

Interim Assessment
of the
HOPE VI
Program
Cross-Site Report



Interim Assessment of the HOPE VI Program Cross-Site Report

Prepared for:

U.S. Department of Housing and
Urban Development
Washington, DC

Prepared by:

Mary Joel Holin
Larry Buron
Gretchen Locke
Alvaro Cortes

Abt Associates Inc.
Bethesda, MD 20814

September 19, 2003

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

Visit PD&R's website, www.huduser.org, to find this publication and others sponsored by PD&R. Other services of HUD USER, PD&R's research information service, include listservs, special interest and bimonthly publications (best practices and significant studies from other sources), access to public databases, and a hotline (800-245-2691) for help with accessing the information you need.

Acknowledgments

The authors of this report gratefully acknowledge the assistance provided to this study by HUD staff. First, we appreciate the guidance and support of the contract's Government Technical Monitor, Marina Myhre, in HUD's Office of Policy Development and Research (PD&R). We would also like to recognize the involvement of Robert Leonard of PD&R who previously served as Government Technical Monitor on this project. In addition, we wish to acknowledge the staff from HUD's Office of Public and Indian Housing as well as PD&R who provided thoughtful comments on early drafts of the cross-site report.

At Abt Associates, a number of staff members played important roles on this project. Jill Khadduri provided thoughtful and constructive technical review of this report. Ty Hardaway provided administrative oversight to the project and served as a site visitor. Other site visitors included Michael Baker, Jean Amendolia, Kristin Winkel, Caryn Nagler, and Jennifer Turnham. Diane Stoner and Ramona Olvera supervised the resident surveys at HOPE VI sites and in surrounding neighborhoods. Saty Patrabansch was responsible for preparing the survey data for analysis and developing the data documentation report. Jeff Smith assisted with the production of this report.

Amy Jones of Amy Jones and Associates, Inc., a consultant on the Abt team, deserves special thanks for guiding the development and implementation of a process study of HOPE VI at five sites.

Finally, the authors thank the many individuals who assisted in the development of this report by providing their insights and opinions about the HOPE VI program. These individuals include housing agency staff from the 15 study sites, residents at HOPE VI sites and in neighborhoods surrounding those sites, developers, supportive service providers, small business owners, and community group representatives.

Foreword

This is the second study that examines 15 of the HOPE VI developments selected for long-term tracking, shortly after the HOPE VI program began in 1993. The initial report, “An Historical and Baseline Assessment of HOPE VI,” documented the history of these 15 developments and their condition at the time they received HOPE VI funding.

This study was designed to examine sites soon after construction was completed and the units were initially occupied. HUD anticipated that construction for all sites would be completed at the time the data collection for this study was scheduled to begin. By the time data collection was complete, however, some 10 years after the HOPE VI grants were made, 4 of the 15 sites still had not completed their reconstruction (see Figure F-1). Thus, this report focuses only on the 11 completed sites of the original 15.

For each HOPE VI site, the study documents changes—for the characteristics of residents of the developments, physical condition of the sites, management of the developments, supportive services for residents, crime, and neighborhood conditions. Across the sites, the researchers found that, relative to preconstruction conditions, the HOPE VI transformation of the neighborhood was associated with the following:

- Significant physical improvement in the quality of the housing.
- Lower crime rates.
- Higher resident incomes.
- Increased resident employment.
- Higher resident education.
- Increased resident racial diversity.
- Improved property management.
- Improved neighborhood conditions at most of the sites.

It was beyond the scope of this report to determine whether these improvements could be sustained over time. The study therefore does not address issues such as whether the projects would succeed financially, whether maintenance funds would be adequate, or whether continued local investment in the neighborhoods would be forthcoming.

It is important to note that the focus of HOPE VI changed during the study period from mainly redeveloping distressed public housing developments to creating mixed-income communities and creating greater neighborhood revitalization through the leveraging of HOPE VI funds. As a result of this change in program focus, 6 of the 11 sites that are the subject of this report were redeveloped as 100-percent public housing and 5 were redeveloped as mixed-income developments. Thus, going forward, researchers have an opportunity to compare interim outcomes of the two different redevelopment models. There was also a difference in redevelopment approaches—four of the six 100-percent public housing sites substantially rehabilitated existing structures, while the remaining sites pursued full demolition and new construction. This represents another dimension along which researchers can generate valuable insights regarding urban and neighborhood development.

Table F-1. HOPE VI Study Developments and Completion Status, October 2002

City	Development	Status in Report
Milwaukee	Hillside Terrace	Completed and reoccupied
Baltimore	Lafayette Homes	Completed and reoccupied
Washington, DC	Ellen Wilson	Completed and reoccupied
Charlotte	Earle Village	Completed and reoccupied
Camden	McGuire Gardens	Completed and reoccupied
San Francisco	Bernal Dwellings and Plaza East	Completed and reoccupied
Cleveland	Outhwaite and King Kennedy	Partially reoccupied
Atlanta	Clarke Howell/Techwood	Partially reoccupied
Boston	Mission Main	Partially reoccupied
New Haven	Elm Haven	Partially reoccupied
Oakland	Lockwood Gardens	Partially reoccupied
San Antonio	Spring View Gardens	Construction underway
Chicago	Cabrini Green	Construction not underway
Detroit	Jeffries Homes	Construction not underway
New Orleans	Desire Homes	Construction not underway



Raphael W. Bostic
Assistant Secretary for Policy
Development and Research

Contents

Executive Summary.....	i
I. Introduction.....	1
1.1 Background on the HOPE VI Program	2
1.1.1 The Evolution of the HOPE VI Program	3
1.1.2 The HOPE VI Program in 2003	3
1.2 Findings from the HOPE VI Baseline Study.....	5
1.2.1 The Developments	5
1.2.2 Original Residents of HOPE VI Developments.....	7
1.2.3 The Surrounding Neighborhoods.....	8
1.2.4 HOPE VI Plans	10
1.3 Goals and Challenges for the HOPE VI Interim Assessment	10
1.3.1 Redevelopment Delays.....	11
1.3.2 HOPE VI Program Changes.....	12
1.4 Report Contents	13
2. Overview of HOPE VI Revitalization Efforts	15
2.1 The 100-Percent Public Housing Developments.....	15
2.2 New Mixed-Income Developments.....	18
2.3 Progress of HOPE VI Programs as of 2003	21
2.4 Project Costs and Sources of Funding.....	24
3. Changes in Resident Characteristics at HOPE VI Sites.....	29
3.1 Who Lives at HOPE VI Sites?	30
3.2 How Do Current HOPE VI Public Housing Residents Compare With Former Residents?	34
3.3 How do Returning Public Housing Residents Compare With New Public Housing Residents?	38
3.4 How Mixed are the Mixed-Income Sites?.....	40
3.5 Is there a Sense of Community in the Revitalized Developments?.....	47
3.6 What Factors Explain the Share of Original Residents Now Living in Revitalized Developments?	49
3.7 Conclusion	53
4. Building Anew: The Physical Transformation of HOPE VI Sites	55
4.1 Physical Conditions Before HOPE VI and Revitalization Goals	55
4.2 Physical Change at HOPE VI Sites	58
4.2.1 Change at Rehabilitated Sites—Camden, Cleveland, Milwaukee, and Oakland.....	59
4.2.2 Change at New Construction Sites—Baltimore, San Francisco, Boston, New Haven, Charlotte, Atlanta, and Washington, DC	63
4.3 Incorporating New Urbanism and Defensible Space Principles in HOPE VI Projects.....	65
4.3.1 Achieving New Urbanism Objectives.....	67
4.3.2 Achieving Defensible Space Objectives	68
4.4 Physical Difference Between Mixed-Income and 100-Percent Public Housing Sites	71
4.4.1 Market Appeal and Amenities	71
4.4.2 Unit Sizes	72
4.4.3 Resident Views of HOPE VI Units	73
4.5 Loss of Affordable Rental Units.....	75
4.6 Update on Physical Conditions at the HOPE VI Sites	77
5. Beyond Bricks and Mortar: Other Changes at HOPE VI Sites	80
5.1 Management of HOPE VI Sites	80
5.1.1 Management Models After Redevelopment	81
5.1.2 Management Experience.....	83

5.1.3	Maintenance Experience	87
5.1.4	Future Challenges.....	87
5.2	Supportive Services at HOPE VI Sites.....	88
5.2.1	Pre-HOPE VI Supportive Services	89
5.2.2	Goals for Community and Supportive Services at HOPE VI Sites	89
5.2.3	HOPE VI Funding for Supportive Services	90
5.2.4	Approaches to Supportive Services Provision After Reoccupancy	92
5.2.5	Use of Services.....	95
5.2.6	Future Challenges.....	97
5.3	Security and Safety at HOPE VI Sites	99
5.3.1	HOPE VI-supported Security Measures	99
5.3.2	How Have Crime Levels Changed?.....	102
5.3.3	Resident Perceptions of Safety.....	104
5.3.4	Resident Perceptions of Drug Trafficking and Violence	106
5.3.5	Future Challenges.....	108
6.	The Effects of HOPE VI on Surrounding Neighborhoods and Residents.....	110
6.1	Pre-HOPE VI: Neighborhood Conditions and Redevelopment Goals.....	110
6.2	HOPE VI Redevelopments and Neighborhood Change.....	112
6.2.1	Appreciably Improving HOPE VI Neighborhoods.....	115
6.2.2	Moderately Improving HOPE VI Neighborhoods	120
6.2.3	Slightly Improving or Unchanged HOPE VI Neighborhoods	124
6.2.4	Conclusions	130
6.3	The Impact of HOPE VI on Neighborhood Property Values	130
6.4.1	Methodology	131
6.4.2	Data	134
6.4.3	Results	135
6.4	Conclusion.....	141
7.	Conclusions and Future Challenges	143
7.1	A Summary of HOPE VI Program Outcomes.....	143
7.2	Future Challenges	146
7.3	HOPE VI Solutions Considered	148
	References	150
	Appendix A—Site Summaries	
	Appendix B—Data Collection Methodology	
	Appendix C—Resident Survey	
	Appendix D—Census Data	
	Appendix E—Quantitative Methodology	

List of Exhibits

Exhibit 1-1: Characteristics of HOPE VI Case Study Sites At Baseline.....	6
Exhibit 1-2: Characteristics of Neighborhoods Surrounding HOPE VI Sites at Baseline	9
Exhibit 1-3: Timing of Data Collection at 15 HOPE VI Sites for the Interim Assessment	13
Exhibit 2-1: Characteristics of HOPE VI Developments that Remained 100-Percent Public Housing	16
Exhibit 2-2: Characteristics of Mixed-Income HOPE VI Developments.....	19
Exhibit 2-3: Overall Project Costs by Source of Funding for HOPE VI Sites	26
Exhibit 2-4: Total Project Costs and Development Costs for HOPE VI Sites	28
Exhibit 3-1: Demographic Characteristics of HOPE VI Residents After Reoccupancy	31
Exhibit 3-2: Income and Employment of HOPE VI Residents After Reoccupancy	33
Exhibit 3-3: Comparison of Resident Characteristics Pre-and Post-HOPE VI	37
Exhibit 3-4: Comparison of Demographic Characteristics of Returning vs. New Public Housing Residents (Excludes Non-Public Housing Households)	39
Exhibit 3-5: Characteristics of Mixed-Income Sites.....	41
Exhibit 3-6: Comparison of Incomes of Public Housing and Non-Public Housing Households at Mixed-Income Sites	44
Exhibit 3-7: Comparison of Demographic Characteristics of Public Housing and Non-Public Housing Households at Mixed-Income Sites	46
Exhibit 3-8: Social Cohesion of Residents	48
Exhibit 3-9: Share of Current Residents who Lived in the Development Before Revitalization	51
Exhibit 4-1: Physical Characteristics of HOPE VI Sites, Pre- and Post-Revitalization	57
Exhibit 4-2: Goals for and Physical Improvements at HOPE VI Developments	60
Exhibit 4-3: Implementing New Urbanism Principles at HOPE VI Site.....	67
Exhibit 4-4: Implementing Defensible Space Principles at HOPE VI Sites.....	71
Exhibit 4-5: Unit Availability at HOPE VI Sites.....	73
Exhibit 4-6: Resident Satisfaction with Housing at HOPE VI Sites	75
Exhibit 4-7: Supply of Affordable Rental Units at HOPE VI Sites Pre- and Post- Revitalization.....	76
Exhibit 5-1: Satisfaction with Management and Maintenance at the Revitalized Developments	83
Exhibit 5-2: Admissions Requirements at HOPE VI Sites.....	86

Exhibit 5-3: Community and Supportive Services Funds Budgeted and Spent	92
Exhibit 5-4: Models for Delivering Supportive Services	93
Exhibit 5-5: Awareness and Utilization of Supportive Services	96
Exhibit 5-6: Selected Strategies Used to Enhance Security at HOPE VI Sites	100
Exhibit 5-7: Changes in Crime Rates at HOPE VI Sites	103
Exhibit 5-8: Pre- and Post-HOPE VI Resident Perceptions of Safety Outside their Building at Night.....	105
Exhibit 5-9: Changes in Percent of Residents Reporting “Big Problems” with Drugs and Violence	107
Exhibit 5-10: Percent of Residents Reporting “Big Problems” with Drugs and Violence in their Neighborhood	107
Exhibit 5-11: Percent of Residents Reporting “Big Problems” with Drugs and Violence in their Neighborhood, by Site	108
Exhibit 6-1: Desirable Types of Change within HOPE VI Neighborhoods, 1990 to 2000	113
Exhibit 6-2: Neighborhood Change Among HOPE VI Neighborhoods, 1990 to 2000.....	114
Exhibit 6-3: Appreciably Improving HOPE VI Neighborhoods: Percentage Point Change in Selected Demographic and Housing Characteristics, 1990 to 2000.....	115
Exhibit 6-4: Moderately Improving HOPE VI Neighborhoods: Percentage Point Change in Selected Demographic and Housing Characteristics, 1990 to 2000.....	120
Exhibit 6-5: Slightly Improving or Unchanged HOPE VI Neighborhoods: Percentage Point Change in Selected Demographic and Housing Characteristics, 1990-2000.....	125
Exhibit 6-6: Pre/Post Dates for Bernal Dwellings and Monterey Place	133
Exhibit 6-7: Number of Home Sales Near Bernal Dwellings and Monterey Place in the Stratified Sample, Before and After Major Redevelopment Milestones, 1990 to 2000	135
Exhibit 6-8: Estimated Regression Coefficients and Standard Errors for HOPE VI Impact Variables	139

Executive Summary

In 1989, Congress established the National Commission on Severely Distressed Public Housing to explore the problems of troubled public housing developments and to establish a plan to address those problems by the year 2000. Following several years of research and public hearings, the Commission's 1992 final report identified the key factors that defined severely distressed housing: extensive physical deterioration of the property; a considerable proportion of residents living below the poverty level; a high incidence of serious crime; and management problems as evidenced by a large number of vacancies, high unit turnover, and low-rent collection rates. The report estimated that 6 percent, or 86,000, of the nation's 1.4 million public housing units were severely distressed based on these factors.

The Commission members agreed that existing approaches for improving public housing were inadequate to address the needs of severely distressed developments. Instead, they proposed the creation of a new program to address comprehensively the social and physical problems of distressed public housing communities. Congress first provided funding for such a program through the Departments of Veterans Affairs and Housing and Urban Development and Independent Agencies Appropriations Act of 1993. Originally called the Urban Revitalization Demonstration Program, this public housing revitalization program soon became known by the acronym HOPE VI (Homeownership and Opportunity for People Everywhere). Congressional appropriations have been provided for HOPE VI every year since 1993.

In 1998, Abt Associates Inc., under contract to the U.S. Department of Housing and Urban Development (HUD), began a 5-year evaluation of the HOPE VI program. The *Interim Assessment of the HOPE VI Program* was designed to study program outcomes by collecting and analyzing data about 15 HOPE VI sites once redevelopment was completed and units were reoccupied. This report presents the study findings.

HOPE VI Program Background

The HOPE VI program is aimed, overall, at accomplishing the complete revitalization of severely distressed developments by investing in people, buildings, and neighborhoods. As originally envisioned, the HOPE VI program differed in several ways from previous efforts to address the problems of these developments. First, public housing agencies (PHAs) were required to focus on the supportive service needs of residents as well as the physical conditions of the developments. Second, HOPE VI was intended to offer PHAs a greater degree of flexibility in determining an approach to revitalization. HUD urged PHAs receiving HOPE VI funding to "incorporate boldness and creativity in their plans."¹

¹ *An Historical and Baseline Assessment of HOPE VI*. Volume 1, Cross-site Report. Prepared by Abt Associates, August 1996, p. 1-8.

The first HOPE VI Notice of Funding Availability (NOFA) was issued in January 1993. By law, eligible applicants were limited to PHAs operating in one of the 40 most populous cities and PHAs that were on HUD's Troubled Housing Authority list. Revitalization grants were capped at \$50 million. Between 1993 and 1995, 34 revitalization grants were provided to 32 housing authorities, based on applications received in fiscal year (FY) 1993.

Over time, grant amounts have become smaller, leveraging of other funding sources has increased, and the program has been opened up to include a broader group of PHAs and smaller developments. In FY 2001, the maximum grant amount was \$35 million; it was reduced to \$20 million in FY 2002. Between 1993 and 2002, HUD funded 193 HOPE VI revitalization grants, totaling slightly more than \$5 billion. During this period, 115,000 public housing units were demolished, 19,000 units (both public housing and non-public housing units) were constructed or rehabilitated, and more than 85,000 additional units were planned using HOPE VI funds.² As of September 2002, \$2 billion, or 44 percent of all HOPE VI funds available up to that time, had been expended.³

As this report is being written, the future of the HOPE VI program is being considered. HUD has proposed to end funding for the HOPE VI program in FY 2004. Congress is considering future appropriation levels as well as the reauthorization of the program through 2005.

Study Objectives and Design

The *Interim Assessment of the HOPE VI Program* is designed to explore the impact of HOPE VI on residents, developments, and neighborhoods. As originally envisioned, the study involved an examination of 15 HOPE VI developments *shortly after reoccupancy* to determine the changes that had occurred since the time of the grant award and to provide a mid-term assessment that would set the stage for a final evaluation of the program. Specific areas of change to be assessed included the following:

- Resident characteristics and attitudes;
- Physical conditions at the site;
- Neighborhoods and characteristics and attitudes of neighborhood residents;
- Management and operations;
- Supportive services; and
- Crime.

² *HOPE VI: Best Practices and Lessons Learned 1992-2002*. Submitted to the Committees on Appropriations of the U.S. House of Representatives and the U.S. Senate, June 14, 2002, p. i.

³ HOPE VI Revitalization Grant Program: Financial Summary Report (4QFY 2002). This reporting period includes 165 grants and represented \$4.54 billion in HOPE VI funds. It does not include information on HUD's 2002 grantees.

The 15 study sites were identified through an earlier HUD study that reported on the developments at baseline; that is, before being redeveloped through HOPE VI. All 15 study sites received their HOPE VI grants in 1993 and 1994. HUD anticipated that the sites would be redeveloped and reoccupied by 2000, when data collection for the *Interim Assessment* was to begin. In fact, only 6 of the 15 sites were substantially reoccupied at the time of data collection. As a result, the study design was modified to include the five sites that were partially reoccupied. Four sites were not at all reoccupied at the time of data collection—three sites had not even started construction—and thus were excluded from this report, which focuses on HOPE VI outcomes.

The table below presents the original 15 sites and their completion status at the time of the data collection for this study.⁴ The four sites excluded from the present report are in italics. Because two sites (Cleveland and San Francisco) used their HOPE VI grants to revitalize two distinct developments, the study focuses on 11 sites but 13 developments.

HOPE VI Interim Evaluation Study Sites			
City/Site	Development	Data Collection Completed	Project Status at Data Collection
Milwaukee, WI	Hillside Terrace	January 2000	Completed and Reoccupied
Baltimore, MD	Lafayette Homes (now Pleasant View Gardens)	January 2000	Completed and Reoccupied
Washington, DC	Ellen Wilson Dwellings (now The Townhomes on Capitol Hill)	September 2000	Completed and Reoccupied
Charlotte, NC	Earle Village (now First Ward Place)	September 2000	Completed and Reoccupied
Camden, NJ	McGuire Gardens	September 2002	Completed and Reoccupied
San Francisco, CA	Bernal Dwellings Plaza East	September 2002	Completed and Reoccupied
Cleveland, OH	King Kennedy Estates Outhwaite Homes	January 2000	Partially Reoccupied
Atlanta, GA	Clarke Howell/Techwood in Atlanta (now Centennial Place)	December 2000	Partially Reoccupied
Boston, MA	Mission Main	September 2001	Partially Reoccupied
New Haven, CT	Elm Haven (now Monterey Place)	September 2001	Partially Reoccupied
Oakland, CA	Lockwood Gardens	September 2001	Partially Reoccupied
<i>San Antonio, TX</i>	<i>Spring View Gardens</i>	<i>October 2001</i>	<i>Construction Underway</i>
<i>Chicago, IL</i>	<i>Cabrini-Green North Extension</i>	<i>October 2002</i>	<i>Construction Not Underway</i>
<i>Detroit, MI</i>	<i>Jeffries Homes</i>	<i>October 2002</i>	<i>Construction Not Underway</i>
<i>New Orleans, LA</i>	<i>Desire Homes</i>	<i>October 2002</i>	<i>Construction Not Underway</i>

⁴ While the report relies primarily on data collected shortly after reoccupancy, we collected updated information from six sites where the initial data collection took place in 1999 and 2000 to identify trends that have occurred since that time. The sites that were revisited in early 2003 include Milwaukee, Baltimore, Washington, D.C., Charlotte, Cleveland, and Atlanta.

Because the 11 sites were at different stages of redevelopment at the time of data collection, we have been careful in drawing conclusions about the effects of HOPE VI investments at sites that are not yet completed. We have also had to accommodate the fact that the HOPE VI program has markedly changed since its inception. Since 1996—after the awards were made to the 11 study sites—HUD has placed increased emphasis on creating mixed-income communities, using HOPE VI dollars to leverage other funding sources, and addressing the redevelopment needs of the surrounding community. Some of the study sites were able to revise their plans to incorporate these objectives, but others were not. Thus, among the 11 sites that are the focus of this study, 6 were redeveloped as 100-percent public housing and five contain a mix of public housing and non-public housing units. Non-public housing units include both market-rate units and units subsidized by the Low-Income Housing Tax Credit. By contrast, most of the HOPE VI projects that have received awards in recent years are mixed-income and mixed-finance. Although not typical of today’s HOPE VI projects, the inclusion in the study of sites developed as 100-percent public housing allows us to compare the changes that can result from creating revitalized public housing communities with changes that result from creating new mixed-income developments. The changes that have occurred at the study sites are discussed below.

HOPE VI Physical Revitalization Efforts

At the start of the HOPE VI program, the 11 study sites represented some of the most troubled public housing developments in the country, characterized by high vacancy rates, poor physical conditions, and high percentages of households receiving public assistance. The surrounding neighborhoods were typically in poor physical condition with significant crime and high poverty rates.

There have been significant changes at all of the study sites over the past 10 years. Four of the six 100-percent public housing sites—Cleveland, Milwaukee, Camden, and Oakland—relied primarily on substantial rehabilitation to improve physical conditions. While the physical changes are not as dramatic at the rehabilitated sites as they are at sites where full demolition and new construction occurred, significant improvements were made. First, there was a reduction in density through the selective demolition of units at all but Oakland’s Lockwood Gardens. Second, at two sites (Camden and Milwaukee), efforts were made to connect the properties to the surrounding area through the introduction of new through streets. Third, all sites worked to increase safety. Finally, all four sites improved the exterior appearance of the properties. For example, in Camden the flat façade of the townhouses was improved with the addition of second story bay windows and varied roofs. In Milwaukee, gabled roofs were added to the front porches.

The remaining seven sites relied primarily on demolition of existing units and new construction to achieve their revitalization goals. All of the five mixed-income sites are new construction. The remaining two sites (Baltimore and San Francisco) are public housing. Full demolition of existing units gave the PHAs and developers at these sites substantial flexibility to address the needs of each property in a comprehensive manner.

As at the rehabilitated sites, the designers of several of the new construction projects sought to reduce density. The number of units per acre was reduced from 24 to 15 in New Haven and from 32 to 16 in Atlanta. The number of units per acre did not change significantly in Charlotte and Washington, D.C. In Charlotte, the density was quite low to begin with, whereas in Washington, the original density was consistent with residential density in the surrounding neighborhood.

Integrating the sites into the surrounding neighborhoods and ensuring a safe environment were also important goals for the newly constructed developments. Thus, *all* of these developments include the following features:

- construction of primarily two- and three-story buildings that mimic traditional residential architecture in the area and offer a mix of apartment and townhouse units;
- a new network of streets to link the site to the surrounding neighborhood;
- buildings and unit entrances facing the street with minimal setbacks;
- parking primarily on the streets;
- clearly defined public and private open space; and
- a system of pedestrian walkways.

Overall, there are a number of physical differences between the 100-percent public housing sites and the mixed-income sites. First, unit sizes vary somewhat between some mixed-income and public housing developments. With one exception, the mixed-income sites tend to have more square footage than the public housing sites. At the same time, the mixed-income sites are less likely to have many three- or four-bedroom units. It is also worth noting that there are many more elderly units overall—but especially at the mixed-income sites—after revitalization. Three of the mixed-income sites, including Boston, New Haven, and Charlotte, added elderly buildings as part of the revitalization, even though they had not existed previously. In addition, an elderly building was constructed at one 100-percent public housing site, Pleasant View Gardens in Baltimore. It represents about a third of the total units at that site.

The three mixed-income sites that had the most market-rate residents—Atlanta, Charlotte, and Washington, D.C.—offer more physical amenities that do other sites (including the 100-percent public housing sites as well as the mixed-income sites that had only a modest number of market-rate units). Based on the observations of site visitors, these sites paid more attention to finishes and details in the unit interiors and exteriors. In addition, Charlotte and Atlanta are the only two sites in the study to offer community amenities such as a swimming pool and a fitness room.

Despite differences between the public housing and mixed-income sites, it appears that residents of each type of development are very satisfied with their units. In the course of surveys of HOPE VI residents, 58 percent of residents across all sites said they were very satisfied with their units and another 34 percent said they were somewhat satisfied. Residents

of the mixed-income sites showed slightly higher levels of satisfaction. This difference may have less to do with the mix of neighbors at a site than it does with whether the unit was newly built or rehabilitated. By and large, occupants of newly constructed units (in both 100-percent public housing and mixed-income sites) reported higher satisfaction levels than did residents who occupied rehabilitated units.

Changes in Resident Characteristics

The residents of the revitalized HOPE VI developments have substantially different characteristics from the pre-HOPE VI residents on most dimensions. The current residents have higher incomes on average, are more likely to be working, have more education, are more likely to be elderly, have smaller households, and are slightly more racially diverse. Nevertheless, two-thirds of current households (including 77 percent of public housing households) have extremely low incomes, and 93 percent are headed by a minority. Single female-headed households with children are the most common household type (39 percent), followed by single-person households (26 percent). Elderly persons head 19 percent of all households at the study sites.

The presence of non-public housing households is an important reason for the differences between pre- and post-HOPE VI resident characteristics. Thus, the change in resident characteristics tends to be greater at the five mixed-income sites. When the comparison of pre- and post-HOPE VI resident characteristics is limited to public housing households, the differences are reduced. However, there are some important differences even for public housing households. Current public housing residents have substantially higher incomes (although the overwhelming majority still have extremely low incomes), are more likely to be working, and are more likely to be elderly than pre-HOPE VI residents.

Of the current HOPE VI residents, 41 percent reported they lived in the development before HOPE VI.⁵ This explains, in part, why the pre- and post- HOPE VI characteristics of public housing residents are so similar on characteristics such as race. The share of returning residents ranged from 9 to 75 percent across the sites. Our exploratory analysis of factors that might explain the cross-site differences in the share of returning residents suggests that three factors are associated with a higher return rate: relocation within the site during redevelopment, minimal “new” screening for returning residents, and a tighter rental housing market in the city.

The characteristics of public housing residents were similar at 100-percent public housing sites and mixed-income sites, but the non-public housing households were very different from the public housing households at the mixed-income sites. The mixed-income developments were able to attract non-public housing households with much greater economic means than the public housing households. In addition to having higher incomes,

⁵ Including non-public housing households, an average of 41 percent of current HOPE VI residents lived in the developments prior to revitalization.

non-public housing households were more likely to be White and more likely to be headed by a person with a college degree, but much less likely to be headed by an elderly person and much less likely to have children in their household. Market-rate households drive the large differences between public and non-public housing households. The characteristics of households subsidized by the Low-Income Housing Tax Credit were in-between those of public housing and market-rate households, although somewhat more similar to the public housing than to the market-rate households.

All five sites with non-public housing units are classified as mixed-income in this report. However, the share of non-public housing units at these sites ranges from 17 to 60 percent. In fact, only three sites (Atlanta, Washington, D.C., and Charlotte) met various definitions of mixed-income that have been developed as part of other research studies. These sites have substantial shares of both extremely low-income households (income less than 30 percent of area median) and relatively higher income households (income above 50 percent of area median).

Management Changes at HOPE VI Sites

A few of the HOPE VI awards examined in this study were made to housing agencies, such as Charlotte and Milwaukee, that, although they had at least one severely distressed development in their inventory, were otherwise considered to be well managed. Many of the early HOPE VI awards, however, were made to agencies with histories of management problems. Within the developments, distress was manifested in high vacancy rates, lax lease enforcement, poor rent collections, and neglected maintenance and upkeep. HOPE VI grants offered agencies the opportunity to try new management strategies, such as private management, decentralized management procedures, and modified resident selection and occupancy policies.

Today, private firms manage the developments at 8 of the 11 study sites. In part, this occurred in response to the demands of Tax Credit investors, who usually insist on private management even if the development is entirely or predominantly public housing. All five study sites with Tax Credit financing are privately managed. In fact, only in Cleveland, Milwaukee, and Oakland does the public housing agency continue to have full responsibility for managing the revitalized development.

Overall, the PHAs that have opted for private management have been very pleased with the results. For example, Boston PHA staff said that resident complaints about the agency's poor management at Mission Main contributed to the decision to hire a private manager soon after the HOPE VI grant award, even though the revitalization plan at that time did not involve Tax Credit financing. A private firm took over the day-to-day management of the development, including coordination of resident relocation. The new firm dramatically improved living conditions for residents and helped the PHA begin to regain residents' trust.

According to survey results, residents in most of the revitalized developments are satisfied with the management of their developments, whether publicly or privately managed and whether in 100-percent public housing or mixed-income sites. Across all sites, an average of 84 percent of respondents said they were “very” or “somewhat” satisfied with the management of their development.

Information on standard, quantifiable management indicators for both PHA managed and privately managed developments indicates that the HOPE VI developments were well managed in the early years after reoccupancy. Rent collections were generally greater than 90 percent. Turnover was typically reported to be around 10 percent.⁶ At the same time, property managers at some sites raised concerns that could potentially affect the future of these developments. These concerns include deterring crime, keeping up the property’s curb appeal, especially where the surrounding neighborhood remains distressed, maintaining the targeted income mix, and ensuring the financial sustainability of the development.

Changes in Supportive Services

Before the start of the HOPE VI program, five PHAs (Cleveland, Baltimore, New Haven, Charlotte, and Milwaukee) offered supportive services to original residents at the study sites. The services offered by the five PHAs typically included childcare, recreational programs for youth, and some self-sufficiency programs such as job readiness or job skills training. The remaining HOPE VI sites offered very limited services before HOPE VI. The PHAs at these sites had limited capacity to provide services directly, and many did not have relationships with local providers that would ensure public housing residents’ access to services.

With the coming of HOPE VI, PHAs at the study sites had the resources to provide comprehensive services to residents at the targeted developments. PHAs allocated varying levels of HOPE VI funding to supportive services. The proportion of HOPE VI funds budgeted for services ranged from just 2 percent in Baltimore to the full 15 percent allowed in Cleveland and Charlotte. In dollar terms, the amounts allocated ranged from \$1.1 million in Baltimore to \$7.7 million in Cleveland and \$6.1 million in Charlotte. Several sites relied entirely on the HOPE VI funds for their supportive service initiatives (Camden, Cleveland, San Francisco, and New Haven). The remaining sites leveraged at least some funds from other sources. In addition to the funds allocated for staffing and service provision, most of the study sites included plans to use some of their construction funds to build or renovate community facilities.

Community and Supportive Services funds could be used for different categories of people including: original residents who stayed on site during the redevelopment; original residents who moved away permanently; original residents who moved away and returned; new

⁶ Based on discussions with staff from the National Multi Housing Council, the average yearly turnover among market-rate rental properties is between 40 and 50 percent. Turnover for 100-percent public and assisted housing properties is thought to average 15 percent.

development residents; and residents of the neighborhoods surrounding the HOPE VI sites.⁷ Because this report focuses on changes at the HOPE VI sites after revitalization, the discussion below is limited to the supportive services provided to residents of the revitalized developments after reoccupancy.

Based on responses to a resident survey, the most commonly used supportive services included youth/after school programs, adult education, and childcare. Both awareness and use of HOPE VI services was much higher at the 100-percent public housing sites than at the mixed-income sites. Nearly two-thirds of residents at 100-percent public housing developments were aware that services were available through the HOPE VI program, and about one-half of those respondents had a household member who had used at least one service. By contrast, slightly more than one-third of respondents at mixed-income developments were aware services were available, and just under a third of them had a household member who used any service.

More than one-half of the study sites provided supportive services on site, typically at newly completed community centers or in buildings that have been temporarily set aside for use by supportive service providers. At Baltimore's Pleasant View Gardens, for example, new facilities house a day care center, a Boys and Girls Club, a community health center, and offices for a variety of supportive service providers. Cleveland's Carl B. Stokes Social Services Mall, formerly an eight-story elderly housing building, has been renovated to house a full-service medical clinic, a large transitional housing program, a probation center, a childcare center, and a variety of services for families.

At all of the sites, the HOPE VI grants allowed PHAs to offer a richer array of services shortly after reoccupancy than had been possible in the past. However, supportive services program staff at virtually all sites expressed concern about sustaining these services once HOPE VI funds are exhausted. In late 2002, only two sites (New Haven and Boston) had substantial funds remaining in their supportive services budgets.

Changes in Security and Safety

The HOPE VI program was designed to address problems at some of the most physically and socially distressed housing developments in the country. The developments selected for funding had serious crime problems and most were located in neighborhoods with high crime rates. For example, Baltimore's Pleasant View Gardens was considered a haven for criminals, and Boston's Mission Main and New Haven's Monterey Place as locations of large open-air drug markets. Developments in Oakland, Cleveland, and San Francisco were located in neighborhoods with high crime rates compared with citywide rates.

⁷ Neighborhood residents are eligible for some CSS services as long as the housing agency primarily serves original residents and new public housing residents of the revitalized site.

The PHAs used several methods to increase security at the HOPE VI developments. In Boston, Atlanta, New Haven, and San Francisco, management hired private security firms to patrol the HOPE VI developments. Surveillance cameras were installed throughout Baltimore's Pleasant View Gardens, and a Housing Authority police substation was set up in the new community center. In Cleveland, the housing agency police department relocated from downtown to a building next to Outhwaite Homes and King Kennedy, providing a more visible police presence near the developments. In Atlanta and Charlotte, "courtesy officer" programs offer city police officers free or reduced rent at the HOPE VI developments to encourage officers to live there.

Program staff at several sites said that the housing agencies worked with city governments to improve police services in HOPE VI communities. In a few sites, residents of HOPE VI developments have been encouraged to get involved in improving safety and security.

In communities where the HOPE VI site is located in a larger neighborhood with high rates of crime, addressing security at the site is not enough. In addition to site-based strategies, the San Francisco, Charlotte, Cleveland, and Camden housing agencies tried to persuade local and state officials to extend their anti-crime efforts to dangerous areas near the HOPE VI developments. For example, San Francisco staff worked (and are still working) with city police to increase patrols at nearby parks and shut down adjacent drug houses, both of which were problematic sources of crime.

Crime rates were lower at all sites after revitalization than before revitalization. It is not possible to attribute definitely the changes to the revitalization as crime rates were declining in most areas during the 1990s. However, if declines in the crime rates for these sites exceed citywide declines or declines in other parts of the city, it is possible to suggest that such a linkage might exist. Comparable pre- and post- crime data were available at only six sites.

Crime data for Charlotte, Milwaukee, New Haven, and Boston document that crime rates *decreased* much faster in the HOPE VI developments than in either the city or in other public housing developments. The change in Charlotte is particularly dramatic, where the crime rate was very high to begin with, but then dropped by 67 percent compared with a 9-percent drop in other public housing developments. At two other sites the trends were not as significant. At Pleasant View Gardens in Baltimore, crime dropped by 13 percent compared with 17 percent citywide, while in Oakland it dropped by 27 percent at the development compared with 41 percent citywide.

Although comparable statistics were not available, PHA staff in Cleveland, Camden, Washington, D.C., and San Francisco reported modest changes compared with other citywide or public housing measures of crime. Crime decreased at Washington, D.C.'s Townhomes on Capitol Hill at about the same rate as the citywide average. San Francisco's two HOPE VI developments saw crime drop relative to citywide averages, but crime rates in the HOPE VI neighborhoods still remained higher than at least 80 percent of the city's neighborhoods. No

data were available in Camden, but local administrators believe that, although crime is down at the development, drug activity is still a considerable concern.

Resident perceptions of crime provide another indicator of the level and trends in crime. Perceptions are in part what determine the overall desirability of living in a neighborhood. Even if there is a high level of criminal activity, if it is limited to small areas in the neighborhood, residents may not perceive it as an issue directly affecting their safety. Across all sites, an average of 74 percent of the HOPE VI residents reported feeling safe outside their building compared with 58 percent of the pre-HOPE VI residents.

Local respondents in several sites acknowledge that sustaining the reductions in crime will be challenging in the face of a weaker economy and more limited resources for crime prevention and law enforcement. Already in Boston, the development's private manager and PHA staff suggested that many of the people imprisoned as a result of a 1995 drug sweep are now getting out of prison and may be returning to their old neighborhood. During a return visit to Baltimore in early 2003, it was learned that surveillance cameras installed at Pleasant View Gardens are not working and are too expensive to repair or replace. Also, the police substations built near Pleasant View Gardens and Atlanta's Centennial Place are rarely staffed.

Changes in HOPE VI Neighborhoods

Before redevelopment, most of the HOPE VI neighborhoods in the study were seriously distressed communities confronting an array of social and economic challenges. The neighborhoods were highly segregated, poor areas characterized by large concentrations of poorly educated, unemployed, minority residents. As the HOPE VI redevelopment plans evolved, some HOPE VI sites located within these struggling communities incorporated neighborhood revitalization goals into their redevelopment plans, believing that the long term success and viability of the redevelopment was linked to the overall health of the surrounding community.

Over 10 years, some HOPE VI neighborhoods experienced considerable improvement and others changed only slightly. The confluence of a strong national economy, local economic development initiatives, and a variety of government programs clearly contributed to the changes observed at many sites. Yet, many local observers also indicated that the HOPE VI redevelopment projects contributed to positive change in their communities.

The Charlotte and Atlanta neighborhoods have witnessed the most change since the HOPE VI grants were awarded in the early 1990s, having been strongly influenced by the demographic changes that occurred at the HOPE VI site itself. Both neighborhoods experienced a large reduction in poverty: 72 to 44 percent in Atlanta, and 54 to 38 percent in Charlotte. Changes in other characteristics—unemployment rate, proportion of persons without a high school diploma, and persons employed in professional occupations—suggest a lessening of the neighborhoods' social isolation. These neighborhoods also became less racially segregated

between 1990 and 2000, although minorities still comprise a large proportion of the 2000 population.⁸

In early 2003, when researchers returned to Atlanta for a followup visit, there was extensive evidence of neighborhood change in the area around Centennial Place that local observers attribute to the HOPE VI redevelopment. In an underutilized section between Centennial Place and downtown that had previously been known as “The Void,” new construction was underway. A new aquarium was being built. Two large market-rate condominium projects were under construction, and another was planned. Retail and commercial development had not yet followed, although the Centennial development team was working to attract retail at a parcel adjacent to the HOPE VI site. The aquarium is expected to attract other tourist-related establishments and once the condominiums begin to sell, other retail services may locate in the neighborhood.

The First Ward Place/Autumn Place neighborhood in Charlotte has also continued to experience improvements, particularly in the development of new market-rate rental and homeownership units. As part of the city’s broader revitalization strategy, approximately 250 market-rate units were built in the neighborhood, and an additional 83 units were under construction in early 2003. The new units are townhomes and condominiums available for rent and ownership, and built in a variety of architectural styles.

Most of the HOPE VI neighborhoods have not fared as well as Atlanta and Charlotte. For example, little has changed in the McGuire Gardens neighborhood in Camden since 1990. It remains one of the poorest neighborhoods in a city that has struggled with the devastating impacts of social and economic distress. Approximately 94 percent of residents are African American or Hispanic, nearly 20 percent are unemployed, 54 percent do not have a high school diploma, and only 16 percent are working in professional or managerial occupations. In addition, nearly one-quarter of the neighborhood’s housing stock lies vacant.

Except for the HOPE VI redevelopment, there has been little economic or housing development in the McGuire neighborhood in recent years. There are a few locally based organizations attempting to revitalize the neighborhood, but their efforts are piecemeal—literally one house at a time. The area’s commercial strip boasts a new gas station and a roller skating rink built adjacent to McGuire Gardens. Beyond that, little has changed in the mix of struggling commercial businesses—a Laundromat, a liquor store, a grocery store, and several convenience stores and fast food establishments. It is unlikely that the McGuire Gardens redevelopment alone will spur serious revitalization in this community.

A neighborhood with stronger assets than McGuire Gardens, the Bernal Dwellings neighborhood in San Francisco has experienced modest improvements since 1990. The

⁸ In Atlanta’s Centennial Place neighborhood, the proportion of households headed by a minority declined from 87 percent in 1990 to 73 percent in 2000. In Charlotte’s First Ward Place neighborhood, the proportion declined from 83 percent in 1990 to 64 percent in 2000.

neighborhood is a residential area in the southernmost portion of the Mission District—the cultural, commercial, and residential heart of San Francisco’s Hispanic population. The most noteworthy improvements include a 7.7-percentage-point decline in the unemployment rate and the 12-percentage-point increase in the share of residents employed in professional or management occupations. These trends, particularly in the share of professional employment, are likely due to the information technology boom of the 1990s.⁹ Bernal, with its historic townhomes and vibrant street life, was an attractive location for people working in these businesses and for other “urban pioneers” seeking a relatively affordable area in the extremely expensive San Francisco market. Both PHA staff and other local observers reported that the positive trends for the neighborhood were primarily a result of the city’s economic boom. Local observers also acknowledged that the development eliminated a major eyesore in the neighborhood and opened the door for future economic growth to encompass the entire neighborhood rather than just the fringes.

Today, most of the HOPE VI neighborhoods in the study are at a critical moment in their path toward revitalization. There are many uncertainties that may, if events go well, further stimulate neighborhood improvement or, if events turn sour, send neighborhoods into decline. The health of the national economy and the ability of HOPE VI sites to maintain their economic viability are perhaps the most important of the unknowns. The long-term fortunes of many HOPE VI neighborhoods and developments remain uncertain.

⁹ This information is based on 2000 Census data. It is possible that these gains have been eroded with the economic downturn since that time.

I. Introduction

In 1989, Congress established the National Commission on Severely Distressed Public Housing to explore the problems of troubled public housing developments and to establish a plan to address those problems by the year 2000. Following several years of research and public hearings, the Commission's 1992 final report identified the key factors that defined severely distressed housing: extensive physical deterioration of the property; a considerable proportion of residents living below the poverty level; a high incidence of serious crime; and management problems as evidenced by a large number of vacancies, high unit turnover, and low rent collection rates.¹⁰ The report estimated that 6 percent, or 86,000, of the nation's 1.4 million public housing units were severely distressed based on these factors.¹¹

The Commission members agreed that existing approaches for improving public housing were inadequate to address the needs of severely distressed developments. Instead, they proposed the creation of a new program to address comprehensively the social and physical problems of distressed public housing communities. Congress first provided funding for such a program through the Departments of Veterans Affairs and Housing and Urban Development and Independent Agencies Appropriations Act of 1993. Originally called the Urban Revitalization Demonstration Program, this public housing revitalization program soon became known by the acronym HOPE VI (Homeownership and Opportunity for People Everywhere). Congressional appropriations have been provided for HOPE VI every year since 1993.¹²

This report presents the results of the *Interim Assessment of the HOPE VI Program*, initiated by Abt Associates Inc. in 1998 under contract to the U.S. Department of Housing and Urban Development (HUD). Abt Associates previously completed a Baseline Study that documented conditions before revitalization at 15 HOPE VI sites that received awards in 1993 and 1994. The Interim Assessment was designed to study program impacts by collecting and analyzing data about the original 15 HOPE VI sites once redevelopment was completed and units were reoccupied.

This chapter reviews the background of the HOPE VI program, including a discussion of its original goals and how they evolved over time. The findings of the HOPE VI Baseline Study are then summarized. The last section of the chapter introduces the Interim Assessment by

¹⁰ *An Historical and Baseline Assessment of HOPE VI*. Volume 1, Cross-site Report. Prepared by Abt Associates, August 1996, p. 1-6.

¹¹ *The Final Report of the National Commission on Severely Distressed Public Housing: A Report to Congress and the Secretary of Housing and Urban Development*. Washington, DC, August 1992.

¹² While the HOPE VI program received Congressional appropriations each year beginning in 1993, the program did not receive Congressional authorization until the passage of the Quality Housing and Work Responsibility Act of 1998.

discussing the challenges that arose in this second phase of the research and outlining the contents of the remaining chapters.

1.1 Background on the HOPE VI Program

The HOPE VI program is aimed, overall, at accomplishing the complete revitalization of severely distressed developments by investing in people, buildings, and neighborhoods. As originally envisioned, the HOPE VI program differed in several ways from previous efforts to address the problems of these developments. First, public housing agencies (PHAs) were required to focus on the supportive services needs of residents as well as the physical conditions of the developments. Second, HOPE VI was intended to offer PHAs a greater degree of flexibility in determining an approach to revitalization. HUD urged the PHAs to “incorporate boldness and creativity in their plans.”¹³

The first HOPE VI Notice of Funding Availability (NOFA) was issued in January 1993. A total of \$300 million was available. By law, eligible applicants were limited to housing agencies operating in one of the 40 most populous cities or agencies that were on HUD’s Troubled Housing Authority list as of March 31, 1992.¹⁴ Implementation grants were capped at \$50 million. Housing agencies could propose a revitalization plan that covered up to 500 units in three locations.

The NOFA stipulated that at least 80 percent of funds were to be devoted to capital costs, which included major reconstruction, rehabilitation, demolition with replacement of units on or off site, management improvements, and planning and technical assistance activities. No more than 20 percent of implementation grant funds could be used for community and supportive service activities, such as job training, youth, or drug use and prevention programs.

In September 1993, HUD awarded 13 implementation grants (6 fully funded, 7 partially funded) and 2 planning grants for the first round of HOPE VI funding.¹⁵ An additional appropriation of \$755 million for FY 1994 enabled HUD to increase the total number of implementation grants to 26 (and total planning grants to 8). The appropriations legislation mandated that HUD select the FY 1994 grantees from the partially funded and unfunded applications received in the FY 1993 competition.¹⁶ Then in 1995, Congress required that HUD provide implementation grants to the 8 planning grant winners from 1993 and 1994.

¹³ *An Historical and Baseline Assessment of HOPE VI*, p. 1-8.

¹⁴ Harry J. Wexler, “HOPE VI Market Means/Public Ends—The Goals, Strategies, and Midterm Lessons of HUD’s Urban Revitalization Demonstration,” in *Journal of Affordable Housing*, Volume 10, No. 3, Spring 2001, pp. 195-233. According to Wexler, if the housing authority was troubled, it had to be making substantial progress to change its status.

¹⁵ In addition to implementation grants, PHAs could apply for smaller planning grants (up to \$500,000) to be used for studies, plan development, and organizational support to involve residents in a HOPE VI planning process.

¹⁶ *An Historical and Baseline Assessment of HOPE VI*, p. 1-13.

Overall, between 1993 and 1995, 34 implementation grants were provided to 32 housing agencies based on applications received from FY 1993.¹⁷

1.1.1 The Evolution of the HOPE VI Program

In successive Notices of Funding Availability (NOFAs) and grant years, the HOPE VI program changed significantly. In response to the first two NOFAs, many early HOPE VI plans involved replacing existing public housing with new public housing units and creating a broader range of incomes by increasing the share of working public housing residents. Beginning in 1996, HUD began to encourage PHA applicants to consider mixed-financing approaches and the development of mixed-income communities that blended public housing units with market-rate units and units financed by the Low-Income Housing Tax Credit. Other themes also emerged. For example, in 1996 HUD began emphasizing “new urbanism” and broader neighborhood-wide redevelopment strategies, as well as partnerships, leveraging, and homeownership. Some early grantees revised their plans to incorporate income mixing and broader neighborhood goals. Over time, grant amounts have become smaller, leveraging has increased, and the program has been opened up to include a broader group of PHAs and smaller developments. In FY 2001, the maximum grant amount was \$35 million; it was reduced to \$20 million in FY 2002. After 1993, applicants were not required to propose the development of a minimum or maximum number of units.

On the community and supportive services side, program changes have included an increased recognition of the need to manage relocation carefully, an increased focus on implementation planning, and coordination of case management and self-sufficiency programs with welfare reform, involving the entire family instead of just the household head. The scope of service provision expanded to require that supportive services be available to original residents wherever they move and to encourage sustainability of supportive services beyond the life of the grant. Finally, the maximum amount allowable for community and supportive services decreased from 20 to 15 percent, consistent with an increased emphasis on leveraging funds and partnerships.

1.1.2 The HOPE VI Program in 2003

Between 1993 and 2002, HUD funded 193 HOPE VI revitalization grants, totaling slightly more than \$5 billion. An additional \$308 million funded 35 planning grants and 177 demolition grants.¹⁸ According to a 2002 HUD report to Congress, these funds will be used to demolish

¹⁷ Two housing agencies, Detroit and San Antonio, each received two implementation grants. According to the Baseline Study, the requirement that HOPE VI awards be made to nearly all original applicants resulted in the funding of some poorly prepared applications. However, a number of PHAs changed their plans after the grants were awarded.

¹⁸ www.hud.gov/offices/pih/programs/ph/hope6/about/index.cfm.

almost 72,000 units over a 10-year period.¹⁹ As of September 2002, 21,022 units (both public housing and non-public housing units) were constructed or rehabilitated, while another 65,700 units were planned.²⁰ Also as of September 2002, \$2 billion, or 44 percent of all HOPE VI funds available at that time had been expended.²¹ HUD has reported that despite “significant strides in meeting the original goals set forth in the Commission’s action plan,” only 15 revitalization grants have been completed.²²

In recent NOFAs, HUD has attempted to address some problems that have resulted in slow progress. The FY 2002 NOFA emphasized the capacity of the redevelopment team (PHA and developer), as well as the project’s readiness. Factors that determined readiness included whether the public housing development was vacant, whether the site was cleared, if a preliminary site design had been completed, and if five or more public planning sessions had been held. In addition, applicants were required to provide certification that they had already procured a developer or intended to act as their own developer.

As this report is written, the future of the HOPE VI program is being considered. HUD has proposed to end funding for the HOPE VI program in FY 2004. In Congressional testimony, HUD Secretary Mel Martinez suggested that the program served an important purpose over the past decade but that the per-unit redevelopment costs are too high compared with other HUD programs and the pace of development is too slow. He also suggested that there are now other ways to leverage private capital for public housing rehabilitation.²³

Federal lawmakers are unlikely to end the HOPE VI program in the near term. The Senate has passed an appropriations bill that would extend HOPE VI through September 30, 2004 and recommends continued funding at \$574 million per year, while the House of Representatives has proposed only \$50 million for HOPE VI in 2004. It is also considering HR1614, or the HOPE VI Program Reauthorization and Small Community Main Street Rejuvenation and Housing Act of 2003. The bill would reauthorize the program through fiscal 2005 and make it available to smaller communities.

¹⁹ *HOPE VI: Best Practices and Lessons Learned 1992-2002*. Submitted to the Committees on Appropriations of the U.S. House of Representatives and the U.S. Senate, June 14, 2002. Also see errata insert (1), corrections for pages 23-24, February 28, 2003.

²⁰ U.S. Department of Housing and Urban Development. HOPE VI Quarterly Report. National Aggregate Summary. Fourth Quarter Fiscal Year 2002, p. 8.

²¹ HOPE VI Revitalization Grant Program: Financial Summary Report (4QFY 2002). This reporting period included 165 grants and represented \$4.54 billion in HOPE VI funds. It does not include information on HUD’s 2002 grantees.

²² *Ibid.*

²³ Testimony of the Honorable Mel Martinez before the U.S. House Committee on Financial Services, March 5, 2003.

1.2 Findings from the HOPE VI Baseline Study

The impact of the HOPE VI program on residents, housing, and neighborhoods is the focus of a long-term study initiated by HUD in 1994. The first phase of this study, the *Historical and Baseline Assessment of the HOPE VI Program*, was undertaken by Abt Associates between 1994 and 1996. Through the Baseline Study, case studies of 15 HOPE VI sites were developed by local researchers working in each of these communities, producing a comprehensive picture of existing conditions and revitalization plans shortly after the grants were awarded.²⁴ In addition, Abt Associates prepared a cross-site report that documented the challenges that many PHAs faced in the early implementation of the HOPE VI program. This section briefly summarizes the findings of the Baseline Study along four dimensions: the developments, the original residents, the surrounding neighborhoods, and HOPE VI plans and early implementation.

1.2.1 The Developments

The 15 HOPE VI sites that make up the baseline study received grants in 1993 and 1994. Exhibit 1-1 lists the targeted developments, along with some selected characteristics of these developments and the amount of HOPE VI funding each received. In four cases (Cleveland, Oakland, San Francisco, and Atlanta), the grant was to be applied to more than one housing development within the city.

Overall, the 15 sites represent some of the most troubled public housing developments—and agencies—selected for the HOPE VI program. They originally included more than 13,500 housing units, mostly family units built during the 1940s and 1950s. According to the Baseline Study, many of these developments had “. . . some or all of the design flaws associated with unsuccessful public housing: construction on (superblocks), poorly designed buildings for housing families, small units, and a high number of units per acre.”²⁵ The local researchers typically rated the physical conditions of the properties as “poor” or “very poor.” Only two developments (King Kennedy in Cleveland and Earle Village in Charlotte) were considered by local researchers to be in “good” condition.

While one might expect that these developments would contain a significant percentage of family highrise units, this was not the case. Only the Cabrini Extension in Chicago was entirely a family highrise development. Two other sites (Lafayette in Baltimore and the two San Francisco developments) consisted of a mix of family highrise and lowrise buildings.²⁶

²⁴ As HUD’s prime contractor for the Baseline Study, Abt Associates Inc. recruited and managed the 15 local research affiliates (LRAs) and designed the baseline data collection protocols. The LRAs completed the data collection forms and prepared the case study reports. The LRAs also conducted interviews with a sample of original residents at each site. Abt developed a list of survey questions; however, the LRA determined which questions would be asked of residents at each site.

²⁵ *An Historical and Baseline Assessment of HOPE VI*, p. iii.

²⁶ *Ibid.*, p. 3-7.

**Exhibit 1-1
Characteristics of HOPE VI Case Study Sites At Baseline**

HOPE VI Site And Award Amount ¹	Total Units	Year Opened	Percent Vacant (1992)	Overall Baseline Conditions ²	% Household Receipt of Public Assistance (1993)
Camden (\$42.1 M) McGuire Gardens	368	1954	34%	Poor	75%
Cleveland (\$50 M) King Kennedy	1152	1971	66%	Good	77%
Outhwaite	1,024	1937	51%	Poor	77%
Milwaukee (\$45.7 M) Hillside Terrace	596	1950	9%	Fair	83%
Oakland (\$26.5 M) Lockwood Gardens	372	1942	2%	Fair	78%
Scattered Sites	54	1969	4%	Very Poor to Fair	75%
San Francisco (\$49.9 M) Bernal Dwellings	208	1953	1%	Poor	89%
Plaza East	276	1956	0%	Poor	84%
Baltimore/Pleasant View (\$49.6M) Lafayette Homes	807	1955	2%	Poor	81%
Boston (\$49.9M) Mission Main	822 ³	1940	12%	Very Poor	73%
New Haven/Monterey (\$45.3M) Elm Haven	462 ⁴	1941	6%	Poor	67%
Charlotte/First Ward (\$41.7M) Earle Village	409	1967	5%	Good	60%
Washington/Townhomes (\$25 M) Ellen Wilson	134	1941	100%	Very Poor	Vacant
Atlanta/Centennial (\$42.5 M) Clark Howell	624	1941	25%	Poor	62%
Techwood	457	1937	9%	Very Poor	51%
San Antonio (\$48.8 M) Spring View	421	1953	13%	Poor	62%
Chicago (\$50 M) Cabrini Homes Ext.	1,921	1943	33%	Very Poor	90%
Detroit (\$39.8 M) Jeffries Homes	2,170	1952	NA	Poor	43%
New Orleans (\$44.2 M) Desire	1,832	1956	51%	Very Poor	78%

Source: *An Historical and Baseline Assessment of HOPE VI*, Volume 1, Cross Site Report. Exhibits 1-2, 1-3, 1-5, 1-6, 3-1, and 3-7.

¹ In all, there are 15 HOPE VI sites that include a total of 19 developments. One of these developments (in Oakland) consists of several scattered site properties. Except where noted, the sites are listed in the report tables according to their project type post-revitalization. All public housing sites are listed first, followed by mixed-income sites. The four sites that are not included in the cross-site analysis are shown last in this exhibit.

² Conditions were rated by Local Research Affiliates (LRAs) for the HOPE VI Baseline Study. These ratings are based on the LRAs' subjective assessments of how the developments compared with the surrounding communities. LRAs rated conditions from "very poor" to "excellent." See Exhibit 3-7 of *An Historical and Baseline Assessment of HOPE VI*, p. 3-13.

³ The development originally contained more than 1,000 units; 822 units remained at the time of the Baseline Study.

⁴ In addition, there were 99 units in two nearby elderly disabled developments that became part of the HOPE VI project.

The family units at the remaining 12 sites were located in lowrise apartment buildings, row houses, and some midrise buildings.²⁷ Unit density varied greatly from one site to the next. In Earle Village in Charlotte the density was just 11 units per acre. By contrast, in San Francisco's Plaza East, the density was 76.1 units per acre. The average number of units per acre across all sites was 29.1.²⁸

Vacancy rates also varied significantly and were not necessarily correlated with physical conditions. For example, the development with the highest vacancy rate—King Kennedy in Cleveland (66 percent vacant)—was rated in good condition. At Lafayette Homes in Baltimore and in Bernal Dwellings and Plaza East in San Francisco, the vacancy rates were just 2 percent or less despite poor physical conditions. Overall, of the 19 developments included in the Baseline Study, 6 had vacancy rates of less than 5 percent while 7 had vacancy rates of 20 percent or more.²⁹

1.2.2 Original Residents of HOPE VI Developments

The residents who lived in the targeted developments were largely poor, minority households.³⁰ As shown in Exhibit 1-1, the percentage of households relying on public assistance ranged from a high of 90 percent at Cabrini Extension in Chicago to a low of 43 percent at Jeffries Homes in Detroit. A majority of households received public assistance at every development except Jeffries.³¹ Across all sites, an average of 16 percent of households had some earned income.³²

Females headed 83 percent of all households at the 15 study sites. Of all households, 12 percent were headed by an elderly person. Except in two sites, most residents in the targeted developments were Black or African American.³³ The exceptions were Camden's McGuire Gardens and Boston's Mission Main, where more than one-half of the residents were Hispanic or Latino. San Antonio's Spring View Apartments and San Francisco's Bernal Dwellings also showed substantial numbers (roughly 25 percent) of Hispanic or Latino households or

²⁷ Two of these 12 sites, Jeffries Homes in Detroit and Hillside Terrace in Milwaukee, had highrise buildings that were occupied by elderly and/or disabled persons. Lowrise buildings (walkups and rowhouses) were the predominant structure type among all 34 HOPE VI sites that received grants in 1993 and 1994.

²⁸ *An Historical and Baseline Assessment of HOPE VI*, p. 3-3.

²⁹ *Ibid.*, p.1-21. One of the 19 developments, Ellen Wilson Dwellings in Washington, D.C., was completely vacant when the grant was awarded.

³⁰ *Ibid.*, p. iv.

³¹ *Ibid.*, p. 3-10.

³² *Ibid.*, p. 1-24 to 1-25.

³³ Based on Guidance from the Office of Management and Budget, HUD requires that a person having origins in any of the Black racial group of Africa be referred to as "Black or African American." These terms are used in tables throughout this report. However, for readability the term "African American" is used in the text.

households of “other” races.³⁴ The characteristics of original residents will be discussed in detail in Chapter 3 of this report.

1.2.3 The Surrounding Neighborhoods

The targeted developments were located in a variety of neighborhood settings. (See Exhibit 1-2.) At only four sites (San Francisco, Camden, Oakland, and New Haven) were the surrounding neighborhoods primarily residential. In contrast, the public housing developments in Atlanta and Charlotte represented the only residential property in their areas. In the case of Atlanta, the “neighbors” included Georgia Institute of Technology and Coca Cola headquarters. More commonly, the neighborhoods surrounding the targeted developments contained a mix of residential, industrial, commercial, and sometimes institutional uses.

For example, the area surrounding Baltimore’s Lafayette Homes was about 30 percent residential (mostly public housing) and 70 percent industrial and institutional (including a university hospital, a correctional facility, and several schools). A number of the HOPE VI neighborhoods also contained an extensive amount of vacant land. Physical conditions were described by local researchers as “satisfactory” for most of the HOPE VI neighborhoods, especially when compared with conditions within the HOPE VI developments themselves. At the same time, most neighborhoods had major crime problems. The most extreme examples were Detroit and Oakland. The area around Jeffries Homes had the highest violent crime rate in the city of Detroit. The area around Lockwood Gardens had the highest overall crime rate in Oakland, and in Baltimore high levels of personal and property crime were reported around Lafayette Homes. Other neighborhoods reported high levels of prostitution (Camden), gang-related violence (San Francisco and New Haven), and drug selling and use (Cleveland, San Francisco, and New Orleans).³⁵

For neighborhoods that were partly or mostly residential, neighborhood residents were generally better off than nearby public housing residents. Even so, many of these neighborhoods contained concentrations of very low-income people. For example, in and around the Desire development in New Orleans, 44 percent of residents had incomes below the poverty level. The poverty rate was 75 percent in the vicinity of Baltimore’s Lafayette Homes, while the neighborhood that includes San Antonio’s Spring View development had a 44-percent poverty rate. The Capitol Hill neighborhood where Ellen Wilson Dwellings was located was an exception, with only 9 percent of residents living below the poverty level.³⁶

Most of the targeted public housing developments were not well integrated with their surroundings. Atlanta’s Clark Howell/Techwood project stands out as a development that did not fit with the surrounding land uses. Yet even developments located in more traditional neighborhoods were physically isolated. This isolation was frequently created by a lack of

³⁴ *An Historical Baseline Assessment of HOPE VI*, p. 3-11.

³⁵ *Ibid.*, p. 4-7 to 4-11.

³⁶ *Ibid.*, p. 4-13 to 4-18.

through streets connecting the developments and the neighborhoods. Poor physical conditions and unappealing architecture were often contributing factors. In addition, neighborhood residents avoided these developments because they viewed them as a major source of crime in their communities.³⁷

**Exhibit 1-2
Characteristics of Neighborhoods Surrounding HOPE VI Sites at Baseline**

HOPE VI Site	Primary Land Uses	Crime Levels	1990 Poverty Rate
Camden	More than 75% residential	High level of prostitution; limited police presence	38%
Cleveland	16% residential; other mixed uses; extensive vacant land	High property, narcotic and violent crime	82%
Milwaukee	Mixed; 16% residential; 40% industrial	Low crime area but this may be related to relatively small number of residential units.	72%
Oakland (Lockwood only)	65% residential	Highest crime area in Oakland	39%
San Francisco			
Bernal Dwellings	70% residential	Gang-related violence a problem	25%
Plaza East	70% residential	Drug dealing and use are problems	24%
Baltimore	Mixed—50% residential	High levels of violent personal and property crime	75%
Boston	50% institutional; 40% residential	High rate of property crime	32%
New Haven	81% residential	High homicide rate and gang activity	30%
Charlotte	Residential is all public housing; extensive vacant land	Crime rates are high compared with rest of city	54%
Washington	Mixed use; 38% residential; also commercial and government buildings	In 1993, crime was 165 percent of the city average	9%
Atlanta	Institutional; residential is all public housing; extensive vacant land	Some crime in the surrounding neighborhood	72%
San Antonio	63% residential; extensive vacant land	High crime area	44%
Chicago	50% residential; 40% commercial; extensive vacant land	Limited information; neighborhood is thought to have a lower crime rate than development	45%
Detroit	Mixed use; 30% residential; extensive vacant land	Highest violent crime rate in the city	51%
New Orleans	Mixed; 60% residential	High homicide rate; drug dealing a problem	44%

Sources: *An Historical and Baseline Assessment of HOPE VI*, Exhibit 4-2, pp. 4-7—4-11; 1990 poverty rates are from the U.S. Census Bureau.

³⁷ *Ibid.*, p. 4-19.

1.2.4 HOPE VI Plans

HOPE VI grants to the 15 sites ranged from \$25 to \$50 million; the average grant award was \$43.2 million. At most sites the plans that were proposed as part of the original application underwent changes by the time the baseline case studies were completed in 1995. The Baseline Study states that the original applications were limited by the time allowed to respond to the NOFA and so applicants “did not have the luxury of conducting a thorough planning process. With HUD’s encouragement, and often in response to local political pressure, the PHAs have continued to refine their plans.”³⁸ Local redevelopment efforts were also responding to newly emerging HUD priorities for the program, including an increased emphasis on leveraging outside resources, on developing mixed-income housing, and on broadening revitalization strategies to encompass the surrounding neighborhoods. Finally, changes in PHA leadership also stimulated new thinking about the HOPE VI plans. The Baseline Study noted that more than one-half of the 15 PHAs changed executive directors between the submission of the HOPE VI application (1993 to 1994) and the completion of the baseline case studies (1995).³⁹

1.3 Goals and Challenges for the HOPE VI Interim Assessment

In 1998, HUD initiated an *Interim Assessment of the HOPE VI Program* in order to explore the impacts of HOPE VI on residents, developments, and neighborhoods. As originally envisioned, the study involved an examination of the same 15 study sites shortly *after occupancy* to determine the changes that had occurred since baseline and to provide a mid-term assessment that would set the stage for a final evaluation of the program. The study was intended to examine changes that have occurred within and across these sites with regard to:

- Resident characteristics and attitudes;
- Physical conditions at the site;
- Neighborhoods and neighborhood residents;
- Management and operations;
- Supportive services; and
- Crime.

As the HOPE VI program has matured, questions have been raised about its implementation that are outside the scope of this research. Perhaps the most significant question is what has happened to the original residents of HOPE VI projects. HUD is sponsoring separate studies

³⁸ *An Historical and Baseline Assessment of HOPE VI*, p. v.

³⁹ *Ibid.*, p. v to vii.

of this question.⁴⁰ Questions have also been raised about the costs of developing HOPE VI projects. While this is a very important issue, it was not part of the HUD research design for the Interim Assessment, and this study collected only limited data on project costs.

Since 1998, two key issues have complicated the research design. First, redevelopment activities were delayed considerably at a number of sites. As a result, we have made several modifications to our data collection and analysis plan. Second, the goals and requirements for the HOPE VI program have changed considerably since the first NOFA was issued in 1993. As a result, some of the redevelopment efforts that we have researched may not be fully representative of typical HOPE VI projects today. Each of these issues is discussed below.

1.3.1 Redevelopment Delays

Given implementation delays for many of the HOPE VI sites, we altered the original plan to conduct onsite data collection only after the redevelopment work was completed. As shown in Exhibit 1-3, only six sites were largely completed when data collection occurred. Data collection began at another five sites after the development was partially reoccupied. In addition, at one site—San Antonio—data collection was undertaken even though construction was not complete and no units were occupied.⁴¹

As of May 2003, the three remaining sites—Detroit, Chicago, and New Orleans—had yet to begin unit construction. For these three sites, the onsite data collection focused on understanding the reasons why these redevelopment efforts had stalled and documenting conditions at the sites and in the surrounding neighborhoods.⁴²

These changes to the data collection plan have affected the cross-site analysis. Most important, we have excluded four sites from our analysis: the three sites that were not reoccupied as of May 2003 (Chicago, Detroit, and New Orleans) and the San Antonio site, where no onsite units were occupied at the time the case study was developed. Thus, this report focuses on 11 of the original 15 sites:

⁴⁰ See *The HOPE VI Panel Study: Baseline Report*, by Susan J. Popkin, Diane K. Levy, Laura E. Harris, Jennifer Comey, Mary K. Cunningham, Larry Buron with William Woodley, The Urban Institute, September 2002. Also see: *The HOPE VI Resident Tracking Study*, by Larry Buron, Susan Popkin, Diane Levy, Laura Harris, and Jill Khadduri, Abt Associates and The Urban Institute, November 2002; *HOPE VI and Section 8: Spatial Patterns in Relocation*, by G. Thomas Kingsley, Jennifer Johnson, and Kathryn L.S. Pettit, The Urban Institute, January 2001; and *Housing Choices for HOPE VI Relocates*, by Robin E. Smith, The Urban Institute, 2002.

⁴¹ A decision was made to begin data collection in San Antonio prior to reoccupancy based on information from local informants that the redevelopment work was already spurring changes in the surrounding neighborhood. A total of 80 units had been occupied off-site by the time of the site visit. In fact, the visit revealed that there was less activity than had been reported. Because no units had been built or occupied at the time of the visit, we were unable to include San Antonio in this report that focuses on changes post-occupancy.

⁴² A memorandum summarizing the findings of this research study was submitted to HUD in July 2003.

- McGuire Gardens in Camden, New Jersey;
- King Kennedy/Outhwaite in Cleveland;
- Hillside Terrace in Milwaukee;
- Lockwood Gardens in Oakland;
- Bernal Dwellings and Plaza East in San Francisco;
- Lafayette Homes in Baltimore (now called Pleasant View Gardens);
- Mission Main in Boston;
- Elm Haven in New Haven (now called Monterey Place);
- Earle Village in Charlotte (now called First Ward Place);
- Ellen Wilson Dwellings in Washington, D.C. (now called The Townhomes on Capitol Hill); and
- Clarke Howell/Techwood in Atlanta (now called Centennial Place).⁴³

We have also had to accommodate the fact that we are comparing outcomes for 11 sites that were at different stages of redevelopment at the time of data collection. We have been careful in drawing conclusions about the effects of HOPE VI investments at sites that are not yet completed.

Because data collection occurred over a 3-year period, we made one further adjustment to our data collection plan. One-day followup site visits were conducted in early 2003 at six sites where initial case studies had been completed in 2000 and 2001 (Baltimore, Milwaukee, Cleveland, Atlanta, Charlotte, and Washington, D.C.). The purpose of these visits was to describe further changes that occurred since the original site visits and to identify additional issues that would merit attention in the cross-site report. While the report relies primarily on data collected shortly after reoccupancy to make cross-site comparisons, we have used the updated information to identify trends that have occurred since that time.

1.3.2 HOPE VI Program Changes

A second issue for the Interim Assessment is that the HOPE VI program has changed markedly since its inception. Despite the call for creativity and boldness in planning for redevelopment, many PHAs that received early HOPE VI grants initially saw the program as another source of public housing modernization funds rather than a program that would enable them to address comprehensively the needs of severely distressed communities. Many of the early grants were quite large—averaging \$43 million—and there was little effort initially to use these funds to leverage other resources. Most grantees planned to concentrate on the targeted development, with less attention paid to the surrounding neighborhood. As discussed in Section 1.1, HUD’s vision of the HOPE VI program evolved, and increased emphasis was placed on creating mixed-income communities, using HOPE VI dollars to leverage other funding sources, and addressing the redevelopment needs of the surrounding community. While some of the case study sites revised their plans to incorporate these objectives,

⁴³ These 11 sites include 4,609 on- and off-site units or 20 percent of the 23,015 units that were planned through 34 HOPE VI grants awarded between 1993 and 1995. See *HOPE VI Quarterly Report, National Aggregate Summary*, 4QFY 2002, p. 9.

others were committed to another vision or were too far along in the process to make such changes. Thus, among the 15 sites, 6 are 100-percent public housing, while the remainder are (or will be) sites with a mix of public housing and non-public housing units referred to as mixed-income sites.⁴⁴ By contrast, most of the HOPE VI projects that have received awards in recent years are mixed-income.⁴⁵

**Exhibit 1-3
Timing of Data Collection at 15 HOPE VI Sites for the Interim Assessment**

Completion of Case Study	Project Largely Completed and Re-occupied at Data Collection	Partially Re-Occupied at Data Collection	Construction Underway at Data Collection	Construction Not Underway as of May 2003
March 2000	Baltimore Milwaukee	Cleveland		
March 2001	Washington, DC	Atlanta Boston		
January 2002	Charlotte	New Haven Oakland	San Antonio	
March 2003	Camden San Francisco			Chicago Detroit New Orleans

Source: Case studies from the *Interim Assessment of the HOPE VI Program (1999 to 2002)*.

Clearly, the drawback in studying these early sites is that they do not represent the vision of the “typical” HOPE VI project today. On the other hand, the inclusion of 100-percent public housing developments and mixed-income developments in the study has allowed the exploration of changes that can result from creating revitalized public housing communities as well as new mixed-income developments.

1.4 Report Contents

The remainder of this report is organized as follows. Chapter 2 provides an overview of the 11 HOPE VI projects included in the cross-site report. The characteristics of these projects and their costs and sources of funding are discussed.

Chapter 3 begins with an analysis of HOPE VI residents to explore the impact of the HOPE VI intervention on resident characteristics at the HOPE VI sites. The first section explores who lives at the HOPE VI site now, then compares the characteristics of these residents with those who lived at the site before revitalization. Subsequent sections of the chapter investigate differences in

⁴⁴ Mixed-income housing includes market-rate, Low-Income Housing Tax Credit, and public housing units.

⁴⁵ According to HUD reports, over 77 percent of the housing planned for HOPE VI developments is for public housing eligible families.

the characteristics of public and non-public housing residents, the distribution of household incomes at mixed-income sites, resident perceptions of the sense of community at all the sites, and factors associated with cross-site differences in the share of current residents who lived in the development before revitalization.

Chapter 4 describes the physical changes that have taken place at the study sites. The physical conditions that existed before revitalization are explored and the goals that were developed to address physical problems are discussed. The second section of the chapter describes the physical changes that have occurred as a result of HOPE VI, comparing sites that relied primarily on new construction with sites that were rehabilitated and comparing 100-percent public housing and mixed-income sites. The chapter also discusses resident satisfaction with their units, comparing the responses of residents at 100-percent public housing sites with those at mixed-income sites. The chapter ends with a discussion of the loss of affordable housing units across all study sites.

Chapter 5 looks at other ingredients of change at the study sites. The first section examines management changes that have occurred at the sites and compares management models and management experience between mixed-income and 100-percent public housing sites. The second section looks at community and supportive services available to residents now living at the site and compares this with what existed before revitalization. The chapter concludes with a discussion of the safety improvements at the sites and compares current crime levels with levels in the early 1990s.

Chapter 6 focuses on the neighborhoods surrounding the HOPE VI developments. The chapter begins with a description of what these neighborhoods were like in 1990 and then describes the neighborhood goals that were established as part of the revitalization efforts. The chapter then describes the types and levels of changes that have occurred over the past 10 years. The last section of the chapter reports the results of a quantitative analysis of the effects of HOPE VI on property sales in the neighborhoods surrounding the New Haven and San Francisco HOPE VI sites.

The last chapter of the report summarizes the changes that occurred at HOPE VI sites and explores future challenges for the developments.

Finally, the report has five appendixes. Appendix A contains brief descriptions of each of the 11 study sites. Appendix B presents the data collection methodology for this study, while Appendix C contains data tables based on a resident survey at the HOPE VI study sites. Appendixes D and E provides additional information on the HOPE VI neighborhoods, including data from the 1990 and 2000 census for each study site neighborhood. Finally, Appendix E presents the methodology for the quantitative analysis of neighborhood property values in New Haven and San Francisco.

2. Overview of HOPE VI Revitalization Efforts

This chapter provides an overview of the 11 HOPE VI revitalization efforts that are the focus of this report. They are divided into two categories. The first group covers 6 HOPE VI grants used to revitalize eight developments as 100-percent public housing.⁴⁶ While some PHAs instituted resident selection criteria to encourage a range of incomes within the new public housing community, all units in these developments are under public housing Annual Contributions Contracts (ACC). These projects are different from more recent HOPE VI developments that have an explicit objective of creating mixed-income housing through a combination of ACC and non-ACC units.

The remaining five HOPE VI grants were used to develop mixed-income housing and are more typical of HOPE VI projects that received funding after 1995. All include a mix of affordable and market-rate rental units, although the proportion of affordable units varies from one site to the next. All of these sites involved demolition of most or all of the existing buildings and construction of new units. In addition to HOPE VI funding, some units at these sites were funded through the Low-Income Housing Tax Credit program, a federal program that provides tax credits to corporations who invest in the development of housing affordable to people with incomes below 60 percent of area median income.

The first two sections of this chapter review the characteristics of the 11 grants and 13 developments according to these two groupings. This is followed by a discussion of the status of the projects, project costs, and sources of funding.

2.1 The 100-Percent Public Housing Developments

The eight revitalized 100-percent public housing developments are located in a range of inner city settings, from Baltimore and Camden in the East, to the Midwest cities of Cleveland and Milwaukee, to the large West Coast cities of Oakland and San Francisco. (See Exhibit 2-1.) Even with this geographic spread, the developments are primarily found in poor, isolated neighborhoods where subsidized housing, vacant land, and nonresidential uses are commonplace. Exceptions include the communities that surround Bernal Dwellings and Plaza East in San Francisco. These were relatively stable residential areas in 1990, especially when compared with other HOPE VI neighborhoods in this study.

⁴⁶ In San Francisco and Cleveland, the HOPE VI grant covered two developments.

Exhibit 2-1

Characteristics of HOPE VI Developments that Remained 100-Percent Public Housing

HOPE VI Development	Location	Total Onsite Units	Rehab/New Construction	Unit Mix	Management Type ¹	Project Status	Notes
Camden McGuire Gardens	Very low income mixed use area near downtown	253	70% rehab 30% new construction	All public housing	Private	May 2002—all units available for occupancy; completed except for construction of a community center.	
Cleveland King Kennedy Estates	Very low income mixed use area; housing is mostly subsidized	168	Rehab	All public housing	PHA	Feb 1997—units completed and occupied.	The grant covers parts of two developments in the Central Neighborhood. At King Kennedy, 168 units were renovated including 42 units operated by the YMCA as transitional housing. Before 1997, 80 units were renovated with other funds. As of 2003, a separate project is underway to build 98 public housing townhouses on the site.
Cleveland Outhwaite Homes	Very low income mixed use area; housing is mostly subsidized	335	Rehab	All public housing	PHA	Mar 2003—335 units completed and occupied. Additional demolition and community center renovations to occur using grant funds.	200 other units remain in poor condition on this site. No funds identified as yet to revitalize these units.
Milwaukee Hillside Terrace	Isolated low income residential area adjacent to downtown	470	Rehab	All public housing	PHA	June 1998—project completed and occupied.	Before HOPE VI, 44 of the family units and 49 elderly/disabled units were rehabilitated using HUD modernization funds. Also built 79 scattered site units.
Oakland Lockwood Gardens	Very poor residential area; dominated by subsidized housing	372 planned	Rehab	All public housing	PHA	Sept 2002—Phase 1 (72 units) reoccupied and Phase 2 (158 units) in midst of reoccupancy. Planned project completion for Phase 3 (142 units) in 2005.	Grant covers Lockwood Gardens plus three scattered site projects (54 units). The scattered site units were renovated and reoccupied in 1999. This report focuses on the Lockwood Gardens site.
San Francisco Bernal Dwellings	In fairly dense residential area; near up and coming neighborhoods	160	New construction	All public housing	Private	September 2001—occupancy completed.	The grant covers Bernal Dwellings and Plaza East.
San Francisco Plaza East	In area of dense multifamily housing near downtown	193	New construction	All public housing	Private	December 2002—occupancy completed.	
Baltimore Pleasant View	Isolated mixed use area near downtown	338	New construction	92% public housing 8% affordable homeowner	Private	Jan 1998—occupancy completed.	This site includes 27 affordable homeownership units. However, because the percentage of these units is small and because they are not integrated throughout the development, we have classified Pleasant View Gardens as a 100-percent public housing development.

Source: Case studies from the *Interim Assessment of the HOPE VI Program* (1999 to 2002).

¹All 100-percent public housing developments are PHA-owned except in San Francisco where the developments are owned by the tax credit investor and a nonprofit arm of the PHA.

A total of \$261.7 million in HOPE VI funds was available to revitalize part or all of the eight developments as 100-percent public housing. In all, 2,343 units were or are being developed using these as well as other leveraged funds.⁴⁷ Most of these units are for families. However, Hillside Terrace and Baltimore's Pleasant View Gardens each has a multifamily building for elderly or disabled persons.⁴⁸ Overall, the units designated for elderly and disabled persons represent just 7 percent of total units across all 100-percent public housing sites.

There is considerable variation in the size of the 100-percent public housing projects after revitalization. Bernal Dwellings is the smallest of the eight developments with just 160 units. Milwaukee's Hillside Terrace is the largest with 470 units.

The pictures of the revitalized developments (Figures 2-1 through 2-6) suggest the scale of each development today. At most developments, the completed family units are typically two- or three-story attached townhouses, with three-story units often consisting of a two-level townhouse over a ground floor apartment. There are also three-story walkup apartment buildings with apartments on each level (for example, at Cleveland's Outhwaite Homes) and one-story bungalows (at Oakland's Lockwood Gardens).

The Cleveland (Outhwaite and King Kennedy) and Milwaukee (Hillside Terrace) developments involved demolition of some units and substantial rehabilitation of all or a portion of the remaining units. Because of Outhwaite's designation as a historically significant property, the Cleveland PHA could do only rehabilitation of that site. Furthermore, the Cleveland HOPE VI grant was not able to address fully the revitalization needs of two large developments, so the HOPE VI grant covers only part of each development.

Camden's McGuire Gardens was largely a rehabilitation effort, although about one-third of the units involved new construction (in some cases new units were built on existing foundations). Complete demolition and new construction occurred at three developments: Bernal Dwellings and Plaza East in San Francisco and Pleasant View Gardens in Baltimore. In all three cases, the new buildings and the overall layout of the sites were designed to blend in with the surrounding areas.

⁴⁷ The HOPE VI revitalization plan at King Kennedy Estates and Outhwaite Homes (Cleveland) targeted only part of the developments. In Milwaukee, 93 of 470 units had been rehabilitated prior to the HOPE VI grant award. Finally, in Oakland the grant covered Lockwood Gardens plus three scattered site developments that included 54 units. This report focuses on the Lockwood Gardens site.

⁴⁸ Milwaukee's elderly/disabled building was not part of the HOPE VI project but was revitalized with funds from HUD's Comprehensive Grant Program (CGP), a program that provided funds to each PHA by formula for the modernization of public housing.



Figures 2-1 to 2-4 clockwise from top left. Revitalized units at McGuire Gardens in Camden; Hillside Terrace in Milwaukee; Outhwaite Homes in Cleveland; and Lockwood Gardens in Oakland.

In all sites but San Francisco, the PHAs retained ownership of the properties after revitalization. However, four of eight developments (Camden, Baltimore, and the two developments in San Francisco) are privately managed. Private management practices and attitudes towards management are discussed in Chapter 5.

2.2 New Mixed-Income Developments

The mixed-income developments in our study are found in Boston, New Haven, Washington, D.C., Atlanta, and Charlotte. (See Exhibit 2-2.) The neighborhoods surrounding these mixed-income projects are more diverse than those surrounding the 100-percent public housing developments.

**Exhibit 2-2
Characteristics of Mixed-Income HOPE VI Developments**

HOPE VI Development	Locations	Onsite Units	Rehab/New Construction	Unit Mix	Management Type	Ownership	Project Status	Notes
Boston Mission Main	Stable lower income residential community; large student population	535 planned	New construction	83% affordable rental (all public housing) 17% market rental	Private	Private: developer, Tax Credit investor and residents	June 2002—504 of 535 rental units completed and occupied.	18 additional planned homeownership units on hold as of Sept 2002.
New Haven Monterey Place	Low income residential area adjacent to Yale U. and downtown	392 planned	New construction of family units; rehab of two elderly buildings	83% affordable rental (71% public housing; 12% Tax Credit) 3% market rental 14% affordable homeowner	Private	Private	Sept 2002—323 units completed and occupied; planned completion in 2004.	As part of this redevelopment, two elderly/disabled buildings (99 units) adjacent to the site were rehabilitated.
Charlotte First Ward Place Autumn Place	Near downtown; new neighborhood is developing	351	93% new construction 7% rehab	71% affordable rental (57% public housing; 14% Tax Credit) 29% market rental	Private	Private (First Ward Place): Developer, Tax Credit investors and PHA PHA (Autumn Place, an elderly building)	March 2000—occupancy completed.	In addition, the following has occurred with HOPE VI grant funds: 55 homeownership units built (20 for public housing residents), 94 scattered-site rental units off site, and 20 soft second mortgages for public housing residents to purchase homes off site.
Washington, DC Townhomes	Stable residential and historic area	147	New construction	91% affordable co-op units (50% of co-op units affordable to households with incomes <50% of AMI) 9% market-rate homeowner	Private	Private cooperative ownership	March 2003—all units completed; community center to be constructed.	14 market-rate homeownership units were privately financed.
Atlanta Centennial Place	Downtown; near university and Coca Cola headquarters	841 planned	New construction	53% affordable rental (35% public housing; 18% Tax Credit) 35% market rental 2% affordable homeowner 10% market-rate homeowner	Private	Private: developer and Tax Credit investor	Jan 2000—738 rental units completed and occupied.	103 homeowner units to be built with non-HOPE VI funds

Source: Case studies from the *Interim Assessment of the HOPE VI Program* (1999 to 2002).

The historic Capitol Hill neighborhood in Washington, D.C., where The Townhomes on Capitol Hill is located, is a stable middle- to upper middle-income community with pockets of distress. The neighborhood surrounding Boston's Mission Main development is a stable neighborhood, although residents generally are low income and there is a sizeable student population. By contrast, New Haven's Monterey Place is located in the Dixwell neighborhood, an historic African American neighborhood that is severely distressed despite its close proximity to Yale University and downtown.



Figure 2-5. New units at Bernal Dwellings in San Francisco

The remaining two developments are not in residential neighborhoods. Centennial Place is not far from downtown Atlanta. Its closest neighbors are the Coca Cola headquarters and Georgia Institute of Technology. Similarly, Charlotte's First Ward Place is about one-half mile from the central business district, but at the time the HOPE VI grant was awarded it was surrounded by surface parking lots and vacant land.

The five mixed-income developments include a total of 2,266 units, and there is a significant range in the number of units per development.⁴⁹ The Townhomes on Capitol Hill consists of just 147 units, whereas Boston's Mission Main includes 535 units and Centennial Place will ultimately contain 841 units. The mixed-income developments contain on average significantly more units than the 100-percent public housing developments in the study. The average number of units per mixed-income development is 453, compared with an average of 286 for the public housing developments. The size and density of public housing compared with mixed-income developments is discussed further in Chapter 4.

The developments are mixed-income to different degrees. Four developments (Boston, New Haven, Charlotte, and Atlanta) include a mix of public housing, Tax Credit, market-rate rental, or homeownership units, although the presence and proportions of each type vary from one site to the next. For example, in Boston's Mission Main, 83 percent of the units are public housing while 17 percent are market-rate rentals. More than 80 percent of units at New Haven's Monterey Place are affordable rentals while 14 percent are affordable homeownership units and just 3 percent are for market-rate homeowners. In Charlotte, 71 percent are affordable rental units (including public housing and Tax Credit units) while 29 percent are market-rate rentals. Finally, in Atlanta, 53 percent of units are affordable rentals,

⁴⁹ This number includes units that are still being developed in Atlanta and New Haven.



Figure 2-6. New units at Pleasant View Garden in Baltimore

35 percent are market-rate rentals, and 12 percent are homeownership units.⁵⁰ Because all four projects have received Low-Income Housing Tax Credits, they are privately owned and managed.⁵¹

The Townhomes on Capitol Hill is unique in that most of the units are part of a housing cooperative, with 50 percent of the co-op units set aside for households with less than 50 percent of area median income. An analysis of resident incomes at all developments is presented in Chapter 3.

Figures 2-7 through 2-10 and 2-12 present photographs of each of the mixed-income sites. The vast majority of these developments involved new construction although a small number of units at First Ward Place in Charlotte were rehabilitated, as were two elderly-only buildings in New Haven. As in the 100-percent public housing developments, two- and three-story townhouse buildings are common at mixed-income sites. Three sites (Boston, New Haven, and Charlotte) also include multifamily buildings that house elderly or disabled persons. Overall, elderly and disabled units represent 12 percent of all units at the mixed-income developments in our study, compared with 7 percent at the public housing developments.

2.3 Progress of HOPE VI Programs as of 2003

Over the past few years, it has become increasingly clear that implementing a HOPE VI grant can be challenging. According to a recent HUD report, PHAs that received early grants have had particular difficulty with implementation. However, they are not alone. For all grants awarded between 1993 and 1997, fewer than one-half (43 percent) of all planned units have been completed.⁵²

An analysis of the HOPE VI process was not intended to be part of the Interim Assessment and is not a focus of this report. However, an understanding of the progress that has been made and the timing of redevelopment efforts is important to subsequent discussion about program outcomes. Therefore, this section briefly explores the progress of HOPE VI programs at the 13 developments.

⁵⁰ Twenty percent of 103 planned homeownership units will be affordable to households with incomes up to 60 percent of area median income. The remaining homeownership units will be market-rate.

⁵¹ In Boston, there are no Tax Credit units per se. The Tax Credit funds were used to support the development of public housing.

⁵² *HOPE VI Quarterly Report, National Aggregate Summary*, 4QFY 2002, page 16.

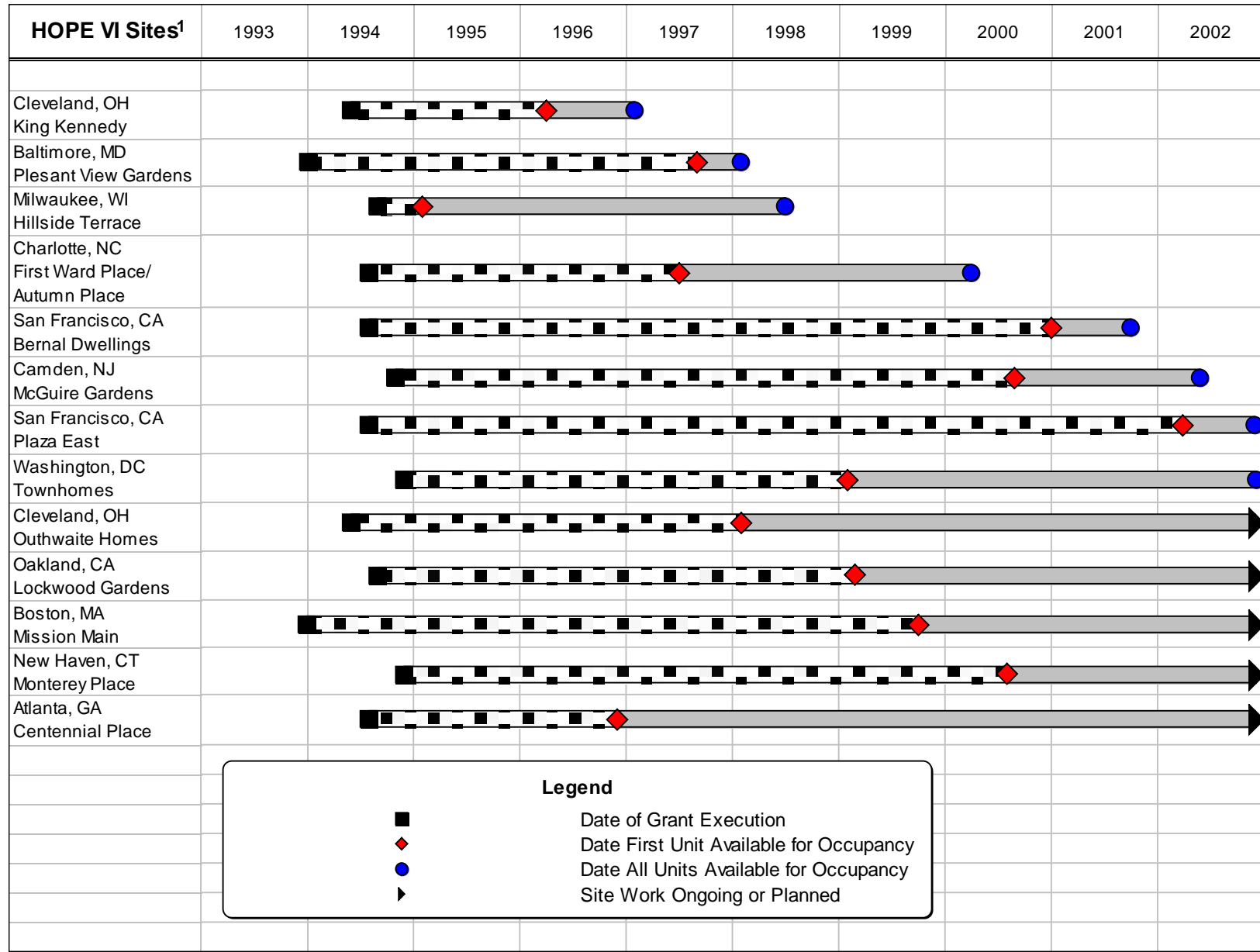


Figures 2-7 to 2-10. Clockwise from top left. New units at: Centennial Place in Atlanta; the Townhomes on Capitol Hill in Washington, D.C.; Monterey Place in New Haven; and Mission Main in Boston.

Nine of the thirteen developments were fully reoccupied as of early 2003. (See Figure 2-11.) Three developments (all 100-percent public housing) were completed by 1998—far in advance of the other sites. Two of the first three to finish were straightforward rehabilitation projects. The King Kennedy portion of the Cleveland grant involved the rehabilitation of just 168 units and was the first development to be reoccupied, in early 1997. Milwaukee’s Hillside Terrace was also a rehabilitation project and was completed in June of 1998.⁵³ Baltimore’s Pleasant View Gardens, reoccupied in 1998, involved complete demolition and new construction. However, project planning had commenced before the HOPE VI grant was awarded.

⁵³ See *HOPE VI: Best Practices and Lessons Learned 1992–2000*. Submitted to the Committee on Appropriations, U.S. House of Representatives and the Committee on Appropriations, United States Senate. U.S. Department of Housing and Urban Development. June 14, 2002. This report suggests that HOPE VI projects involving rehabilitation are completed more quickly than those that involve new construction.

**Figure 2-11
Timeline for HOPE VI Redevelopment at Study Sites**



¹Sites are listed based on when they were completed.

Charlotte's First Ward Place/Autumn Place⁵⁴ and San Francisco's Bernal Dwellings were reoccupied in 2000 and 2001. First Ward Place was a complex redevelopment project that involved mixed financing and the coordination of many partners. The Charlotte Housing Authority completed an early phase of the project and began to reoccupy units in July 1997. Reoccupancy was completed in early 2000. Bernal Dwellings, a 100-percent public housing development that received some funding through Low-Income Housing Tax Credits, was completed in September 2001.



Figure 2-12. New units at First Ward Place in Charlotte

Of the remaining eight sites, three were largely completed and reoccupied by the end of 2002 (McGuire Gardens, Plaza East, and The Townhomes on Capitol Hill).

Construction is still underway or scheduled at the other five sites (Outhwaite Homes, Lockwood Gardens, Mission Main, Monterey Place, and Centennial Place).

However, at these final five sites—two public housing rehabilitation projects and three mixed-income, new construction projects—a significant portion of planned units have been built and reoccupied. Only the final phases of these projects are not complete.⁵⁵ For example, in Atlanta, 738

rental units have been built and occupied. A final phase of the project involves the construction of 103 homeownership units, and this was delayed while the city completed a large infrastructure project near the site.⁵⁶ All existing funds have been spent and a new financing source must be identified before this phase can proceed. A similar situation exists in Boston, where 18 homeownership units are on hold pending the identification of additional financing. In Oakland, two phases of rehabilitation work, involving 230 units, are completed. The remaining 142 units will be rehabilitated under a third phase by 2005.

2.4 Project Costs and Sources of Funding

The HOPE VI revitalization efforts included in this study represent an investment of more than \$821 million. Of that total, approximately \$450 million (55 percent) is from HOPE VI grants. The remaining funds represent a variety of other public and private sources.

⁵⁴ First Ward Place is the family rental development. Autumn Place is a 68-unit elderly building.

⁵⁵ As discussed in Chapter 1, there were four additional sites in the study that were excluded from the final report because they had not yet begun construction.

⁵⁶ Knowledgeable observers in Atlanta also noted that it was appropriate to wait to build the homeownership units until it had been demonstrated that Centennial Place could successfully sustain a mixed-income rental market.

The level and types of non-HOPE VI funding obtained by each of the study sites are shown in Exhibit 2-3. Overall, the 11 PHAs secured \$371 million in other public and private funds, representing approximately 45 percent of total project costs across all sites. This average is less than current nationwide figures but consistent with the percent of leveraged funds reported by HOPE VI grantees that received awards in 1993 and 1994.⁵⁷

The extent of required additional funding varied considerably. Two 100-percent public housing sites (Camden and Milwaukee) relied almost entirely on HOPE VI funds, with less than 10 percent of total costs coming from non-HOPE VI sources. On the other hand, at four sites, more than one-half of total funds came from non-HOPE VI sources. These four sites represent both mixed-income (Boston and Atlanta) and 100-percent public housing sites (Baltimore and Oakland).

While HUD's guidance has been to leverage both public and private funding sources, public money provided a significant portion of non-HOPE VI funding at the study sites. In 8 of the 11 sites, the PHA contributed public housing Capital Funds or Modernization money awarded by HUD under other public housing funding programs. In several cases, this represented a significant portion of total project funds. For example, the Oakland PHA provided \$28 million in other public housing funds (45 percent of all budgeted funds) to the Lockwood Gardens revitalization. Other public sources included the Community Development Block Grant Program, the HOME program, and city or state programs. A major funding source for five developments in the study is the Low-Income Housing Tax Credit program. While Tax Credit equity is provided by private investors, they make the investment in return for credits on their federal income taxes. Hence, the ultimate source of Tax Credit funds is the Federal government, paid in the form of reduced tax revenue.⁵⁸

Exhibit 2-4 shows total project costs per site, excluding the funds spent for community and supportive services and demolition costs for units that were not replaced. Total costs include planning and professional services, demolition (other than for units not replaced), site improvements, dwelling unit construction, construction of community facilities, relocation, and administration.⁵⁹ Overall, the per site costs range from \$28.9 million at The Townhomes on Capitol Hill to \$146.4 million at Mission Main in Boston.

⁵⁷ HOPE VI Quarterly Report, National Aggregate Summary, Fourth Quarter Fiscal Year 2002, p.17. For 2001 grantees, 78 percent of all project funds were from non-HOPE VI sources. However, for 1993 grantees, the figure was 45 percent and for 1994 grantees, it was 54 percent.

⁵⁸ In a GAO analysis of 85 HOPE VI projects with Tax Credit or private funding, 79 percent of the funds were from Federal sources (including 27 percent from Tax Credits), 12 percent were from private sources, and 9 percent were from state and local revenue sources. *Public Housing: HOPE VI Leveraging Has Increased, but HUD Has Not Met Annual Reporting Requirement*, GAO-03-91, November 2002.

⁵⁹ In identifying costs to be included, we looked to what is included under HUD's Public Housing Development Costs (TDC) Limits. Notice PIH 2003-8, issued March 27, 2003, states that "In order to determine whether a public housing project satisfies the TDC limit, HUD will consider all HUD approved costs related to planning, administration, site acquisition, relocation, demolition, site remediation, site development, the dwelling unit hard costs, including construction and equipment, interest and carrying charges, builder's overhead and profit, on-site streets and utilities from the street, off-site facilities including community buildings, finish landscaping, a contingency allowance, insurance premiums and any initial operating deficit."

**Exhibit 2-3
Overall Project Costs by Source of Funding for HOPE VI Sites**

HOPE VI Site ¹	Total Project Costs (HOPE VI and All Other Sources)	Total HOPE VI Funds	Percent HOPE VI Funds	Types of Other Funding Sources
Camden McGuire Gardens	\$43,667,368	\$42,177,229	96.6%	Public housing capital funds Federal Home Loan Bank
Cleveland Kennedy/Outhwaite	\$73,282,789	\$50,000,000	68.2%	Public housing
Milwaukee Hillside Terrace	\$50,011,924	\$45,689,446	91.4%	Public housing capital funds
Oakland Lockwood Gardens	\$62,750,179	\$26,510,020	42.2%	Public housing capital funds In-kind donations
San Francisco Bernal Dwellings/Plaza East	\$90,754,530	\$49,992,377	55.1%	Tax Credit equity In-kind donations
Baltimore Pleasant View	\$72,082,347	\$31,015,600 ²	43.0%	Public housing capital funds CDBG State and local programs
Boston Mission Main	\$159,350,340	\$49,992,350	31.3%	Public housing capital funds Tax Credit equity
New Haven Monterey Place	\$83,022,988	\$45,331,593	54.6%	Public housing capital funds Tax Credit equity
Charlotte First Ward Place ³	\$60,887,959	\$41,740,155	68.5%	Tax Credit equity City and County In-kind donations
Washington, DC Townhomes	\$30,839,953	\$25,075,956	81.3%	Public housing capital funds Private mortgage financing
Atlanta Centennial Place	\$94,378,100	\$42,562,635	45.1%	Tax Credit equity City FHA financing
Total—All sites	\$821 million	\$450 million	55%	

Source: HOPE VI Quarterly Reports, fourth quarter FY 2002.

¹Sites are listed by type with 100-percent public housing sites listed first. Mixed-income units are listed in order from fewest market-rate units to largest number of market-rate units.

²The original HOPE VI grant for Baltimore was \$49 million. The Housing Authority did not use the full grant amount.

³Total project costs for Charlotte include approximately \$3.9 million in HOPE VI funding remaining at the completion of the planned revitalization.

Exhibit 2-4 also shows tremendous variation in costs per unit (in 2003 dollars). For example, the 100-percent public housing developments range from \$101,653 per unit in Milwaukee to \$248,056 in San Francisco. Some of this variation may be explained by the fact that some projects involved only rehabilitation while others were all new construction. The per-unit costs of 100-percent public housing developments that involved only rehabilitation

(Milwaukee, Cleveland, and Oakland) are less than the per-unit costs at sites that had some or all new construction (Camden, San Francisco, and Baltimore).⁶⁰

All of the mixed-income sites were primarily new construction, with large variations in per-unit cost. The average per-unit cost of \$116,372 at Charlotte's First Ward Place was the lowest among the mixed-income sites (and among the sites overall). The highest per-unit cost (average of \$288,453) was at Boston's Mission Main.

Part of this variation in per-unit costs is a reflection of the differential costs of construction in the different study cities. Construction costs vary by region, with the lowest construction costs in the study sites found in the southern cities of Charlotte and Atlanta and the highest found in the Northeast (Boston) and the West Coast (Oakland and San Francisco).⁶¹ This is consistent with the differences in per-unit costs reported in Exhibit 2-4. Charlotte and Atlanta are among the five projects with the lowest per-unit costs (the other three are 100-percent rehabilitation of existing units). The most expensive projects to build were in Boston (\$288,453) and San Francisco (\$248,056).

A complete analysis of the development costs of these HOPE VI sites is not within the scope of this study. However, information available through HUD's reporting systems and administrative interviews suggests that high costs at some sites may be explained partially by multiple changes in the HOPE VI plans, a protracted revitalization period (during which time construction and other costs rose), and inefficiencies in managing the HOPE VI redevelopment effort.

Faced with rising costs, all 11 PHAs in the study secured additional funding for their revitalization efforts. These sites are typical of post-1995 HOPE VI sites in making use of outside funding sources, since by 1995 HUD was encouraging new HOPE VI grantees to leverage other money in support of public housing redevelopment.⁶² A 1995 HUD program notice stated that "PHAs are strongly encouraged to utilize HOPE VI grant funds to leverage other *private or government* funds."⁶³ Subsequent regulations enabled PHAs to more readily utilize Low-Income Housing Tax

⁶⁰ For the per-unit cost calculations, the number of units includes all on- and off-site units that were listed as part of the revitalization in each project's HOPE VI Quarterly Report from the fourth quarter of 2002. Hence, the unit total includes both rental units (public housing and non-public housing) and homeownership units that were part of the revitalization effort under the assumption that the full development costs of those units are incorporated in the budgeted costs. This assumption may not be accurate for homeownership units, because the revenue from the sale of the unit offsets some of the development costs.

⁶¹ See HUD's Public Housing Development Cost Limits, Notice PIH 2003-8, March 27, 2003.

⁶² HOPE VI *Quarterly Report, National Aggregate Summary*, Fourth Quarter Fiscal Year 2002, p. 17.

⁶³ Notice PIH 95-10, issued February 22, 1995.

Credit funds and to use public housing capital funds to “credit enhance or collateralize tax-exempt bonds for public housing development or modernization activities.”⁶⁴

**Exhibit 2-4
Total Project Costs and Development Costs for HOPE VI Sites**

HOPE VI Site	Total Project Costs (excluding CSS and some demolition) ¹	Average Project Costs per Unit (excluding CSS and some demolition) ²	Average Project Costs Per Unit in 2003 dollars (excluding CSS and some demolition) ³
Camden McGuire Gardens	\$40,533,292	\$158,891	\$179,547
Cleveland Kennedy/Outhwaite	65,509,398	130,237	147,168
Milwaukee Hillside Terrace	43,428,207	89,958	101,653
Oakland Lockwood Gardens	59,324,177	131,277	148,343
San Francisco Bernal Dwellings/Plaza East	88,193,367	219,519	248,056
Baltimore Pleasant View	70,929,575	194,289	219,547
Boston Mission Main	146,439,310	255,269 ⁴	288,453
New Haven Monterey Place	78,900,307	191,905	216,853
Charlotte First Ward Place	55,373,594	102,984 ⁵	116,372
Washington, DC Townhomes	28,956,495	194,410	219,683
Atlanta Centennial Place	90,326,129	120,910 ⁶	136,626

Source: HOPE VI Quarterly Reports, fourth quarter FY 2002.

- ¹ Total Project Costs is the total planned budget, less community and supportive services, the value of budgeted in-kind services, and estimated demolition costs for units that were not rebuilt on sites according to the site’s HOPE VI Quarterly Progress Report from the fourth quarter of 2002. The value of in-kind services was excluded because a substantial proportion of in-kind services are community and supportive services. In-kind services are not disaggregated on the Quarterly Progress Report, so we could not exclude only the supportive service proportion of these costs. Demolition costs were excluded in the same proportion as the number of units not replaced on site as a proportion of all units demolished.
- ² For the per-unit cost calculations, the number of units includes all onsite and offsite units that were listed as part of the revitalization in each project’s HOPE VI Quarterly Report from the fourth quarter of 2002. Hence, the unit totals include both rental units (public housing and non-public housing) and homeownership units that were part of the revitalization effort, under the assumption that the full development costs of those units are incorporated in the budgeted costs. This assumption may not be accurate for homeownership units if any of the development costs are not reflected in the budget or if the revenue from the sale of the unit are reflected in the budget and offset some of the development costs.
- ³ Project costs per unit in the year the dollars were spent were adjusted to 2003 dollars based on CPI-U inflation rate to make them comparable to HUD’s 2003 total development cost limits. Given that costs were incurred at these projects over a long period of time, we selected a midpoint year between when sites started incurring costs (typically 1994) and when construction was completed (typically 2002) to use as base for inflating the costs. For example, the per-unit development costs in Camden were inflated from “1998” to 2003 figures by multiplying \$158,891 X 1.13 (the 2003/1998 CPI-U ratio) to arrive at the \$179,547 figure.
- ⁴ In Boston, the 18 planned homeownership units are not included in the per-unit costs because they may not be constructed.
- ⁵ In Charlotte, the redevelopment was completed under budget, however this estimate reflects the full budgeted amount of funds.
- ⁶ In Atlanta, 162 planned units (59 offsite public housing units and 103 homeownership units) are not included in the per-unit cost calculations because they have not yet been constructed, but all of the project funds have been expended.

⁶⁴ *HOPE VI: Best Practices and Lessons Learned 1992–2000*. Submitted to the Committee on Appropriations, U.S. House of Representatives and the Committee on Appropriations, United States Senate. U.S. Department of Housing and Urban Development. June 14, 2002, p. 18.

3. Changes in Resident Characteristics at HOPE VI Sites

There are a number of reasons why the characteristics of the resident population at HOPE VI sites may be different after revitalization. First, several of the developments now contain a mixture of public housing, Tax Credit, and market-rate units, whereas before revitalization all the developments contained only public housing units. Second, the revitalized developments are more attractive than the original developments and so may draw higher-income residents, even among the public housing residents. Third, it is possible that new onsite supportive services draw people interested in receiving services. They may have low incomes and employment rates initially, but the supportive services may ultimately lead to higher rates of employment. Finally, eligibility criteria for living in the revitalized development, such as mandatory participation in the Family Self-Sufficiency (FSS) program, may affect the characteristics of the resident population.

This analysis of HOPE VI residents begins by addressing the question: *What is the impact of the HOPE VI intervention on resident characteristics at the HOPE VI sites?* This question is answered by first discussing who lives at the HOPE VI site now and then comparing their characteristics with those who lived at the site before revitalization.⁶⁵ To understand the many changes in resident characteristics, separate comparisons of changes at mixed-income and 100-percent public housing sites are examined as well as differences between new and returning public housing residents.

Subsequent sections of the chapter investigate:

- Differences in the characteristics of public housing and non-public housing residents and the distribution of household incomes at mixed-income sites;
- Resident perceptions of the sense of community at all the sites; and
- Factors associated with cross-site differences in the share of current residents who lived in the development before redevelopment.⁶⁶

⁶⁵ This study focuses on changes at the HOPE VI site. No current information was collected on residents who lived in the development prior to revitalization, but did not return to the revitalized development. However, the non-returnees are included in the characteristics of pre-HOPE VI residents for the aggregate comparisons of pre- and post-HOPE VI characteristics of residents. Information on pre-HOPE VI residents cannot be matched at the person or household level to information on current residents to investigate changes in an individual person or household's characteristics over time. However, we can and do examine the difference between new and returning public housing residents during the period after revitalization.

⁶⁶ The share of current HOPE VI residents who lived in the development prior to revitalization is higher than the share of pre-HOPE VI residents who returned to the development because most revitalized sites contain fewer units than the original development.

Data on the characteristics of current residents come from an in-person survey of approximately 150 residents per site. The surveys were conducted 6 months after the HOPE VI development was substantially reoccupied. The timing of the survey ranged from 1999 to 2002, depending on the redevelopment schedule of the site. See Appendix B for a description of the survey and data collection methodology.

3.1 Who Lives at HOPE VI Sites?

The residents of the revitalized HOPE VI developments are predominately African American and in households with incomes less than 50 percent of the metropolitan-area median. The most common household types are single female-headed families with children and one-person households. Overall, the populations are evenly split between households with and without children, and household heads span the full age spectrum. There are distinct differences between the characteristics of residents of the six 100-percent public housing sites and the residents of the five sites with a mix of public housing and non-public housing units (referred to as mixed-income sites). The characteristics of residents at all sites and differences between residents of 100-percent public housing and mixed-income sites are described below.

3.1.1 Race/Ethnicity

Across the 11 HOPE VI sites, an average of 93 percent of the household heads are minorities, including 74 percent who are African American and 12 percent who are Hispanic.⁶⁷ (See Exhibit 3-1.) African Americans comprise at least two-thirds of the resident population at all but 2 of the 11 sites. In the other 2 sites (Camden and Boston) Hispanics are the largest racial/ethnic group.⁶⁸

The mixed-income sites have an average of 15 percent White, non-Hispanic headed households compared with only 1 percent at the 100-percent public housing sites. The higher share of White households in the mixed-income sites is driven by Washington, D.C. (30 percent White) and Atlanta (19 percent White), the two study sites with the largest shares of non-public housing units.⁶⁹

3.1.2 Household Composition

An average of 55 percent of the households at each site have children, including 39 percent that are headed by a single female. (See Exhibit 3-1.) Households with children headed by a single woman are the most common household type at the HOPE VI sites. Single-person

⁶⁷ Hispanics can be of any race, but are counted only as Hispanic in these percentages.

⁶⁸ See Appendix C-1 and C-10 for race/ethnicity, household composition, and other demographic characteristics for each site.

⁶⁹ The Townhomes on Capitol Hill in Washington, D.C., does not have any public housing units, but we have categorized units reserved for households with income below 50 percent of the area median as public housing or “public housing eligible” units.

households are the second most common household type (26 percent). The single-person households are evenly split between the elderly (age 62 and older) and younger people. The other households without children contain either two or more unmarried adults (15 percent) or a married couple (4 percent).

Exhibit 3-1: Demographic Characteristics of HOPE VI Residents After Reoccupancy

Characteristics	Average at All 11 Sites	Average at the 6 100-Percent Public Housing Sites	Average at the 5 Mixed-Income Sites
Race/Ethnicity of Household Head			
Black or African American	74%	78%	69%
Hispanic or Latino (any race)	12%	14%	10%
White	7%	1%	15%
Asian	3%	4%	3%
Other	3%	2%	3%
Household Composition			
<i>Households with Children</i>	55%	71%	36%
Single female	39%	51%	26%
Single male	2%	2%	1%
Married couple	5%	5%	3%
Unmarried adults	10%	13%	5%
<i>Households with no Children</i>	45%	29%	64%
One elderly person	13%	9%	19%
One nonelderly person	13%	7%	20%
Married couple	4%	2%	7%
Unmarried adults	15%	11%	19%
Households with Three or More Children			
Overall	14%	21%	7%
In households with children	24%	30%	17%
Age of Head of Household			
18 to 24	13%	12%	14%
25 to 34	30%	30%	29%
35 to 49	25%	28%	21%
50 to 62	12%	15%	14%
62 or older	19%	13%	20%
Education Level of Head of Household			
High school dropout	35%	42%	28%
High school graduate	32%	37%	25%
Some college	20%	18%	23%
College graduate	13%	3%	24%

Source: HOPE VI Interim Assessment, Resident Surveys (1999 to 2002).

Notes: Hispanics and Latinos of any race are included only in the Hispanic and Latino category. Other race includes American Indian or Alaska Native, Native Hawaiian or Other Pacific Islander, and people reporting two or more races. An elderly person is defined as someone age 62 or older.

There are large differences in household composition between the 100-percent public housing and mixed-income sites. The 100-percent public housing sites have twice the share of households with children as the mixed-income sites (71 percent versus 36 percent), and their families to tend

to be larger. In the 100-percent public housing sites, 30 percent of the families with children have three or more children compared with 17 percent at the mixed-income sites. Conversely, mixed-income sites have more than twice the share of one-person households compared with the 100-percent public housing sites (39 percent versus 16 percent). Mixed-income sites also have slightly more elderly-headed households (20 percent versus 13 percent). The larger share of childless and one-person households at mixed-income sites is consistent with the smaller number of large units (three bedrooms or more) available at these sites. (See Chapter 4.)

Among the 100-percent public housing sites, Pleasant View Gardens in Baltimore stands out because of the high share of elderly households (49 percent), most of whom are one-person households. The other 100-percent public housing sites have no more than 15 percent elderly or one-person households. At Pleasant View Gardens, an elderly/disabled-only building contains approximately one-third of the revitalized units.

Likewise, among the mixed-income sites, Monterey Place in New Haven stands out because an elderly person heads 54 percent of the households, and 66 percent of the households have only one person. Only 21 percent of the New Haven households have children, the lowest of any of the study sites. The share of elderly households will likely decrease when the redevelopment is complete and the site is fully reoccupied. The two elderly/disabled-only buildings at the New Haven site contain slightly more than one-third of the development's planned rental and homeownership units. However, at the time of the New Haven resident survey (the summer of 2001), half of the completed and reoccupied units were in the elderly buildings.⁷⁰

3.1.3 Educational Attainment

The education level of the head of household is also distinctly different between the 100-percent public housing and mixed-income sites. (See Exhibit 3-1.) Across the 11 sites, an average of 65 percent of household heads have a high school diploma or equivalent, including 13 percent who obtained a college degree. However, an average of 24 percent of household heads have a college degree at the mixed-income sites compared with only 3 percent of households at the 100-percent public housing sites. The higher educational attainment at mixed-income sites suggests greater earnings potential for the residents at those sites.

⁷⁰ Although several of the developments were not completely reoccupied at the time of the Baseline Study, Monterey Place in Elm Haven is the only development where the characteristics of the residents in rental units are expected to be different when reoccupied. At full occupancy, Monterey Place will likely contain substantially more households with heads under age 62 than it did at the time of the survey.

3.1.4 Income

Across all 11 sites, an average of 65 percent of the households have incomes below 30 percent of the area median.⁷¹ (See Exhibit 3-2.) Despite the preponderance of extremely low incomes, two-thirds of the households have at least one working person. Only 5 percent of households reported receiving welfare income.

As would be expected given the presence of non-public housing households, the mixed-income sites have substantially higher incomes and shares of working adults. The average median income across the mixed-income sites is \$18,527, approximately 75 percent higher than the \$10,915 average median at 100-percent public housing sites.⁷² The difference between the types of developments is epitomized by the difference in the share of households with incomes above 50 percent of the median: 26 percent at the mixed-income sites, compared with 3 percent at the 100-percent public housing sites. Despite the presence of relatively higher income households, a majority (56 percent) of the households in the mixed-income sites have extremely low incomes (less than 30 percent of the area median).

Exhibit 3-2: Income and Employment of HOPE VI Residents After Reoccupancy

Characteristics	Average at All 11 Sites	Average at the 6 100-Percent Public Housing Sites	Average at the 5 Mixed-Income Sites
Mean Household Income (\$2002)	\$18,691	\$12,746	\$23,202
Median Household Income (\$2002)	\$15,323	\$10,915	\$18,527
Household Income as Percent of Family-Size Adjusted HUD Median			
<30 percent	65%	77%	56%
30 to 49 percent	18%	19%	17%
50 to 80 percent	9%	3%	14%
> 80 percent	7%	0%	12%
Sources of Income or Benefits			
Earned Income	59%	55%	60%
Welfare (TANF)	14%	22%	5%
SSI	25%	30%	27%
Disability or Workmen's Comp	10%	11%	10%
Food Stamps	29%	39%	19%

Source: HOPE VI Interim Assessment, Resident Surveys (1999 to 2002).

Notes: Earned income was identified as a source of income if the respondent answered that she or another household member was currently working for pay. All dollar figures are in 2002 dollars.

⁷¹ Despite the inclusion of non-public housing households, this is only a little less than the national figure of 73 percent of public housing households that were categorized as extremely low income in 2001. (HUD, 2002. "Fourth Annual Report to Congress on the Effects of the Quality and Work Responsibility Act of 1998.")

⁷² Exhibit 3-2 presents both mean and median incomes. Median income, the income level at which half the households have higher income and half have a lower income, is discussed in the text because it is not as sensitive to a few extremely high incomes as the mean.

Despite the income differences, there is only a small difference in the share of households with earned income: 60 percent on average at mixed-income developments versus 55 percent at 100-percent public housing developments. However, because of the presence of non-public housing households and the focus on self-sufficiency in the mixed-income sites, households at those sites are much less likely to receive welfare income than the households in 100-percent public housing sites.

The Townhomes development in Washington, D.C., has by far the highest median income (\$36,565), more than \$10,000 higher than the second highest site.⁷³ The high median income at the Townhomes is attributable to the large share of units reserved for households with income above 50 percent of the area median and the high average incomes in the Washington, D.C. metropolitan area. At the other extreme are three sites with median incomes below \$8,100: McGuire Gardens in Camden, Pleasant View Gardens in Baltimore, and Monterey Place in New Haven. New Haven is a mixed-income site, but a disproportionate share of the occupied units was in the elderly/disabled buildings at the time of the resident survey. Section 3.4 will examine the distribution of incomes in mixed-income sites in more detail.

We returned to six of the early study sites 2 to 3 years after the initial case study to obtain an update on changes since the initial reoccupancy period. According to information provided by PHA and property management staff, resident characteristics have not changed in the 2 to 3 years since initial reoccupancy. Thus, the data on resident characteristics at reoccupancy provided in this report also reflect the situation a few years later for the early sites. Three of the revisited sites were mixed-income sites. For the mixed-income sites, the fact that resident characteristics have not changed suggests that these sites are still able to attract higher income households—that is, households who would not qualify for housing assistance.

3.2 How Do Current HOPE VI Public Housing Residents Compare with Former Residents?

Nearly one-half (46 percent) of the current *public housing residents* lived in the development before HOPE VI.^{74,75} Nonetheless, many characteristics of current HOPE VI public housing

⁷³ Appendix Exhibit C-2 presents household income information by site.

⁷⁴ Including non-public housing households, an average of 41 percent of the current HOPE VI residents lived in the developments prior to revitalization. Section 3.6 discusses the cross-site differences in the share of current residents who lived in the developments prior to revitalization.

⁷⁵ The share of *current* public housing residents who lived in the development prior to revitalization is smaller than the share of original residents who lived in the revitalized development, because most developments have fewer units than in the original development. A rough estimate of the share of original residents who returned can be calculated by estimating the total number of returning residents at the current development and then dividing that number by the number of occupied units in each development in 1994. Excluding the Washington, D.C. site because it was vacated in 1988, approximately 35 percent of the original residents at the other 10 study sites returned to live in the revitalized development. This figure assumes the same share of original residents will return to the rental units that were not reoccupied at the time of the survey and does not exclude original residents who are deceased or no longer eligible for housing assistance (e.g., evicted, or income-ineligible).

residents are quite different from those of the pre-HOPE VI residents. In particular, income and sources of income have changed significantly. As discussed in the next section, resident characteristics at a site can change either because the subset of residents returning has different characteristics than the entire group of original residents or because new residents have different characteristics. Returning residents may have different characteristics because they are not typical of pre-HOPE VI residents or because their characteristics (e.g., income or marital status) changed over time. Resident characteristics before and after revitalization were compared at 10 of the 11 study sites. Information was not available on the pre-HOPE VI characteristics of residents in Washington, D.C., because the site was vacated 5 years before the HOPE VI award.

The share of public housing households headed by an African American person stayed about the same at 6 of the 10 sites and decreased between 5 and 12 percentage points at four sites. At the sites where the race/ethnic composition changed, the share of other minority groups, usually Hispanics, increased while the share of White *public housing* residents remained negligible.⁷⁶

The share of public housing households headed by an elderly person increased at both types of sites, but much more dramatically at the mixed-income sites. The share of elderly households living in public housing increased at the three mixed-income sites for which pre- and post-HOPE VI data on the age of the household head is available: by 9 percentage points in Boston, 30 percentage points in Charlotte, and 41 percentage points in New Haven. Before revitalization, two of these sites (Boston and Charlotte) were family public housing developments, but elderly/disabled-only buildings were added as part of the revitalization.⁷⁷ In New Haven, two existing elderly/disabled-only buildings were rehabilitated.

Among the 100-percent public housing sites, the share of elderly households changed substantially only at the Baltimore site, where it increased by 40 percentage points. The Baltimore site also added an elderly/disabled building as part of the revitalization.

The share of female-headed households in the public housing units changed substantially at two sites. It increased by 22 percentage points at the Charlotte site and by 14 percentage points in the Cleveland site. The increase in Charlotte is likely related to the addition of the elderly-only building. It is not clear why the share of female-headed households increased in the Cleveland site.

Median household income increased more than 33 percent (or approximately \$3,000 in 2002 dollars) among public housing households in both the 100-percent public housing and mixed-income sites. (See Exhibit 3-3.) This growth in incomes at the HOPE VI sites does not mirror the national trend for public housing residents. HUD administrative data for a similar time period indicate stagnant household incomes for the national population of public housing

⁷⁶ See Appendix Exhibit C-1 for a detailed race/ethnic breakdown of each site after the HOPE VI revitalization.

⁷⁷ In Boston, 76 units of a 120-unit building are reserved for elderly residents and the other 44 units are available to public housing families. Charlotte and New Haven have separate elderly/disabled-only buildings.

residents.⁷⁸ Examining the sites individually indicates that the median income of public housing residents grew by at least \$2,000 at eight sites, while median incomes were stagnant at the Camden site and declined at the New Haven site. The finding for New Haven is at least in part driven by the disproportionate share of elderly households in the development at the time of the survey.⁷⁹ Even with the increased median incomes, 77 percent of the public housing households at the HOPE VI sites still have incomes below 30 percent of the area median. This is slightly higher than the share of extremely low-income residents served by the public housing program nationally.⁸⁰

The sources of income also changed drastically for the pre- and post-HOPE VI public housing households. After revitalization, a majority of public housing households at both the 100-percent public housing (55 percent) and mixed-income sites (50 percent) had income from employment, compared with the pre-HOPE VI shares of 14 and 21 percent, respectively. Likewise, the share receiving welfare income declined drastically: from 80 to 23 percent at the public housing sites and from 64 to 6 percent at the mixed-income sites. The comparison of the pre- and post-HOPE VI resident characteristics covers a period when national unemployment rates were declining and welfare reform was reducing the number of recipients.⁸¹ However, while the changes for HOPE VI public housing residents are consistent with what was happening in the economy as a whole, the extent of the change is far more dramatic. Furthermore, the pattern of increasing employment rates and decreasing welfare receipts was much more pronounced for public housing residents at the HOPE VI sites than for public housing residents nationally.⁸²

A factor that may be contributing to the increased share of working households at the redeveloped sites is screening and occupancy criteria that emphasize self-sufficiency activities. For example, at the Atlanta and Charlotte sites, new public housing residents who are not elderly or disabled are required to be working or involved in educational activities to be eligible to live in the revitalized development, and assisted residents are required to

⁷⁸ According to HUD administrative data, median income grew from \$7,765 to \$7,923 between 1995 and 2001 (in 2002 dollars) for the national population of public housing residents. (See HUD, 2002. “Fourth Annual Report to Congress on the Effects of the Quality and Work Responsibility Act of 1998.”)

⁷⁹ The median income of households in the elderly/disabled units in New Haven is approximately \$3,500 lower than the median for households in the family public housing units.

⁸⁰ In 2001 (mid-point of survey years for study sites), 73 percent of public housing households in the nation were categorized as extremely low income. (HUD, 2002. “Fourth Annual Report to Congress on the Effects of the Quality Housing and Work Responsibility Act of 1998.”)

⁸¹ Between 1993 and 2000, the national unemployment rate declined from 6.9 to 4.0 percent (see www.bls.gov) and the number of welfare recipients declined from 13.5 million to 5.9 million people (or from 5.4 to 2.1 percent of the population). (See U.S. Department of Health and Human Services, 2002. “Indicators of Welfare Dependence: Annual Report to the Congress.”)

⁸² Between 1995 and 2001, the share of public housing households with earned income increased from 23 to 32 percent (and from 33 to 51 percent for households with children). The share of public housing households with welfare income as their major source of income decreased from 29 to 11 percent. (See HUD, 2002. “Fourth Annual Report to Congress on the Effects of the Quality and Work Responsibility Act of 1998.”)

participate in self-sufficiency programs while living there.⁸³ The Milwaukee and Oakland sites require residents to sign lease addenda that have both community service and self-sufficiency goals. Although these lease addenda are reportedly not strictly enforced, they may discourage residents who do not want to follow the stated requirements from moving in.

Exhibit 3-3: Comparison of Resident Characteristics Pre-and Post-HOPE VI

Characteristics	Average at Six 100-Percent Public Housing Sites		Average at Four Mixed-Income Sites		
	Pre-HOPE VI	Post-HOPE VI	Pre-HOPE VI	Post-HOPE VI Public Housing Residents	Post-HOPE VI Non-Public Housing Residents
Returning Residents	--	46%	--	46% ¹	6% ¹
New Residents	--	54%	--	54%	94%
Race					
Black or African American	85%	78%	82%	79%	55%
Hispanic or Latino (any race)	9%	15%	15%	15%	4%
Other	6%	8%	2%	6%	41%
Female-Headed Households	85%	86%	79%	85%	76%
Elderly Households	10%	17%	16%	43%	3%
Average Household Size	2.9	2.2	2.6	1.8	2.2
Median Income (\$2002)	\$7,799	\$10,915	\$7,017	\$10,071	\$41,282
Household Income Less than 30 Percent of Area Median	89%	77%	82%	77%	8%
Sources of Income					
Earned income	14%	55%	21%	50%	92%
Welfare	80%	23%	64%	6%	4%

Sources: Pre-HOPE VI figures from 1993 MTCS, 1995 MTCS, or HOPE VI Application. Post-HOPE VI figures are from the HOPE VI Interim Assessment, Resident Surveys (1999 to 2002).

¹Of current residents of mixed-income sites (both public and non-public housing), 35 percent are returning residents.

Notes: Ellen Wilson in Washington, D.C., was vacant at the time of the HOPE VI award and is not included in this exhibit. Pre-HOPE VI race/ethnicity, median income, and sources of income are from the HOPE VI Baseline Study (1996, p.3-11) and are based on HUD's MTCS database from December 1993. Median income was inflated from 1993 to 2002 dollars by multiplying income by 1.24 (from www.bls.gov inflation calculator). The categories shown are those reported in the Baseline Study and cannot be further disaggregated.

The pre-HOPE VI share of elderly households, female-headed households and average household size are from the Interim Assessment case studies and are based on either MTCS or PHA-provided data. Sites with missing pre-HOPE VI data for any these variables were also excluded from the post-HOPE VI calculations for the same variable. Centennial Homes in Atlanta was missing all three of these variables. The Camden and Boston sites were also missing data on two of these variables. Post-HOPE VI figures included people reporting two or more races in the "other" category. Reporting multiple races was not an option in pre-HOPE VI data.

The last column of Exhibit 3-3 shows the characteristics of residents of non-public housing units in HOPE VI developments. Not surprisingly, compared with both pre- and post-HOPE VI residents, the non-public housing households have substantially higher incomes. They are also more likely to be White and less likely to be headed by an elderly person. Characteristics of different types of renters at the mixed-income sites will be discussed in more detail in Section 3.4.

⁸³ See Chapter 5 for a full discussion of screening and occupancy criteria at the 11 study sites.

3.3 How Do Returning Public Housing Residents Compare With New Public Housing Residents?

The findings reported in the previous section indicated that the demographic characteristics of the post-HOPE VI public housing residents were somewhat different and the income characteristics were substantially different than those of pre-HOPE VI residents. In this section, we compare the characteristics of *current residents of the public housing units who returned* from the pre-HOPE VI development with those of the *new residents of the public housing units*. We compare both groups with pre-HOPE VI residents.

Returning residents may not be typical of pre-HOPE VI residents if residents with certain types of characteristics chose to return, or if screening or occupancy policies made some original residents ineligible to return. In addition, characteristics of returning residents may have changed over time (e.g., income and age), whereas we report the characteristics of pre-HOPE VI residents as they were before HOPE VI.

Similarly, new residents can have different characteristics from the pre-HOPE VI residents if screening or occupancy policies affect the characteristics of new residents who are eligible to live in the development, or if households with different characteristics are coming to the top of public housing waiting lists now compared with the period before HOPE VI.

As it turns out, it is a combination of both the new and returning residents' characteristics that are driving the changes in pre- and post-HOPE VI characteristics of the public housing residents.

The returning and new public housing residents at the 100-percent public housing sites have similar median incomes, both approximately 40 percent higher than those of the pre-HOPE VI residents (adjusted to 2002 dollars). (See Exhibit 3-4.) At the mixed-income sites, both new and returning public housing residents also have higher median incomes than the pre-HOPE VI residents, but there is a significant difference between the incomes of returning and new residents at mixed-income sites. The returning residents' median income of \$9,616 is approximately \$2,600 higher than the average before revitalization, but the new public housing residents' median of \$12,758 is more than \$3,000 higher than the returning residents' median income. The same pattern can be seen when looking at the share of extremely low-income residents (those with incomes below 30 percent of the area median).

One reason for the income differences between returning and new public housing households at the mixed-income sites may be the age differences of the household heads. More than one-half of the returning residents at the mixed-income sites are 50 years of age or older (56 percent), compared with more than one-third (36 percent) of the new residents. The older residents in public housing tend to have lower incomes than the younger household heads. Another part of the explanation is that the eligibility criteria for returning and new residents were different at some sites. For example, in Charlotte, all public housing residents are required to participate in the Family Self-Sufficiency (FSS) program as a condition of

occupancy. However, new residents also have to meet work history or employability requirements to be eligible to live in the development, but returning residents do not.

**Exhibit 3-4
Comparison of Demographic Characteristics of Returning vs. New Public Housing Residents (Excludes Non-Public Housing Households)**

Characteristics	Average at the Six 100-Percent Public Housing Sites			Average at the Five Mixed-Income Sites		
	Pre-HOPE VI	Returning	New	Pre-HOPE VI	Returning	New
Race/Ethnicity of Household Head						
Black or African American	85%	74%	80%	82%	78%	84%
Hispanic or Latino (any race)	9%	16%	14%	15%	13%	8%
White	--	1%	2%	--	6%	5%
Asian	--	5%	3%	--	1%	1%
Other	6%	4%	2%	2%	2%	3%
Age of Head of Household						
18 to 24	--	5%	18%	--	8%	12%
25 to 34	--	29%	33%	--	11%	28%
35 to 49	--	34%	23%	--	25%	21%
50 to 62	--	18%	10%	--	26%	11%
62 or older	10%	12%	15%	16%	30%	25%
Households with Children						
Single Female-Headed Households with Children	--	43%	58%	--	22%	38%
High School Dropout (Head of Household)						
	--	45%	37%	--	47%	27%
Median Household Income (\$2002)						
	\$7,799	\$10,984	\$11,151	\$7,017	\$9,616	\$12,758
Household Income as Percent of Family-Size Adjusted HUD Median						
<30 percent	89%	79%	77%	82%	79%	59%
30 to 49 percent	--	18%	19%	--	11%	33%
50 to 80 percent	--	3%	4%	--	8%	5%
> 80 percent	--	1%	0%	--	0%	1%
Sources of Income or Benefits						
Earned Income	14%	55%	53%	21%	39%	58%
Welfare (TANF)	80%	22%	23%	64%	5%	4%

Sources: Pre-HOPE VI figures from 1993 MTCS, 1995 MTCS, or HOPE VI Application. Post-HOPE VI figures from HOPE VI Interim Assessment, Resident Surveys (1999 to 2002).

Notes: "--" indicates data are not available. Residents of the Washington, D.C. site are not included in the pre-HOPE VI estimates (because site was vacant at time MTCS data was available), but they are included in post-HOPE VI estimates. Hispanics and Latinos of any race are included only in the Hispanic and Latino category. Other race includes American Indian or Alaska Native, Native Hawaiian or Other Pacific Islander, and people reporting two or more races for post-HOPE VI public housing residents, but includes all non-Black/non-Hispanic residents for pre-HOPE VI estimates. An elderly person is defined as someone age 62 or older. All dollar figures are in 2002 dollars.

The share of households with earned income shows the same pattern as for average incomes at the mixed-income sites. Before HOPE VI, an average of 21 percent of the residents of mixed-income sites had earned income, compared with 39 percent of the returning residents and 58 percent of the new residents. Welfare receipt rates decreased dramatically after revitalization, but are similar for both returning and new residents at both mixed-income and 100-percent public housing developments.

Returning and new residents differ on several other important dimensions for which we do not have pre-HOPE VI data for comparison. For instance, the new residents are more likely than returning residents to be in single, female-headed households with children: 58 percent compared with 43 percent in 100-percent public housing sites and 38 percent compared with 22 percent in mixed-income sites. New households are also more likely to be headed by a high school graduate than the returning households, suggesting that they have higher earnings potential than the returning households.

3.4 How Mixed are the Mixed-Income Sites?

For this report, all five sites with non-public housing units are classified as mixed-income. However, the share and characteristics of households occupying non-public housing units varies substantially across these sites. In this section, the characteristics of these sites are examined individually to understand just how wide the distributions of incomes are at mixed-income sites. The differences in demographic characteristics between public housing and non-public housing households at these sites are then explored.

Both the share and type of non-public housing units varies across the five mixed-income sites. At the Boston site, 17 percent of the rental units are at market rate and the rest are public housing. (See Exhibit 3-5.) On the other extreme, 60 percent of Atlanta's units are non-public housing, including 20 percent that are Tax Credit units and 40 percent that are market-rate units.⁸⁴ Across the sites, an average of 28 percent of the units are non-public housing units.⁸⁵ All five sites have market-rate units and three have both Tax Credit and market-rate units.⁸⁶ None of the sites has specific units designated only for market-rate, Tax Credit, or public housing residents. Instead, the units are “floating.” This means that each of the units can be rented to any type of renter as long as the overall share of each type of renter remains constant.

⁸⁴ Homeownership units are not included because most were not built at the time of the study. See note in Exhibit 3-5 for the number of on-site homeownership units planned for each site.

⁸⁵ Ellen Wilson in Washington, D.C., does not have any public housing units. For this report, units reserved for households with income below 50 percent of the area median are defined as public housing or “public housing eligible” units.

⁸⁶ New Haven is not counted in the number of sites with Tax Credit units here. The New Haven units that benefited from Tax Credit financing are public housing units, so they are counted as public housing units.

**Exhibit 3-5
Characteristics of Mixed-Income Sites**

	Boston	New Haven	Charlotte	Washington, DC	Atlanta
Number of Rental Units	535	339	351	134	738
Rental Unit Types					
Public Housing	83%	82%	57%	50% ¹	40%
Tax Credit	0%	14%	14%	0%	20%
Market Rate	17%	4%	29%	50%	40%
Rental Units Designated for Public Housing Elderly/Disabled Residents only	14%	42%	19%	0%	0%
HH Income as Percent of Family-Size Adjusted HUD Median					
<30 percent	63%	74%	49%	35%	36%
30 to 49 percent	19%	17%	28%	12%	13%
50 to 80 percent	5%	7%	13%	34%	24%
> 80 percent	13%	2%	10%	19%	18%
Share with Earned Income					
All	61%	28%	73%	77%	84%
nonelderly	68%	57%	94%	86%	84%

Source: HOPE VI Interim Assessment, Resident Surveys (1999 to 2002).

¹ None of the units at Ellen Wilson in Washington, D.C., are public housing, but we have categorized the units reserved for households with income below 50 percent of the area median as public housing or public housing eligible.

Notes: Homeownership units excluded from this table. Most homeownership units were not built at the time of the case studies (and survey). At completion, the number of homeownership units will be 103 in Atlanta, 55 in New Haven, 27 in Baltimore, and 13 in Washington, D.C.. Charlotte built 20 affordable homeownership units in the immediate neighborhood and funded a soft second-loan program for approximately 40 affordable homeownership units in other neighborhoods. Some of the rental units in Boston and New Haven were not complete at the time of the case study, but the distribution of public and non-public housing units was the same as final ratios. However, a higher share of the New Haven elderly public housing rental units were completed than family public housing units.

As discussed earlier, the mixed-income sites have, on average, much smaller shares of extremely low-income households (income less than 30 percent of the area median) than the 100-percent public housing sites in the study. However, Exhibit 3-5 shows that the share of extremely low-income households varies considerably at the mixed-income sites, ranging from 35 percent in the Washington, D.C. site to 74 percent in the New Haven site. The share of extremely low-income households in New Haven is closer to the 79-percent average in 100-percent public housing developments than to the 46-percent average in the other four mixed-income sites. In addition to having the second smallest share of non-public housing households among the mixed-income sites, New Haven also has the highest share of units designated for elderly or disabled people, households that generally have lower incomes than other households.

3.4.1 Which Sites Are Truly Mixed-Income?

Compared with 100-percent public housing, mixed-income housing is presumed to have numerous potential advantages for low-income renters. These potential advantages include the presence of employed people to provide role models for children and job networks for adults; better maintenance and management of the property (because higher

income tenants have more options for where to live so the property manager will need to keep up the property to attract and retain non-public housing households); better public services because higher income residents have more clout and will demand quality services; and better access to retail stores, which are more likely to locate near communities with higher income households.⁸⁷ However, there is no standard definition in the research literature for what constitutes “mixed-income” housing. In order to understand to what extent the study sites are truly mixed-income, several different definitions were applied.

First, following a study of the prevalence of Low-Income Housing Tax Credit properties that are mixed-income,⁸⁸ a “broad range of incomes” definition was used to classify sites as mixed-income. A site meeting this definition of mixed-income housing is one where:

- At least 20 percent of the households have incomes below 30 percent of the median, and
- At least 20 percent of the households have incomes above 50 percent of the area median.

Setting a threshold of 20 percent in each group ensures that a substantial number of the property’s residents fall in both the lower and higher income category before the property is defined as mixed-income. Setting the lower income ceiling at 30 percent of the metropolitan-area median and the higher income floor at 50 percent of the median ensures that two groups with substantially different economic means live at the site.⁸⁹ For the same size household, income at 50 percent of the median is at least 66 percent higher than the income of a household at or below 30 percent of the median. In dollar terms, the income difference between a family of three at exactly 30 percent and exactly 50 percent of the median ranges from \$11,550 in Charlotte to \$15,650 in Washington, D.C.⁹⁰

⁸⁷ For a description and analysis of the presumed benefits of mixed-income housing, see Popkin, Buron, Levy, and Cunningham (2000). “The Gautreaux Legacy: What Might Mixed-Income and Dispersal Strategies Mean for the Poorest Public Housing Tenants?” *Housing Policy Debate*, 11(4): 911-942.

⁸⁸ Buron *et al.* 2000. “Assessment of the Economic and Social Characteristics of LIHTC Residents and Neighborhoods.” A report produced for HUD’s Office of Policy Development and Research.

⁸⁹ Buron *et al.* (2000) justified the 20 percent threshold based on the fact that several states use that cutoff for programs designed to promote mixed-income development and on previous HUD research on the prevalence of mixed-income projects in privately owned rental housing projects subsidized by HUD. (See Khadduri and Martin, 1997. “Mixed-Income Housing in the HUD Multifamily Stock.” *Cityscape* 3(2), pp.33-69.) Buron *et al.* justify the below 30 percent and above 50 percent of median categories based on preferences for housing assistance. The 30 percent of the median ceiling for low-income families was selected because it is the cutoff for housing programs targeting extremely low-income families (e.g., the 1998 housing law established set asides in both the Public Housing and Voucher program for families below 30 percent of the median). The 50 percent of the median income floor for high-income families was chosen because it was the cutoff for very low-income families that were given federal preferences for public housing through the mid 1990s.

⁹⁰ At the other three sites, the difference between 30 and 50 percent of the median income for a family of three in 2003 is \$12,800 in New Haven, \$12,850 in Atlanta, and \$14,550 in Boston. (HUD family-size adjusted median incomes are from www.huduser.org/datasets/il/fmr03/index.html.)

As can be seen in Exhibit 3-5, three of the five HOPE VI sites with a mix of public and non-public housing units meet the broad range of income definition of a mixed-income property: Charlotte (49 percent below 30 percent of the median and 23 percent above 50 percent of the median), Atlanta (36 and 42 percent), and Washington, D.C. (35 and 53 percent). Boston is close but has too few households above 50 percent of the median (18 percent) to meet the broad range of income definition of mixed-income housing, and New Haven does not have nearly enough households with incomes above 50 percent of the median (9 percent).

One of the presumed benefits of mixed-income public housing is that by integrating public housing residents with renters who have more options in the market place, the property manager will be pressured to maintain the units and property to attract non-public housing renters. The higher the share of non-public housing renters, the more market pressures will influence the property manager. Thus, a site with a substantial share of non-public housing units could potentially obtain some of the presumed benefits of mixed-income housing even if the residents do not have a broad range of incomes. However, the three sites meeting the broad range of income definition of a mixed-income property are also the three sites where at least 20 percent of the units are for non-public housing households.

An alternative definition of mixed-income developments suggested by Khadduri and Martin (1997) for subsidized developments is that 75 percent of the households have a member working for pay. Again, the same three sites that meet the broad range of income definition meet this definition as well.

In summary, three of the HOPE VI sites—First Ward Place in Charlotte, Centennial Homes in Atlanta, and the Townhomes in Washington, D.C.—meet the various definitions of mixed-income developments. The residents have a range of incomes, there is a substantial share of non-public housing units, and most nonelderly households have earned income. Two other sites, Mission Main in Boston and Monterey Place in New Haven, which are classified as mixed-income sites for this report because of the presence of some non-public housing households do not meet the definitions of mixed-income properties examined in this chapter. Neither property has a large enough share of non-public housing households or households with income above 50 percent of the area median. Furthermore, although theoretically possible, none of the sites with 100-percent public housing households meets the broad range of income definition of a mixed-income development.⁹¹

3.4.2 Characteristics of Public Housing versus Non-Public Housing Households

While non-public housing households might be expected to have higher average incomes than the public housing households in the same development, the size of the difference is remarkable. The median income of market-rate renters ranges from more than three times higher than public housing residents in Atlanta to six times higher in Charlotte. Tax Credit and public housing households have more modest differences, with median incomes of Tax Credit households two to

⁹¹ See Appendix Exhibit C-2 for the distribution of income at the 100-percent public housing sites.

three times higher than public housing households. (See Exhibit 3-6.) These results suggest that the new mixed-income HOPE VI developments have been able to attract renters with substantial economic resources who are willing to live in the same development as public housing residents. Nevertheless, even at the five sites with non-public housing households, most of the rental units are affordable to people with income less than 80 percent of the area median. An average of 72 percent of the rental units at these five sites are either public housing or Tax Credit units, ranging from 50 percent in Washington, D.C., to 96 percent in New Haven.

**Exhibit 3-6
Comparison of Incomes of Public Housing and Non-Public Housing Households at Mixed-Income Sites**

	Boston	New Haven	Charlotte	Washington, DC	Atlanta
Median Income (\$2002)					
Public Housing	\$12,190	\$7,619	\$10,029	\$12,171	\$10,447
Tax Credit	--	\$25,395	\$23,820	--	\$26,118
Market Rate	\$63,488	--	\$64,772	\$47,012	\$35,565
Share with Income Above 50% of Area Median					
Public Housing	5%	1%	7%	14%	6%
Tax Credit	--	44%	43%	--	76%
Market Rate	78%	--	94%	86%	66%
Share with Earned Income					
Public Housing	51%	19%	58%	54%	70%
Tax Credit	--	78%	97%	--	93%
Market Rate	94%	--	100%	96%	94%
Share with Welfare Income					
Public Housing	10%	5%	2%	5%	8%
Tax Credit	--	13%	0%	--	6%
Market Rate	0%	--	0%	0%	0%

Source: HOPE VI Interim Assessment, Resident Surveys (1999 to 2002).

Notes: All dollar figures are in 2002 dollars. "--" indicates not applicable, because no such units exist at the development.

Non-public housing and public housing households have somewhat smaller differences in the sources of income. Overall, a majority of the HOPE VI households of each type have earned income and few receive welfare. In four of the five sites, more than 90 percent of the market-rate units and Tax Credit households reported having earned income, as do 51 to 70 percent of the public housing households. New Haven, in part because of the large number of elderly-headed households, is an exception: 78 percent of the Tax Credit residents and 19 percent of the public housing households reported earned income.⁹² Across all five sites,

⁹² As can be seen in Appendix Exhibit C-2, 53 percent of the households in family public housing units have earned income, however, an elderly person heads 9 percent of those households. Only 4 percent of the Tax Credit households are headed by an elderly person.

none of the households in the market-rate units and 13 percent or fewer of the Tax Credit and public housing households reported receiving welfare income.

In addition to higher incomes, non-public housing households have substantially different demographic characteristics than public housing households living in the same development. The plan to mix households of different economic means also resulted in increased racial diversity of the developments. In the *market-rate units*, the share of households headed by a White, non-Hispanic person ranges from 34 percent in Boston to 60 percent in Charlotte. (See Exhibit 3-7.) By contrast, the share of White *public housing households* ranges from 1 percent in Charlotte and Atlanta to 10 percent in Washington, D.C.⁹³ The share of *Tax Credit households* headed by a White person is similar to the public housing households, ranging from 5 to 13 percent. Because of the small share of market-rate units at several of the developments and the predominance of public housing and Tax Credit households headed by a minority, Washington, D.C., is the only site where more than 20 percent of *all the household heads* are White, non-Hispanic.⁹⁴

The household composition of public housing and non-public housing households also varies considerably at the mixed-income sites. Washington, D.C., is the only site where there are any elderly household heads in market-rate units (4 percent). By contrast, the public housing units in four of five mixed-income sites have a substantial share of elderly headed households. Consistent with the relatively high shares of elderly public housing households before revitalization, New Haven rehabilitated two existing elderly public housing buildings and, along with Boston and Charlotte, added an elderly building to what were, before HOPE VI, purely family public housing developments. Despite the much larger share of elderly-headed households in the public housing units, the share of one-person households in the non-public housing units is similar or larger to the share in public housing units at three of the five sites. One-person households in the non-public housing units tend to be nonelderly whereas the one-person households in the public housing units tend to be elderly.⁹⁵

Public housing households are substantially more likely than market-rate households to have children. In the most extreme case, 45 percent of the Charlotte public housing households, but none of the market-rate households, have children. In Atlanta, 80 percent of the public housing households have children, compared with 9 percent of the market-rate households. The striking differences in the presence of children between market-rate and public housing households could limit the interaction between these types of renters. Households with children (primarily public housing and Tax Credit households) may have different interests and participate in different activities than households without children (most market-rate households). The lack of children in market-rate households may also limit these households' interest and involvement in neighborhood schools. If so, this could reduce some of the

⁹³ As can be seen in Appendix Exhibit C-1, the heads of public housing households at four of the five mixed-income sites are predominately African American. In Boston, the race of the household head in public housing units is primarily either Hispanic (55 percent) or African American (39 percent).

⁹⁴ See Appendix Exhibit C-1.

⁹⁵ See Appendix Exhibit C-10.

potential benefits of a mixed-income community, because role modeling, job networking, and improving public services (such as schools) are less likely to occur if the different groups of renters are not interacting or sharing the same interests.

**Exhibit 3-7
Comparison of Demographic Characteristics of Public Housing and Non-Public Housing Households at Mixed-Income Sites**

	Boston	New Haven	Charlotte	Washington, DC	Atlanta
White Head of Household					
Public Housing	3%	5%	1%	10%	1%
Tax Credit	--	13%	5%	--	5%
Market Rate	34%	--	60%	47%	45%
Elderly Head of Household					
Public Housing	19%	63%	46%	27%	1%
Tax Credit	--	4%	5%	--	5%
Market Rate	0%	--	0%	4%	0%
One-Person Household					
Public Housing	31%	74%	49%	37%	15%
Tax Credit	--	22%	19%	--	51%
Market Rate	3%	--	40%	31%	29%
Households with Children					
Public Housing	47%	15%	45%	41%	80%
Tax Credit	--	57%	73%	--	34%
Market Rate	28%	--	0%	12%	9%
Head is College Graduate					
Public Housing	9%	2%	7%	15%	6%
Tax Credit	--	17%	32%	--	54%
Market Rate	48%	--	65%	73%	57%

Source: HOPE VI Interim Assessment, Resident Surveys (1999 to 2002).

Notes: "--" indicates not applicable, because no such units exist at the development.

The final demographic difference of note is the education level of the household head. From 48 to 73 percent of the market-rate household heads reported having a college degree, whereas no more than 15 percent of the public housing heads reported this level of education. Within each of the mixed-income sites, market-rate heads are between 5 and 10 times more likely than public housing heads to have a college degree. The share of Tax Credit household heads with a college degree falls in-between the shares of public housing and market-rate household heads with a college degree, ranging from 17 to 54 percent.

In summary, the market-rate households not only have substantially higher incomes than public housing households in the same development but also are also more likely to be headed by a person who is White, nonelderly, college educated, and has no children. The characteristics of Tax Credit households tend to fall in-between, but they are more similar

to public housing than to market-rate households. While the non-public housing households clearly add economic and demographic diversity to the sites, the differences in characteristics also suggests they may have different interests and concerns than the public housing households, raising the question of how much the different household types will interact. The next section explores the social cohesiveness of the sites, examining the perceptions of public housing and non-public housing households separately.

3.5 Is there a Sense of Community in the Revitalized Developments?

The HOPE VI revitalization efforts were not just attempting to address the distressed physical conditions of the developments. They were also trying to address the distressed social conditions by redesigning the sites to be less conducive to crime, improving management and maintenance of the sites, and increasing access to self-sufficiency services. In addressing the distressed physical conditions, the revitalization efforts temporarily broke up whatever level of community existed at the site. When the site was reoccupied, some of the original residents returned, but there were also many new residents. At the mixed-income sites, the new residents often had quite different characteristics from those of returning residents. This section examines the degree of social cohesiveness at these “new communities” shortly after reoccupancy.

The share of residents who attempt to keep informed about issues and events in their neighborhood and the involvement of residents in making community decisions are among the possible indicators of the level of social cohesiveness. In the survey of HOPE VI residents, respondents were asked how frequently they attended resident council meetings. One site, Atlanta, did not have a resident council, so is excluded from these estimates. Two-thirds of the residents at the 10 sites with resident councils reported that they always (19 percent) or sometimes (47 percent) attend the meetings. (See Exhibit 3-8.) These attendance levels suggest a fairly high degree of resident involvement in their community, particularly by the nearly one-fifth of residents who reported they always attend the meetings.⁹⁶

Attendance at council meetings is slightly higher for public housing residents at the mixed-income sites than at the 100-percent public housing sites. However, the non-public housing households are substantially less likely to attend. Slightly more than one-half of the non-public housing respondents reported they never attended the council meetings compared with 23 percent of the public housing households at mixed-income sites and 36 percent at 100-

⁹⁶ Residents of at least two sites are required to sign lease addendums that stipulate regular attendance at council meetings as a condition of occupancy. However, the share of residents regularly attending council meetings at these sites (76 percent in Milwaukee and 65 percent in Oakland) does not stand out as extraordinarily high. From interviews with PHA staff at these sites, it appears the lease addendum is used to encourage meeting attendance, but they do not start eviction procedures solely for failure to attend these meetings. See Appendix Exhibit C-4 for reports of resident council attendance by site and type of renter.

percent public housing sites. This suggests that the non-public housing households are less actively involved in their development. At most sites, the resident councils were dissolved before the start of revitalization. However, the new councils that are formed after reoccupancy tend to be dominated by the pre-HOPE VI resident leaders. This may, in part, explain why public housing households are more active than non-public housing households in the councils.

**Exhibit 3-8
Social Cohesion of Residents**

	Average at All 11 Sites	Average at Six 100-Percent Public Housing Sites	Average at Five Mixed-Income Sites	
			Public Housing Households	Non-Public Housing Households
Percent who attend resident council meetings				
Always	19%	16%	25%	19%
Sometimes	47%	47%	51%	30%
Never	34%	36%	23%	52%
Percent who somewhat or strongly agree that:				
People generally get along with each other	78%	78%	80%	75%
People willing to help neighbors	68%	68%	71%	54%
The neighborhood is close knit	63%	67%	64%	51%

Source: HOPE VI Interim Assessment, Resident Surveys (1999 to 2002).

Notes: The Atlanta site (mixed-income) does not have a resident council and is excluded from analysis of attendance at resident council meetings. Respondents from other sites who reported they did not have a resident council (1 percent) were combined with respondents who reported never attending resident council meetings.

Residents were also asked three questions designed to elicit the degree of social cohesion at the site.⁹⁷ They were asked to rate their level of agreement with statements about their neighborhood such as “People around here are willing to help their neighbors.” There were five possible responses, ranging from “strongly agree” to “strongly disagree.” A majority of residents either strongly or somewhat strongly agreed to each statement, ranging from 63 percent for “This is a close-knit neighborhood” to 78 percent for “People generally get along well with each other.” These levels of social cohesion compare favorably to the results from a survey of residents of five public housing developments that were slated for, but had not yet started, HOPE VI revitalization. In that study, for example, only 56 percent of the residents agreed with the statement on neighbors willing to help each other out, compared

⁹⁷ The three questions on social cohesion are part of a collective efficacy scale (a combination of social cohesion and social control variables) that has been correlated with lower crime rates and better health outcomes for residents. (See Sampson, Raudenbush, and Earls. 1997. “Neighborhoods and Violent Crime: A Multilevel Study of Collective Efficacy.” *Science* 277: 918-24. and Morenoff, 2001. *Place, Race, and Health: Neighborhood Sources of Group Disparities in Birthweight*. Report No. 01-482. Ann Arbor: Population Studies Center, University of Michigan.)

with 68 percent in this study.⁹⁸ This suggests that social cohesion might be higher in the revitalized development than in the pre-HOPE VI development, although this is speculative because the pre-HOPE VI residents were not from the same developments as the post-HOPE VI residents surveyed for this study.

Nearly identical shares of public housing residents at both the public housing and mixed-income sites agreed with the statements on social cohesion, whereas the non-public housing households' responses were substantially less positive. For example, only 54 percent of the non-public housing households agreed with the statement, "People are willing to help their neighbors," compared with 71 percent of public housing residents in the same developments. This suggests that the non-public housing households perceive a less cohesive community than the public housing residents. This could be problematic for maintaining the mixed-income nature of the sites if it led to higher turnover among non-public housing households and more difficulty in attracting new non-public housing households. However, followup visits with three of the mixed-income sites (Charlotte, Atlanta, and Washington, D.C.) did not indicate that any such problems had developed by February 2003. Furthermore, these results probably also reflected the fact that compared with the public housing residents, very few of the non-public housing households (4 percent) had lived in the development before the revitalization. It was not as familiar a neighborhood for them, and they were less likely to have pre-existing friends or acquaintances in the development. The lack of children in the non-public housing households may also lead to less interaction with neighbors and less participation in activities on site (which tend to be geared to children) than for public housing households with children.

3.6 What Factors Explain the Share of Original Residents Now Living in Revitalized Developments?

Across the 11 sites, an average of 41 percent of the household heads had lived in the development before the revitalization and thus are returning residents.⁹⁹ At five sites, one-half or more of all the post-HOPE VI residents were returning residents, and overall the share ranged from 9 percent in Atlanta to 75 percent in New Haven. (See Exhibit 3-9.)

⁹⁸ See Popkin et al., 2002. "HOPE VI Panel Study: Baseline Report." A report produced for the MacArthur Foundation, Rockefeller Foundation, and HUD. In that study, an average of 39 percent of the residents agreed with the statement, "The neighborhood is close knit," 49 percent with the statement "People generally get along well with each other," and 56 percent with the statement "People are willing to help their neighbors."

⁹⁹ A returning resident was defined as a respondent who answered "Yes" to the survey question: "Did you live at the (HOPE VI DEVELOPMENT NAME) just before the redevelopment started? [IF DEVELOPMENT NAME CHANGED, ADD] "That is, when it was still called (OLD HOPE VI DEVELOPMENT NAME)." Since nine of the 11 revitalized developments have fewer units than the original development, the share of current residents who lived in the development prior to the revitalization (the estimates in this report) is likely larger than the share of residents of the pre-HOPE VI development who returned to the revitalized development.

The share of returning residents at a HOPE VI site is likely affected by many factors, including the housing preferences of households, the characteristics of the revitalization effort, screening and occupancy requirements for returning residents, and other available housing options. All of these factors are multi-dimensional and affect the return rate simultaneously, so there is no single factor or even set of factors that obviously explains the entire variation. Furthermore, information is not available on all the factors that might affect return shares. Of the factors we could explore, three appeared to be associated with a higher share of returning residents: residents were relocated within the site during the redevelopment; the eligibility requirements for returning residents were minimal; and the housing market was relatively tight.

At the five sites in which a majority of the residents lived in the development before HOPE VI, only one site (San Francisco) did not conduct any relocation within the site. By contrast, the other six sites had not relocated residents within the site during the redevelopment. Relocating residents within the site probably increases the share of returning residents because these households can move to the revitalized unit without having to leave their current neighborhood and their familiar support network, stores, schools, and transportation routes. Moreover, a person who relocates to an unrevitalized unit within a site will have to move again, whether he or she moves to a HOPE VI unit or an offsite unit. In contrast, a person who relocates off site does not have to incur the burden of moving if he or she chooses to stay in the relocation unit.

The average share of returning residents was somewhat higher in the 100-percent public housing sites (46 percent) than in the mixed-income sites (35 percent). Furthermore, the three sites with the highest shares of non-public housing units also have the lowest shares of returning residents. (See Exhibit 3-9.) While this may, in part, reflect the preferences of the pre-HOPE VI residents at these sites, it appears that stricter screening criteria contributed to a lower share of returning residents.¹⁰⁰

Sites were classified into three categories, based on their screening criteria for *returning* residents: *strict*, which includes sites that rescreened original residents on criminal and credit background and had work history or training requirements as a condition of eligibility or occupancy; *modest*, which included sites that rescreened original residents on criminal and credit background; and *loose*, which includes the sites that basically “grandfathered” in returning residents, requiring only that a returning resident be current on rent payments and

¹⁰⁰ This section examines the share of all HOPE VI residents that are returning residents. If the share of public housing units that housed returning residents were examined instead, the return share would be 46 percent rather than 41 percent. At the development level, the return rate would not change at the 100-percent public housing sites, but would be higher at the mixed-income sites. However, as can be seen in Appendix Exhibit C-1, the return rates at Washington, D.C., Charlotte, and Atlanta would still be the three lowest among the study sites.

not have been evicted from an assisted housing unit.¹⁰¹ In order to allow more of the original residents to return, PHA staff at seven sites reported that the screening criteria were less stringent for returning than for new public housing residents, but the continued occupancy criteria were the same. At the other four sites, the screening and occupancy criteria were the same for returning and new public housing residents.

Exhibit 3-9
Share of Current Residents who Lived in the Development Before Revitalization

Site	Share of Returning Residents	Share of Non-Public Housing Rental Units	At least Some Relocation within Site?	Screening or Occupancy Criteria for Returning Residents ¹	Citywide Rental Vacancy Rate in 2000
New Haven	75%	18%	Yes	Loose	11.0%
San Francisco	66%	0	No	Modest	4.9%
Boston	63%	17%	Yes	Modest	4.9%
Cleveland	53%	0	Yes	Loose	11.7%
Milwaukee	50%	0	Yes	Loose	6.8%
Baltimore	45%	0	No	Loose	14.1%
Camden	36%	0	No	Loose	18.8%
Oakland	35%	0	No	Modest	4.3%
Washington, DC	14%	50%	No	Modest	9.6%
Charlotte	13%	43%	No	Strict	6.5%
Atlanta	9%	60%	No	Strict	10.0%
<i>Average</i>	<i>41%</i>	<i>17%</i>	<i>--</i>	<i>--</i>	<i>9.3%</i>

Sources: 2000 Census (vacancy rate) and Interim Assessment Case Studies (1999 to 2002).

¹ The screening criteria for public housing residents who had not lived in the development before redevelopment was stricter than for returning residents at about one-half the sites. See Chapter 5 for more information on screening criteria.

Notes: The share of returning residents is based on post-HOPE VI residents, including Tax Credit and market-rate residents. A returning resident was defined as a respondent who answered "Yes" to the survey question: "Did you live at the (HOPE VI DEVELOPMENT NAME) just before the redevelopment started? [IF DEVELOPMENT NAME CHANGED, ADD] "That is, when it was still called (OLD HOPE VI DEVELOPMENT NAME)." Since 9 of the 11 revitalized developments have fewer units than the original development, the share of current residents who lived in the development before the revitalization (the estimates in this report) is likely larger than the share of pre-HOPE VI residents who returned to the revitalized development.

¹⁰¹ According to the HOPE VI Quarterly Progress Reports (for the period ending September 30, 2002), 5.9 percent (198 out of 3,352) of the residents living in the 11 study sites were evicted from their assisted housing during the relocation period. These residents would not be eligible to live in a revitalized development even when the screening criteria were "loose" for returning residents. No information is available on the number of other residents who are ineligible because they are not current on their rent (but were not evicted) or because they would not meet any of the other screening criteria.

Of the four sites with the lowest return rates, two were classified as having strict screening and eligibility criteria (background check and required self-sufficiency activities) and two were classified as having modest screening criteria (standard background check). By contrast, five of the seven remaining sites did not rescreen the returning residents, and the other two had modest screening criteria.¹⁰² Stricter screening criteria can directly affect the share of returning residents because some original residents are not eligible to move back. It may also indirectly affect the return share by making residents feel unwelcome or fearful that they would lose their housing assistance altogether if they tried to return and were then evicted.

The tightness of the housing market is a third factor that could help explain differences in the share of returning residents. Housing vacancy rates are a proxy for the availability of other affordable housing options. It appears to be an important factor in explaining why some sites have unexpectedly high or low shares of returning residents. For example, San Francisco has the second highest return rate, yet did not conduct any within-site relocation, has moderate screening criteria, and residents had to relocate for the longest time period before they could move back to the revitalized development (approximately 4.75 years between the start of relocation and reoccupancy).¹⁰³ According to the 2000 Census, the city of San Francisco's 4.9-percent vacancy rate was the second lowest among the study sites. San Francisco also had, by far, the highest average rents.¹⁰⁴ In contrast, Camden and Baltimore had relatively low shares of returning residents given that they did not rescreen returning residents. The city of Camden's 18.8-percent vacancy rate is the highest of any study site and Baltimore's 14.1-percent vacancy rate is second highest.¹⁰⁵ The apparent relationship between the share of returning residents and the tightness of the market suggests that resident choice plays an important role in the share of returning residents. In looser markets, where residents appear to have the same opportunity to move back as residents in tighter markets but have more housing options, a smaller share of residents return to the development.

Other factors that we thought would be correlated with a higher share of returning residents did not appear to be important by themselves at these study sites. These factors included the ratio between the number of public housing units in the post-HOPE VI redevelopment and

¹⁰² The five sites that did not rescreen returning residents did screen new public housing residents. See Chapter 5 for information on screening procedures for new residents.

¹⁰³ In Washington, D.C., the returning residents had not lived in the development for 10 years by the time post-HOPE VI reoccupancy was started. This extended relocation period occurred because the site was vacated in 1988, five years before the award of the HOPE VI grant. Despite this long time period, 14 percent of the post-HOPE VI residents had lived in the development prior to HOPE VI. Many of those who returned had moved to a nearby public housing development. Therefore moving to the revitalized development was only a short move.

¹⁰⁴ Average rental rates are not shown in the exhibit because they are highly correlated with vacancy rates. According to the 2000 Census, the average rent for any size unit was \$928 in San Francisco. Boston was second highest at \$803, and Oakland was third at \$696.

¹⁰⁵ Cleveland (\$465), Baltimore (\$498), and Camden (\$522) had the lowest average rental rates according to the 2000 Census.

the number in the original public housing development,¹⁰⁶ the addition of an elderly/disabled-only building, rehabilitation rather than new construction,¹⁰⁷ and the number of years between the start of relocation and the start of reoccupancy.¹⁰⁸

3.7 Conclusion

The residents of the revitalized HOPE VI developments have substantially different characteristics from the pre-HOPE VI residents on most dimensions. The current residents have higher incomes on average, are more likely to be working, have more education, are more likely to be elderly, have smaller households, and are slightly more racially diverse. Nevertheless, two-thirds of current households (including 77 percent of public housing households) have extremely low incomes, and 93 percent are headed by a minority. Single female-headed households with children are the most common household type (39 percent), followed by single-person households (26 percent). One-half of the single-person households are headed by an elderly person, who in total head 19 percent of the HOPE VI households.

The presence of non-public housing households is an important reason for the differences between pre- and post-HOPE VI resident characteristics. Thus, the change in resident characteristics tends to be greater at the five sites with non-public housing households. When the comparison of pre- and post-HOPE VI resident characteristics is limited to public housing households, the differences are reduced. However, there are some important differences even for public housing households: current public housing residents have substantially higher incomes (although the overwhelming majority still have extremely low incomes), are more likely to be working, and are more likely to be elderly than pre-HOPE VI residents.

Of the current HOPE VI residents, 41 percent reported they lived in the development before HOPE VI. This explains, in part, why the pre- and post- HOPE VI characteristics of public housing residents are so similar on time-invariant characteristics such as race. The share of

¹⁰⁶ There was no obvious pattern between the share of returning residents at the site and either the total number of units or the total number of public housing units as a percentage of the number of pre-HOPE VI units. In addition, none of the sites had a high enough share of returning residents that a returning resident, who had the highest priority to live at the site, would have been turned away because of a lack of an available unit.

¹⁰⁷ Rehabilitation rather than new construction is highly correlated with conducting relocation within site during the redevelopment. However, relocation within a site was determined to be the more important factor because the one site that relocated residents within the site but built all new units (Boston) had a high return rate, while the two sites that rehabilitated at least some of their units, but did not relocate residents within the site (Camden and Oakland), had relatively low return rates.

¹⁰⁸ Both the relocation and the reoccupancy period were spread over multiple years in many sites, so the time estimate we used may not be a good proxy for “time resident had to assimilate to a new living situation before having the option to return to the development.” This is the “time factor” we expected to be correlated with the share of returning residents. While our proxy for this time factor did not appear correlated with the return rate, it is possible that the actual measure of time each person was relocated would be correlated with return rates. Such data were not available for the study sites.

returning residents ranged from 9 to 75 percent across the sites. Our exploratory analysis of factors that might explain the cross-site differences in the share of returning residents suggests that three factors are associated with a higher return rate: relocation within the site during redevelopment, minimal “new” screening for returning residents, and a tighter rental housing market in the city.

The share of non-public housing units at the five sites with non-public housing units ranged from 17 to 60 percent. Atlanta, Washington, D.C., and Charlotte were the only three sites to meet various definitions of mixed-income we examined for this report, indicating they had substantial shares of both extremely low-income households and relatively higher income households.¹⁰⁹

The characteristics of public housing residents were similar at 100-percent public housing sites and mixed-income sites, but the non-public housing households were very different from the public housing households at the mixed-income sites. The mixed-income developments were able to attract non-public housing households with much greater economic means than the public housing households. In addition to having higher incomes, non-public housing households were more racially diverse and more likely to be headed by a person with a college degree, but much less likely to be headed by an elderly person, and much less likely to have children in their household. Market-rate households drive the large differences between public and non-public housing households. The characteristics of Tax Credit households were in-between those of public housing and market-rate households, although somewhat more similar to the public housing than to the market-rate households.

¹⁰⁹ Outside of this analysis, we refer to all five sites with non-public housing units as mixed-income (to distinguish them from the 100-percent public housing sites) in this report.

4. Building Anew: The Physical Transformation of HOPE VI Sites

Sealed up but right across the hall from me there are three apartments that [are] empty. Me and my daughter had to come out of our apartment and several times. . . someone was across the hall. They broke all the windows out. We are afraid that someone is going to come out there one night and. . . get us. We don't know what their intentions are. I'm afraid of that.

Resident of Lafayette Homes in Baltimore, before revitalization in 1995.¹¹⁰

The people who live here. . . like the development. . .and because they like [the housing] they've got. . it encourages them to do things. . .to get a job. . .

Pleasant View Gardens Tenant Council President, after revitalization in 2003.

All of the study sites have undergone substantial physical change in the past 10 years. In order to understand the extent of this change, this chapter begins by reviewing the physical conditions that existed at the time the HOPE VI grants were awarded and the goals that were established for redevelopment of the sites. The chapter then describes the transformation that has taken place at the study sites along several dimensions. Section 4.2 discusses the changes that occurred at sites that relied primarily on rehabilitation to improve the properties and compares these sites to those that relied on demolition and new construction. Section 4.3 discusses the extent to which the sites incorporated features of new urbanism and defensible space—design principles promoted by HUD in conjunction with HOPE VI—into the revitalized developments. Section 4.4 discusses the differences in physical outcomes between 100-percent public housing and mixed-income sites, including differences in development appearance and amenities, and differences in unit type and size. The chapter concludes with a discussion of changes in the number of affordable housing units that are available at the sites.

4.1 Physical Conditions Before HOPE VI and Revitalization Goals

Lafayette Homes in Baltimore was one of the most distressed of the 11 study sites in the early 1990s. Built in 1955, it was the largest highrise public housing project ever constructed in Baltimore, consisting of 807 units in six 11-story highrise towers and 17 lowrise buildings. The development was originally constructed to provide housing for a growing population of African American households who moved to Baltimore in increasing numbers during and after World War II.

¹¹⁰ Tony L. Whitehead and Linda M. Kaljee, "HOPE VI Baseline Case Study of Lafayette Court, Baltimore Maryland." *An Historical and Baseline Assessment of HOPE VI. Volume 2, Case Studies*, August 1996, p. 13.

Conditions had deteriorated at Lafayette Homes by the early 1970s. The buildings had aged and the housing authority had difficulty maintaining the electrical and plumbing systems. Crime was rampant. While the housing agency invested increasing amounts into the development in order to address its physical problems, conditions did not improve. By 1991, 20 percent of the housing agency's maintenance budget was devoted to Lafayette, even though it represented just 4 percent of Baltimore's public housing stock.¹¹¹

While Lafayette Homes was extremely distressed and epitomized the public image of public housing in the early 1990s, it was not representative of all the study sites. As discussed in Chapter 1, two-thirds of the sites were rated in poor or very poor physical condition shortly after the HOPE VI grant was awarded. Two (Milwaukee and Oakland) were in fair condition, and two (Earle Village and the King Kennedy part of the Cleveland site) were rated in good condition. However, as noted in the Baseline Study, the sites that received relatively positive ratings for physical condition still represented the worst of the public housing stock in their respective cities.¹¹²

Lafayette Homes also did not typify the predominant building type at the study sites. (See Exhibit 4-1.) Only one other site (Bernal Plaza and Plaza East in San Francisco) contained any highrise family public housing. Three sites contained highrise elderly buildings. By and large, the study sites consisted of two- and three-story garden apartment buildings or townhouse units. The buildings were drab in appearance, many with flat roofs and common entrances. The developments ranged in size from as few as 134 units at Ellen Wilson Dwellings in Washington, D.C., to more than 1,152 units at King Kennedy Estates. The average number of units per site was 596.

As part of the application process and following the award of HOPE VI funding, housing agency officials, residents, local government leaders and other interested parties developed HOPE VI revitalization plans that articulated redevelopment goals for each site. As shown in Exhibit 4-2, these plans reveal some common themes on the types of physical improvements that were desired at the sites. Particularly important were:

- integrating the development into the surrounding neighborhood;
- reducing density at the site; and
- re-designing buildings and open spaces to improve security.

¹¹¹ *Interim Assessment of the HOPE VI Program: Case Study of Lafayette Courts in Baltimore, Maryland*, March 31, 2000.

¹¹² Baseline conditions at the developments were based on the subjective assessments of Local Research Affiliates hired to prepare case studies at each of the HOPE VI sites. See *An Historical and Baseline Assessment of HOPE VI*, p. 3-1.

**Exhibit 4-1
Physical Characteristics of HOPE VI Sites, Pre- and Post-Revitalization**

HOPE VI Site	Pre HOPE VI			Post HOPE VI		
	Building Types	No. of Units	Density (units per acre)	Building Types	No. of Units	Density (units per acre)
Camden	Two-story townhouse units	368	20	Mostly two-story townhouse units; some one-story units	253	14
Cleveland Outhwaite	Two-story garden apartment units	1024	35	Two-story garden apartment units	535 ¹	18
King Kennedy	Three-story walkups; two elderly highrises	1152	65	Townhouses and two-story apartments over ground floor apartments	346	19
Milwaukee	Three-story walkup buildings; two-story townhouses and apartments; eight-story elderly highrise building	596	24	Three-story walkup buildings; two-story townhouses and apartments; eight-story highrise for elderly	470	19
Oakland (Lockwood only)	Two-story townhouses and one-story detached bungalows.	372	17	Two-story townhouses and one-story detached bungalows	372	17
San Francisco Bernal	Three-story walkup apartment buildings and a highrise	208	54	Two- and three-story townhouses, some with ground floor apartments	160	40
Plaza E.	Low, mid and highrise apartment buildings	276	77		193	53
Baltimore	Six highrise buildings and lowrise apartment buildings	807	38	Family townhouse units; midrise elderly building	338	16
Boston	Three-story apartment buildings	822	42	Three-story buildings; some walkups with apartments on each level; also two-story townhouse over apartments	535	27
New Haven	Two- and three-story garden apartment buildings	462 ²	24	Highrise elderly building; four-unit building for disabled persons; three-story elderly apt building; mix of duplex and semidetached and attached townhouses	293 ²	15
Charlotte	Two-story apartment buildings	409	11	68-unit elderly midrise building; three-story walkup apt building and townhouses	351	10
Washington	Two-story apartment buildings	134	25	Four unit types including three-story two-family townhouses; four-story two-family townhouses; two-story two-family townhouses; semidetached carriage houses	147	28
Atlanta	Three-story apartment buildings and townhouse units	1705	32	Three-story buildings; some walkup apartments and two-story townhouses over ground level flats.	841	16

Sources: *An Historical and Baseline Assessment of HOPE VI*. Volume 2, Case Studies prepared by Abt Associates, August 1996. *Interim Assessment of the HOPE VI Program*. Case study reports for all 11 sites (1999 to 2002).

¹Outhwaite includes 200 units that have not been rehabilitated; King Kennedy includes 80 units rehabilitated under a previous grant and 98 units that are planned for the site.

²The pre-HOPE VI number does not include the 99 elderly units for elderly and disabled persons that were not part of the original development site. The number has been added to the post-HOPE VI number as these units were renovated as part of the HOPE VI revitalization.

Other themes that were noted include enhancing the properties through site redesign and landscaping, developing housing more suitable for families, and creating housing to attract a mixed-income group of residents. With the exception of income-mixing, the goals of the 100-percent public housing sites did not differ significantly from those of the mixed-income sites. The next section describes the changes that have occurred and the extent to which local goals have been met.

4.2 Physical Change at HOPE VI Sites

Figures 4-1 to 4-4 present photographs that demonstrate the transformation that has taken place at several HOPE VI sites. In Baltimore, all 807 units were demolished in August 1995. Within 2 1/2 years, the site had been redesigned and 228 townhouses were constructed, along with a 110-unit midrise elderly building.¹¹³ The buildings were designed to imitate the traditional brick row houses for which Baltimore is famous. Each townhouse unit has its own private back yard, and there is shared open space at the center of the development. Overall, the development—now called Pleasant View Gardens—looks like a modest, new townhouse community found in any American suburb.

The most radical transformations have occurred at sites like Baltimore where all of the original units were demolished and new units built. However, Baltimore and San Francisco were the only two 100-percent public housing sites to demolish all original units.¹¹⁴ The remaining four all-public housing sites—Cleveland, Milwaukee, Camden, and Oakland—were primarily rehabilitation projects. While several other study sites, including Atlanta, Charlotte, and Boston, initially proposed rehabilitation, they changed their plans as HUD's concept of what constituted a HOPE VI revitalization effort crystallized in the mid-1990s. Cleveland, Milwaukee, and Oakland



Figure 4-1. Plaza East in San Francisco prior to demolition.



Figure 4-2. Redeveloped units at Plaza East.

¹¹³ As noted in Chapter 2, the Baltimore PHA had begun planning for the redevelopment of Lafayette Courts prior to the receipt of the HOPE VI grant.

¹¹⁴ Baltimore and San Francisco were the only two sites that contained family highrises, now considered unsuitable for low-income families with children.

adhered to their original plan of 100-percent rehabilitation, while Camden eventually modified its plan and replaced one-third of the existing McGuire Gardens units with new units.

4.2.1 Change at Rehabilitated Sites—Camden, Cleveland, Milwaukee, and Oakland

While the physical changes are not as dramatic at the rehabilitated sites, efforts were made to improve their livability and desirability.¹¹⁵ First, there was a reduction in density through the selective demolition of units at all but Oakland’s Lockwood Gardens. As indicated in Exhibit 4-1, the number of units per acre dropped from 20 to 14 at Camden’s McGuire Gardens, from 35 to 18 at Cleveland’s Outhwaite Homes, and from 24 to 19 at Milwaukee’s Hillside Terrace.

Second, at two sites (Camden and Milwaukee), an attempt was made to connect the properties to the surrounding area through the introduction of new through streets. In Milwaukee, this meant restoring a street grid that had existed before the construction of Hillside Terrace.

Third, several sites worked to increase safety. Milwaukee and Cleveland reconfigured existing units so that most units now have their own private entrance from the outside rather than an entry from a common interior hallway. Also with security in mind, all units at McGuire Gardens in Camden now face the street. This required a combination of selected unit demolition, some construction of replacement units, and introduction of through streets.



Figure 4-3. Unrehabilitated unit at Lockwood Gardens in Oakland.



Figure 4-4. Rehabilitated unit at Lockwood Gardens.

¹¹⁵ The principal exterior changes are discussed here. Changes in unit types and sizes are discussed in Section 4.4.

Exhibit 4-2 Goals for and Physical Improvements at HOPE VI Developments

HOPE VI Site	Redevelopment Goals	Site Improvements	Building Improvements	Open Space Improvements	Community Facilities
Camden	Integrate public housing into surrounding neighborhood; stimulate neighborhood reinvestment; encourage neighbors use of community facilities; improve security.	Several new streets added to blend street pattern with surrounding neighborhood; parking lots removed; street parking only; demolished some units.	New units built near edge of development for impact and to erase hard development edge. All units now face street. Effort to improve and vary building appearance; punched out second story windows. New units blend in with rehabilitated units.	Open courtyards behind units but no private outdoor space; fencing surrounds courtyards; meager landscaping.	Small community center planned but not built as of 1/03.
Cleveland Outhwaite	Improve security; reduce density; make shared space more secure and attractive; upgrade obsolete community facilities; reconfigure unit sizes to better match demand.	Courtyards surrounded with wrought iron fencing; demolished some units.	Historic designation meant that little could be done to building exteriors, although added decorative mosaic pattern. Renovated interiors. Reconfigured walkups so that each unit has a private entryway. Created large family units and increased square footage of some units; added washer dryer hookups. The work at this site is not complete—there are 200 unrehabilitated units remaining. All of the HOPE VI funds have been expended.	Each courtyard has small playground.	City refurbished community center on site.
King Kennedy		New fencing and signage limits access to the site; demolished some units.	Renovated interiors; each unit has own private entry way; unit size increased, using common hallway space; washer and dryer hookups. This site is also not completed. The housing authority plans to build 98 townhouses with other funds.	New playground, landscaped green space, walkways, decorative fencing, barbecue and picnic area.	Social service mall on site.
Milwaukee	Create 12 micro-neighborhoods; enhance the streetscape, reduce density; improve drainage by increasing landscaping.	Reintroduced the street grid; developed 12 mini-neighborhoods defined by landscaping and “monument” in each courtyard; new sidewalks; historic street lighting; street parking; demolished some units.	Renovated interiors; improved appearance of building exteriors; created individual entrances to 3- story walkups; repaired roofs and replaced boilers.	Public, semipublic, and private spaces better defined	Rehabilitated and enlarged family resource center that includes a health center. Boys and Girls club and day care serve neighborhood, also.
Oakland (Lockwood only)	Upgrade site and improve security.	No change to layout of streets or buildings; no demolition; open spaces and parking lots reconfigured to remove access from external street.	Renovated interiors; new pop-out entryways have been added to increase privacy at entry and add interior space. Security bars added. Rehabilitation was partially completed as of end of 2002.	Renovated internal courtyards; benches, fencing; barbecues; low growing and sparse landscaping; several tot lots.	New community center houses management office, community policing office, Boys and Girls club.

Source: *Interim Assessment of the HOPE VI Program*. Case study reports for all 11 sites (1999 to 2002).

Exhibit 4-2

Goals for and Physical Improvements at HOPE VI Developments (continued)

HOPE VI Site	Redevelopment Goals	Site Improvements	Building Improvements	Open Space Improvements	Community Facilities
San Francisco					
Bernal	Restore the fundamental manner in which most people live by connecting front door, sidewalk, parking space and street.	Full demolition; eliminated superblocks that provided unsafe open areas and parking lots; created private through streets integrated sites with surrounding neighborhoods; street parking.	All new buildings face the streets; designed to imitate Victorian townhouses. Varied roof lines and building materials; bay windows.	All units have a back yard or balcony accessible only through the units.	Three community buildings for management, childcare, computer lab; also outdoor playground for childcare center; tenant office and community rooms.
Plaza East				Playground at both sites. Bernal's playground available only to those using the day care center.	One-story bldg houses mgt office, maintenance, tenant assoc office; multipurpose resource center and play yard attached.
Baltimore	Reduce density; promote a safe environment; provide suitable housing and open space for families.	Complete demolition and redesign of the site; new streets and sidewalks; most parking on the street; limited access into the development (controlled but not restricted access); community facilities located at development edge.	All new townhouses plus elderly building; designed to mimic traditional Baltimore architecture; units face the streets.	Private fenced back yards; open space at center of development is called New Hope Circle.	Community bldg, Boys and Girls club, and a medical center.
Boston	Integrate development into surrounding neighborhood; reduce density; build housing that will attract a mix of incomes.	Complete demolition and redesign of the site; new streets and sidewalks; street parking and parking behind buildings.	All new two- and three-story townhouses and apartments plus a midrise building.	Tot lots; landscaped open space throughout.	New community center houses the management office, day care, and supportive services.
New Haven	Reduce density; integrate site into surrounding neighborhood.	Complete demolition and redesign of the site; restored 1940s grid street pattern; connects to Dixwell neighborhood; new sidewalks, granite curbs, historic street lighting.	All new mix of duplex, semidetached and attached houses along with new three-story apartment elderly building; mimics traditional architectural styles—both Victorian and colonial. In addition, renovation of two existing buildings for elderly/disabled adjacent to the original development.	Family units have private back yards with picket fencing open into courtyards in the back minimally landscaped; Courtyards are enclosed by picket fencing.	Plans for large community center scrapped; current plan to use former PHA administration building for community center.
Charlotte	Build units to attract a mix of incomes; the design should reflect the development's urban context and incorporate the qualities of Charlotte's best traditional neighborhoods.	Almost full demolition of existing units and redesign of site; new sidewalks with green strips and trees to protect pedestrians from cars; parking on street or in rear of buildings; new through streets.	Rehab of just 23 units; all new construction of remaining units; varied architecture; row house style with varied heights and roof pitches; buildings face streets with minimal set back.	Lots of landscaping along the streets—creation of boulevards; playgrounds and swimming pool.	Full community center with gym, fitness room, indoor play area, childcare center, computer lab and offices; a pool.

Exhibit 4-2**Goals for and Physical Improvements at HOPE VI Developments (continued)**

HOPE VI Site	Redevelopment Goals	Site Improvements	Building Improvements	Open Space Improvements	Community Facilities
Washington	Create a development that blends naturally into the Capitol Hill area.	Full demolition and redesign of the site; historic lighting; new streets and sidewalks	All new construction units with varied architecture reflecting neighborhood styles. Use of varied bldg materials but unified as a whole; buildings face streets.	Landscaped front yards; many units with back yards.	Small community center planned but not built as of 1/03.
Atlanta	Develop a market-rate community where people of all income levels would choose to live.	Full demolition and new construction. Clusters of three-story buildings each with its own gated parking behind; new grid street pattern; sidewalks and minimal setbacks in front to promote pedestrian-friendly environment.	All new construction of apartment and townhouse units; varied building styles; units face the street. Housing authority will build 103 additional units on site.	Meticulous landscaping; pool; tot lots.	No community center.

Finally, all four sites improved the exterior appearance of the properties. For example, in Camden the flat façade of the townhouses has been improved with the addition of second story bay windows. In Milwaukee, gabled roofs were added to the front porches. At Oakland’s Lockwood Gardens, several internal courtyards have been renovated and now include benches, barbecues, and tot lots. Low-growing landscaping was installed to enhance the site without creating a safety problem.



Figure 4-5. Rehabilitated units and courtyard at Hillside Terrace in Milwaukee.

Of the four rehabilitated sites, Milwaukee’s Hillside Terrace stands out for its success in improving the overall livability of the site. (See Figure 4-5.) According to the redevelopment’s construction manager, before HOPE VI Hillside was “undefined space...a no man’s land because no one knew where their [individual] space started or ended.”¹¹⁶ The new plan for the Hillside property relied on creating a neighborhood hierarchy of space: public (streets and sidewalks); semipublic (front porches and yards); and private (apartments, back yards, and private courtyards). At the same time, the plan sought to open up the neighborhood to the surrounding community.

Today, Hillside Terrace consists of 12 micro-neighborhoods (averaging fewer than 40 units each) that contain residential buildings grouped in a U-shape around a shared courtyard. By means of landscaping and a unique neighborhood “monument” at each courtyard entry, the designers delineated the shared common space in each courtyard. Changes to the internal street network also helped to open up the site to the surrounding neighborhood while maintaining courtyard boundaries. The new street network also encourages the natural surveillance of common areas and generates more activity in the core of the development. A new network of sidewalks (with historic street lighting) has improved the environment for pedestrians.¹¹⁷

4.2.2 Change at New Construction Sites—Baltimore, San Francisco, Boston, New Haven, Charlotte, Atlanta, and Washington, D.C.

Seven sites relied primarily on demolition of existing units and new construction to achieve their revitalization goals. Two of these sites (Baltimore and San Francisco) were revitalized as 100-percent public housing, while the majority (Boston, New Haven, Charlotte, Washington, D.C., and Atlanta) is mixed-income to some degree. Full demolition of existing units gave the

¹¹⁶ *Interim Assessment of the HOPE VI Program: Case Study of Hillside Terrace in Milwaukee, Wisconsin*. March 31, 2000, p. 8.

¹¹⁷ *Ibid.*, pp. 9-13.

PHAs and developers of these sites substantially greater flexibility to address the needs of each property in a comprehensive manner.

Like the rehabilitated sites, the designers of several of the new construction projects viewed reducing density as an important goal of redevelopment. Thus, the number of units per acre dropped from 24 to 15 in New Haven and from 32 to 16 in Atlanta. The number of units per acre did not change significantly in Charlotte and Washington, D.C. In Charlotte, the density was quite low to begin with, whereas in Washington, the original density was consistent with residential density in the Capitol Hill neighborhood.

Integrating the sites into the surrounding neighborhoods and ensuring a safe environment were also important goals for these newly constructed developments. Thus, *all* of these developments include the following features:

- construction of primarily two- and three-story buildings that mimic traditional residential architecture in the area and offer a mix of apartment and townhouse units;
- a new network of streets to link the site to the surrounding neighborhood;
- buildings and unit entrances facing the street with minimal setbacks;
- parking primarily on the streets;
- clearly defined public and private open space; and
- a system of attractive walkways for pedestrians.

In addition, PHAs or developers at several of the mixed-income sites wanted to ensure that the new community could attract middle-income households. This goal led them to pay special attention to creating an attractive exterior environment and to providing amenities that would attract market rate households.

The Townhomes on Capitol Hill in Washington, D.C., provides a good example of this mixed-income focus. The Community Development Corporation that was largely responsible for the redevelopment effort wanted to create a development that “blends naturally into the Capitol Hill area,” a largely middle class neighborhood with a significant number of historic residential structures. To achieve this goal, a well-regarded local architect was hired to design the new development, and local neighborhood groups were actively involved in reviewing the initial designs. The end result is a development that has the look of market-rate housing. The townhouse buildings are quite varied architecturally and draw on the range of building styles in



Figure 4-6. Townhomes on Capitol Hill in Washington, DC.

Capitol Hill. A variety of building materials (including decorative brick, brownstone, stucco, and siding) and paint colors are used, leaving the desired impression that these buildings are an extension of the Capitol Hill neighborhood rather than a separately constructed development.¹¹⁸ (See Figure 4-6.)

4.3 Incorporating New Urbanism and Defensible Space Principles in HOPE VI Projects

A number of design features of the redeveloped study sites reflect elements of two related urban design philosophies—*new urbanism* and *defensible space*. New urbanism is based on the belief that a return to traditional neighborhood patterns is essential to restoring functional and sustainable communities. These patterns include the following:

- Houses facing the streets, with front porches as a predominant feature;
- A mix of housing types, prices, and sizes to attract a mix of people;
- Shopping and parks accessible via footpaths and sidewalks;
- A grid of streets.¹¹⁹

The fact that these design principles influenced planners at the 11 study sites is no accident. The use of new urbanism for HOPE VI projects was promoted by HUD beginning in 1996.¹²⁰ More recently, a HUD report to Congress on the HOPE VI program in 2002, suggested that the HOPE VI program has “. . . set new public housing design standards” that are based on traditional neighborhood design principles and lead to the creation of developments that are “. . . safe, compact, walkable, and integrated into the community.”¹²¹

Defensible space principles overlap in many ways with principles of new urbanism. The notion of using defensible space design in public housing dates back to 1972 and Oscar Newman’s study of the public housing in New York City.¹²² Newman found that the physical design of different types of public housing developments influenced resident behavior and

¹¹⁸ *Interim Assessment of the HOPE VI Program: Case Study of Ellen Wilson Dwellings in Washington DC*. March 23, 2001, pp. 8-10.

¹¹⁹ Andres Duany and Elizabeth Plater-Zyberk, “The Second Coming of the American Small Town,” in *The Wilson Quarterly*, Volume XVI, No. 1, Winter 1992.

¹²⁰ *Principles for Inner City Neighborhood Design: HOPE VI and The New Urbanism*. U.S. Department of Housing and Urban Development and Congress for New Urbanism, 1999. Also see *The Timeline of New Urbanism* online, Andres Duany, Lead Editor: www.nutimeline.net.

¹²¹ *HOPE VI: Best Practices and Lessons Learned 1992-2002*. Submitted to the Committee on Appropriations, United States House of Representatives and the Committee on Appropriations, United States Senate, June 14, 2002.

¹²² Oscar Newman. *Defensible Space: Crime Prevention Through Urban Design*. New York: Macmillan Press, 1972. Also see *Creating Defensible Space*. Prepared by Oscar Newman for the U.S. Department of Housing and Urban Development. April 1996.

the incidence of crime. Based on this work, Newman promoted four principles of physical design that foster the development of secure residential environments:

- *The territorial definition of space in development reflecting the areas of influence of the inhabitants*—in practice this means dividing large portions of public space into smaller areas, and relating the smaller areas to specific housing units in order to put the space under the control of the residents.
- *The positioning of apartment windows to allow residents to naturally survey the exterior and interior public areas of their living environment.*
- *The adoption of building forms and idioms that avoid the stigma of peculiarity that allows others to perceive the vulnerability and isolation of the inhabitants*—in other words, using building design that does not allow outsiders to recognize that the residents of a development are different in any way from their neighbors in the surrounding community.
- *The enhancement of safety by locating residential developments in functionally sympathetic urban areas immediately adjacent to activities that do not provide continued threat.*¹²³

Given the importance that has been placed on using new urbanism and defensible space principles in the design of HOPE VI developments, it is worth exploring the extent to which the study sites have implemented these principles. As a starting point, the developers, designers, and PHAs at most sites appeared to have embraced the philosophy of new urbanism and defensible space. In Milwaukee, for example, housing authority staff noted that the design solution for Hillside Terrace relied heavily on the new urbanist concept of “neighborhood hierarchy,” in which public, semipublic, and private spaces are clearly delineated.¹²⁴ In San Francisco, the Director of the PHA’s Housing Development Division noted that the housing authority had become increasingly interested in ways that the physical environment influences social behavior. The design of Bernal Plaza and Plaza East focused on promoting “. . . individual responsibility by reducing common areas and introducing more private space and private entrances,” according to the Director.¹²⁵ The degree to which these principles were implemented at the study sites is discussed below.

¹²³ *Ibid.*, p. 9.

¹²⁴ *Interim Assessment of the HOPE VI Program: Case Study of Hillside Terrace in Milwaukee, Wisconsin.* March 31, 2000.

¹²⁵ *Interim Assessment of the HOPE VI Program: Case Study of Bernal Dwellings and Plaza East in San Francisco.* March 2003, pp. 27-28.

4.3.1 Achieving New Urbanism Objectives

Exhibit 4-3 presents the authors' qualitative assessment of the extent to which each site has been able to implement new urbanism principles.¹²⁶ The exhibit identifies a number of objectives of new urbanism by which the sites were measure.¹²⁷ Each is discussed below.

- **Walkability** is defined as pedestrian-friendly street design that includes: buildings close to the street; porches, windows and doors facing the street; tree-lined streets; on-street parking; hidden parking lots; and narrow, slow speed streets. Nine of eleven sites succeeded in achieving walkability to some degree, most by siting units directly on the street and creating on-street parking. The only two sites that did not were Cleveland and Oakland, both rehabilitation-only sites with less flexibility than the new construction sites to make significant site changes.

**Exhibit 4-3
Implementing New Urbanism Principles at HOPE VI Site**

HOPE VI Site	Walkability	Connectivity	Mixed Use	Mixed Housing/Diversity	Quality Architecture & Urban Design	Traditional Neighborhood Structure
Camden	✓	✓				
Cleveland						
Outhwaite						
King Kennedy						
Milwaukee	✓	✓				✓
Oakland (Lockwood only)						
San Francisco						
Bernal	✓	✓			✓	NA
Plaza East	✓	✓			✓	NA
Baltimore	✓	✓				✓
Boston	✓	✓		✓		
New Haven	✓	✓		✓	✓	✓
Charlotte	✓	✓		✓	✓	✓
Washington	✓	✓		✓	✓	NA
Atlanta	✓	✓		✓	✓	

Source: *Interim Assessment of the HOPE VI Program*. Case study reports for all 11 sites (1999 to 2002).

NA = Traditional neighborhood structure implies that there is a discernable center and edge to the site and that there are public spaces throughout. The San Francisco and Washington, D.C. sites were too small to implement this new urbanism principle.

¹²⁶ In attempting to gauge how various sites conform to new urbanism principles, the authors are confronted by a lack of quantitative data. Thus, the authors' conclusions are invariably guided by judgments based only on interviews and observation.

¹²⁷ These objectives of new urbanism principles are from New Urbanism.org, a clearinghouse on new urbanism information. Additional objectives could not be measured at the study sites, given the relatively small scale of these developments.

- **Connectivity** means that an interconnected street grid network exists to disperse traffic and ease walking. Most sites were able to achieve this objective by introducing through streets into the site. Again, Cleveland and Oakland were the only two sites that did not achieve this.
- **Mixed use** means that a site provides a mix of shops, offices, and apartments. None of the sites achieved a mix of uses on the site, although for some these uses are nearby.
- **Mixed housing/diversity** implies that there is a range of housing types, sizes, and prices in close proximity that can attract a diverse group of people, of all ages, classes, cultures, and races. All five mixed-income sites achieved this objective.
- **Quality architecture and urban design** suggests that the site designers have placed an emphasis on beauty, aesthetics, human comfort, and creating a sense of place. Six of the sites—all mixed-income except for San Francisco—achieved this objective in the authors’ view. The best example of quality architecture is at the Townhomes on Capitol Hill in Washington, D.C.
- **Traditional neighborhood structure** implies that there is a discernable center and edge to the site and that there are public spaces throughout. This objective was not appropriate for several sites because of their small scale. However, it was an objective that was met in Milwaukee where the PHA created a number of micro-neighborhoods each with its own defined edge and public space. Baltimore also created a plaza in the center of the Pleasant View Gardens development.

4.3.2 Achieving Defensible Space Objectives

Exhibit 4-4 provides the authors’ assessment of the extent to which defensible space principles were incorporated at the sites.¹²⁸ As noted previously, the features of defensible space include the following:

- Subdividing outdoor space into public and semiprivate spaces that can be controlled by residents;
- Positioning windows and doors to allow residents to monitor the street;
- Using building design that fits in with the surroundings and is not readily identified as low-income housing;
- Locating housing in safe areas with compatible land uses.

Some sites have been more successful than others in incorporating these elements. At the rehabilitation-only sites, the designers made the most of defining the boundaries between public and private outdoor space. As already described, Milwaukee’s effort to develop micro-neighborhoods at Hillside Terrace offers a good example of this. In addition, Oakland enhanced the privacy of existing courtyards at Lockwood Gardens through the careful placement of fencing and landscaping. The fencing has an un-gated archway entrance to each

¹²⁸ This assessment is based on qualitative information, namely interviews and site visitor observations.

courtyard that discourages but does not forbid entry by outsiders. Nearly the entire courtyard is visible from the entrance. Low-growing landscaping increases the attractiveness of the courtyards without offering hiding places for criminals.



Figure 4-7. New through street and sidewalk at McGuire Gardens in Camden.



Figure 4-8. Private backyards at Plaza East in San Francisco.

Most rehabilitation-only sites (the exceptions being Oakland and Outhwaite in Cleveland) were also able to create new sidewalks and streets so that some if not all buildings that once faced interior courtyards now had windows and doors overlooking the streets. In Camden, for example, several new streets were added that break up the existing superblocks and imitate the street patterns in the surrounding neighborhood. In addition, all of the internal parking lots were eliminated, and all parking is on the street. These changes allow residents to view the street directly from their front porches or front windows. (See Figure 4-7.)

Because rehabilitation does not offer the same flexibility as new construction, the rehabilitation-only sites were not as successful in adopting all four defensible space features. More of these features were successfully incorporated at the new construction sites.

Bernal Dwellings and Plaza East in San Francisco provide examples of newly constructed 100-percent public housing properties that successfully implemented defensible space design. As in Camden, the creation of new through streets enabled a new housing configuration in which all units face the street. Residents can monitor what is happening outside their homes and it is easier for police to patrol the development. At Plaza East, all units also have a fenced back yard or balcony. (See Figure 4-8.) The perimeter of each block is secure to ensure that the back yards can be accessed only through the units and there are no passageways between the fences separating one yard from another. As the housing agency’s Director of Security noted, “The new site design

promotes individual responsibility by reducing common areas and introducing more private space and private entrances.”¹²⁹

In addition, the San Francisco sites also feature building design that imitates architecture in the neighborhood so that the developments blend naturally into their surrounding environment. These developments are not recognizable as 100-percent public housing. The developments are also located in areas with compatible surrounding land uses—both thriving residential neighborhoods. While the neighborhoods have crime problems, the residents of Bernal Plaza and Plaza East are no more vulnerable than other neighborhood residents.



Figure 4-9 The Townhomes in Washington, DC, blend into the surrounding neighborhood.

The Townhomes on Capitol Hill is a mixed-income site that also exhibits all four defensible space features. Each unit has an outside entrance that fronts the street. Small front yards are set apart with decorative iron fencing so that private and public spaces are readily distinguished. The unit designs mimic the architecture in the neighborhood allowing the development to blend in naturally with its surroundings. The edges of the development are not readily noticeable. Thus, the development does not stand out as an affordable housing cooperative. As with the San Francisco sites, the development fits into a mixed-income, mixed-use neighborhood. (See Figure 4-9.)

Overall, because they had greater flexibility, the designers of the new construction sites were more successful than those at the rehabilitation sites in adopting new urbanism and defensible space principles. Among the new construction sites, it appears that the sites that had the highest percentage of market-rate residents—that is, Charlotte, Washington, and Atlanta—are also the sites that have the most new urbanism and defensible space characteristics. The differences between these developments and others are discussed in Section 4.4.

¹²⁹ *Interim Assessment of the HOPE VI Program: Case Study of Bernal Dwellings and Plaza East in San Francisco, California*, March 2003, pp. 27-28.

**Exhibit 4-4
Implementing Defensible Space Principles at HOPE VI Sites**

HOPE VI Site	Well-Defined Public/Private Spaces	Doors/Windows Facing the Street	Building Design that is Compatible with Surroundings	Safe/Appropriate Location of Housing
Camden	✓	✓		
Cleveland				
Outhwaite	✓			
King Kennedy	✓			
Milwaukee	✓	✓		
Oakland				
(Lockwood only)	✓			
San Francisco				
Bernal	✓	✓	✓	✓
Plaza East	✓	✓	✓	✓
Baltimore	✓	✓		
Boston	✓	✓		✓
New Haven	✓	✓	✓	
Charlotte	✓	✓	✓	✓
Washington	✓	✓	✓	✓
Atlanta	✓	✓	✓	✓

Source: *Interim Assessment of the HOPE VI Program*. Case study reports for all 11 sites (1999 to 2002).

4.4 Physical Difference Between Mixed-Income and 100-Percent Public Housing Sites

The biggest difference between the mixed-income and 100-percent public housing sites is that the five mixed-income sites involved new construction, while four of the six 100-percent public housing sites were primarily or all rehabilitation. As already discussed, this accounts for substantial differences in the extent of physical change between rehabilitated and new construction sites. These two groups differ along several other dimensions as well, including market appeal, amenities and unit sizes. These are discussed below.

4.4.1 Market Appeal and Amenities

Focusing first on the new construction sites, there are some differences between the four sites that serve a largely low-income population (that is the two 100-percent public housing sites in Baltimore and San Francisco as well as the sites in Boston and New Haven with small numbers of public housing households) and the sites that are truly mixed-income—Atlanta, Charlotte, and Washington, D.C. These three mixed-income sites have more market appeal than any other sites in the study. The fact that these sites were most successful in incorporating new urbanism principles has already been discussed. In addition, based on the

observations of site visitors, these sites also paid more attention to finishes and details in the unit interiors and exteriors. Finally, Charlotte and Atlanta are the only two sites to offer community amenities such as a swimming pool and a fitness room. As shown in Exhibit 4-2, while many of the remaining study sites (both rehabilitation and new construction) have community centers, these centers are more likely to provide services that address the needs of low-income residents.

4.4.2 Unit Sizes

In addition to physical appeal and amenities, unit sizes vary somewhat between some mixed-income and 100-percent public housing developments. (See Exhibit 4-5.) With the exception of Washington, D.C., the mixed-income sites tend to be more spacious than the 100-percent public housing sites. New Haven boasts the largest average two-bedroom unit, with 1,275 square feet. The average two-bedroom unit in Atlanta and Charlotte also has more than 1,000 square feet. The smaller size of the units at the Townhomes on Capitol Hill may be explained by the fact that they are similar in size to other townhouse units in the Capitol Hill neighborhood.

While the mixed-income sites tend to have more square footage than the 100-percent public housing sites, they are less likely to have many three- or four-bedroom units.¹³⁰ In Camden, San Francisco, and Milwaukee more than one-third of all units contain three or four bedrooms. Almost one-half of all units at San Francisco's Bernal Dwellings have three or four bedrooms, which reflects a conscious decision on the part of the housing agency to create more units for large families in a very tight housing market. With the exception of San Francisco, housing agencies that redeveloped the 100-percent public housing sites chose to retain the same percentage of large family units as existed before revitalization or decreased this percentage slightly.

By comparison, the percentage of three- and four-bedroom units is quite small at most of the mixed-income sites. At the Townhomes on Capitol Hill, three- and four-bedroom units comprise just 4 percent of all units. The figures for Atlanta and New Haven are 13 and 15 percent. This represents a significant decline at these sites in the percentage of units for large families after revitalization. The decline is most significant in Charlotte, where the percent of units for large families dropped from 56 to 21 percent. The only mixed-income site that is an exception to this pattern is in Boston, where 42 percent of the units have three or four bedrooms (down from 52 percent before redevelopment). The reasons for reducing the percentage of large bedroom units at these sites are not fully known. However, it is possible that there was concern about increased density or that large families would present additional management challenges.

¹³⁰ A January 2002 General Accounting Office report found that for all HOPE VI projects nationwide the average number of bedrooms is 2.4. This is a higher average than for other current housing programs included in the GAO analysis. See *Federal Housing Assistance: Comparing the Characteristics and Costs of Housing Programs*. U.S. General Accounting Office, 2002.

Exhibit 4-5 Unit Availability at HOPE VI Sites

HOPE VI Sites	Size of an average two-bedroom unit	Percent one-bedroom units	Percent two-bedroom units	Percent three- or more bedroom units	Percent three- or more bedroom units pre-HOPE VI
Camden	750 square feet	11%	47%	42%	50%
Cleveland					
Outhwaite King Kennedy	900 square feet	16% ¹	32%	52%	10%
Milwaukee	600 square feet	15%	50%	35%	35%
Oakland (Lockwood only)	750 square feet	22%	61%	17%	17%
San Francisco					
Bernal	1056 square feet	2%	49%	49%	35%
Plaza E.	864 square feet	10%	54%	36%	17%
Baltimore	Not Available	36%	40%	24%	33%
Boston	960 square feet ²	22%	36%	42%	52%
New Haven	1275 square feet	32% ³	33%	15%	25%
Charlotte	1027 square feet	31%	48%	21%	56%
Washington	780 square feet	34%	61%	4%	21%
Atlanta	1,000 square feet	36%	51%	13%	19%

Source: *Interim Assessment of the HOPE VI Program*. Case study reports for all 11 sites (1999 to 2002).

¹Includes 12 efficiency apartments.

²Excludes units in elevator building.

³In addition, another 32 percent of New Haven's units are efficiency apartments.

It is also worth noting that there are many more elderly units at these sites—especially the mixed-income sites—after revitalization. Three of the mixed-income sites, including Boston, New Haven, and Charlotte, added elderly buildings as part of the revitalization, even though they had not existed previously.¹³¹ In addition, an elderly building was constructed at one 100-percent public housing site, Pleasant View Gardens in Baltimore. It represents about a third of the total units at that site.

4.4.3 Resident Views of HOPE VI Units

Despite differences between the 100-percent public housing and mixed-income sites, it appears that residents of each type of development are equally satisfied with their units. Exhibit 4-6 presents the results of several survey questions that were asked of a sample of

¹³¹ The New Haven site is unique in that HOPE VI funds paid for the revitalization of a 99-unit elderly building and a four-unit building for disabled persons in the adjacent neighborhood. These two buildings are now considered part of the HOPE VI development. In addition, a new elderly building was constructed on the site.

residents at all sites except Atlanta.¹³² Residents were first asked about the level of satisfaction with their apartments or houses. Across all sites, 58 percent said they were very satisfied and another 34 percent said they were somewhat satisfied. Residents of the mixed-income sites showed slightly higher levels of satisfaction. Of residents at the mixed-income sites, 60 percent said that they were very satisfied compared with 56 percent of residents at 100-percent public housing sites. This difference may have less to do with the mix of neighbors at a site than it does with whether the unit was newly built or rehabilitated. Four of the new construction sites (including Baltimore, New Haven, Charlotte, and Atlanta) had the largest number of residents who were very satisfied with their units (between 61 and 66 percent of all residents). Baltimore is the only public housing site in this group.

Residents were also asked about possible problems with their units, such as whether they had problems with peeling paint, plumbing, the heating system, or appliances, or whether the units were too small, had too little storage space, or were noisy. Residents were asked to rate each item as “a big problem,” “some problem,” or “no problem at all.” The percentage of residents reporting that they had a big problem with paint, plumbing, or heating was small across the sites. However, larger numbers of residents reported concerns about storage space, noise, and, to a lesser extent, unit size. For example, across all sites 15 percent of residents said that the lack of storage space was a big problem. There was no substantial difference in the percentage of 100-percent public housing and mixed-income residents who reported this as a big problem. However, there were several sites where a significant number of residents reported the lack of storage space as a big problem, including Baltimore (23 percent), Washington, D.C. (24 percent), Cleveland (18 percent), and Bernal Dwellings in San Francisco (33 percent). Significantly smaller percentages of residents at these sites reported that a lack of living space was a big problem.

An apartment can be noisy because sounds are emanating from the street or from other apartments. While there is no way of knowing the cause of the noise (urban location, thin walls, lax management), 13 percent of residents said that “too much noise” is a big problem. More residents at 100-percent public housing sites said that noise is a big problem (15 percent) than did residents of mixed-income sites. The sites where the greatest percentage of residents reported noise as a big problem were: Camden (23 percent) and San Francisco (24 percent). At three mixed-income sites, market-rate renters were two to three times more likely to report noise as a big problem as were public housing residents. For example, in Boston, 44 percent of market-rate renters said that noise is a big problem compared with 17 percent of public housing residents. In New Haven and Charlotte, the percentage of market-rate renters who think it is a big problem was 30 and 25 percent compared with 2 and 9 percent of public housing residents.¹³³ Given that market-rate and public housing residents are interspersed throughout these developments, this finding is puzzling. It is possible that residents have different tolerances for noise based on where they had lived previously.

¹³² The Atlanta Housing Authority requested that these questions be dropped from the survey of residents at Centennial Place.

¹³³ See additional survey data in Appendix C.

**Exhibit 4-6
Resident Satisfaction with Housing at HOPE VI Sites**

	All Sites Average	100-Percent Public Housing Site Average	Mixed-Income Site Average
Satisfaction with apartment			
Very satisfied	58%	56%	60%
Somewhat satisfied	34%	35%	32%
Somewhat dissatisfied	7%	8%	5%
Very dissatisfied	2%	2%	2%
Too little living space			
Reported as a big problem	6%	7%	4%
Some problem	17%	20%	12%
No problem	77%	73%	84%
Adequacy of storage			
Reported as a big problem	15%	15%	14%
Some problem	22%	22%	22%
No problem	63%	63%	64%
Too much noise			
Reported as a big problem	13%	15%	11%
Some problem	16%	16%	16%
No problem	71%	70%	73%

Source: HOPE VI Interim Assessment, Resident Surveys (1999 to 2002).

Note: Residents at Atlanta's Centennial Place were not asked resident satisfaction questions at the request of the housing agency.

4.5 Loss of Affordable Rental Units

One final dimension of physical change at HOPE VI sites concerns the decline in affordable rental units—that is, units available to households earning up to 80 percent of area median income. Before HOPE VI, there were a total of 7,810 units at the study sites. (See Exhibit 4-7.) Because of conditions at the sites, not all of these units were available for occupancy. As of 1992, the number of occupied units at these sites totaled 5,600. Thus, nearly 30 percent of all original units were vacant.

Given that density reduction was a redevelopment goal at most sites, and the fact that limited federal resources preclude the one-for-one replacement of public housing units, a loss of affordable rental units is expected. For mixed-income sites, a portion of the new units must be reserved for middle-income families, further reducing the supply of affordable units.¹³⁴

¹³⁴ Many of the original residents who could not return to these developments were provided with affordable rental units elsewhere. Some moved to other public housing developments while others moved to private rental units with assistance through the Housing Choice Voucher Program.

Exhibit 4-7 compares the number of occupied public housing units in 1992 with the number of affordable rental units (Tax Credit and public housing) that are currently available at the sites. Overall, there are roughly 26 percent fewer affordable rental units at the study sites today.¹³⁵

There is significant variation in the change in affordable housing units that occurred among the sites. Three sites gained occupied affordable units. In Camden and Oakland this represented a very modest gain over the number of units that existed before HOPE VI. In Washington, D.C., Ellen Wilson had been vacant since the late 1980s. Thus, there was a net gain of 114 occupied affordable units since 1992 (eligible to households with incomes up to 80 percent of median income in this case).

Exhibit 4-7
Supply of Affordable Rental Units at HOPE VI Sites Pre- and Post- Revitalization¹

HOPE VI Site	Total affordable rental units pre-HOPE VI	Total affordable rental units after accounting for vacancies pre-HOPE VI	Total affordable rental units on site post-HOPE VI	Number of affordable rental units lost/gained on site	Percent affordable rental units lost /gained on site
Camden	368	243	253	+10	+4%
Cleveland					
Outhwaite	1024	522	535 ²	+13	+2%
King Kennedy	1152	392	248 ³	-144	-37%
Milwaukee	596	542	470	-72	-13%
Oakland	372	364	372	+8	+2%
San Francisco					
Bernal Plaza	208	206	160	-46	-23%
Plaza East	276	276	193	-83	-30%
Baltimore	807	790	311	-479	-61%
Boston	822	542	445	-97	-18%
New Haven	561	527	325	-202	-38%
Charlotte	409	385	250	-135	-35%
Washington	134	--	114	+114	--
Atlanta	1081	883	443	-440	-50%
Total	7,810	5,600	4,119	1,481	-26%

Source: Abt Associates Inc. *An Historical and Baseline Assessment of HOPE VI*. Volume 2, Case Studies, August 1996. *Interim Assessment of the HOPE VI Program*. Case study reports for all 11 sites (1999 to 2002).

¹Post-revitalization affordable units include Low-Income Housing Tax Credit Units (available to households with incomes up to 60 percent of median), public housing units (available to households with incomes up to 80 percent of median), and co-op units at the Townhomes on Capital Hill that are available to households with incomes up to 80 percent of median.

²This includes 200 unrenovated units at the site.

³ This includes 80 units renovated under other grant.

¹³⁵ This figure does not take into account affordable rental units built or acquired off-site or affordable homeownership units built on or off site. Three grantees built or acquired affordable rental units off site. They include Milwaukee (79 units), Oakland (54 units), and Charlotte (94 units). In addition, four grantees built affordable homeownership units on or off site: Baltimore (27 units), New Haven (55 units), Charlotte (20 units), and Atlanta (20 units).

The remaining eight sites lost anywhere from 46 to 479 units. Five sites—two 100-percent public housing and three mixed-income—lost one-third or more of their original affordable units: Atlanta, Charlotte, New Haven, Baltimore, and the King Kennedy portion of the Cleveland site.

4.6 Update on Physical Conditions at the HOPE VI Sites

The physical changes that have occurred at the study sites over the past 10 years are dramatic. This chapter has documented these changes based on site visits that were made to each of the study sites within a year of reoccupancy. At that time, the properties were all in good condition and local observers were mostly satisfied with the physical outcomes.

As noted in Chapter 1, the study authors made return visits in early 2003 to six sites where case studies were prepared in 2001 or earlier.¹³⁶ The purpose of these visits was to see what changes had occurred since the case study was completed. The study authors found that the buildings and grounds continue to be very well maintained. At several sites, housing agency staff discussed ways in which the design of their developments might have been improved. However, for the most part, housing agency staff and residents alike appear to be satisfied with the design of the developments and the quality of construction. The authors' observations are noted below:

- **Hillside Terrace in Milwaukee:** *The building exteriors, streets, sidewalks and common areas look well maintained. The property looks as good as new. The housing authority staff said there were no significant maintenance issues. Site managers said they have fewer work orders than other developments.*

The housing authority staff said that they were pleased with the results of the revitalization effort at Hillside Terrace. At the same time, they speculated as to whether they might have tried to make Hillside Terrace a mixed-income development or demolish and build larger units as has been done in subsequent HOPE VI projects.

- **Outhwaite Homes and King Kennedy in Cleveland:** *There is still work to be done at this site. Another 3 buildings (102 units) are scheduled for demolition in the spring. The space will be used for parking and green space. There are still roughly 200 occupied units that have not been renovated and funds have not yet been identified to renovate these units. These units look bad, with broken windows and doors.*

Several renovated units were toured in each development. They seem fine—solid construction, decent-sized rooms, decent fixtures, modestly improved amenities (washer/dryer hook-ups), but still institutional looking. I spoke with residents who said they were happy with units and management.

¹³⁶ These sites included Baltimore, Washington, D.C., Atlanta, Charlotte, Cleveland, and Milwaukee.

Housing authority staff are generally satisfied with the design. If he had it to do over, the current HOPE VI coordinator (who was not at CMHA at the time of the grant award) would have targeted all the money to one development or the other, rather than spreading it across two developments.

- **Centennial Place in Atlanta:** *The development still looks good—nice landscaping, well-maintained streets and parking areas. The manager and developer staff said there have been no major maintenance issues. Reserves have been sufficient to address the minor problems (normal wear and tear in the units, and an erosion problem) that have developed.*

When asked whether they would do anything differently if they were starting over on the development's design, a developer representative said she would use less siding and more brick because the siding is less attractive and (according to the manager) is hard to keep clean.

- **First Ward Place/Autumn Place in Charlotte:** *Buildings and grounds still look good. The property manager said they were getting ready to repaint the exteriors from the first phase of the redevelopment, since it is reaching the 5-year point. She said this is normal maintenance. I also spoke to three public housing residents who each said that maintenance is great. They just call the management office and it is done.*

The housing authority's executive director said "I like it better than any HOPE VI project I've seen." In short, the housing authority staff think they did this development right the first time.

- **Pleasant View Gardens in Baltimore:** *The property has been occupied for 5 years, and there are the usual kinds of maintenance issues: broken windows, broken downspouts, replacing plastic on the stair treads, cracks in floor tiles, bald spots in the grass. They also have to keep up with the graffiti. The private property manager noted that the number of work order requests is increasing. Overall, however, the property looks well kept and it was reported that there are no significant structural problems.*

A housing authority staff member mentioned that a REAC inspection of the property had just been completed. Pleasant View Gardens passed the inspection, although not with as high a score as one would have thought. The staff member noted that the inspectors were "tough" and focused on a number of things that inspectors had not paid attention to in the past.

- **The Townhomes on Capitol Hill in Washington, D.C.:** *The property is beautifully maintained. At the time of first site visit, the co-op units had been completed but no work had begun on the 13 homeownership units. These are now completed and will be ready for occupancy in the spring of 2003. The sales prices have jumped dramatically. The smallest units are now expected to sell for around \$425,000 and*

the largest at close to \$500,000. At the time of the original site visit, a local realtor indicated that the units would be priced between \$200,000 and \$400,000.

The cooperative board is now formally established and management appears to be running smoothly with assistance from the private management company that has been involved since the first co-op units were sold. According to the private property manager, the co-op has exceeded its goals with regard to building up operating and replacement reserves. This is largely due to the fact that co-op carrying charges have risen with increases in area median income (to which the charges are tied) as well as increases in co-op member incomes.

These comments suggest that sites have generally held up very well and that the residents and property managers alike are satisfied with building conditions. As these buildings age, several factors will become increasingly important in ensuring that they remain in good condition. Most important is quality property management. In addition, the PHAs or other owners need to ensure that supportive services are available for the residents who need them. Finally, it is critical that residents feel safe on the site. These three factors are discussed in the next chapter.

5. Beyond Bricks and Mortar: Other Changes at HOPE VI Sites

HOPE VI provided local PHAs with the opportunity to address comprehensively the problems of distressed public housing. HUD encouraged grantees to try innovative management approaches, to use HOPE VI funds to support the needs of the development's residents, and to take new measures to address crime problems. This chapter examines HOPE VI activities in these three domains. In Section 5.1, the management models implemented at the revitalized sites are examined, including experience with private management firms and with new screening and occupancy criteria for residents. Section 5.2 reviews the supportive services provided to help residents move toward employment and greater self-sufficiency. Finally, in Section 5.3, efforts to improve security and reduce crime at the study sites are assessed.

5.1 Management of HOPE VI Sites

A few of the HOPE VI awards examined in this study were made to housing authorities, such as Charlotte and Milwaukee, that, although they had at least one severely distressed development in their inventory, were otherwise considered to be well managed. Many of the early HOPE VI awards, however, were made to agencies with histories of management problems. Of the sites included in this research, seven were at PHAs on HUD's list of "management-troubled" housing authorities in 1992.¹³⁷ This designation meant that the agency had received a score of 60 or below (out of 100) from HUD's Public Housing Management Assessment Program (PHMAP), the tool used at that time to calculate composite scores of management performance. Washington, D.C., had the lowest PHMAP score of all PHAs in 1993 (22.4), earning it the dubious distinction of being the worst-managed housing authority in the nation. These concerns led HUD to require an entity other than the PHA to administer the Washington HOPE VI grant. This was not the case at other management-troubled PHAs.

Within the HOPE VI developments, distress was manifested in high vacancy rates, lax lease enforcement, poor rent collections, and neglected maintenance and upkeep. HOPE VI grants offered agencies the opportunity to try new management strategies, such as private management, decentralized management procedures, and modified resident selection and occupancy policies.

¹³⁷ The seven agencies were San Francisco, Washington, Camden, Atlanta, Boston, New Haven, and Cuyahoga Metro (Cleveland). Source: *An Historical and Baseline Assessment of HOPE VI*, Volume I, August 1996, pp. 1-10.

This section reviews the management changes introduced in the revitalized developments, including new management models, as well as policies and procedures (such as admissions and occupancy) that govern the HOPE VI developments.

5.1.1 Management Models After Redevelopment

Private firms manage the majority of the reoccupied HOPE VI developments. In part, this occurred in response to the demands of Tax Credit investors, who usually insist on private management even if the development is entirely or predominantly public housing. All five study sites with Tax Credit financing have private management.¹³⁸ In fact, only in Cleveland, Milwaukee, and Oakland does the public housing agency continue to have full responsibility for managing the revitalized development.

In San Francisco, where the two HOPE VI developments are 100-percent public housing, PHA staff would have preferred to manage the properties, but the Tax Credit investors requested private management. The PHA negotiated an agreement whereby a private management firm was hired to handle most management functions during a 3-year transition period. The PHA is responsible for applicant screening and selection, inspections, and skilled maintenance. At the end of 3 years, the developments could revert to PHA management. This change would require approval of the Tax Credit investors, who will examine the Tax Credit compliance and fiscal performance of each property as well as the PHA's capacity to maintain the properties and fulfill Tax Credit requirements.

Local respondents cited several potential benefits of private management beyond meeting Tax Credit investor requirements. For example, Boston PHA staff said that resident complaints about the agency's poor management at Mission Main contributed to the decision to hire a private manager soon after the HOPE VI grant award, even though the revitalization plan at that time did not involve Tax Credit financing. A private firm took over the day-to-day management of the development, including coordination of resident relocation. The new firm dramatically improved living conditions for residents and helped the PHA begin to regain residents' trust. Although PHA staff do not view private management as a cure-all, they are very pleased with the results at Mission Main.

Housing Authority of Baltimore City staff reported that they viewed HOPE VI as a chance to experiment with a new management approach. Even though PHA staff have stated that the agency could manage the development for a lower cost, they have been satisfied with private management. All of Baltimore's HOPE VI developments are now privately managed. Unlike traditional public housing developments, staff at the HOPE VI sites develop and negotiate annual operating budgets with senior housing agency officials. They know at the beginning of each fiscal year how much money will be available for operations at the site and can plan

¹³⁸ In Charlotte, the PHA manages an elderly building developed under HOPE VI, but the family housing is managed by a private firm.

accordingly. Public housing managers at non-HOPE VI sites do not have this information. In addition, staff from Baltimore and other PHAs using private management said that private firms have more flexibility in hiring and firing staff than PHAs do, and that this contributes to better performance. The PHA can terminate its contract with the management firm if performance does not meet expectations, as has happened in at least one site (Charlotte).

Private management can require a period of adjustment for both PHAs and residents. For example, in San Francisco, the PHA and management firm had communication difficulties early on. The management firm's computer system was not compatible with the PHA's system, making monitoring and reporting difficult. As for residents, private management staff in several sites, including Boston, Camden, Baltimore, and San Francisco, said that residents were not accustomed to the "all-business" attitude and rigorous lease enforcement of the private managers. Baltimore managers said that they had to educate residents not to contact the PHA's central office when they had a management or maintenance problem, but to consult the site manager instead. These issues are usually resolved and tend to dissipate over time.

Although a number of sites proposed involving residents in management of the revitalized developments, this has happened only to a modest extent. San Francisco's HOPE VI residents are among the most active. Three of five management staff at each of the two San Francisco sites are residents, and residents helped write the management plan and assist with new resident orientation. In Boston, a resident organization holds a small ownership interest in the development and meets regularly with the developer and management team to talk about management issues and make "condo board-type decisions." At the Townhomes on Capital Hill housing cooperative, the developer was initially responsible for overseeing the private property manager. More recently, a resident board was created and is gradually taking over this role. In Baltimore, New Haven, Milwaukee, and Cleveland, resident organizations play advisory roles.

According to survey results, residents in most of the revitalized developments are satisfied with the management of their developments, whether publicly or privately managed and whether in 100-percent public housing or mixed-income sites. As shown in Exhibit 5-1, across all sites, an average of 84 percent of respondents said they were "very" or "somewhat" satisfied with the management of their development. Satisfaction ranged from a low of 71 percent of residents in San Francisco to a high of 94 percent of residents in Baltimore. Residents in San Francisco are part of the property management team, filling both the property management job and two of the other four positions at both developments. It is not clear whether the residents on the management staff are a source of the lower satisfaction ratings (e.g., because of their lack of experience) or mitigate what would otherwise be even lower levels of satisfaction. The resident property management staff in San Francisco received formal management training plus substantial on-the-job training by an experienced property manager. Nevertheless, managers at both San Francisco developments had been in their positions for only a few months before the survey, and one of the

developments was still in the midst of reoccupancy.¹³⁹ Furthermore, as at several other sites with private managers, the property management company staff stated that lease strict enforcement was generating complaints from residents who had not experienced this before.

In Charlotte, the site with the second lowest level of resident satisfaction with management (75 percent), the private management company at the time of the survey was replaced by another company in June 2002.

**Exhibit 5-1
Satisfaction with Management and Maintenance at the Revitalized Developments**

Site	Percent of Respondents: Very or Somewhat Satisfied with Management of Development	Percent of Respondents: Very or Somewhat Satisfied with Maintenance of Apartment/Unit
All 100-percent public housing sites	83%	84%
All mixed-income sites	84%	90%
All sites	84%	87%
PHA managed sites		
Milwaukee	89%	93%
Oakland (Lockwood only)	83%	78%
Cleveland	77%	77%
Privately managed sites		
Baltimore	94%	99%
Boston	92%	95%
New Haven	86%	87%
Washington, DC	85%	95%
Atlanta	84%	87%
Camden	83%	83%
Charlotte ¹	75%	87%
San Francisco	71%	80%

Source: HOPE VI Interim Assessment, Resident Surveys (1999 to 2002).

¹ The private management company manages the 283-unit mixed-income portion of the development, but the Charlotte Housing Authority manages the 68-unit elderly building.

5.1.2 Management Experience

Information on standard, quantifiable management indicators for both PHA managed and privately managed developments indicates that the HOPE VI developments are well managed overall. Rent collections were generally greater than 90 percent. Turnover was typically reported to be around 10 percent.¹⁴⁰

¹³⁹ One of the two San Francisco properties (Plaza East) had only started reoccupying approximately four months before the survey, while the property manager at the other site had recently replaced the previous manager who had left for personal reasons.

¹⁴⁰ Based on discussions with staff from the National Multi Housing Council, the average yearly turnover among market-rate rental properties is between 40 and 50 percent. Turnover for 100-percent public and assisted housing properties is thought to be around 15 percent, on average.

Site-based waiting lists are a way of signaling potential residents that the HOPE VI developments are different from the other public housing developments in a city. This may be attractive to the non-public housing residents who consider living in the development and are accustomed to private property management practices. Furthermore, it may help to attract public housing applicants who are not interested in other public housing developments (although they can be on the central list at the same time), while also requiring applicants on the central waiting list or other potential applicants to demonstrate their specific interest in the site by filling out a separate application. At the study sites, only the five mixed-income sites use site-based waiting lists to identify and select public housing residents. However, the PHAs at two 100-percent public housing sites (Oakland and Cleveland) have discussed the possibility of using them. Oakland PHA staff stated they are planning to implement site-based waiting lists once all renovations are completed at Lockwood Gardens in 2005.

The use of centralized waiting lists at 100-percent public housing sites that are privately managed (Baltimore, Camden, and San Francisco) requires effective coordination between the private manager and PHA staff. In Camden, the private manager performs all management functions except for maintaining the waiting list. When a vacancy occurs, the private manager contacts housing agency staff who provide a list of applicants that meet the unit size criteria. The manager then begins notifying these applicants (starting at the top of the list). If the applicants who respond meet initial requirements, the private manager begins the necessary screening.

Admissions requirements at the revitalized developments are generally more stringent than before redevelopment although there is variation from one site to the next. All revitalized HOPE VI sites require full screening of *new* residents (public housing, Tax Credit, and market-rate households), including criminal background checks and credit checks, and housekeeping checks (at some sites for public housing households only). (See Exhibit 5-2.)

At just five sites—Oakland, Boston, Charlotte, Washington, D.C., and Atlanta—were *former* residents required to undergo the same background screening as new residents. In San Francisco, former residents were allowed greater leeway on the criminal background check in that they needed to show a clean record after relocation (approximately 5 years) rather than the 10-year period required for new residents.

Five other sites—Baltimore, Camden, Cleveland, Milwaukee, and New Haven—did not require any credit or criminal background checks.¹⁴¹ In Camden, the lack of screening may have contributed to an ongoing crime problem at McGuire Gardens.

There are several other admissions requirements that some HOPE VI sites have imposed. Six sites require residents to participate in an orientation session. In Boston, this session focuses on use of the appliances and maintenance of the units. In Washington, D.C., a series

¹⁴¹ Returning Elm Haven residents were checked to make sure they were up to date on rent payments to the housing agency.

of sessions focuses on the special responsibilities associated with being a member of a housing cooperative.

Six sites require public housing residents to sign lease addendums. In Oakland, the lease addendum requires residents to attend at least four resident council meetings annually, volunteer at least 2 hours per month in support of resident council activities, maintain good housekeeping practices, and avoid illegal, disruptive, or disorderly activities. Local observers believe that, while the addendum may not be enforceable, it has been a deterrent to crime.¹⁴²

In addition to these requirements, the Atlanta and Charlotte sites require all new public housing applicants (except elderly or disabled residents) to meet self-sufficiency requirements in order to live at the revitalized development. Both sites require that applicants be working, in school, or preparing for employment before applying for housing at Centennial Place or First Ward Place. In Atlanta, returning residents had to meet the same self-sufficiency requirements as new residents, whereas in Charlotte a returning resident could be eligible if he or she agreed to work towards self-sufficiency in the FSS program even if the resident did not meet the eligibility criteria for FSS before returning. However, FSS participants in Charlotte had to sign an agreement that they would become self sufficient and leave the HOPE VI development within 5 years.¹⁴³ A number of other sites, including Camden and Cleveland, give an admissions preference to public housing applicants who are working, although employment is not a requirement for eligibility.

At Hillside Terrace in Milwaukee, applicants are required to meet with a tenant screening committee before their application is approved. The purpose of the meeting is to determine whether the applicant is willing to commit to the “special responsibilities” of living at Hillside Terrace. These responsibilities are spelled out in that development’s lease addendum. According to the private property manager, the only applicants who are rejected by the screening committee are those who express disdain or disregard for participation in community service.¹⁴⁴

¹⁴² *Interim Assessment of the HOPE VI Program: Case Study of Lockwood Gardens, Oakland, California.* January 2002, p. 26.

¹⁴³ At the time of the site visit in 1999, none of the Charlotte public housing residents had reached the five year maximum. At the followup visit in 2003, housing authority staff reported that some residents had reached the maximum and had either agreed to stay but change to Tax Credit renter status, or agreed to move to non-HOPE VI public housing. Charlotte Housing Authority staff were working on the language of the FSS contract and its procedures in case the five-year maximum had to be enforced in the future.

¹⁴⁴ *Interim Assessment of the HOPE VI Program: Case Study of Hillside Terrace, Milwaukee, Wisconsin.* March 2000, p. 16.

**Exhibit 5-2
Admissions Requirements at HOPE VI Sites**

HOPE VI Site	Full Screening for All New Residents	Screening for Former Residents	Required Orientation	Lease Addendum	Other Requirements
100-Percent Public Housing Sites					
Camden	Yes	None	No	No	
Cleveland	Yes	None	Yes	No	
Milwaukee	Yes	None	Yes	Yes	Meeting with development residents
Oakland	Yes	Same as New	No	Yes	
San Francisco	Yes	Limited	No	No	
Baltimore	Yes	None	Yes	Yes	
Mixed-Income Sites					
Boston	Yes	Same as New	Yes	No	
New Haven	Yes	None	No	Yes	
Charlotte	Yes	Same as New	No	Yes	Self-sufficiency requirement
Washington, DC	Yes	Same as New	Yes	No	
Atlanta	Yes	Same as New	Yes	Yes	Self-sufficiency requirement

Source: HOPE VI Quarterly Progress Reports from the quarter preceding the site visits (1999 to 2002).

The strictness of admissions requirements did not appear to affect eviction rates at least in the initial months after the properties began to be reoccupied. For example, Oakland and New Haven reported no evictions at the time of the initial site visit,¹⁴⁵ and Washington, D.C., and Camden each reported just one eviction. The Camden property manager indicated that there were some problem residents, but that the management company was committed to working with residents to resolve tenancy issues rather than pursuing evictions.

At some sites the number of evictions has increased over time. In 1999, Cleveland's King Kennedy site manager reported four households had been evicted for nonpayment of rent over an 8-month period. During a 2003 visit, the King Kennedy management company reported that they had evicted 34 residents from the development in 2002, because of much tighter lease enforcement than in earlier years. During the first year after reoccupancy at Pleasant View Gardens in Baltimore, the manager had attempted unsuccessfully to evict two residents. As of 2003, the number of evictions had risen, but was still a modest six per year. The Atlanta site manager reported a similar number of evictions per year, but also added that the required new

¹⁴⁵ These sites were only partially occupied during the period for which eviction information was collected.

resident orientation helps make sure residents understand their obligations and keeps evictions low. Charlotte and San Francisco¹⁴⁶ reported an average of one eviction per month in 2002.

Occupancy rates were high at the HOPE VI sites visited early in the study period (late 1999 to 2001), but some sites visited for a second time in early 2003 were having some difficulties with vacancies in Tax Credit or market-rate units. The softening of housing markets in some cities, including Atlanta and Charlotte, reportedly is contributing to higher vacancy rates in the market-rate units. Again, private property managers were not overly concerned. Atlanta management staff said that the 85-percent occupancy rate for market-rate units at Centennial Place in the spring of 2003 is lower than for previous years, but is still considered reasonable given the market. The Charlotte manager cited statistics indicating a lower turnover rate for the non-public housing households than the citywide average.

5.1.3 Maintenance Experience

The site visits for this study were conducted soon after units were completed and reoccupied. The revitalized units were still quite new, and maintenance concerns were rarely raised. Among respondents to the resident survey there were very few reports of serious maintenance problems, such as peeling paint, rodents, or plumbing problems (10 percent or fewer of respondents in most sites).

Across all the sites, 87 percent of residents reported satisfaction with the maintenance of their unit, with residents of the mixed-income sites reporting slightly higher levels of satisfaction than residents in the 100-percent public housing sites. (See Exhibit 5-1.) The two sites with satisfaction rates below 80 percent, Cleveland and Oakland, are both 100-percent public sites managed by the PHA. Both are also rehabilitation rather than new construction sites, which might suggest a relationship among PHA management, rehabilitation, and increased maintenance problems. However, Milwaukee is also a rehabilitation site managed by the housing agency and has one of the highest levels of resident satisfaction with maintenance. Another possible factor is that the Cleveland and Oakland sites had a mixture of rehabilitated and un-rehabilitated units on site during the study period. Rehabilitation was being done in stages. Even though the survey responses are from residents living in revitalized units, some responses may reflect overall maintenance at the site rather than maintenance of just the revitalized units. This cannot be confirmed however.

5.1.4 Future Challenges

The HOPE VI developments are all better managed than the pre-revitalization sites, whether the PHA continues to be responsible for management or a private firm has assumed responsibility. At a number of sites, management changes initially implemented at the HOPE VI developments have been adopted at other PHA developments.

¹⁴⁶ In San Francisco, the “eviction average” is the number of households for which the housing authority has started eviction procedures. The City has strong tenant’s rights laws, so it usually takes nine months or longer to evict someone.

When asked about management challenges, property managers raised a variety of issues, depending on local circumstances. Managers at four sites expressed concerns about crime and other problems attributed to original residents, either because original residents continued to live at the site during redevelopment (Oakland) or because substantial numbers of original residents had returned without rigorous screening (New Haven and Camden). Despite the reported problems, there have been relatively few evictions at these sites.

Among the mixed-income sites, maintaining the targeted income mix can be a management challenge. These sites need to attract tenants with different incomes in order to create a mixed-income community and ensure the financial sustainability of the development. At Charlotte, this is particularly challenging because each of the development's buildings must achieve the targeted mix of public housing, Tax Credit, and market-rate tenants. This is more complex than achieving the desired ratios for the entire development, especially given the high (but typical for market-rate renters) turnover rates at First Ward Place.

There is a similar challenge for The Townhomes on Capitol Hill, in that a certain number of residents must fall into each of three income bands: 33 households with incomes less than 25 percent of area median; 34 with incomes between 25 and 50 percent of median; and 47 households with incomes between 50 and 80 percent of median. While there is some leeway (plus or minus 10 percent) for the number in each band, the private manager reported that the challenge of maintaining this balance is particularly difficult because of the generally rising incomes of development residents.

For developments located in distressed neighborhoods, maintaining the developments' "curb appeal" and deterring crime are important issues for site managers. Managers in Boston, Baltimore, Camden, and Atlanta all raised these concerns. For example, during a 2003 site visit the site manager at Pleasant View Gardens in Baltimore stated that she has to be vigilant to ensure that property is well maintained. Her main concerns are two-fold: first, the property is now 5 years old and just beginning to show signs of wear; and second, the surrounding area, which is in poor physical condition, could negatively impact the site. She also said that she was concerned about an increase in crime given the closure of a police substation at the community center on site.

5.2 Supportive Services at HOPE VI Sites

As part of its comprehensive approach to revitalization, the HOPE VI program provided PHAs the option to spend a portion of their program funds (up to 15 percent of the HOPE VI grant) on supportive services for residents. Before HOPE VI, HUD had not traditionally provided substantial funding for services. However, some housing agencies (including Baltimore, Milwaukee, and Charlotte) had histories of using HUD and other resources for resident services. Federal welfare reforms in the mid-1990s gave further impetus to the goal of providing services to help public housing households move toward employment and greater self-sufficiency. This section describes the services offered at the HOPE VI

developments before the award of the HOPE VI grant and assesses the approaches to HOPE VI-funded services implemented after reoccupancy.

5.2.1 Pre-HOPE VI Supportive Services

Before the start of the HOPE VI program, five PHAs (Cleveland, Baltimore, New Haven, Charlotte, and Milwaukee) offered supportive services to original residents at the study sites. In Baltimore, Milwaukee, and Charlotte these services were provided at onsite community centers. The services offered by the five PHAs typically included childcare, recreational programs for youth, and some self-sufficiency programs such as job readiness or job skills training. In New Haven, housing agency case managers made home visits, assessed services needs, and made referrals to a network of community providers.

The remaining HOPE VI sites offered very limited services before HOPE VI. The PHAs at these sites had limited capacity to provide services directly, and many did not have relationships with local providers that would ensure public housing residents' access to services. For example, only Head Start and indoor recreation programs were offered to Camden's McGuire Gardens residents. The lack of services was partly attributed to poor communication between local service providers and the Camden Housing Authority.¹⁴⁷ In Boston and Atlanta, the PHAs' resident services staff focused mainly on working with tenant associations rather than on providing supportive services. In San Francisco public housing, virtually no services were provided on site, leaving residents to identify and access services available in their neighborhoods.

5.2.2 Goals for Community and Supportive Services at HOPE VI Sites

With the coming of HOPE VI, PHAs at the study sites had the resources to provide comprehensive services to residents at the targeted developments. The original HOPE VI applications outlined approaches for community and supportive services (CSS) programs that were expanded and refined after the HOPE VI grants were awarded. The PHAs were required to develop *community service goals* that would create a strong resident community through resident leadership development programs, block patrols, and community-oriented service projects. Most PHAs at the study sites never fully understood or embraced these community-oriented HOPE VI goals.¹⁴⁸ When HUD policy shifted away from a community service focus, the goals were largely abandoned. As discussed later in this section, the service focus shifted to self sufficiency with the advent of welfare reform.

The PHAs also developed *supportive services goals* and plans during and after the HOPE VI application process that focused largely on improving the well being of public housing families. Such services typically included childcare, health care and health education, addiction education and treatment, and life skills training. Charlotte, with its early adoption

¹⁴⁷ Hecht, Peter. "HOPE VI Baseline Case Study, Peter J. McGuire Gardens: Camden, New Jersey," in *An Historical and Baseline Assessment of HOPE VI: Volume 2, Case Studies*. August 1996.

¹⁴⁸ *An Historical and Baseline Assessment of HOPE VI*, Volume 1, p. 5-42.

of a resident services program oriented toward self-sufficiency, placed the strongest emphasis on moving residents to employment. Milwaukee's goals also focused on working families. Some sites' initial plans lacked detail. For example, Oakland sought to "replace hopelessness with opportunity" through cultural change, neighborhood organizing, enhanced public safety, and education and training. The methods for achieving these outcomes were not well defined. In Washington, D.C., the initial HOPE VI plan said that a community needs assessment would be done to determine the services needed, but no specific plans were outlined. Several sites, including Cleveland, Oakland, San Francisco, and Atlanta, had goals for economic development, such as encouraging resident and neighborhood business development, but the supportive services plans contained few details on how these goals would be implemented.

Community centers were typically proposed as part of the revitalization plan for the study sites, although the size of and uses for these community facilities varied. Plans for community centers in Cleveland and Camden were among the most ambitious. The Cleveland PHA proposed to establish a large, one-stop center that would include offices for service providers and a medical clinic in an existing elderly building. Camden also developed an ambitious plan to build an 80,000 square-foot community center to house service provider offices and a health clinic, food co-op, and laundry. Both sites planned to use substantial amounts of their HOPE VI CSS funds to pay for services or to subsidize the space occupied by outside providers.

With the implementation of the new federal welfare reform legislation in 1996, HUD required that PHAs revise their CSS plans to focus on activities and services to move public housing residents toward employment and increased earnings. The agencies were required to conduct a community needs assessment and to develop new CSS plans (using a standard format developed by HUD) reflecting the findings of the needs assessment. PHAs were encouraged to establish or expand partnerships with local welfare agencies and service providers and to use HOPE VI funds to leverage other resources and to fill gaps in the local service system. With this shift in policy, most PHAs at the study sites revised their original plans to place greater emphasis on providing case management services to residents, developing partnerships with existing providers in their communities, and moving residents from welfare to work.

5.2.3 HOPE VI Funding for Supportive Services

The study sites allocated varying levels of HOPE VI funding to supportive services (see Exhibit 5-3).¹⁴⁹ The proportion of HOPE VI funds budgeted for services ranged from just 2 percent in Baltimore to the full 15 percent allowed in Cleveland and Charlotte. In dollar terms, the amounts allocated ranged from \$1.1 million in Baltimore to \$7.7 million in Cleveland. Several sites relied entirely on the HOPE VI funds for their supportive services

¹⁴⁹ In addition to the funds allocated for staffing and service provision, most of the study sites included plans to use some of their construction funds to build or renovate community facilities. The funds budgeted for these community centers are covered in the construction budgets and thus are not included in the CSS figures in the table.

initiatives (Camden, Cleveland, San Francisco, and New Haven). The remaining sites leveraged at least some funds from other sources. Modest amounts were pledged in Oakland and Washington. More substantial funds were promised in other sites including Boston (\$7 million), Milwaukee (\$2.9 million), Charlotte (\$2.3 million), and Atlanta (\$1.1 million).¹⁵⁰ In Boston, the PHA allocated substantial funds to supportive services, in part because the agency was committed to encouraging residents of the pre-revitalization development to return. Many of these residents had very low incomes and extensive supportive services needs.

As shown in the last column of the exhibit, a number of sites—including Camden, Cleveland, Milwaukee, San Francisco, Washington, and Oakland—had exhausted all or most of their CSS funds within the first year of reoccupancy.¹⁵¹ Sustaining services is a challenge in these sites, as discussed later in this section. By contrast, several other sites (including Baltimore, New Haven, Boston, and Charlotte) had spent considerably less than would be expected, given the number of years since grant award. The reasons for this vary. The Baltimore housing agency relied largely on non-HOPE VI funding to provide services after reoccupancy. In New Haven, the CSS plan went through several iterations before a nonprofit organization was created in 1999 to oversee the CSS program. Limited services were provided to residents while the plan was being revised.

In both Boston and Charlotte, the CSS component was slow to get underway because the PHAs and their development partners were paying more attention to construction. Original residents did not receive supportive services because relocation occurred before the services plan was put in place. In Charlotte, because so few Earle Village residents returned to the redeveloped site, very few benefited from the services. Boston had a larger proportion of residents who either never left the site or left and came back, so a larger proportion of original residents took advantage of services once the site was reoccupied.

¹⁵⁰ In Baltimore, a variety of nonprofit and other public funding sources were tapped to support the provision of supportive services, but these amounts were not included in formal reports to HUD.

¹⁵¹ Information on CSS funds spent is provided for the period just prior to the site visit. Some of the sites were not fully reoccupied at this time.

**Exhibit 5-3
Community and Supportive Services Funds Budgeted and Spent
(Quarter Preceding the Site Visits)**

HOPE VI Site	HOPE VI Funds Budgeted for CSS	CSS as Percent of HOPE VI Grant	Other Funds Budgeted for CSS	Percent of Total CSS Funds Spent (year after reoccupancy)
Camden	\$3.1 million	7%	\$0	100%
Cleveland	\$7.7 million	15%	\$0	100%
Milwaukee	\$2.8 million	6%	\$2.9 million	100%
Oakland	\$3.1 million	11%	\$263,719	85%
San Francisco	\$2.5 million	5%	\$0	93%
Baltimore	\$1.1 million	2%	Not available	28%
Boston	\$5.8 million	12%	\$7.0 million	15%
New Haven	\$4.1 million	9%	\$0	37%
Charlotte	\$6.1 million	15%	\$2.3 million	39%
Washington, DC	\$1.9 million	7%	\$30,154	89%
Atlanta	\$2.5 million	6%	\$1.5 million	60%

Source: HOPE VI Quarterly Progress Reports from the quarter preceding the site visits (1999 to 2002).

HOPE VI CSS funds are used for several categories of people: original residents who stayed on site during the redevelopment; original residents who moved away permanently; original residents who moved away and returned; new residents of the revitalized development; and residents of the neighborhoods surrounding the HOPE VI sites.¹⁵² *Because this report focuses on changes at the HOPE VI sites after revitalization, the discussion below is limited to the supportive services provided to residents of the revitalized developments after reoccupancy.*¹⁵³

5.2.4 Approaches to Supportive Services Provision After Reoccupancy

While similar types of services are provided to residents at the study sites (see Section 5.2.5), the approaches for providing services at revitalized properties vary. These approaches to HOPE VI supportive services can be distinguished according to:

- who oversees the CSS program;
- who provides case management and referrals;
- who provides services; and
- where the services are provided.

¹⁵² Neighborhood residents are eligible for some CSS services as long as the housing agency primarily serves original residents and new public housing residents of the revitalized site.

¹⁵³ Early HOPE VI grantees had significant latitude in determining who would be assisted with CSS funds. More recent grantees are expected to provide services to original residents both before and during relocation regardless of whether they will be returning to the development.

CSS Program Administration

At seven study sites, the PHA oversees the CSS program, through either a resident services or a HOPE VI unit within the agency. (See Exhibit 5-4.) Several of these agencies already had extensive experience in overseeing resident services programs. For example, before HOPE VI, Milwaukee coordinated the delivery of services to Hillside residents through extensive partnerships with public, nonprofit, and private groups. With the advent of HOPE VI, the agency enhanced these existing partnerships and collaborated with new agencies to build an “integrated services system” that focused more on addressing the employment needs of residents than it had done previously.

Exhibit 5-4 Models for Delivering Supportive Services

HOPE VI Site	Entity that administers CSS	Entity providing case management/ referrals	Entity providing services	Services primarily provided on site or off site
Camden	Nonprofit organization	Nonprofit organization	Nonprofit organization	
Cleveland	PHA	PHA	Community providers	On site
Milwaukee	PHA	PHA	Community providers	On site
Oakland	PHA	PHA	Community providers	On site
San Francisco	PHA	PHA	Community providers	Off site
Baltimore	PHA	PHA	PHA and community providers	On site
Boston	Newly created nonprofit organization	Newly created nonprofit organization	Community providers	On site
New Haven	Newly created nonprofit organization	Community provider	Community providers	On site
Charlotte	PHA	PHA	PHA (FSS) and community providers	On and Off site
Washington, D.C.	Nonprofit organization	Nonprofit organization	Nonprofit organization and community providers	On site
Atlanta	PHA	One management staff person; community providers	Community providers	Off site

Source: HOPE VI Interim Assessment Case Studies (1999 to 2002).

Four sites (Boston, Camden, New Haven, and Washington, D.C.) opted to hire or create nonprofit organizations to administer the HOPE VI supportive services program. This step was usually taken because of concerns about PHA capacity. For example, the New Haven agency created a nonprofit subsidiary to administer services, in part because the HOPE VI developer was not satisfied with the services being provided by the PHA. The Alliance for Strong Communities was created to coordinate the efforts of private agencies providing services to residents of Monterey Place, as well as residents of other New Haven public housing. Concerns about PHA capacity also led to nonprofit administration in Washington, D.C., and Camden. In Boston, however, the development team created a nonprofit

organization to administer supportive services because they anticipated that the nonprofit could more effectively secure outside funding for supportive services, thus increasing the likelihood that services would be available over the long term.

Case Management and Service Delivery

Case management to assess service needs and coordinate referrals is a key element of the CSS program at all the study sites. With the exceptions of Atlanta and New Haven, the agency responsible for CSS administration also provides the case management. New Haven's Alliance for Strong Communities has contracted with a local nonprofit to provide onsite case management and referral services at Monterey Place. In Atlanta, the management company hired a staff member to work with the housing authority's resident services department to provide case management and referrals.

While case management services are typically provided by PHA or nonprofit staff, two sites hired residents to be case managers. In San Francisco, trained residents work with other residents to develop service plans and make referrals to community service providers. Residents can apply for grants of up to \$1,200 to pay for self-sufficiency activities, such as job training and college courses. The PHA has been very satisfied with this approach, stating that residents participating in services are more comfortable with case managers who are also residents. A similar effort to employ residents as case managers was tried in Camden, but was less successful reportedly because the residents did not receive adequate training.

Supportive services are provided by existing providers in the community at every site except Camden where the services have been provided by the nonprofit organization that manages the CSS program. According to HOPE VI staff in Camden, there were few community providers available to offer services to McGuire Gardens residents. At other sites, the PHAs or developers contract with local service agencies to provide services to HOPE VI residents.

Onsite and Offsite Services

Seven study sites provide supportive services mostly on site, at newly completed community centers or in buildings that have been temporarily set aside for use by supportive service providers.¹⁵⁴ At Baltimore's Pleasant View Gardens, for example, new facilities house a day

¹⁵⁴ A few sites encountered difficulties with their plans for a community center. For example, at the time of the site visit to New Haven in mid-2001, the PHA had run out of money before completing planned renovations to the development's community center. The site was using a former administrative building for services and seeking other funds to do the renovations. Camden had an ambitious plan for an \$18 million, 80,000 square foot community center. By the time HUD officials rejected the plan as too large and costly, the PHA had already spent some \$2 million on activities that had not been approved. As of early 2003, the PHA was looking for funding to build a small (7,500 square foot) center. In the meantime, a small townhouse unit at the development is being used for a youth program. Finally, the Washington, D.C. community center is planned but has not been built yet.

care center, a Boys and Girls Club, a community health center, and offices for a variety of supportive service providers.

These community buildings have been used to entice service providers to establish offices within the HOPE VI sites. PHAs in Cleveland, Milwaukee, Oakland, and Baltimore encouraged community providers to locate services on site with free or reduced-rate space. Cleveland's Carl B. Stokes Social Services Mall, formerly an eight-story elderly housing building, has been renovated to house a full-service medical clinic, a large transitional housing program, a probation center, a childcare center, and a variety of services for families. HOPE VI funds were initially used to cover operating costs of the space so that providers did not have to pay rent. Now that HOPE VI funds have been exhausted, providers pay rent, but at below-market rates.

Referrals to offsite providers are the norm in Atlanta, Charlotte, and San Francisco. Residents of all of the Atlanta Housing Authority's mixed-income developments (including all the HOPE VI developments) have to be working, in school, or enrolled in the PHA's self-sufficiency program. The PHA has some onsite services in its mixed-income developments, but has a preference for developing networks of offsite community providers that agree to work with public housing residents. Charlotte also requires participation in self-sufficiency activities. Family Self Sufficiency Program staff based at the HOPE VI community center make referrals to community providers.

In San Francisco, the community facilities were completed in 2002, but were intentionally modest in size. HOPE VI staff stated that encouraging residents to use neighborhood-based supportive services is part of the effort to integrate public housing residents with the surrounding community. Case managers use lists of supportive service providers in the neighborhood and other parts of the city to make referrals.

While San Francisco encourages residents to seek neighborhood-based services, other sites encourage neighborhood residents to seek services at the HOPE VI sites. In Baltimore, for example, some of the community buildings are situated purposely at the edge of the Pleasant View Gardens development to encourage use of the services by neighborhood residents. Other sites that have made the HOPE VI facilities available to neighborhood residents include Milwaukee and Cleveland.

5.2.5 Use of Services

Based on responses to a resident survey, both awareness and use of HOPE VI services was much higher at the 100-percent public housing sites than at the mixed-income sites (see upper panel of Exhibit 5-5). Nearly two-thirds of residents at 100-percent public housing developments were aware that services were available through the HOPE VI program, and about one-half of those respondents had a household member (including the respondent) who had used at least one service. By contrast, slightly more than one-third of respondents at mixed-income developments were aware services were available, and just under a third of them had a household member who used any service. The most commonly used services

were the same for both groups (youth/after school programs, adult education, and childcare), but utilization rates were lower at the mixed-income developments.

**Exhibit 5-5
Awareness and Utilization of Supportive Services**

HOPE VI Site	Awareness of services (% of residents aware of services)	Of those aware that supportive services are available:	
		Utilization of services (% using any service)	Services most commonly used
For all residents:			
All sites	56%	45%	Youth/after school programs (23%) Adult education (21%) Childcare (18%)
All 100-percent public housing sites	61%	49%	Youth/after school programs (24%) Adult education (22%) Childcare (19%)
All mixed-income sites	49%	39%	Youth/after school programs (18%) Childcare (8%) Adult education (5%)
For public housing residents only:			
Camden	34%	67%	Youth/after school programs (33%) Childcare (30%) Adult education (30%)
Cleveland	73%	65%	Youth/after school programs (36%) Childcare (28%) Adult education (24%)
Milwaukee	92%	55%	Youth/after school programs (36%) Adult education (28%) Childcare (24%)
Oakland	63%	25%	Youth/after school programs (8%) Childcare (17%) Adult education (11%)
San Francisco	36%	30%	Childcare (22%) Adult education (9%) Youth/after school programs (7%)
Baltimore	85%	54%	General counseling (31%) Adult education (24%) Youth/after school programs (17%) Adult education (26%)
Boston	80%	43%	Youth/after school programs (15%) Childcare (14%)
New Haven	45%	25%	Youth/after school programs (7%) Adult education (7%) General counseling (7%)
Charlotte	71%	67%	Household management (44%) General counseling (49%) Youth/after school programs (28%)
Washington	20%	43%	Household management (38%) Adult education (25%) Parenting programs (13%)
Atlanta	52%	48%	Adult education (28%) Youth/after school programs (22%) Childcare (20%)

Source: HOPE VI Interim Assessment, Resident Surveys (1999 to 2002).

As shown in the lower panel of the exhibit, public housing residents' awareness of services ranged widely, from Washington, where only 20 percent of respondents knew services were available (most service provision happened before the site was reoccupied) to Milwaukee, where 92 percent of respondents were aware of services. Cleveland, with its large social services facility, had high rates of both awareness and utilization (73 and 65 percent). Residents in Milwaukee and Baltimore also had high rates of awareness of the services they could access on site, although only about one-half the residents in the sites reported using the services.

The most commonly used services for almost all sites were youth/after school programs, childcare, and adult education. These services are consistent with the HOPE VI goal of helping public housing households work toward self-sufficiency. While information is not available to assess the effectiveness of the services provided, survey respondents uniformly reported high rates of satisfaction with the services received. For nearly every service used at every site, more than 90 percent of respondents using the service were very or somewhat satisfied with it. (See Appendix Exhibit C-8 for results on resident satisfaction with services.)

5.2.6 Future Challenges

At all of the sites, the HOPE VI grants allowed PHAs to offer a richer array of services to residents than had been possible in the past. The community facilities built or renovated with HOPE VI funds are widely seen as valuable resources, although the use of these centers by the larger community varies among the sites. For example, in Baltimore, the community center at the HOPE VI site is considered a community-wide resource, offering childcare, a Boys and Girls Club, and a medical clinic that serve both development and neighborhood residents. In Charlotte, the childcare center is fairly convenient for people working downtown, so it has attracted a mix of development and community residents. The community center is used for neighborhood association meetings attended primarily by non-HOPE VI residents, and the recreational facilities by youth from First Ward Place as well as by students at a new private school in the neighborhood.

The experience in Cleveland has been somewhat different. Cleveland's large social services mall was built primarily to serve public housing residents in the Central Neighborhood, including the two HOPE VI developments and two other public housing developments nearby. The PHA views the facility as an extraordinary resource for public housing residents in the Central Neighborhood. However, service providers working in the community (but not housed at the mall) believe it has not reached its full potential because it does not reach out to community residents outside public housing in this very low-income community. Outside service providers believe this exemplifies the PHA's reputation for insularity.

Information on the outcomes for residents using supportive services is limited. HUD's information system now requires grantees to report quarterly enrollment in services and on outcomes such as completion of education and employment training programs and new job

placements. However, the system was implemented only relatively recently. The PHAs were asked to recreate historical data, but were not always able to do so. The data are reported inconsistently and do not appear reliable for early HOPE VI grantees.¹⁵⁵ Staff may use other reporting formats developed to meet local requirements, but these reports are nearly impossible to compare across sites.

At virtually all sites, supportive services program staff are concerned about the sustainability of services once HOPE VI funds are exhausted.¹⁵⁶ Early study sites that were revisited in 2003, such as Baltimore and Camden, were already experiencing declines in the availability of services to residents as HOPE VI funds had run out. At one site, Camden, the private management company has used operating funds to hire social service staff to work with residents because the PHA had not found alternative sources of services. In Charlotte, a small community facility offers youth recreational and educational activities that are funded out of operating revenue. At least two sites (New Haven and Washington, D.C.) were attempting to establish endowments to fund services over time.¹⁵⁷ The Atlanta PHA requires service providers that seek contracts with the PHA to commit to raising funds to sustain the programs, and Boston's nonprofit supportive services organization is making fundraising a priority. Charlotte also considers fundraising capacity in its selection of service provider partners. In the March 2003 followup visit, Charlotte Housing Authority staff reported that they had completed all the planned redevelopment and were seeking HUD approval to use remaining HOPE VI money to help fund a new mixed-income development on adjacent housing authority land with 60 public housing units, 156 market-rate units and 120 affordable homeownership units. Most of the remaining HOPE VI funding targeted for the new development is from unused funds budgeted for CSS. Nevertheless, Charlotte's CSS expenditures of \$4.3 million represents more than 11 percent of all their HOPE VI expenditures.¹⁵⁸

¹⁵⁵ According to HUD's HOPE VI program office, CSS information is much more reliable for later grantees.

¹⁵⁶ Exhibit 5-3 shows that three sites (Camden, Cleveland, and Milwaukee) had exhausted their CSS funding by the time the case studies were written. According to the Financial Summary Report in the HOPE VI Quarterly Progress Report (covering period through September 30, 2002), Baltimore and Atlanta have since exhausted their CSS funds and Oakland, San Francisco, Charlotte, and Washington, D.C., had expended over 90 percent of their CSS budget. Only New Haven (69 percent expended) and Boston (29 percent expended including 63 percent of HOPE VI CSS funds) had substantial CSS funds left at the end of September 2002.

¹⁵⁷ For early HOPE VI grants, CSS funds can only be used during the life of the grant. More recent grantees are eligible to use CSS funds to create an endowment trust for supportive services that would extend beyond the grant's end date. New Haven and Washington, D.C., have considered creating such an endowment using non-HOPE VI funds.

¹⁵⁸ HOPE VI Quarterly Progress Report, Financial Summary Report, Earle Village, 4QFY02.

5.3 Security and Safety at HOPE VI Sites

The HOPE VI program was designed to address problems at some of the most physically and socially distressed housing developments in the country. The developments selected for funding had serious crime problems and most were located in neighborhoods with high crime rates. For example, the baseline case studies describe Baltimore's Lafayette Courts as a haven for criminals, Boston's Mission Main and New Haven's Elm Haven as locations of large open-air drug markets, and Camden's McGuire Gardens and Washington's Ellen Wilson Dwellings as the most crime-ridden areas in cities known for pervasive urban crime. Developments in Oakland, Cleveland, and San Francisco were located in neighborhoods with high crime rates compared with citywide rates. The nicknames of San Francisco's developments are indicative of their criminal reputation: Plaza East was known as "OC" for "out of control" and Bernal Dwellings was known as "the Battleground." Local police service was a problem at a number of sites. Camden police avoided the McGuire Gardens area and Oakland city police would reportedly enter Lockwood Gardens only "in force."

Although there are many causes of the high crime rates at these developments, including neighborhood problems that were outside the PHA's control, ineffective screening and lax lease enforcement were contributing factors. The ineffective policies helped perpetuate the persistence of crime and the fear and isolation among residents in many HOPE VI sites. Local respondents in Boston and Oakland noted that concerns about crime made delivering supportive services difficult.

All HOPE VI grantees recognized that dramatically reducing crime was essential to creating viable revitalized developments. As described in Chapter 4, many of the grantees incorporated physical design elements to increase safety in HOPE VI communities. These included using principles of "defensible space," such as orienting all units toward the street, and improving sight lines within the developments. In addition, many sites adopted stricter screening criteria and more stringent lease enforcement to reduce the number of potential and current residents participating in criminal activities.

This section reviews other strategies, beyond physical design and management changes, that have been used by HOPE VI grantees to enhance public safety. Survey findings regarding residents' views on crime and safety in the reoccupied developments are discussed and the extent to which HOPE VI may have contributed to improved safety is considered.

5.3.1 HOPE VI-supported Security Measures

HOPE VI grantees used grant funds and other resources to enhance security in a number of ways. Highlights of the strategies that had been implemented within a year or more after reoccupancy began are summarized in Exhibit 5-6 and are described below.

Intensifying Onsite Security

Grantees used several methods to increase security at the HOPE VI developments. In Boston, Atlanta, New Haven, and San Francisco, management hired private security firms to patrol the HOPE VI developments. Surveillance cameras were installed throughout Baltimore’s Pleasant View Gardens, and a Housing Authority police substation was set up in the new community center. In Cleveland, the housing agency police department relocated from downtown to a building next to Outhwaite Homes and King Kennedy, providing a more visible police presence near the developments. In Atlanta and Charlotte, “courtesy officer” programs offer city police officers free or reduced rent at the HOPE VI developments to encourage officers to live there. In Charlotte, up to three officers could live rent free in exchange for patrolling the development at least once a day during their off hours. In Atlanta, there are no formal requirements that the courtesy officers provide police services once off duty. The idea is that simply having police officers living in the development may deter crime.

**Exhibit 5-6
Selected Strategies Used to Enhance Security at HOPE VI Sites¹**

HOPE VI Site	Locating Police Station in or Near Development	Hiring Private Security Firm	Improving Collaboration with City Police	Free or Reduced Rent for Police Officers	Increasing Resident Involvement in Crime Prevention
Camden			✓		
Cleveland	✓				
Milwaukee			✓		✓
Oakland			✓		✓
San Francisco		✓			
Baltimore	✓				✓
Boston		✓	✓		
New Haven		✓			
Charlotte				✓	
Washington			✓		✓
Atlanta	✓	✓	✓	✓	

Source: HOPE VI Interim Assessment, Resident Surveys (1999 to 2002).

¹HOPE VI grantees also used physical design elements and management policies to enhance security and address crime. These strategies are discussed in Chapter 4.

Fostering Cooperation with Local Law Enforcement

Program staff at several sites said that the housing agencies worked with city governments to improve police services in HOPE VI communities. The security plan for Washington, D.C.’s Townhomes charges the management company with making sure District police patrol the development; staff confirmed there have been regular patrols. In Atlanta, a new police department substation was built near the HOPE VI development. Centennial Place is also

patrolled by Georgia Tech and Georgia State campus police because students are living in the development. In Camden, the housing agency receives a daily arrest report from the city police department. PHA staff review the list and notify public housing development managers if any of their tenants appear on the list so that the manager can identify residents who have violated their lease and are a candidate for eviction proceedings. To improve communication between the housing agency and city police departments, three of the PHAs (Camden, Milwaukee, and Oakland) hired high-ranking police officers to lead the housing agency police.¹⁵⁹ The personal connections of the former city police officers are expected to facilitate communication, raise the prestige of the housing authority police, and improve the coordination of the two agencies.

In Oakland and Boston, crime reduction efforts that began before HOPE VI are helping to pave the way to safer developments. In 1995 (before construction began at Mission Main), the Boston Housing Authority and Boston Police Department worked together on a large enforcement effort in and around Mission Main. This “sweep” resulted in more than 100 drug-related arrests and was coordinated with intensified lease enforcement and eviction proceedings by the PHA. Oakland’s PHA and police department initiated community policing, increased security patrols, and made site improvements in the early 1990s to reduce crime at Lockwood Gardens and in the surrounding neighborhood.

Resident Involvement in Security

In a few sites, residents of HOPE VI developments have been encouraged to get involved in improving safety and security. Washington, D.C.’s Metropolitan Police Department officers have participated in occasional Townhomes resident meetings to discuss crime. The Oakland Housing Authority designated a “responsible resident” at Lockwood Gardens. The resident receives reduced rent in exchange for doing minor maintenance and serving as the PHA’s “eyes and ears” at the development. Tenant patrols are encouraged in Baltimore’s public housing developments, although Pleasant View Gardens staff reported in 1999 that the development has not had an active patrol.

Addressing Neighborhood Crime

In communities where the HOPE VI site is located in a larger neighborhood with high rates of crime, addressing security at the site is not enough. In addition to site-based strategies, the San Francisco, Charlotte, Cleveland, and Camden housing agencies tried to persuade local and state officials to extend their anti-crime efforts to dangerous areas near the HOPE VI developments. San Francisco staff worked (and are still working) with city police to increase patrols at nearby parks and shut down adjacent drug houses, both of which were problematic sources of crime. Near Charlotte’s First Ward Place, a privately owned apartment building

¹⁵⁹ The Oakland Housing Authority signed a Memorandum of Understanding with the Police Department agreeing that a Housing Agency Police Chief would come “on loan” from the City Police Department. The Chief’s salary is paid by the PHA while at the Agency, but he returns to City Police Department after a few years.

known for criminal activity was demolished as part of the revitalization, improving the area's physical appearance while also reducing criminal activity.

The Central Neighborhood in Cleveland historically has had a high concentration of public and subsidized housing and high crime rates. A HUD-assisted development near the HOPE VI site had very high crime rates, as did another nearby public housing development. The housing agency applied for a second HOPE VI grant to revitalize the troubled public housing development and supported the efforts of a new owner to demolish and rebuild the HUD-assisted development. The revitalization of these two developments, added to the efforts at Outhwaite and King Kennedy, are expected to result in a substantial reduction in crime. Similarly, subsequent HOPE VI grants for nearby developments are expected to benefit Hillside Terrace in Milwaukee and Lockwood Gardens in Oakland.

Camden has had less success addressing what PHA staff report is a key crime problem in the McGuire Gardens neighborhood. The PHA tried to convince the state to close an access road that runs between McGuire Gardens and a nearby highway. Despite the PHA's argument that drug dealers use the street for easy access in and out of McGuire, the state did not agree to close the roadway.

5.3.2 How Have Crime Levels Changed?

The results of HOPE VI grantees' efforts to reduce crime are positive overall. Some sites reported dramatic reductions in reported crime and substantial improvements in residents' perceptions of their safety in and around their developments, while other sites reported only modest improvements. The following sections summarize the available data on changes in crime, relying on survey data and official crime statistics supplemented by information provided by local informants, such as development managers, PHA staff, and law enforcement officials.¹⁶⁰

Crime rates were lower at all sites after revitalization than before revitalization. It is not possible to attribute definitely the changes to the revitalization as crime rates were declining in most areas during the 1990s. However, by determining whether declines in the crime rates for these sites exceed citywide declines or declines in parts of the city, it is possible to suggest whether a linkage exists. Comparable pre- and post- crime data are available at only six of the sites.

¹⁶⁰ Cross-site comparisons are difficult because housing agencies and police departments were often unable to provide current and historical data using comparable measures. For example, some jurisdictions keep data on calls for service while others report criminal offense reports. Several of the police agencies did not have city crime data broken down by neighborhood or development from the early 1990s. The resident survey data are also limited because pre-HOPE VI survey data on crime was available for only about half the sites.

Exhibit 5-7
Changes in Crime Rates at HOPE VI Sites

HOPE VI Site	Crime Measure Used	Crime Rate at Baseline		Crime Rate at Reoccupancy		Changes/Comments
		Crime Rate per 100 Residents at HOPE VI Site	Comparison Crime Rate per 100 Residents (Geographic Unit)	Rate at HOPE VI Site (percent change)	Comparison Rate (percent change)	
Milwaukee	All criminal offense reports	13.9	12.2 (other public housing)	9.2 (-51 %)	12.4 (+2 %) (other public housing)	
Oakland	Part 1 criminal offense reports	9.1	10.7 (citywide)	6.6 (-27 %)	6.3 (-41 %) (citywide)	Citywide rate declined more in this period, but HOPE VI site had dramatic reduction in early 1990s.
Baltimore	All criminal offense reports	12.4	12.9 (citywide)	10.8 (-13 %)	10.7 (-17 %) (citywide)	Crime still a concern at interim followup.
Boston	All criminal offense reports	16.1	8.5 (citywide)	4.8 (-70 %)	5.6 (-34 %) (citywide)	
New Haven	Reported felonies	22.2	14.3 (other public housing)	10.7 (-52 %)	9.2 (-37 %) (other public housing)	Absolute rate still higher at development. Drug/gang activity in original occupied units were still problems during this period.
Charlotte	All criminal offense reports	40.7	25.5 (other public housing)	13.5 (-67 %)	23.3 (-9 %) (other public housing)	

Source: HOPE VI Interim Assessment, Resident Surveys (1999 to 2002).

Notes: Table includes sites for which we have data on crime rates both at baseline and at reoccupancy. Dates for baseline data range from 1993 to 1996. Dates for reoccupancy data range from 1999 to 2002. The crime rate is for crimes reported in specified geographic area (e.g., at HOPE VI site), but neither criminal nor victim necessarily live in the specified geographic area. Citywide comparison rate data includes crime that occurred at the HOPE VI site, but other public housing comparison rate data does not include crime that occurred at the HOPE VI site.

At four of the sites, the crime rate decreased faster at the HOPE VI site than for the comparison group, while the change was smaller for two sites. (See Exhibit 5-7.) Crime data for Charlotte, Milwaukee, Boston, and New Haven document that crime rates *decreased* much faster in the HOPE VI developments than in either the city or in other public housing. The change in Charlotte is particularly dramatic, where the crime rate was very high to begin with, but then dropped by 67 percent compared with a 9-percent drop in other public housing. At two other sites the trends were not as significant. At Pleasant View Gardens in Baltimore, crime dropped by 13 percent compared with 17 percent citywide, while in Oakland it dropped by 27 percent at the development compared with 41 percent citywide.

Although comparable statistics were not available, PHA staff in Cleveland, Camden, Washington, D.C., and San Francisco reported modest changes compared with other citywide or public housing measures of crime. Crime decreased at Washington, D.C.'s Townhomes at about the same rate as the citywide average. San Francisco's two HOPE VI developments saw crime drop relative to citywide averages, but crime rates in the HOPE VI neighborhoods remained higher than at least 80 percent of the city's neighborhoods. No data were available in Camden, but local administrators believe that, although crime is down at the development, drug activity is still a considerable concern.

5.3.3 Resident Perceptions of Safety

Resident perceptions of crime provide another indicator of the level and trends in crime. Perceptions are in part what determine the overall desirability of living in a neighborhood. Even if there is high level of criminal activity, if it is limited to small areas in the neighborhood residents may not perceive it as an issue for their safety.

Across all the sites, an average of 74 percent of the HOPE VI residents reported feeling safe outside their building compared with 58 percent of the pre-HOPE VI residents. (See Exhibit 5-8.) Resident perceptions of their safety are significantly higher after revitalization at five of the eight sites for which data are available on resident perceptions before HOPE VI. The most dramatic increases occurred in Baltimore (+ 58 percentage points) and Charlotte (+37 percentage points). The official crime rate data also showed a dramatic decrease in crime at the Charlotte site, but the decrease in Baltimore was a more modest 13 percentage points.

It is important to note that in several sites, despite near-rampant crime at around the time the HOPE VI grants were awarded, large proportions of baseline survey respondents reported feeling very or somewhat safe just outside their apartments. For example, in Boston 77 percent of respondents to the baseline survey reported feeling very or somewhat safe just outside their apartments and in Atlanta, 74 percent felt very or somewhat safe. Some 87 percent of Oakland's baseline residents felt very or somewhat safe. In these sites, there was seemingly little room for improvement. In fact, there was virtually no change in the proportion of Boston and Atlanta respondents expressing a sense of relative safety at the time of the interim survey. In Oakland, where a substantial proportion of the original development had not yet been rehabilitated, the proportion of respondents expressing that they felt safe

dropped substantially from 87 percent at baseline to just 35 percent.¹⁶¹ Despite the decline in the overall share of residents feeling safe, 75 percent of the returning Lockwood residents reported the development was somewhat or much safer than before the redevelopment. The high perceptions of safety at baseline (despite high crime rates in the Lockwood neighborhood) may have been a reflection of the relative increase in feelings of safety after a number of non-HOPE VI security improvements, which had started several years before the baseline survey was implemented.¹⁶² In fact, Lockwood Gardens experienced a dramatic decrease in crime between 1991 and the baseline survey in 1995.

**Exhibit 5-8
Pre- and Post-HOPE VI Resident Perceptions of Safety Outside their Building at Night**

HOPE VI Site	Percent Who Feel Safe Outside Pre-HOPE VI	Percent Who Feel Safe Outside Post-HOPE VI	Change in Percentage Points	For Returning Residents: Neighborhood Safer Now
Camden	31%	69%	+38	75%
Cleveland	48%	79%	+31	89%
Milwaukee	58%	83%	+25	89%
Oakland	87%	35%	-52	75%
San Francisco-Bernal	NA	50%	--	82%
San Francisco- Plaza	NA	67%	--	92%
Baltimore	38%	96%	+58	100%
Boston	77%	73%	-4	89%
New Haven	NA	89%	--	91%
Charlotte	48%	85%	+37	93%
Washington	NA	86%	--	NA
Atlanta	74%	74%	0	81%
All Site Average	58%	74%	+14	87%

Sources: Pre-HOPE VI data from Baseline Case Study (1996). Post-HOPE VI data are from HOPE VI Interim Assessment, Resident Surveys (1999 to 2002).

Notes: NA = not available. "--" indicates data needed for the calculation are unavailable.

¹⁶¹ The change in resident perceptions of safety in Oakland’s Lockwood Gardens may reflect differences in the “tolerance” for crime of residents pre- and post-HOPE VI. That is, the current residents may have a lower tolerance for crime than the pre-HOPE residents, thus current residents may report feeling less safe than the pre-HOPE VI residents even though there is less reported crime on site. This cannot be explored, because there is no way to link the specific respondents in the baseline survey conducted by local researchers with the respondents to the interim survey.

¹⁶² For more information on crime prevention strategies implemented at Oakland’s Lockwood Gardens prior to HOPE VI, see Feins, Epstein, and Widom (1997), “Solving Crime Problems in Residential Neighborhoods: Comprehensive Changes in Design, Management, and Use.” A report prepared for the National Institute of Justice in the U.S. Department of Justice.

Perhaps the most knowledgeable respondents to report on changes in perceived safety are the residents who lived in the development before HOPE VI and returned to live there after it was revitalized. More than one-half of returning residents (56 percent) reported feeling much safer in their neighborhood after revitalization and another 30 percent reported feeling somewhat safer than before revitalization. (See last column of Exhibit 5-8.) At every site, at least 75 percent of the returning residents reported feeling much or somewhat safer in the neighborhood after revitalization. The returning residents were most positive about the improved safety in Baltimore, Charlotte, San Francisco's Plaza East, and New Haven.

5.3.4 Resident Perceptions of Drug Dealing and Violence

While drug-related criminal activity was a significant issue at most of these developments before revitalization, it is not currently perceived to be a big problem in most of the revitalized developments. Residents were asked to what extent drug use, drug dealing, groups hanging out, and shootings and violence in the development (among other things) were problems at baseline and at reoccupancy. At many sites, there were substantial drops in the proportion of respondents reporting big problems with drugs compared with the baseline survey (see Exhibit 5-9). In Baltimore, 80 percent of baseline respondents reported that people selling drugs was a big problem in their development compared with just 2 percent of interim survey respondents. The responses regarding people using drugs and groups of people hanging out showed a similar pattern. Cleveland also showed a large reduction in the proportion of respondents reporting big problems with drugs, which is notable given that construction was still underway at the time the interim survey was conducted. Some 71 percent of baseline residents reported that drug dealing was a big problem compared with only 18 percent of respondents to the interim survey. The exceptions to the trends are Oakland and San Francisco's Bernal Dwellings (but not San Francisco's Plaza East) where residents' perceptions of crime have stayed the same or risen. At Bernal Dwellings, perceptions of drug-related crimes and groups hanging out have decreased only slightly, but residents perceive a large decrease in shootings and violence. In Oakland, only 4 percent of 1995 residents reported big problems with shootings and violence compared with 56 percent of current residents. Perceptions of drug selling, drug use, and groups of people hanging out have also increased, although less dramatically.

Across the study sites, the proportions of respondents reporting big problems with drugs and crime after revitalization are modest, but not inconsequential. (See Exhibit 5-10.) Between 15 and 19 percent of all respondents to the interim survey reported big problems with drug use, drug dealing, and groups hanging out in their developments with somewhat fewer respondents reporting big problems with violence. A smaller proportion of public housing respondents (18 percent) reported problems with groups hanging out compared with non-public housing respondents (29 percent). By contrast, non-public housing residents were less concerned about problems with drug use, drug dealing and violence than public housing residents.

Exhibit 5-9
Changes in Percent of Residents Reporting “Big Problems” with Drugs and Violence

Percent of Residents Reporting Big Problems with	People Selling Drugs		People Using Drugs		Groups Hanging Out		Shootings and Violence	
	Pre-HOPE VI	Post-HOPE VI	Pre-HOPE VI	Post-HOPE VI	Pre-HOPE VI	Post-HOPE VI	Pre-HOPE VI	Post-HOPE VI
Camden	90%	43%	88%	41%	75%	31%	79%	24%
Cleveland	71%	18%	70%	18%	50%	19%	41%	8%
Oakland	2%	11%	4%	11%	3%	16%	4%	56%
San Francisco								
Bernal	64%	56%	57%	56%	57%	46%	71%	17%
Plaza East	76%	27%	62%	23%	71%	29%	48%	11%
Baltimore	80%	2%	71%	1%	74%	7%	72%	1%
New Haven	80%	4%	79%	2%	68%	9%	62%	0%
Charlotte	33%	4%	23%	2%	24%	16%	16%	2%

Source: Pre-HOPE VI figures are from baseline survey results reported in *An Historical Assessment of HOPE VI, Volume 3*. (August 1995); Post-HOPE VI figures are Interim Assessment, Resident Surveys (1999 to 2002).

Notes: Respondents in only these three sites were asked these questions at baseline.

Exhibit 5-10
Percent of Residents Reporting “Big Problems” with Drugs and Violence in their Neighborhood

Percent of Respondents Reporting Big Problems with...	All Public Housing Residents (N=1433)	Non-Public Housing Residents (N=295)	All Residents (N=1728)
People selling drugs	16%	8%	15%
People using drugs	15%	5%	14%
Groups of people hanging out	18%	29%	19%
Shootings and violence	12%	9%	9%

Source: HOPE VI Interim Assessment, Resident Surveys (1999 to 2002).

Despite the dramatic decrease in suspected drug dealing and violence, a number of sites – Boston, Oakland, and San Francisco as well as Camden—continue to struggle with crime problems. (See Exhibit 5-11.) After reoccupancy, more than 20 percent of respondents in Camden, Boston, and Oakland reported “shootings and violence” were big problems in their neighborhood. Residents in Camden and Boston also reported serious problems with drug dealing, as did residents from San Francisco.¹⁶³

¹⁶³ See Appendix Exhibit C-7 for exact percentages of responses for each site.

5.3.5 Future Challenges

Although crime rates have declined and HOPE VI residents' perceptions of safety are higher, the extent of change varies across sites. It is difficult to assess the extent to which HOPE VI caused the reductions in the crime rate, but the data do seem to suggest that HOPE VI has contributed to crime reduction.

Local respondents in several sites acknowledge that sustaining the reductions in crime will be challenging in the face of a weaker economy and more limited resources for crime prevention and law enforcement. Already in Boston, the development's private manager and PHA staff suggested that many of the people imprisoned as a result of the 1995 drug sweep are now getting out of prison and may be returning to their old neighborhood. During a return visit to Baltimore in early 2003, it was learned that surveillance cameras installed at Pleasant View Gardens are not working and are too expensive to repair or replace. The police substations built near Pleasant View Gardens and Atlanta's Centennial Place are rarely staffed.

Concerns about crime have much to do with conditions in neighborhoods surrounding these developments. The next chapter of this report explores neighborhood conditions and the changes that have occurred in these communities since the HOPE VI grants were first awarded.

Exhibit 5-11
Percent of Residents Reporting "Big Problems" with Drugs and Violence in their Neighborhood, by Site

Percent of Respondents Reporting Big Problems with ...	<10% of All Resident Survey Respondents	10 to 20% of All Resident Survey Respondents	>20% of All Resident Survey Respondents
People selling drugs	Milwaukee, Baltimore, New Haven, Charlotte, Washington	Cleveland, Oakland	Camden, San Francisco, Boston
People using drugs	Milwaukee, Baltimore, New Haven, Charlotte, Washington	Cleveland, Oakland, Boston	Camden, San Francisco
Groups of people hanging out	Baltimore, New Haven, Washington	Cleveland, Milwaukee, Charlotte	Camden, Oakland, San Francisco, Boston
Shootings and violence	Cleveland, Milwaukee, Baltimore, New Haven, Charlotte, Washington	San Francisco	Camden, Oakland, Boston

Source: HOPE VI Interim Assessment, Resident Surveys (1999 to 2002).

Notes: Respondents in Atlanta were not asked this series of questions. See Appendix Exhibit C-7 for exact percentage of responses to these questions by site.

6. The Effects of HOPE VI on Surrounding Neighborhoods and Residents

Among the anticipated impacts of the HOPE VI program are the various neighborhood-level changes that may result from the revitalization of a distressed public housing development. The activities that occur on site may help to make the surrounding neighborhood a more desirable place to live and work and, perhaps, stimulate investment in the community. For example, a redevelopment initiative may remove a neighborhood eyesore; add better quality and more attractive housing; incorporate design features that integrate the public housing into the community; offer recreational amenities to neighborhood residents; or increase the economic diversity of the neighborhood. Moreover, the revitalization efforts focus directly on improving the neighborhood by making infrastructure improvements and constructing new rental and homeownership units near the development.

In this chapter, the potential effects of HOPE VI on surrounding neighborhoods and residents are examined. This examination begins with a brief discussion of the characteristics of the neighborhoods before redevelopment and the extent to which neighborhood revitalization goals were part of HOPE VI plans. The next section presents a qualitative analysis of the changes that have occurred at the study sites since 1990. This analysis uses Census data from 1990 and 2000 as well as interviews with knowledgeable local observers to identify and explain these changes. The extent to which neighborhood change might be attributable to the HOPE VI program is also discussed. The concluding section describes the results of a quantitative analysis of the impact of HOPE VI on two neighborhoods based on home sales data.

6.1 Pre-HOPE VI: Neighborhood Conditions and Redevelopment Goals

The HOPE VI sites are located in a variety of settings. In the early 1990s, these settings varied in land use patterns, physical condition, and levels of social and economic distress. Five sites (Camden, New Haven, Oakland, and San Francisco)¹⁶⁴ were in predominantly residential areas, although public housing developments dominated three of these neighborhoods. At two other sites (Atlanta and Charlotte), the development contained most of the housing in the neighborhood. The remaining five sites were in mixed-use neighborhoods where the development was surrounded by a mixture of residential, institutional, industrial, and commercial land uses, or by vacant land. Several sites were located near anchoring institutions, including universities, churches, hospitals, and sports arenas.

¹⁶⁴ The HOPE VI award in San Francisco was for two developments several miles apart. Since the two developments are in distinct neighborhoods they are separated for analysis in this chapter. Both are in predominately residential neighborhoods.

Most neighborhoods contained pockets of residential housing that were fairly well maintained. These pockets, however, were typically bordered by areas in various stages of disrepair. Some areas contained a mix of occupied, vacant, and abandoned housing units, teetering between rejuvenation and decline. In the most extreme conditions, bordering areas contained vacant homes in severe disrepair, boarded-up storefronts, missing street signs, and yards and alleys strewn with debris.

Most HOPE VI neighborhoods were also seriously distressed socially and economically. They had major crime problems, and surveyed residents at some sites reported that drug- and gang-related activities were the most pressing problems in their neighborhoods. Residents also reported high levels of prostitution and vagrancy. With few exceptions, these neighborhoods had high (30 to 40 percent) or extreme (above 40 percent) levels of poverty and were home to poorly educated, unemployed minorities. These neighborhoods offered few commercial, retail, or cultural amenities.

In responding to the original NOFA for the HOPE VI program, PHAs at the study sites focused their attention primarily on the problems at the sites and not in the surrounding neighborhoods. As the HOPE VI program evolved, HUD broadened the program's goals to include neighborhood objectives. The logic supporting this evolution was straightforward. The revitalization of the surrounding neighborhood is good for the neighborhood itself and will also help sustain the HOPE VI site's long-term success and viability.

While these early grantees still concentrated their HOPE VI resources on the sites, many eventually incorporated neighborhood goals into their final redevelopment plans. Such goals often involved onsite physical improvements, including the construction of community centers and other facilities intended to support programs to which neighborhood residents would have access. Other physical improvements to the neighborhood included infrastructure enhancements, rehabilitation of parks, and offsite housing development.

As discussed in Chapter 4, nearly all of the plans proposed to better integrate the public housing sites into the neighborhood. New and rehabilitated structures would be made architecturally compatible with the existing housing stock and would improve the neighborhood's aesthetic appeal. Street patterns would change to connect the development with the neighborhood, for example, by removing dead ends, alleys, or barriers to encourage the free-flow of vehicle and pedestrian traffic. The edges of the development would be softened by adding housing units and community facilities along the property's periphery.

Finally, HOPE VI plans for some sites proposed to diminish the neighborhood's severe economic and social distress by providing services that would foster economic self-sufficiency among neighborhood residents. These plans suggested that changing cultural norms in the neighborhood was critical to promoting social mobility among development residents. HOPE VI plans often stated that development and neighborhood fortunes were interwoven. The next section explores the linkage between HOPE VI developments and neighborhood improvement.

6.2 HOPE VI Redevelopments and Neighborhood Change

This discussion of HOPE VI neighborhoods focuses on the changes that occurred in the study neighborhoods over the past decade and the extent to which these changes can be attributed to the revitalization efforts. To understand these changes, the study neighborhoods are categorized according to the level of change that occurred during the 1990s. Specifically, the HOPE VI study neighborhoods have been sorted into one of three groups depending on 1990 to 2000 changes in key demographic and housing characteristics according to the Census.¹⁶⁵ The three classifications are:

- ***Appreciably improving neighborhoods***: areas that showed the largest percentage point change improvements for the greatest number of demographic and housing characteristics;
- ***Moderately improving neighborhoods***: areas that improved across several housing and demographic characteristics but remained unchanged or slightly worse in other neighborhood indicators; and
- ***Slightly improving or unchanged neighborhoods***: areas with characteristics that improved little or not at all in comparison with other sites.

For each demographic and housing characteristic, HOPE VI neighborhoods were ranked by the magnitude and direction of the change during the decade. For example, increases in the total population and the percentage of owner-occupied housing units were considered desirable improvements. Conversely, decreases in these characteristics were interpreted as less favorable types of neighborhood change. Also, decreases in the neighborhood's poverty rate and vacancy rate were viewed as desirable types of neighborhood change. Exhibit 6-1 shows the demographic and housing characteristics used as neighborhood indicators and the direction of change that was considered desirable.

¹⁶⁵ The characteristics include total population; race/ethnicity; poverty rate; percent female householder with children under 18; percent of persons (age 25 or over) with less than a high school diploma; unemployment rate; percent employed in professional or managerial occupations; vacancy rate; and the percent owner-occupied housing units. These characteristics were selected based on literature that demonstrates the importance of these indicators in describing a neighborhood's trajectory and in shaping individual outcomes. For a review of the literature, see Ellen and Turner, 1997; Galster and Killen, 1995; Galster, Quercia, and Cortes, 2000; Jencks and Mayer, 1990; and Newman, 1999.

Exhibit 6-1**Desirable Types of Change within HOPE VI Neighborhoods, 1990 to 2000**

Increases in...	or	Decreases in...
<ul style="list-style-type: none">• Total population¹		<ul style="list-style-type: none">• Poverty rate³
<ul style="list-style-type: none">• Neighborhood diversity²		<ul style="list-style-type: none">• Percent female householders with children
<ul style="list-style-type: none">• Percent employed in professional or management occupations		<ul style="list-style-type: none">• Percent with less than a high school diploma
<ul style="list-style-type: none">• Percent owner-occupied housing units		<ul style="list-style-type: none">• Unemployment rate• Vacancy rate

¹ Increases in a neighborhood's population may, in turn, increase the demand for housing in the area and possibly raise property values. In addition, as more persons move into a neighborhood, commercial and retail businesses seeking to capitalize on the larger customer base are likely to follow.

² Since most HOPE VI neighborhoods have very high minority percentages and are highly segregated by race, changes in the proportion of those racial/ethnic categories that indicate increased neighborhood diversity are viewed as positive neighborhood change. Thus, neighborhood diversity in most HOPE VI neighborhoods results from an increase in the proportion of non-Hispanic Whites and a decrease in the proportion of Hispanics and African Americans. The Plaza East neighborhood in San Francisco and the Capitol Hill neighborhood in Washington, D.C., were racially diverse communities in 1990 (See Appendix D). In these neighborhoods, stability in the racial/ethnic composition of residents over the decade preserves neighborhood diversity.

³ The Capitol Hill neighborhood was the only low-poverty neighborhood in 1990 (See Appendix D). However, at the time of the 1990 Census, the Ellen Wilson Dwellings development was totally vacant and thus the site's former, low-income residents were not counted in the Census. The partial reoccupancy of the housing development in early 1999 reintroduced a low-income population into a moderately affluent neighborhood, which contributed to an increase in the area's poverty rate. The unique dynamics occurring in the Capitol Hill neighborhood are discussed in more detail in Section 6.2.3.

Exhibit 6-2 shows how the neighborhoods were grouped using this method.¹⁶⁶ There are three caveats to keep in mind in interpreting this analysis. First, the groupings do not consider a neighborhood's level of distress in either 1990 or 2000, but rather focus on the *overall change* among several neighborhood indicators over the decade. Thus, some neighborhoods that improved appreciably during the decade continue to be more distressed in 2000 than neighborhoods that improved only slightly but began the decade in better condition.

In addition, the definition of each HOPE VI neighborhood includes the area containing the HOPE VI site as well as what local observers defined to be the "neighborhood" unit surrounding the HOPE VI site.¹⁶⁷ Thus, some of the neighborhood changes observed in Census data during the decade reflect changes in the demographic and housing characteristics of the HOPE VI sites.

¹⁶⁶ Appendix D contains 1990 and 2000 Census data for each neighborhood and city.

¹⁶⁷ Rarely did a HOPE VI development constitute a geographic area that could have been separated out from the Census tract used in the neighborhood analysis.

Exhibit 6-2
Neighborhood Change Among HOPE VI Neighborhoods, 1990 to 2000

Appreciably Improved	Moderately Improved	Slightly Improved
<ul style="list-style-type: none"> Centennial Place (Atlanta) 	<ul style="list-style-type: none"> Pleasant View Gardens (Baltimore) 	<ul style="list-style-type: none"> McGuire Gardens (Camden)
<ul style="list-style-type: none"> Mission Main (Boston) 	<ul style="list-style-type: none"> King Kennedy Estate and Outhwaite Homes (Cleveland) 	<ul style="list-style-type: none"> Hillside Terrace (Milwaukee)
<ul style="list-style-type: none"> First Ward Place/Autumn Place (Charlotte) 	<ul style="list-style-type: none"> Monterey Place (New Haven) 	<ul style="list-style-type: none"> Lockwood Gardens (Oakland)
<ul style="list-style-type: none"> Plaza East (San Francisco) 	<ul style="list-style-type: none"> Bernal Dwellings (San Francisco) 	<ul style="list-style-type: none"> Townhomes on Capitol Hill (Washington, DC)

Source: Authors' classification based on 1990 and 2000 Census data.

Note: The HOPE VI award in San Francisco was for two developments several miles apart. Since the two developments are in distinct neighborhoods, they are separated for analysis in this chapter.

Furthermore, the observed changes are sensitive to the timing of a site's reoccupancy activities (see Chapter 2 for more detail). Four developments (King Kennedy Estates in Cleveland; Pleasant View Gardens in Baltimore; Hillside Terrace in Milwaukee; and First Ward Place in Charlotte) were fully reoccupied before April 2000,¹⁶⁸ and thus the characteristics of their residents are reflected in 2000 Census data. Four other developments (Bernal Dwellings and Plaza East in San Francisco; McGuire Gardens in Camden; and Monterey Place in New Haven) began reoccupancy after April 2000, and consequently the characteristics of the residents and units in these new developments are not included in the 2000 Census data.¹⁶⁹ The remaining developments (Centennial Place in Atlanta; Mission Main in Boston; Outhwaite Homes in Cleveland; Lockwood Gardens in Oakland; and the Townhomes on Capitol Hill in Washington, D.C.) began limited reoccupancy before the Census data collection period, but had not yet made all the planned units available for occupancy. Census data for neighborhoods containing these developments will only partially reflect the characteristics of these new residents. The effect of reoccupancy on the observed changes is discussed in more detail below.

The classification of neighborhood change is not intended to suggest that some HOPE VI redevelopment efforts were more (or less) successful than others in producing positive (or negative) spillover effects. Rather, the classification scheme places each HOPE VI redevelopment within a broader context by describing how neighborhoods changed relative to each other over the decade.

¹⁶⁸ April 2000 was the primary data collection period for the 2000 Census.

¹⁶⁹ In New Haven, some original residents had yet to be relocated and so would be included in the 2000 Census.

6.2.1 Appreciably Improving HOPE VI Neighborhoods

Exhibit 6-3 presents the percentage point change in selected demographic and housing characteristics for “appreciably improving” HOPE VI neighborhoods. The neighborhoods around *Centennial Place in Atlanta, Mission Main in Boston, First Ward Place/Autumn Place in Charlotte, and Plaza East in San Francisco* experienced considerable change in demographic and housing characteristics. In general, the neighborhoods became less racially segregated and poor, and witnessed declines in the proportion of female-headed households with children, persons (age 25 or older) with no high school diploma, unemployment, and housing vacancies. The neighborhoods also experienced a sizable increase in the percent of persons employed in professional or managerial occupations and slight increases in the proportion of owner-occupied housing units.

Exhibit 6-3
Appreciably Improving HOPE VI Neighborhoods: Percentage Point Change in Selected Demographic and Housing Characteristics, 1990 to 2000

	Atlanta		Charlotte		Boston		San Francisco	
	Nghbd.	City	Nghbd.	City	Nghbd.	City	Nghbd. ¹	City
Positive Sign on Indicator Suggests Improvement								
Total Population	-19.8	+5.7	+7.8	+36.6	+7.3	+2.6	+23.3	+7.3
Percent Employed in Professional/Mgmt. Occupations	+21.2	+11.8	+21.9	+9.4	+20.8	+10.6	+17.8	+13.6
Percent of Owner-Occupied Housing Units	+6.3	+0.6	+22.4	+2.5	+1.7	+1.3	-1.3	+0.5
Race/Ethnicity²								
Hispanic (any race)	-0.4	+2.6	-0.8	+6.0	-8.7	+3.6	+0.3	+0.2
African American (non-Hispanic)	-15.5	-5.8	-20.2	+1.0	-8.4	+1.3	-22.7	-2.8
White (non-Hispanic)	+11.0	+1.1	+18.4	-6.6	+8.2	-4.4	+12.7	+2.9
Negative Sign on Indicator Suggests Improvement								
Poverty Rate	-28.0	-2.9	-16.3	-0.2	+4.3	+0.8	-3.7	-1.4
Percent Female Householder with Children under 18	-26.9	-1.9	-11.3	+0.6	-9.2	+0.3	-6.0	-0.7
Percent of Persons with Less than H.S. Diploma	-33.9	-7.0	-27.7	-3.9	-21.3	-3.2	-11.2	-3.2
Unemployment Rate	-3.4	+2.8	+1.1	+1.0	-5.9	-0.9	-6.7	-1.2
Vacancy Rate	-3.8	-4.8	+0.7	-0.2	-6.7	-4.0	-5.1	-2.1

Sources: U.S. Census Bureau, 1990 and 2000.

¹ Plaza East neighborhood.

² Since most HOPE VI neighborhoods have very high minority percentages and are highly segregated by race, changes in the proportion of those racial/ethnic categories that indicate increased neighborhood diversity are viewed as positive neighborhood change. Thus, neighborhood diversity in most HOPE VI neighborhoods results from an increase in the proportion of non-Hispanic Whites and a decrease in the proportion of Hispanics and African Americans. The Plaza East neighborhood in San Francisco was a racially diverse community in both 1990 and 2000 (see Appendix D).

Changes in Atlanta and Charlotte’s HOPE VI neighborhoods were substantial, and nearly all indicated neighborhood improvement. Both neighborhoods experienced a large reduction in poverty: 72 to 44 percent in Atlanta; and 54 to 38 percent in Charlotte. Changes in other characteristics—unemployment rate, proportion of persons without a high school diploma and persons employed in professional occupations—suggest a lessening of the neighborhoods’ social isolation.¹⁷⁰ These neighborhoods also became less racially segregated during the decade, although minorities still comprise a large proportion of the 2000 population (73 percent in Atlanta and 64 percent in Charlotte).



Figures 6-1 and 6-2. An upscale grocery store caters to Charlotte’s downtown workers and residents of new housing in the First Ward Place neighborhood (2003).

Much of the observed change in the Atlanta and Charlotte neighborhoods reflects the significant transformations that occurred at each housing development and the timing of reoccupancy. Located close to Atlanta’s downtown, the HOPE VI neighborhood was largely institutional,¹⁷¹ and the housing development comprised the neighborhood’s largest residential area in 1990. Thus, the steep decline (20 percent) in the population of the Centennial Place neighborhood over the decade is largely the result of the relocation of Clark Howell and Techwood residents and incomplete reoccupancy at the time of the Census. The decline in the poverty rate and the number of female-headed households with children and the increase in the White population also reflect who has moved to Centennial Place. The changes in Charlotte are similar in many respects. Before the redevelopment of Earle Village, the area surrounding the housing

¹⁷⁰ Social isolation refers to the restricted social mobility (or ability to advance socially and economically) among “underclass” residents of distressed neighborhoods due to a lack of neighborhood resources, the relative absence of conventional role models, and a disconnect from mainstream social networks. This concept is operationalized by examining changes in the proportion of persons who are employed, have a high school diploma, or are working in professional/managerial occupations. (See William Julius Wilson, 1987. *The Truly Disadvantaged*. Chicago: University of Chicago Press.)

¹⁷¹ Georgia Institute of Technology continues to comprise a large proportion of the neighborhood. Coca-Cola’s corporate headquarters is also near the development.

development was largely nonresidential. The area experienced a surge in residential construction throughout the redevelopment process, resulting in sizable increases in the neighborhood's total population, number of households, and number of housing units. These increases would have been slightly higher had it not been for the demolition of two distressed private apartment buildings adjacent to the development.¹⁷²

Since 2000, both the Charlotte and Atlanta neighborhoods have continued to experience improvements. Recent changes in the Charlotte neighborhood are detailed on the following page (see insert). In early 2003, when researchers returned to Atlanta for a followup visit, there was extensive evidence of neighborhood change in the area around Centennial Place that local observers attribute to the HOPE VI redevelopment. In an underutilized section between Centennial Place and downtown that had previously been known as "The Void," new construction was underway. A new aquarium was being built. Two large market-rate condominium projects were under construction, and another was planned. Retail and commercial development had not yet followed. There still were no grocery stores, drug stores, or other basic services in the community, despite the Centennial development team's efforts to attract them to a parcel adjacent to the HOPE VI site. However, the aquarium is expected to attract other tourist-related establishments and once the condominiums begin to sell, other retail services may locate in the neighborhood.

The changes in the Mission Main neighborhood in Boston and the neighborhood surrounding Plaza East in San Francisco were substantial, but less pronounced than those in Charlotte or Atlanta. Both neighborhoods attracted new residents over the decade and became among the most racially diverse HOPE VI communities in the study. The Mission Main neighborhood was the only neighborhood in the "appreciably improving" group that experienced an increase in poverty. While this also occurred in Boston as whole, the increase was much larger in the HOPE VI neighborhood.

Boston Housing Authority staff and other local respondents in Boston were reluctant to attribute improvements that have occurred in the Mission Main neighborhood to the HOPE VI redevelopment. Although the replacement of the aging brick, barracks-style development with new townhouse style buildings has dramatically improved the visual appeal of the area, most respondents said that changes in the neighborhood would have happened anyway. They point to the economic boom and increased interest in city living in Boston during this period that led to rapidly escalating rents. The Mission Main neighborhood (known as Mission Hill) emerged as a somewhat more affordable but previously overlooked neighborhood for city living. In addition, the need for student housing at nearby universities drove demand. An administrator from a local university said that she thought the most significant impact of the Mission Main redevelopment on the neighborhood was that parents of students felt safer having their children live there. This led investor-owners to buy rental housing in the neighborhood for the student market.

¹⁷² Combined, the two apartment buildings contained 95 units.

The Plaza East neighborhood in San Francisco appeared to be gentrifying and experienced many positive changes between 1990 and 2000, including reductions in poverty, unemployment, and single parent households. Compared with the other sites, however, the largest changes were the 23-percentage-point increase in the population and a 23-percentage-point decrease in the share of African American residents. The population increase is particularly noteworthy since the original 276-unit development was demolished, but the new development was not yet reoccupied. Both changes were also mirrored in the city of San Francisco, but the changes were much smaller at the city level.

First Ward Place/Autumn Place, Charlotte

The First Ward Place/Autumn Place neighborhood experienced a dramatic transformation, particularly in the development of new market-rate rental and homeownership units. As part of the city's broader revitalization strategy, approximately 250 market-rate units were built in the neighborhood and an additional 83 units were under construction in early 2003. The new units are townhomes and condominiums available for rent and homeownership, and built in a variety of architectural styles. Also, a 50-unit apartment complex, the only apartment building left standing during the HOPE VI redevelopment process, was rehabilitated by the local church that owns it.

Crime in the neighborhood has decreased dramatically since 1994. In 1994, there were 694 total crimes and 350 violent crimes reported in the neighborhood. By 2002, the total number of crimes dropped to 300, and violent crimes declined to 42. When two Charlotte-Mecklenburg police officers who have patrolled the neighborhood for over a decade were asked to compare the level of crime before and after the redevelopment, the officers responded: "You can't even compare the two." These officers currently view the neighborhood as very safe and would be comfortable telling any person they could safely walk through the neighborhood, day or night.

Institutional development in the neighborhood has also prospered. A private Presbyterian school recently opened in the neighborhood and is adding a middle school to the existing elementary school. The school was purposely built within the central city, and school children are given access to nearby community facilities, including the First Ward Place Community Center. A large sports arena is being planned for an area approximately five blocks from First Ward Place/Autumn Place. Neighborhood residents believe the arena will attract additional new residents and provide jobs. However, commercial and retail developments have lagged behind other development, and current plans for new retail space are tentative. Moreover, unappealing commuter parking lots take much of the land in the few blocks between the development and downtown Charlotte.

Overall, the First Ward Place/Autumn Place neighborhood has experienced significant signs of improvement since 1994, and many local observers describe the importance of the HOPE VI grant in stimulating the change. Local stakeholders assert that the larger neighborhood revitalization plan was a non-starter without the redevelopment of First Ward Place/Autumn Place.

The large neighborhood population increase reflects new construction in the neighborhood in response to demand for more housing in easy commuting distance from the government and financial center of the city. It also, in some part, may reflect a temporarily reduced population in 1990, because some homes were damaged in a 1989 earthquake and needed repair before they could be reoccupied. Reflective of a willingness of higher income households to live in the neighborhood, new luxury condominiums were built across the street from Plaza East and were selling for \$500,000 and higher in 2002.

The decrease in the share of African American residents was driven by the number of White and Asian residents who moved into the neighborhood. This influx would have reduced the share of African American residents even if the absolute number of African American residents stayed the same. But, the African American population in the neighborhood decreased in absolute numbers also, resulting in the large decline in the share of African American residents. This happened both because Plaza East was unoccupied in 2000 and because of the citywide trend of African Americans moving from San Francisco to more affordable cities in the area. The city had a 2.8-percentage-point decrease in the share of African Americans in the 1990s.

The Plaza East neighborhood consists primarily of large multifamily buildings. It is one of the most densely populated and economically and racially diverse areas in the city. This population mix has attracted a full complement of retail stores, including both full-scale grocery and drug stores. Within a few blocks are a multitude of restaurants and an eight-screen movie theater. Both moderate and upscale shopping is also within walking distance. Local observers reported that the retail sector in the neighborhood became more vibrant during the decade, but attributed it to the citywide economic boom rather than changes at the development. The retail area serves a much larger population than the development or even its immediate neighborhood. Similar observations were also made for most of the other positive changes in the neighborhood, with the exception that the redevelopment was given credit for some of the modest reduction in crime and the revitalization activities immediately adjacent to the development.

Overall, the market forces and Plaza East redevelopment are complementing each other to improve the neighborhood, a good situation for the public housing and neighborhood residents. The neighborhood's prosperity, however, has likely resulted in a trade-off that is typical of a gentrifying neighborhood. The area's resurgence may push other affordable housing options out of the neighborhood and possibly decrease the opportunity for additional development of affordable housing. The number of public housing units at the site has in fact declined,¹⁷³ although a senior elderly public housing building and a Low-Income Housing Tax Credit development remain in the neighborhood. The HOPE VI development certainly preserved some affordable units in the neighborhood. However, the long-term prospects for retaining affordable housing in the Plaza East community will not be known for some time.

¹⁷³ As discussed in Chapter 4, the number of public housing units declined from 276 in 1993 to 193 in 2002.

6.2.2 Moderately Improving HOPE VI Neighborhoods

Exhibit 6-4 presents the percentage point change in demographic and housing characteristics of HOPE VI neighborhoods that improved “moderately” during the decade. The neighborhoods around *Pleasant View Gardens in Baltimore, King Kennedy Estate and Outhwaite Homes in Cleveland, Monterey Place in New Haven, and Bernal Dwellings in San Francisco* experienced mixed changes from 1990 to 2000. These neighborhoods improved across several of the demographic and housing characteristics, but remained unchanged or slightly worse in other neighborhood indicators.

Exhibit 6-4

Moderately Improving HOPE VI Neighborhoods: Percentage Point Change in Selected Demographic and Housing Characteristics, 1990 to 2000

	Baltimore		Cleveland		New Haven		San Francisco	
	Nghbd.	City	Nghbd.	City	Nghbd.	City	Nghbd. ¹	City
Positive Sign on Indicator Suggests Improvement								
Total Population	-22.7	-11.5	-28.3	-5.4	-20.4	-5.2	+6.1	+7.3
Percent Employed in Professional/Mgmt. Occupations	+4.5	+9.0	-1.9	+6.1	+6.3	+7.3	+12.2	+13.6
Percent of Owner-Occupied Housing Units	+1.9	+1.7	-1.8	+0.6	+5.1	-2.2	+1.7	+0.5
Race/Ethnicity²								
Hispanic (any race)	+0.4	+0.7	+1.1	+2.7	+6.4	+8.2	+0.3	+0.2
African American (non-Hispanic)	-6.6	+5.3	-1.6	+4.7	-11.8	+2.0	-3.8	-2.8
White (non-Hispanic)	+2.3	-7.1	-0.2	-6.5	+2.9	-5.5	+3.5	+2.9
Negative Sign on Indicator Suggests Improvement								
Poverty Rate	-19.2	+1.0	-13.6	-2.4	-5.6	+3.1	-9.8	-1.4
Percent Female Householder with Children under 18	-20.7	0	+4.7	+1.7	-4.8	+1.1	-2.5	-0.7
Percent of Persons with Less than H.S. Diploma	-8.8	-7.7	-46.0	-10.2	-3.1	-2.6	-5.7	-3.2
Unemployment Rate	+12.0	+0.4	-33.1	-1.4	-1.3	+2.5	-7.7	-1.2
Vacancy Rate	-4.9	+5.1	-9.6	+0.8	+9.9	+1.6	-3.9	-2.1

Sources: 1990 and 2000 Census

¹ Bernal Dwellings neighborhood.

² Since most HOPE VI neighborhoods have very high minority percentages and are highly segregated by race, changes in the proportion of those racial/ethnic categories that indicate increased neighborhood diversity are viewed as positive neighborhood change. Thus, neighborhood diversity in most HOPE VI neighborhoods results from an increase in the proportion of non-Hispanic Whites and a decrease in the proportion of Hispanics and African Americans. The Bernal Dwellings neighborhood in San Francisco was one of the few HOPE VI neighborhoods in the study with a very high proportion of Hispanics in both 1990 and 2000 (see Appendix D).

The modest positive improvements in the Baltimore neighborhood around Pleasant View Gardens are clearly tied to the demolition of a dense family public housing development and the reconstruction of the new HOPE VI townhouse community. Along with a 23-percentage-point decline in population, the neighborhood today has many fewer female-headed households with children (down from 41 percent in 1990 to 20 percent in 2000) and is substantially less poor (from a 75-percent poverty rate to a 56-percent rate). At the same time, the area's unemployment rate rose 12 points over the decade, and by 2000 one-third of neighborhood residents were unemployed. As of 2000, the neighborhood was still highly segregated (89 percent were African American), as well as poor. Of persons age 25 or over, 53 percent did not have a high school diploma.

The Pleasant View Gardens neighborhood is less than a mile from downtown Baltimore. It is a mixed-use area that includes several lowrise publicly and privately subsidized housing projects in addition to Pleasant View, along with several schools, an industrial plant, and a small number of retail establishments. The Johns Hopkins University Hospital is nearby but just outside the neighborhood, as is a state penitentiary. There is little sign of economic investment in the immediate area. Knowledgeable local observers suggested that given the development's isolated location, located between two major east-west thoroughfares, the development is unlikely to have a significant impact on the surrounding community.

The city of Baltimore generally fared worse than the HOPE VI neighborhood between 1990 and 2000. Unlike the Pleasant View Gardens neighborhood, neighborhoods citywide became increasingly minority-concentrated, with a 6-percentage-point increase in African Americans and Hispanics and a 7-percentage-point decrease in non-Hispanic Whites. There was a 1-percentage-point increase in the poverty rate to 23 percent, and the vacancy rate increased 5 percentage points to 14 percent. The city experienced no change in the proportion of female householders with children.

In Cleveland (see insert), the HOPE VI neighborhood experienced large decreases in poverty and unemployment rates and in the percent of persons without a high school diploma. At the same time, the neighborhood's racial composition remained unchanged,¹⁷⁴ and the community was the only site to experience an increase (almost 5 percentage points) in female-headed households with children. As with Pleasant View Gardens, the presence of other large-scale public housing developments in the immediate vicinity limits opportunities for the King Kennedy Estates and Outhwaite Homes redevelopments to contribute to positive neighborhood change.

The New Haven and San Francisco (Bernal Dwellings) neighborhoods also improved moderately, across nearly all dimensions of neighborhood quality.

¹⁷⁴ In 2000, the King Kennedy Estate and Outhwaite Homes neighborhood was the most racially segregated area among all the sites (98 percent African American). The city of Cleveland is predominantly minority, 51 percent African American and 7 percent Hispanic and more than two-fifths (42 percent) non-Hispanic White.

New Haven's Monterey Place is located in an historically African American community known as Dixwell. It has been in decline for the past 50 years, despite its close proximity to Yale University. During the 1990s, the neighborhood lost 20 percent of its population, but also experienced a 6-percent decline in the poverty rate (from 30 to 24 percent), as well as declines in the percentage of female-headed households with children and the percentage of the population that is African American. However, the vacancy rate increased 10 percentage points over the decade, and by 2000 one-fifth of the area's housing units were vacant. It is likely that some of these changes, particularly the population decline and vacancy rate increases, can be explained by the HOPE VI redevelopment. Many residents of the former Elm Haven site had been relocated although some were still living at the site in 2002. No units had been reoccupied by the 2000 census.

Citywide patterns in New Haven departed considerably from patterns in the HOPE VI neighborhood. The city became increasingly minority-concentrated, poor (a 3-percentage-point increase in poverty), and inhabited by female householders with children (a 1-percentage-point increase). The city's owner-occupancy rate also decreased slightly (by 2 percentage points).

Despite the negative citywide statistics and only modest improvements at Monterey Place, local observers stated that the redevelopment of Elm Haven has caused both the public and private sector in New Haven to begin focusing on Dixwell. There are a number of initiatives planned or underway that offer hope for long-term improvements. These include efforts to revitalize a nearby shopping center, redevelopment of industrial buildings into a biotech facility, the redevelopment of an elementary school, and property investment by Yale.

The Bernal Dwellings neighborhood is a residential area in the southernmost portion of the Mission District, which is the cultural, commercial, and residential heart of San Francisco's Hispanic population. The neighborhood contains primarily single-family, attached houses and small apartment buildings of no more than 25 units.

Exhibit 6-4 shows positive trends on all the indicators of neighborhood change. The changes are significant and exceed the positive trends in the city for most indicators, but are more modest than the changes in the Plaza East neighborhood. The most noteworthy changes are the 7.7-percentage-point decline in the unemployment rate and the 12-percentage-point increase in the share of residents employed in professional or management occupations. These trends, particularly in the share of professional employment, are likely due to the information technology boom of the 1990s. The Bernal neighborhood is close to some of the areas where entrepreneurs were buying and renting underutilized warehouse space and converting them to computer and telecommunication businesses. Bernal, with its historic townhomes and vibrant street life, was an attractive location for people working in these businesses and for other "urban pioneers" seeking a relatively affordable area in the extremely expensive San Francisco market. Both PHA staff and other local observers reported that the positive trends for the neighborhood were primarily a result of the city's economic boom. Local observers also acknowledged that the development

eliminated a major eyesore in the neighborhood and opened the door for future economic growth to encompass the entire neighborhood rather than just the fringes.

King Kennedy Estates and Outhwaite Homes, Cleveland

The most significant challenge to improving the King Kennedy Estates/Outhwaite Homes neighborhood has been the concentration of public housing in the immediate vicinity. Since 1994, local, state and federal officials have confronted this challenge, and signs of neighborhood improvement are becoming evident. In addition to the redevelopment of King Kennedy Estates and Outhwaite Homes, the first phase of the redevelopment at Longwood complex, a troubled HUD-assisted development near Outhwaite Homes, resulted in the demolition and reconstruction of a large portion of the complex. New townhomes at Longwood have greatly improved the neighborhood's residential appeal, and the remaining units are slated for similar treatment.

Redevelopment is also underway at Carver Park, another HOPE VI site located within a block of Outhwaite Homes. At Carver Park, 217 units were recently demolished and rebuilt; and 279 new units are planned. In addition, a private, nonprofit social services agency that has operated near the site for many years has raised funds to build a \$5.8 million, 41,000-square foot community center.

In addition to these public housing redevelopment projects, the neighborhood is witnessing the construction of new single-family housing units in a homeownership zone north of Outhwaite Homes. The units are supported by a number of community development corporations and private developers. Approximately half of the modest units are reserved for lower income, first-time homebuyers, and the remaining units are market-rate.

Crime decreased substantially between 1994 and 1999 and has remained relatively stable since. Neighborhood residents near Outhwaite Homes attributed the decrease in crime in part to the redevelopment of Longwood since, for many years, crime at Longwood spilled over into Outhwaite Homes. In addition, the decision to move housing agency's police force from its previous location near the PHA headquarters to a building adjacent to King Kennedy likely contributed to the decline in crime.

Overall, the King Kennedy and Outhwaite Homes neighborhood is gradually improving, and the pace of this improvement is closely linked to the redevelopment of other public housing in the area. The long-term fortunes of the neighborhood will likely hinge on the success of these other development projects. Nevertheless, local observers suggested that the HOPE VI efforts at King Kennedy and Outhwaite Homes have instrumental in giving potential investors confidence to invest in the neighborhood.

The Bernal neighborhood contains active commercial thoroughfares filled with local businesses, older industrial buildings, and churches and nonprofit agencies that serve the Hispanic immigrant population. The immediate neighborhood includes a mainstream video store, some light industrial sites (e.g., a boat repair shop), and many local take-out and sit-down restaurants. However, it also includes an excessive number of establishments that sell alcohol, such as bars, convenience stores, and liquor stores. Several local observers pointed out that this draws “problem people” to the neighborhood. The border street on the southern portion of the development also serves as a gathering place for day laborers looking for work. Some neighborhood respondents complained the day laborers were responsible for nuisance crimes such as public urination and littering, but also stated that the laborers provided customers and cover for drug dealers and prostitutes working the neighborhood. Resident responses to the survey in 2002 indicated that drug dealing was still believed to be a big problem in the neighborhood after revitalization.



Figure 6-3. There are numerous corner grocery/deli and liquor stores in San Francisco's Bernal Dwellings neighborhood.



Figure 6-4. The housing across the street from San Francisco's Bernal Dwellings exhibits a variety of architectural styles.

6.2.3 Slightly Improving or Unchanged HOPE VI Neighborhoods

Exhibit 6-5 presents an overview of HOPE VI neighborhoods that experienced the least change from 1990 to 2000. The neighborhoods of *McGuire Gardens in Camden*, *Hillside Terrace in Milwaukee*, *Lockwood Gardens in Oakland*, and *Townhomes on Capitol Hill in Washington, D.C.*, were characterized by varying levels of distress in 1990 and changed only slightly (if at all) over the decade.

The Capitol Hill neighborhood abutting the Townhomes on Capitol Hill was markedly less distressed in 1990 than any other neighborhood in this study. In 1990, the neighborhood had a 9-percent poverty rate, was racially integrated (one-quarter minority), and was well educated (only 11 percent of persons did not have a high school diploma). It had a very low unemployment rate (2 percent) and a high owner-occupancy rate (48 percent).

Exhibit 6-5**Slightly Improving or Unchanged HOPE VI Neighborhoods: Percentage Point Change in Selected Demographic and Housing Characteristics, 1990 to 2000**

	Camden		Milwaukee		Oakland		Wash. DC	
	Nghbd.	City	Nghbd.	City	Nghbd.	City	Nghbd.	City
Positive Sign on Indicator Suggests Improvement								
Total Population	-21.7	-8.7	-33.2	-5.0	+8.9	+7.3	-2.8	-5.7
Percent Employed in Professional/Mgmt. Occupations	+4.9	+2.9	+6.2	+6.7	-3.1	+7.3	+10.4	+12.0
Percent of Owner-Occupied Housing Units	+1.7	-2.3	+0.9	-1.5	+3.3	-0.2	+3.0	+1.9
Race/Ethnicity ¹								
Hispanic (any race)	+12.0	+7.6	-4.8	+5.7	+21.7	+8.0	+3.5	+2.5
African American (non-Hispanic)	-12.4	-0.9	+2.6	+7.0	-22.7	-7.5	-0.7	-4.8
White (non-Hispanic)	-2.8	+1.6	+1.3	-10.9	0	+2.8	-5.4	+3.4
Negative Sign on Indicator Suggests Improvement								
Poverty Rate	+3.0	-1.1	-15.8	-0.9	-5.4	+0.6	+4.7	+3.3
Percent Female Householder with Children under 18	-8.3	-0.4	-3.2	+0.7	-6.9	-1.1	-0.3	+0.3
Percent of Persons with Less than H.S. Diploma	+3.2	-1.3	-17.6	-3.3	+5.1	+0.5	+4.4	-4.7
Unemployment Rate	+2.2	-1.2	-2.2	+0.3	+6.2	-0.8	+2.7	+2.1
Vacancy Rate	-7.7	+5.6	+12.0	+1.4	-3.6	-2.8	-7.9	-0.8

Sources: U.S. Census Bureau, 1990 and 2000

¹ Since most HOPE VI neighborhoods have very high minority percentages and are highly segregated by race, changes in the proportion of those racial/ethnic categories that indicate increased neighborhood diversity are viewed as positive neighborhood change. Thus, neighborhood diversity in most HOPE VI neighborhoods results from an increase in the proportion of non-Hispanic Whites and a decrease in the proportion of Hispanics and African Americans. The Capitol Hill neighborhood was predominantly non-Hispanic White in both 1990 and 2000, and thus neighborhood diversity resulted from the partial reoccupancy of the development by residents who were mostly minorities.

Partial reoccupancy of the development began in early 1999, resulting in the introduction of both market-rate and public housing-eligible residents. The market-rate residents were well educated (73 percent were college graduates), and nearly all (96 percent) earned income from employment. Public housing-eligible households had incomes less than 50 percent of area median, 90 percent were minority, and 46 percent were unemployed. As a result, by 2000, a few neighborhood indicators had improved slightly or remained unchanged, while others had worsened. The neighborhood became slightly more diverse and home to an increasingly educated population who owned their homes. The percent of persons employed in professional or managerial occupation increased by 10 percentage points to 72 percent. On the other hand, the neighborhood became slightly poorer (the poverty rate increased by approximately 5 percentage points) and a larger proportion of residents were unemployed.

Overall, the neighborhood did not change much over the decade, but was still much less distressed in 2000 than most other HOPE VI neighborhoods. The neighborhood was also less distressed than the District of Columbia as a whole.¹⁷⁵

The Townhomes on Capitol Hill is a small development (147 units) in a big residential neighborhood (more than 11,000 units in 2000). Thus, the impact of this redevelopment project is likely to be felt only in the immediate area. At the time that the case study was completed in 2000, there was evidence that renovation of some single-family units was occurring within several blocks of the site. During a more recent visit to the site (2003), it was learned that a new apartment complex is being built directly across from the development. Local observers stated that the Townhomes redevelopment likely played a role in spurring this private development.



Figure 6-5. Vacant property adjacent to McGuire Gardens in Camden.



Figure 6-6. Boarded-up housing in the McGuire Gardens neighborhood.

Unlike the Capitol Hill community in Washington, D.C., the neighborhoods of McGuire Gardens in Camden and Lockwood Gardens in Oakland were severely distressed in 1990, changed little over the decade, and continue to be seriously distressed environments in 2000. These neighborhoods are highly segregated communities experiencing high poverty and social isolation. The Hillside Terrace neighborhood in Milwaukee was not as socially or physically distressed as the Lockwood and McGuire neighborhoods, but was also a poor, isolated community.

As the insert on the following page suggests, the area around McGuire Gardens, known as East Camden, is a particularly troubled neighborhood with a poverty rate of 41 percent and an unemployment rate of 21 percent in 2000. Some of the changes that occurred in East

¹⁷⁵ The District was much more minority-concentrated (68 percent citywide versus 28 percent in the neighborhood), poorer (20 percent citywide versus 14 percent in the neighborhood), and had higher unemployment (7 percent citywide versus 5 percent in the neighborhood.)

Camden over the decade—including the 20-percent loss in overall population, an 8-percent decline in the percentage of female-headed households with children, and an 8-percent decline in the vacancy rate—were partly attributable to the transition occurring at McGuire Gardens. In 1990, there were 368 units on site and a 34-percent vacancy rate. As of 2000, 140 units had been built or rehabilitated and were reoccupied.

The Lockwood Gardens neighborhood had a mixture of positive and negative changes between 1990 and 2000 according to the Census neighborhood indicators in Exhibit 6-5. On the positive side, the population increased, the poverty rate and share of single female-headed households decreased, and the vacancy rate decreased. On the negative side, the unemployment rate increased, the share of employed persons in professional or management occupations declined, and the share of high school graduates decreased. It is not clear why the unemployment rate could increase by 6.2 percentage points, yet the poverty rate went down. It is possible that a higher share of the residents are in the labor force (thus eligible to be counted as unemployed)¹⁷⁶ or that the few persons who can find employment are earning enough to raise their family above the poverty line, while many others cannot find jobs.

The Lockwood Gardens neighborhood also experienced a significant change in racial composition, a 23-percentage-point decline in the African American population with an offsetting 22-percent increase in the Hispanic population. This trend reflects the growing share of Hispanics in the city of Oakland, which saw an 8-percentage-point increase during the decade. Local observers reported that the Hispanic neighborhood to the north of Lockwood Gardens is expanding southward, accounting for the increasing Hispanic population in Lockwood.

Lockwood Gardens is an inward-looking development with house fronts facing courtyards or interior streets and wrought iron perimeter fencing and few vehicular entrances to the development. This pre-HOPE VI design was intended to increase security at Lockwood Gardens and did not change as part of the redevelopment. The improvements at this HOPE VI site were limited when compared with other sites. The redevelopment did not involve new construction activities or include mixed-income housing. These factors suggest, and rightly so according to local observers, that the revitalization had a limited impact on the neighborhood. However, housing authority staff and some local realtors believe the redevelopment has inspired neighbors to better maintain their properties and has led to the purchase and investment in improvements at neighboring property.

¹⁷⁶ To be in the labor force, a person must be 16 years of age or older and either employed or searching and available for work. People who have given up looking for work (i.e., discouraged workers) or are not interested in employment (e.g., retired workers) are not considered in the labor force.

McGuire Gardens, Camden

The fortunes of the McGuire neighborhood have declined along with those of the city of Camden. Like many other northern industrial cities, Camden fell headlong into economic and social distress beginning in the 1950s as its industrial capacity weakened, middle-class Whites fled to the suburbs, and the tax base withered. Left behind was an increasingly poor, minority population with little social mobility and a significant need for social services.

Many private investors have left Camden, and the city has become increasingly dependent on state and federal funding to provide basic services. In fact, the city's problems have become so great that in July 2002, the governor of New Jersey signed legislation to allow the state to take over the city. A chief operating officer has been appointed to oversee and reorganize the city's operations. As part of the state takeover of city operations, New Jersey State police have joined Camden police to address local crime problems.

To date, the McGuire Gardens neighborhood—known as McGuire/Marlton—is one of the poorest neighborhoods in Camden and has struggled to curb the devastating impacts of social and economic distress. Currently, the neighborhood's social isolation is extreme. Approximately 94 percent of residents are African American or Hispanic, nearly 20 percent are unemployed, 54 percent do not have a high school diploma, and only 16 percent are working in professional or managerial occupations. In addition, nearly one-quarter of the neighborhood's housing stock lies vacant. Renters occupy three-fifths of all occupied housing units.

There has been little economic or housing development in McGuire/Marlton in recent years. There are a few locally-based organizations attempting to revitalize the neighborhood but their efforts are piecemeal—literally one house at a time. The area's commercial strip boasts a new gas station and a roller skating rink built adjacent to McGuire Gardens. Beyond that, little has changed in the mix of struggling commercial businesses—a Laundromat, a liquor store, a grocery store, and several convenience stores and fast food establishments.

It is unlikely that the McGuire Gardens redevelopment alone will spur serious revitalization in this community. Substantial additional public investment will be needed. One optimistic local observer noted that the recovery will be slow and that it may take 30 years to revitalize East Camden.

The crime rate in the Lockwood Gardens neighborhood decreased dramatically in the 1990s, but most of the change occurred before HOPE VI and local observers attributed it to security measures undertaken using non-HOPE VI funding (e.g., Public Housing Drug Elimination Program funds). Despite the decrease, the neighborhood still has serious drug and violence problems. Nearby retail is also limited to fast food restaurants, convenience, and liquor stores. Several storefronts are vacant and the parking lots are littered with glass. Furthermore, the neighborhood is still extremely poor and dominated by public housing. However, the Oakland Housing Authority was awarded a HOPE VI grant to revitalize an adjacent distressed and crime-ridden public housing development, Coliseum Gardens. The Coliseum redevelopment plan calls for mixing public and non-public housing households and adding 100 homeownership units in the neighborhood. Given the small size of the existing homes and the preponderance of low-income neighborhoods in East Oakland, the neighborhood is not likely to see large changes in the income mix of residents. Nevertheless, the combined revitalization of both developments has great potential for increasing the quality of life in the neighborhood.

The Hillside Terrace neighborhood in Milwaukee experienced a 16-percentage-point drop in its poverty rate between 1990 and 2000. Other positive indicators include a decline in the share of high school dropouts and in the unemployment rate. The neighborhood also experienced negative changes, such as a decrease in population and an increase in the vacancy rate. While the observed changes in the neighborhood reflect a fully reoccupied development, much of the change can also be explained by a 25-percent decrease in the number of units at Hillside and the substantial vacancy in a nearby HOPE VI development (Lapham Park) at the time of the 2000 Census. However, changes in the characteristics of Hillside residents pre- and post-HOPE VI also account for some other positive outcomes. To the north of the development are three modest-sized non-public housing developments, one of which is subsidized. A small number of single-family and four- to eight-unit buildings are also in the neighborhood. The second HOPE VI development was completed and partially reoccupied by early 2003. A census today would likely show all positive changes in the neighborhood since 1990, except the population is probably still lower because of the reduction in units at the HOPE VI sites.

Hillside is a few blocks from downtown Milwaukee, but is an isolated residential site bordered by a highway and light industry. Only the northern border of the development has residential housing. Nonetheless, as of 2003, there are several positive trends in nearby neighborhoods that have the potential to vastly improve the desirability of the Hillside neighborhood. The highway ramp on the southern border of Hillside is being torn down, freeing 25 acres between Hillside and downtown for new development by 2004. The Brewer's Hill neighborhood to the northeast has experienced resurgence and several abandoned industrial buildings along the river (about three-quarters of a mile to the East) have been converted to trendy lofts and condos. PHA staff and other local observers did not attribute these activities to HOPE VI, but stated that the nearby redevelopment has been more successful and will likely stretch closer to Hillside because of the HOPE VI improvements. In fact, PHA staff said that if Hillside had not been recently revitalized, there would have been pressure to demolish it to make room for more upscale development given other neighborhood trends.

Several other more modest neighborhood improvements were attributed to the HOPE VI redevelopment. A commercial baker adjacent to the development tore down a fence separating his property from Hillside, and repainted and relandscaped the property. A PHA staff member reported the owner told him that the changes were a result of the improvements at Hillside. Other development activities that local observers partially attributed to HOPE VI include a new headquarters for the Milwaukee Boys and Girls Club that was built on vacant land across the street and two 12-unit condominium developments that were constructed in the neighborhood.

6.2.4 Conclusions

Viewed as a whole, the majority of HOPE VI neighborhoods improved from 1990 to 2000 and several are much less socially isolated than at the start of the decade. However, improvement varied among the sites and the current conditions of these neighborhoods are mixed. Most communities began the decade in serious distress and improved throughout the decade, but still confront considerable challenges. No HOPE VI neighborhood grew markedly worse over the decade.

Based on the observations of key local informants, it can be concluded that neighborhood improvements can be attributed to HOPE VI redevelopment at some sites. For example, local stakeholders in Charlotte indicated that the HOPE VI initiative was the catalyst for broader neighborhood revitalization and became the foundation for the construction of a new residential neighborhood. In Atlanta, the HOPE VI development was considered critical to the Atlanta School Board's decision to build a state-of-the-art magnet school¹⁷⁷ adjacent to the site.

Yet, while the HOPE VI program was an important factor that likely contributed to the revitalization of these surrounding neighborhoods, the nature of this relationship is unclear. Establishing clear and significant linkages between a HOPE VI redevelopment initiative and neighborhood effects requires a more rigorous statistical approach. The final section in this chapter utilizes an econometric model to explore the relationship between HOPE VI redevelopments and changes in property values.

6.3 The Impact of HOPE VI on Neighborhood Property Values

One of the possible outcomes of the HOPE VI program is that rehabilitating or rebuilding a distressed public housing development will increase property values in the surrounding neighborhood. Property values in the neighborhood may respond favorably either to physical improvement of the HOPE VI site or to changes in the characteristics of HOPE VI residents. This assumption has recently become the subject of study.

Several studies that attempt to examine empirically the effect of public or assisted housing developments on neighboring property values have examined whether the presence of public housing—not redeveloped public housing—depresses surrounding neighborhood property

¹⁷⁷ Children from Centennial Place have first priority for enrollment in the school.

values.¹⁷⁸ However, most of the studies failed to control for a neighborhood's housing market price levels and trends before the development of subsidized housing. As a result, the studies are unable to determine whether the presence of subsidized housing leads to a decline in neighborhood property values or whether subsidized housing is systematically located in areas with declining property values. These earlier studies have also 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 is not independent of the prices of other homes nearby. If left uncorrected, spatial dependence leads to biased parameter estimates and false t-tests for statistical significance. Thus, most of the existing research must be interpreted with caution.

A few recent studies have overcome these shortcomings and offer the most promising methodology for studying the effects of HOPE VI developments on surrounding neighborhood housing markets.¹⁷⁹ These studies have found statistically significant price effects, both positive and negative, that vary depending on the types of neighborhoods that contain the subsidized housing. We use this approach to study the effects of HOPE VI on two neighborhoods in our study with a large enough number of owner-occupied, single-family home sales for the methodology to be feasible.

6.3.1 Methodology

The methodology is based on a hedonic price index that describes the “quality” of each housing unit as a package of various characteristics. The quality of the house, or its “hedonic value,” is a function of its physical characteristics, neighborhood attributes, and local public services.¹⁸⁰ The price of the house is a function of its hedonic quality. The empirical tool for statistically deconstructing sales prices into the constituent package of attributes is a multiple regression equation. The log sales price is typically used as the dependent variable in the equation, and an array of physical, neighborhood, spatial, and other relevant characteristics are the independent variables (described in more detail in Appendix E).

The distinct feature of this approach, and its main improvement over most prior studies (many of which also use hedonic house price estimates), is the use of a pre/post design that compares both levels *and* trends of house prices in the surrounding neighborhood both *before* and *after* key milestones of the HOPE VI redevelopment initiative. Using a period in time before the start of the redevelopment initiative as the baseline for establishing what prices would have been in the absence of the redevelopment, the pre/post design measures changes

¹⁷⁸ Briggs, Darden, and Aidala, 1999; Cummings and Landis, 1993; De Salvo, 1974; Goetz, et al., 1996; Guy et al. 1985; Lee, Culhane, and Wachter, 1999; Lyons and Loveridge, 1993; Nourse, 1963; Warren et al., 1983.

¹⁷⁹ Ellen, et al., 2001; Galster, Tatian and Smith, 1999; Galster, et al., 2000; Santiago, Galster, and Tatian, 2000; Schill, et al., 2002; Schwartz et al., 2002.

¹⁸⁰ Santiago, Galster, and Tatian, 2000, p. 69. For additional information on the definition and use of a hedonic price index, see: Rothenberg et al., 1991, chapter 3.

in both price levels and trends in the area near a HOPE VI site after the announcement of the grant, the start of demolition, and the start of construction. It is the examination of these changes that provides evidence for inferring the impact of the HOPE VI redevelopment.

Applying this methodology is sensitive to:

- site selection;
- definition of the impact area (i.e., the surrounding neighborhood);
- definition of the pre/post period; and
- sample size.

Site selection hinges on three conditions. First, the methodology requires that a sufficient number of single-family housing units exist in the neighborhood to ensure an ample number of home sales during the study period. HOPE VI sites with a paucity of home sales in the immediate vicinity could not be included in the analysis. Also, the presence of other major events in proximity to the HOPE VI site can obscure the potential association between the latter's effects on property values, especially when these other events are roughly concurrent with the HOPE VI revitalization. Potentially positive impacts from a HOPE VI redevelopment might be offset if the neighborhood suffered a major blow at the same time, such as a catastrophic fire or the closing of a major local employer. Lastly, home sales data with property-level characteristics are not easily available, and the comprehensiveness of available data varies considerably from one county to another. Obtaining high quality property-level data is important, since the predictive accuracy of the model depends on measuring as many explanatory variables as possible.

Given these conditions, only Bernal Dwellings in San Francisco and Monterey Place in New Haven (formerly Elm Haven) were selected for this quantitative analysis. The remaining sites were deemed inappropriate, either because there were an insufficient number of owner-occupied, single-family home sales; because other major redevelopment initiatives were ongoing near the site; or because home sales data were unavailable for these areas.

Both the **definition of the impact area** and the **pre/post period** are contingent upon an adequate number of single-family home sales, since the model must have sufficient sales to estimate price trends within the impact area both before and after key redevelopment milestones. This analysis defines a single 2,000-foot ring centered on each site as the impact area,¹⁸¹ and tests for three pre/post periods defined by the date on which the HOPE VI grant was awarded, the start of demolition, and the start of construction. These dates, presented for

¹⁸¹ Past studies have used a series of concentric circles centered on each site and extending $\frac{1}{4}$ and $\frac{1}{2}$ miles from the site to measure price effects at various distances. An effort was made to replicate these concentric circles but due to the limited number of home sales this approach could not be used. The number of home sales within close proximity to the sites was especially limited before the announcement of the HOPE VI award and after the start of construction since there were only a few years (or quarters) worth of data. The lack of data also prevented the measurement of post reoccupancy effects at Bernal Dwellings. Reoccupancy at Monterey Place is ongoing.

Bernal Dwellings and Monterey Place in Exhibit 6-6, were all used because property value impacts could potentially occur as a result of each event. The announcement of the HOPE VI grant may spur land speculation in the surrounding area if homeowners expect the neighborhood to become a better and more desirable place to live as a result of the redevelopment initiative. The demolition of these sites removes a neighborhood eyesore and pushes some undesirable elements out of the neighborhood. This event could also result in increased property values, if demand for housing in the area rises. The start of new construction is a clear sign of neighborhood revitalization and could, similarly, attract new home purchasers to the neighborhood. However, since the period following the start of construction included only a small number of years worth of the data, it was not possible to capture the full price impact of the selected HOPE VI developments. This restriction is discussed in more detail below.

Exhibit 6-6
Pre/Post Dates for Bernal Dwellings and Monterey Place

	Grant Award	Start of Demolition	Start of Construction
Bernal Dwellings	August 1993	May 1997	December 1999
Monterey Place	November 1993	June 1996	December 1998

Sources: *Interim Assessment of the HOPE VI Program: Case Study of Bernal Dwellings and Plaza East in San Francisco, California*, March 2003; *Interim Assessment of the HOPE VI Program: Case Study of Monterey Place in New Haven, Connecticut*, December 2001.

Both theory and evidence strongly suggest that the analysis **sample** should be confined to housing submarkets that are representative of the dwellings in HOPE VI neighborhoods. Theoretically, the segmentation of a housing market into submarkets is based on housing quality, which is in turn a function of a dwelling’s total package of attributes (i.e., physical characteristics, neighborhood attributes, and local public services).¹⁸² The price of a house is the market value placed on its overall housing quality, or in terms of the hedonic function, the sum of the implicit prices paid for each physical, neighborhood, and local public sector attribute. The underlying principle is that dwellings with a different package of attributes will sell for different prices and that a dwelling’s sales price can be predicted by measuring the amount of each attribute, multiplying that amount by its implicit price, and then aggregating everything.¹⁸³ However, the implicit price for a particular characteristic in a low-quality submarket is very likely to be valued differently than the implicit price for the same characteristic of a home in an upscale community. For instance, the implicit price for a quarter-acre plot of land in an affluent neighborhood (i.e., a high-quality submarket) will likely be valued higher than a quarter-acre plot of land in a distressed environment (i.e., a low-quality submarket). Thus, the precision of

¹⁸² For instance, a dwelling with very desirable physical characteristics located in a decent neighborhood and supported by an array of public sector services will fall into a higher-quality submarket than a dwelling with less desirable physical attributes located in a distressed environment and lacking public sector services.

¹⁸³ Galster, Tatian and Smith, 1999, pp. 884-885.

the hedonic price index relies on a comparison of dwellings within the same submarkets. Empirically, this was found to be the case.¹⁸⁴

The challenge in producing a sample that is representative of the dwellings in HOPE VI neighborhoods is identifying a practical and precise measure for housing quality. We considered several measures of housing quality and concluded that sales price was the best indicator since prices measure in summary form all the dimensions of housing quality. That is, housing prices aggregate the value placed on each property characteristic, neighborhood attribute, and local public sector service.¹⁸⁵ Accordingly, the analysis sample was restricted to all home sales in San Francisco County and New Haven County with a home sale price less than the counties' median value by each quarter from 1990 to 2000. This stratification procedure limits the sample to dwellings in the low- to moderate-quality submarkets.

6.3.2 Data

Data for all single-family home sales from 1990 to 2000 in San Francisco County and New Haven County were purchased from a private data vendor (DataQuick). The data include information from county tax rolls on each property and cover information on a home's most recent transaction and a home's past two historical sales.¹⁸⁶ Each record includes sales price and date of transaction, an array of property-level characteristics,¹⁸⁷ longitude and latitude coordinates, and census tract geographic identifiers.

¹⁸⁴ To confirm this assumption statistically, Chow-tests were generated to verify whether the coefficients in the regression models were the same in two separate subsamples composed of either below median-priced homes or above-median priced homes, when compared to the combined dataset ($H_0: \beta_1 = \beta_2 = \beta$). The results indicated that in both San Francisco [$F(215, 51658) = 78.167$] and New Haven [$F(110, 5257) = 20.05$] the null hypothesis was rejected and the coefficients were not the same among the stratified subsamples.

¹⁸⁵ Other studies similarly use sales price as a measure for housing quality, see Rothenberg et al., 1991. It is important to note that independent variables are typically used to stratify a sample since stratification based on the dependent variable—the variable that is being explained—will exclude observations that may potentially contribute to the statistical significance of the parameter estimates. The use of independent variables, such as a dwelling's square footage or lot size, were considered but they could not fully capture a dwelling's overall housing quality since they do not measure other contributing factors (i.e., all physical characteristics, neighborhood attributes, or local public sector). Nevertheless, the analysis was conducted using the full sample to determine whether estimates were sensitive to the stratification procedure, and the results are presented below.

¹⁸⁶ With the exception of sale price and transaction date, property-level characteristics were available only for the most recent transaction. These characteristics were appended to the respective home's historical record(s), if present, which assumes that these property-level characteristics did not change over time. This assumption, while not fully accurate, is defensible since many of the property-level characteristics (e.g., number of stories, year built, and lot size) used in the analysis tend to be static.

¹⁸⁷ The property-level characteristics in San Francisco included number of bathrooms, year built, lot size, number of rooms, square footage, and number of stories. Data coverage was more comprehensive in New Haven, and property-level characteristics included the same variables from San Francisco supplemented by two dummy variables separately indicating the presence of a fireplace and a garage/carport.

**Exhibit 6-7
Number of Home Sales Near Bernal Dwellings and Monterey Place in the Stratified Sample, Before and After Major Redevelopment Milestones, 1990 to 2000**

	Grant Award		Start of Demolition		Start of Construction	
	<u>Pre</u>	<u>Post</u>	<u>Pre</u>	<u>Post</u>	<u>Pre</u>	<u>Post</u>
Bernal Dwellings						
Inside 2,000 ft. ring	238	630	563	305	792	76
Outside 2,000 ft. ring	5,496	19,455	13,974	10,977	21,884	3,067
Total	5,734	20,085	14,537	11,282	22,676	3,143
Monterey Place						
Inside 2,000 ft. ring	13	120	55	78	78	55
Outside 2,000 ft. ring	253	2,307	883	1,677	1,739	821
Total	266	2,427	938	1,755	1,817	876

Source: DataQuick data on home sales in San Francisco and New Haven between 1990 and 2000.

There were 54,949 records (including 23,892 current and 31,057 historical records) in San Francisco County, and 6,742 records (including 3,031 current and 3,711 historical records) in New Haven County. Atypical records that were either extremely large or extremely small homes were deleted from the analysis¹⁸⁸ to reduce the chance of extreme outliers biasing the estimates. After stratifying the sample by median sales price calculated for each year and quarter and deleting above-median sales, the data files used in the analysis contain 25,819 home sales in San Francisco and 2,693 observations in New Haven (see Exhibit 6-7). Within the 2,000-foot impact area, there are a total of 868 home sales near Bernal Dwellings and 133 sales near Monterey Place.¹⁸⁹

6.3.3 Results

Overall Trends in Sale Prices

Figures 6-6 and 6-7 graphically present the average sales price by year and quarter for New Haven and San Francisco. The figures show overall, unadjusted sales trends for three separate samples: the full sample of countywide home sales; the subsample of home sales below the county's median value by year and quarter; and home sales below the county's median value by year and quarter and within 2,000 feet of the HOPE VI site.

¹⁸⁸ Extremely large homes were those with 10+ rooms, more than 4 stories, or more than 20,154 square feet. Extremely small homes were those with one room, no bathroom, or fewer than 144 square feet.

¹⁸⁹ After stratifying the sample to below-median prices, 509 homes sales within 2,000 feet of Bernal Dwellings (out of 1,377 total sales located in the impact area) and 14 homes sales within 2,000 feet of Monterey Place (out of 147 total sales located in the impact area) were dropped from the analysis.

Figure 6-6
Average Home Sale Price in New Haven by Year and Quarter, 1990 - 2000

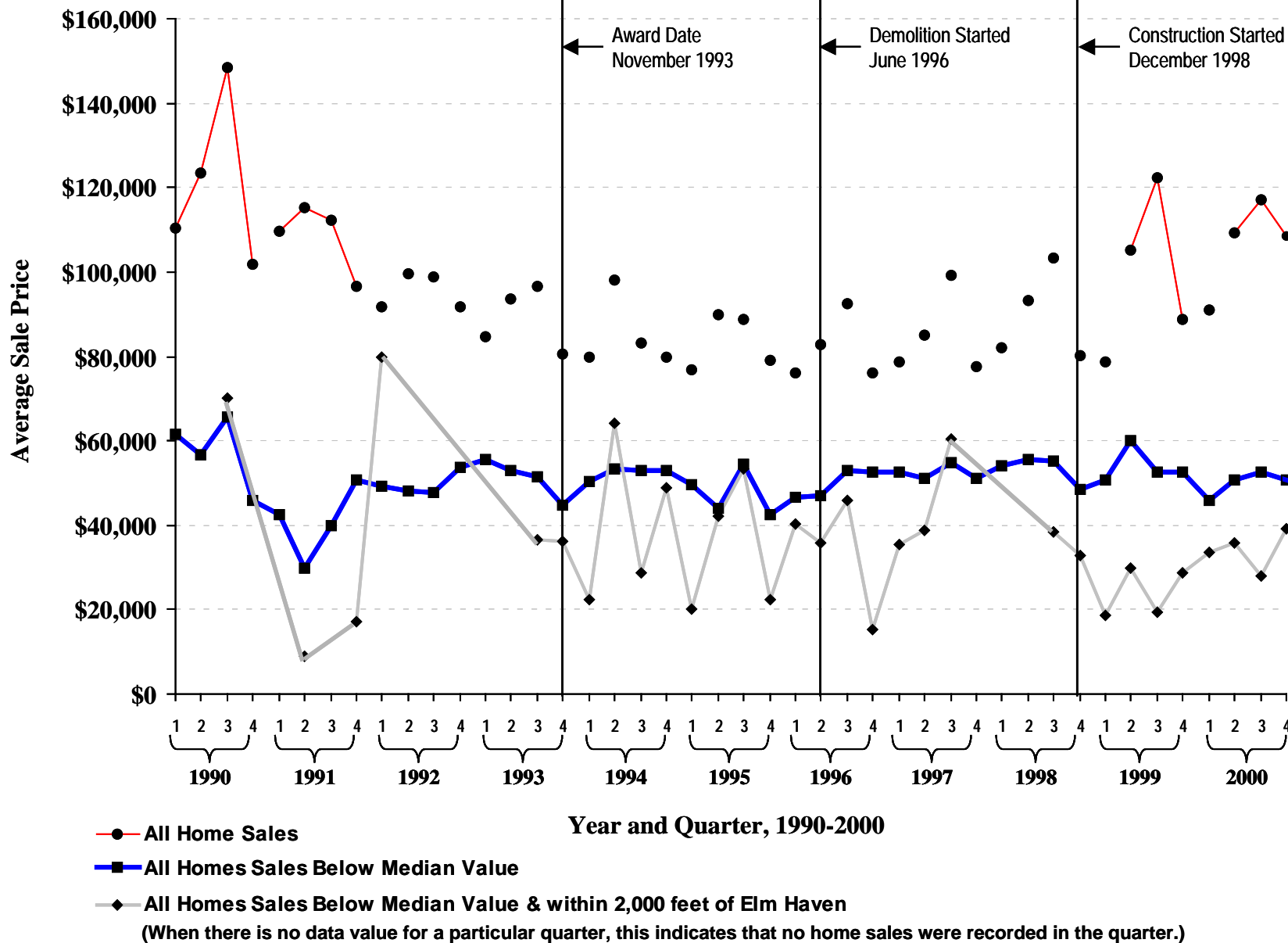
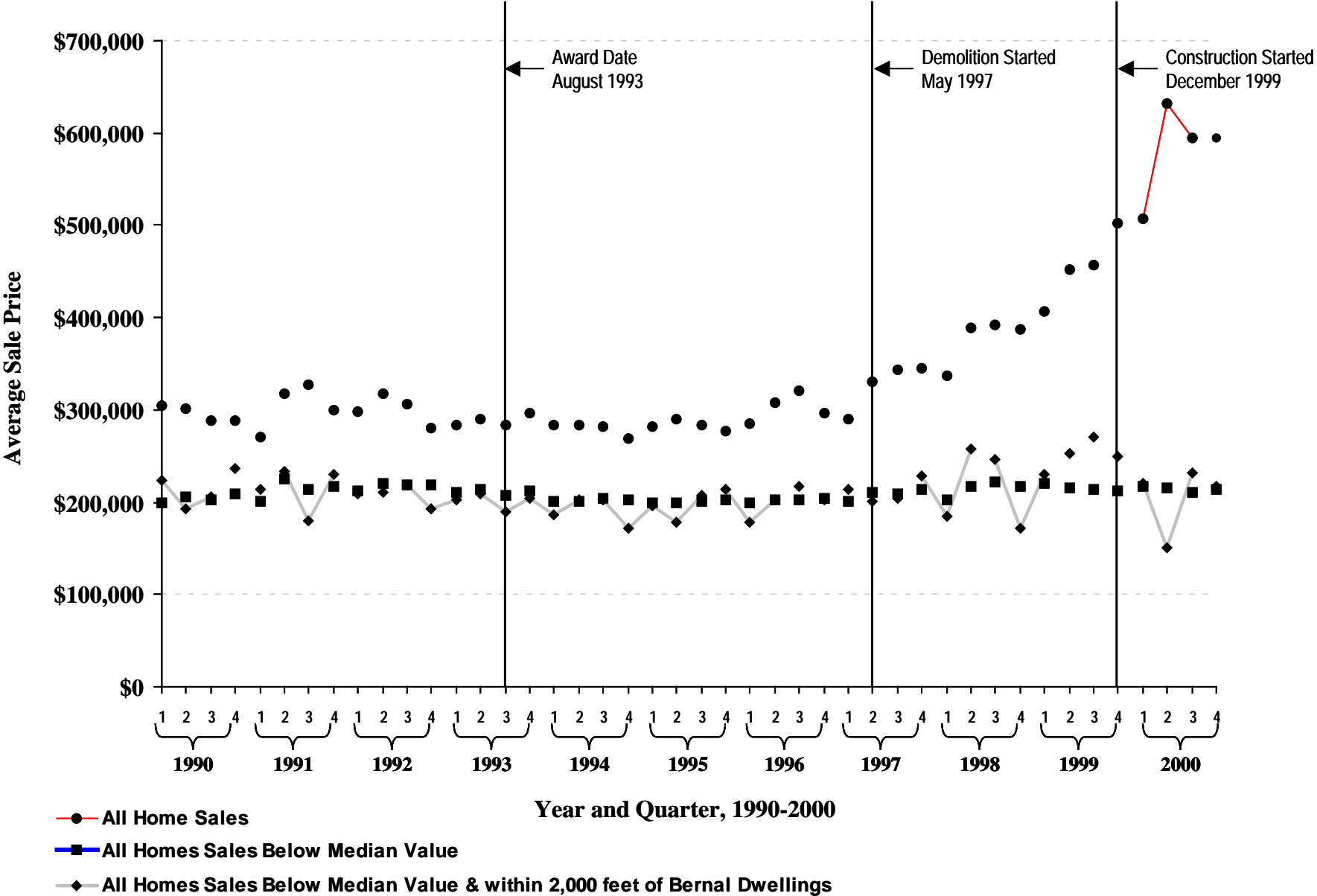


Figure 6-7
Average Home Sale Price in San Francisco by Year and Quarter, 1990 - 2000



As Figure 6-6 demonstrates, countywide home sale prices in New Haven fluctuated throughout the decade. All home sales peaked in the third quarter of 1993 (with a mean sales price of \$143,381) and reached their nadir in the first quarter of 1996 (with a mean sales price of \$75,996). The countywide average sale price throughout the 1990s was \$93,089. Among homes with below-median sale values, the trend mirrored the countywide pattern, but was noticeably more erratic among homes located within 2,000 feet of Monterey Place.¹⁹⁰ The homes with below-median values situated near Monterey Place typically had much lower average sale values (\$34,383) during the decade than homes in similar housing submarkets but not in the vicinity of the site (\$51,395). Moreover, the price trend among these homes did not react in any discernable manner following the announcement of the HOPE VI grant, the start of demolition, or the start of construction.

In San Francisco, average home sale prices across San Francisco County were relatively unchanged from 1990 to 1996, and then sharply increased from 1997 to 2000. The steep increase in average sales values began in the first quarter of 1997 (at which the mean value was \$290,829), just before the start of demolition for Bernal Dwellings. Sales prices appreciated at a steady rate through 2000, reaching an average value of \$594,761. Similarly, average sales prices for homes with below-median values remained nearly static until the first quarter of 1997 and subsequently increased through 2000. These homes began the decade with an average price of \$187,882 and ended the decade with an average value of \$368,017, nearly a two-fold increase. Homes with below-median values located within the impact area also remained unchanged from 1990 through 1997 and appreciated thereafter. These homes had slightly lower average prices (\$206,547) during the decade than other below-median priced homes that were not proximate to the site (\$208,854), and were valued only slightly higher from the first quarter of 1999 through the third quarter of 2000.¹⁹¹ House price trends for homes in the impact area did not change markedly after the announcement of the HOPE VI grant, after the start of demolition, or after the start of construction.

Overall, these figures suggest that price levels or trends among homes with sale prices below-median value and near the HOPE VI sites did not change considerably after any of the HOPE VI milestones. Price trends for homes in the target area mirrored the price trends of other homes countywide.

Econometric Models

The results from the multiple regression models are presented in Exhibit 6-8. Overall, nearly all of the coefficients associated with the control variables (e.g., physical, census tract, and spatial characteristics) were significantly different from zero and had the expected signs. For

¹⁹⁰ The sizable increases and decreases in sale price, especially from 1990 to 1993 results, in part, from the smaller number of records for that period within Monterey Place's impact area.

¹⁹¹ Between the first quarter of 1999 to the third quarter of 2000, the average value for homes with below-median values was \$215,526 countywide. The average value for homes with below-median values located in the target area was \$229,131.

example, property-level characteristics that are frequently associated with higher property values (e.g., number of rooms or square footage) did in fact contributed significantly to increased sale prices. The model was able to explain more of the sale price variance in New Haven (adjusted R-square was 0.37) than in San Francisco (adjusted R-square was 0.25), which is likely because of the more comprehensive coverage among property-level characteristics in New Haven County.

The sign on the dummy variable for any home sale within the 2,000-foot ring indicates that homes in low- to moderate-quality submarkets that are near Monterey Place or Bernal Dwellings were valued less than homes in the same submarkets but not near these sites. However, the coefficients associated with this variable were not statistically significant, so it is not clear that this pattern would show up in a different sample of home sales in these neighborhoods. Nevertheless, this finding underscores the general patterns observed in Figures 6-6 and 6-7.

Exhibit 6-8
Estimated Regression Coefficients and Standard Errors for HOPE VI Impact Variables¹

	Monterey Place	Bernal Dwellings
Dummy Variable for Sale in Impact Area	-0.521 (0.478)	-0.065 (0.085)
Trend Variable for Sale in Impact Area	0.056 (0.036)	-0.002 (0.008)
Post-Announcement of Grant Award:		
Price Level	-0.394 (0.318)	0.008 (0.081)
Price Trend	-0.055 (0.053)	-0.004 (0.011)
Post-Start of Demolition:		
Price Level	0.428 (0.313)	-0.058 (0.102)
Price Trend	-0.037 (0.061)	0.019 (0.014)
Post-Start of Construction:		
Price Level	-0.469 (0.371)	-0.004 (0.176)
Price Trend	0.094 (0.062)	-0.05 (0.049)

¹ In the multiple regression equation (see Appendix D) the dummy variable for the impact area is labeled $DAll_{2k}$, and the trend variable for the impact area is represented by $Time_{2k}$. Also, the variables for changes in the level of prices post-announcement, -demolition, and -construction are $DPostAnn_{2k}$, $DPostDem_{2k}$, and $DPostCon_{2k}$, respectively. The variables for changes in price trends following these same HOPE VI milestones are $TrPostAnn_{2k}$, $TrPostDem_{2k}$, and $TrPostCon_{2k}$.

None of the variables that test for changes in the levels and trends of home prices were found to be statistically significant in either New Haven or San Francisco. Homes sales after the announcement of the HOPE VI grant, the start of demolition, or the start of construction did not significantly differ in price levels or trends compared with homes that sold before these

HOPE VI milestones. In addition, we tested for the collective significance of all the impact variables in both New Haven and San Francisco, and did not find statistically significant results.¹⁹² These neutral findings raise a few issues.

First, by stratifying the sample using median sales prices for each quarter from 1990 to 2000, the price effect of the HOPE VI redevelopment on higher-valued houses located near the site was not captured. To determine whether the stratification procedure affected the parameter estimates, we ran the regression on the full samples. In San Francisco, the results were unchanged and no statistically significant effects on price levels or trends were found. In New Haven, however, a statistically significant (0.05 level) negative impact (-0.582) on the price level was found after the announcement of the HOPE VI grant. No other statistically significant effects were found. The negative impact may suggest that higher-valued homes¹⁹³ located within 2,000 feet of Monterey Place experienced a 58-percent decrease in prices after the announcement of the HOPE VI grant. However, the dramatic, discontinuous shift downward is highly uncharacteristic of housing market fluctuations and may be misleading if, as we believe, the hedonic price function behaves differently for houses in higher-quality submarkets.

Second, it is possible that the limited number of home sales within 2,000 feet of Monterey Place was insufficient to fully detect significant price effects. We deconstructed the econometric model by running three regression equations that separately tested for post-announcement, post-start of demolition, or post-start of construction effects on price levels and trends.¹⁹⁴ Both the equations that modeled post-announcement and post-start of demolition effects did not find statistically significant impacts. However, the post-start of construction model did reveal a statistically significant (0.05 level) negative impact (-0.621) on the price level. These results suggest that property values near Monterey Place dropped substantially after the start of construction when compared with homes outside of the target area. This impact may result from the large, albeit temporary, disruption to the neighborhood that is associated with the construction of a large housing development. Large-scaled construction projects often require massive equipment that results in street closures, loss of parking, decrease in pedestrian traffic, and noise pollution. In addition, the start of construction is a clear indication that public housing residents will soon be returning to the neighborhood, which perhaps generates negative perceptions about the neighborhood's stability in the future.

¹⁹² The results indicated that in both New Haven [$F(6, 2586) = 1.73$] and San Francisco [$F(6, 25623) = 0.72$] the F-test was not statistically significant.

¹⁹³ The average sale price of the 14 homes located within the target area but dropped from the analysis due to stratification was nearly double the average sale price of homes in the target area and remained in the stratified sample.

¹⁹⁴ Each of the three regression equations had four impact variables, rather than the eight impact variables in the full model. The impact variables included the dummy variable for any sale in the impact area, the trend variable for any sale in the impact area, and the price and trend variables for the post-HOPE VI milestone in question.

Third, data for this analysis could not be obtained for sales occurring after 2000. As a result, in San Francisco, only five quarters of information about post-construction impacts contributed to the regression. The housing markets around Bernal Dwellings may not have reacted quickly enough to the start of construction to register significant price effects. That is, it may take more than a few quarters after the start of construction for homeowners to expect that the neighborhood will become a more desirable place to live, and thus land speculation in the surrounding area has not occurred.

Moreover, the data and redevelopment timelines also prevented the measurement of price effects following the completion of the HOPE VI initiatives in New Haven and San Francisco. The redevelopment at Monterey Place continues today and work at Bernal Dwellings finished in September 2001. We suspect that post-completion effects would be the most interesting impacts to measure within HOPE VI neighborhoods for several reasons. Given the difficult track record at many HOPE VI sites and the length of time that often elapses before a revitalization project is complete, housing markets around HOPE VI sites may not react to the redevelopment until after its completion. Also, HOPE VI neighborhoods are very distressed environments and grapple with an assortment of social ills. As a result, it may require more than the announcement of a grant, the start of demolition, or the start of construction to generate statistically significant price effects in these neighborhoods.

Lastly, housing sale prices are only one type of neighborhood outcome, and not necessarily the most important type of neighborhood impact. Housing values are useful outcomes in that other neighborhood-level changes are believed to be reflected in housing values, and price effects often form the crux of the contentious “not-in-my-back yard” argument. Yet, in these severely distressed neighborhoods, many other outcomes may be equally important, although less easily incorporated into a quantitative analysis. Crime rates, drug use, lack of educational opportunities, teenage pregnancies, and other social ills are more likely to be viewed as major neighborhood problems by residents than property values.

6.4 Conclusion

Before redevelopment, most of the HOPE VI neighborhoods in the study were seriously distressed communities confronting an array of social and economic challenges. The neighborhoods were highly segregated, poor areas characterized by large concentrations of poorly educated, unemployed, minority residents. As the HOPE VI redevelopment plans evolved, some HOPE VI sites located within these struggling communities incorporated neighborhood revitalization goals into their redevelopment plans believing that the long term success and viability of the redevelopment was linked to the overall health of the surrounding community.

Over 10 years, some HOPE VI neighborhoods experienced considerable improvement and others changed only slightly. The confluence of a strong national economy, local economic development initiatives, and a variety of government programs clearly contributed to the observed changes at many sites. Yet, many local observers also indicated that the HOPE VI

redevelopment projects contributed to positive change in their communities. HOPE VI catalyzed broader neighborhood revitalization efforts at a number of sites, and led to better integration of the public housing sites into the neighborhoods. Some neighborhoods became considerably less distressed environments, though the redevelopment initiatives did not result in significant impacts on housing prices in the two sites where this was analyzed.

Today, most of the HOPE VI neighborhoods in the study are at a critical moment in their path toward revitalization. There are many uncertainties that may, if events go well, further stimulate neighborhood improvement or, if events turn sour, send neighborhoods into decline. The health of the national economy and the ability of HOPE VI sites to maintain their economic viability are perhaps the most important of the unknowns. The long-term fortunes of HOPE VI neighborhoods remain uncertain.

7. Conclusions and Future Challenges

The HOPE VI program has resulted in significant change at all 11 sites covered in this report, especially with regard to the sites' physical appearance, how the properties are managed, and the characteristics of residents. This chapter summarizes the major outcomes to date and then outlines the challenges that these sites will face in the coming years. The chapter concludes with a brief evaluation of the redevelopment solutions that were implemented at these study sites

7.1 A Summary of HOPE VI Program Outcomes

The redevelopment of a severely distressed public housing project is a long-term initiative involving substantial financial and administrative resources. Many of the PHAs that applied for HOPE VI funding in 1993 anticipated a much shorter redevelopment period than actually occurred. As of mid 2003, 5 of the 11 sites have yet to fully complete their revitalization programs, although a significant portion of planned units have been built and reoccupied.¹⁹⁵ The outcomes discussed in this report reflect the period shortly after some sites were partially reoccupied and others were fully reoccupied. It is important to recognize that at most sites the characteristics of the development and surrounding neighborhoods are still evolving. As the developments mature, nearby housing markets respond to the redevelopment, and resident populations stabilize, more can be learned about the ultimate impact of these HOPE VI projects.

Changes in Resident Characteristics

Among the most significant program outcomes is the change in resident characteristics at the HOPE VI sites. The current residents have higher average incomes, are more likely to be working, are more likely to be elderly, and have smaller households. However, as was the case before HOPE VI, a majority of households have extremely low incomes, and 93 percent are headed by a minority. Of the current residents, 41 percent reported that they lived at the HOPE VI site before revitalization. This explains, in part, why the pre- and post- HOPE VI public housing residents share some characteristics, such as race.

At the same time, the presence of non-public housing households is an important reason for differences in resident characteristics before and after revitalization. Not surprisingly, the overall change in resident characteristics is greatest at the five mixed-income sites—Atlanta, Boston, Charlotte, New Haven, and Washington, D.C. The mixed-income developments were able to attract households with much greater economic means than public housing households. In addition to having higher incomes, the non-public housing households are

¹⁹⁵ Four other sites from the Baseline Study were not included in this report because of a lack of progress in redevelopment.

more likely to be White, much less likely to be headed by an elderly person, and much less likely to have children in their household.

When the comparison of resident characteristics is restricted to new and returning public housing households, there are still substantial differences between the pre- and post-HOPE VI residents. Current public housing residents have higher average incomes, are more likely to have earned income, and are less likely to have income from welfare. While this mirrors national trends for public housing resident incomes, the changes at the HOPE VI sites were more dramatic.

Substantial Improvement in Housing Quality

Current residents live in substantially better housing than did the former residents of public housing at these sites. The most radical transformations have occurred at the seven sites where all original units were demolished and replaced with new housing. This included two 100-percent public housing and five mixed-income developments. Reducing density, integrating the sites into the surrounding neighborhoods, and designing the sites to be less amenable to crime are important goals for these newly constructed developments. Typical features of these developments include two- and three-story buildings that mimic traditional residential architecture in the area and offer a mix of apartment and townhouse units; a new network of streets to link the site to the surrounding neighborhood; buildings and unit entrances facing the street with minimal setbacks; and clearly defined public and private open space. While the physical changes are not as dramatic at the rehabilitated sites, there have been discernible improvements in their physical livability and desirability.

All of the mixed-income sites involved new construction, while four of the six 100-percent public housing sites were primarily or all rehabilitation. Mixed-income developments differ from 100-percent public housing along other dimensions as well. The mixed-income sites paid more attention to architectural details and finishes that would be appealing to market-rate renters, and two sites built swimming pools and athletic facilities. The mixed-income sites tend to have more square footage than the 100-percent public housing sites, while the 100-percent public housing sites typically contain a higher percentage of three- and four-bedroom units. There are many more elderly units at all sites—especially the mixed-income sites—after revitalization. Three of the mixed-income sites—Boston, New Haven, and Charlotte—did not have elderly buildings before HOPE VI but added elderly buildings during redevelopment.

Better Site Management

All of the HOPE VI developments are better managed than the pre-HOPE VI sites, as evidenced by well-maintained common areas and substantially lower vacancy and turnover rates. This is true regardless of whether the PHA continues to be responsible for management (at three sites) or a private firm has assumed responsibility for management (at eight sites, including three 100-percent public housing sites). Based on the comments of property managers and a survey of residents, all sites were in good condition a year or more after

occupancy. Residents of 100-percent public housing and mixed-income developments are equally satisfied with their units.

A Reduction in Crime at Most Sites

A significant concern of both site managers and residents is a safe environment with low levels of crime. Available data indicate that crime rates have declined significantly at these sites over the past 10 years, and HOPE VI residents perceive the developments to be safer, although the extent of change varies from site to site. Crime rates dropped in most areas of the country during this time, so it is difficult to assess the extent to which HOPE VI caused the reductions in the crime rate. But interviews with PHA staff and community stakeholders suggest that the HOPE VI revitalization is a contributing factor toward reduction in crime in most cases.

Increased Availability of Supportive Services and Community Facilities

The HOPE VI grants allowed PHAs to offer a richer array of supportive services to residents immediately after reoccupancy than had been possible in the past. At many sites, these services are offered at newly built or renovated community facilities that are seen as valuable resources by HOPE VI residents. These centers offer childcare, Boys and Girls Club programs, and medical clinics, as well as office space for case managers and supportive services providers. At several sites, the community centers offer resources for neighborhood residents as well.

Awareness and use of HOPE VI services was much higher at the 100-percent public housing sites than at the mixed-income sites. The most commonly used services at both types of sites are youth/after school programs, adult education, and childcare. While data were not available to assess the outcomes of the services provided, residents who had used services reported that they were very satisfied with the services received.

Improvements in HOPE VI Neighborhood Conditions

Before redevelopment, most of the neighborhoods in which HOPE VI projects in this study are located were seriously distressed communities. The neighborhoods were highly segregated and characterized by large concentrations of poorly educated, unemployed residents. Over the past 10 years, some HOPE VI neighborhoods experienced considerable improvement and others changed only slightly. It is difficult to separate the influences of a strong national economy, local economic development initiatives, changing neighborhood conditions, and HOPE VI investments. However, local observers at a number of sites stated that the HOPE VI redevelopment projects played an important role in effecting change in their communities. HOPE VI catalyzed broader neighborhood revitalization in some cases and, in all cases, resulted in better integration of these sites into the surrounding neighborhoods.

7.2 Future Challenges

The 11 study sites will face different types of challenges in the years ahead. For a few sites the challenges are fairly straightforward—maintaining the property and ensuring it remains financially viable. For other sites, the challenges are much more complicated and go beyond what is typically within the control of a private property manager or a PHA. This section briefly reviews the challenges that one or more of the study sites are likely to confront over the next decade.

Maintaining the Developments

While all of the developments are now in good physical condition and evictions have been relatively few, most private and PHA property managers had some concerns. Some expressed concern about “problem tenants,” some of whom were original residents let back into the development because of light screening criteria for them. Others were concerned about the ongoing availability of supportive services for disadvantaged residents or about crime in the surrounding area. Because many of these sites continue to serve a majority of extremely low-income people and because some are in vulnerable locations, quality property management is critical to the long-term viability of these sites. Management staff will need rigorous lease enforcement to avoid on-going management issues created by problem tenants. It should not be presumed that these sites require fewer operating resources because they are newly constructed or recently rehabilitated.

Deterring Crime

Safety concerns have the potential to affect the marketability of these developments. While all HOPE VI projects are safer than they were before redevelopment, many are in neighborhoods where crime remains a problem. As of early 2003, security measures that were implemented at some sites as part of the redevelopment are no longer in operation. Local respondents at several sites said that sustaining the reductions in crime will be challenging in the face of a weaker economy and more limited resources for crime prevention and law enforcement. Although much of the effort to reduce neighborhood crime is outside the purview of the private property managers or PHAs, reinstating security measures that were abandoned because of limited resources should be given top priority. Property managers can also contribute to crime deterrence through strict lease enforcement and lobbying local police to address problem areas.

Providing Supportive Services to Disadvantaged Residents.

Even with the introduction of non-public housing residents, a majority of residents at each study site have extremely low-incomes. Further, compared with original residents, many more current residents are elderly and may require increasing levels of services as they age in place. At virtually all sites, staff are concerned about the sustainability of services once HOPE VI funds are exhausted. Study sites that were revisited in 2003 were already

experiencing declines in the availability of services to residents as HOPE VI funds dwindled. At one site, Camden, the private management company has allocated funds to hire social service staff to work with residents because the PHA had not found alternative services to assist residents. Several sites discussed the need for fundraising and exploring options for endowments to fund services over time. PHAs and private property managers will need to work both creatively and industriously to ensure that HOPE VI residents receive the services that they need to maintain or gain self-sufficiency.

Maintaining or Establishing Resident Involvement and Commitment

At several sites, resident leaders were actively involved in the redevelopment process and residents appear committed to maintaining the recent improvements. At these sites, it will be important to maintain that same level of commitment over time. At other sites, an entirely new neighborhood has been created. Because these developments are still new, a true community and community leadership have not yet developed. For these sites, which are mostly mixed-income, the challenge will be to create this new community, given the variation in income levels and differences in racial and family composition among market-rate, public housing, and Tax Credit households.

Completing the Redevelopment Work

Revitalization work at several sites is not yet completed. In early 2003, two sites contained unrehabilitated units that are in disrepair and may have a negative effect on the HOPE VI revitalized units. Three other sites are also incomplete pending the final phase of construction. The full impact of the HOPE VI revitalization will not be known until the work is completed and the developments are fully reoccupied.

Addressing Neighborhood Concerns

Ultimately, the success of these HOPE VI projects may depend largely on what occurs just outside the developments. Several of the 100-percent public housing sites remain in somewhat isolated locations where there is very little market-rate housing or commercial activity. There is concern about the lack of retail activity (such as a grocery store and restaurants) that is important to thriving urban neighborhoods. Further residential and retail development is needed in these isolated environments.

Other HOPE VI neighborhoods are located in dense urban locations that are troubled physically and socially. For sites in these locations, the concern is that the surrounding neighborhood will have a negative effect on the developments in the long term. Neighborhood problems require community-wide involvement. The managers and resident leaders should communicate and work with community leaders, recognizing that each is integral to creating a strong neighborhood.

7.3 HOPE VI Solutions Considered

The HOPE VI projects in this study reflect a range of solutions to the problems of severely distressed public housing. Some public housing agencies chose to make radical changes—demolishing all existing structures and building back a mix of units that house both market-rate and public housing families. Other housing agencies chose to tear down all units and rebuild public housing on the site. Still others made only modest changes by physically rehabilitating units and inviting back to the site many of the original residents.

Five or ten years from now it will be possible to fully assess which PHAs made the best choices—that is, which sites provided a quality housing environment for as many low-income people as possible *and* exerted some positive influence on the surrounding neighborhood. In the meantime, there is early evidence to suggest that some sites may have made better choices than others.

In Atlanta and Charlotte, the PHAs chose the most radical redevelopment solution—an all-new mixed-income housing development. In both cases, the sites were in isolated locations surrounded by vacant land and nonresidential activity, but not far from downtown. Today, 53 percent of units at Centennial Place are affordable (public housing or Tax Credit), as are 71 percent of the units at First Ward Place.

Even at this early stage, both Centennial Place and First Ward Place have been instrumental in bringing new private investment to the surrounding area. Building back an all public housing project would likely not have generated private investment in market-rate housing in these communities. In addition, over the long term, it is questionable whether another 100-percent public housing project could have been sustained at either site. While there was a greater loss of affordable housing at these mixed-income sites than at other study sites, this type of project can be justified if the public investment stimulates private investment in vulnerable neighborhoods.

The San Francisco PHA made a very different choice at Plaza East and Bernal Dwellings. Overall, the city has a low vacancy rate and expensive rents, leaving low-income families with limited housing choices. While the neighborhoods that surround these two developments have some crime problems, they are thriving mixed-use, mixed-income areas. The PHA's decision to build back two modest-sized 100-percent public housing developments appears to have been the best choice for these sites. Replacing these with mixed-income projects might have exacerbated the tight market conditions for affordable housing in the neighborhood while providing no quality of life advantages.

The experience with HOPE VI to date suggests that HOPE VI projects can provide affordable housing and initiate broader neighborhood revitalization. However, this is not a one-size-fits-all program. In making funding decisions, federal and local officials need to consider what is the most appropriate type of development for that city and that specific location. In some cases, this may mean rebuilding a 100-percent public housing project,

while in other cases the best choice may be a mixed-income project. In some instances, the best use of the site may be nonresidential and the housing placed elsewhere. These 11 study sites provide valuable information on the types of choices made and the outcomes to date.

References

- Abt Associates (1996). *An Historical and Baseline Assessment of HOPE VI*, Volumes 1,2, and 3. A report produced for HUD's Office of Policy Development and Research.
- Briggs, Xavier de Souza, J.T. Darden, and A. 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.
- Cummings, Paul M. and John D. Landis (1993). "Relationships Between Affordable Housing Developments and Neighboring Property Values." Working Paper 599, Berkeley, CA: Institute of Urban and Regional Development, University of California at Berkeley.
- De Salvo, Joseph (1974). "Neighborhood Upgrading Effects of Middle Income Housing Projects in New York City." *Journal of Urban Economics*, 1: 269-277.
- Ellen, Ingrid Gould and Margery Turner. (1997). "Does Neighborhood Matter? Assessing Recent Evidence." *Housing Policy Debate*, 8(4); 833-866.
- Ellen, Ingrid Gould, Michael H. Schill, Scott Susin, and Amy Ellen Schwartz (2001). "Building Homes, Reviving Neighborhoods: Spillovers from Subsidized Construction of Owner-Occupied Housing in New York City." *Journal of Housing Research*, 12(2): 185-216.
- Galster, George and Sean P. Killen. (1995). "The Geography of Metropolitan Opportunity: A Reconnaissance and Conceptual Framework." *Housing Policy Debate*, 6(1): 7-43.
- 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.
- Galster, George C. , Roberto G. Quercia and Alvaro Cortes. 2000. "Identifying Neighborhood Thresholds: An Empirical Exploration." *Housing Policy Debate*, 11(3): 701-732.
- Galster, George, Kathryn Pettit, Peter Tatian, Anna Santiago, and Sandra Newman (2000). *The Impacts of Supportive Housing on Neighborhoods and Neighbors*. Report to HUD, Washington, DC: The Urban Institute.
- Goetz, Edward G., Hin Kin Lam, and Anne Heitlinger (1996). "There Goes the Neighborhood? The Impact of Subsidized Multi-Family Housing on Urban Neighborhoods." Minneapolis, MN: Center for Urban and Regional Affairs, University of Minnesota.
- Guy, D. C., J. L. Hysom, and S. R. Ruth (1985). "The Effect of Subsidized Housing on Values of Adjacent Housing." *AREUEA Journal-Journal of the American Real Estate & Urban Economics Association*, 13(4): 378-387.
- 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.

- Lee, Chang-Moo, Dennis Culhane, and Susan 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.
- Lyons, Robert F. and Scott Loveridge (1993). "An Hedonic Estimation of the Effect of Federally Subsidized Housing on Nearby Residential Property Values." Staff Paper, St. Paul, MN: Department of Agriculture and Applied Economics, University of Minnesota.
- Newman, Sandra J., ed. 1999. *The Home Front: Implications of Welfare Reform for Housing Policy*. Washington, DC: The Urban Institute Press.
- Nourse, Hugh. (1963). "The Effect of Public Housing on Property Values in St. Louis." *Land Economics*, 39: 433-441.
- Rothenberg, Jerome, George C. Galster, Richard V. Butler, and John R. Pitkin. (1991). *The Maze of Urban Housing Markets*. Chicago, IL: University of Chicago Press.
- Santiago, Anna, George Galster, and Peter Tatian (2001). "Assessing the Property Value Impacts of the Dispersed Housing Subsidy Program in Denver." *Journal of Policy Analysis and Management*, 20(1): 65-88.
- Schill, Michael H., Ingrid Gould Ellen, Amy Ellen Schwartz, and Ioan Voicu. (2002). "Revitalizing Inner-City Neighborhoods: New York City's Ten Year Plan." *Housing Policy Debate*, 13(3): 529-566.
- Schwartz, Amy Ellen, Ingrid Gould Ellen, and Ioan Voicu (2002). "Estimating The External Effects of Subsidized Housing Investment on Property Values." Report Presented to NBER Universities Research Conference.
- Warren, Elizabeth, R.M. Aduddell, and Raymond Tatalovich (1983). *The Impact of Subsidized Housing on Property Values : A Two-Pronged Analysis of Chicago and Cook County Suburbs*. Chicago, IL: Center for Urban Policy, Loyola University of Chicago.
- Wilson, William Julius. 1987. *The Truly Disadvantaged: The Inner City, the Underclass, and Public Policy*. Chicago: University of Chicago Press