Although race is not the only element that factors into the future growth and development of the commercial corridor, one local official made it clear that race has thus far played a role in the decisions of potential investors, and will most likely continue to do so.⁷⁰ This perception is in line with the findings of mainstream

⁶⁸ George Smith, Executive Director, Mt. Zion Human Services, October 2002 interview.

⁶⁹ Arthur Officer, Owner of Lorene's Fish House, October 2002 interview.

⁷⁰ Darrell Irions, Executive Director, St. Petersburg Housing Authority, October 2002 interview.

Table 4-3: Demographic Information for Jordan Park Study Area

Wildwood Heights			
	1990	2000	% Change
Population			
White	30	6	-80.0%
Black	2,365	1,183	-50.0%
Hispanic	0	0	
Other	0	7	
Total	2,395	1,196	-50.1%
Income			
Median HH	\$7,308	\$22,939	213.9%
Melrose/Mercy			
	1990	2000	% Change
Population			
White	37	53	43.2%
Black	1,419	1,133	-20.2%
Hispanic	19	0	-100.0%
Other	0	11	
Total	1,475	1,197	-18.8%
Income			
Median HH	\$12,398	\$16,212	30.8%
Saint Petersburg			
	1990	2000	% Change
Population			
White	181,580	170,396	-6.2%
Black	46,232	55,484	20.0%
Hispanic	6,255	10,502	67.9%
Other	4,562	12,450	172.9%
Total	238,629	248,832	4.3%
Income			
Median HH	\$23,577	\$34,597	46.7%

economic development practitioners and theorists who have demonstrated how and why the private sector often overlooks communities of color.⁷¹

⁷¹ See *The Market Potential of Inner City Neighborhoods*, by the Brookings Institution Center on Urban & Metropolitan Policy.

Income

The median household income of residents of the Jordan Park neighborhood has increased over the past decade. In the Wildwood Heights neighborhood, median household income more than doubled between 1990 and 2000. This is due in part to the relocation of 150 families from the Jordan Park housing complex, as residents of the original public housing development typically had much lower incomes than residents of the surrounding neighborhood. In the Melrose-Mercy tract—which did not contain any public housing residents—median household income grew by 30.8 percent between 1990 and 2000. This income growth is more modest than that experienced by the city as a whole over this period. Continued income growth, particularly at a rate faster than the city as a whole, will be an important signal to potential investors that the neighborhood may (currently or eventually) have the income levels to support certain types of new businesses.

Housing Market Strengths

Housing Tenure

The number of housing units in the Jordan Park area declined by approximately one third, from 1,773 in 1990 to 1,197 in 2000 (see Table 4-4). Most of this decline came from the loss of 432 rental units, although there were also 119 owner-occupied units lost. As a result, the proportion of owner-occupied housing increased for the Jordan Park area as a whole.

Table 4-4. Housing Tenure

Housing Tenure	Wildwood Heights		Melrose/Mercy		Saint Petersburg							
	1990	% Total	2000	% Total	1990	% Total	2000	% Total	1990	% Total	2000	% Total
Owner-Occupied	299	29.7%	260	42.1%	303	39.4%	219	37.8%	66,577	53.1%	69,697	56.0%
Renter-Occupied	607	60.3%	200	32.4%	280	36.4%	257	44.4%	39,126	31.2%	39,822	32.0%
Vacant Units	101	10.0%	158	25.6%	186	24.2%	103	17.8%	19,749	15.7%	15,006	12.1%
Total Units	1007		618		769		579		125,452		124,525	

The completion of the HOPE VI redevelopment effort has returned 237 new rental units to the area, and another 40 new homes will be built for affordable homeownership. This should help with the stability of the Jordan Park area. Homeowners are usually considered to be more stable because they typically have a greater economic stake in the neighborhood, are more likely to maintain and invest in their properties, and have longer residential tenures than renters.

Housing and Property Values

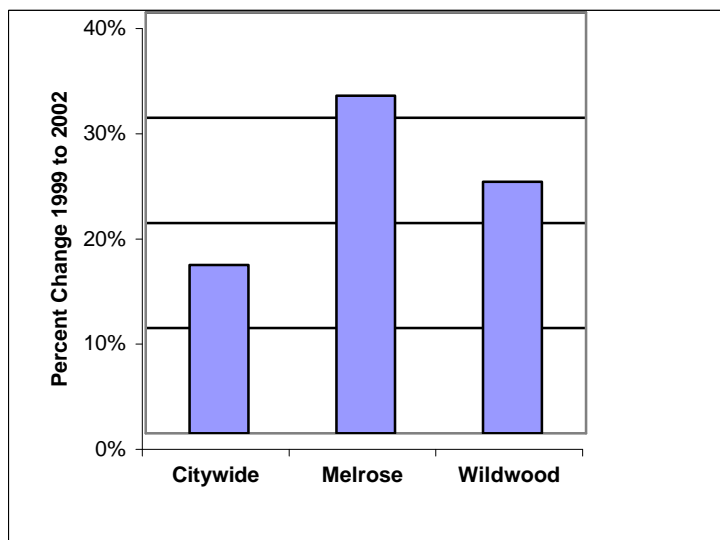
Housing and rental values often serve as reliable indicators of the level of demand for housing in a neighborhood. High demand for housing is usually reflected in higher values and rents, while less demand is reflected in lower values and rents. As shown in Table 4-5 and Exhibit 4-5, the Jordan Park area, particularly in the Melrose/Mercy community, has experienced a significant increase in property values (as measured by average assessed values of residential and other properties)⁷² in recent years. Although assessed values in the Jordan Park area are considerably lower than in the city as a whole, they have increased at a faster rate. This suggests growing demand for housing in the Jordan Park area even as the population and number of units declines.

Table 4-5: Average Assessed Values for Single-Family Homes, 1999 and 2002

	1999	2002*	Change
Citywide	\$65,137	\$77,489	16.0%
Melrose/Mercy	\$17,179	\$26,078	32.1%
Wildwood	\$24,808	\$32,397	23.9%

* Reflects average assessed values through September 2002.

Exhibit 4-5. Change in Average Assessed Home Values, 1999-2002



⁷² Assessed property values by municipal tax assessors can be misleading, subjective and not a reliable indicator of actual value. However, for this study, this data was more easily obtained than actual recorded sale prices.

To what can we attribute this apparent discrepancy—the presence of negative population and housing tenure patterns while strong positive trends are occurring with respect to assessed property values? It could be the case that the property value data—which are as recent as September 2002—reflect neighborhood revitalization that has occurred since 2000, when the census of housing and population was taken. In fact, one of the recurring themes of observations shared by key stakeholders is the extent to which interest in the neighborhood has increased (primarily among real estate investors/developers) since the Jordan Park redevelopment effort began in 2000. Groups of “high-level” private investors routinely take tours of the area,⁷³ and according to the Deputy Mayor for Neighborhood Services, “prior to the HOPE VI project, the City had to give lots away to incentivize development activity...now we get inquiries from developers as far away as California.”⁷⁴

Given this strong interest among potential investors, it will be necessary for city local stakeholders to take steps now to protect against gentrification. To this extent, it will be important for the SPHA and the City to expedite the construction of the homeownership units planned for the neighborhood as part of the HOPE VI effort. This component of the revitalization program will provide affordable housing for low- and moderate-income people, who will also gain an asset that will increase in value as the property values rise.

This increased private sector interest in the Jordan Park area is also manifesting in actual and planned collateral investment, as discussed in the following section on quality-of-life indicators.

Quality of Life

Crime

The Jordan Park neighborhood is part of the St. Petersburg Police Department’s designated Midtown district. Therefore, the statistics below reflect crime throughout most of south St. Petersburg.

In the years since the 1996 civil disturbances, there has been a notable decline in every category of crime with the exception of homicide and rape (see Table 4-6). These two areas clearly merit the continued attention of law enforcement officials and others who have a stake in what occurs in this part of the city. However, crime in the Midtown district has declined overall (consistent with the citywide trend) between 1996 and 2000.

⁷³ Darrell Irions, Executive Director, St. Petersburg Housing Authority, October 2002 interview.

⁷⁴ Michael Dove, Deputy Mayor for Neighborhood Services, October 2002 interview.

The incidence of violent crime in the Midtown district increased slightly between 2000 and 2001, although at a lesser rate than in the city as a whole. Most important, many of the people who are most susceptible to crime—the residents—report that they “feel safer” than they felt at the old public housing project.

Table 4-6: St. Petersburg Crime Statistics, 1996-2001

	1996	1997	1998	1999	2000	2001	% Change 1996-2001
City of St. Petersburg							
<i>Violent Crime</i>							
Homicide	25	21	23	20	14	21	-16.0%
Rape	354	414	305	338	393	496	40.1%
Robbery	1363	1255	1201	1112	990	1147	-15.8%
Aggravated Assault	3567	3568	3142	2540	2632	2739	-23.2%
Subtotal	5309	5258	4671	4010	4029	4403	-17.1%
<i>Nonviolent Crime</i>							
Burglary	4487	4041	4615	3966	3538	3678	-18.0%
Larceny	12270	11326	11547	11036	10738	10418	-15.1%
Auto Theft	2100	1774	1999	2066	2099	2062	-1.8%
Subtotal	18857	17141	18161	17068	16375	16158	-14.3%
Total	24166	22399	22832	21078	20404	20561	-14.9%
Midtown District							
<i>Violent Crime</i>							
Homicide	7	8	10	9	8	10	42.9%
Rape	84	86	70	79	91	104	23.8%
Robbery	400	351	312	296	259	269	-32.8%
Aggravated Assault	1285	1173	1138	950	1010	1000	-22.2%
Subtotal	1776	1618	1530	1334	1368	1383	-22.1%
<i>Nonviolent Crime</i>							
Burglary	915	726	746	775	595	637	-30.4%
Larceny	1666	1495	1718	1839	1556	1415	-15.1%
Auto Theft	460	317	352	408	342	404	-12.2%
Subtotal	3041	2538	2816	3022	2493	2456	-19.2%
Total	4817	4156	4346	4356	3861	3839	-20.3%

Melody Moorer, a sixteen-year resident of Jordan Park, grimly recalled the days when residents literally risked their lives if they sat outside, because “drive-by’s” were commonplace. She herself has witnessed two shooting deaths over the years. Many residents, according to Ms. Moorer, were also trapped by the siege atmosphere created by the crack-cocaine dealers who used to “run” Jordan Park. These individuals were apparently so fearless and comfortable about openly engaging in illicit, illegal activity,

that they established public rituals in which they “lined up crack-heads and made them [perform] for their drugs.”⁷⁵

Among the contributing factors in the drop in most categories of crime, and in the increased sense of security felt by some residents, is the implementation of a Weed and Seed initiative, as well as a Front Porch Florida program. Midtown received Weed and Seed designation in 1997. Weed and Seed is a U.S. Department of Justice initiative that is designed to revitalize neighborhoods by “weeding” out crime and illegal drugs, and “seeding” local communities with the resources needed to address the problems through prevention education and services, as well as drug treatment. Consistent with the way in which the program is implemented in multiple communities throughout the country, local law enforcement officers work closely with community service organizations as well as volunteers to identify drug “hot spots,” conduct community policing, obtain information about serious habitual offenders who reside in Midtown, and conduct an inventory of drug treatment centers.⁷⁶

Florida Front Porch is a state program that provides funds to communities to assist them in addressing public safety challenges. Since being designated as a Front Porch community in 1999, over \$1.5 million has been invested in the Midtown district for programs that work to promote, for example, substance abuse prevention and job training.⁷⁷

Stakeholders—including police and others—have a considerable amount of work to do to ensure the long-term safety and security of all the neighborhoods in this region of the city. However, those who are working to promote the Jordan Park area as a favorable place to live and do business would be well advised to integrate information regarding the positive crime trends into their marketing strategy. This will be critical to efforts to change perceptions of the community.

Education

Education, specifically the quality of the schools in a community, can have a profound impact on neighborhood change. In fact, a 1999 survey of business executives by the Brookings Institution concluded that the quality of schools can have a greater influence on a business’ decision to set up shop in a particular community than tax incentives—a

⁷⁵ Melody Moorer, Jordan Park resident, October 2002 interview.

⁷⁶ St. Petersburg Midtown Strategic Planning Initiative, page 50.

⁷⁷ St. Petersburg Midtown Strategic Planning Initiative, page 48.

well-established incentive to attract private industry.⁷⁸ Over the past few years, the City of St. Petersburg has placed an emphasis on working with Pinellas County on improving the physical conditions of area schools, including those in the Midtown district.⁷⁹

High school drop out rates are important in assessing what type of education/school-related changes have occurred concurrent with the HOPE VI revitalization effort. Drop out rates tend to serve as a particularly reliable measure of progress and change. We therefore compared drop out rates for Dixie M. Hollins High School to those of the Pinellas County School District. Dixie Hollins is not part of the Jordan Park neighborhood, but is the high school attended by the vast majority of Jordan Park residents who attend high school.

During the 1996-97 academic year, Dixie Hollins had a higher drop out rate than the school district as a whole. (See Table 4-7.) By the 2000-2001 academic year, the drop out rate among Dixie Hollins students was up to 6 percent versus 4.2 percent among students countywide. These data suggest a possible disparity between Dixie Hollins and other schools in the district that must be addressed if Jordan Park students are to receive the type of education that will ensure that they are equipped to fulfill their potential to become self-sufficient adults who can contribute to the long-term viability of the newly revitalized Jordan Park residential complex.

Table 4-7: High School Dropout Rates: Dixie Hollins and Pinellas County School District, 1996-1997 and 2000-2001

	1996-1997	2000-2001
Dixie Hollins High School	4.7	6.0
Pinellas County School District	3.3	4.2

Collateral Investment

The past six years have brought a considerable amount of public resources into the Midtown district and the Jordan Park neighborhood. Not counting the \$27 million in HUD funds, the federal government alone has invested \$14 million in the area for

⁷⁸ *Business Location Decision-Making and the Cities: Bringing Companies Back*, by Natalie Cohen, the Brookings Institution Center on Urban & Metropolitan Policy, April 2000.

⁷⁹ St. Petersburg Midtown Strategic Planning Initiative, page 35.

programs, services, and projects.⁸⁰ In addition, City leaders have placed an emphasis on rebuilding this area through activities that promote economic equity, improve education, enhance public safety, and provide for community renewal. Among other measures, the City has established financing and incentive programs that are intended to foster private investment.⁸¹ Therefore, it would be difficult to isolate any single factor in explaining the increased actual and planned investment in and around the Jordan Park neighborhood. However, as stated by one City official, the HOPE VI redevelopment effort is without question an important factor in the private sector's growing interest in the neighborhood.⁸² Another local observer also links the HOPE VI effort with increased public sector investment. The neighborhood had been slated for major infrastructure and streetscape investment by the City since the early 1990s, but it was the HOPE VI project that actually spurred implementation of these improvements.⁸³

Following is a description of some key projects in the Midtown district that have either been launched or given priority status by local stakeholders since the start of the HOPE VI effort. Table 4-8 below summarizes the investments in these projects.

Table 4-8: Summary of Planned and Actual Collateral Investment

Initiative	
Dome Industrial Park and Pilot Project (acquisitions costs)	\$7,500,000
Private Investment in Dome Industrial Park (to date)	\$2,300,000
22nd Street Commercial Corridor Street and Lighting Improvements	\$456,000
Florida Main Street Grant	\$50,000
Tampa Bay Black Business Investment Corporation Incubator	\$83,000
Mercy Hospital Site (city acquisition)	\$186,000
Wildwood Heights Recreation Center	\$4,500,000
Total Investment	\$14,889,000

⁸⁰ \$14 million reflects the Clinton administration's investment of funds in Midtown in the wake of the riots. This figure includes funding for job creation and self-sufficiency initiatives, youth development, infant mortality and teen pregnancy reduction efforts, disaster relief, and a Weed and Seed program.

⁸¹ See the St. Petersburg Midtown Strategic Planning Initiative report for more details on initiatives in each of these categories. One example is the WIN Community Reinvestment Loan Program, which provides low-interest loans and financial assistance to citizens for acquisition and rehab of single-family properties.

⁸² Susan P. Ajoc, Neighborhood Partnership Director, City of St. Petersburg Neighborhood Partnership Program, October 2002 telephone interview.

⁸³ Askia Muhammed Aquil, Executive Director, St. Petersburg Neighborhood Housing Services, October 2002 interview.

- **The Dome Industrial Park and Pilot Project.** The Dome Industrial Park is a decaying, 122-acre industrial park just north of the Jordan Park complex. In early 1999, the St. Petersburg City Council approved a plan to redevelop this complex as a means of encouraging broader economic revitalization. As a first step toward full redevelopment, the plan called for a pilot project—a concentrated focus on a 20.7-acre site within the park, which would serve as the initial target area for investment. Thus far, the City has secured \$5 million toward the estimated \$7.5 million cost of land acquisition and site clearance in the designated pilot project area: \$1 million has come from a Brownfields Economic Development Initiative (BEDI) grant, and another \$4 million from a Section 108 loan. As of September 2002, more than 80 percent of the land in the 20.7-acre area had been acquired or placed under contract by private interests that have invested \$2.3 million. There seems to be consensus among City officials that although the idea for this initiative predated the Jordan Park Redevelopment effort, “the HOPE VI project really helped get the Dome Industrial Pilot Project off the drawing board.”⁸⁴
- **22nd Street Commercial Corridor Revitalization.** The 22nd Street commercial corridor is the principal retail district in the Jordan Park area. In 1994, the City Council adopted a plan—the 22nd Street South Revitalization Plan—to encourage private and public investment along the corridor. Thus far, the City has invested over \$456,000 pursuant to this plan in improved lighting, installation of new textured sidewalks, new crosswalks, and reclaimed water lines. Additionally, as a result of an effort by the volunteer-led, non-profit 22nd Street Redevelopment Corporation, the 22nd Street corridor received State Main Street designation in 2000. The Main Street approach to economic development encompasses improving economic management, strengthening public participation, recruiting new businesses, rehabilitating distressed properties, and expanding parking. The program provides funding, technical and marketing assistance to small business districts in an effort to help them become viable commercial corridors. This designation is accompanied by a \$50,000 grant to help support a local program manager. Main Street designation will also help ensure that the people working to promote the improvement of 22nd Street will be better able to maintain a consistent public focus on the corridor.
- Within the 22nd Street commercial corridor, two other important efforts are also underway. The first, is the planned redevelopment of the historic **Mercy Hospital building** and site. This six-acre site was purchased by the City in 1998, and has since undergone \$186,000 in environmental work and demolition. City officials and other local stakeholders believe that the property lends itself to a viable project that

⁸⁴ Deputy Mayor Michael Dove, October 2002 interview.

will help attract new business—including retail—to the corridor.⁸⁵ The second effort underway within the 22nd Street corridor is the **Tampa Bay Black Business Investment Corporation Incubator**. This project will provide low-cost operating space as well as technical assistance to fledgling, minority-owned businesses. The City has thus far committed \$83,000 in CDBG funds for renovation.

Also, the off-site housing component will add to the neighborhood's residential base, which could help foster more investment in the area, particularly among retailers: they rely heavily on the strong presence of “rooftops”—a captive base of consumers within close proximity of their establishments.

- **The Wildwood Recreation Center.** The City of St. Petersburg purchased land to accommodate an expansion of this facility in 2000. This project was part of Mayor Fischer's plans to address myriad social and economic challenges confronting Midtown. This \$4.5 million project was completed in the Fall of 2001.
- Finally, with respect to **business investment along 22nd Street**, several new consumer oriented enterprises have recently emerged. For example, an arts-oriented business, St. Pete Clay, was opened in 2000 in a renovated train depot at the northern end of 22nd Street, and a for-profit job skills training center, Advantage Training Systems, relocated to 22nd Street from another part of the city in order to be closer to its targeted clients.⁸⁶

SUMMARY

The Jordan Park redevelopment effort is still a work in progress. Construction has not been completed and (re)occupancy is still under way. Therefore, at this point it is not possible to determine the project's full impact on the immediate neighborhood and the Midtown district. The Jordan Park neighborhood appears poised for continued growth and development, and some of the previously mentioned indicators bear this out. For example:

- Median household income increased considerably between 1990 and 2000.

⁸⁵ Annette Howard, a founding member of the 22nd Street Redevelopment Corporation, October 2002 telephone interview.

⁸⁶ Dr. Goliath Davis, Deputy Mayor for Midtown, October 2002 telephone interview.

- Average assessed values for single-family, multi-family and other (a category that includes commercial buildings) properties have increased at a higher rate than properties citywide since 1999.
- Crime in the Midtown district, overall, is down more than 20 percent from 1996.
- There have been significant investments of both private and public dollars.

Should these positive trends continue, and if news of these trends is effectively marketed to would-be new residents and commercial interests, the Jordan Park neighborhood will have few problems engendering high levels of confidence among a diverse group of potential investors. However, there are several key issues that require the consistent and sustained attention of local policymakers, residents, advocates and non-profit organizations if this community is to experience a full rebirth. These include:

- **Persistent violent crime.** While all categories of crime have been on the decline, homicide and rape have increased in the Midtown district. Improved perceptions of this area will not become reality if the city cannot stem the most violent crimes.
- **The need for quality schools that are fully equipped to address the educational needs of students in the Jordan Park area and the Midtown district.** The focus must extend beyond schools in the Jordan Park neighborhood, because many of Jordan Park's young residents already attend high school in other parts of the city. Local stakeholders must therefore remain attentive to, and involved with, the countywide decision-making processes that will shape or otherwise affect educational outcomes for their children.

Also, while many improvements are planned in the neighborhood, they lag behind the revitalization of the Jordan Park complex. To sustain this large-scale investment, SPHA and the City must aggressively pursue timely implementation of the construction of 40 affordable homes on scattered sites in the neighborhood, move ahead with the rebuilding of the Mercy Hospital site, encourage private sector investment in residential and commercial facilities, and secure funding for the reuse of the Jordan Park School adjacent to the public housing site.

Finally, there must be a consistent and honest focus on race, and how it contributes to the prospects for improved social and economic conditions for Midtown's largely African-American population. In contrast to some other cities with histories of deep racial divisions—among which are Atlanta, Chicago and Memphis—St. Petersburg is struggling to find a constructive means of addressing this issue, according to a leading African-American official. One major impediment to greater progress in this respect is a

failure among many in the majority community to acknowledge fully that “race matters.”⁸⁷

Yet there have been signs of hope, beginning with the City’s declaration of a “war on poverty” after the 1996 riots. In response to the riots, the previous Mayor David Fischer launched an initiative, Challenge 2001, which is intended to address the pressing needs of Midtown District residents by directing large amounts of public money into programs that promote economic equity, community renewal, education and public safety. This represented the first time in contemporary history that issues disproportionately affecting blacks found their way to such a prominent place on the local public policy agenda. But perhaps the greatest opportunity for honest public discourse on race emerged as a result of the HOPE VI effort. The community planning process for the revitalization of Jordan Park laid the foundation for dialogue between City and Housing Authority officials and black activists who have long been mistrusting of local mainstream leadership.⁸⁸

The positive effect upon communication between opposing groups may be a direct benefit of the HOPE VI program. This is consistent with impacts on other transformations that have occurred throughout the Jordan Park area: HOPE VI has not been a panacea for physical and social distress, but when combined with other strategies and interventions, it can be an important contributor to neighborhood change.

⁸⁷ Dr. Goliath Davis, Deputy Mayor for Midtown, October 2002 telephone interview.

⁸⁸ Tyna Middleton, Manager of Midtown Economic Development, City of St. Petersburg, October 2002 interview.

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Michael Marshall, Director of Planning, St. Petersburg Housing Authority
Tyna Middleton, Manager of Midtown Economic Development, City of St. Petersburg
Melody Moorer, Jordan Park Resident
Arthur Officer, Owner of Lorene's Fish House
Bob Rowan, Former Director of Housing and Community Development, City of St. Petersburg
George Smith, Executive Director, Mt. Zion Human Services
Chinetta Wallace, Jordan Park Resident
Lakisha Washington, Jordan Park Resident

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NEW BRUNSWICK, NJ

This case study focuses on Memorial Homes,⁸⁹ formerly a 246-unit public housing site in New Brunswick, New Jersey. The New Brunswick Housing and Redevelopment Authority received a 1998 HOPE VI revitalization grant for \$7.5 million to redevelop this site and surrounding areas.

New Brunswick's HOPE VI project is still very much a work in progress. At the time this report was written,⁹⁰ only the first of four phases was completed. Nevertheless, this case study illustrates the ways in which HOPE VI can catalyze positive changes in the local area even in its early stages. Situated in a relatively affluent, revitalizing city, the HOPE VI experience is also a reminder of the importance of well-conceived affordable housing projects in places that otherwise would present a harsh housing environment for the poor. And finally, although it is too early to draw definitive conclusions, the project offers tantalizing preliminary evidence that relocation may catalyze positive changes in former residents' lives, irrespective of whether they return to their old neighborhood.

CONTEXT AND BACKGROUND

New Brunswick is a small (population 49,000) city in central New Jersey. The city's economy is driven by its concentration of health-industry firms and facilities, two universities, and the residence of young professionals who commute to work in New York City, less than an hour away.

New Brunswick bills itself as the "Health Care City" because of its many health-care related facilities and companies. The city's largest employers are its two universities (Rutgers University and the University of Medicine and Dentistry of New Jersey, the country's largest medical school), its two hospitals (Robert Wood Johnson Hospital and St. Peter's University Hospital), and the Johnson and Johnson Company. It is also the county seat of Middlesex County. These employers create a cadre of well-paid, white-collar professionals. In 1996, the city's average household income was \$48,500, while the average household income for the downtown daytime population was \$72,000. The 2002 Area Median Income for Middlesex County was \$90,000, among the highest in the state.

⁸⁹ The housing development's name was the New Brunswick Homes, but it was commonly called Memorial Homes or Memorial Towers. In this study we use the name Memorial Homes.

Like many cities in the Northeast, New Brunswick suffered a slow decline throughout the mid-20th century, as businesses and middle class residents moved away to the suburbs and elsewhere. By the late 1960's, the city was, according to a retired Johnson and Johnson executive, a desolate place for businesses and residential life.⁹¹

Since then the city has been experiencing a rebirth as the result of strong corporate support for city development as well as remarkable political stability. For more than 20 years, the city's revitalization has been presided over by only two mayors: John Lynch, who served from 1979 to 1991, and current Mayor James Cahill, elected in 1991.

A pivotal period for the city was the late 1970's. At that time, Johnson and Johnson was seriously considering relocating its world headquarters—a move that would have dealt a further blow to the city's decline. However, in 1978 the firm decided not only to stay in New Brunswick, but also to lend significant support to a concerted city revitalization effort. This set the tone for public-private partnerships that continue to this day. The company provided financial support and loaned its senior executives to help establish two organizations: the New Brunswick Development Company (DevCo), a private non-profit development company, and New Brunswick Tomorrow (NBT), a facilitator and coordinator of social service programs in the city.

The 1980's saw a number of incremental downtown development projects that put the city on the upswing. A second wave of revitalization in the 1990's after the office development boom ended. The emphasis shifted to public sector projects such as additional court space and a new police station. In this period, the hospital's growth—and that of the health care industry generally—was critical, because even in difficult economic times it continued to expand. At the same time, the city's downtown theater and restaurant scene grew, drawing visitors who lived outside the city and making it, for the first time, an entertainment destination. In the 1990s, the city had approximately \$1 billion in redevelopment investment and its population was one of the fastest growing in the state.

Biennial citizen surveys conducted by New Brunswick Tomorrow indicate that residents' perceptions of life in New Brunswick are at their highest levels in nearly 30 years.⁹² In the most recent survey, conducted in May 2002, 64 percent of the city's residents said the

⁹⁰ The site visit upon which much of this case study is based was conducted in November 2002.

⁹¹ A Quarter-Century of Development, Home News Tribune, July 30, 2002.

⁹² 2002 Survey of New Brunswick Residents, conducted for New Brunswick Tomorrow by Rutgers University Eagleton Institute of Politics. The survey is the fourteenth biennial survey. It was conducted with a random sample of over 800 city residents by phone in May 2002.

city was a good or excellent place to live. In contrast, in 1978, when revitalization efforts were just beginning, only 34 percent had said the same positive feeling about the city. Positive ratings about New Jersey as a state have declined during a similar time period. That New Brunswick residents are so upbeat about their city is notable during an economic downturn and at a time when residents statewide are less positive about the state overall.

City leaders hope to build on this track record in the years ahead. The centerpiece of the anticipated next wave of revitalization is the Commercial, Office, Research, Entertainment (CORE) Vision plan, a ten-year, \$750 million revitalization plan announced by the Mayor in July 2002. It will provide 1.5 million square feet of office space, 250,000 square feet of retail space, and 450,000 square feet of laboratory space. Parking spaces will be increased more than seven-fold. Among the highlights of the plan are a civic plaza, pedestrian areas, park space, a biotech, medical and commercial area, office buildings, residential space, traffic improvements, and more entertainment options such as restaurants and theaters.

However, the city's development priorities have not been without their critics. Many lament the loss of historical and cultural landmarks. They also charge that these development efforts have overemphasized downtown and are aimed at meeting the needs of those who live outside the city rather than the city's own residents. "Basic elements that make up a community are missing," says one resident, such as a public swimming pool, major grocery stores, and decent shopping. One community leader noted that city development is designed from the perspective of people who don't live in the city. "It's their dream of a place to travel to and eat at," he notes. The Mayor, a lifelong resident of New Brunswick, asserts that "the fact that people want to come visit here is to be applauded."⁹³

The city's proximity to New York City, its concentration of high-income jobs, and its status as a university town all contribute to making housing expensive. Housing demand is typically strong and stable due to the numbers of people who commute to New York City for work, and Rutgers University students (approximately 60 percent of the university's 35,000 students live off-campus). In view of projections of 20 percent growth in Rutgers enrollment between 2000 and 2011, the city has recently increased pressure on the university to develop more on-campus housing.⁹⁴ Homeownership is expensive, with starter homes throughout the city (including in the target neighborhood) costing in the range of \$150,000 to 200,000.

⁹³ A Quarter Century of Development, Home News Tribune, July 30, 2002.

⁹⁴ RU Confronts Housing Crunch, Home News Tribune, October 17, 2002.

These factors make for an inhospitable housing market for the city's poor. New Brunswick is widely acknowledged to have a shortage of affordable housing, which obliges many low-income residents to seek housing in nearby towns. Housing advocates note that there is little construction of affordable housing, and most of what is built is for elders, leaving a shortage of affordable family housing in particular.

In this broad picture the Lower George Street corridor, and HOPE VI, play a crucial role. The Lower George Street neighborhood has been characterized as the "missing tooth" in the cityscape, a rundown area strategically positioned between the revitalizing downtown and Rutgers University's Douglass campus (Rutgers University has several campuses throughout the city) (see Exhibit 5-1). The HOPE VI revitalization application describes the neighborhood as bounded by the central business district (to the west), the Raritan River (north), Rutgers University's Douglass College campus (east) and a residential neighborhood (south).

In contrast to the vibrant downtown business district a few blocks away, the Lower George business area is characterized by small businesses with a high vacancy rate (24 percent in June 1998 when the revitalization application was written). Five large rental apartment complexes characterize the northern side of the neighborhood. The southern part of the neighborhood is composed of mostly multi-family rental housing. There are three churches (which draw members from outside the neighborhood as well as within it), two health clinics (the Chandler Health Center and the St. John's of God Health Center), and a grocery store in the neighborhood. The area is within walking distance of downtown, and is well served by mass transit. City and county bus lines, as well as the Rutgers University campus bus service (available free of charge to the public) serve the area.

The neighborhood's socio-economic challenges are reflected in the statistics below:

- The Lower George Street neighborhood was, according to the revitalization application, the poorest neighborhood in New Brunswick. Indeed, according to the 2000 Census, 36 percent of its population had incomes below the federal poverty line, compared to 27 percent for the city overall. Its median household income, \$18,242, was half that of the city overall (\$36,080).
- Seventy-nine (79) percent of housing units were renter-occupied in 2000 (somewhat higher than the city average of 69 percent). The median value of a homeownership unit was \$96,100 in 2000, somewhat lower than the city average of \$122,600—but still high enough to be out of reach for many residents of the neighborhood.
- Education levels were lower. Twenty-eight percent of adults had less than a 9th grade education, compared to 22 percent for the city.

However, it is important to note that, although the Lower George Street neighborhood is relatively distressed, the location is still desirable enough to attract market-rate development that can compete with affordable housing. For example, several blocks from the Memorial Homes site is Riverwatch Complex, a luxury apartment complex of 200 apartments and over 30 townhomes. As will be discussed later, additional market-rate apartments are developed or planned in the vicinity. Furthermore, the Memorial Homes' location on the periphery of the Lower George Street neighborhood, toward downtown, made the location a logical next place for downtown revitalization to expand. These factors all enhance the neighborhood's revitalization potential, but they also compete with affordable housing for land use.

The Public Housing Site

The now-demolished Memorial Homes were once the major landmark in this neighborhood. Built in 1958, the Homes consisted of four high-rises, each containing 62-64 units, along Route 18 adjacent to the Raritan River. Adjacent to the Homes is the Hoffman Pavilion, consisting of 60 units of senior public housing. Far taller than any nearby buildings, the Homes were largely closed off from surrounding thoroughfares by a plaza design—in visual discordance with, and disconnected from, the surrounding neighborhood. Yet, according to long-time residents, the Homes were once a pleasant place to live: well maintained and harboring a close-knit community.

The Homes began to decline in the 1970's, falling victim to an influx of drugs, deteriorating maintenance and supervision by the housing authority, and the exodus of the middle class that had stabilized that portion of the city. The Homes' inherent design problems accelerated this decline. The space was "indefensible"—cut off from surrounding neighborhood, and characterized by stairwells, doors and roofs that made it virtually impossible to police. Elevators were insufficient for the number of units and were located in the center of the buildings, creating dead end corridors that presented safety problems. There were also major inadequacies with respect to the mechanical and building systems. By the 1990's the Homes had become one of the worst places in the city, a place of desolate plazas, dangerous stairwells and doorways. Many of the residents lived in fear. However, occupancy was a relatively high 85 percent (due to the tight housing market), and there was also a strong sense of community among many of the residents.

The residents of Memorial Homes shared some of the needs commonly found among public housing residents but in other ways they were atypical. For example:⁹⁵

- Unlike other HOPE VI populations, employment, not public assistance, was the leading income source (46 percent). Most of the employed (65 percent) held full-time jobs; an additional 19 percent worked between 30 and 39 hours per week.
- Most residents had to rely on public transportation; two-thirds had no car.
- All but one household was composed of people of color. Most (69 percent) were African-American, while 24 percent were Latino.
- The most common household size (accounting for one-quarter of households) was three. Nearly three-quarters of households (71 percent) were composed of between two and four people. Only 15 percent were single-person households.
- Over three-quarters (77 percent) felt that Memorial Homes was not a good place to raise children.

In view of the city's development priorities, Memorial Homes was long acknowledged as a problem. City and housing authority officials discussed demolition and reconstruction since the early 1980's, but nothing came of these discussions. The cost to rehabilitate Memorial Homes was estimated at \$25 million, but would still not address two core problems: the Homes' isolation from the surrounding neighborhood, and indefensible space. In view of these factors, in September 1997 HUD approved a demolition/disposition plan for the site.

In an effort to redevelop the site, the New Brunswick Housing Authority submitted a third HOPE VI revitalization grant application in 1998. Following unsuccessful applications in 1996 and 1997,⁹⁶ the 1998 application requested less money and called for greater leveraging of outside funds. The same players were involved in developing each application: the housing authority, the City, the resident council, DevCo, and New Brunswick Tomorrow. In March 1999, the housing authority was awarded a grant of \$7.5 million for a \$30 million project.

⁹⁵ New Brunswick Tomorrow, Rutgers University, Pennrose Management Company and The Community Builders, Inc, *New Brunswick HOPE V—Memorial Homes Community Needs/Assets Assessment Frequencies and Descriptive Statistics*, June 1999. One hundred sixty four (164) households (532 people) participated in the needs assessment. The exact response rate is not available, but a rough approximation is given by the fact that there were approximately 210 occupied units.

⁹⁶ Compared to the two earlier applications, the 1998 application requested less HUD funding and—responding to residents' desire to stay within close range of Memorial Homes—limited the off-site component to clustered sites near the site.

One month after the award, the housing authority formed a Community Task Force consisting of approximately 30 community stakeholders, for the purpose of initiating a dialogue with community leaders about the HOPE VI issues. A Steering Committee was also formed, composed of the housing authority, the City, the resident council, New Brunswick Tomorrow and its CSS service providers (initially Catholic Charities and then the University of Medicine and Dentistry of New Jersey), The Community Builders (the developer), and Pennrose Management Company (relocation specialists). This group has met weekly or monthly, depending on the phase of the project, since the grant was awarded.

The working relationship between most of the entities involved in this HOPE VI project is generally good. Most participants in the HOPE VI project have good words for the housing authority management (two Executive Directors have been involved in this project). Despite the legacy of distrust that existed between residents and the housing authority, the parties worked together well. One resident leader, characterizing residents' relationship with the housing authority throughout the process, noted that, "we're like the Osmonds—it's dysfunctional but the love is there." This dynamic made it possible for the parties to negotiate solutions that are to everyone's general satisfaction.

When the grant was announced, residents were skeptical about the prospects for change. After all, demolition of the Homes was discussed for over 20 years, with no visible effect. Only about 20 people (out of more than 600) attended the first resident meetings. However, as the process gained momentum, disbelief turned to engagement as residents realized that this time, it really would happen.

INTERVENTION STRATEGY

Overview

Like other HOPE VI projects, the principal goals of the plan were to spread density evenly over the neighborhood, to create a more mixed-income resident population, and to encourage greater resident participation in the security of their neighborhood. Photographs taken during and after HOPE VI revitalization are shown in Exhibit 5-2.

The revitalization application called for the demolition of the four buildings at Memorial Homes. The 246 demolished units would be replaced with 174 new units (see Table 5-1). Twenty-four homeownership units would be constructed on scattered infill sites within a few blocks of the former towers. At least half of these were to be public housing homeownership units. The project was to be finished in September 2003.

Exhibit 5-2. New Brunswick: “After” Photographs



The first (multi-family) house to be rehabbed in Phase I



Hope Manor under construction



Hope Manor from the back

Table 5-1. Unit Summary – Pre- and Post-Revitalization

	Pre-HOPE VI	Planned	Actual
Total Units	246	174	181
1 BR	16	30	38
2 BR	143	67	70
3 BR	71	70	67
4 BR	16	7	6
Phase I	-	50	68
Phase II	-	94	76
Phase III	-	30	37
PH units	246	-	-
PH/LIHTC units	-	86	72
LIHTC units	-	57	72
Market rate units	-	31	0
Section 202 units	-	0	37

Note: These figures do not include Phase IV (homeownership units). Current plans are to make 12-24 homeownership units available, all of them potentially available to public housing residents.

Sources: For Section 202 “pre-grant” and “planned” figures: new Brunswick Housing Authority, HOPE VI Revitalization Application, June 1998. For “actual” figures: communication from New Brunswick Housing Authority, figures as of December 24, 2002.

The housing authority hired The Community Builders as its developer, and contracted with New Brunswick Tomorrow (NBT) for CSS services.⁹⁷ The relocation consultant was Pennrose Management Company.

The original plan had to be revised in several significant ways. Difficult site acquisition for Phase I and a major redesign of Phase II caused delays and cost increases. In May 2002 HUD granted a 15-month extension, from September 2003 to December 2004. The cost rose from \$30 million to the current estimate of \$43 million. The housing authority had to reconfigure the project to accommodate these cost increases, and raise additional funds.

The sources of funding are presented in Table 5-2. Financing constraints have had several important implications for the configuration of the project. They led to the

⁹⁷ NBT acts as a coordinator and facilitator, rather than a direct service provider. It contracted first with Catholic Charities to provide case management services, and then with the University of Medicine and Dentistry of New Jersey (UMDNJ) in the spring of 2002.

elimination of market-rate units in Phases I and II and an increase in the number of Low Income Housing Tax Credits (LIHTC) units.

Table 5-2: Sources of Financing, by Phase

	Total Project		Phase I: Hope Manor		Phase II: Riverside		Phase III: Lord Stirling		Phase IV: Homeownership	
	Amount	% of total	Amount	% of total	Amount	% of total	Amount	% of total	Amount	% of total
Public sources										
HOPE VI grant	\$7,491,655	17%	\$4,257,278	22%	\$2,385,612	14%	\$458,281	9%	\$390,485	45%
HUD - CGP	\$2,432,278	6%	\$1,179,687	6%	\$959,209	6%	\$213,369	4%	\$80,013	9%
HOME	\$765,000	2%	\$285,000	1%	\$180,000	1%	\$300,000	6%	\$0	0%
New Brunswick Housing Authority(bond proceeds)	\$500,000	1%	\$340,366	2%	\$27,011	0%	\$71,429	1%	\$61,225	7%
Regional Contribution Agreement (State program)	\$3,375,150	8%	\$1,557,000	8%	\$1,205,896	7%	\$363,847	7%	\$248,407	28%
Private sources										
Tax credit equity (LIHTC)	\$20,307,677	47%	\$8,415,170	43%	\$9,314,996	55%	\$2,577,511	48%	\$0	0%
Fed Home Loan Bank	\$580,000	1%	\$340,000	2%	0%	0%	\$240,000	4%	\$0	0%
First Mortgage	\$5,105,200	12%	\$2,357,200	12%	\$2,110,000	12%	\$638,000	12%	\$0	0%
Other City funds	\$655,000	2%	\$320,000	2%	\$135,000	1%	\$200,000	4%	\$0	0%
New Brunswick Tomorrow (in-kind services)	\$1,175,580	3%	\$425,210	2%	\$475,234	3%	\$200,099	4%	\$75,037	9%
First Union Bank grant to TCB	\$450,000	1%	\$162,766	1%	\$181,915	1%	\$83,706	2%	\$21,613	2%
Total	\$42,837,540	100%	\$19,639,677	100%	\$16,974,873	100%	\$5,346,242	100%	\$876,780	100%

The figures above reflect the most recent HUD-approved budget at the time this report was written. However, in November 2002 the housing authority was awarded \$4.21 million in Section 202 funding, not yet incorporated into an approved HUD budget. The Section 202 funds will be used for Phase III and will replace all HOPE VI, tax credit equity, and FHLB funds for Phase III. Its net effect will be to add approximately \$934,000 to Phase III, for a revised Phase III budget of about \$6,280,550.

Source: New Brunswick Housing and Redevelopment Authority. Approved HOPE VI budget, June 18, 2001

The housing authority felt that the loss of market rate units from the HOPE VI project would not be a problem because a healthy income mix would evolve in the surrounding neighborhood. In close proximity to the Memorial Homes site, there were already a number of market rate apartment complexes, and others under construction or planned, that would ensure the presence of high-income households. In fact, a more pressing imperative, in view of the city's tight affordable housing market, was the preservation of affordable housing. The housing authority also felt that working households with higher incomes would be living in the LIHTC units.⁹⁸

The requirements of funding sources have helped shape the income tiering goals, shown in Table 5-3. Phases I-III all have tax credit financing and thus are constrained by the income-tiering requirement of the LIHTC. The upper income limit on the tax credit units is 60 percent of AMI. For Phases I and II, half the units are also public housing units (that is, funded by the ACC contribution) and half are tax credit units only (see Table 5-2). Seventy percent of the proposed units in Phases I and II are for households earning less than 50 percent of AMI, or \$45,000.⁹⁹ For Phase III, the income-tiering goal is determined by the requirements of its main funding source, Section 202. These require

⁹⁸ Even residents that meet the LIHTC eligibility standard of 60 percent of AMI (approximately \$90,000) would still be relatively high-income with annual incomes in the range of \$54,000.

⁹⁹ Former Memorial Homes residents have first priority for these units and are not subject to these income tiering constraints.

that units be occupied by households with incomes below 30 percent of AMI. Income eligibility for Phase IV (the homeownership component) is dependent on underwriting guidelines for homeownership taking into consideration other subsidies such as Section 8 homeownership and soft cost or down payment assistance grants.

Table 5-3. Income Tiers, by Phase

# Units	Phase I	Phase II	Phase III*	Phase IV
0-15% AMI	10	6	37	TBD**
15-30% AMI	11	17	0	TBD
30-50% AMI	13	15	0	TBD
40-50% AMI	14	16	0	TBD
50-60% AMI	20	22	0	TBD
Total Units	68	76	37	12 to 24

*For Phase III, eligibility is set through the Section 202 program which specifies that eligible tenants are those with very low incomes (income below 30 percent of AMI) with one member aged 62 or older, or disabled.

**TBD = to be determined.

Source: Phase I figures—June 20, 2001 memo from New Brunswick Housing Authority to HUD (approved on January 30, 2002). Phase II figures—mixed finance proposal submitted by New Brunswick Housing Authority and The Community Builders to HUD on July 16, 2002 (approved on December 11, 2002).

Major milestones are summarized below and described in detail in the sections that follow.

New Brunswick Timeline

1958	Memorial Homes built.
1998	Successful revitalization application submitted to HUD (June).
1999	HOPE VI grant executed (March). Hurricane Floyd. Phases I and II is redesigned (September).
2001	Last Memorial Homes residents are relocated (June). Demolition of Memorial Homes (July and August). First residents move into new homes (rehab of a 3-family house, part of Phase I) (December).
2002	Hope Manor (part of Phase I) construction begins (February). John Clarke designated Housing Authority Acting Executive Director (March), formally appointed permanent Executive Director in July 2002. Lord Stirling complex changed to be only affordable (no market-rate) and elderly units (April). HUD grants 15-month grant extension. New grant end date is December 2004 (May). Lord Stirling School building (Phase III site) used for overflow classes (August). Construction begins on Phase II (September). Construction of Phase I to be completed (December).

The project differs from the original vision in several important ways. The design is more consolidated, with fewer scattered site components. More units are being provided—181 instead of 174 units. Market rate housing, as discussed above, was eliminated. In Phase III, there is more elderly housing but no housing for small families. The homeownership component consists of down payment assistance rather than construction. The reasons for these changes, and the significant issues that shaped the development of each phase of the project, are described in more detail in the sections that follow.

The Revised HOPE VI Plan

Phase I: Hope Manor

Phase I consists of an off-site development called Hope Manor. Hope Manor is composed of mostly new construction with rehabilitation of several nearby houses. This phase was within a month of completion at the time of our site visit.

HOPE Manor consists of 53 units of new construction (3 more than originally planned) and commercial space on George Street and Remsen Avenue. An additional 15 units are located in four rehabilitated houses, two of which are on the same side of the street as the main development, and two of which are across the street. Hope Manor will also include about 9,625 square feet of retail space.

The main challenge in this phase of the project was site acquisition, which was considerably more difficult and costly than anticipated. Negotiations with landlords proved very difficult and the housing authority ultimately had to turn to eminent domain to obtain most parcels. After the land was obtained, a series of environmental problems were discovered that required expensive remediation, including the removal of many underground oil tanks, soil decontamination and asbestos removal. Site acquisition and remediation consumed resources from other parts of the project (for example, the homeownership component) and required the housing authority to identify additional funding.

Construction on Phase I started in February 2002 (rather than September 1999 as originally envisioned). Construction of Hope Manor was scheduled for completion in December 2002, with units to be phased in as completed. By mid-December, 34 families had moved in, 16 of them into the tax credit units and 18 into the public housing units.

Phase II: Riverside

The largest component of the HOPE VI project is Riverside, the reconstruction of the Memorial Homes site. The original plan was to build 70 rental units on the site of the old towers. An additional 14 units were to have been built at two scattered sites, Oliver Street and Nielsen Street. This portion of the project underwent a significant redesign occasioned by a fluke event: a 100-year flood that hit New Brunswick just as the relocation process was getting underway.

On September 17, 1999, Hurricane Floyd left parts of the city, including Memorial Homes, submerged in four feet of water in less than six hours. The flood severely damaged the offices of both the housing authority and the resident council. Although no residential units were damaged (only mechanical systems were located on the towers' first floor), all 212 resident families—approximately 750 people—were evacuated for nearly a week. In view of the dangers of the floodplain, the entire design of the HOPE VI project was revisited—as was the very premise that new housing should be located there. The resident relocation process, which had begun that spring, was frozen until these issues could be resolved.

Construction on the site of Memorial Homes had been a critical part of the original HOPE VI design, but after Hurricane Floyd the city expressed reluctance to move residents back to a floodplain. This became an issue of great tension. Residents were aware of the attractiveness of the site as a potential location for the development of luxury apartments. They suspected that the floodplain was a pretext for renegeing on promises to build on the site. They feared that the site would be given over to luxury housing developers and they would be relegated to less desirable locations far from the city center. They objected fiercely to the prospect of not being able to return to the Memorial Homes site, and the possibility of pickets and public protests was raised. Residents also pointed out that changing sites would require spending money on expensive site acquisition rather than on the housing itself.

In the end, Phase II will be rebuilt on the original site, but the design was substantially revised to be more flood-safe. Two-story garden apartments were replaced by three-story raised townhouses that placed garages on ground level and living space on the second and third floors. In all, 76 units are to be built at the site, rather than the 70 originally envisioned, while the 14 units of scattered-site construction were dropped. Construction started on this component in October 2002 and is scheduled for completion by December 2003.

Phase III: Lord Stirling School

The original revitalization plan included the rehabilitation of an elementary school, the Lord Stirling School, into 30 one-bedroom apartments. The building was available because a new school was being built nearby. The new Lord Stirling Community School, described later in this report, opened its doors in September 2002.

Phase III was originally envisioned as housing for small (2 to 3 person) families as well as the elderly, responding to the shortage of small-family housing in the area. The small-family units had to be dropped because the housing authority received Section 202 funding, which can only be used for elderly housing. However, the level of funding allows the construction of more units than originally planned (37 units rather than 30).

Scheduled for completion in September 2003, this component is experiencing some delays. Shortly before the start of the 2002/03 school year, the City agreed to the school superintendent's request to allow some overflow classes from the new school to be housed in the old school building. According to the website of the New Brunswick Public Schools, approximately 250 students are located in the old school building, compared to 550 located in the new school. The housing authority received assurances that the building would be vacated by June 2003 so that HOPE VI construction could begin. At the time of our site visit, the housing authority planned to start initial survey

work in the building in early 2003 and was confident that construction could be completed by the grant expiration date of December 2004.

Phase IV: Homeownership

The revitalization application called for 12 to 24 units of new infill housing construction in two areas: the Lower George St./Abeel St. neighborhood surrounding the Memorial Homes, and the Baldwin neighborhood eight blocks to the south. However, there was some resident resistance to one area because of high crime rates. Moreover, rising costs in other components of the project effectively reduced the amount of money available for this component.

Therefore, although it is still exploring ways to finance construction, the housing authority's backup strategy is to provide up to 24 families with homeownership assistance rather than to construct new homes.¹⁰⁰ The level of assistance varies according to the time frame in which the home is bought. Memorial Homes residents were eligible for up to \$8,700 in down payment assistance from two sources: (1) \$5,200 for those who purchased homes within one year of relocation under the federal Uniform Relocation Act;¹⁰¹ and (2) \$3,500 from the housing authority's assistance program.¹⁰²

At the time of our site visit, over a year after relocation, 13 former Memorial Homes residents had purchased homes. Most of these households moved directly into new homes from Memorial Homes; they were generally people whose earned incomes were high enough to sustain mortgage payments but who lacked savings for a down payment. They received the full \$8,700 because they bought homes within a year of relocation; the others (and future homebuyers) received \$3,500.¹⁰³

The housing authority was also developing a Section 8 homeownership voucher program with expectations of implementing it in 2003. The plan is to refer individuals to homeownership training and counseling by a partner organization, the Housing Coalition. At the time of our site visit, about 25 individuals were in homeownership training.

¹⁰⁰ At the time of our site visit, there was a possibility that some new units (on the order of about 6) might still be constructed, depending on what financing could be obtained for it.

¹⁰¹ The housing authority chose to offer residents the maximum amount possible under this program.

¹⁰² This does not have the one-year time limit and all public housing residents are eligible for it.

¹⁰³ These 13 purchases occurred outside the aegis of a formal homeownership plan (the housing authority had not yet received a homeownership plan from its developer), however, so they will not count toward the HOPE VI grant goal of providing assistance to 12 to 24 families.

Relocation

Similar to other HOPE VI projects, relocation was a difficult process. It occurred between spring 1999 and summer 2001, with a hiatus in the autumn of 1999 when Hurricane Floyd necessitated design reconsiderations of the entire project.

Relocation was emotionally difficult for many residents. While some were eager to obtain a Section 8 voucher and relocate as quickly as possible, others mourned the loss of the community they lived in for decades. In the end, the most difficult cases (the households with the most challenging relocation barriers) were the last to move out. The housing authority set several deadlines for eviction, some of which were postponed by the court. In the end, no one was evicted, and all families were relocated by June 2001.

One contentious issue during the process of relocation was the timing of the demolition and the construction of new units for residents. According to the timeline proposed in the revitalization application, Phase I units would be completed in November 2000, well before the planned demolition of Memorial Homes five months later. However, delays in Phase I made this schedule impossible to keep. The demolition occurred before construction began on Phase I, leading to criticism by residents and the press that the housing authority had reneged on a perceived commitment to have new units ready for residents to move into.

The 183 families at Memorial Homes were given a choice of moving into other public housing, receiving a Section 8 voucher, or receiving assistance to buy a home of their own. Most were able to use the down payment assistance provided by the housing authority to move directly into newly-purchased homes. The majority—about two-thirds of residents—chose to receive Section 8 vouchers. By most accounts, once most residents realized that the Memorial Homes would indeed be demolished, the issue of overriding interest to them was obtaining a Section 8 voucher (in fact, this complicated the provision of self-sufficiency services at the time; many people were more concerned with finding a place to live than participating in the self-sufficiency activities). According to a needs assessment conducted shortly after grant award- and before relocation- 38 percent expressed a desire for a Section 8 voucher, the most popular of the choices given.¹⁰⁴

¹⁰⁴ 27 percent said they would choose to move to a HOPE VI unit, 19 percent to another public housing unit, and 11 percent to buy a home. The needs assessment was conducted before relocation and these survey responses reflect early housing preferences. (source: *New Brunswick HOPE VI – Memorial Homes Community Needs / Assets Assessment Frequencies and Descriptive Statistics, June 1999*).

However, many residents found themselves priced out of the New Brunswick real estate market. At the time of relocation, the vacancy rate in Middlesex County was estimated to be 1 percent. Affordable housing was even harder to find in a city where university student renters and young professionals kept rents high. Indeed, in the end, the majority of families (54 percent) that moved into private-market housing (either by buying homes or using Section 8 vouchers) left the city of New Brunswick (see Table 5-4). How they fared is discussed in the following section.

Table 5-4. Locations of Memorial Homes Relocated Residents

Location	Number of families
Public Housing – Total	62
Schwartz-Robeson	57
Hoffman (elderly residence)	5
Private Housing – Total	121
New Brunswick	56
North Brunswick	18
Perth Amboy	12
Somerset	9
Other NJ towns	23
Out of state	3
Total	183

Note: Figures include approximately 13 families who purchased homes (the rest used Section 8 vouchers to find rental housing).

Source: Pennrose Management Company reports to New Brunswick Housing Authority, 2001.

NEIGHBORHOOD CHANGE

With three of four phases still to be completed at the time of this study and only 34 families having moved into new HOPE VI units, it is clearly premature to assess the project's enduring effects on the Lower George Street neighborhood. However, even if its full effects are not yet manifest, there are nevertheless signs of emerging effects. These offer a glimpse of what may come to pass, and they suggest indicators that would be useful to follow in the years to come.

Many stakeholders felt that even the preliminary events leading up to HOPE VI construction produced significant effects. Insofar as the Memorial Homes were perceived to be an obstacle to developing a part of town that otherwise had great potential, the announcement of the HOPE VI award in 1999 sent important signals that the neighborhood would soon be on its way up. The demolition of the old Memorial

Homes in 2001 drove this message home even more forcefully, not only to investors but also to residents, service providers and all who have a stake in the community.

In a very real sense the HOPE VI project has catalyzed both public and private revitalization of the Lower George Street neighborhood. While we cannot determine whether HOPE VI caused local investment in development projects, the city's leaders contend that the HOPE VI project complemented the city's revitalization efforts and added to its momentum. Furthermore, as will be discussed later, even though many Memorial Homes residents had to leave the city to find affordable housing, by all accounts most of them are doing very well in their new locations, and even appear to prefer them. In the following pages we examine some of the emerging effects of the HOPE VI effort.

Demographics

In this section we examine some of the demographic changes that have occurred in the Lower George Street neighborhood between 1990 and 2000. Insofar as the Memorial Homes were demolished a year after the 2000 Census, the Census data serve as the baseline for future examinations of the HOPE VI project's demographic effects, rather than as indicators of its effects. We first examine demographic trends between 1990 and 2000 as background. We then trace some of the most important qualitative changes that have been observed since the Memorial Homes were demolished, and examine their implications for the neighborhood.

Population Size

Between 1990 and 2000, the census tract that corresponds to the Lower George Street neighborhood declined by 8 percent (from 3,600 people to 3,300), even as New Brunswick experienced some of the fastest growth in its recent history. City population grew by 17 percent during the same period (see Table 5-5).

The relocation of over 180 Memorial Homes families obviously caused the local population to decline further. It is unclear how many former residents will move back, or how many newcomers will come to the neighborhood, drawn by the new housing. Continuing population decline could adversely affect the neighborhood's prospects for revitalization, because it reduces the population base that sustains local businesses. However, the housing authority is confident that the HOPE VI developments will reach full occupancy because the waiting list for public housing is large. Further, the HOPE VI development provides affordable housing in a city where it is in short supply.

Table 5-5. Demographic and Social Characteristics for the Lower George Street Neighborhood and the City of New Brunswick

Demographic and Social Characteristics for the Lower George St. Neighborhood & The City of New Brunswick, NJ							
	Lower George St.*			City of New Brunswick			
Population	1990	2000	Change	1990	2000	Change	
Total	3,581	3,286	-8.2%	41,711	48,573	16.5%	
White	845	483	-42.8%	20,607	15,906	-22.8%	
Black	2,039	1,062	-47.9%	11,472	9,736	-15.1%	
Hispanic	588	1,560	165.3%	7,769	18,971	144.2%	
Asian	63	115	82.5%	1,568	2,697	72.0%	
Other	46	66	43.5%	295	1,263	328.1%	
Income							
Median HH Income	\$16,486	\$18,242	10.7%	\$28,289	\$36,080	27.5%	
Persons Below Poverty	1,369	1,175	-14.2%	7,561	11,454	51.5%	
% of Persons in Poverty	38.8%	36.5%	-6.0%	22.0%	27.0%	23.2%	
Housing							
Total Housing Units	1,450	1,236	-14.8%	13,556	13,893	2.5%	
Owner Occupied Units	9.0%	7.0%	-21.5%	30.3%	24.7%	-18.4%	
Renter Occupied Units	84.7%	79.4%	-6.2%	63.4%	69.2%	9.1%	
Vacant Units	6.3%	13.5%	113.0%	6.2%	6.0%	-3.5%	
Median Gross Rent	\$414	\$575	38.9%	640	837	30.8%	
Median Value HO Unit	\$104,900	\$96,100	-8.4%	\$124,100	\$122,600	-1.2%	
Avg HH Size	2.61	2.97	13.8%	3.25	3.22	-0.9%	
Education**							
Less than 9th grade	18.2%	27.9%	53.4%	15.9%	21.6%	35.4%	
9th to 12th no diploma	27.2%	19.7%	-27.6%	18.1%	15.9%	-12.1%	
High school graduate	26.0%	27.1%	4.2%	25.9%	27.0%	4.0%	
Some college	10.6%	13.9%	30.8%	13.3%	13.0%	-2.0%	
Associate degree	3.8%	1.0%	-74.0%	3.4%	3.4%	-0.9%	
Bachelor's degree	6.7%	5.5%	-18.7%	13.5%	11.7%	-13.1%	
Graduate/prof degree	7.5%	5.0%	-33.3%	9.9%	7.5%	-24.2%	
Population 25 & above	1,802	1,630	-9.5%	20,539	22,088	7.5%	

Source: US Census Bureau, 1990 and 2000 Census.

*Census Tract 59 Middlesex County, NJ.

**Percentage of population 25 and older by educational attainment.

Racial Composition

The Lower George Street neighborhood underwent significant ethnic change during the 1990s (see Table 5-5). In 1990, the neighborhood was predominantly (57 percent) African-American. Whites, the next largest group, comprised 24 percent of the neighborhood's population. This was in stark contrast to the rest of the city, which was 27 percent African-American and 49 percent white. Over the next ten years, the racial composition of the neighborhood was altered by a major influx of Hispanics, and a corresponding outflow of African-Americans and whites. The population of blacks and whites declined by 48 percent and 43 percent, respectively, while Hispanics grew by 165 percent (the Asian population also grew substantially, but still was small in 2000). This trend also occurred citywide, although the rates of change were less dramatic.

The future racial composition of the neighborhood is unclear. Two forces potentially pull in opposite directions. First is the expected continuation of growth in the Hispanic population, which is predicted nationwide and regionally. Many of these families are expected to be low-income, first-generation immigrants. A second factor is the degree to which the neighborhood's revitalization attracts higher-income individuals, which are likely to be more established groups such as white or African-American professionals. The Lower George Street neighborhood is clearly in transition, its future "face" as yet unclear.

Housing Market

Rental rates and homeownership

As discussed previously, the housing market in New Brunswick is driven by the Rutgers University student housing market and by professionals who work in the city's local firms as well as those who commute to New York City. These factors conspire to make the city's housing expensive. Affordable housing, either rental or homeownership, is by all accounts difficult to find.

According to the Housing Coalition, which conducts a rent survey in Middlesex County each year, rents rose from three to six percent between November 2001 and November 2002 (see Table 5.6). Of the towns in Middlesex County, rents in New Brunswick are typically the most expensive. For example, in November 2001, shortly after the period that Memorial Homes residents were searching for housing, average rent for a studio was \$750 and \$1,135 for a two-bedroom apartment. In comparison, the Section 8 payment standard in effect at the time of relocation was \$648 for a studio and \$903 for a two-bedroom apartment.

Table 5-6. Average Rental Rates in Middlesex County Apartment Complexes, 2001-2002*

	2001	2002	Change
Studio	\$ 748	\$ 795	6.3%
1 Bedroom	911	938	3.0%
2 Bedroom	1,135	1,171	3.2%
3 Bedroom	1,500	1,564	4.3%

*Includes the town of Somerset

Source: The Housing Coalition, New Brunswick, NJ, Annual Rent Survey, December 2002.

What effect might the HOPE VI project have on rental rates? The consensus among stakeholders is that it would be difficult to attribute any changes in rental rates to the HOPE VI project (specifically, to the demolition of Memorial Homes or to the construction of Hope Manor) because the local housing market is driven more by demand from students and professionals. HOPE VI is unlikely to have much effect because rents are already high and they rarely fluctuate.

The HOPE VI project may have long-term effects on property values and home sales prices. However, most observers expect this effect will be relatively small because the housing market in the local area is driven by the market for student housing (however, to the extent that collateral investment increases the attractiveness of the neighborhood, other factors may come into play).

It is currently too early for any such effects to be visible. The final form of the HOPE VI homeownership component (new construction or down payment assistance) was not determined at the time this report was written. Moreover, changes would not be visible in existing data because the City has not conducted a property value reassessment since the HOPE VI project began. However, future research should examine the degree to which the HOPE VI effort affects homeownership rates and costs.

Quality of Life

Crime

Memorial Homes was considered to be one of the most crime-ridden parts of the city. Drug trade was active, and Memorial Homes was the scene of robberies and assaults. The police found the area to be difficult to patrol because of its indefensible design. Many residents felt that they received less police protection than other parts of the city simply because they lived in Memorial Homes. Many claimed that the source of much of this crime was not residents, but outsiders who used the facilities for their purposes.

Unfortunately, New Brunswick is composed of only one police precinct and the crime data could not be analyzed at the neighborhood level for this report.¹⁰⁵ However, perceptions—by both residents and police—are that when Memorial Homes was demolished, a significant source of crime in the local area went away, and crime in the neighborhood dropped. One possibility is that crime rose in other neighborhoods to which residents were relocated. It is not possible to analyze crime data in such a way as to examine this issue, but police department perceptions are that it did not.

Education

With relatively few families having moved into HOPE VI units, it is too early to ascertain whether the project has had any effects on children's educational performance. However, one significant advantage for families that will move into the HOPE VI developments is the state-of-the-art school facility at the newly constructed Lord Stirling Community School. The \$27.8 million school opened its doors in September 2002 to students in grades K-8.

The new school is among the first to be built as a result of the New Jersey Supreme Court's *Abbott vs. Burke* ruling that poor urban schools be given educational resources on par with wealthy suburban schools. The Lord Stirling Community School was the only new school opening in an "Abbott district" (there are 30 statewide) in 2002, and the first to be constructed as part of a redevelopment project.

The new school has the potential to be a tremendous asset to the area's (mostly low-income) children. The facility includes a broadcast center, 320 computers, a 400-seat auditorium, a \$95,000 technology lab, and classrooms equipped with computer-TV linkups for teaching. It also offers a variety of services and educational programming, including tutoring services, a mentoring program for 8th graders, before and after school programs, and special clubs.

However, an important issue, is whether the new school can accommodate high demand. New Brunswick parents can choose where to send their children, and enrollment was higher than expected even before the school opened—possibly an early indicator that perceptions of the neighborhood are changing for the better. The school district, which planned on an enrollment of 475, found itself having to accommodate 550 students at the start of the 2002/03 school year. As described previously, overflow classes are being housed in the old school building until June 2003. How the overflow will be accommodated afterward, was not determined at the time of this report.

¹⁰⁵ This may change in 2003 with the introduction of a new data system at the New Brunswick Police Department.

Sense of Community

The “return rate” of former Memorial Homes residents to the HOPE VI developments is still unknown. They receive first priority for the new units irrespective of income tiering requirements. The planned relocation rate was 45 percent¹⁰⁶ - about the same as the nationwide rate of 49 percent. At the time this report was written, 42 households (of the relocated 183 households) had either moved into a HOPE VI unit or submitted an application for one.

One of the most intriguing observations of this case study is that the HOPE VI project appears to have made the residents better off, regardless of whether they returned to the neighborhood. As noted earlier, most of the relocated residents who found housing in the private market had to move out of New Brunswick.¹⁰⁷ How are they doing? Although quantitative data are not available to illustrate the point, the anecdotal evidence is clear and consistent. Those who have had contact with the former residents that moved out of the city—as friends or case managers—observe that these families are doing well and even prefer their new towns. The outlying towns tend to be more suburban, greener, more affluent and have better schools. Many former residents are said to appreciate the fact that their Section 8 vouchers allow them to blend in more easily; no one need know that they receive subsidized housing. “No-one there knows their business, and they like that,” says one community leader who has many friends that moved away.

What about those who have moved back? By all accounts the residents of Hope Manor appear to like their new homes and are energized by the prospect of “starting over in a nice place.” One Hope Manor resident noted that moving back catalyzed her to improve her lifestyle in other ways, for example by undertaking credit repair. The design of the units—with individual doorways and back yards—promotes a sense of proprietorship that inspires them to take care of the unit and to watch out for each other. A telling sign of pride in their new homes is the fact that residents now refer to their homes by street address, rather than as “the projects.” A community leader notes, “It’s been a wonderful change for the neighborhood. And it’s given [former] residents a new outlook on life. They’re not entirely there yet, but they’re learning to be self-sufficient. Some of them, for example, are riding a bus for the first time in their life.”

Only time will tell if these effects endure, and to what extent they are characteristic of the entire HOPE VI project. But the early signs are that, despite the trauma of relocation,

¹⁰⁶ As each household was relocated, it was asked whether it wished to return to a HOPE VI unit. In all, 82 of 183 relocated households said they wished to return.

¹⁰⁷ Of the 277 working-age former residents (those aged 19-64) that are eligible for case management services, 40 percent live outside the city, mostly in surrounding towns such as Somerset, Perth Amboy, Plainfield, and Franklin.

HOPE VI has catalyzed many former residents of Memorial Homes to create better lives, wherever they may be.

Collateral Investment

The contribution of HOPE VI toward the neighborhood's revitalization is perhaps most dramatic in terms of collateral investment. As noted in the beginning of this case study, New Brunswick experienced significant levels of investment throughout the 1990's. Some of the largest such projects occurred in the area near the Lower George Street neighborhood after the HOPE VI award was announced, and more projects are planned for the area. In fact, according to one press account, "the vacant riverside [Memorial Homes] site is an anomaly in a city where construction and redevelopment has been booming."¹⁰⁸

Because a revitalization boom was already underway before HOPE VI, it would be an exaggeration to conclude that HOPE VI necessarily caused these investments. At the minimum it removed an obstacle to the development of a long-neglected, but strategically located, portion of the city. Two milestones were significant in this respect: the announcement of the HOPE VI award in early 1999, and the actual demolition of the Memorial Homes in August 2001. According to a press account about the city's overall development, "the presence, and anticipated razing, of the high-rises was considered by potential investors... 'Potential investors knew the city was committed to making the demolition happen,' [former mayor John Lynch] said. DevCo chairman George Zoffinger agreed, saying, 'People were willing to invest on the basis it was going to happen.'"¹⁰⁹ Even officials who are reluctant to overstate the effects of HOPE VI acknowledge that HOPE VI probably led to bigger, if not new, investments than would otherwise have happened.

Table 5-7 summarizes the development projects in the neighborhood surrounding Lower George Street since the HOPE VI award was announced in 1999. Among the most notable new development projects are the following.

- **The Heldrich Center**, a 450,000 square foot facility slated for completion in 2004, will include a combination of academic, retail and housing space. It will house Rutgers University's Heldrich Center for Workforce Development (the nation's first university-based workforce development center), a 250-room hotel, a 50,000 square foot conference center, 30-40 luxury condominiums, academic and office space for Rutgers University, and street level retail space.

¹⁰⁸ "Empty Lot Awaits Its Turn in the Revitalized Hub City," *Home News*, August 18, 2002.

¹⁰⁹ '50's Plan Evolving: New Brunswick Follows Vision, *Home News Tribune*, August 27, 2001.

Table 5-7. Collateral Investment in the Area Surrounding Lower George Street*

Development	Description	Value	Date
Business / Retail / Education			
Liberty Plaza	120,000 sf office space, 15,000 sf retail space	\$23 m	1998
Matrix Plaza	Renovation of 303 and 317 George St.	\$5 m	2002
Lord Stirling Community School	New elementary school	\$25 m	2002
Heldrich Plaza	Conference center, 250-room hotel, 30 market-rate condos	\$90 m	Planned 2003-04
99 Bayard Street	Renovation of offices and apartments	\$1.3 m	2002
C-Town grocery store rehabilitation	Grocery store façade improvements	unknown	2002
Abundant Life Church	Façade renovation	\$1 m	2001-02
Rutgers University public safety building	George St. and Commercial Ave.	To be determined	Planned 2003-04
Housing			
Rental Rehabilitation (funded by DCA and HOME)	Rehab of 87 low/mod rental units	\$3.4 million	2000-02
Lead paint abatement	Lead paint abatement of 57 low/mod rental units	\$1.1 million	2000-02
Highlands at Plaza Square	417 luxury rental apartments, retail in Riverwatch area	\$58.5 m	Planned 2003
Richmond Court	82 luxury rental apartments	\$8 million	1999
Riverwatch Hiram Square	33 townhomes	\$2 million	1991-98
The Metropolitan	360 market-rate apartments and retail in Riverwatch area	\$50 m	Planned 2004
New Brunswick Apartments rehabilitation	Rehab of low/mod rental complex adjacent to Memorial Homes site	\$5 m	Planned 2003
Private rehabilitation	Rehabilitation of 4 private homes adjacent to Hope Manor	unknown	2002
Rutgers University student housing and bookstore	200 units of student housing and bookstore in George St. corridor	To be determined	Under discussion
George St. housing development	100 market-rate apartments along George St. between Monument Sq. and Commercial Ave.	To be determined	Under discussion

Development	Description	Value	Date
Infrastructure / Public Improvements			
Civic Square II – County and Police	Police station, County administrative offices	\$48 m	2001
Civic Square III – Family Court	County family court	\$25 m	2002
Civic Square IV – Skyline Tower	Court renovation, apartment housing	\$48 m	2002
Total		\$394.3 m+	

* Since the HOPE VI grant award was announced in 1999.

- **The Plaza Redevelopment Project** is a planned residential and office complex on two sites adjacent to the Heldrich Center. Slated for completion in 2003, this development will include 750 residential units, 32,000 square feet of retail space, and a parking garage for 1,600 vehicles. Component parts are the Highlands at Plaza Square, a mixed-use development and the metropolitan apartment complex.
- **Riverwatch Residential Complex** consists of luxury apartments and condominiums located adjacent to the Memorial Homes site. Completed in phases (the most recent of which consisted of 15 townhomes completed in 1999), the complex includes a total of 197 market-rate rental apartments and 33 townhouses.

There have been signs that suggest that HOPE VI has encouraged smaller investors as well. Shortly after Phase I housing rehabilitation began, four privately owned adjacent houses were rehabilitated. The neighborhood grocery store was renovated. A local church that had long contemplated a façade renovation, finally undertook it and plans a more extensive expansion in the year ahead. In short, there are clear signs that the Lower George Street neighborhood is joining the rest of the city’s revitalization.

SUMMARY

The New Brunswick HOPE VI project offers compelling, if preliminary, evidence of positive change. Most dramatically, it suggests that a HOPE VI project need not be complete to catalyze positive changes in the neighborhood. Announcement of the HOPE VI plans, and demolition of the blighted public housing project, can send powerful signals to the community and investors about the city’s commitment to effecting change. This case study also suggests that HOPE VI may lead to improvements in residents’ lives regardless of whether they return to their old neighborhood. In short, the story of the New Brunswick HOPE VI project is one of early promise. In the words of one local church leader, “there’s a sense that something big will happen when this all gets done.”

What might that “something big” be? Certainly, any conclusions about the effects of HOPE VI on the neighborhood must await a follow-up assessment when the HOPE VI effort is complete. But even in the project’s early stages, it is clear that the Lower George Street neighborhood is on the threshold of significant change. The strength of the city’s economic development throughout the 1990s and its priorities for the future suggests that the Lower George Street neighborhood may have been destined for revitalization even without HOPE VI. In this context, the significance of the HOPE VI effort may be two-fold. First, HOPE VI may not have caused the changes taking place, but perhaps has accelerated them, allowing a long-neglected neighborhood to join the rest of the city’s prosperity. Second, to the extent that other developments occurring nearby—hotels, conference centers, office space, and luxury apartments—suggest gentrification, the significance of HOPE VI may be to maintain the presence of affordable housing in a city that otherwise presents a harsh housing environment for the poor.

Future analyses should examine three types of factors:

- the nature of the Lower George Street neighborhood changes after HOPE VI is complete;
- the local housing market and the significance of the HOPE VI affordable housing within it; and
- the experiences of former residents that did not return to the site, as well as of those that did.

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Reverend George Seawright, Abundant Life Family Worship Church
Patricia Shump, Director, Housing Coalition of Central Jersey
Bea Harris, former resident and Chair, New Brunswick Housing and Redevelopment Authority Commission
George Berry, former Resident Council President and Member, New Brunswick Housing and Redevelopment Authority Commission
Wanda Stokes, current Hope Manor resident
Eugenia Hill, Relocation Specialist, Pennrose Management Company
Maria Zavala, Program Manager for Community Initiatives, The Community Builders
Tom Kegelman, Senior Program Manager, The Community Builders

6

BOSTON, MA

This case study examines the neighborhood-level effects of the redevelopment of Orchard Gardens, formerly a 711-unit public housing site in the Roxbury neighborhood of Boston, Massachusetts. The Boston Housing Authority received a \$30 million HOPE VI revitalization grant in 1996.

At the time this report was written, construction had not been completed on the offsite rental and homeownership components, nor was the community supportive services program fully operational. Yet, the core element of the project—the construction of 331 onsite-rental units—has been fully occupied since 1999.

This case study illustrates how HOPE VI can be used to achieve several critical goals of neighborhood revitalization (e.g., de-concentrating poverty, reducing crime and transforming the physical environment). Due to high levels of crime, and severe physical deterioration, Orchard Gardens was at one time a powerful symbol of the decline of Roxbury and other urban core communities throughout this nation. However, for the past decade Orchard Gardens, situated in a predominantly low-income community of color, has received considerable attention from the public and private sectors, resulting in changing demographics and soaring housing costs.

CONTEXT AND BACKGROUND

Boston is the capital of the Commonwealth of Massachusetts and the seat of Suffolk County. It was established in 1630 by English settlers of the Massachusetts Bay Company, and is the largest city in New England. It is also the center of a Consolidated Metropolitan Statistical Area (CMSA) whose population of 5.5 million makes it the seventh largest metropolitan area in the U.S. This eastern Massachusetts city is encircled on the north, west and south by suburbs linked by a circumferential highway, and is bordered on the east by Boston Harbor.

The city drives the economy of the region, as one of every six jobs in Massachusetts and one of every thirteen in New England is located in Boston. The leading industries include education, financial services, health care and high technology. Boston is home to 32 colleges and universities, which collectively enroll more than 130,000 students—this contributes heavily to the area’s highly educated workforce. Numerous regional and national banking institutions and asset management firms help anchor the financial

services industry, while thirty hospitals and three internationally renowned medical schools form the backbone of a thriving health care industry. This solid healthcare infrastructure, coupled with the strong presence of academic research institutions, has given way to significant growth in the technology sector, biotechnology in particular. Achievements in medical research and technology commercialization have earned Boston the distinction of having one of the nation's five leading biotech clusters.

Many communities throughout the city have prospered over the years as a result of the growth of these industries. However, not all of Boston's neighborhoods have benefited equally from these gains. In fact, there are communities that have fared poorly in comparison to many other parts of the city—they have been plagued by persistent poverty and unemployment, as well as severe physical and social deterioration. The Orchard Gardens public housing complex (formerly known as Orchard Park), which was targeted for HOPE VI investment in 1996, is at the center of one such community.

Orchard Gardens is located in Roxbury, a 3.5 square mile area that constitutes one of the City of Boston's sixteen planning areas. Roxbury is comprised of twelve distinct sub-neighborhoods, one of which is the strategically-situated Dudley Square business district. It is located less than three miles from downtown Boston, one-half mile from Interstate 93, and just blocks from Melnea Cass Boulevard, a major thoroughfare which houses the Boston University Medical Center and several large industrial sites (see Exhibit 6-1).

The historic, cultural and economic hub of Boston's African-American community, Dudley is home to many retail businesses, cultural enterprises, non-profit and civic organizations, and public facilities including a police station, a library, the Roxbury district courthouse, a major regional U.S. post office, and Dudley Station—the city's busiest bus terminal. There are more than 3,000 households in and around Dudley Square. The Orchard Gardens complex and the other residential enclaves within close proximity of Dudley Square, along with the nearby commercial corridors that comprise the business district, are the focus of this case study.

Roxbury, which was also established in 1630 as one of six original harbor villages owned by the Massachusetts Bay Colony, remained an agricultural community up until the late 18th century. In the 19th century, changes in the economic character of Roxbury were facilitated by, and occurred in tandem with, improvements in the regional transportation system. The Tremont Street extension, for example, provided a more direct connection to downtown Boston, thus enhancing the potential for even greater commercial activity. The establishment of streetcar service between downtown Boston and Roxbury, and the designation of a Roxbury stop along the Boston/Providence Railroad line in 1835 helped establish Roxbury as a fully industrialized urban enclave. The Dudley Square commercial district was the hub of this activity. By 1868, Roxbury had experienced such

**Exhibit 6-1. Orchard Gardens, Boston, MA:
City of Boston Showing Roxbury Neighborhood**

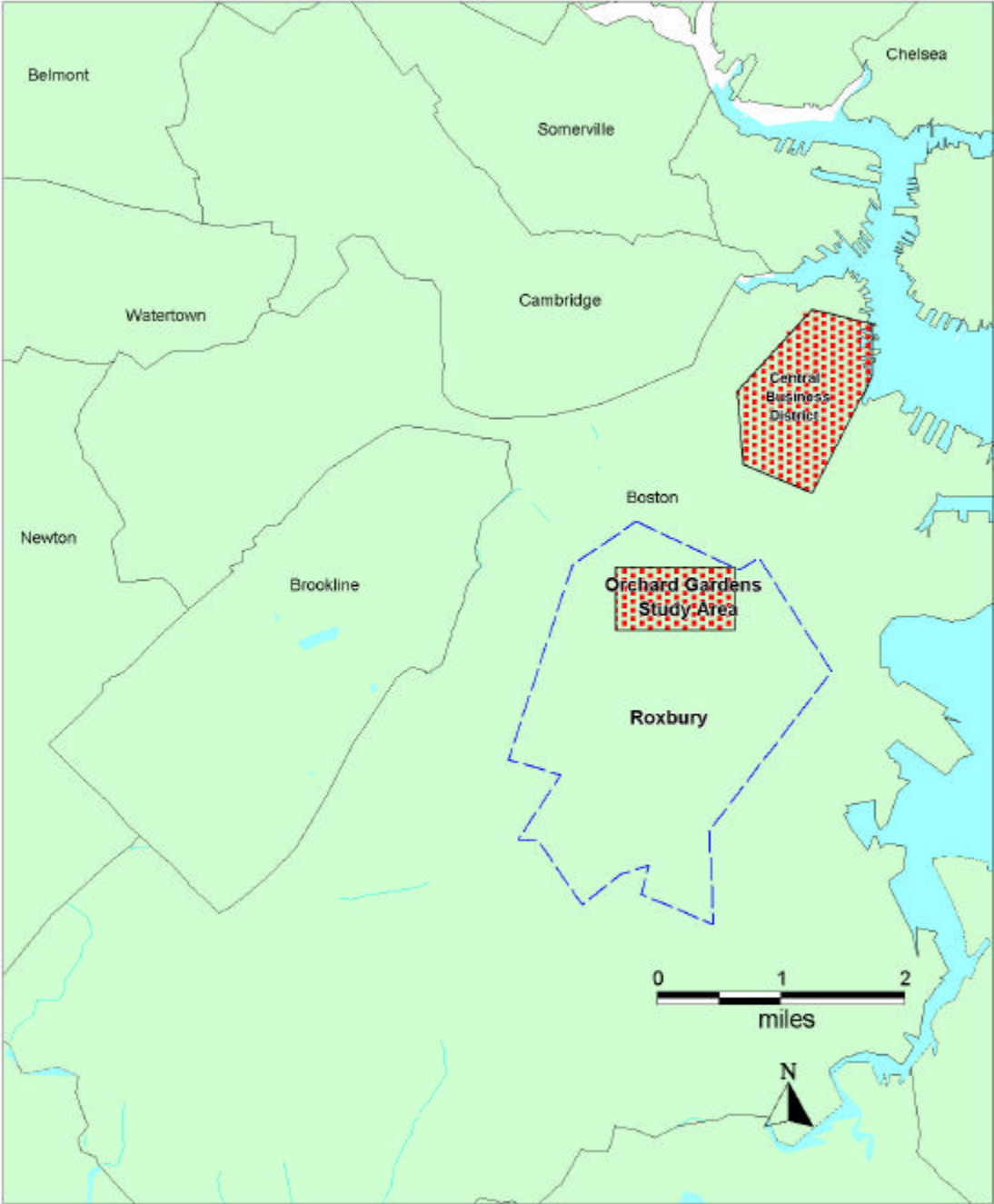
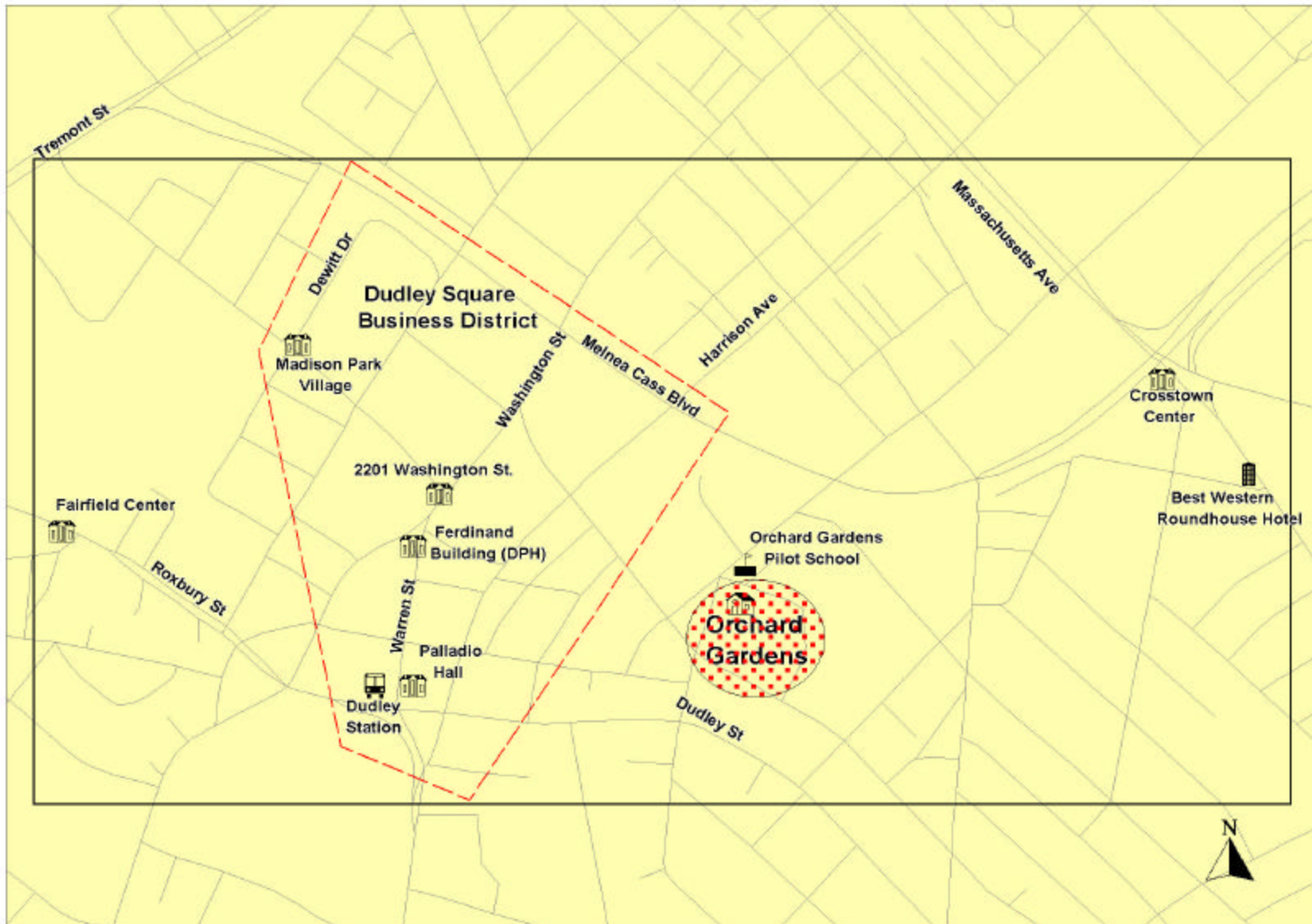


Exhibit 6-2. Orchard Gardens, Boston, MA: Study Area Map



dramatic growth that it opted to be annexed into the City of Boston as a way to improve municipal services.

This industrial infrastructure helped fuel Roxbury's continued economic growth well into the 20th century. This growth created significant demand for unskilled labor, and in turn, Roxbury drew many black Americans from the southern U.S. between 1910 and 1940. By the start of World War II, Roxbury had become a genuinely multi-ethnic and multi-racial community where black Americans worked and lived alongside the descendants of various groups of Europeans who had previously settled there. This ethnic and racial diversity was reflected at Orchard Park, a 774-unit¹¹⁰ public housing complex built in 1942 to accommodate the increased demand for housing among area residents.

Over the next twenty years, the continued growth of Roxbury's population of poor and working class blacks, coupled with the severe erosion of the local manufacturing base, contributed to the departure of significant numbers of working-class whites as well as of many working-class blacks. Roxbury, including the Orchard Park complex, thus began to evolve from an economically and racially diverse neighborhood to one in which lower-income African-Americans were becoming a more dominant presence. This factored into the weakening of Roxbury's political clout, as evidenced by a decline in basic city services and increased insurance industry redlining. This institutional neglect culminated in the destructive Urban Renewal policies of the 1960s,¹¹¹ which accelerated disinvestment from Roxbury through the 1970s. The Dudley business district, which was home to many industrial, commercial and retail establishments, began to lose traction in the local economy as its consumer base dwindled, and major employers closed their operations. The Orchard Park public housing complex was not immune from this pattern of decline. This once tight-knit, well-maintained public housing complex where residents enjoyed a favorable quality of life, was now suffering from inconsistent trash pick-up, vandalism, and subsequently, increased vacancies.¹¹²

The patterns of private and public disinvestment that emerged during the 1960s persisted during the 1980s. One example that remains fresh in the collective consciousness of local residents and business owners is the removal of the Orange Line (one of three high-

¹¹⁰ As a result of the creation of 53 breakthrough units and the conversion of a ten-unit building for use as a service center and tenants council office, the total number of available units dropped to 711 by the 1980s.

¹¹¹ The City of Boston, through the Boston Redevelopment Authority, planned to construct large-scale industrial enterprises and expand Interstate 95 to maximize access to these proposed commercial facilities. Although strong grassroots organizing efforts helped defeat elements of Urban Renewal, more than 120 acres of residential and commercial property were leveled to make room for various projects.

¹¹² John Bowden, Orchard Gardens resident, November 2002 interview.

capacity train lines in Boston's transit system) from its historic Washington Street location in the heart of Dudley Square. With the elimination of this train service, Dudley lost an important direct transportation linkage to many other areas throughout metropolitan Boston. By the 1990s, conditions throughout many parts of Roxbury were grim, and Dudley Square was a bellwether for the area's overall decline. Dudley was characterized by extreme physical distress—vacant lots, cracked, litter-strewn sidewalks, and blighted, boarded-up buildings. Those commercial buildings that were occupied tended to house marginal or under-stocked retail businesses, few of which adequately served the needs of local residents. In fact, an expenditure survey conducted by a Roxbury-based non-profit community development corporation found that as much as \$106.5 million annually in retail sales were flowing out of the Dudley area economy.¹¹³

These challenges were exacerbated by a sharp increase in violent crime, much of which could be attributed to the proliferation of crack-cocaine—an unfortunate trend evident in many of the nation's major cities. Nowhere in the Dudley Square area were the neighborhood's problems more vividly manifest than in the Orchard Park public housing complex. Not only did it bear the signs of physical deterioration (nearly half of the units were vacant in August 1995), but it had also become a powerful symbol of the neighborhood's seemingly intractable social problems. For example:

- Only 30 percent of adult residents were employed full-time.
- Ninety percent of residents had incomes less than \$20,000.
- Illegal drug trafficking was rampant. As noted by one observer, Orchard Park, due to its isolation and lack of visible, “defensible space,”¹¹⁴ had become such a notorious haven for crack-related activity, that “even drug dealers from New York [City]” regularly set up shop there—despite its proximity to the district police station.¹¹⁵

Thus, although the larger Dudley area was confronting very serious physical, social and economic challenges, the Orchard Park public housing complex became a distinctly isolated and troubled element within the community. The intervention strategy presented in the following section was a necessary and important step toward addressing conditions at Orchard Park. However, it bears emphasis that the HOPE VI revitalization effort was one of many strategies targeted for the Dudley area. To be sure, the early and mid-1990s witnessed a renewed focus on this neighborhood by private and public interests. For example:

¹¹³ *Strategic Plan for Community Economic Development, 1996-2000*, Madison Park Development Corporation.

¹¹⁴ Orchard Park HOPE VI Plus Implementation Grant proposal.

¹¹⁵ John Bowden, Orchard Gardens resident, November 2002 interview.

- Many established local property-owners, entrepreneurs and non-profit community development corporations (CDCs), began to make significant investments in some of the Dudley area's larger and historic commercial and residential properties.
- Boston received Enhanced Enterprise Community (EEC) designation in 1994, and the Dudley Square/Orchard Park area was included in this 5.8 square mile zone targeted for significant commercial and business investment. This helped provide much-needed public resources for area revitalization efforts.
- Dudley Square was selected in early 1995 as one of ten Boston Main Streets districts, which helped increase the stature, visibility and resources available to area commercial corridors. Main Streets and EEC designations were among the factors in the high levels of collateral investment in the Dudley area in subsequent years. (This is discussed in more detail in the section on collateral investment.)
- Over a four-year period—1990-1994—several area residents and non-profit organizations collaborated with City agencies to craft the comprehensive Dudley Square Business District Development Plan. The goals of this plan were to increase the level of private investment in the 300,000 square feet of vacant or under-utilized commercial space in the area, and encourage public investment in streetscape, parking and open space.
- Grassroots organizations, most notably the Dudley Street Neighborhood Initiative (DSNI), created plans that also addressed the need for improved human development services to promote greater resident self-sufficiency and eliminate drugs and crime.
- The Boston Redevelopment Authority (BRA) initiated a planning process to determine appropriate potential uses for the Crosstown Industrial Park, a large property located on Melnea Cass Boulevard. At least one major employer opened a manufacturing facility even prior to the start of this planning process.
- Lower Roxbury figured prominently in a \$5 million Metropolitan Boston Transit Authority (MBTA) plan for the "Urban Ring"—a circumferential transit system that would promote improved inter-community travel, and among other potential benefits, facilitate access to centers of commerce for residents of low-income residential neighborhoods. Additionally, the MBTA began a review of alternative transit technologies to replace the Orange Line train service that had been relocated to the southwest corridor in the late 1980s.

Today, the Orchard Park study area is characterized by significant levels of private and public investment, as evidenced by recent announcements of plans to renovate the Ferdinand Building, a decaying historic building at the center of Dudley Square that will serve as the new headquarters for the Massachusetts Department of Public Health, and successful efforts to begin construction on Crosstown Center, a \$140 million commercial and retail complex just a short distance from Orchard Gardens. Interestingly, Roxbury as

a whole has become “the place to be” for many Bostonians.¹¹⁶ As such, the community has become synonymous with increased housing demand and escalating housing costs, trends that are attributed to several factors including increased demand for housing throughout the city and region, and Roxbury’s proximity to the South End and Jamaica Plain—two high-priced, gentrifying neighborhoods.

Thus, given the considerable attention that has been focused on the larger community from the early 1990s through the present, the Orchard Gardens redevelopment effort is a pivotal element in the overall revitalization of the Dudley area.

INTERVENTION STRATEGY

Spurred in part by continued advocacy by the Orchard Park Tenants Association, the Boston Housing Authority in 1995 took two major steps toward improving the conditions at the site. First, the agency designated Orchard as a Comprehensive Modernization (Comp Mod) project, and utilized Major Revitalization of Obsolete Projects (MROP) funds, along with portions of Comprehensive Grant Program (CGP) and Comprehensive Improvements Assistance Program (CIAP) allocations from HUD to begin renovations. This plan (which was eventually integrated into the implementation of the HOPE VI effort) called for certain design interventions that would help connect the complex to the surrounding neighborhood and eliminate physical characteristics that made Orchard Park an easy place for shielding illegal and anti-social activity. Some of the critical elements and objectives of this major rehabilitation included:

- Maximizing defensible private/semi-private exterior spaces.
- Reducing overall density from 711 to 470 units.
- Reconfiguring at least 80 percent of the units as townhouses with individual entries.
- Demolishing all of the common stairhalls.
- Constructing an on-site family investment center that houses resident self-sufficiency and other supportive programs and services.

The second major step taken by the BHA was to pursue HOPE VI funding. The agency had secured a \$49.9 million HOPE VI grant in 1993 to undertake a comprehensive revitalization of Mission Main, a mostly-Latino public housing complex also located in Roxbury. Mission Main’s selection as the first candidate for HOPE VI funding, however, was a source of contention between the overwhelmingly African-American Orchard Park

¹¹⁶ David Lee, Stull & Lee Architects, November 2002 interview.

Tenants Association (OPTA) and the BHA. These resident leaders believed that the extent of the conditions at Orchard Park, combined with the OPTA's long-history of advocating for improvements, should have qualified Orchard for candidacy as a first-round HOPE VI project. In short, there was a sense among many that they had, yet again, been short-changed by a local political establishment with a history of overlooking the needs of Roxbury's African-American citizens. Subsequently, many Orchard Park residents initially reacted with skepticism and hostility when the BHA later proposed submitting a HOPE VI grant application for the revitalization of Orchard Park.¹¹⁷

Recognizing the importance of fully engaging residents in the development of a vision that would anchor the revitalization plan, the BHA, armed with a \$400,000 HUD planning grant, thus initiated a planning process that was intended to harness the residents' collective passion for creating long-term, substantive change at Orchard Park. Representatives of the OPTA served on the proposal development team, and BHA staff held weekly stakeholder meetings to allow for maximum input into the development of the proposal. That the OPTA was a sophisticated, well-organized body with experience in complex redevelopment negotiations (such as those that characterized the planning process for the above-mentioned Comp Mod project), helped ensure that residents had substantive, meaningful involvement in the HOPE VI planning process.¹¹⁸ Following are the key goals for the HOPE VI revitalization of Orchard Park established through this collaborative planning effort:

- End the isolation of Orchard Park by reconnecting the development physically, socially and economically with the surrounding area.
- Transform Orchard Park from a blighted housing complex into an aesthetically attractive environment that catalyzes further investment.
- Create a range of housing options in the neighborhood for both low- and moderate-income families to foster a mixed-income community.
- Create economic opportunity that fosters resident self-sufficiency.

The BHA submitted a \$33 million HOPE VI grant request to HUD in April 1995. This plan called for the redevelopment of the original site in a single phase, which required that 235 of the 304 existing households be relocated for up to 24 months. This proposal was later revised to include a phased approach that would minimize the impact on residents. This revised Implementation Plan, submitted in August 1995, envisioned a three-phase redevelopment process in which 635 units of housing (595 rental units and 40

¹¹⁷ Edna Bynoe, Orchard Gardens resident, November 2002 interview.

¹¹⁸ Deborah Goddard, Former Director of Real Estate Development, Boston Housing Authority, November 2002 interview.

homeownership units) would be created. HUD awarded the BHA a \$30 million grant in 1996 for the revitalization of Orchard Park. These resources allowed the BHA to build upon and expand the work it had already begun under the Comp Mod project. Following are the details of key aspects of the HOPE VI implementation strategy. Conditions at Orchard Park before and after HOPE VI revitalization are shown in Exhibit 6-3.

Physical Redevelopment

The approved Revitalization Plan called for the construction of 635 units of housing through a combination of demolition and new construction, and rehabilitation and reconfiguration of existing units. During the course of implementation, however, the number of planned units was scaled back to 491—446 rental and 45 homeownership units (see Table 6-1). This change was necessitated by increased construction costs resulting from unanticipated soil remediation issues, and a change in the statewide building code requiring sprinklers in new residences. The elements of the physical redevelopment program are presented below.

Table 6-1: Unit Summary of Pre- and Post-Revitalization

	Pre-Revitalization	Post-Revitalization
Total Units	711	491
Total Acres	15.75	16
Density	45.14	30.69
1 BR	No available data	107
2 BR		169
3 BR		166
4 BR		33
5 BR		16
PH Units	711	
PH/LIHTC Units		380
Market Rate Rental	-	66
Average Rent	No available data	\$415
Homeownership Units	-	45
Public Housing Unit Income Mix (380 units):		
Tier 1 (12% of units)=0 -10% of AMI	711	45
Tier 2 (12% of units)=11% - 20% of AMI		45
Tier 3 (23% of units)=21% - 40% of AMI		88
Tier 4 (41% of units)=41% - 60% of AMI		156
Tier 5*(12% of units)=61% - 80% of AMI		46
Median HH Income	No available data	\$16,000

Exhibit 6-3. Orchard Gardens: Before and After Photographs

Rehabilitation of existing structures at the public housing site.



The Former Dearborn School (now housing)



Original Public Housing

After Revitalization



Orchard Gardens New Pilot School



Multi-family Housing



Multi-family Housing



Townhomes

On-Site Rental Housing

The redevelopment of on-site rental housing represents the largest and most advanced component of the project, accounting for 331 of the total 491 units. This component of one to five-bedroom garden-style apartments as well as units within a renovated historic building.

The BHA, in collaboration with the OPTA, designated Madison Trinity Ventures as the developer in 1996. Madison Trinity is a joint venture between the non-profit Madison Park Development Corporation, and a for-profit entity, Trinity Financial, Inc. Both organizations, which were headed by African Americans, had a long track record of working with local stakeholders to complete major housing redevelopment initiatives in lower Roxbury and other distressed areas throughout the city. The Madison Park Development Corporation, for example, developed and owned the nearby Madison Park Village, a nearly 600-unit mixed-income residential community within walking distance of Dudley Square. This complex had been long considered by area residents to be among lower Roxbury's flagship affordable housing communities. Therefore, the community development corporation's success in developing and managing (in partnership with a private management company) Madison Park Village was an important factor in the decision of the OPTA to select Madison Trinity. As one resident leader stressed, she wanted to see the aesthetic quality and high management standards of Madison Park Village replicated at the new Orchard Park.¹¹⁹

The first phase, a gut rehab of nine buildings and creation of 126 units, was completed in December 1996 and has been fully occupied since 1997. The second phase included the demolition of another eight buildings and the construction of 90 new modern townhomes. These units have been occupied since late 1998. The third phase consisted of the demolition of eleven buildings and the rehabilitation of a historic property, the former Dearborn School, to create 115 units of new housing. This phase was completed in late 1999 and has been fully occupied since 2000.

Off-Site Rental Housing

A team consisting of two minority-owned firms, Cruz Development Corporation, and the architectural firm of Domenech Hicks & Krockmalnic, was selected in 1999 to implement the 115-unit off-site rental component, Orchard Commons. This consists of one to four-bedroom units in newly constructed row houses and semi-detached buildings.

¹¹⁹ Edna Bynoe, Orchard Gardens resident, November 2002 interview.

To bring this project to fruition, the developer assembled fifty vacant City-owned parcels and acquired one vacant building. Construction of the first phase, comprised of 76 units, was completed in 2000, and has been fully occupied since that time. These units are managed separately from the on-site rental component. Construction of the second phase—the remaining 39 units—has been delayed due to unanticipated hazardous soil remediation issues.

Off-Site Homeownership

The forty-five homeownership units are in the surrounding neighborhood and are being implemented in three phases. The first phase, Shawmut Estates, consists of 15 one, two, and three-bedroom condominiums. These units were completed in 2000 and have been sold to first-time home-buyers. The second phase entails the disposition and rehabilitation of ten duplex units. In 2000, HUD approved the disposition of ten BHA-owned units to a Roxbury-based non-profit community development corporation, Nuestra Comunidad Development Corporation, but this phase has stalled due to delays in negotiating disposition of these properties. The third homeownership phase will be new construction on approximately twelve vacant parcels. The BHA is still in the planning stage and expects to issue an RFP for the construction of these units in 2003.

Relocation

Resident relocation was carried out in phases to meet the schedule for demolition and construction under a HUD-approved plan. Residents were given the choice of moving into other available BHA housing or seeking options in the private market with a Section 8 voucher. But few accepted a Section 8 voucher, as the high vacancy rate at Orchard Park allowed most residents to move into other units on-site.¹²⁰ Relocation, however, may not have worked smoothly for everyone. According to one observer, some residents had to seek housing opportunities as far away as western Massachusetts, although there is no data to support this.¹²¹ All original Orchard Park residents were given the right to return to the revitalized complex, provided they were in good lease standing. Those who were not permitted to return were either not included in the original lease,¹²² or were

¹²⁰ Deborah Goddard, Former Director of Real Estate Development, Boston Housing Authority, November 2002 interview.

¹²¹ Chuck Turner, Boston City Councilor, District 7, November 2002 interview.

¹²² Danette Jones, Former President & Executive Director, Madison Park Development Corporation, December 2002 telephone interview.

disqualified due to a criminal record.¹²³ While some residents opted not to return to the new complex, all qualified persons who wished to return were able to do so.¹²⁴

Achieving Income Diversity

Members of the OPTA strongly believed that income-diversity was vital to the long-term viability of the new Orchard Park, and therefore determined that 15 percent of units should be market rate, while 85 percent were to be public housing. Previous studies have concluded that the mixed-income approach to housing development can serve as an important platform for achieving several critical objectives that can help improve the quality of life for residents. These include deconcentrating poverty, and connecting families to a broader range of residents and institutions and enterprises.¹²⁵ As shown in Table 6-1, the public housing units are employing an income-tiering approach in which:

- 12 percent of units are at or below 10 percent of the Area Median Income (AMI);
- 12 percent are between 11 and 20 percent of AMI;
- 23 percent are between 21 and 40 percent of AMI;
- 41 percent are between 41 and 60 percent of AMI; and
- 12 percent are between 61 and 80 percent of AMI.

Despite the OPTA's push for the inclusion of market rate units, and its support for the income-tiering approach as a means of creating a more economically-diverse resident population, a perception exists among some in the community that the Orchard Park revitalization effort is in fact a tool for cleansing Dudley of its low-income residents to make the area more appealing for continued investment. However, there is no data to support the assertion that lease-compliant households who wanted to return to the revitalized community could not do so because of lack of available units at their income level.

MBE/WBE Utilization and Area Resident Employment

Available data with respect to minority- and women-owned business participation in the project, as well as area resident employment during construction, show that approximately 40 percent of the \$40 million in contracts let on the on-site rental component were with minority or women-owned enterprises. Additionally, 52 percent of

¹²³ Edna Bynoe, Orchard Gardens resident, November 2002 interview.

¹²⁴ Orchard Park/HOPE VI program summary, prepared by the BHA.

¹²⁵ *Mixed-income Housing Developments: Promise and Reality*. Joint Center for Housing Studies of Harvard University and Neighborhood reinvestment Corporation, October 2002.

those employed were persons of color, and twelve percent of all workers were from the local community.

Orchard Gardens Pilot School

A central issue that arose during both the planning and implementation phases of the project was the need to create an on-site multi-service center that would serve as a venue for supportive services, including self-sufficiency programs. During the course of this process, residents also became aware that the children in their community were divided across three school zones, and were bused to approximately forty-five different schools.¹²⁶ (Orchard Park had for many years been home to the Dearborn School, which many adult residents had attended as children. This outmoded structure, which was shut down in 1980, was redeveloped as housing during the initial phase of the HOPE VI project.) This realization prompted the OPTA to reserve an acre of land on which to build a new school in the community that Orchard Garden children could walk to. This gave way to a joint planning process between the BHA and the Boston Public School Department for the construction of a new K-8 school on the original public housing site.¹²⁷ This facility, which was granted pilot school designation by the School Department in Fall 2002, will be a full-service community institution that will house a family center that will serve as a venue for a broad range of human care and self-sufficiency programs and services.

Construction on the school is nearing completion. The school is scheduled to open in September 2003. (This project also entailed the reconfiguration and renovation of an existing park.) The total development cost is \$31.4 million.

Financing

In total, the Orchard Gardens revitalization is a \$83.2 million endeavor (see Table 6-2). The City funded all necessary infrastructure upgrades including streets, water and sewer connections. The BHA supplemented the HOPE VI grant with Low Income Housing Tax Credits (LIHTC), which helped leverage over \$34 million in equity from private sources.

¹²⁶ Edna Bynoe, Orchard Gardens resident, November 2002 interview.

¹²⁷ Application for the Orchard Gardens Pilot School, July 15, 2002.

Table 6-2: Financial Summary

Financing Summary								
Orchard Gardens	On-Site Phases 1 & 2	On-Site Phase 3	Off-Site Phase 1	Off-Site Phase 2	Shawmut Estates	Infills	Homeown Phase 3	Total
Relocation	\$403,106	\$221,536						\$624,642
Demolition & Remediation	\$450,000	\$5,470,899	\$4,742,451					\$10,663,350
Project Management	\$166,953	\$112,605	\$88,006	\$18,151	\$22,774	\$12,320	\$12,320	\$433,129
Construction Management	\$132,400	\$210,000		\$21,200				\$363,600
Architecture & Engineering	\$831,925	\$1,170,229	\$494,195	\$286,845	\$132,872	\$67,971	\$135,943	\$3,119,980
Legal	\$389,605	\$328,064	\$314,812	\$249,153	\$50,181	\$23,212	\$338,212	\$1,693,239
Other Professional	\$455,331	\$140,731	\$516,221	\$203,438	\$197,629	\$69,498	\$150,669	\$1,733,517
Acquisition			\$1,629,362	\$232,438				\$1,861,800
Construction	\$12,792,485	\$16,040,246	\$9,877,241	\$4,984,618	\$2,172,399	\$1,171,429	\$2,354,752	\$49,393,170
Tax Credit Costs								\$0
Developer Fees	\$1,731,506	\$1,379,050	\$687,362	\$656,789		\$124,000	\$248,000	\$4,826,707
Reserves	\$825,000	\$1,681,547	\$250,140	\$330,774				\$3,087,461
Other Finance Charges	\$100,000							\$100,000
CSS	\$1,322,145	\$802,777	\$1,195,939	\$426,336	\$291,211	\$194,678	\$233,285	\$4,466,371
Administration	\$506,533	\$277,180	\$188,618	\$128,022	\$34,028	\$22,720	\$45,439	\$1,202,540
Total Uses	\$20,106,989	\$27,834,864	\$19,984,347	\$7,537,808	\$2,901,094	\$1,685,828	\$3,218,620	\$83,269,550
Sources								\$0
HOPE VI	\$2,473,470	\$11,976,375	\$9,192,612	\$4,169,728	\$592,662	\$605,466	\$989,688	\$30,000,001
Other Public Housing	\$7,414,746	\$10,972,617	\$3,294,829	\$31,934	\$15,399		\$20,532	\$21,750,057
Other Federal				\$120,000	\$832,054			\$952,054
Non-Federal	\$10,218,773	\$4,885,872	\$7,496,906	\$3,216,146	\$1,460,979	\$1,080,362	\$2,208,400	\$30,567,438
Total Sources	\$20,106,989	\$27,834,864	\$19,984,347	\$7,537,808	\$2,901,094	\$1,685,828	\$3,218,620	\$83,269,550

Supportive Services

The BHA plans to implement a comprehensive assessment, referral, and coordination system to ensure a holistic approach to service delivery. The initial goal was to have on-site family advocacy staff that provide linkages to child care, early childhood education, after-school enrichment programs, and adult literacy and educational programs focusing on long-term career development. However, the supportive services component, particularly resident self-sufficiency, has lagged far behind all other aspects of the project. In 1999, the BHA entered into an agreement with the Women's Institute for Housing and Economic Development to coordinate service delivery, but these efforts, according to some residents, have not produced consistent programming.

NEIGHBORHOOD CHANGE

The Orchard Gardens Revitalization effort is still a work in progress, as the homeownership and rental components have not been completed. Additionally, the self-sufficiency programs envisioned by the residents and the BHA are not fully operational. Therefore, it is presently too early to definitively gauge the full impact of the HOPE VI effort. However, the largest component of the project—the development of on-site rental units—was completed in 1999, and has been occupied since that time. Thus, we can assume that the project has been among the many initiatives that have contributed to the

considerable change that has occurred in the Dudley area in recent years. In the following pages we document what has taken place thus far with respect to demographics, housing market conditions, and selected quality-of-life issues, and cite areas where HOPE VI revitalization may play a role in future neighborhood change.

Demographics

Population

The population of the Orchard Gardens study area declined by 7 percent between 1990 and 2000, from 10,345 to 9,619, as illustrated in Table 6-3. Our examination of neighborhood change in other communities undergoing public housing revitalization has shown that the large number of relocations often necessitated by HOPE VI revitalization projects can contribute to population declines. However, given that most residents simply moved into other units at the site, it is unlikely that the Orchard Gardens HOPE VI project was a significant factor in the area's population decline. It is unclear as to what may have contributed to this population loss during the decade. Such trends are normally a suggestion that a community may be in trouble, as population declines can result in a leveling off of demand for goods and services such as housing. However, given some of the other trends that emerged from our study—most notably, increases in household income and property values—it is unlikely that this signals a neighborhood in decline.

There is, however, a perception among many local stakeholders that sharp increases in housing prices have driven out many lower-income families, while higher-income residents (who may have smaller families than out-moving lower-income families) have put down roots in the neighborhood. If this trend has in fact occurred, it could be at least one factor in the population decline.

Table 6-3. Demographic Information for Orchard Gardens Study Area

	Orchard Garden Study Area			City of Boston		
	1990	2000	% Total	1990	2000	% Total
Population	10,345	9,619	-7.0%	574,283	589,141	2.6%
White	446	688	54.3%	339,458	290,972	-14.3%
Black	6,730	5,368	-20.2%	137,756	138,902	0.8%
Hispanic	2,497	2,675	7.1%	59,692	85,199	42.7%
Other	630	888	41.0%	35,806	74,068	106.9%
Median HH income	\$13,989	\$25,126	79.6%	\$29,180	\$39,629	35.8%
Income below poverty	4,167	2,786	-33.1%	102,092	109,128	6.9%

Orchard Gardens Timeline

1910 –1940	African Americans move to Roxbury in large numbers as part of the Great Migration from the southeastern United States.
1942	Orchard Park is constructed.
Early 1960s	City of Boston's Urban Renewal policies result in demolition of residential and commercial property in lower Roxbury; redlining and other patterns of disinvestment begin to emerge
1980s	Crack-cocaine epidemic hits Boston and Roxbury; Orchard Park becomes "ground zero."
1990	Boston Redevelopment Authority (BRA) begins work on Dudley Business District Master Plan.
1993	Boston Housing Authority (BHA) receives a \$49 million HOPE VI grant for Mission Main, another distressed public housing complex in Roxbury
1994	City of Boston receives federal Enhanced Enterprise Community status; Roxbury, including Orchard Park, is included in the zone.
1995	Dudley Square receives Main Streets designation. BHA designates Orchard as a Comprehensive Modernization (Comp Mod) project. BHA submits \$33 million HOPE VI grant request for Orchard Park; plan must be revised to minimize impact on residents. BHA submits revised HOPE VI grant request for Orchard Park.
1996	HUD awards BHA a \$30 million HOPE VI grant for Orchard Park. Madison Trinity is selected through a competitive process as developer of the on-site rental component Construction is completed on phase one of on-site rental units
1997	Residents occupy phase one of on-site rental Construction is completed on phase two of on-site rental units
1998	Residents occupy phase two of on-site rental. Construction is completed on phase three of on-site rental units
1999	Residents begin occupancy of phase three of on-site rental. Cruz Development Corp. is selected through a competitive process as developer of the off-site rental component.
2000	Construction is completed on phase one of the off-site rental units. Residents occupy phase one of off-site rental units. Madison Park Development Corporation completes Shawmut Estates, phase one of the homeownership component (15 condominiums). HUD approves disposition of BHA-owned units to Nuestra Comunidad Corporation.
2001	Construction begins on Orchard Gardens K-8 neighborhood school.
2002	School receives pilot school designation from the Boston Public School Department

Race

The racial and ethnic change that occurred in the Orchard Park study area represents a very significant demographic transformation. Table 6-3 shows that between 1990 and 2000 there were increases in the percentage of whites (54.3 percent), Latinos (7.1 percent), and “others” (41 percent)—a category that likely includes some new or recent arrivals. At the same time, the number of African Americans declined by 20.2 percent, and this segment of the community constituted 56 percent of the area’s population, down from 65 percent in 1990. Anecdotal evidence and observations suggest that non-African Americans now enjoy a much stronger presence in the study area than during the mid-1990s (when the HOPE VI grant award was announced). However, it is unclear if the HOPE VI project has had any measurable impact on this change in racial composition, or if this change is more a product of gentrification city-wide, which has had a more pronounced impact on Roxbury in recent years.

Given the well-documented relationship between neighborhood demographics and investment decisions among potential new residents, real estate investors, and other commercial interests, it will be important to see what types of investment trends manifest over time in the face of any future changes in racial and ethnic composition. For example, there is already some indication that the changing demographics of the Orchard Park study area might be fertile ground for new retailers—typically a major group of investors in neighborhood commercial districts—especially since the current array of retailers appear unable or unwilling to respond to the consumer demands of the Orchard Park study area’s increasing number of middle-class and non-African-American people.¹²⁸

Income

Median household income in the study area increased by 79.6 percent between 1990 and 2000, more than double the increase experienced by Bostonians as a whole. It is also important to note that the proportion of households living in poverty dropped by more than one third, in contrast to the city as a whole, which experienced a 6.9 percent increase in the number of persons living in poverty. Yet, there is still significant income disparity between Orchard Park study area households, and those citywide. Given the dramatic increase in median household income among Orchard Gardens study area residents, we can conclude that demographic changes could have been driven, at least in part, by the HOPE VI effort, as income-tiering will raise median-income levels. Household income often factors prominently in a community’s ability to attract investment, therefore—as with race—it will also be interesting to see what investment patterns emerge in the coming years with any continued changes in household income.

¹²⁸ Joyce Stanley, Executive Director, Dudley Square Main Streets, December 2002 interview.

Housing Market Strengths

Housing Tenure

The number of housing units in the Orchard Park study area declined by 13.2 percent between 1990 and 2000 (see Table 6-4). The completion of the off-site components of the HOPE VI project will increase the number of both rental and homeownership units, albeit just slightly. Nevertheless, it is particularly important to boost the number of for-sale units, given the fact that communities with higher homeownership rates are often viewed by (potential) investors as being more stable than those with lower rates of homeownership. A 1996 study conducted by the Boston Department of Neighborhood Development and the Boston Fair Housing Commission concluded that Roxbury has one of the lowest rates of owner-occupancy in the city.

Table 6-4: Housing Tenure in the Orchard Park Study Area

Housing Tenure	Orchard Garden Study Area				City of Boston			
	1990	% Total	2000	% Total	1990	% Total	2000	% Total
Owner-Occupied	358	8.7%	390	11.0%	70,544	28.1%	77,209	30.6%
Renter-Occupied	3,326	81.1%	2,717	76.3%	157,920	63.0%	162,319	54.4%
Vacant Units	419	10.2%	454	12.7%	22,399	8.9%	12,407	4.9%
Total Units	4,103		3,561		250,863		251,935	

Housing and Property Values

Real estate values reflect the level of demand for housing or other property in a community. Newly created jobs placed increased demands on the regional housing market. A strong economy through the late 1990s, along with a surge in housing demand in the metropolitan region resulted in extraordinarily high demand for housing throughout the city of Boston. In fact, due in large part to the escalating cost of housing, Boston tends to outrank cities such as San Francisco, Los Angeles and Philadelphia in cost-of-living surveys. This citywide trend is perhaps most dramatic in Roxbury, which experienced a 94 percent growth in housing prices between 1998 and 2000, as shown in Table 6-5. Additionally, Roxbury's advertised asking rents increased by 60 percent between 1995 and 2000.

Table 6-5: House Price Growth by Neighborhood

House Price Growth by Neighborhood 1998 - 2000					
Neighborhood	Most Common Housing Type	Median Price 1998	Median Price 2000	Dollar Change 1998-2000	Percent Change 1998-2000
Allston/Brighton	Condominium	\$95,500	\$129,000	\$33,500	35%
Back Bay/Beacon Hill	Condominium	\$300,000	\$350,000	\$50,000	17%
Central	Condominium	\$217,500	\$286,750	\$69,250	32%
Charlestown	Condominium	\$219,200	\$321,000	\$101,800	46%
Dorchester	Three Family	\$145,000	\$220,000	\$75,000	52%
East Boston	Three Family	\$120,000	\$215,000	\$95,000	79%
Fenway/Kenmore	Condominium	\$164,000	\$169,600	\$5,600	3%
Hyde Park	Single Family	\$129,000	\$180,000	\$51,000	40%
Jamaica Plain	Condominium	\$143,000	\$175,000	\$32,000	22%
Mattapan	Single Family	\$114,200	\$158,900	\$44,700	39%
Roslindale	Single Family	\$155,250	\$215,000	\$59,750	38%
Roxbury	Three Family	\$103,000	\$200,000	\$97,000	94%
South Boston	Condominium	\$142,000	\$189,500	\$47,500	33%
South End	Condominium	\$205,000	\$319,000	\$114,000	56%
West Roxbury	Single Family	\$194,500	\$256,500	\$62,000	32%
CITYWIDE	Single Family	\$148,900	\$206,250	\$57,350	39%
	Two Family	\$164,600	\$225,000	\$60,400	37%
	Three Family	\$150,000	\$229,750	\$79,750	53%
	Condominium	\$175,000	\$215,000	\$40,000	23%
	All	\$165,000	\$224,000	\$59,000	36%

Data Source: Banker & Tradesman: all residential transaction between \$25,000 and \$1,000,000

As illustrated in Table 6-6, the average assessed value of all properties in the Orchard Gardens study area increased 31.8 percent between 1998 and 2002, which reflects the escalating values of commercial properties as well. As one local real estate developer and investor lamented, you “can’t start a negotiation” for commercial property in the Orchard Gardens study area for less than \$1 million.¹²⁹

Table 6-6: Orchard Park Average Assessed Property Value

1998	1999	2000	2001	2002	% Change
\$291,744	\$298,354	\$308,050	\$364,773	\$384,609	31.8%

¹²⁹ Lisa Guscott, Principal, Long Bay Management, December 2002 telephone interview.

While there is no definitive evidence of a causal link between HOPE VI and the dramatic increase in property values, several local stakeholders have argued that the Orchard Gardens revitalization—which eliminated a major, blighting influence—reinforces the perception of the area as an increasingly favorable place for residential and commercial investment.

Quality of Life

Crime

As previously stated, many local observers believe that the Orchard Gardens study area is much safer than it was several years ago. They attribute this, at least in part, to the HOPE VI revitalization. Indeed, a recurring theme of both stakeholder perceptions and actual data reviewed for this case study is the inextricable link between the old Orchard Park complex and crime. Over the years, this has compromised the quality-of-life of local residents, and likely discouraged significant private investment.

The Boston Police Department crime statistics presented in Table 6-7 illustrate that decreases occurred between 1997 and 2001 in several categories of crime, most notably homicide, rape/attempted, robbery/attempted, aggravated assault, and weapons violations. However, reported drug offenses—which were an inescapable part of life at the old Orchard Park—increased during the same period. The Orchard Gardens study area would be well-served by stakeholder initiatives that help maintain a consistent focus on improving public safety, and systematically marketed data (e.g., through Main Streets, community development corporations) that highlight improvements with respect to crime.

Education

Orchard Gardens Pilot School

Orchard Gardens residents worked with the BHA and Boston Public School Department to ensure fulfillment of their vision to establish a K-8 school within walking distance of Orchard Gardens that would serve as a vital educational resource for children, and provide space for much-needed human development services for all residents. This institution recently received pilot school designation. This will afford the school's leadership direct control over their own budget, personnel and other resources, and considerable discretion with respect to curriculum, instruction and other school-based activities.

Table 6-7: Orchard Park Target Area Crime Statistics

Crime Category	1997	1998	1999	2000	2001	%Change
Homicide	5	0	2	1	2	-60.0%
Rape & Attempted	27	20	18	9	9	-66.7%
Robbery & Attempted	156	118	147	109	82	-47.4%
Aggravated Assault	187	204	191	154	160	-14.4%
Burglary & Attempted	122	98	75	95	92	-24.6%
Larceny & Attempted	293	292	312	347	293	0.0%
Vehicle Theft & Attempted	148	148	134	118	216	45.9%
Total Part I	938	880	879	833	854	-9.0%
Other Assaults	338	309	281	299	261	-22.8%
Vandalism		174	176	180	194	202
Weapons Violations		22	18	22	23	16
Prostitution		5	5	1	1	5
Drugs		474	576	597	421	599
DWI		11	17	13	13	17
Disorderly Conduct		39	37	19	21	21
*Other Part II		860	921	873	876	898
Total Part II		1923	2059	1986	1848	2019
Grand Total		2861	2939	2865	2681	2873
Boston Citywide						
Homicide	43	34	31	39	66	53.5%
Rape & Attempted	350	356	337	325	361	3.1%
Robbery & Attempted	2,728	2,334	2,467	2,451	2,524	-7.5%
Aggravated Assault	4,765	4,703	4,428	4,507	4,412	-7.4%
Burglary & Attempted	4,301	3,610	3,414	4,051	4,222	-1.8%
Larceny & Attempted	17,920	17,578	17,637	17,228	17,608	-1.7%
Vehicle Theft & Attempted	7,731	6,366	6,764	7,269	8,194	6.0%
Total Part I	37,838	34,981	35,078	35,870	37,387	-1.2%
Other Assaults	9,097	8,706	8,189	8,232	8,036	-11.7%
Vandalism	8,689	8,527	8,454	9,100	9,777	12.5%
Weapons Violations	311	334	301	362	390	25.4%
Prostitution	736	812	500	549	479	-34.9%
Drugs	5,289	5,040	4,424	4,297	4,372	-17.3%
DWI	544	512	478	426	345	-36.6%
Disorderly Conduct	1,185	1,088	925	849	747	-37.0%
*Other Part II	28,572	28,961	28,738	30,466	29,546	3.4%
Grand Total	92,261	88,961	87,087	90,151	91,079	-1.3%

*Other Part II crimes include forgery, counterfeiting, frauds, embezzlement, stolen property, sex offenses, gambling, offenses against family and children, violation of liquor laws, vagrancy, parking violations, violation of traffic/motor vehicle laws.

Source: Boston Police Department

As this facility has yet to begin operations (it is scheduled to open September 2003), it is not possible to gauge its impact on the Orchard Gardens study area. However, given the central role of quality schools in neighborhood stability—particularly in terms of maintaining and attracting a solid base of middle-class residents—it will be important to regularly examine the school’s progress toward meeting the goals and standards it has established.

Collateral Investment

Collateral investment emerged as an extremely prominent issue in our study of neighborhood transformation in the community surrounding Orchard Gardens. Since 1997, this area has received or has been targeted for impressive levels of investment in new or existing commercial enterprises, housing and public facilities and institutions (see Table 6-8). Following is a more detailed description of some major projects that have recently been completed, are nearing completion, have broken ground, or have been announced.

- **The Boys and Girl’s Club Building/Fairfield Center.** The Boys and Girls Club building was a decaying structure abandoned in the 1980s after the social services organization moved into another nearby facility. This property, which is located on Malcolm X Boulevard just outside of Dudley Square, was acquired in 1990 by a Roxbury-raised developer who spearheaded a \$9.5 million redevelopment effort. This investment helped transform the former Boys and Girls Club property—renamed the Fairfield Center—into a viable three-story, 35,000 square foot office building that houses divisions of the federal General Services Administration and the Massachusetts Department of Health. The owner plans a second phase that will add space for retail, restaurants and other entertainment establishments that will help the neighborhood become a 24-hour district.
- **Orchard Gardens Pilot School.** The \$31.4 million construction of the new Orchard Gardens Pilot School is the product of a resident driven process to create at the site of the revitalized public housing complex a neighborhood-based K-8 school that would serve as a permanent institutional venue for both education and local resident supportive services. This facility was recently granted pilot school status by the Boston Public School Department, and is scheduled to open for classes in September 2003.
- **Crosstown Center.** A local, minority-led development team recently broke ground on this long-awaited \$140 million multi-use commercial complex at the corner of Massachusetts Avenue and Melnea Cass Boulevard. The first phase of this project will include a Hampton Inn & Suites Hotel, 15,000 square feet of restaurant and retail

space, and a 650-car parking garage. The construction phase will produce an estimated 380 jobs, and once the project is completed, Crosstown Center will house businesses that, collectively, employ about 1,500 people.

Table 6-8: Selected Collateral Investment in the Orchard Gardens Target Area Since 1997

	Phase	Type	Project	TDC
1	Completed	Commercial R.E Development	Palladio Hall	\$3,424,000
2	Pipeline	Commercial R.E Development	Palmer Street Project	1,825,000
3	Completed	Expansion Of Existing Business	Harrison Supply	1,425,000
4	Completed	Residential Development	93 Zeigler Street	69,930
5	Pipeline	Residential Development	131 Zeigler Street	1,119,361
6	Completed	Residential Development	Mandela Apartments	22,000,000
7	Completed	Residential Development	149 Eustis Street	155,000
8	Completed	Commercial R.E. Development	Best Western Roundhouse Hotel	10,000,000
9	Constr.	Commercial R.E. Development	Crosstown Center	140,000,000
10	Pipeline	Commercial R.E. Development	Boston Local Development Corp.	150,000
11	Completed	Commercial R.E. Development	La Certa	1,160,000
12	Pipeline	Commercial R.E. Development	Dartmouth Hotel	11,000,000
13	Pipeline	Rental Housing Development	Dartmouth Hotel	16,440,107
14	Pipeline	Commercial R.E. Development	Ferdinand/DPH Headquarters	38,000,000
15	Pipeline	Commercial R.E. Development	Veteran's Benefits Clearinghouse, Inc.	50,000
16	Completed	Commercial R.E. Development	Woolworth Bldg./2201 Washington St.	3,000,000
17	Pipeline	Rehab Of Existing Business	Jad Fine Upholstery Company	45,000
18	Completed	Commercial R.E Devel.	Boys & Girls Club/Fairfield Center	9,500,000
19	Completed	Commercial R.E Devel.	Harry Miller Company	3,065,000
20	Constr.	Public Facility	Orchard Gardens Pilot School	31,400,000
Total				\$293,828,398

- Ferdinand Complex/Massachusetts Department of Public Health Headquarters.**
 The Ferdinand complex consists of two vacant, distressed historic buildings located at the intersection of Washington and Warren streets in the heart of Dudley Square. Due to the distinct architectural character of one of the structures, the Ferdinand complex is the business district's signature property. The buildings are each owned by two different families that have long been involved in real estate development in lower Roxbury, particularly in the Dudley area. One of the buildings is slated for a \$38 million renovation, and will become the new headquarters of the Massachusetts Department of Public Health. This project will bring approximately 1,100 state workers to the neighborhood.

While a great deal has occurred since the Orchard Gardens revitalization effort began in 1996, the planning that helped pave the way for much of this investment activity pre-dates the public housing redevelopment effort. For example, the City-sponsored Dudley Square Business District Development Plan, the Boston Redevelopment Authority's (BRA) Crosstown Industrial Area study, and the Metropolitan Boston Transit Authority's (MBTA) analysis of potential strategies for improving transportation access (which led to the recent introduction of the Silver Line, a new rapid transit bus service that runs from Dudley Station to Downtown Crossing) commenced or were completed prior to the announcement of the HOPE VI grant award. In addition, the study area's inclusion in the federal Enhanced Enterprise Community in 1994 (which was upgraded to Empowerment Zone status in 1998), and Dudley Square's 1995 designation as one of the city's Main Streets districts, provided further impetus for investment in the areas adjacent to Orchard Gardens.

Given this intense, decade-long focus on the study area, it would be difficult to argue that the revitalized public housing has been a causal factor in this investment. In fact, several investors said they would probably have forged ahead with their projects regardless of whether Orchard was overhauled. Yet, the fact that this once-blighted and drug-infested public housing development has been transformed has had a strong visual impact that provides them and others with a sense of comfort that could help spur further investment in the near future. Explaining how HOPE VI affected his decision-making process vis-à-vis a major commercial project, one developer noted that although the presence of new housing signaled the strengthening of the local consumer base (which is often essential to attract retailers), the Orchard Gardens revitalization has worked in conjunction with other important factors to produce an environment that will nurture growth. Thus, the high levels of investment have been a function of synergy—the combined effects of multiple activities.

SUMMARY

The core element of the Orchard Gardens revitalization effort—the construction of on-site/rental housing—has been completed, but more work remains to be done on the off-site rental and homeownership units. Completion of the homeownership component is particularly urgent in light of escalating housing costs and potential displacement of less affluent residents—two conditions that often set the stage for gentrification. The construction of additional for-sale units will provide low- and moderate-income people with a valuable asset that will allow them to benefit proportionately from increasing property values. Completion of the residential component, overall, will expand the stock of decent affordable housing in the Orchard gardens study area. The community supportive service component, which has lagged far behind the physical redevelopment

program, must also be fully implemented. Once these elements have been completed and absorbed into the community, it will be possible to render a more thorough assessment of the impact of HOPE VI redevelopment. Nevertheless, the Orchard Gardens area has undergone extensive transformation prior to, and since the start of the public housing redevelopment effort, as illustrated by the following:

- Median household income in the study area is up 79.6 percent, more than double the rate of increase for median income citywide.
- The proportion of persons in and around Orchard Gardens with incomes under the poverty level declined by 33.1 percent, more than five times the rate of decline in poverty throughout the city.
- Average assessed property values in the study area increased 31.8 percent between 1998 and 2002.
- Between 1997 and 2001, the study areas experienced decreases in several categories of major crime such as homicide (which dropped 60 percent), rape/attempted rape (which fell 66.7 percent), and robbery/attempted robbery (which declined 47.4 percent).
- A new, \$31.4 million neighborhood-based school is nearing completion, and will fill a major void in K-8 educational facilities in the area.
- The Orchard Gardens study area has received a minimum of \$293.8 million in public and private investment since 1997.

HOPE VI has dramatically improved the physical living environment of once-disrespected Orchard Gardens, thus creating better and safer conditions for the public housing residents, themselves.

While these numbers lend credence to the belief that this is the Dudley neighborhood's "time to shine,"¹³⁰ local stakeholders cannot afford to become complacent about the area's apparently favorable prospects for positive growth. For example:

- Drug-related offenses increased 26.4 percent between 1997 and 2001, while the city of Boston experienced a 17.3 percent decline for the same period.
- In 2000, study area residents had a median income that was nearly \$15,000 less than that of all other Bostonians.

¹³⁰ Fred Fairfield, President of the Canton Corporation and President of the Dudley Square Merchants Association, December 2002 interview.

- The proportion of study area residents living in poverty is more than double that of people citywide.

In addition to advocating for measures that boost public safety and help close the income and poverty gap between area residents and the general population, local stakeholders must also be wary of the unintended consequences of neighborhood revitalization. Specifically, there is evidence to suggest that some of the neighborhood's lower- and middle-income residents could be—or have already been—displaced as a result of rapidly increasing housing costs. Moreover, given the severe shortage of affordable housing throughout the city, and Roxbury's apparent ability to attract more affluent residents, the cost of housing will most likely continue to soar. This reality has placed the issue of equity at the center of the public policy agenda of those observers who continue to ask "who benefits?" from the changes brought about by major investment in the neighborhood. To ensure that the Orchard Gardens study area does not become a victim of its own success, local stakeholders must continue to create and capitalize upon opportunities (e.g., the Boston Redevelopment Authority's ongoing master planning process for Roxbury) to shape planning and policy decisions that will affect both existing and potential new residents. Most important, stakeholders must make sustained, aggressive efforts to secure the tools and resources necessary to further ongoing attempts to preserve and expand the community's stock of affordable housing. To this extent, stakeholders would be well-advised to work closely with, for example, the neighborhood's two non-profit development corporations (CDCs) and other entities with a demonstrated commitment to and track record of carrying out successful community-led affordable housing planning and development. There are essential steps toward striking the frequently elusive balance between attracting important new investment, and maintaining access to the revitalized community for the indigenous population.

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7

CONCLUSION

HOPE VI revitalization efforts across the country are having an impact on the neighborhoods that surround them. This report highlights key indicators that should be tracked over time and documents stakeholder perceptions regarding actual or potential neighborhood changes. This report also explores how public housing revitalization activities can contribute to changes in community life. These case studies draw on the perspectives of a broad range of stakeholders including public housing authority officials, neighborhood residents, private sector representatives, non-profit executives, and political leaders. While the focus of this report is on HOPE VI mixed-finance projects in five very different communities, there are several common themes that emerge from the case studies:

1. the value of diverse stakeholders and public-private partnerships;
2. the significance of stakeholder perceptions;
3. the need to preserve affordable housing options, particularly in those neighborhoods where housing costs continue to increase; and
4. the importance of improving neighborhood schools, and the persistent challenge that this represents.

We conclude with a recommended list of key indicators that local evaluators should consider when assessing the impacts of HOPE VI on their neighborhoods.

THE VALUE OF DIVERSE STAKEHOLDERS AND PUBLIC-PRIVATE PARTNERSHIPS

The revitalization efforts discussed in this report are expansive, both in terms of the partners involved and in the number of groups and individuals potentially affected by the projects. As a result, the “circle” of stakeholders—and champions—interested in the long-term sustainability of urban neighborhoods has broadened.

Public-private partnerships factored prominently in the intervention strategies implemented in all five communities, albeit in different ways. At each of the sites studied, the development of housing targeted to renters and purchasers with a range of incomes was planned and implemented by a team that included public and private entities, along with considerable community input. All study sites featured community improvements, such as schools. These were primarily, though not exclusively, initiatives led by the public sector. Some revitalization projects also included commercial components, such as retail centers, that were sponsored primarily by private entities. In

each case, the process included the many constituencies to be found in each community. This inclusive approach allowed project teams to tap into networks of community relationships that ultimately strengthened—and will help sustain—each project. Two examples illustrate the point.

In Chester, the involvement of a major commercial real estate developer helped ensure a retail component for the Wellington Ridge project, and for the entire neighborhood. Indeed, when completed, the Shops at Wellington Ridge will be the first mainstream commercial complex built in the neighborhood in decades. The Chester Housing Authority (CHA) believes that the Shops will draw major retailers to the site that might never have considered locating a store in Chester had it not been for the revitalization of distressed public housing and the availability of public housing authority land for retail development. Over time, the presence of this large retail center will provide jobs for local residents. The CHA is also engaging the private sector in the development of a strategy for ensuring long-term sustainability of the new housing.

In Atlanta, the role of the private sector was a critical element in the revitalization of the Villages of East Lake. Through the rehabilitation of the East Lake Golf Club, developer Tom Cousins created an income stream that has helped support the redevelopment of other neighborhood institutions and facilities (e.g., the Charlie Yates Public Golf Course, the Charles Drew Charter School) that complement the new housing. Moreover, by establishing the East Lake Community Foundation, Cousins created a permanent institutional mechanism that is poised to sustain the successes achieved thus far through fund-raising, marketing, and public policy advocacy.

THE SIGNIFICANCE OF STAKEHOLDER PERCEPTIONS

Public housing redevelopment activities in the five case studies have occurred at the same time that surrounding neighborhoods have been changing. Schools, retail shops, and community facilities are in various stages of development. These community changes, and the HOPE VI projects, appear to have a profound effect on stakeholder perceptions about the neighborhoods' attractiveness. The significance of these perceptions lies in the fact that they have a very real impact on investment decisions. As expressed by one City official in Chester, "there is definitely a psychological element" to the revitalization of public housing that cannot be captured by—and sometimes occurs in defiance of—statistics. Private sector investment in all five communities has increased at least in part because of perceptions that the conditions for commercial activity are improving, and that these neighborhoods are on the road to recovery. In the words of one community leader in New Brunswick, "there's a sense that something big will happen here when this all gets finished." The lists of collateral investments undertaken in each target area are

testimony to the power of such positive perceptions, and in each case HOPE VI has a vital role in shaping them.

Improved perceptions are not limited to investors. They have also occurred among residents of the affected public housing developments and the surrounding communities. All case studies report an improved perception of local quality of life, including more optimism regarding future possibilities for individuals and their community, and greater self-esteem, especially among the former residents of the deteriorated developments. Again and again, residents noted that the improvements brought about by HOPE VI projects led them to undertake other positive changes in their lives, including job training, credit repair, and healthier lifestyles.

THE PRESERVATION OF AFFORDABLE HOUSING OPTIONS

The corollary to neighborhood revitalization is the need to preserve affordable housing. Creating mixed-income communities, by definition, results in gentrification, with an increased number of higher-income households and a reduced concentration of very low-income families. In tight housing markets or neighborhoods beginning to experience gentrification, like Atlanta, San Francisco or Boston, preserving affordable housing options on- and off-site can be difficult. The challenge is to assess housing market dynamics and to find the necessary balance between attracting higher-income households while providing adequate affordable housing options for low-income families.

The long-term significance of HOPE VI will lie in its ability to do both. In New Brunswick, for example, HOPE VI has added momentum to development projects that bring the neglected Lower George Street neighborhood in step with the rest of the city's burgeoning revitalization—while also maintaining the presence of affordable housing in an area where housing costs would otherwise be prohibitive to low income families. In Atlanta, stakeholders are actively pursuing property tax relief for seniors living in the gentrifying East Lake neighborhood. Cities have several tools to encourage creation and preservation of affordable housing and they should be an active participant in all revitalization activities.

THE IMPORTANCE OF GOOD SCHOOLS

Public housing redevelopment is an important element, but alone it is not enough to create a vital, vibrant community. Many factors are essential; among the most significant of these is the importance improving the quality of public schools. Increasingly it is becoming clear that good public schools are an essential element in attracting a vibrant

income mix of residents. This remains a persistent challenge that will have to be addressed by stakeholders in all five communities. There are promising signs at some sites that this may be occurring.

The Charles Drew Charter School, which has already shown improvements in student performance, is an important neighborhood asset in the East Lake community in Atlanta. In New Brunswick, the new Lord Stirling School, a state of the art elementary school, is attracting students from across New Brunswick. In Boston, the creation of a new school was a key part of the HOPE VI strategy. Residents were concerned that children from the Orchard Park development were attending approximately 45 different schools. In response, an acre of land was reserved in the redevelopment plan for the construction of a new K-8 school on the former public housing site. The planned neighborhood school is important both in terms of providing a quality education for local children as well as in promoting community cohesion. Education quality is essential in all the neighborhoods studied, not only for the opportunities it provides local children, but also for what it signals about the desirability of the neighborhood to households of all income levels.

KEY NEIGHBORHOOD INDICATORS FOR LOCAL EVALUATORS

As the case studies suggest, HOPE VI projects have enormous potential for impacting surrounding neighborhoods. However, measuring the magnitude of this impact requires that evaluators identify appropriate neighborhood indicators. Exhibit 7-1 presents a list of neighborhood indicators that correspond with the community development goals of the HOPE VI program. Most of these goals can be measured with data available at the local level, but others involve confidential data records that can be acquired for legitimate research purposes and with proper safeguards. In either case, the suggested quantitative data in the exhibit should be supported and explained through qualitative data collection approaches (e.g. neighborhood resident surveys).

Exhibit 7-1: Neighborhood Indicators Used to Assess the Impact of HOPE VI Projects

	Indicator(s)¹	Data Source
Demographic Profile		
Deconcentrating poor (often minority) populations	Shift in persons and households in the neighborhood	U.S. Census
	Families living below the poverty line	U.S. Census
	Persons receiving public assistance	U.S. Census; public assistance records maintained by local or state Human Services Agency
	Racial composition	U.S. Census
Creating skills base and disposable income	Average household income	U.S. Census
	Education attainment of adults and youth	U.S. Census
	Unemployment rates	U.S. Census
	Persons enrolled in employment training	JOBS records from the state or local Human Services Agency; JTPA from the state Employment Services Agency
Housing Market Conditions		
Enhancing neighborhood property values	Median housing assessed values	City building department
	Estimated property values	U.S. Census; local realtors
Creating a range of housing options	# of public housing units	Local housing authority
	# of housing units within certain rent/mortgage values	U.S. Census
Promoting housing maintenance upkeep behavior	Residential building permits issued and value	City building department
	Home improvement loans and value	HMDA data available from Federal Reserve Bank's Financial Institutions Council
	Owner-occupied units	U.S. Census

	Indicator(s) ¹	Data Source
Quality of Life Issues		
Improving commercial amenities and housing conditions	Establishments by industry	Local chamber of commerce; city economic development department; business directories commercially available from vendors
	Residential properties with code violations	City building inspection departments
Providing access to opportunity structures	Community institutions: type and location	Community directories
	% former welfare recipients who found jobs	UI wage records filed with state Employment Services agency
	% of persons <25 with no high school diploma	U.S. Census
	Student performance	Public school system
Creating safer neighborhoods	Crime rates; police calls	City police departments
Supporting city services and investments	Total tax dollars generated by employers	Municipal income tax records aggregated to neighborhood level
	% change in total employment	U.S. Census; ES202 filed with state Employment Services Agency

¹ Indicators would need to have an address associated with each measure in order to properly geocode the observation to the targeted neighborhood.

Sources: Coulton, Claudia, Lisa Nelson and Peter Tatian. 1997. *Catalog of Administrative Data Sources: For Neighborhood Indicator Systems*. Washington, DC: The Urban Institute.

Public housing redevelopment is not a panacea for distressed urban areas. Moreover, because these communities have declined as a result of years of disinvestment, they will require many years of sustained investment to reverse adverse conditions. The five case studies present only a snapshot of real and potential neighborhood impacts. More research is needed to assess the long-term impacts of the HOPE VI program on neighborhood revitalization. However, the changes manifest thus far provide a sense of growing momentum—momentum that will be essential to sustain the achievements that have been made up to this point. The attached articles—one relating to Chester (Exhibit 7-2) and the other to Atlanta (Exhibit 7-3)—capture the sense of hope that is evident in both communities. These articles are representative of “before and after” stories frequently written about HOPE VI revitalization efforts. They reflect the improving perception of the affected communities not just from within the borders of the former public housing sites, but in the broader community as well. These articles stand in sharp contrast to the negative articles making headlines in local newspapers five to ten years ago. Today’s headlines showcase communities of promise, not despair, while still acknowledging that the task is not complete.