



Community and Economic Development in North Carolina and Beyond Blog: 50 Years of HUD: Choice Neighborhoods

By CED Program Interns & Students

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In recognition of the Department of Housing and Urban Development (HUD)'s 50

anniversary, the CED blog is highlighting a couple of HUD's newest programs that cities can use to help spur revitalization in distressed neighborhoods. One of these programs is Choice Neighborhoods.

Choice Neighborhoods launched in 2011 as part of the Obama administration's strategy to address poverty, particularly high poverty neighborhoods. As mentioned in a previous post, high poverty neighborhoods leave its residents in a vacuum of the very opportunities they need to lift themselves out of poverty. Choice Neighborhoods, like many of the Obama administration's initiatives, works to bring opportunity into these impoverished places.

Choice Neighborhoods builds upon the HOPE VI revitalization program, which provided local governments with the means to redevelop dilapidated public housing into new, mixed income communities. This program not only successfully accomplished the goal of new and improved housing, but also provided sound evidence that mixing income levels can work to bring in the opportunities needed in the lives of the impoverished. The Choice Neighborhoods program expands upon this evidence by viewing housing as a catalyst for change. It is the agency's signature place-based initiative to bring opportunity to these distressed neighborhoods.

Choice Neighborhoods focuses on three main goals. The first main goal, like its predecessor programs, seeks to replace distressed public housing stock with high-quality, mixed income housing. The initiative expands upon this approach to also focus on the people in these neighborhoods by educational support and services, and spur new investment in the physical fabric of the neighborhood – better safety through improved streets, better schools, and more commercial activity. All of these efforts are meant to bring opportunity to the place where it currently is not.

The program awards cities funding in an annual grant competition. Each year, 5-20 cities are awarded funding. Early in 2015, 6 cities (Flint, Michigan; Gary, Indiana, Louisville, Kentucky; Mobile, Alabama; and St. Louis, Missouri) received grants ranging from \$375,000 to \$500,000 each for projects in target neighborhoods. To be eligible for grants, the city had to have a neighborhood with a relatively high poverty rate, a crime rate higher than the city average, and a severely distressed housing development with in it, and at least one school classified by state and federal government as a "School in Need of Improvement." There also has to be enough underutilized space in the neighborhood to support the growth of a variety of uses – housing, retail, office, schools, public and cultural institutions, etc. Cities must have undergone a comprehensive local planning process to address the issues of this neighborhood, in which a number of stakeholders work together to develop a "Transformation Plan," and be ready to implement their plans with broad local support. The plan should revitalize public housing, or affordable housing, with an eye on the revitalization of the whole neighborhood through the action taken. The project should be linked to services and other revitalization efforts.



Once a city receives a grant, they have a maximum of two years to use it. Therefore, the readiness of a city's Transformation Plan is of utmost importance.

These grants can help a city address issues in its most severely distressed neighborhoods, but should be part of a many-pronged financing strategy. Because the grants are competitively awarded to a select few each year, they cannot be guaranteed and therefore should not be a lynchpin in any financing plan. However, the detailed planning process they require, plus the potential to attract more funding if awarded the grant, can make Choice Neighborhoods a great way for cities to spur themselves towards an effort in creating clear, implementable plans that have the power to lift its distressed neighborhoods, and the people who reside in their vacuum, out of poverty.

Stay tuned for another post in this series on new HUD programs in recognition of its 50th anniversary.

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