



Community and Economic Development in North Carolina and Beyond Blog: Mixed Reviews — A Retrospective of Durham’s HOPE VI Revitalization Project

By CED Program Interns & Students

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In August 2000, The Durham Housing Authority (DHA) in

partnership with The Community Builders (TCB) received a \$35 million HOPE VI grant from the Department of Housing and Urban Development (HUD) to revitalize Few Gardens, a public housing development located in Northeast Durham. The purpose of the HOPE VI grant was to: redevelop public housing buildings, facilitate resident self-sufficiency and empowerment, and form productive public-private partnerships necessary to pursue comprehensive redevelopment. The HOPE VI program started in response to recommendations from a congressional task force, whose 1992 report identified the prevalence of severely distressed public housing in many American cities and encouraged HUD to “look not only at the condition of housing...economic opportunities, and...infrastructure, but also at the needs of families involved, the strength of neighborhood organizations, the impact of crime, the availability of family support services, and recreational opportunities and the quality of education.”

Unlike public housing authorities in the seven other North Carolina cities that received HUD funds in 2000 to demolish outdated housing projects that served to concentrate and isolate people living in poverty— and the social ills that can accompany it—DHA went a step forward and embarked on an ambitious plan targeting the 96-block area around Few Gardens, a 240 unit, barracks-style complex reminiscent of the textile mill that had historically employed residents but had since been shuttered. As nearby job opportunities dissipated, the poverty rate at Few Garden reached 90 percent (representing a median household income of roughly \$3,500) and the neighborhood became associated with violent crime, visible prostitution, and abandoned parcels. In addition to DHA’s initial plan to level Few Gardens and replace it with 445 mixed-income apartment and homeownership units (roughly 30 percent for Few Garden tenants) over the five years scheduled for this project, DHA planned to leverage an additional \$90 million from the community in private investment, social service provision, infrastructure improvements, and additional housing development.

To re-envision what the neighborhood could like, DHA enlisted the support of The Community Builders (TCB)—a national nonprofit housing developer that specializes in HOPE VI redevelopment—to host charrette sessions with tenants, residents, and other community stakeholders. Over the course of the project, TCB would lend its expertise to composing a long-term plan for the neighborhood based on input from the design charrettes and facilitating other aspects of the predevelopment process, such as identifying architects and contractors (many of whom were people of color).

DHA took on the charge of administering the \$5 million grant allocation intended for resident support activities. The scope of activities ranged from education, job training, and securing affordable childcare—a major barrier to mothers seeking work outside of the home. DHA tailored its provision of these services based on the needs identified by their clients and the resources dedicated by their organizational partners in the community, such as the Center for Employment Training, Durham County Public Schools, Durham Technical Community College, NC Central University, and Duke Hospital.



Roughly a third of the units identified in DHA’s plan were for-sell townhomes and single family homes, which made home ownership counseling and the provision of mortgage assistance grants to tenants critical.

By the time grant funds were expended, DHA had disbursed 68 mortgage assistance grants, which offered up to \$8,000 to eligible participants, totaling nearly \$451,000. DHA also oversaw relocation assistance, which included covering relocation costs for tenants and renters within the redevelopment area who were living in homes bought by DHA. Additionally, DHA offered to pack and move the belongings of elderly and disabled residents, and, for households eligible for one of the 80 Section 8 vouchers designated to the project by HUD, DHA paid for the deposits necessary to initiate utility services. Given the limited availability of Section 8 vouchers and DHA’s intention to distribute them fairly, the DHA formed a Relocation Committee and engaged the Resident Council (Few Gardens tenants elected to leadership/liaison positions) to set criteria beyond the “first-come, first-considered” guidance that already informed how the 80 vouchers—which enable DHA tenants to rent apartments and homes in the private rental market through rental subsidies—would be distributed.

The early phases of this project was marred by vocal opposition to the objectives of HOPE VI, which included relocating residents without assurance that they would have a place in the neighborhood their input helped create. This criticism harkens back to Durham’s experience with urban renewal, which displaced thousands of residents and businesses in the predominantly African-American Hayti District during the 1960s. DHA has been widely criticized in the media for delays, mismanagement (resulting in a \$2.8 million pledge to repay HUD), and prioritizing redevelopment goals over its obligations to its residents.

However, the DHA-led HOPE VI project is on solid ground. All the funds from the initial grant have been expended, but since DHA fell short of its original fundraising goals and only captured \$41.5 million, its capacity to deliver on its stated timeline, production, and redevelopment goals was significantly compromised. Here is a summary of HUD-funded projects:

Development Name	Year Completed	Number of Units	Unit Type	HUD funds as a % of total costs
Main Street	2005	43	Rental	42%
Calvert A/B	2006	75	Rental	46%
Morning Glory Senior Village	2006	25	Rental	67%
Holman Homes	2008	83	Rental	36%
	2008			
Golden Belt Historic District		9	Homeownership	71%
Edgemont	TBD, in development	37	Homeownership	49%

To date, the HOPE VI activities in Northeast Central Durham are ongoing with additional developments in the pipeline and scheduled for completion over the next few years. Although the partnership between DHA and TCB is no longer in effect, TCB is listed as the developer on several completed housing projects and its influence on the design and recreational infrastructure within the neighborhood is evident. Other community stakeholders, including Habitat for Humanity-Durham, Durham Rescue Mission, and Scientific Properties, have stepped in and built new residential, transitional, and commercial properties to support DHA’s neighborhood revitalization goals. Scientific Properties’ redevelopment of the nearby Golden Belt manufacturing complex into a residential, arts, and office space speaks to the potential of public-private collaborations under HOPE VI. This project pooled New Market Tax Credit allocations from Self Help Credit Union and Wachovia to bridge the \$12 million gap required to finance this \$26.3 million project, resulting in nearly 550 jobs.

One key takeaway from this case is that the success of projects with mixed-income and mixed-use goals is dependent on the provision of mixed-financing. Durham’s HOPE VI experience demonstrates that the objectives of place-based interventions can supersede people-based interventions unless there is sufficient commitment to do both. This impetus is upheld by the collaborative, long-term engagement of various local and federal stakeholders that recognize the value of affordable housing for family self-sufficiency and intergenerational economic mobility.



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