



Aerial view of Murphy Park in St. Louis, Missouri, a precursor to HOPE VI mixed-finance projects.

McCormack Baron Salazar

Choice Neighborhoods: History and HOPE

Choice Neighborhoods would help to build truly inclusive, sustainable communities, not “islands in a sea of need.” — Secretary Shaun Donovan

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Twenty years ago, governments and community organizations tackled the challenge of providing decent, affordable housing to low-income people primarily by focusing their efforts on individual families in need. Due to growing understanding and scholarship about the effects of place on people's lives, that approach evolved into one that seeks to transform poor, severely distressed, and segregated neighborhoods into resilient and sustainable places that integrate families

and neighborhoods into the larger community. The epicenter of this work has been public housing communities, which are among the poorest in America. Since the 1990s, a federal program, HOPE VI, has employed a strategy of improving both individual lives and communities. HOPE VI combines demolition and the physical rebuilding of severely distressed public housing with services aimed at improving the life chances of residents. Under HOPE VI, public housing residents

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Message From the Secretary

Dear Friend,

I'm proud to introduce *Evidence Matters*, a new publication from HUD's Office of Policy Development and Research that highlights the research that informs our work.

Over the coming years, *Evidence Matters* will highlight policy-relevant research that connects policymakers at all levels, as well as researchers, advocates, and industry members, with clear, accessible, and timely information. Each quarterly issue will focus on a key theme. This issue's theme, neighborhood revitalization, is an ideal topic for launching *Evidence Matters* because its goals intersect directly with HUD's mission — to create strong, sustainable, inclusive communities, and quality, affordable homes for all.

As a self-professed policy wonk, I'm excited that, under Assistant Secretary Raphael Bostic, HUD has renewed its focus on research, data, and evidence-based policymaking. Our commitment, however, shouldn't be of interest only to academics and policymakers. As we emerge from a housing crisis that has touched every neighborhood in America, communities nationwide are looking for solutions that can repair the damage. As HUD works to strengthen communities, improve residents' quality of life, and increase the nation's stock of safe and affordable housing, the ability to measure progress and track dynamic neighborhood change in real time is absolutely critical.

Of course, HUD is hardly new to the field of research. From the Housing Allowance experiments that informed our tenant-based rental programs in the 1970s to the national paired-testing studies that helped strengthen the Fair Housing Amendment Act in 1988 and reduce housing discrimination, evidence-based policymaking has historically underpinned major HUD initiatives.

In recent years HUD has partnered with outside researchers to support studies that illuminate the interactions between housing and other policy domains, from health to education to energy. HUD's Moving to Opportunity demonstration has revealed important findings about the connections between neighborhood conditions and the physical and mental health of residents, expanding the body of researchers interested in housing issues in the process. And as Harvard economist Edward Glaeser has shown, the relationships that link housing, land use, and climate change are profound. For instance, not only does gasoline usage increase as metropolitan areas become decentralized, but per-unit energy usage is much higher in single-family detached dwellings.

Such research reminds us that evidence matters not only because it helps us track what works, what doesn't, and what we need to improve, but also because it can help us craft new policies.

Homelessness is a good example. Tracking the homeless across a broad range of systems using their Social Security numbers and other key data, researcher Dennis Culhane was able to show that combining housing and supportive services not only led to better outcomes for the homeless but also saved taxpayer money by reducing the strain on shelters, jails, and emergency rooms. This evidence gave us the model we needed to "move the needle" on chronic homelessness over the past decade. Thanks to his research and the work of Martha Burt, Ellen Bassuk, and others, we know far more about the causes, demographics, and dynamics of homelessness than ever before — and recently unveiled our nation's first-ever comprehensive federal plan to end homelessness.

Of course, the impact of research extends beyond the people and places HUD serves to HUD itself. Whereas bureaucracies such as HUD once adopted a "one size fits all" approach to governing, communities today use data to better target policies to local needs and enhance accountability for their results. By using research to reward results and nurture local innovation, as David Osborne and Ted Gaebler argued in *Reinventing Government*, we can fundamentally change the way government works.

We live in an age in which technology has made information more accessible than at any time in our history. Our charge is to turn that information into knowledge, and that knowledge into change. By demonstrating HUD's commitment to evidence-based policymaking and providing a space for diverse viewpoints at this challenging but exciting moment in housing and community development, I'm confident that *Evidence Matters* will help us do just that.

— Shaun Donovan, *Secretary, U.S. Department of Housing and Urban Development*

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return to their improved community after rebuilding, relocate with assistance to other neighborhoods of their choice, or move to other public housing. Since its inception in 1992, 254 HOPE VI grants totaling more than \$6.1 billion have been awarded to 132 local public housing authorities, including 6 new projects announced on June 1, 2010.

Although some communities have been more successful than others at fulfilling the goals of HOPE VI, a number of studies indicate that overall the program has been effective at eradicating concentrations of poverty, improving residents' quality of life, and driving neighborhood renewal. Building on the lessons learned from the HOPE VI model, the Obama administration has announced a new initiative, Choice Neighborhoods, that will reach beyond public housing redevelopment to transform high-poverty neighborhoods into sustainable communities. Choice Neighborhoods incorporates insights gained from HOPE VI and recognizes the importance of reaching beyond a public housing redevelopment strategy to one of neighborhood transformation. It expands eligibility to other assisted housing and it requires leveraging resources for neighborhood revitalization beyond the public or assisted housing stock. The initiative explicitly requires an approach that considers employment access, education quality, public safety, health, and

- HOPE VI has been effective at deconcentrating poverty and improving some resident outcomes, particularly for those moving to the private market and to mixed-income developments.
- Choice Neighborhoods will expand supportive services and educational opportunities for residents, building on the strategies of successful HOPE VI sites.
- Choice Neighborhoods will promote positive economic spillover by requiring partnerships with neighborhood institutions. Residents from both public housing and the surrounding neighborhood will play an essential role.

recreation. To do this, Choice Neighborhoods enlists the institutions of the affected communities, including neighborhood residents, in all phases of planning and implementation.

Housing Is Just the Beginning of Broader Transformation

One of HOPE VI's principal accomplishments was to shift the emphasis of housing policy from output (units built and managed) to outcomes — housing quality, safety, resident outcomes, economic opportunity, and the vitality of the surrounding neighborhood. Researchers Turbov and Piper have argued that the main catalyst for this shift was the creation of the mixed-financing, mixed-income model, which permitted private and other affordable units and financing of public housing. This approach helped build economically integrated communities consisting of both public housing and market-rate units.¹

Choice Neighborhoods expands the HOPE VI strategy of encouraging developers to leverage HUD revitalization funds. By making funding available to a wider range of stakeholders, including nonprofits, private firms, local governments, and public housing authorities, the initiative encourages greater community investment in redevelopment projects and increases available resources.² Just as important, the program widens the range of activities to include the acquisition of properties to create mixed-income housing in strategic locations. As HUD Secretary

Shaun Donovan noted in testimony before the House Financial Services Committee, this feature gives local partners the flexibility they need to deal with the full range of distressed properties that often blight neighborhoods of concentrated poverty.³

HOPE VI and Choice Neighborhoods are both premised on the idea that mixed-income, economically integrated neighborhoods improve the lives of residents and aid the surrounding community. In studying four mixed-income developments, Turbov and Piper found that such projects were instrumental in both revitalizing the market and improving residents' quality of life. In all four sites, the median household income of neighborhood residents grew significantly faster than elsewhere in the city or region. Likewise, unemployment levels fell, workforce participation rates improved, and residential markets strengthened. As Turbov and Piper explain, "With market rate renters and homebuyers getting a foothold in these renewing neighborhoods, property values and new investments have also soared in these more viable, mixed-income communities."⁴

Noting these ripple effects, Zielenbach and Voith found that HOPE VI redevelopments are responsible for positive economic spillover to surrounding neighborhoods. Their study of four redeveloped sites in two cities, using changes in residential property values, crime rates, and household incomes as indicators, found mostly positive effects. They observed



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Expanded supportive services, such as recreation and education, are part of the holistic approach emphasized in Choice Neighborhoods.

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Message From the Assistant Secretary

We have long known that neighborhoods of concentrated poverty, marked by high unemployment rates, rampant crime, and struggling schools and other institutions, have serious negative consequences for the well-being and life chances of their residents. The recession of the past three years has compounded these problems, hitting the most vulnerable particularly hard. Black and Hispanic unemployment rates have increased faster than white unemployment rates, and unemployment among young minority workers now exceeds 30 percent.

Although many federal interventions are designed to help poor households become economically mobile, a growing body of research shows that these policies must also expand the opportunities and choices available to those living in neighborhoods historically characterized by concentrated poverty. Creating greater opportunity in these challenged communities benefits both their residents, who gain long-term improvements in their quality of life, and the cities and metropolitan areas beyond their immediate borders, because neighborhoods of concentrated poverty affect our regional economies, our tax rates, and our global competitiveness.

Effective neighborhood revitalization requires not only the accumulation of human, personal, private, and social capital but also the integration of these resources with existing neighborhood resources and structures. We know from research that revitalization efforts are most effective when resources and investments are made in multiple physical and institutional dimensions, such as investments in institutions for educational development and opportunities for employment, as well as in physical infrastructure, such as housing, commercial buildings, and parks. Moreover, intangible social assets like safety and neighbor awareness are essential to strengthen networks and develop community ownership. All types of capital must be present, as weaknesses along one dimension can undermine the others.

To unleash the potential of underserved neighborhoods, we must implement more place-specific, context-dependent planning that includes resident input and builds local institutions that can sustain long-term, comprehensive change at the community level. To be successful, we at the federal level must provide incentives to encourage such efforts while aligning our own funding streams to be efficient and effective agents of change. The ultimate goal must be to spur the transformation of distressed communities into neighborhoods of opportunity that offer the tools, resources, and environment to improve the quality of life and future opportunities of all residents and ensure that these neighborhoods can contribute to the well-being of society as a whole.

We intend for this issue of *Evidence Matters* to not only contribute to the neighborhood development conversation but also call for the continued pursuit of serious research on these topics. In particular, academic evaluation of HOPE VI and other similar neighborhood-based programs has been somewhat limited, and further research could be invaluable to shaping future policy. In keeping with our commitment to support and learn from evidence-based practice, we have worked with the Departments of Justice, Education, and Health to launch the Neighborhood Revitalization Initiative. This White House-led interagency collaboration helps local communities develop and obtain the tools they need to revitalize neighborhoods of concentrated poverty and sets federal housing, education, health, and public safety initiatives in sync with those promoting employment opportunities and smart growth. This integrated approach to federal urban policy supports American communities in their efforts to build capacity and meet the increasingly complex challenges of the future.

— Raphael Bostic, *Assistant Secretary for Policy Development and Research*



Editor's Note

In its development policy, the Obama administration has drawn on several decades' worth of research on the effects of concentrated poverty, and this inaugural issue of *Evidence Matters* highlights how this knowledge has helped us build the next generation of housing and community development policy. The lead story, "Choice Neighborhoods: History and HOPE," describes how HUD's Choice Neighborhoods program, building on both the successes and lessons learned from HOPE VI, will make neighborhood revitalization a cornerstone of HUD's urban strategy. By focusing on the improvement of neighborhood conditions, HUD has intentionally nested its housing policy within efforts to help build vibrant, safe communities where more children are completing school and more adults are working for higher wages.

Accompanying articles address both the challenges that confront neighborhoods of concentrated poverty and promising strategies to revitalize communities. "Understanding Neighborhood Effects of Concentrated Poverty" outlines what neighborhood effects research teaches us about how low-opportunity, high-poverty neighborhoods affect their residents. "Building Community Capacity Through Effective Planning" identifies several examples of well-documented comprehensive community planning and capacity building, examining what strategies local governments and nonprofits are using to improve neighborhoods. We hope to provide our readers with a useful context for the key strategies HUD is employing to strengthen communities. I hope you will find the issue to be thought-provoking and a valuable contribution to your knowledge and your work.

— Erika Poethig, *Deputy Assistant Secretary for Policy Development*

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that the degree of improvement depended on local market conditions and preexisting economic development resources within the community.⁵ In analyzing changes in property sale prices in neighborhoods surrounding three HOPE VI redevelopments in Baltimore, Castells also concluded that conditions in the neighborhoods before HOPE VI rehabilitation, as well as HOPE VI's emphasis on private investment and the mixed-income model, affect the magnitude and nature of spillover effects.⁶

Broadening Support for Residents

According to the latest followup of the HOPE VI Panel Study, a multiyear

effort to track living conditions and outcomes for residents in five program sites, 84 percent of families no longer lived at the original HOPE VI sites but had moved, most with relocation assistance, to private-market housing, mixed-income developments, or other traditional public housing sites.⁷ The study also found that:

- Respondents who relocated to the private market or mixed-income sites improved the quality of their housing and now lived in neighborhoods with lower unemployment and poverty levels.
- Those who moved to the private market remained in largely same-race (primarily African American) neighborhoods, as did those who went to other public housing developments.
- Those who moved to private-market housing or mixed-income housing felt significantly safer and less fearful of crime. As a result these residents allowed themselves the freedom to make changes, such as allowing children to play outside, and enjoyed reduced levels of anxiety and depression.

- Relocated children benefited from better housing and safer living conditions but also faced new risks, different schools, and the need to make new friends. On measures of behavior problems, children in families who moved to private-market housing showed improvement, whereas those who moved to other public housing did not.
- Many who moved to private-market housing experienced financial difficulties, primarily with their utility payments.
- Neither employment nor self-sufficiency improved for private-market movers or for those remaining in traditional public housing. However, a recent report by Vale and Graves on the Chicago Housing Authority's (CHA's) Plan for Transformation — one of the cities tracked in the Panel Study — notes that several studies have found significant improvements in employment outcomes when tenants left public housing either by using vouchers or moving into mixed-income housing.⁸



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Early childhood programs, quality education, and family support promote better life outcomes for children.

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- The lack of improvement in chronic health problems for HOPE VI participants appeared to be a detriment to getting and keeping jobs, as did inadequate education and childcare.
- Families with multiple problems were least likely to benefit from HOPE VI and to make positive changes in the absence of appropriate services and support.

These findings speak volumes about the most intractable barriers to fighting the consequences of concentrated poverty. Despite having better and safer neighborhoods, improved mental health, and fewer behavioral problems, many HOPE VI residents remained economically at

risk or were in poor health, and many of those who moved to traditional public housing experienced no gains at all.⁹ New evidence, however, suggests that some of these outcomes have improved in recent years. Between 2005 and 2009, Popkin et al. found that residents from the Chicago site had improved circumstances regardless of their housing assistance type, whereas previously only those who had moved to private housing were living in higher quality housing and experiencing safer neighborhoods.¹⁰ Nevertheless, one of HOPE VI's main challenges has been its inability to address multi-faceted problems in residents' lives, such as health issues and employment. Because many HOPE VI projects have found

resident relocation to be especially challenging, residents relocated under Choice Neighborhoods will have strong protections to preserve their right to return to redeveloped housing.¹¹ The initiative also ensures that families displaced by revitalization will receive support services, mobility counseling, and housing search assistance.¹² HOPE VI has been criticized for not ensuring that lease-compliant residents had the right to return and for the reduction in the number of physical units affordable to those earning the lowest incomes.¹³ In general, public housing authorities had difficulty meeting the inherent challenges of relocating large numbers of households, particularly the many families with multiple problems that made them especially hard to house. Although most agencies provided support services, they were largely ill-equipped to provide the needed comprehensive case management services.

When asked, the relocated Chicago public housing residents identified the services they needed in addition to relocation. Over one-third named three or more types of needed assistance related to “employment and education; financial issues (paying bills, buying food, rebuilding credit history); and drug/alcohol, domestic violence, or legal issues.”¹⁴

The CHA's comprehensive relocation support system incorporates lessons learned from residents and their experiences. Partnering with the Chicago Department of Human Services and enlisting communitywide resources, CHA assists relocating families through education, counseling, and followup services as they make housing choices, move, and establish new residences. CHA is now conducting a multiyear research demonstration with the Urban Institute to test an intensive case management approach to serving the hardest-to-house families. This approach involves “dramatically reduced caseloads; family rather than individual-level case management; a strengths-based approach; a transitional jobs program; and long-term followup

HOPE VI Program Cross-Site Report

Although most HOPE VI research has focused on the outcomes of residents who left HOPE VI housing sites, an ongoing HUD-funded evaluation studies residents of 15 early sites who returned to the rehabilitated or rebuilt public housing sites. These early developments were often significantly more distressed than many later HOPE VI locations, so the findings cannot be taken as representative for the program as a whole. Nevertheless, for the 13 developments that were far enough along with reoccupation for analysis in a 2003 interim report, most residents of both 100-percent public housing and mixed-income housing appeared satisfied with their new units, though sites that had been redeveloped as mixed-income developments typically received higher ratings. The inclusion of market-rate residents in the mixed-income sites, as well as the screening and reoccupancy requirements at some developments, created significant turnover; only 41 percent of the residents of these sites reported that they had lived in their development before HOPE VI. The current residents of the 13 developments had higher average incomes, employment levels, and education levels than the pre-HOPE VI residents and were more likely to be older and live in smaller households.

Crime rates at these evaluation sites consistently decreased after HOPE VI. Although urban crime rates declined nationwide during the 1990s, they decreased much more sharply at HOPE VI sites than citywide in four out of six sites where pre- and postdevelopment crime data were available. Across the sites, the percentage of people who reported feeling safe outside their building increased from 58 to 74 percent after HOPE VI. Despite considerable variation in neighborhood changes, several neighborhoods containing these sites experienced significant economic improvements and declines in social isolation and racial segregation.

Source: Mary Joel Holin, Larry Buron, Gretchen Locke, and Alvaro Cortes. 2003. *Interim Assessment of the HOPE VI Program Cross-Site Report*. Washington, DC: U.S. Department of Housing and Urban Development.

(as long as three years).¹⁵ Outcomes from the demonstration are available from the Urban Institute.¹⁶

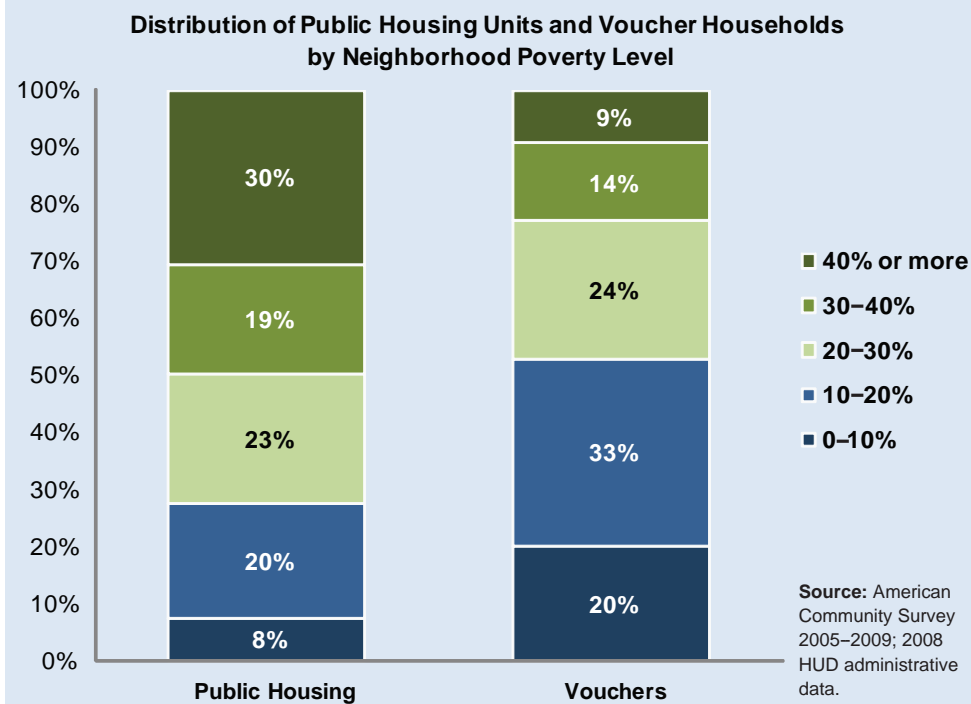
With such experiences in mind, the supportive services pioneered under HOPE VI receive even greater attention in Choice Neighborhoods. To be eligible for funding, Choice Neighborhoods projects must include activities that promote economic self-sufficiency among residents of distressed neighborhoods. Proposed projects must include partnerships with local educators to ensure that quality early childhood programs and primary and secondary public schools are available and accessible to resident children. In addition, projects must incorporate local community planning to ensure access to a continuum of effective community and health services as well as strong family supports to promote better life outcomes for children and youth.

Residents Are Crucial to Comprehensive Community Planning

In their study of redevelopment projects in Atlanta, Louisville, Pittsburgh, and St. Louis, Turbov and Piper concluded:

As one of the major stakeholders in the new neighborhood, and the group with the biggest changes through the redevelopment process, public housing resident concerns and views must be central to the planning and implementation process.¹⁷

Choice Neighborhoods emphasizes the importance of involving residents early and meaningfully in a broad-based planning process. The entire range of a community's assets — developmental, commercial, recreational, physical, and social — is necessary to ensure positive outcomes for families who live in distressed public housing and surrounding neighborhoods.¹⁸ Residents, both from public housing and from the wider community, are key to getting this initiative right; their investment in identifying needs, linking with commu-



Strategies that give residents the option to move to the private market through vouchers, such as Choice Neighborhoods, help deconcentrate poverty.

nity assets, and revitalizing their neighborhoods is the fulcrum for success.

Looking Backward, Looking Forward

As the nation embarks on a new era in housing policy, it is worth looking back on lessons learned through HOPE VI over the past 18 years: that ensuring healthy, thriving communities requires focusing on more than housing alone, that residents need greater support, and that comprehensive community planning and implementation have the best chance of success when residents

and their needs are central to the process and the larger neighborhood is engaged. Choice Neighborhoods seeks partnerships among a wide array of local actors (public housing authorities, local governments, nonprofits, for-profit developers, federal agencies, and private investors) and extends revitalization efforts beyond public and HUD-assisted housing to the surrounding community. As Secretary Donovan emphasizes, with Choice Neighborhoods “we can create the geography of opportunity America needs to succeed in the decades to come.”¹⁹ **HUD**

¹ Mindy Turbov and Valerie Piper. 2005. *HOPE VI and Mixed-Finance Redevelopments: A Catalyst for Neighborhood Renewal*. Washington, DC: Brookings Institution, v, 8.

² Susan J. Popkin, Bruce Katz, Mary K. Cunningham, Karen Brown, Jeremy Gustafson, and Margery A. Turner. 2004. *A Decade of HOPE VI: Research Findings and Policy Changes*. Washington, DC: Urban Institute, 14–7.

³ Shaun Donovan. HUD Secretary's Testimony Before the House Financial Services Committee Hearing on Choice Neighborhoods Legislation, 17 March 2010.

⁴ Turbov and Piper, v, 22.

⁵ Sean Zielenbach and Richard Voith. 2010. “HOPE VI and Neighborhood Economic Development: The Importance of Local Market Dynamics,” *Citiescape* 12, no. 1: 99–131.

⁶ Nina Castells. 2010. “HOPE VI Neighborhood Spillover Effects in Baltimore,” *Citiescape* 12, no. 1: 65–98.

⁷ Susan J. Popkin, Diane K. Levy, and Larry Buron. 2009. “Has HOPE VI Transformed Residents' Lives? New Evidence From the HOPE VI Panel Study,” *Housing Studies* 24, no. 4: 486.

⁸ Lawrence J. Vale and Erin Graves. 2010. *The Chicago Housing Authority's Plan for Transformation: What Does the Research Show So Far?* Cambridge, MA: Massachusetts Institute of Technology, 72.

⁹ Susan J. Popkin. 2010. “A Glass Half Empty? New evidence from the HOPE VI Panel Study,” *Housing Policy*

Debate 20, no. 1: 43–63.

¹⁰ Susan J. Popkin, Diane K. Levy, Larry Buron, Megan Gallagher, and David Price. 2010. *The CHA's Plan for Transformation: How Have Residents Fared?* Washington, DC: Urban Institute, 3.

¹¹ Donovan 2010.

¹² U.S. Department of Housing and Urban Development, Choice Neighborhoods FY2010 NOFA Pre-Notice. Accessed 1 December 2010.

¹³ Popkin et al. 2004, 50–1.

¹⁴ National Opinion Research Center at the University of Chicago. 2010. *Resident Relocation Survey: Phase II and Phase III Third Follow-up Findings and Methodology*, 1–4; 135–41.

¹⁵ Popkin 2010.

¹⁶ Urban Institute and Chicago Housing Authority. 2010. *Supporting Vulnerable Public Housing Families: An Evaluation of the Chicago Family Case Management Demonstration*, Briefs 1–6.

¹⁷ Turbov and Piper, 47.

¹⁸ “Choice Neighborhoods FY 2010 NOFA Pre-Notice.”

¹⁹ Shaun Donovan. “From Despair to HOPE: Two HUD Secretaries on Urban Revitalization and Opportunity.” Presentation at the National Press Club, Washington, DC, 14 July 2009.

Understanding Neighborhood Effects of Concentrated Poverty

Neighborhoods of concentrated poverty isolate their residents from the resources and networks they need to reach their potential and deprive the larger community of the neighborhood's human capital. Since the rise of inner-city poverty in the United States, researchers have sought to interpret the dynamic between neighborhood and residents in communities of concentrated poverty. Through articles and books such as *The Truly Disadvantaged* and *When Work Disappears*, sociologist William Julius Wilson has been a key figure in first popularizing the discussion of neighborhood effects. Wilson emphasizes that a "spatial mismatch" between increasingly suburban job opportunities and the primarily minority residents of poor urban neighborhoods has magnified other challenges, such as crime, the movement of middle-class residents to better neighborhoods, and a perpetual shortage of finance capital, stores, employment opportunities, and institutional resources.¹ This combination of barriers creates communities with

serious crime, health, and education problems that, in turn, further restrict the opportunities of those growing up and living in them. Wilson also consistently addresses the effect of family structure on the outcomes of residents in such communities, cautioning against both "culture of poverty" arguments and the assumption that individuals are helpless victims of racism.

As the study of neighborhood effects of concentrated poverty has developed, researchers have also confronted significant challenges. These hurdles include properly defining the boundaries between neighborhoods, conducting detailed longitudinal studies, and accounting for resident choice in neighborhood selection. Although technological advancements and increased research funding can address many of these challenges, distinguishing between neighborhood effects and family effects remains difficult. Researchers can control for basic family characteristics such as race, income, and education, but other, unobserved

Highlights

- A core challenge of neighborhood effects research is distinguishing the role of individual and family circumstances from the effect of the neighborhood itself.
- Nevertheless, many neighborhood-level indicators are linked to important outcomes for people residing in neighborhoods of concentrated poverty, including crime and delinquency, education, psychological distress, and various health problems.
- HUD's Moving to Opportunity (MTO) demonstration found that those assigned vouchers restricted to low-poverty neighborhoods typically experienced better physical and mental health at the five- to seven-year followup than those with unrestricted vouchers or continued project-based assistance.
- Collective efficacy, as represented by measures of informal social controls, social cohesion, and trust, can help buffer communities against the negative effects of concentrated poverty.

variables can result in either over- or understating neighborhood effects, which further complicates the interconnected nature of many neighborhood factors.² As Margery Austin Turner, an expert in poverty research with the Urban Institute, tells *EM*:

The major question that continues to be asked is, does living in these places harm residents in and of itself? [Neighborhood effects are certainly not] the only factor; individual and family circumstances can overcome the effects of concentrated poverty but can also leave a family vulnerable. What is worrisome is that we don't know enough about the interaction between vulnerable families and their neighborhoods. These families are the most likely to live in poverty areas but are also the most likely to have bad outcomes no matter where they



Neighborhoods of concentrated poverty can isolate residents from the services and supports they need.



Working together to accomplish goals, strong neighborhood networks can lessen the effects of concentrated poverty.

reside. We need to learn more about the process by which a neighborhood transitions from low to high opportunity and, similarly, how that process influences individuals already affected by concentrated poverty.³

Neighborhood-Level Characteristics Affect Individuals

Despite this limitation, researchers have found that for people residing in neighborhoods of concentrated poverty, a number of neighborhood-

impacts of neighborhood poverty rates in encouraging negative outcomes for individuals like crime, school leaving, and duration of poverty spells appear to be nil unless the neighborhood exceeds about 20 percent poverty, whereupon the externality effects grow rapidly until the neighborhood reaches approximately 40 percent poverty; subsequent increases in the poverty population appear to have no marginal effect.”⁴ Housing values and rents, key indicators of neighborhood

Since the rise of inner-city poverty in the United States, researchers have sought to interpret the dynamic between neighborhood and residents in communities of concentrated poverty.

level indicators are linked to important outcomes. Studies have illustrated that crime and delinquency, education, psychological distress, and various health problems, among many other issues, are affected by neighborhood characteristics. Thresholds, or tipping points, also prove important. In a recent review of research, Galster notes that studies suggest “that the independent

decline, show a similar pattern. Using data from the 100 largest U.S. metro areas from 1990 to 2000, Galster, Cutsinger, and Malega find little relationship between neighborhood poverty rates and decline in neighborhood housing values and rents until poverty exceeds 10 percent, at which point values decline rapidly before becoming shallower at very high poverty levels.⁵

Several HUD studies have also contributed significantly to neighborhood effects research. One of these, the Moving to Opportunity study, has been a rare occasion to use random assignment, allowing researchers to better distinguish neighborhood effects from the selection bias that neighborhood choice creates.⁶ Volunteer families in five cities who lived in public or assisted housing were randomly assigned to one of the following groups:

- The treatment group: Participants received a voucher restricted to low-poverty census tracts and assistance in locating and moving to housing.
- The comparison group: Participants received a standard, geographically unrestricted voucher.
- The control group: Participants received continued project-based assistance.

After five to seven years, families who participated in the treatment group lived in better neighborhoods, and adults experienced better physical and mental health compared with the control group. Girls in these families showed significant mental health improvements, although boys may have fared worse.⁷ Despite these improvements, the MTO study has not shown gains in economic self-sufficiency, which was initially expected to be the primary outcome. Results of the final evaluation will be published by early 2011.

Benefits of Shared Community Efforts

Another key question in understanding the relationship between neighborhood and family effects is whether protective factors are family- or neighborhood-based. A major interdisciplinary study, the Project on Human Development in Chicago Neighborhoods, tested this through the concept of collective

efficacy, a shared belief that a neighborhood's residents can accomplish important tasks, such as preventing crime and delinquency, by working together in formal or informal neighborhood organizations. Communities that share expectations effectively and collectively exert social control over neighborhood conditions and behavior appear better able to counter the negative effects of concentrated poverty.

As a component of the project, which combined an intensive study of Chicago neighborhoods with coordinated longitudinal studies of randomly selected individuals, Sampson, Raudenbush, and Earls surveyed residents of neighborhood clusters on informal social controls, social cohesion, and trust.⁸ The researchers found that, even when accounting for factors such as personal characteristics, concentrated disadvantage, immigrant concentration, and residential stability, collective efficacy was strongly linked with decreased violence and weakened the relationship between violence and the neighborhood's social composition. Such evidence supports the notion that, just as parents can buffer their children against the effects of violence and other negative outcomes, strong neighborhood networks can collectively lessen the effects of concentrated poverty. The project, which was jointly funded by the National Institute of Justice and the John D. and Catherine T. MacArthur Foundation, also explored neighborhood effects on health, crime, education, social processes, and other topics, yielding more than 100 publications.⁹

HUD Strategies Address Neighborhood Effects

HUD recognizes the importance of creating neighborhoods of opportunity, and its Choice Neighborhoods initiative is designed to deconcentrate poverty and address the interconnected problems caused by living in neighborhoods of concentrated poverty. The initiative's goal is to strengthen the underlying



Choice Neighborhoods will coordinate with other place-based programs to improve housing, education, communities, safety, and services in areas of concentrated poverty.

social structure of neighborhoods through competitive grants, which will encourage strong local partnerships and allow some funding flexibility to catalyze local improvement of key neighborhood assets. Choice Neighborhoods will ensure that HUD-assisted housing is financed and managed in a way that attracts a mix of uses, incomes, and stakeholders, recognizing that the program must simultaneously address housing and public safety, education, employment, well-being, and institutional resources. Choice Neighborhoods will also coordinate extensively and leverage resources with place-based programs at the Departments of Education, Justice, and Health and Human Services, among others. This partnership will help empower communities to address many of their most pressing social problems.

Because the relationship between neighborhood and family structure remains complicated, supporting mobility is also crucial. The Transforming Rental Assistance initiative, a companion to Choice Neighborhoods, will enhance tenant choice and access to a broader range of neighborhoods. As the

interrelated nature of neighborhood effects shows, a comprehensive set of strategies and partnerships will be necessary to help promote opportunity in neighborhoods struggling with poverty. **HUD**

¹William J. Wilson. 1996. *When Work Disappears: The World of the New Urban Poor*. New York: Knopf, xvii–xvix.

²Ingrid Gould Ellen and Margery Austin Turner. 2003. "Do Neighborhoods Matter and Why?" In John Goering and Judith D. Feins, eds., *Choosing a Better Life? Evaluating the Moving to Opportunity Social Experiment*. Washington, DC: Urban Institute Press, 314–8.

³Interview with Margery Austin Turner, Urban Institute, 6 April 2010.

⁴George C. Galster, "The Mechanism(s) of Neighborhood Effects: Theory, Evidence, and Policy Implications." Presentation at the ESRC Seminar, St. Andrews University, Scotland, UK, 4–5 February 2010.

⁵George C. Galster, Jackie M. Cutsinger, and Ron Malega. 2008. "The Costs of Concentrated Poverty: Neighborhood Property Markets and the Dynamics of Decline." In Nicolas P. Retsinas and Eric S. Belsky, eds., *Revisiting Rental Housing: Policies, Programs, and Priorities*. Washington, DC: Brookings Institution, 116–9.

⁶Robert J. Sampson, Jeffrey D. Morenoff, and Thomas Gannon-Rowley. 2002. "Assessing 'Neighborhood Effects': Social Processes and New Directions in Research." *Annual Review of Sociology* 28: 466.

⁷Margery Austin Turner and Lynette A. Rawlings. 2005. *Overcoming Concentrated Poverty and Isolation: Lessons From Three HUD Demonstration Initiatives*. Washington, DC: Urban Institute, 8.

⁸Robert J. Sampson, Stephen W. Raudenbush, and Felton Earls. 15 August 1997. "Neighborhoods and Violent Crime: A Multilevel Study of Collective Efficacy." *Science* 277: 922.

⁹"About PHDCN," ICPSR website (www.icpsr.umich.edu/icpsrweb/PHDCN/biblio/series/00206/resources). Accessed 25 June 2010.

Building Community Capacity Through Effective Planning

In the late 1980s and early 1990s, private foundations committed to transforming disadvantaged communities began experimenting with comprehensive community development, a strategy designed to promote “positive change in individual, family, and community circumstances in disadvantaged neighborhoods by applying the principles of comprehensiveness and community building to improve physical, social, and economic conditions.”¹ Broadly speaking, these efforts sought to weave education reform, youth development, economic development, housing, employment, social services, and civic participation into the fabric of these neighborhoods.² Although some attempts failed, others offered a viable roadmap for the long-term

planning, coordination, and investment needed to build community leadership, increase civic participation, repair physical infrastructure, and ensure accountability among various stakeholders.

Over the past decade, a growing body of research has documented the strengths and weaknesses of community transformation and capacity-building strategies. No definitive answers yet exist to some of the most difficult questions about community change. But even as the empirical foundations for assessing such efforts emerge — and cultivating that body of knowledge will be a focus of HUD-sponsored research in the coming year — the evidence underscores the importance of broad community participation in effective planning,

Highlights

- Successful community change requires broad community participation, careful planning that defines the community’s vision, and a well-designed evaluation framework.
- The Local Initiatives Support Coalition’s New Communities Program in Chicago uses collaborative planning to improve coordination and accountability across stakeholders and leverage additional resources for higher-poverty communities.
- The redevelopment of Murphy Park in St. Louis, Missouri, illustrates how comprehensive community development enacted at the site level can be a key driver of positive neighborhood change.

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LISC/Chicago, Photography by Eric Young Smith

Local Chicago youth beautify East Garfield Park’s commercial district with plantings to improve the public space.

financing, and implementing community development initiatives. The effects of this approach can be seen both at the city level, as illustrated by the work of the Aspen Institute and of the Local Initiative Support Coalition's New Communities Program in Chicago, and at the neighborhood level, as in the development of Murphy Park in St. Louis, Missouri.

Recent analysis of 43 different community change efforts emphasizes the importance of careful planning that defines the community's vision.

Emerging Lessons in Capacity Building Point to Planning

The Aspen Institute's Roundtable on Community Change has been collecting data for 18 years from a cross-section of groups and individuals who work to improve conditions and quality of life in disadvantaged neighborhoods. These data document the experiences and lessons learned by these builders of community sustainability. Aspen's recent analysis of 43 different community change efforts, captured in *Voices From the Field III: Lessons and Challenges From Two Decades of Community Change Efforts*, emphasizes the importance of careful planning that defines the community's vision, clearly specifies the project's objectives, deliberately aligns implementation with goals, realistically assesses and adapts to actual capacity to implement, and brokers the necessary partnerships and collaborations. Finally, effective planning must also include a carefully designed evaluation frame-



LISC/Chicago. Photography by Juan Francisco Hernandez

Residents and a local nonprofit collaborate to build a playground in Chicago's Little Village neighborhood.

work that involves learning and making adjustments along the way.³

In Chicago, an interim assessment of the New Communities Program (NCP), a multiyear effort to support community capacity building in 14 distressed neighborhoods, reinforces the importance of inclusive and collaborative planning. Residents of each neighborhood first engage in a structured community planning process that addresses each community's unique needs — from gentrification to crime to education reform — and develops projects and partnerships to address those needs. Such neighborhood-based planning, which facilitates coordination and accountability among the various public, private, and nonprofit stakeholders, is key to the program's success. NCP's reliance on collaborative planning and implementation not only builds on existing strengths and capabilities of local groups but also helps leverage additional resources for heavily challenged neighborhoods. Some NCP neighborhoods already show increases in home prices, school achievement, graduation rates, and business growth.⁴

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Promoting Community Capacity

Many organizations, such as the three key players discussed below, promote community capacity building by extending their focus beyond housing to people and places. The resources and technical assistance they make available to local planners and practitioners make a difference to localities striving to make positive changes.

Enterprise Community Partners

Since 1982 Enterprise Community Partners has provided \$10 billion to help finance more than 270,000 affordable homes. Enterprise creates affordable housing and healthy, diverse neighborhoods by providing communities with capital; using innovative approaches to preserve communities; and promoting federal, state, and local policies that support community development and affordable housing.

Living Cities

A 19-year-old philanthropic collaboration of foundations and financial institutions, Living Cities has invested more than \$600 million, leveraging more than \$16 billion toward building homes, stores, schools, childcare, health care and job-training centers, and other community assets. Living Cities encourages a holistic approach to federal, state, and local policies on community development and promotes neighborhood institutions.

Local Initiatives Support Corporation

The Local Initiatives Support Corporation (LISC) directs public and private resources to communities based on their particular needs. In 2010 LISC created the Institute for Comprehensive Community Development to improve practitioners' access to the resources they need to advance their efforts in the field.



Resident participation in community capacity building efforts is necessary to meet each community's unique needs.



LISC/Chicago, Photography by Eric Young Smith

This victory garden in Chicago's Washington Park neighborhood was formerly a vacant lot — an eyesore in the community.

Policymakers at HUD are embracing the principle of comprehensive community planning...aimed at strengthening the capacity, resiliency, and sustainability of entire communities.

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Local Lessons Inform Federal Policy

Murphy Park, a mixed-finance demonstration project completed in St. Louis, Missouri, is an important site-specific case study of the type of comprehensive community development that informed the HOPE VI program. Murphy Park was created through the combined efforts of residents, the city, the St. Louis Housing Authority, the state, the developer, private enterprise, and philanthropy. This rental neighborhood of townhomes, garden apartments, and single-family homes — with amenities, a reconstituted school,

and new, incoming investments — replaced thousands of public housing units concentrated within a one-mile radius that were essentially isolated despite being surrounded by single-family residential neighborhoods. Notably, the Murphy Park project led to reform in the neighborhood school that, in turn, sparked broader civic engagement in improving the Near North Side of St. Louis, additional investments in schools and neighborhood improvements, and systemwide school management reform, thus adding to the strength and capacity of the entire community.⁵

Taking lessons from both broad community change strategies and local case studies, policymakers at HUD are embracing the principle of comprehensive community planning in urban development strategies aimed at strengthening the capacity, resiliency, and sustainability of entire communities. The Choice Neighborhoods initiative in particular will be a key strategy for strengthening neighborhoods through effective planning and community-driven partnering. **HUD**

¹Karen Fulbright-Anderson and Patricia Auspos, eds., 2006. *Community Change: Theories, Practice, and Evidence*, Washington, DC: Aspen Institute, 10.

²Ibid.

³Anne C. Kubisch, Patricia Auspos, Prudence Brown, and Tom Dewar. "Community Change Initiatives From 1990–2010: Accomplishments and Implications for Future Work," *Community Investments* 22, no.1: 8–12 and *Voices From the Field III: Lessons and Challenges From Two Decades of Community Change Efforts*, Washington, DC: Aspen Institute, 2010.

⁴David Greenberg, Nandita Verma, Keri-Nicole Dillman, and Robert Chaskin. 2010. *Creating a Platform for Sustained Neighborhood Improvement: Interim Findings From Chicago's New Communities Program*. New York: MDRC.

⁵Mindy Turbov and Valerie Piper. 2005. *HOPE VI and Mixed-Finance Redevelopments: A Catalyst for Neighborhood Renewal*. Washington, DC: Metropolitan Policy Program, Brookings Institution, 18–9.

Additional Resources

- *Cityscape: A Journal of Policy Development and Research* 12, no.1 (2010), published by HUD's Office of Policy Development and Research, features a symposium dedicated to resident and neighborhood effects of HOPE VI developments. www.huduser.org.
- *Resident Participation: A Community-Building Strategy in Low-Income Neighborhoods* (2005), a report by Carolyn C. Leung, investigates challenges and outcomes of resident involvement in community planning. www.nw.org.
- The Urban Institute's HOPE VI Panel Study (2001, 2003, and 2005) followed HOPE VI residents to learn where they moved and how the program affected their well-being. Findings are detailed in research reports and in the series, "A Roof Over Their Head." www.urban.org.
- *Community Change: Theories, Practice, and Evidence* (2006), edited by Karen Fulbright-Anderson and Patricia Auspos, explores how comprehensive community initiatives in the fields of community building, neighborhood safety, education, employment, economic development, housing, youth development, and social services positively affect community change. www.aspeninstitute.org.
- *Voices From the Field III: Lessons and Challenges From Two Decades of Community Change Efforts* (2010), by Anne C. Kubish et al., examines community change efforts over the past two decades, design and implementation issues, and lessons and challenges for the future. www.aspeninstitute.org.
- "The HOPE VI Resident Tracking Study: A Snapshot of the Current Living Situation of Original Residents From Eight Sites" (2002), by Larry Buron et al., investigates how the redevelopment process affected the housing, neighborhood, employment, social environment, and health of residents of eight original HOPE VI grantees. www.urban.org.
- *Stunning Progress, Hidden Problems: The Dramatic Decline of Concentrated Poverty in the 1990s* (2003), by Paul A. Jargowsky, analyzes high-poverty neighborhoods and the incidence of poor individuals within them in 1990 and 2000 to assess the changes. www.brookings.edu.
- *From Despair to HOPE: HOPE VI and the New Promise of Public Housing in America's Cities* (2009), edited by Henry G. Cisneros and Lora Engdahl, explores HOPE VI background, principles, and outcomes; critiques; and lessons learned from early redevelopment projects. www.brookings.edu.
- *Housing Policy Debate* 20, no.1 (2010), is a special issue on changes for the original residents of Gatreaux, the transformation of Chicago's public housing, mixed-income developments, and the effects of HOPE VI on area residents and neighborhoods. www.informaworld.com/rhpd.
- *The Journal of the Institute for Comprehensive Community Development*, no.1 (2010), is the inaugural issue of the Institute's newest publication, offering analysis of major comprehensive community development concepts and initiatives. www.instituteccd.org.

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