Responsible Approaches to Neighborhood Stabilization

CASE STUDIES IN ACTION
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## Appendix 1:

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The Annie E. Casey Foundation is a private charitable organization dedicated to helping build better futures for disadvantaged children in the United States. The primary mission of the Foundation is to foster public policies, human-service reforms and community supports that more effectively meet the needs of today's vulnerable children and families. In pursuit of this goal the Foundation makes grants that help states, cities and neighborhoods fashion more innovative, cost-effective responses to these needs.

NeighborWorks® America is a national nonprofit organization created by Congress to provide financial support, technical assistance and training for community-based revitalization efforts. Together with national and local partners, NeighborWorks® creates new opportunities for residents while improving communities.

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INTRODUCTION

NeighborWorks® America and the Annie E. Casey Foundation partnered in an effort to develop a more holistic understanding of the elements involved in community renewal. The current housing crisis presents an opportunity to learn from NeighborWorks® affiliates and their partners as they go about the work of restoring neighborhoods devastated by foreclosures. Preventing foreclosures, or putting new families into homes that had been left vacant, is a critical piece of stabilizing communities. Yet in the end, the recovery process will require more than filling vacant homes with new occupants. The damage goes far deeper than that. Several case study interviewees noted that the neighborhoods most affected by foreclosures were already struggling before the crisis occurred. Those residents are paying the price for a housing boom they never benefited from in the first place. Foreclosure signs have sprung up all over town, maybe on their own houses. Restoring confidence in neighborhoods will require changing the ground rules, making sure that the voices of residents are heard and their needs and rights respected when decisions affecting the community are made.

The organizations in these case studies have some tools at their disposal, such as the Neighborhood Stabilization Program, to begin to address the foreclosed real estate. The principals of Responsible Redevelopment can help guide the additional steps they must take to help restore their communities to full health.
What Is Responsible Redevelopment?

The vision of Responsible Redevelopment is to integrate improved choices, opportunities and outcomes for residents affected by development activities related to the physical revitalization of their neighborhoods. A Responsible Redevelopment process empowers existing residents of communities to play a meaningful role in the redevelopment process and ensure their rights are respected. Responsible Redevelopment results in diverse, mixed-income and mixed-tenure communities that feature a "right to return" for former residents. They also include high-performing schools and healthy living features that improve the quality of life for all residents.

There is no "one size fits all" to Responsible Redevelopment; a community's condition and its context should drive the elements used in its rebuilding efforts. Nor is Responsible Redevelopment limited to the current housing crisis, yet the waves of foreclosures occurring across the country have left once-healthy communities in shambles and deepened the distress of many that were already marginal. The roots of this crisis lie in real estate speculation and in irresponsible lending practices that valued profits over community. As recovery efforts continue there is a unique opportunity to apply Responsible Redevelopment elements to re-link housing and community and ensure residents are equal partners in the rebuilding process.

The 12 Responsible Redevelopment core elements are listed below and described in more detail in Appendix 1:

- Authentic Engagement
- Capacity Building
- Community Benefits
- Community Ownership and Wealth Building
- Hardwiring Affordability
- Responsible Relocation
- Responsible Demolition
- Building Mixed-Income Communities
- Schools and Integrated Services and Supports
- Transit-Oriented Development
- Anchor Institutions
- Sustainable Partnerships and the Need for Champions
Responsible Neighborhood Stabilization

The Annie E. Casey Foundation initially developed the principles of Responsible Redevelopment in response to a large-scale redevelopment effort in east Baltimore that threatened to overwhelm an established neighborhood. The case studies featured here are generally working on a smaller scale, focused on the stabilization of neighborhoods. In some cases they may encompass only a few city blocks. However, they are united in adopting comprehensive approaches that restore residents’ sense of “community” while restoring the physical housing stock of the neighborhood.

The Annie E. Casey Foundation partnered with NeighborWorks® America to identify community development organizations nationwide that were applying Responsible Redevelopment elements to their community stabilization efforts in the wake of the foreclosure crisis. Eight of the 9 groups selected are members of the national NeighborWorks® network. Case studies were conducted of each of these organizations; this report summarizes the lessons learned from the case studies. The featured organizations were as follows:

- Chelsea Neighborhood Developers, Chelsea, Mass.
- Neighborhood Progress, Inc., Cleveland, Ohio
- Housing Partnership, Inc., Palm Beach County, Fla.
- Hudson River Housing, Poughkeepsie, N.Y.
- LaCasa, Inc., Elkhart County, IN
- Lawrence CommunityWorks, Lawrence, MA
- Neighborhood Housing Services (NHS) of New Orleans, New Orleans, LA
- Neighborhood Housing Services (NHS) of New Haven, New Haven, CT
- Twin Cities Community Development Corporation (Twin Cities CDC), Fitchburg, MA

Not every Responsible Redevelopment element is featured in these case studies; for example, schools and transit-oriented development are not addressed at all. Other elements are showcased in several case studies. This is due to the fact that the case study subjects were largely dealing with scattered site foreclosures as opposed to large-scale renewal projects. Figure 1 on the following page is a matrix of elements featured by case study. The 12 core elements have been grouped under four general themes: engagement; ownership; health, safety and sustainability; and partners and stakeholders.

Engagement

- Authentic Engagement
- Capacity Building

A hallmark of NeighborWorks® organizations is that their governing boards include resident leaders, the private business community and public officials, but residents are the numeric majority. Community organizing, resident engagement and leadership development are ongoing work for most NeighborWorks® organizations, so it is not surprising that 7 of the 9 case studies highlighted engagement and capacity-building activities.

Authentic Engagement

Engagement and capacity building are two sides of the same coin; each can lead to and support the other. In communities fractured by foreclosures or struggling with disinvestment and abandonment, an important step is fostering communication among neighbors who may otherwise be completely isolated from each other even when they live side by side. When they understand what they have in common, their differences diminish and it is easier for neighbors to join together to effect positive change. Examples of authentic engagement in the case studies include the following:
**Figure 1. Responsible Redevelopment Elements Represented in Case Studies**

<table>
<thead>
<tr>
<th>Engagement</th>
<th>Ownership</th>
<th>Health, Safety and Sustainability</th>
<th>Partners and Stakeholders</th>
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<td>1. Chelsea Neighborhood Developers</td>
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**NeighborCircles:** Lawrence CommunityWorks pioneered the use of NeighborCircles, which are described simply as "a good conversation over dinner with neighbors." In a structured sequence of three dinners hosted by a resident volunteer, neighbors come together initially just to learn about each other. In the second meeting they discuss neighborhood issues that concern them and choose one they wish to pursue further. At the third dinner they brainstorm strategies for addressing the issue they had previously agreed upon and think about resources and steps needed to implement the strategies. They end by deciding as a group whether to move ahead and act on this issue. All the meetings are facilitated by a Lawrence CommunityWorks staff person or a trained volunteer. If groups decide to take action then Lawrence CommunityWorks staff can be a resource for how to do so effectively, but residents have ownership of the issue and how they want to see it solved.

**Middle Main Revitalization:** As part of the Middle Main revitalization initiative Hudson River Housing is reaching out to residents through traditional community meetings to gain their input. Residents help prioritize activities and have input into planning, designing, implementing and evaluating efforts to redevelop Middle Main in a way that meets their needs. To involve residents who either cannot make scheduled meetings or who simply prefer not to attend them, Hudson River Housing is experimenting with use of the social networking site Ning. Launched in the summer of 2009, www.middlemain.ning.com is slowly growing its membership and viewership. Photos, blogs, comments, notices of upcoming meetings, meeting minutes and other materials create a dynamic record of the revitalization effort and spark a sense of hope and excitement.

**Goshen Revitalization:** LaCasa spent a solid year working with residents of a Goshen, IN neighborhood to develop a new vision and plan for the community, something the city had not previously experienced. No improvements
occurred until residents completed the planning process. Ultimately, the city made infrastructure improvements to streets, lights, sidewalks and sewers. When a local factory closed, residents came together in a series of planning charettes to decide how to redevelop the site, eventually deciding to create a park surrounded by single-family homes that matched those in the neighborhood. The experience has been so positive that city officials will not begin a project without first consulting residents.

**Capacity Building**

Sometimes capacity building begins only after residents have been engaged through a process such as the NeighborCircles described above. Alternatively, a capacity building project may be a vehicle for drawing neighbors into deeper involvement with their community.

**Geographic Information Service (GIS) Mapping:** In New Orleans’ Ferret neighborhood, residents conducted a Success Measures survey to learn about critical issues facing the community. Over 200 residents identified foreclosed and abandoned properties as their biggest concern. This led to a mapping project of the neighborhood’s 1,300 properties, 150 of which met the criteria of being “neglected.” The maps helped prioritize a code enforcement sweep, as well as an outreach effort to property owners to offer assistance in renovating their units. Going forward, block groups will be organized to help update the GIS maps, which will document community’s progress. NHS of New Orleans has found that involving residents in mapping is a great “starter project” that is time limited, is structured and has concrete results. Some residents will be happiest focusing on the block where they live, while others may become interested in working on broader community initiatives.

**Ownership**

- Community Benefits
- Community Ownership and Wealth Building
- Hardwiring Affordability

Ownership speaks to how residents of distressed communities can become the victims rather than the beneficiaries of broad revitalization efforts. Altogether, four case studies highlighted activity in this area, primarily designed to ensure that low- and moderate-income residents benefited from community stabilization activities. Examples include the following:

**Mixed-Income/Mixed-Tenure Housing:** Mixed-income developments are considered a standard of sound community development, but Chelsea Neighborhood Developers is just as committed to mixed-tenure development that provides high-quality, affordable housing opportunities for both homeowners and tenants. For families who are not ready or do not choose to purchase, renting is the only way they can stay in the neighborhood. Workers at the bottom of the economic ladder may have no alternative but renting, even as they perform essential services in schools and businesses. Yet too often rental housing is passed over in favor of single-family housing, which is viewed as the backbone of community stabilization efforts. The key is to ensure that the multifamily housing is owned and managed by investors such as Chelsea Neighborhood Developers that have a long-term commitment to the community. In its redevelopment of the city’s Box District, Chelsea Neighborhood Developers has made sure that new housing constructed included 42 mixed-income rental units along with 26 homes for purchase.

**Community Land Trusts (CLTs):** In high-cost real estate markets, low-income families struggle to find housing they can afford. As speculative investments bid up housing prices, low-income families must move to lower cost neighborhoods or accept smaller, poorer quality units in order to remain in the neighborhood. Even being a homeowner is no protection. Predatory lenders across the country targeted low-income homeowners who had low debt and high equity, especially in minority communities, making unscrupulous loans that stripped equity and sent millions to foreclosure. The seeds of the next real estate boom are being sown now, as investors take advantage of low prices to snap up units to which they may make minimal improvements while they wait for the market to rebound. CLTs remove land from the speculative market and impose shared equity restrictions on the units to ensure the homes remain affordable over the long term.
Health, Safety and Sustainability

- Responsible Demolition
- Responsible Relocation
- Building Mixed-Income Communities
- Schools and Integrated Services and Supports
- Transit-Oriented Development

Responsible Redevelopment seeks to build a safe, healthy and sustainable environment for residents. In most neighborhoods affected by foreclosures the only buildings being demolished are those that are already abandoned, so relocation of occupants is not a concern. When older properties must be demolished, however, it should be done in such a way as to minimize lead and asbestos hazards and removing as much reusable material as possible from the waste stream. Community rebuilding efforts must go beyond the bricks and mortar to repair the social fabric of communities as well.

Responsible Demolition: With about 11,500 foreclosed and abandoned properties, Cleveland is dealing with demolition on an enormous scale. Even a modest home uses up to 32 tons of building material, not including the concrete. Cleveland plans to raze as many as 1,700 homes in 2009. Neighborhood Progress, Inc. has been experimenting with deconstructing homes so that lead dust and asbestos are captured on site and reusable materials are diverted from the municipal landfill and reused. Holes are cut through the floors so that contaminated materials can be dumped straight down into the basement, where the dust is more contained. Then the walls and floors are removed in sections and dismantled on site, with reusable materials set aside and the remainder sent to landfills. While the initial houses cost about $4,000 more to deconstruct than it would have cost to raze them, as the contractors gain expertise and refine the model, this cost differential will shrink. Building materials generated from the deconstruction can be sold to homeowners looking for affordable materials to renovate their homes.

Building Community: While diversity is generally hailed as positive, research shows that highly diverse communities can actually heighten residents' isolation. Chelsea, MA is a city with a large population of immigrants who have historically landed there for a short time and then moved on. Because Chelsea Neighborhood Developers is committed to developing mixed-income, mixed-tenure housing, the goal is a city that is home to people of different income levels and tenure, homeowners, and renters. Chelsea Neighborhood Developers recognizes that efforts to revitalize distressed neighborhoods will only be successful if they invest time and energy in building community as well as houses. NeighborCircles, block parties and planning meetings are held to bring residents out of their homes and help them learn about each other. When issues arise, such as graffiti or crime, Chelsea Neighborhood Developers helps bring together residents and city officials to find solutions.

Partners and Stakeholders

- Anchor Institutions
- Sustainable Partnerships and the Need for Champions

Residents must play a central role in planning and implementing community change. Yet anchor institutions such as hospitals or universities have expertise and financial strength that can help catalyze and sustain Responsible Redevelopment activities. Strong and stable partnerships with multiple stakeholders who have a wide range of goals, interest and capacity are also an excellent way to expand the resources available to a community.

New Haven Anchor Institutions: One of NHS of New Haven's most important anchor institutions is the renowned Yale University. Yale has been an important partner over the years, funding paid internships at the NHS of New Haven for Yale students each summer. Faculty also lend their expertise to special projects, such as one currently under way that seeks to combine storytelling and social networking sites as a way to promote a positive image of the neighborhood. Using a Flip camera, residents record brief video stories about their neighbors. Faculty and students from Yale will help NHS of New Haven staff and volunteers decide how to present the stories in a way that is authentic for the neighborhood. Another anchor institution is Hillhouse High School, which last summer lent its football team for a day of community service that involved gutting two abandoned houses to make way for renovation. The labor provided by the football team, many of whose members live in the neighborhood, helped save money on the project and strengthened the bond between the community and the school.

CLT Collaborative: South Florida housing prices climbed steeply from 2003 to 2006, shutting low- and moderate-income families out of the market unless they were provided with hefty subsidies. In response, Housing Partnership Inc. created a CLT to create housing that would remain affordable throughout Florida’s boom and bust real estate cycles. A number of other CLTs were formed throughout Palm Beach County at that time and for the same reason. As the foreclosure crisis forced prices steeply downwards, Housing Partnership, Inc. realized there was a window of opportunity in which prices would be low and federal stabilization funds would be available. With its peer CLTs, Housing Partnership Inc. formed the CLT Collaborative, which draws on the specialized expertise of each of its members to improve production capacity. Housing Partnership Inc. will provide the homebuyer education and counseling and will also underwrite and close the loans. Another partner, Neighborhood Renaissance, has expertise with lease purchase and with marketing and managing scattered-site single-family housing. CLT of Palm Beach County will handle the renovation of the single-family homes the CLT Collaborative acquires. Working together, these groups will be able to tackle a greater volume of homes than they could manage individually, to the benefit of the low- and moderate-income families of Palm Beach County.

Conclusion

The NeighborWorks network has long practiced resident-centered community development, so its affiliates are quick to grasp the relevance of Responsible Redevelopment to the work they do. The case studies featured here had a common theme of helping communities recover from the foreclosure crisis. Although Responsible Redevelopment is by no means limited for use in that context, the dislocation communities experienced due to the speed and magnitude of the foreclosure crisis provide an excellent lab in which to view Responsible Redevelopment elements at work.

The case studies showcase a broad range of activities whose depth and breadth are dictated by the needs of the communities in which they are located. Some focus on just a few blocks at a time, gathering residents in NeighborCircles or engaging them in a block-by-block property survey to map foreclosed and abandoned houses. Others target an entire county, such as the CLT in Palm Beach County, FL, that will create permanently affordable housing for low-income people. The projects are driven by an understanding that, sidelined as they were by the forces that led to the foreclosure crisis, residents are central to the solutions that will make their communities whole once again. As a resident in Goshen, IN puts it, “Neighborhoods need housing and people.”

It is a truism among homeowners that their houses are never really finished. There is always one more vision to pursue, or some maintenance or repair that demands attention. Communities have similar dynamics; there are ongoing “maintenance” issues that must be addressed, as well as new initiatives that respond to perceived threats or opportunities. Yet because they are affected by so many different internal and external forces, communities never reach the point of complete equilibrium where everyone agrees they are perfect and nothing needs to change.

The practice of Responsible Redevelopment is as much about process as it is about outcomes. Including low- and moderate-income residents as equal partners in planning change will produce outcomes that are fair, healthy and sustainable for the community as a whole.
Neighborhood Housing Services of New Haven
Holistic Stabilization Through Revitalization Demonstration Projects

In the City of New Haven, CT, the neighborhoods most likely to be affected by the current foreclosure crisis are those that were already struggling with disinvestment. Jim Paley, executive director of NHS of New Haven, thinks that is because they lack a healthy community organization. "When there is a downturn owners are quick to sell because they see no real strength, and then the real estate market just crashes." Property owners in these neighborhoods may have little equity to begin with, he says, and their homes are also much more likely to need repairs, so they can get to the point quickly where they owe far more on their mortgages than their houses are worth. In a healthy neighborhood, Paley notes, "we can tell homeowners to wait out a downturn, to take the long view, because their houses are in good shape and we know values will rebound within a few years." But on distressed blocks that process can take much longer, and owners are more likely to walk away, further contributing to the cycle of decline.

Because of this NHS of New Haven, a NeighborWorks® organization chartered in 1979, emphasizes community organizing in good times as well as bad. The City of New Haven is characterized by distinct "microneighborhoods" which can vary dramatically from one another, even though they are separated by only one or two blocks. Next to a block of very affluent, well-kept homes can be a few blocks where front porches sag, paint peels and yards fill with weeds. This reality drives NHS of New Haven's approach of targeting very distressed blocks with what it calls Revitalization Demonstration Projects (RDPs). An RDP is a holistic approach to revitalization that considers the effects on a neighborhood of public image, market forces, neighborhood management and physical conditions. It includes community building, marketing, publicity and the use of strategic partnerships to stabilize and improve the neighborhood. Most RDPs target six to eight block areas that contain 150–200 housing units, but NHS of New Haven will sometimes take on "mini-RDPs" which may be as small as one block of 20–25 houses in a strategic location. RDPs are generally near other blocks

**Responsible Redevelopment Elements:**
- Authentic Engagement
- Capacity Building
- Anchor Institutions

NHS of New Haven has previously targeted, so their revitalization helps protect prior investments.

One of NHS of New Haven's current RDPs is in the Newhallville neighborhood on Winchester Avenue, an area that suffered from deterioration and neglect prior to the housing bust in 2007–2008. About 30 percent of the 130 houses in the neighborhood are blighted, and many are abandoned. Drug activity and other crime are constant problems. It is a pocket of poverty just a half-mile from the world-famous Yale University.

In 2009, at 8:45 on a hot mid-August morning, 42 high school football players armed with sledgehammers entered two vacant and abandoned properties at 664 and 678 Winchester Avenue. NHS of New Haven had purchased these houses from the city, and the Hillhouse High School football team was handling the bulk of the interior demolition needed to gut the houses and prepare them for renovation. They swung their sledgehammers with gusto, removing old plaster and lathe, and by 10:30 am had filled two 30-yard dumpsters. Before the end of the day they had almost completely filled two more dumpsters and much of the demolition was complete.

This example illustrates perfectly several aspects of NHS of New Haven's RDP approach. First, it secured three vacant, dilapidated houses on one block and set about restoring them. Since it typically does so to almost historic standards, these former eyesores will soon become shining examples of what the whole neighborhood could be.
keep expenses down and help build community, they brought in a whole football team to supply the labor. This created a partnership with a local institution (Hillhouse High School) and provided an opportunity for young men, many of whom live in the neighborhood, to do visible, meaningful community service. As their head coach Tom Dyer told a New Haven Independent reporter, “We have students that live up and down this very street. I want them to walk by here in 30 years and see what they were a part of.” The connection to the football team was made through the local United Way’s Volunteer Coordinator, Cecily Jones. The one-day event generated much positive media coverage for NHS of New Haven, the Winchester Avenue neighborhood, United Way and the young men on the football team.

Occasional, splashy events such as this one are important, but NHS of New Haven knows that smaller, daily or weekly events are also critical to strengthening neighbors’ connections with one another and restoring their confidence in the community. Some examples of these activities include the following:

• Finding the natural leaders who have already shown their willingness to take the lead on affecting neighborhood change, from getting the city to fix sidewalks to converting an unsightly vacant lot to a beautiful bird sanctuary.

• Forming these local leaders into community management teams and training them to set up block watches, neighborhood associations and other structures to improve the community’s capacity for solving problems or making positive things happen.

• Inviting neighbors onto someone’s front porch every week for iced tea and cookies to get to know each other and plan upcoming projects.

• Having an artist offer tips to residents in how to sketch the neighborhood, which helps people see things in different, often more positive ways.

A new organizing project just getting started is combining storytelling with social networking sites to shape the way the neighborhood is viewed. Stephen Cremin-Endes, NHS of New Haven’s community building specialist, will have residents use Flip cameras to record brief 3- to 5-minute video stories of their neighbors that highlight who they are and why they choose to live in the community. He believes these video vignettes will tell the story of the positive things that happen every day in the neighborhood, helping to change its image among residents and nonresidents alike. Links on the NHS OF New Haven Web site to Facebook, YouTube, Vimeo or other social media platforms will make them accessible to a wider audience. Students and professors from nearby Yale University will help NHS of New Haven staff and volunteers decide how to capture and present the stories in a way that is authentic and true to the neighborhood. Cremin-Endes plans to end up with at least a dozen quality interviews and then organize an evening event where they are shown to the public.
Paley's 30 years with NHS of New Haven have convinced him that community organizing is a critical component of successful revitalization, but measuring results is never easy. NHS of New Haven is tackling this issue head on through participation in NeighborWorks® America’s Success Measures for Community Stabilization pilot, through which they received a small grant to help cover costs and coaching on how to conduct the surveys. The indicators are grouped in four categories:

- Community Characteristics
- Community Physical Conditions
- Market Health
- Community Image, Confidence and Management

The Community Image, Confidence and Management category includes surveys of residents and key informants designed to capture internal and external perceptions of the community. For residents, the indicators include such things as their level of satisfaction with the neighborhood, perception of property values, perception of safety and security, confidence in the future and how long they expect to live there. Key informants can be people such as merchants, school principals, pastors, or others who work (but do not live) in the community. For this group, examples of indicators include their perception of how the neighborhood is changing, how it compares to other communities, or its attractiveness to people who could choose to live elsewhere. Realtor and investor behavior can also be tracked.

AmeriCorps VISTA volunteers and neighborhood residents will be trained to conduct the survey in NHS of New Haven’s target neighborhoods. Initial results will serve as a baseline, with plans to repeat the survey in a couple of years. Using the same instrument over time will shed light on how effective NHS of New Haven’s efforts have been in changing perceptions of the neighborhood, as well as how those altered perceptions influence both residents’ and key informants’ behavior. “You can’t do housing rehab in a vacuum,” says Paley. Ultimately, neighborhood revitalization requires restoring confidence as well as houses.

**Responsible Redevelopment Lessons Learned**

1. NHS of New Haven’s approach to community building offers residents a number of ways to get engaged, from planting trees on a block, to sketching neighborhood features in an art project, to telling their story in a video. These strategies allow residents to share their hopes and dreams about the neighborhood and to strengthen their relationships with each other instead of just focusing on what needs to be changed. Building and banking this social capital offers some insurance against erosion of community confidence during bad times and adds strength when the residents need to advocate for new resources or assistance.

2. NHS of New Haven is particularly adept at engaging anchor institutions to add depth and resources to its work in target neighborhoods. Engaging the Hillhouse High School football team in demolition is a very creative example of this; the connection to the team was made through the local United Way’s volunteer coordinator. Yale University is another anchor institution that can bring considerable resources and expertise to bear on community projects through its students and faculty. NHS of New Haven benefits from receiving a Yale President’s Fellow each summer, which awards a stipend to a student to intern at NHS of New Haven. Students from the Yale School of Forestry work with residents on tree planting and tree care initiatives. Yale faculty are supporting the effort to record residents’ stories using Flip cameras and will help post these on NHS of New Haven’s Web site and social networking sites.

3. While it is easy to document how many neighborhood cleanups are held, or the number of volunteers who turn out to plant trees on a block, it is harder to measure and track over time how these efforts shape perceptions of the neighborhood by residents and external stakeholders. Through participation in Success Measures for Community Stabilization, NHS of New Haven will help demonstrate the effectiveness of its community-building strategies in improving a neighborhood’s image and contribute to the industry’s understanding of how to measure this change.

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2 AmeriCorps VISTA is the national service program designed by the U.S. Government specifically to fight poverty.
Lawrence CommunityWorks

Using NeighborCircles to Rebuild the Social Fabric of Communities

Much of the media spotlight has focused on homeowners affected by the foreclosure crisis. But in older industrial cities such as Lawrence, MA many rental units are in foreclosure, which affects tenants as well. Neighborhood identities can change rapidly when three to four families are forced to move as a result of a single foreclosure. Lawrence has one of the highest rates of foreclosures in Massachusetts, so the impact on the city has been profound. Nelson Butten, director of collective action and mobilization for Lawrence CommunityWorks describes the visual signposts of foreclosure's aftermath. Houses are boarded up and their yards are filled with trash. Uncollected mail spills out of mailboxes. Squatters take over some abandoned units, and others are vandalized for copper piping and appliances. As property values plummet, speculators from outside the city are starting to buy up property to use as rentals.

Efforts to rebuild the neighborhoods are hampered by the fact that new residents moving in, whether tenants or homeowners, do not know each other and have no knowledge of past revitalization efforts. "Many work two or three jobs to get by," notes Butten, "and others work and go to school. They have no time to meet their neighbors." Often no structure remains within the neighborhood to foster their involvement. The social fabric of communities, already damaged by foreclosures, is further frayed when people lack the time and opportunity to build relationships. Yet without a shared vision of what they like and what needs to be changed, residents will have a difficult time rebuilding neighborhoods hurt by the foreclosure crisis.

Since 2002 Lawrence CommunityWorks has used NeighborCircles as a key strategy to help neighbors bridge the communication gap, averaging about seven to eight complete NeighborCircles annually. NeighborCircles, says Butten, "open the space" for residents to develop new relationships with each other. They begin with a resident volunteering to host a NeighborCircle in his or her own home. Over the course of a month a group of 8 to 10 families will come together at the host's home three times for dinner and conversation. The meetings are assisted by one or two facilitators trained by Lawrence CommunityWorks.

At the first meeting, residents simply get to know each other over a meal provided by the host. This strategy acknowledges that personal relationships are foundational to efforts to build community. In Lawrence’s diverse neighborhoods, racial, ethnic and economic differences act as barriers between residents, so a special effort must be made to create a safe place where they can come together. Lawrence CommunityWorks reimburses hosts a limited amount for the cost of purchasing food and getting their homes ready for the meeting.

At the second meeting participants discuss what they like about their neighborhood and what they want to see changed. They begin by brainstorming ideas and issues and must emerge from the meeting with one or two things they want to work on. Butten notes that the second meeting can be lengthy because it can take some time for group members to agree on priorities.

They meet a third time to develop strategies to address the priorities agreed to in the second meeting. For example, at the second meeting a group might decide that the two most important issues are that people do not know their neighbors and that there is a lot of crime in the neighborhood. At the third meeting, then, they might choose to have a block party to continue building connections among residents. They might also decide to form a block watch committee that can look out for and report suspicious activity. Another strategy might be to invite representatives from the police department out to talk about anticrime measures.

References:
Some NeighborCircles continue getting together after their first three meetings in order to work through their issues. Others do not; their members feel that it was enough to simply get to know each other. As one NeighborCircle host noted, an important outcome for him was to be able to walk down the block and say “that’s Manuel’s house or that’s Betty’s house,” where before the occupants were all anonymous. The choice is entirely up to the participants, according to Button. Lawrence CommunityWorks does not have a particular agenda, but is merely creating the opportunity, “opening the space” for neighbors to build relationships. Still, NeighborCircles have led to a range of collective action including alley and playground cleanups, improving street lighting, safety and parking, and organizing block parties. If they choose to move ahead on an issue, Lawrence CommunityWorks encourages groups not to invest too much time or energy into creating an organizational structure, since that can distract them from reaching their goal. Instead, staff recommends that groups let “form follow function.” In other words, they should create only the minimum structure needed to accomplish the task they have in mind.

The facilitators are a key component of the NeighborCircles’ success. They are typically volunteers who receive a small stipend for their assistance. The facilitators receive training on facilitation techniques as well as in the NeighborCircle model. Use of volunteers means that many more NeighborCircles can be organized than Lawrence CommunityWorks staff could do on their own. The facilitators also gain valuable skills that they can use elsewhere, either in their jobs or in other volunteer interests.

Lawrence CommunityWorks intends to hold five complete NeighborCircles by May 2010. In order to recruit more hosts Button will reach out to participants in programming offered by Lawrence CommunityWorks’ HomeOwnership Center. These will include the pre- and postpurchase classes, homebuyer education counseling customers, Individual Development Account program participants, as well as loan recipients. In a city hard hit by the foreclosure crisis, rebuilding neighborhoods begins with building community. NeighborCircles will be a vital first step in bringing residents together to do just that.

### Responsible Redevelopment Lessons Learned

1. Lawrence CommunityWorks developed the NeighborCircle model well before the housing crisis hit, but it is well-suited to helping rebuild neighborhoods affected by foreclosures. Neighborhoods are more than a collection of streets and houses; the people in the houses are what breathe life into them. This approach is particularly useful in diverse communities where race, ethnicity and cultural norms may keep people apart.

2. While they are not required to do so, NeighborCircle participants may choose to take action on their priority issues. Those that do can receive some follow-up support and advice from Lawrence CommunityWorks in how to interact with city government and advocate for change.

3. NeighborCircles can help to “surface” issues that are best tackled as part of a more regional or citywide approach. They are also an effective way to identify resident leaders who may be interested in working with Lawrence CommunityWorks on other initiatives.

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Neighborhood Progress, Inc.
Responsible Demolition in Cleveland

Ohio is one of the states hardest hit by foreclosures, driven by the combined forces of the national housing slump, the economic recession and long-term erosion of manufacturing jobs. While some foreclosed homes will be purchased and restored to use, many others will fall prey to vandals who strip them for their copper and leave them open to the elements. For these homes, demolition will likely be the most viable option economically. Yet the explosion of vacant, abandoned homes requires a dramatic increase in demolition. Cleveland alone has an estimated 11,500 vacant homes, with numbers expected to mount in the next 2 to 3 years. The city demolished just 195 houses in 2005, but in 2007 it took down 950 homes and plans to raze as many as 1,700 in 2009.1

It is easy enough to knock down buildings, but how do you dispose of the resulting debris in a responsible way? Cleveland's landfills have dwindling capacity, and even a modest house represents 31–32 tons of bulky materials (not including the concrete, which may increase weight by as much as 40 percent).2 Moreover, the building industry is setting increasingly higher standards for "green" disposal of construction debris. Diverting reusable flooring, siding, insulation, drywall and other building materials out of landfills reduces pressure on landfills and can generate affordable building materials for homeowners shopping for bargains. Habitat for Humanities' ReStores is an effort to capture a portion of this market. There are plenty of small-scale salvage jobs or deconstruction taking place on a unit-by-unit basis, but the challenge in Cleveland is bringing it to a scale that makes it a viable alternative to straight demolition.

Frank Ford is senior vice president at Neighborhood Progress, Inc. (NPI), a Cleveland nonprofit that uses a range of innovative programs to strengthen Cleveland neighborhoods. Neighborhood Progress, Inc. had no prior experience with deconstruction, but in spring of

Responsible Redevelopment Elements:

Responsible Demolition
Community Benefits

2008 was asked by the Cleveland Foundation to oversee the deconstruction of two houses as a pilot project. Using deconstruction as an alternative to demolition raised a number of questions:

1. Can large-scale deconstruction efforts deliver costs that are equal to or less than standard demolition?
2. Can deconstruction be a "greener" solution by diverting less material to landfills?
3. Can we create a market for reclaimed materials?
4. Because deconstruction is so labor intensive, does it present an opportunity for creation of entry-level jobs?
5. Can deconstruction be done in a way that protects the health and safety of workers as well as the neighborhoods in which the housing is located?

For a variety of reasons this first pilot project was not a success. Done mostly by hand, the process took twice as long as planned (4 weeks per house instead of 2), and safety was a constant concern. "A halfway deconstructed house is far more dangerous than an abandoned house," observes Ford. "It becomes an 'attractive nuisance' to neighborhood children, so every day before the workers left the site we had to make sure it was well secured." Ford also notes that it costs, on average, about $10,000 to demolish a house and truck the debris to a landfill, but because it took so long the deconstruction was far more expensive. Unless they could find a faster way to dismantle houses, deconstruction was going to be too expensive and hazardous a solution.

Enter Dave Bennink and RF-USE Consulting, a company dedicated to finding sustainable alternatives to demolition. Bennink proposed using what he calls "hybrid deconstruction," which combines use of people and
machines to deconstruct buildings more efficiently. The approach involves sawing through the wall joints to create panels, which can then be lifted off with a crane and placed on the ground where workers can dismantle them quickly and safely. Neighborhood Progress, Inc. working with the newly formed Urban Lumberjacks of Cleveland, worked with Bennink to deconstruct two more houses in late 2008 and found that it significantly reduced the deconstruction time, from 8 weeks to 11 days. However, the cost per house was still more than a straight demolition.

Nevertheless, on the strength of this experience, staff from the Mayor's Office at the City of Cleveland approached Neighborhood Progress, Inc. and offered to fund a slightly larger pilot, involving six houses, for which it would pay an average of $10,000 each plus a $4,000 differential. The goal of this was to continue searching for strategies to reduce the deconstruction period to 5 weekdays, which would keep costs down and minimize safety and security issues. Ford recalls that the first two houses came in at just under $25,000 each, but the next two were $17,000 each. Ultimately, Urban Lumberjacks did manage to complete the deconstruction in 5 weekdays and reduced the average cost to about $14,000 (actual costs per house vary by square footage).

In October 2009 the City of Cleveland proposed to contract with NPI to deconstruct 40 houses, for which they would again be paid $10,000 each with a $4,000 differential. While they are still negotiating the terms, Ford thinks Neighborhood Progress, Inc. will agree to take this on. This would be a year-long project, with houses being completed at the rate of about one a week except in the coldest winter months. Worker safety is still a concern due to Cleveland's subfreezing temperatures, as snow and ice can make site conditions hazardous. An intriguing solution for the winter might be to load the wall panels onto a flatbed truck and bring them to a warehouse where they can be dismantled in dry, climate-controlled conditions, sort of the reverse of the manufactured housing process. Chris Kious, of Urban Lumberjacks, thinks that processing materials inside would reduce their labor and insurance costs. Another advantage to this approach is that, if the warehouse were large enough, the reusable materials could be sold right on the premises. The warehouse would need to be centrally located in order to reduce travel time and costs.

Not every house is a good target for deconstruction, so that traditional demolition contractors will still be needed. Kious says homes that have large trees, power lines, or other buildings right next to them will pose problems for his heavy equipment; a quick drive-by will be enough to eliminate those as prospects. The next thing he checks for is glued linoleum over wood floors, which impedes processing and renders flooring useless. Fire damage, or wood rot due to leaky roofs, reduces the amount of salvageable materials and makes homes unsafe to work in, so Kious will reject those as well. Finally, asbestos in the walls is expensive to abate so he will avoid those homes, though asbestos around pipes is quick and easy to deal with and does not cause a problem. Lead paint is another commonly encountered hazard; they just try to minimize the dust during deconstruction and process lead-filled surfaces appropriately to protect the health of workers and the neighbors.

The response to the five questions posed above around the value of deconstruction, is a cautious "yes," but many questions and challenges remain. Deconstructing homes and salvaging reusable materials can keep some demolition debris out of landfills, although it is hard to measure the volume that is diverted. There does seem to be growing interest in reuse of salvaged materials, but there is a challenge to delivering enough materials (dimensional lumber for example) to complete a large-scale job, and storage of materials is a challenge. Smaller, specialty uses offer a partial solution. Urban Lumberjacks has started "A Piece of Cleveland," a furniture-making business that uses reclaimed wood from deconstructed homes.

Deconstruction costs have come down significantly since Neighborhood Progress Inc's first foray into dismantling homes by hand. Since working in Cleveland, Bennink has deconstructed two homes in four 10-hour days (not including denailing boards or foundation work) using 4.5 people per day, which brings the process closer to the cost of straight demolition. One caveat is that the machinery and equipment required to be competitive requires a steep upfront investment. Nevertheless, when coupled with other cost savings or measurable society benefits such as the avoided cost of building new landfills, or the reduced environmental impact of cutting and processing lumber from forests, large-scale deconstruction appears even more attractive. Deconstruction does offer entry-level jobs, and learning how to deconstruct a house could be a valuable precursor to learning how to put one together. The experience in the Cleveland pilot suggests that there are strate-
gies that can shorten deconstruction time and increase safety for workers and neighbors alike.

Neighborhood Progress Inc.'s Frank Ford readily admits that the deconstruction versus demolition debate may not be one neighborhoods care a lot about. Understandably, neighbors of vacant buildings are most likely to favor the approach that eliminates the nearby blight as quickly as possible with minimal impact on adjacent properties. In many cases, they would be just as happy with a demolition as with deconstruction. "But," insists Ford, "what happens in our landfills ought to concern us all. We ought to pay attention to what happens to these houses when they get knocked down. Fifty to 100 years ago no one worried about this, but more and more people are getting tuned in to these things now."

In the coming years most areas of the country will see their economies and housing markets recover, increasing the value of vacant lots and properties and accelerating their reuse. But Cleveland has seen five decades of steady population decline, through bad times as well as good, from 914,808 residents in 1950 to an estimated 438,042 in 2007. The population is expected to shrink still further by 2016, to about 387,000. There is growing acceptance in the public, business and philanthropic communities that Cleveland must take the steps necessary to adapt to a smaller footprint. This will require the city to purge vacant, abandoned homes from its inventory.

So for Cleveland, as well as for many other aging rust belt cities, the decision is not whether to demolish houses but how to do so in a way that is safe and cost-effective and minimizes the impact on the environment. If every one of the 11,500 vacant homes in the city's inventory were to be demolished, the total cost would be roughly $115 million and hundreds of thousands of tons of construction debris would be sent to landfills. Diverting the reusable materials from the waste stream would reduce that amount significantly. While exact percentages vary by house by house, about 50 percent of the deconstructed homes in Cleveland are sent to the landfill, though Bennink says in other cities 20 percent of a deconstructed house ends up as construction debris, 35–45 percent may be reused and 35–45 percent recycled.

The deconstruction industry is changing rapidly, with advances in tools and techniques that are making it faster, safer and more competitive with standard demolition. Bennink's long-term goal is to make deconstruction a mainstream choice for building removal, with 51 percent of houses removed this way. Frank Ford is more focused on the short-term challenges of deconstructing 40 houses in a year. But, he notes, Neighborhood Progress, Inc. has recently begun work on a strategic plan. Although deconstruction was not even on Neighborhood Progress Inc.'s horizon in early 2008, it has found its way into the organization's strategic thinking for the next 5 years.

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7 The Northern Ohio Data and Information Service, February 2008.
Responsible Redevelopment Lessons Learned

1. Deconstruction done responsibly means using techniques that protect the safety of workers on the site, both from shifting materials and from hazards associated with materials such as lead or asbestos. Use of machinery can both expedite the deconstruction process and make it safer for the workers. Careful selection of homes is also required to ensure that the building’s integrity is not compromised due to fire damage or rot, which pose additional hazards for workers on site.

2. Part of creating the economic incentive to deconstruct is to price landfill tipping fees correctly. A city that sets tipping fees too low encourages demolition. Bennink says that Seattle, which charges tipping fees at ranging from $100 to $135/ton, routinely sees up to 85 percent of deconstructed homes reused or recycled.

3. In Cleveland, Neighborhood Progress, Inc. paid deconstruction workers $12/hour, with crew leaders earning $20/hour. With multiple people employed per house, large-scale, year-round deconstruction programs could generate dozens of entry-level jobs and prepare some of those workers for entry into building trades.

4. Through use of technology and improvement of technique, the cost of deconstruction has come down substantially, though it is still greater than straight demolition. When other factors are considered, such as the avoided cost of siting and permitting new landfills, or the value of the reclaimed or recycled materials, the case for deconstruction becomes more compelling.

5. A critical component of making deconstruction a large-scale solution is creating a market and a retail delivery system for the materials reclaimed. From the City of Cleveland’s perspective, the revenue captured from materials resale may be the key to making deconstruction fully comparable to demolition. Otherwise, the city would have to be willing to subsidize deconstruction, which over thousands of units might be too steep a price to pay for the benefit of landfill diversion.
Chelsea Neighborhood Developers
Equitable Community Redevelopment

The City of Chelsea, MA is located just across the Mystic River from Boston. It is a small and densely packed community of about 32,500 whose diverse residents include immigrants from Central and South America as well as Asia and Africa. Through most of its history it has been a gateway city, a stepping stone for successive waves of immigrants who land there, learn their way in America and move on.

Being home to populations whose makeup changes over time can cause problems for communities. Recent research suggests that, while diversity is generally hailed as desirable, it can actually result in less social cohesion and greater isolation for residents. This pattern is true both across and within racial and ethnic lines.

Immigrant populations also tend to be lower income, and language barriers often make them easy prey for predatory schemes. In Chelsea, families get squeezed into small apartments owned by real estate investors who do minimal work on the units to make them habitable. Ann Houston, executive director of Chelsea Neighborhood Developers (CND), a NeighborWorks* organization, notes that in some neighborhoods as many as 50 percent of units are in illegal rooming houses. Immigrants are also vulnerable to predatory lenders, and the recent wave of foreclosures that has swept over Chelsea is due in part to families accepting loans for home purchase or renovation that were impossible to repay.

Taken together, these circumstances present formidable obstacles to revitalizing Chelsea, but Chelsea Neighborhood Developers has made impressive gains through an approach Houston calls “equitable community redevelopment.” This is a three-part strategy that focuses on redeveloping the built environment, strengthening connections among residents and between residents and the city, and helping residents build assets.


Responsible Redevelopment Elements

Authentic Engagement
Capacity Building
Community Benefits
Building Mixed-Income Communities

Redeveloping the Built Environment

Redeveloping deteriorated sections of Chelsea was a big priority for the City Council. One such section was the so-called “Box District,” which Houston says had been dying for 25 years. Just over a block from City Hall, this neighborhood had been home to shuttered factories and vacant commercial buildings, connected by stretches of cracked asphalt. The city re-zoned it for residential use, but there were no takers until Chelsea Neighborhood Developers stepped up with a redevelopment plan that included demolition and new construction of town homes and multifamily housing. While mixed-income developments are considered a standard of sound community development, Houston notes that Chelsea Neighborhood Developers is just as committed to mixed-tenure development that provides high-quality, affordable housing opportunities for both homeowners and tenants. The key is to ensure that the multifamily housing is owned by investors, such as Chelsea Neighborhood Developers or other partners, who are committed to the community for the long term. The Box District redevelopment is approaching the halfway mark, with 41 affordable rental units and 26 mixed-income homeownership units completed to date. All but two of the 26 single-family units have sold, testament to both the high quality of the units and the excitement within Chelsea about the new neighborhood.

Chelsea Neighborhood Developers is also leading efforts to revitalize a 12 square block area of Chelsea known
as North Bellingham Hill that is adjacent to the Box District. This is a densely populated neighborhood in which half of the units are in illegal rooming houses. The community is very diverse, and there was no history of residents working with each other or the city. Recognizing the challenges Chelsea Neighborhood Developers advocated for an intensive, "granular" approach to the planning process. Over the spring and summer of 2009 Chelsea Neighborhood Developers held a series of four planning charrettes at which over 100 residents and city officials came together to create a new vision for the neighborhood. Houston thinks that residents participated in the charrettes because they had been watching the Box District blossom and "were willing to take a chance on having hope that positive change could occur."

### Strengthening Connections

Houston thinks author Robert Putnam was right on target in his conclusion that diverse communities can increase social isolation. "We see it all the time," she says. "People can live right next to each other for 20 years and never speak." As a result, Chelsea Neighborhood Developers' work in neighborhoods also includes an active program to bring neighbors together and to connect residents to city officials. In North Bellingham Hill, during the period that the charrettes were taking place, Chelsea Neighborhood Developers held three NeighborCircles. The NeighborCircle model brings 8–15 neighbors together over a meal and through a facilitated process helps them share concerns about the community and decide what (if anything) they want to do to address them. A primary benefit of NeighborCircles is that they build bridges across the social divides that are a daily experience for residents of diverse communities. Houston notes that when levels of suspicion and hostility are high, community organizing can become an adversarial experience. Also, residents who came to Chelsea from countries plagued by civil unrest have no experience in participatory democracy. "They don't understand government by the people and for the people," says Houston. Part of Chelsea Neighborhood Developers' role is that of convener, making sure that both residents and city officials are at the table when issues of consequence are discussed. For many residents participation in the North Bellingham Hill planning charrettes marked the first time they had sat across the table from the city manager, city councilors or the chief of police and talked with them as equals. Houston gives high marks to the chief of police, especially, who personally attended all four planning charrettes. He understood how important it was for the police department to be part of the conversation. The experience was tremendously empowering for residents, and it resulted in a detailed plan that is governing the revitalization work now under way.

Resident involvement is critical in both proactive planning and in responding to issues that threaten the community's health and safety. Soon after residents moved in to the newly built housing in the Box District, for example, gang violence broke out. Chelsea Neighborhood Developers swiftly organized a meeting with the police chief that was attended by 50 residents. There were several important outcomes of this meeting. Residents became better acquainted. They formed a block watch to improve security. And they learned more about community policing and how they could work with law enforcement to
keep their neighborhood safe. Meetings like this help to change how residents feel about an issue and their role in the life of a city.

**Asset Building**

In addition to real estate development and community building, Chelsea Neighborhood Developers offers direct services to low-wealth residents to help them build assets. These services include financial literacy workshops, offered in English and Spanish, that cover topics such as budgeting, banking, using credit and consumer rights. Graduates of the workshops can attend peer support meetings that offer additional training and support toward meeting their financial goals. Matched savings Individual Development Accounts are available for income eligible residents. Chelsea Neighborhood Developers also supports and promotes volunteer income tax assistance (VITA) sites, which can help low-income families file for the Earned Income Tax Credit. Houston notes that last year VITA helped over 400 families file tax returns, which brought more than $600,000 back to the community.

Chelsea is on the move. It is a city that had all the essential ingredients for disinvestment, including a poor immigrant population drawn from many parts of the globe, high levels of social isolation, a run-down housing stock and most recently the housing crisis and a lengthy recession. Yet Chelsea Neighborhood Developers has found a way to harness the collective yearning and hope for renewal and change to build new partnerships among residents, the city and community stakeholders. These partnerships are leading to tangible improvements that benefit everyone, regardless of wealth, tenure or community position, a hallmark of equitable community development.

**Responsible Redevelopment Lessons Learned**

1. Residents know instinctively when they have been invited to a "token" meeting and when they are brought in for meaningful dialogue. Chelsea Neighborhood Developers' willingness to slow down the redevelopment process in the North Bellingham Hill neighborhood, holding four charrettes over the course of several months, allowed time for participants to come together for some deep discussion about the changes they wanted to see happen. In the short term it would have been faster and easier to hold just one or two planning meetings, but they would have not allowed sufficient time for the relationship and trust building that will be fundamental to successful implementation of the plan.

2. Communities with high numbers of immigrants face cultural and experiential barriers to participating in efforts to create positive community change; they often have had no experience with it. Yet it is essential that they do participate in order to ensure their voices are heard and to learn how they can work in a proactive way with city officials to create positive community change.

3. Chelsea Neighborhood Developers' patient "granular" approach to redevelopment also contributes to its success. Taking a block-by-block, property-by-property approach ensures that the solutions that are developed address the real issues on each block. Again, this may add time to the process, but the stronger understanding of underlyng real estate and community dynamics promises a higher likelihood of success.

4. Balancing the needs of all residents and stakeholders is a daunting task. It is easy to let the voices of the weakest groups, including low-income families, recent immigrants and renters, be drowned out by more advantaged groups who have greater access to capital, both financial and political. Chelsea Neighborhood Developers' commitment to building mixed-income, mixed-tenure communities ensures that improvements to the built environment do not come at the expense of the most vulnerable residents.
Neighborhood Housing Services of New Orleans
Building Local Capacity to Fight Abandonment

In the wake of the damage inflicted by hurricanes Katrina and Rita in 2005, conversations about the state of New Orleans' neighborhoods tend to focus on the question, "Where did the water stop?" Yet David Lessinger, project manager at NHS of New Orleans, points out that some communities, such as Freret and Milan, had a history of disinvestment that was as damaging as the storms. Over a period of two to three decades they experienced a pattern of steady population loss, housing abandonment and increased absentee ownership that stripped the communities of their life and vitality. While efforts to rebuild must address the hurricane damage; in order to fully recover the Freret and Milan neighborhoods must also confront the effects of long-term disinvestment and restore residents' sense of community and pride. NHS of New Orleans' Freret Property Campaign was designed to help former residents move back to the neighborhood by making Freret a more desirable place to live and by creating new housing opportunities. In 2008 NHS of New Orleans helped residents complete a Success Measures survey in which over 200 respondents said their top concern was vacant and run-down properties. NHS of New Orleans and residents recognized that these "neglected" properties fostered unsafe and illegal activities, created health and environmental hazards, and reduced residents' pride in their community.

The first step in the campaign to address neglected properties was to identify and map them. Neglected properties had to meet all three criteria of being vacant, in fair or poor condition, and not under construction. A survey of the more than 1,300 properties in Freret, completed in June 2008, found that 150 of them met the criteria. An additional 70 properties were found to be vacant, but closer inspection identified that they were under construction so they did not qualify as neglected. Still, the 150 properties represented 11.5 percent of the community's stock, affecting virtually every block.

To help prioritize the 150 properties NHS of New Orleans divided Freret into three zones. Zone 1 occupies the middle third of the neighborhood. It was already part of one of New Orleans' redevelopment zones and the target of a City of New Orleans initiated Code Enforcement sweep, which made it a good selection for prioritizing.

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12 Success Measures is an innovative approach for community-based organizations and their partners to document outcomes, measure impact and inform change. It is led by NeighborWorks® America: SuccessMeasures@nw.org.
13 NHS of New Orleans and its partners wished to avoid the use of the word "blight," which has a specific legal meaning.

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target properties. Zone 2, the northern third, had more clusters of problem properties and a weaker real estate market, which made it a more challenging area to revitalize. Zone 2 will still receive assistance with problem properties but will be lower priority until target properties in Zone 1 are addressed. Finally, Zone 3 in the south had a healthier housing market that was more likely to support private investment, so it needed less assistance. The Ferret and Millan Property Campaign map shows the number of problem properties in the neighborhoods and the progress made over just one year.

NHS of New Orleans sent a letter to the owners of all 150 problem properties, advising them that their properties had been identified as neglected and inviting them to contact NHS of New Orleans for more information. Each letter included a photo of the property so that the owners knew NHS of New Orleans had the right unit and to show its condition. Lessinger notes that the letter was useful in helping NHS of New Orleans sort the target property owners into different categories. In some cases, owners were living out of state and simply did not realize how deteriorated their properties had become. Once they understood this they were willing to work with NHS of New Orleans to improve their houses so they could move back to the neighborhood, or rent them out until they were ready to return. In some cases they decided to sell them to new owners who were willing to fix them up.

NHS of New Orleans is helping these owners find buyers, obtain financing for purchase and renovation and in some cases is providing construction management during renovation. Some of homeowners' initial hesitancy to return to New Orleans, Lessinger believes, was driven by concern about the neighborhood in which their ruined home was located. Did the neighborhood even exist any longer? Getting a letter from a functioning community group drawing attention to their building's condition, and offering assistance in addressing those issues, was clear evidence that the neighborhood was healthy and active once again.

Some residents simply lacked the knowledge or the financial resources to fix up their homes. One of the conditions of the financial assistance made available to property owners affected by Katrina was that they had to first pay off their mortgages. In many cases this used up all of their assistance, and homeowners were left with no mortgage but a house that required extensive and costly renovation in order to make it habitable again. NHS of New Orleans is able to offer these homeowners affordable financing through its own loan pool or other sources and construction management assistance as well.

Other target property owners simply refused to respond to the letter at all or indicated that they had no intention of making repairs. These owners were referred to the City of New Orleans Code Enforcement office for official action. Where necessary, the city will take the steps required to secure or demolish the properties and attach a lien on the property to recover the cost.

A small group of owners could not be located, and for these NHS of New Orleans turned to the neighborhood for assistance. Each week a market takes place in Freret where farmers and craftspeople sell their goods. NHS of New Orleans sets up a table and showcases the 10 worst target properties, asking for clues about owners' identities and whereabouts. This approach has yielded useful information that could not have been obtained through tax rolls or other conventional databases. NHS of New Orleans has also found that the Ferret Market is an excellent place to advertise houses that are for sale or for rent.

GIS mapping has been a powerful tool, but Lessinger has found that residents and stakeholders respond best when maps are kept simple, showing one layer of data at a time, like the problem properties map shown earlier. More complicated maps are too confusing for novice readers, so in his Ferret Property Campaign Handbook Lessinger created several different ones to convey specific information, such as the location of commercial buildings, the priority zones or property types. Use of major landmarks on the maps helps people get oriented.
NHS of New Orleans' goal is to eliminate neglected properties in Freret within a 5-year period. Some progress has been made in the first year, and planning for a second property survey is under way. This next survey will lean more heavily on neighborhood residents, organized around block captains who will coordinate surveys in a two- to three-block area. The first survey was completed largely with the help of young adults in a job training program who fanned out through the community and finished it quickly. This process worked well, says Lessinger, "but it took the residents out of the process." Surveying their blocks is a great way to get residents involved in the neighborhood, and updating maps quarterly will help them visually track the progress that is being made.

Lessinger is working with the University of New Orleans to develop an online mapping interface. Ultimately, Lessinger's long-term goal is to create a citywide, participatory database that would allow users to search on all neglected properties in specific neighborhoods. He thinks this would be a useful tool for residents who are still undecided about coming back. They could review the maps to see the condition of their own properties and to gauge the recovery of the neighborhood as a whole.

**Responsible Redevelopment Lessons Learned**

1. **Freret residents have played a key role in neighborhood recovery efforts.** NHS of New Orleans helped Freret residents plan and implement the Success Measures survey, which helped focus attention on the problems associated with vacant and abandoned properties. The GIS mapping project grew out of the survey, bringing it a step forward by pinpointing the location of problem properties. The mapping is both an organizing tool for NHS of New Orleans and a dynamic and useful way to illustrate progress in improving the community. Publishing the maps in the "Freret Property Campaign" guide and exhibiting them at neighborhood meetings and even at the local market helped educate residents about community recovery efforts.

2. **Stabilization efforts require strong neighborhood partners.** The NHS of New Orleans sponsored Success Measures survey and the subsequent mapping project provided Freret residents with the tools they needed to partner with the City of New Orleans. The city undertook its Code Zone Enforcement Sweep in Zone 1, the area the mapping project revealed to have the right mix of concentration of problem properties and sufficient market vitality to support recovery efforts. It also helped the city target public funding to be used for home improvement.
LaCasa, Inc.
Helping Residents Plan Economic Recovery

Elkhart County, Indiana's employment base depends on manufacturing recreational vehicles, icons of a boom economy when gas was cheap and consumers were spending freely. But the combined shocks of skyrocketing gas prices in the summer of 2008, followed immediately by the stock market collapse, put the brakes on Elkhart County's economy. Within a year unemployment shot up from 5 to 18.3 percent, and soon people started having trouble paying their mortgages.

Elkhart County is in north central Indiana, about 120 miles east of Chicago and in the heart of Amish country. Its real estate market had only modest increases in recent years but predatory lenders were active, peddling so-called "two-year fixed" loans that would re-set to higher rates in the third year. Those loans spelled trouble to LaCasa Executive Director Larry Gautsche, so two years before the market crashed he arranged for three of his staff to become certified as foreclosure counselors through NeighborWorks® America. Where LaCasa had previously seen only a handful of mortgage delinquencies at any one time, the counselors now respond to 60-70 new foreclosure cases a month. Vacant houses are a common sight in neighborhoods throughout Elkhart and surrounding counties.

LaCasa staff enlisted Goshen neighborhood associations in the task of identifying vacant and foreclosed properties that could drive down property values in otherwise stable areas. Residents helped identify 17 bank-owned homes, along with 10 properties that were long time neighborhood eyesores, which became the basis of an application for funding under the Indiana Housing and Community Development Agency's Round 1 Neighborhood Stabilization Program (NSP-1). The city of Goshen offered a matching loan of $800,000 to cover the cost of redeveloping the non-foreclosed properties, which are not eligible for NSP funds.

LaCasa planned to identify and prepare buyers through its NeighborWorks® HomeOwnership Center (HOC). Approximately 150 families were participating in LaCasa's Individual Development Account program (a matched savings program), most of whom were saving to purchase their first home. With the help of homebuyer education and counseling through the HOC, LaCasa was confident that qualified buyers could be found to purchase the available homes. City loan funds would be used to acquire uninhabitable properties and NSP funds would be used to renovate them. LaCasa clients would tap the LaCasa loan fund for mortgages and their IDAs for downpayment and closing costs.

Local churches established LaCasa in 1970 to support migrant farm workers and their families. Over the years LaCasa expanded its mission to include other programs, and now supports all low- and moderate-income families, not just farmworkers. It expanded its service area in 1998 to include all of Elkhart County.

LaCasa’s biggest change, however, came when it joined the NeighborWorks® network in 1999. As Gautsche recalls, this event was “transformational in helping us understand the needs of the neighborhood, not just the individual.” LaCasa targeted a neighborhood in Goshen and hired a community outreach worker, who spent time getting to know the residents and their needs. "Nothing visible happened during the first year", recalls Gautsche, "it was all planning." Yet the improvements that eventually followed were all driven by the needs residents had identified in that first year, and by the vision they had for their neighborhood. The city made infrastructure improvements such as new sewers, sidewalks, streets and lighting. When a large factory moved out, LaCasa organized a series of planning charettes to obtain resident input into how the site should be redeveloped. Residents ultimately decided they wanted to clean up the site, turn it into a
This positive experience helped transform the way the city of Goshen approaches its neighborhood planning. Now the city will not start a community project without involving residents. This is very different from the way it used to be when neighborhoods were not defined, organized or recognized as stakeholders. LaCasa's approach to involving residents in guiding neighborhood revitalization transferred seamlessly to planning a recovery from the foreclosure crisis.

While the state elected to focus its NSP-1 funding on multifamily housing, LaCasa was able to re-use many elements of its plan to apply for the second round of NSP funding in the summer of 2009. The planning will also serve as a strong foundation for ongoing community recovery efforts. The City of Goshen faces real challenges in rebounding from the weak economy and the real estate slump, but they will be easier to manage as LaCasa, residents and city officials work together to identify solutions.

Responsible Redevelopment Lessons Learned

1. Authentic Engagement: When LaCasa first adopted a neighborhood planning approach in Goshen, the organization spent a year listening to and working with residents to understand what changes they wanted to see happen. This process produced a plan that everyone could support and get excited about, and which resulted in visible and lasting improvements to the neighborhood.

2. Sustainable Partnerships and the Need for Champions: The planning process LaCasa first initiated in Goshen served as a blueprint for changing the way that the city of Goshen interacted with its residents around neighborhood revitalization. The "public-private partnership" forged during this process between residents, LaCasa and city officials was transferable to new neighborhoods and challenges, including the current foreclosure crisis. LaCasa was able to work closely with Goshen residents and city officials in preparing proposals for both rounds of the Neighborhood Stabilization Program.
Hudson River Housing
Partnerships to Improve Resident Choices and Neighborhood Outcomes

In the last year housing prices in Poughkeepsie, New York have dropped by 35 percent from its peak. Unemployment hovers around 8 percent, which is slightly better than the national average, but still means a lot of people are out of work. At Hudson River Housing's NeighborWorks® HomeOwnership Center, 60 to 70 percent of new customers are existing homeowners seeking help with mortgage delinquencies and foreclosures. This is up from just 4 percent a year ago, and the numbers continue to increase.

Once known as the "Queen City of the Hudson" in the 1800s, Poughkeepsie's economy included paper mills and breweries, and a thriving shipping trade. The decline of manufacturing eventually took its toll on Poughkeepsie and in the late 20th century it suffered from disinvestment and blight. The city demolished many of the old mill buildings to make way for new development but the area continued to struggle. Hudson River Housing was formed in 1982 to provide shelter and services to a growing population of homeless people. As years passed, Hudson River Housing recognized that the homeless needed more than just emergency shelter and began developing first transitional and supportive housing, and then homeownership opportunities for low income families. Hudson River Housing was chartered as a NeighborWorks® organization in 1999. While serving homeless people remains central to its mission, Hudson River Housing has steadily expanded its affordable housing development focus and points with pride to the construction of over 600 emergency, transitional and rental units, and 39 one- and two-family homes.

Hudson River Housing has focused much of its housing work in the northern part of Poughkeepsie, home to many of the city's low income and minority residents. As the economy worsened, Ed Murphy, Hudson River Housing associate executive director for real estate development, worried that the poorest areas would be hit the hardest. These fears were justified when Murphy and his staff mapped the foreclosure-affected properties in preparation for a Neighborhood Stabilization Program Round 1 (NSP-1) proposal; 80 percent of the 130 affected properties were in the city's north side. Eight census tracts had HUD Risk Scores of eight or higher, indicating concentrations of foreclosed, vacant and abandoned properties. In the last 18 months, the city's north side has also seen an increase in violent crime, and vandals have targeted vacant buildings.

The city of Poughkeepsie was awarded $2.1 million from NSP-1 from the New York State Housing Financing Agency, which will be used to help stabilize the eight census tracts in the city's north side. To improve its ability to move swiftly once the NSP-1 grant is executed, Murphy assembled a "SWAT Team" that included a builder, an architect, an environmental engineer and an appraiser. This group met several times to plan its strategy. As soon as the grant is finalized they will assemble the team and visit as many properties as possible in one day, repeating this as necessary until all the properties have been reviewed. Their target is 43 units; Hudson River Housing staff has put together a list of foreclosed and vacant properties in the target census tracts for the SWAT team to work from. The properties include a mixture of one- and two-family homes and small multifamily (4-6 unit) buildings.

A new initiative for Hudson River Housing and its partners will be to renovate the buildings using green building principles to the extent the construction budgets will permit. Priorities include upgrading appliances to "Energy
Star” rated items, installation of high efficiency heating and cooling systems, improved insulation, landscaping with native plants and use of paints and finishes containing no volatile organic compounds (VOCs).

Hudson River Housing also plans to use NSPI funds to redevelop the old underwear factory near downtown Poughkeepsie, rechristened “The Cooperage” by a would-be developer who later walked away from the project. This lovely 27,000 SF building is on the National Register of Historic Places, and is one of the few that remain of Poughkeepsie’s manufacturing past. It is also a key component of Hudson River Housing’s newest initiative, the Middle Main revitalization. This effort will target a five-block stretch of Main Street, where three out of five commercial spaces are vacant, upstair apartments are vacant and buildings are falling into disrepair. Hudson River Housing believes that redeveloping “The Cooperage” as affordable rental housing will bring new life to the historic building and re-energize the downtown. Additional affordable housing opportunities are available on the residential side streets leading off of Main Street.

The area has a high concentration of Latinos, many of whom moved to the city as immigrants 15-20 years ago. They have opened new restaurants and bodegas along Main Street, as well as other small businesses. Research shows that homeownership rates among immigrants who have lived in the United States for less than 10 years is relatively low, around 16 percent. It takes time to find stable employment, understand housing markets and save for a downpayment. Homeownership rates among families who have been in the country for 20 years are far higher, around 59 percent, suggesting that Poughkeepsie’s Latino population could be an important source of new buyers.13 Hudson River Housing has bilingual staff, one of the few housing programs locally to do so, and has been reaching out to the Latino community.

This sort of focused revitalization effort is new to Hudson River Housing and the organization has been experimenting with ways to make it more of a grassroots effort. A meeting in June 2009 drew 27 attendees who enthusiastically discussed the strengths and opportunities, as well as the challenges, of Middle Main. Assets cited included the diverse population and ethnic food offerings, as well as the presence of some owner-occupied buildings to help anchor the neighborhood. Problems included crime, an over-abundance of pit-bulls, and the neglected visual appearance of many buildings. One outcome of the meeting was to establish an advisory committee, which will work with residents and Hudson River Housing to identify priorities for the next three to six months.

Hudson River Housing is also experimenting with social networking to reach out to people who might not attend Middle Main face-to-face meetings due to scheduling difficulties or who simply do not care for meetings. The newly established www.middlemain.ning.com offers a discussion forum, photos, an events calendar and a membership list. It has a small number of followers at present, but this is an innovative strategy for reaching out to people interested in the revitalization of Middle Main, especially younger residents.

Helping Poughkeepsie recover from the housing and economic downturn requires Hudson River Housing to

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13 Ray, Brian; Papademetriou, Demetrios; & Jashemkowicz, Maia. “Immigrants and Homeownership in Urban America: An Examination of Nativity, Socio-Economic Status and Place.” Migration Policy Institute, April 2004.
work in different parts of the city, with different constituencies and to utilize different revitalization strategies, but in both efforts they will be improving choices, opportunities, and outcomes for residents. In the city's north side Hudson River Housing will use a scattered site approach, stabilizing the neighborhoods by putting foreclosed and abandoned units back into service. Using a housing SWAT team to evaluate units adds efficiencies that will speed redevelopment of the units into owner-occupied properties or affordable rental housing for neighborhood residents. The Middle Main project, by contrast, focuses on restoring one defined neighborhood near the downtown. Hudson River Housing is engaging residents and other stakeholders in the planning process, which will lead to the redevelopment of an old mill building into permanent affordable rental housing, improvements to the smaller mixed-use buildings that line Main Street and revitalization of the neighborhood.

**Responsible Redevelopment Lessons Learned**

1. **Authentic Engagement:** As part of the Middle Main revitalization initiative, Hudson River Housing is reaching out to residents through traditional community meetings, as well as through an innovative use of social networking, to gain their input. Residents will help prioritize activities and will also have input into planning, designing, implementing and evaluating efforts to redevelop Middle Main in a way that meets their needs.

2. **Capacity Building:** Hudson River Housing will help teach residents and business owners in the Middle Main area how to interact and to negotiate in a meaningful way with city officials and other stakeholders.

3. **Building Mixed-Income Communities:** Hudson River Housing has worked for many years to build and sustain mixed-income communities, supporting society’s most vulnerable people (the homeless) as well as low income and minority families. The NSP activities Hudson River Housing plans will create both single- and multi-family affordable housing opportunities for lower income people. These activities will help stabilize Poughkeepsie’s housing market, which will encourage participation of moderate-income families as well.

4. **Sustainable Partnerships and the Need for Champions:** Hudson River Housing will rely on public-private partnerships for its foreclosed housing activities in the city’s north side, and in implementing the Middle Main initiative. The housing “SWAT Team” Hudson River Housing has assembled will expedite disposition of foreclosed and vacant properties. Hudson River Housing is also bringing together residents, business owners, and city officials to redevelop Middle Main. Hudson River Housing is both a stakeholder in these initiatives and serves as the champion for a transparent and inclusive dialogue about preserving housing and neighborhoods.
Twin Cities Community Development Corporation

Reinvigorating Energy and Investment in Fitchburg

The north central Massachusetts town of Fitchburg perches at the tail end of the commuter rail line into Boston. A small city with a population of about 40,000, Fitchburg offered housing prices that were relatively modest compared to those in the greater Boston area, and a stock of small rental properties (two - three units) attractive to investors. Marc Dohan, executive director of the Twin Cities Community Development Corporation (Twin Cities CDC) says that in the early 2000s investors acquired properties in large numbers, often making only minor improvements before renting them out. When the market crashed in 2007 and 2008 many landlords were so over-leveraged they simply walked away from their properties. These losses were compounded by single-family homeowners who had difficulty paying their mortgages when they were laid off or had a reduction in hours.

The Twin Cities CDC is a NeighborWorks® organization serving Fitchburg and the neighboring town of Leominster. Established in 1979, the Twin Cities CDC has seen the Twin Cities struggle with a number of challenges, including a slow but steady population loss in the 1990s as the former mill towns saw their manufacturing base evaporate and people drifted away.

The 2000s saw a reversal of that trend, however, as Fitchburg became home to a growing Latino population, including Uruguayan, Dominican, and Puerto Rican immigrants. Despite the current economic downturn Dohan sees an opportunity for the Twin Cities to reinvent themselves. "We need to get people to see the resources that are in front of them, to take an entrepreneurial look at the community," says Dohan. "This area has a rich heritage, with beautiful old mill buildings and a river running through the towns. These are assets we can build on."

The Twin Cities CDC is taking a multi-pronged approach to revitalizing Fitchburg that combines community organizing with improving the housing stock, starting with the Elm Street Neighborhood. One area of focus is working with the city to make improvements to sidewalks and lighting, and to improve service such as snow plowing in the winter. "Neighbors need to learn to talk to the city, and the city is interested in learning from the residents about their priorities," says Dohan. The Twin Cities CDC is helping to broker those conversations.

In July 2009 the Twin Cities CDC moved into new office space on Fitchburg’s Main Street, within walking distance of Elm Street and less than a quarter mile from the commuter rail station. The Twin Cities CDC redeveloped a nearly vacant five story building to new, first floor office space for its own use, a new small business center, and the North Central Mass NeighborWorks® HomeOwnership Center. The upper floors have been converted to 31 mixed income rental units. This locates the organization in the heart of the community, both physically and psychologically.

The Twin Cities CDC staff has also been helping residents of the Elm Street tackle problems such as housing abandonment, poorly managed rental properties, and crime.

One such problem is poorly managed rental properties. Investors are snapping up properties at foreclosure and renting them out. They put minimal capital into improving them, and since they do not live in the community do not ensure that tenants behave responsibly. This activity continues to depress property values and the downward cycle continues.

In the Twin Cities, as in many other areas, landlords share information about tenants who are disruptive or who fail to pay rent on time. Tenants that are blacklisted in this way will have difficulty finding a landlord willing to sign a lease with them. The Elm Street residents plan to turn
the tables on landlords and create a list of their own. To incent improved property management the newly formed Elm Street Neighborhood Association is creating an interactive website where existing tenants can post comments about their landlords, rating their performance on issues such as the condition of the units, attention to routine property maintenance, response to complaints, and so on. Prospective tenants will be able to read about landlords and try to rent from those that receive higher ratings. 
The hope is that landlords with good track records will experience lower vacancy rates, and other investors will be forced to improve in order to compete.

With the help of two NeighborWorks* America VISTA volunteers the Twin Cities CDC and residents have created a database of all of the rental properties in the Elm Street Neighborhood. The next step is to identify the buildings that are the most run down, as well as those with tenants who are selling drugs or are otherwise disruptive to the community. These buildings will be referred to the City Building and Health Department, which will put pressure on landlords to fix the code violations and to monitor their tenants. Properties where criminal activity is suspected will be referred to the police department for further investigation and follow up.

The last step, details of which are still being worked out, is to create a mechanism for tenants to post comments on their experience renting from particular landlords. To prevent abusive postings the Neighborhood Association will likely have a screening mechanism to ensure that any criticism leveled is constructive and factual. Tenants may also need to be able to post anonymously in order to avoid retaliation.

"The idea is to give landlords a reason to hang in there during hard times, and to make sure they aren't unintentionally contributing to the problem by being busy elsewhere," says Dohan. "We want to make it easier for landlords with good reputations to attract and keep good tenants." Recognizing that proper education can help improve the behavior of both tenants and investors, the Twin Cities CDC and the Neighborhood Association will offer landlord training and workshops on tenants' rights and responsibilities. Collectively, these strategies will halt the cycle of decline and improve the quality of life in the Elm Street Neighborhood.

The Twin Cities CDC is partnering with the City of Fitchburg to address the problem of foreclosed and abandoned property. The City received a subgrant of roughly $700,000 under the state of Massachusetts' Neighborhood Stabilization Program (NSP1) which will be available for use in another month. The Twin Cities CDC will use the funds to acquire, renovate, and resell units to owner occupants. The Twin Cities CDC is finding that it has to be nimble and well-prepared to compete with speculators who are looking to snap up deals in the current market. Dohan cites a group of 20 units in the Elm Street Neighborhood which came on the market on a Monday. The properties were very deteriorated; some would simply have to be demolished, and some of them had illegal units that would have to be removed. Dohan and his staff knew that they would need substantial renovation to turn them into neighborhood assets, and were leaning towards a bid of $10,000/unit when word came (before the week was out) that an investor had purchased them: for $20,000/unit. That was frustrating. Dohan says, as the investor will likely make only minor repairs before renting them out, contributing to future problems. Dohan and his staff are trying to acquire a test property to move through the NSP-1 process so that when they have
an opportunity to work with a larger group of units, such as in the above example, they will be able to move more quickly.

The Twin Cities CDC has also been experimenting with serving as a receiver for properties where the city is mandating improvements and the owner is unresponsive. Dohan views receivership as a useful tool for taking care of problem properties in the absence of other alternatives, but doubts this will be a primary activity for the Twin Cities CDC. Receivership comes with a host of challenges, including having to manage non-paying or difficult tenants, greater scrutiny from the court, and the complexity of improving larger, multi-unit properties.

A key strategy has been to promote positive activities, such as creating a new community garden on a vacant lot, to build neighborhood pride and develop a new vision for the community. This gives residents greater energy and resolve to take on more difficult problems.

Cities like Fitchburg which are struggling with longer term deterioration on top of foreclosure and abandonment require a range of strategies to rebuild the social fabric as well as the physical infrastructure of their neighborhoods. The Twin Cities CDC is using a variety of tools to do just that, and is poised to make great progress in the months to come.

**Responsible Redevelopment Lessons Learned**

1. Elm Street Neighborhood residents have more than just token involvement in planning and implementing changes in their community. They are active partners in establishing a new vision for the neighborhood, and working to achieve it. The landlord registry is an innovative strategy that uses the power of information to improve landlords' care and upkeep of their properties. The community garden is a "feel good" project that builds cohesiveness and is a visible symbol of residents' commitment to creating a better environment in which to live. These projects emerged from residents' concerns and will help achieve their more positive vision for the neighborhood.

2. Residents are willing to engage with the city and with local landlords in order to improve their community. The Twin Cities CDC has helped build residents' capacity to do so effectively. This includes helping residents understand their role and responsibility in effecting neighborhood change, as well as how to reach out to and advocate with the city to make infrastructure and other improvements. The city has been receptive to this and values residents' input.

3. The Twin Cities CDC understands that the key to a healthy and vibrant city is to build mixed-income communities that provide choice and opportunity for all residents. The community organizing the Twin Cities CDC is doing with the Elm Street Neighborhood will help protect diversity by building positive connections among residents through community gardening and other initiatives. It will also help improve the rental stock for all tenants, not just those who can afford the most expensive units. The 31 rental units that are above the Twin Cities CDC's newly renovated office space offer a mixture of prices to attract a diverse population, and help model a mixed-income approach to housing development in the Twin Cities. Finally, the purchase-rehab-resale of foreclosed, and abandoned properties financed with NSP-1 funds will also help put good quality housing into the hands of modest income homeowners.
Housing Partnership, Inc.
Using Community Land Trusts to Preserve Affordability

Home prices in Palm Beach County, Florida climbed steeply from 2003 to 2006. New construction took off as homebuyers and speculators poured into the area to take advantage of the real estate boom.

Soaring home prices soon wiped out the affordable stock available on the private market. This in turn put pressure on nonprofit housing groups like the Housing Partnership, Inc., a community development corporation and NeighborWorks* organization headquartered in Riviera Beach, to find ways to make homes affordable to low and moderate income families. The answer, initially, was greater public subsidy but soon the relentless upward pressure on prices made that strategy untenable. "People were having to use crazy subsidies, as much as $150,000, to make housing affordable and it just didn't make sense to put that into a non-permanent form" recalls Patrick McNamara, Housing Partnership, Inc. president and CEO. The state of Florida took the unusual step of promoting formation of community land trusts (CLTs), which bring affordability by unbundling homes from the land they sit on. The CLT retains ownership of the land, removing it from the speculative market, and homeowners purchase the units. Palm Beach County is now home to CLTs run by the Housing Partnership, Inc., the City of Delray Beach, Neighborhood Renaissance (this includes a lease-purchase program), and Palm Beach County C.I.T.

When the Florida Housing Finance Corporation issued a request for proposals in 2007 for CLT projects HP applied for and received funding for nine units. The units were clustered on two different blocks in stable neighborhoods, and chosen carefully so they would blend well with the community.

Housing Partnership, Inc.'s intent was to make CLT units the new first-time homebuyer stock in the community, giving families a responsible, affordable way to move into an ownership position.

Responsible Redevelopment Elements:

Hardwiring Affordability
Sustainable Partnerships and the Need for Champions

Then the bottom dropped out of the housing market, with prices plunging 32 percent between January 2008 and January 2009. By September 2008 Palm Beach County had 12,000 foreclosed homes. While the initial foreclosures were largely attributable to subprime mortgages, 2009 has seen an increase in defaults of prime mortgages that were suddenly underwater due to the rapidly cooling market. Industry experts estimate south Florida now has a backlog of four years worth of housing inventory on the market.

McNamara concedes that the CLT model works best in high cost housing markets where buyers have fewer alternatives and are more motivated to participate. Still, he believes that CLTs can be an attractive option for first-time home buyers, especially if they are priced so that monthly mortgage payments are less than what they would pay for a rental unit. South Florida has seen its share of boom and bust real estate cycles in the past, and is likely to experience them again going forward. Even if the market is bad now, it makes sense to build a stock of housing that will remain affordable when property values inevitably begin climbing once again.

In late 2008 Palm Beach County issued a request for proposals for a portion of its $27.7 million Neighborhood Stabilization Program-1 (NSP-1) allocation. In preparing their response McNamara and his colleagues at the other CLTs formed the CLT Collaborative, believing that this structure allowed them to pool their expertise to improve project implementation. While they were ultimately required to submit individual applications County staff
saw value in the CLT Collaborative and encouraged them to highlight it.

In August 2009 Palm Beach County awarded Housing Partnership, Inc., the CLT of Palm Beach County, and Neighborhood Renaissance about $850,000 each in NSP 1 funding. (The fourth CLT Collaborative member, Lakeworth Adopt-A-Family, had decided not to apply.) Collectively, the group plans to assist 13 single-family units, as well as an 8-unit multi-family property (which may also be included in the CLT structure).

Housing Partnership, Inc. is certified in Full-Cycle Lending\(^1\), and is also a licensed, FHA-approved mortgage lender, so its contribution to the CLT Collaborative will be providing homebuyer education and counseling, underwriting the mortgages, and closing the loans. It will also be responsible for acquiring, renovating, and managing the eight-unit multi-family property. Neighborhood Renaissance has expertise in using a lease-purchase model to help families transition to homeownership, and in marketing and managing scattered site single-family housing. CLT of Palm Beach County is also experienced in renovating single-family units for re-sale to low and moderate income buyers.

This first project will assist a modest number of units but the collaborative structure offers a number of potential advantages. Sharing expertise means that the members do not have to bear the cost of having duplicate capacity, such as originating and closing loans. Applying for grants as a Collaborative can also improve operating efficiencies, as one member can serve as the lead applicant, reducing administrative costs. Customers benefit from having access to a wider range of resources that are more integrated than would be the case if each member operated alone.

The Collaborative also offers the promise that CLTs will continue to be an active and permanent strategy for developing affordable housing. The combined forces of several vital nonprofit organizations working in the same geographic area, rather than an isolated organization here or there, will help ensure that CLTs remain a vital strategy for creating and preserving affordable housing, taking advantage of the current trough in property values.

\(^1\) Full-Cycle Lending\(^\circ\) is the registered name of a system of pre- and post-purchase services developed by NeighborWorks\(^\circ\) America, aimed at ensuring homeowners' success over the long term.
Housing Partnership, Inc. and the CLT Collaborative are testing some creative marketing techniques in order to attract CLT buyers. Housing Partnership, Inc. has contracted with a former newspaper reporter, who covered community news for years prior to the recent media layoffs, to write stories about the programs and resources it offers. The reporter will try to get these stories placed in both print and electronic publications. The Collaborative will also work closely with the Palm Beach County school district. The lack of affordable housing has been a big problem for the school district for years, challenging its ability to hire and keep staff, so it is motivated to work with Housing Partnership, Inc. to support marketing efforts. Housing Partnership, Inc. will be able to send out information about the CLT option to all staff with the help of the district.

In addition to the extra marketing effort, CLT buyers often require more handholding as they learn what it means to be a homeowner. A social worker by training, McNamara frames this as a "boundary issue." "We have to say things like 'this is now your home, the warranty has run out and taking care of that is your responsibility',' says McNamara. While this ongoing education makes it a slightly more costly program to operate, over the long term it is an important contribution to creating affordable and sustainable homeownership in the volatile south Florida housing market.

**Responsible Redevelopment Lessons Learned:**

1. **Community Land Trusts are a proven strategy for making housing more affordable for low and moderate income families.** CLT homes can be scattered sites and thus indistinguishable from surrounding homes. Removing the land from the speculative market ensures that the homes will remain affordable over the long term. Due to the economic downturn housing prices are more affordable now in many markets, making this a good time to lock in those lower prices before the markets heat up.

2. **The CLT Collaborative allows its members to pool their expertise, reducing costs by eliminating the need to operate expensive duplicate programs.** Loan underwriting and closing, for example, requires skilled staff and it is more cost-effective to spread their costs over a higher loan volume. As a NeighborWorks® organization Housing Partnership, Inc. also has access to secondary markets such as Neighborhood Housing Services of America. Similarly, lease-purchase programs or managing scattered-site units requires specialized systems and expertise that is expensive to duplicate. Ultimately, customers benefit when service providers work cooperatively instead of competitively to improve the community.
Appendix 1: Core Elements of Responsible Redevelopment

Authentic Engagement
To be truly responsible, redevelopment efforts must incorporate a robust engagement process that provides for the meaningful and consequential involvement of affected stakeholders and community-based organizations in planning, design, implementation, and evaluation activities. Residents must be treated with respect and be empowered with the opportunities to voice their needs, interests, and concerns.

Capacity-Building
Residents and community-based organizations should be provided with the support and technical assistance necessary to build their capacities to interact and negotiate in a meaningful way with developers, municipal officials, and other powerful stakeholders.

Community Benefits
Community Benefits Agreements and other legally-binding arrangements should be used to provide tangible benefits (e.g. economic inclusion provisions, job opportunities for area residents, living wages, dedicated affordable housing units), to residents of affected neighborhoods.

Responsible Relocation
Involuntary displacement of residents by redevelopment activities is inherently traumatic and its use should be minimized. However, in the event that relocation is required, it should be done in a manner that generates opportunities for residents. Responsible Relocation provides relocated residents with adequate relocation benefits, assistance in finding quality replacement housing, legal and social services, job development and employment supports, and the right to return to their revitalized community through purchase or rental of new or rehабbed affordable housing.

Responsible Demolition
As older buildings often contain unsafe amounts of lead, asbestos, and other contaminants, the demolition and rehabilitation of structures in the community should be done in such a way that potential health risks to residents, workers, and the public are minimized.

Building Mixed-Income Communities
Mixed-income, mixed-tenure developments are effective tools to create diverse communities that provide choice and opportunity for residents of all income levels. However, creating such communities requires not only dedicated supports and services but intentional and sustained efforts to build a sense of community among socially and economically diverse residents.

Hardwiring Affordability
Durable housing affordability needs to be "hardwired" to ensure that the community is accessible to low-income residents over the long-term. This can be done through the creative use of tax credits, zoning policies, land trusts, shared appreciation mortgages, and other shared equity mechanisms.

Schools and Integrated Services and Supports
High-quality schools and school-readiness programs are essential components to attract and retain families with children to mixed-income communities. They are even more effective when packaged with other programs and facilities, such as recreation, health, and after-school activities.

Transit-Oriented Development
TOD not only helps to reduce sprawl, mitigate negative environmental and health outcomes, and improve access to existing opportunities, but can catalyze the creation and sustainability of mixed-income communities that benefit both moderate- and low-income families.
Community Ownership and Wealth-Building
Programs that allow resident and community ownership of new businesses and commercial enterprises in the redevelopment area are novel and effective ways of building assets for low-income individuals, their families, and their broader community.

Anchor Institutions
"Anchor institutions"—hospitals, colleges, universities, businesses, and other entities rooted in communities—can and should be encouraged to help catalyze and sustain Responsible Redevelopment activities in the neighborhoods in which they are located.

Sustainable Partnerships and the Need for Champions
Responsible Redevelopment requires building "public-private partnerships" with a wide range of actors and stakeholders with varying goals, interests, and levels of power. It is also vital for there to be some champion—whether public, private, or philanthropic—with enough heft, weight, and influence to help ensure that all stakeholders adhere to these principles and apply them consistently throughout the redevelopment process.
Learn more about the Responsible Redevelopment
Guiding Principles, events, and additional resources at
www.StableCommunities.org/Redevelop

STABLEcommunities.org

StableCommunities.org is the centerpiece of
NeighborWorks' America's Stable Communities
initiative, a national response to the local challenges
that arise when foreclosed homes remain vacant or
abandoned. The purpose of the site is to provide
community development practitioners with
information and strategies to stabilize and revitalize
communities in the wake of the foreclosure crisis.
StableCommunities.org provides resources to
nonprofit organizations and their public and private
partners, including state and local governments, rehab
contractors, researchers, funders, and servicers.