

Interim  
**Evaluation**  
of HUD's  
**Homeownership Zone Initiative**



U.S. Department of Housing and Urban Development  
Office of Policy Development and Research

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# **INTERIM EVALUATION OF HUD'S HOMEOWNERSHIP ZONE INITIATIVE**

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## Executive Summary

### Overview of the Homeownership Zone Demonstration Program

The Homeownership Zone (HOZ) demonstration program was launched in 1996 by the U.S. Department of Housing and Urban Development (HUD) as part of a national strategy to expand homeownership. The goal of the HOZ demonstration was to do more than build new housing units. Rather, the HOZ Program was intended to test the idea that a well-designed, large-scale, mixed-income homeownership housing development could transform a blighted neighborhood into a stable, vibrant community where families would want to live.

HUD issued a Notice of Funding Availability (NOFA) for two competitive HOZ funding rounds. For the first round in 1996, HUD made \$30 million in Economic Development Initiative grant funds available together with companion Section 108 Loan Guarantees. HUD selected six HOZ proposals from 103 eligible applicants. For the second round in 1997, HUD made \$20 million in recaptured Nehemiah grant funds available. HUD selected another six HOZ proposals from 67 eligible applicants. The following chart shows the 11 HOZ cities and the names of their HOZ neighborhoods.

**Homeownership Zones**

ROUND ONE		ROUND TWO	
Baltimore, Maryland	Sandtown-Winchester	Flint, Michigan	University Park
Buffalo, New York	Willert Park Village	Indianapolis, Indiana	Fall Creek Place
Cleveland, Ohio	Villages of Central	Long Beach, California*	
Louisville, Kentucky	Park DuValle	New York City, New York	Mount Morris
Philadelphia, Pennsylvania	Cecil B. Moore	San Juan, Puerto Rico	Cantera Peninsula
Sacramento, California	Del Paso Nuevo	Trenton, New Jersey	Canal Banks

\*Long Beach subsequently withdrew from the HOZ Program.

The winning HOZ proposals followed three general configuration patterns:

1. Compact—complete rebuilding or rehabilitation of an entire, contiguous target area.
2. Scattered—entire block or multiple block developments separated from each other by blocks of remaining older units, within a contiguous area.
3. Infill—single units and small groups of units built or rehabilitated between preexisting units within a contiguous area.

Every project was guided by a master plan and strategy inspired by “New Urbanism” design principles. Each plan included the development of approximately 300 new homeownership units and other improvements, the creation of local public-private partnerships, and the leverage of significant other investment. Each city committed to sell at least 51 percent of the new homes to low- and moderate-income families. All cities proposed new construction. Only six cities planned to rehabilitate existing houses as well. Several cities also undertook public housing modernization or HOPE VI projects as part of their strategy to transform their HOZ neighborhoods.

The physical structure of the target areas and the availability of vacant land or buildings accounted for most of the differences among the cities’ initial plans. These preexisting conditions influenced the degree to which specific New Urbanism principles could be applied and the type of challenges that each city faced.

## **Purpose of the Interim Evaluation**

This interim HOZ evaluation had three primary goals:

1. Collect baseline data for a final HOZ evaluation that will be undertaken at the completion of the demonstration program.
2. Assess how well each city has been able to implement its approved HOZ proposal so far.
3. Identify best practices or guidelines that other communities can use to transform their deteriorated neighborhoods by using mixed-income homeownership development.

Case studies were developed for each of the 11 active HOZ sites. Three basic techniques were used: (1) HOZ Program document review; (2) in-person site visits at eight sites; and (3) social, economic, and geographic data analysis. Data analysis methods included data extraction and synthesis; cross-case analysis; and geographic, photographic, and economic analyses. Data were obtained from Census Bureau data sets, HOZ quarterly progress reports, and other public sources.

## **Interim Findings**

At the time of the data collection, most of the HOZ sites were still several years from completion. Therefore, much of the information in this report, including quantitative statistics, is based on current data and does not reflect the results of completed HOZ plans and strategies.

Nevertheless, the findings of this interim evaluation already demonstrate that the HOZ approach has created significant, positive changes in the target areas. The evaluation identified a number of lessons that have been learned. These lessons can guide other communities that hope to use concentrated mixed-income homeownership development to revitalize their deteriorated areas.

By the late 1990s, when the HOZ initiative was getting under way, moderate- and high-income households had departed these inner-city neighborhoods. The HOZ sites had extremely low rates of homeownership, large tracts of vacant or abandoned property, high crime rates, and poor reputations. Today, most of these neighborhoods have become, or are becoming, vibrant homeowner communities. Several of the HOZ cities now have waiting lists for the new homes that are being built.

This evaluation identified a number of factors that contributed to successful outcomes. For all of the HOZ cities, the federal demonstration grant was the critical incentive that led to the creation of the HOZ target area and the concentration of scarce resources within this area. Each city's federal contractual obligation to complete its HOZ strategy ensured that this commitment was maintained over many years despite unexpected delays or changes in city administrations. The next most important factor was local political leadership. This leadership led to sustained financial commitments to the project. The targeted approach convinced investors and homebuyers that the neighborhood was changing for the better. Innovative marketing techniques helped tell the story. The most successful HOZ cities designated HOZ administrators to coordinate the numerous activities and partners and interface with other city agencies to solve problems. These cities also used one or more master builders or developers and a "presales" approach that ensured that the production of homes matched the availability of qualified buyers. Subsidized homeownership loans provided an additional incentive that attracted homebuyers. Some of the successful areas benefited from strong regional economies and rising local real estate markets, as well.

The evaluation also identified a number of factors that prevented some cities from achieving their HOZ goals. Unanticipated infrastructure, land acquisition, or environmental problems impeded progress and escalated costs. The initial success of some HOZ sites resulted in rising real estate prices and difficulties in purchasing land from private owners who no longer wished to sell. For the two least successful HOZ cities, larger citywide issues severely affected their ability to implement their HOZ strategies. Both cities struggled with administrative and financial capacity problems that impacted not only their HOZ initiatives but all of their HUD-funded community development programs.

Most HOZ cities have achieved HUD's expectations for visible improvement, local public-private partnerships, and leveraging of funds. To date, more than \$273 million in other funds have been invested in the HOZ sites for an overall leverage ratio of 5:1. The HOZ strategies have blended the architectural styles of new buildings with the best historic design features of the neighborhoods. Often, the new homes offer amenities that are comparable to those of homes in alternative suburban areas. In some cases, new homebuyers have been able to select from several model home designs and choose from among optional fixtures or finishes. The more advanced HOZ sites are beginning to evidence spillover effects resulting in increased private investment in adjacent areas and the revitalization of nearby commercial areas. Most of the HOZ sites have received positive local press coverage. Several HOZ sites have received national recognition and awards from the National Building Museum (Louisville), American Planning Association (Indianapolis), Urban Land Institute (Indianapolis), and the National Association of Home Builders (New York City and Trenton).

The HOZ cities have been able to achieve to varying degrees the goal of developing mixed-income neighborhoods. For most HOZ cities, the percentage of home sales to low-income homebuyers ranges from 51 percent (the minimum requirement) to 86 percent. The other homebuyers generally fall in the 80-percent to 120-percent of median income range—the target range for “workforce” housing. Four HOZ cities are exceptions to this pattern. Louisville successfully used purchase incentives to attract higher income homeowners. This approach resulted in the most economically mixed HOZ neighborhood. Two cities (Baltimore, and San Juan) sold all of their homes to low-income families. Baltimore used federal HOME Program funds, which require all assisted units to be purchased by low-income families. San Juan sold all homes to existing low-income residents. New homebuyers in most of the HOZ sites reflect the racial and ethnic characteristics of the original neighborhoods. Although most HOZ sites have some mix of incomes, only the Indianapolis, New York City, and Sacramento HOZ sites are racially or ethnically mixed.

None of the HOZ cities met HUD's expectations about the speed with which they would start construction and complete their HOZ strategies. HUD's Round One HOZ NOFA anticipated that HOZ projects could begin in 60 days or less after approval, and the Round Two HOZ NOFA specified a “rapid turnaround.” These timeframes proved to be extremely optimistic, given the challenges faced by each of the HOZ cities: the extent of the initial deterioration and abandonment of the HOZ target areas; the associated problems with obtaining financing, acquiring land, rebuilding infrastructure, and changing public perceptions of the neighborhood; the scale of the HOZ initiative (averaging 300 new units); and the difficulty of identifying, counseling, and qualifying homebuyers, especially low-income, first-time homebuyers. Furthermore, a significant amount of time was needed to lay the groundwork for construction. Despite these challenges, after development reached a critical mass, perceptions changed, financing became easier, and sales increased. On average, it took almost 4 years before the first houses were constructed and 6 years to reach the 50-house mark. When this report was prepared, it was taking another 3 to 6 years before all new homebuyer units could be built and sold. The first HOZ cities are now reaching completion. New York City, Indianapolis, and Baltimore have all finished their last houses and were ready to close out their grants in 2006.

Perhaps the most important policy lesson learned from this study is that transforming a severely distressed neighborhood into a successful homeownership community takes time, but it can be done with sufficient patience, commitment, vision, and concentration of resources.

## Introduction

This section discusses the history of the U.S. Department of Housing and Urban Development's (HUD's) Homeownership Zone (HOZ) demonstration program, the purpose of this evaluation, and the methodology used to develop the 11 HOZ case studies.

### Background

In 1995, HUD launched a public-private initiative to increase homeownership in America for underserved populations. Homeownership benefits families, communities, and the country by creating civic stakeholders, providing a stable living environment, and building household wealth—but not all groups share equally in these benefits. Today, the President continues to challenge HUD and HUD's partners to close the homeownership gap, expand minority homeownership, and assist first-time homebuyers.

In June 1996, HUD completed a survey of cities throughout the country that had undertaken large-scale homeownership projects. This survey, *New American Neighborhoods: Building Homeownership Zones to Revitalize Our Nation's Communities*, concluded that homeownership development is a well-tested formula for urban revitalization. The HOZ demonstration program grew out of this survey and was part of HUD's commitment to achieve the national homeownership goal. The HOZ initiative was designed to test the concept that large-scale, mixed-income homeownership can drive economic revitalization by transforming a blighted neighborhood into a stable, attractive community where families want to live.

On July 16, 1996, HUD issued a Notice of Funding Availability (NOFA) that solicited proposals for undertaking large-scale, mixed-income homeownership projects that would reclaim deteriorated urban areas and serve as a catalyst for private investment, business creation, and neighborhood revitalization.

On September 9, 1996, HUD established a set-aside of up to \$30 million in Economic Development Initiative funds to be used as HOZ seed-money grants to lower the cost of development and stimulate investment. Applicants were encouraged to follow "New Urbanist" design principles by providing for defined neighborhood boundaries, a pedestrian-friendly environment, compatible uses, a mix of housing types, historic designs, and access to jobs and mass transit. More than 100 applicants submitted proposals. On April 8, 1997, HUD announced the selection of the first six HOZ proposals. The winning proposals were submitted by Baltimore, Maryland; Buffalo, New York; Cleveland, Ohio; Louisville, Kentucky; Philadelphia, Pennsylvania; and Sacramento, California.

On July 7, 1997, HUD issued a second NOFA announcing another HOZ funding round. HUD made \$20 million in recaptured Nehemiah funds available. Nearly 70 applicants submitted proposals. On March 27, 1998, HUD announced the selection of the second set of six HOZ proposals. The winning proposals were submitted by Flint, Michigan; Indianapolis, Indiana; Long Beach, California; New York City, New York; San Juan, Puerto Rico; and Trenton, New Jersey. Long Beach subsequently withdrew from the program.

Altogether, the 12 approved HOZ cities proposed the creation of 3,660 new homeownership units and the leverage of substantial funds. Cleveland and Louisville combined their HOZ projects with HOPE VI projects. Trenton combined its HOZ effort with its brownfields cleanup initiatives. A number of the HOZ cities chose HOZ sites that were within their Empowerment Zones or Enterprise Community areas. The following chart shows the 11 HOZ cities and the names of their HOZ neighborhoods.

**Homeownership Zones**

ROUND ONE		ROUND TWO	
Baltimore, Maryland	Sandtown-Winchester	Flint, Michigan	University Park
Buffalo, New York	Willert Park Village	Indianapolis, Indiana	Fall Creek Place
Cleveland, Ohio	Villages of Central	Long Beach, California*	
Louisville, Kentucky	Park DuValle	New York City, New York	Mount Morris
Philadelphia, Pennsylvania	Cecil B. Moore	San Juan, Puerto Rico	Cantera Peninsula
Sacramento, California	Del Paso Nuevo	Trenton, New Jersey	Canal Banks

\*Long Beach subsequently withdrew from the HOZ Program.

At the time that this report was prepared, no additional HOZ funds had been made available. The HOZ initiative remains a HUD demonstration program. Since the program's inception, HUD has been tracking the performance of the 11 active HOZ projects. Each quarter, the HOZ cities submit reports providing statistics and narrative information on major accomplishments and delays. These reports highlight the successes, innovations, and best practices for each of the HOZ sites.

HUD has organized two HOZ workshops to bring the HOZ participants together to share ideas, discuss techniques, and address problems. The first workshop, held in May 2002, focused on design issues, neighborhood creation, homebuyer financing, working with homebuyers, managing for change, and sustaining and growing the zone. The second workshop, held in October 2003, was cosponsored with the Main Street Center of the National Trust for Historic Preservation. This workshop focused on comprehensive neighborhood revitalization techniques, including strategies for developing commercial activity in the HOZ sites. Experts in relevant fields participated on panels and served as information resources at both workshops.

**Interim Evaluation: Overview**

This interim evaluation is part of HUD's ongoing assessment of the lessons learned from the HOZ demonstration cities. This evaluation was conducted approximately 8 years after the approval of the first HOZ projects. At the time of this evaluation, which took place in 2004 and early 2005, only the HOZ sites in Baltimore, Indianapolis, and New York City were near completion. One HOZ city, Long Beach, had withdrawn from the program.

The evaluation had three primary goals:

1. Collect baseline data for a final HOZ evaluation that will be undertaken at the completion of the demonstration program.
2. Assess how well each HOZ city has been able to implement its approved HOZ proposal so far.
3. Identify best practices or guidelines that other communities can use to transform their deteriorated neighborhoods by using mixed-income homeownership development.

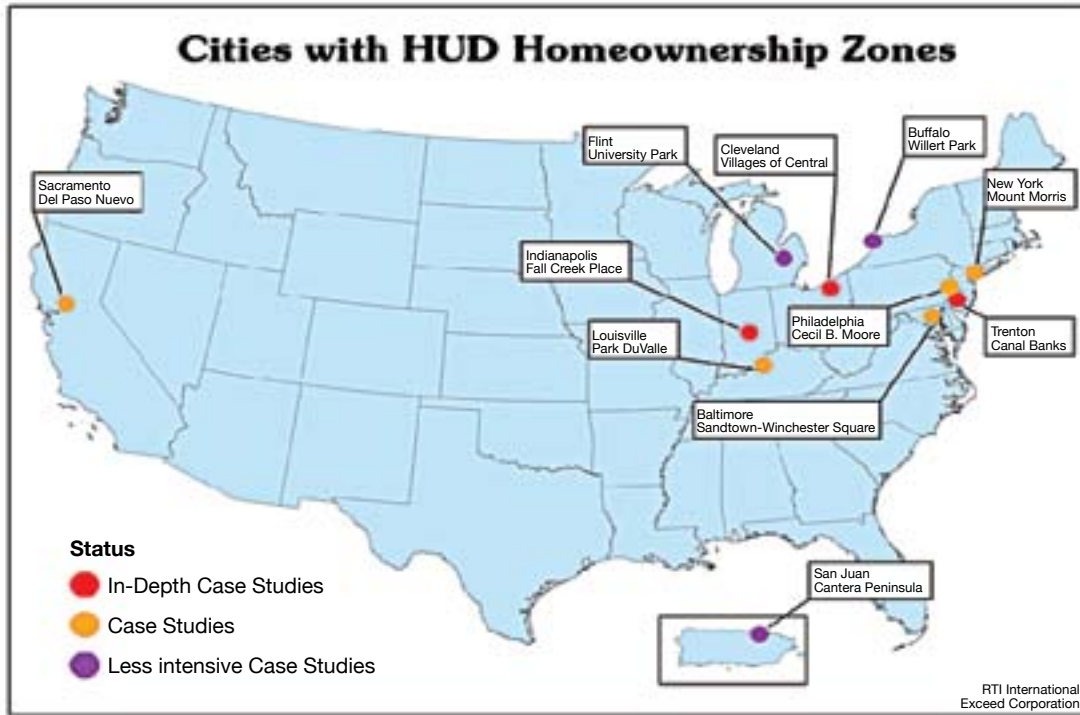
Research began with a review of the HOZ grant proposals and the quarterly reports that track the progress of each site. The evaluation used a case study approach consisting of document review; social, economic, and geographic data analysis; and site visits. The research team undertook the following steps:

- Review grant applications and quarterly reports for all 11 active sites.
- Identify criteria for selecting sites for indepth case studies.
- Conduct in-person site visits at the eight most developed sites, with three sites visited for 3 days each for indepth case studies and five sites visited for 2 days. (See Appendix A, Methodology, for a discussion of site visit selection.)
- Produce visual records through mapping and photographs of the eight most developed sites with an emphasis on the three indepth case study sites.
- Collect baseline data for a final HOZ evaluation that will be undertaken at the completion of the demonstration program. (See Appendix B, GIS Data, for a list of data that were acquired.)
- Compare preexisting conditions, program implementation, and progress across sites.
- Develop case studies to document how each grantee has progressed.
- Assess how well each grantee has been able to implement its approved HOZ proposal so far.
- Identify best practices or guidelines that other communities can use to transform their deteriorated neighborhoods by using mixed-income homeownership development.

## **The HOZ Sites**

Appendix D contains maps, pictures, and interim statistics for the 11 active HOZ sites. Readers wishing to learn more about a particular HOZ site should contact the city's HOZ coordinator. Appendix E provides a list of HOZ contacts. The map on the next page shows the HOZ sites and the type of case study review that was undertaken for each site.





## Homeownership Zone Requirements

This section describes the Homeownership Zone (HOZ) selection process and the requirements that apply to each funding round. This section also describes the New Urbanism design principles that the U.S. Department of Housing and Urban Development (HUD) intended each HOZ city to use.

### Round One

#### Notice of Funding Availability Selection Process

The source of funding for the first HOZ round (Round One) is HUD Economic Development Initiative (EDI) funds. EDI funds are available under Section 108(q) of the Housing and Community Development Act of 1974, as amended, and are governed by the regulations at 24 Code of Federal Regulations (CFR) Part 570. The July 16, 1996, Notice of Funding Availability (NOFA) solicited proposals for traditional economic development projects as well as proposals to implement the HOZ demonstration program. The September 9, 1996, Federal Register notice established a set-aside of up to \$30 million in EDI grant funds for HOZ proposals.

The NOFA required that each HOZ site be a contiguous, geographically defined area that is primarily residential in character and in which HOZ activities could make a measurable, visible improvement. Eligible applicants were Community Development Block Grant entitlement units of general local government and nonentitlement units of general local government that were eligible to receive Section 108 Loan Guarantees. HUD made clear that HOZ proposals should consist of at least 300 new single-family homes unless applicants could demonstrate how visible improvement could be achieved with fewer units.

In its Round One *Homeownership Zone: Application Guide*, HUD summarized the elements that the most competitive HOZ application proposals were expected to display:

- Provide for significant new single-family (1-to-4 unit) homeownership opportunities (an application that includes at least 300 new single family homes will be presumed to meet this standard; others may demonstrate how a smaller number of units will suffice to create visible change and revitalize the neighborhood).
- Result in measurable, visible improvement in the neighborhood.
- Provide for a mix of income levels.
- Leverage significant public and private resources.
- Establish extensive partnerships with business, lending institutions, real estate professionals, builders, educational institutions, religious entities, and/or other private or nonprofit organizations.

- Provide opportunities for participation by community residents, including opportunities for homeownership.
- Include the development of housing opportunities as part of a comprehensive, coordinated approach to the overall revitalization of the neighborhood.
- Show streamlined local processes to ensure rapid construction and program implementation.
- Begin development within 60 days of grant approval.
- Establish clear benchmarks for measuring performance.
- Use innovative construction techniques and land use planning to reduce the cost of housing construction and minimize regulatory barriers.
- Take advantage of the most recent advances in urban housing design to create a sense of neighborhood and community throughout the overall plan for the area.

The July 16, 1996, NOFA established rating criteria and a ranking system that HUD used to select the six Round One HOZ proposals. HUD awarded points to individual proposals based on how well the proposal met each of the seven criteria identified in part II C of the NOFA. The highest score a proposal could receive was 160 points. The rating criteria were the following:

- Distress level in the neighborhood and in the jurisdiction—20 points.
- Extent of need for EDI assistance to financially support the Section 108 loan and project—10 points.
- Extent to which the proposal leverages other nonfederal public and private resources—15 points.
- Quality of the plan—60 points.
- Capacity or potential capacity of the public entity to successfully carry out the plan—15 points.
- Use of a comprehensive and coordinated approach—20 points.
- Innovation and creativity—20 points.

Each HOZ application was also awarded 10 bonus points for being a qualified HOZ proposal. HUD then ranked the proposals based on the points assigned. The top-ranked proposals were awarded HOZ EDI grants until all of the \$30 million reserved for HOZ proposals were allocated.

### **Requirements**

To receive a HOZ EDI grant, each approved HOZ grantee was required to apply for and receive a companion Section 108 Loan Guarantee. EDI funds must be used to complement and enhance the Section 108 Loan Guarantee

Program. Regulations governing the Section 108 Loan Guarantee Program are found at 24 CFR Parts 570.700 through 710. The approval process for the Section 108 Loan Guarantee, which required the pledge of additional security, delayed the start of most of the Round One HOZ projects.

The Round One HOZ EDI grant and Section 108 Loan Guarantee funds can be spent on one or more of the activities identified by the regulations in 24 CFR 570.703. These activities include land acquisition, rehabilitation of real property; payment of interest on Section 108 Loan Guarantees; relocation; clearance; demolition; site preparation; payment of costs associated with private-sector financing of the Section 108 debt obligations; economic development activities; Section 108 debt service reserve; acquisition, construction, or rehabilitation of public facilities and improvements; and related-activity soft costs. New housing construction and homebuyer downpayment assistance can only be funded through a HUD-approved community-based development organization (CBDO) that is undertaking these activities as part of a community economic development project. No grant or loan funds can be used for program administration. These limits presented special challenges for the Round One HOZ cities.

Activities funded with the HOZ EDI grant or Section 108 Loan Guarantee funds are required to meet the National Objective criteria of 24 CFR 570.208. Activities carried out in a HUD-approved Neighborhood Revitalization Strategy Area can be treated as a single structure for the purposes of meeting the low- and moderate-income National Objective. This means that 51 percent or more (instead of 100 percent) of the units assisted with the grant or loan funds, can be occupied by low- and moderate-income households. This provision corresponds to the NOFA requirement that HOZ grantees create mixed-income neighborhoods where a minimum of 51 percent of the new homebuyers are low income. Consequently, all of the Round One HOZ cities requested and received approval of their HOZ sites as Neighborhood Revitalization Strategy Areas.

Activities funded with the HOZ EDI grant or Section 108 Loan Guarantee funds must comply with the Davis-Bacon Act prevailing wage requirements, National Environmental Policy Act of 1969 requirements, Uniform Relocation Act requirements, lead-based paint removal requirements, and handicapped accessibility requirements. The administrative requirements of the applicable Office of Management and Budget (OMB) circulars also apply.

Because of the congressional appropriation language, each HOZ EDI grant had to be entirely withdrawn and expended for approved uses by September 30, 2003. This deadline presented a challenge for several HOZ cities. One HOZ city, Buffalo, failed to meet this deadline and nearly one-third of its grant was deobligated.

All program income generated by activities funded with the HOZ EDI grant or Section 108 Loan Guarantee must be used in accordance with Section 6d of the HOZ EDI grant agreement. In most cases, the program income must be deposited into the Section 108 Loan Guarantee repayment account. In some cases, program income can be used for additional HOZ activities.

Section 5 of the HOZ EDI grant agreement incorporates, by reference, the HUD-approved HOZ proposal. Any major modification to the approved proposal requires prior HUD approval. Any modification that substantially

affects the basis for the original proposal rating can jeopardize the continued funding of the HOZ project. Therefore, all modifications have been consistent with the original HUD-approved HOZ strategy and design.

## Round Two

### Notice of Funding Availability Selection Process

The source of funding for the second HOZ round (Round Two) is recaptured Nehemiah Program funds as authorized by Section 205 of the Departments of Veterans Affairs and Housing and Urban Development, and Independent Appropriations Act of 1997. The July 7, 1997, Notice of Funding Availability (NOFA) solicited proposals to implement additional HOZ demonstration projects. This NOFA made \$10 million available. The November 21, 1997, Federal Register notice increased available funding to \$20 million.

The Round Two NOFA required that each HOZ site be a contiguous, geographically defined area that is primarily residential in character and in which the new homeownership opportunities and expanded housing choice, together with physical, social, and economic development activities, make a substantial, visible improvement within the community. Eligible applicants included any unit of general local government as defined by Section 102(a)(1) of the Housing and Community Development Act of 1974. These eligible applicants included any city, county, town, township, parish, village, or other general-purpose political subdivision of a state, but excluded states. For major urban areas, HUD presumed that applications would propose at least 300 new single-family units. Smaller communities could propose fewer units if visible improvement could be demonstrated.

According to the NOFA, competitive HOZ proposals would contain the following elements:

- Visible improvement—provide for a significant number of new homeownership opportunities that will make a visible improvement in a concentrated area and stimulate additional investment in the area.
- New Urbanism—incorporate the basic principles of New Urbanist design.
- Additional investment—use the HOZ grants to leverage other support for the project.
- Partnerships and initiatives—establish extensive partnerships with the private and nonprofit sectors.
- Comprehensive neighborhood revitalization—demonstrate how the HOZ will contribute to the overall improvement of the entire area.
- Rapid turnaround—demonstrate the ability to begin significant construction projects promptly upon final HUD approval of the HOZ proposal.
- Affirmatively further fair housing—address how the applicant will affirmatively further fair housing.

The six Round Two HOZ proposals were selected based on rating criteria and a ranking system that were identified in the July 7, 1997, NOFA. HUD awarded points to individual proposals based on how well the proposal met each of the five criteria identified in Part I J of the NOFA. The highest score a proposal could receive was 122 points. The criteria were the following:

- Quality of the HOZ—55 points (up to 12 points for affirmatively furthering fair housing).
- Distress level in the neighborhood—10 points (plus 2 additional points for HOZ areas that are located fully within a federally designated Enterprise Community area or Empowerment Zone).
- Financial soundness—25 points.
- Leveraging of other resources—15 points.
- Capacity to successfully carry out the plan—15 points.

HUD then ranked the proposals based on the points assigned. The top-ranked proposals were awarded HOZ grants until all of the \$20 million reserved for HOZ proposals was allocated.

### **Requirements**

The Round Two HOZ grants do not have the same limits and restrictions that apply to the Round One HOZ EDI grants. Round Two cities are not required to apply for companion Section 108 Loan Guarantees. Since there are no federal regulations that determine the eligible uses of Round Two HOZ grant funds, the Round Two cities can spend their grant funds on any of the activities identified in Section I F of the July 7, 1997 NOFA. These activities include acquisition, new housing construction, housing rehabilitation, site preparation, direct financial assistance to homebuyers, homeownership counseling and homebuyer education, relocation assistance, community information, marketing activities, and project-related soft costs. Therefore, unlike the Round One HOZ grantees, Round Two HOZ grantees can undertake new housing construction and direct homebuyer assistance without establishing a community-based development organization (CBDO). Round Two grantees can also use up to 5 percent of their grants for reasonable administrative costs. The HUD Secretary can approve the funding of additional housing-related activities that are found to be essential to the success of the HOZ.

Activities funded with Round Two grants are not required to meet National Objectives. The NOFA, however, requires that a minimum of 51 percent of the homebuyers assisted with HOZ funds must have household incomes that do not exceed 80 percent of the minimum income for the area, as determined by HUD.

Activities funded with the HOZ grant must comply with the National Environmental Policy Act of 1969 requirements, Uniform Relocation Act requirements, lead-based paint removal requirements, and handicapped accessibility requirements. The administrative requirements of the applicable Office of Management and Budget (OMB) circulars also apply.

Unlike in Round One, the Davis-Bacon Act prevailing wage requirements do not apply to Round Two HOZ participants and there is no mandatory expenditure deadline for HOZ grant funds.

All program income generated by activities funded with the HOZ grant must be used in accordance with Section VII of the HOZ grant agreement. This section requires that program income be used for other affordable housing or community development activities, as defined by the HOZ grantee.

Section II of the HOZ grant agreement incorporates, by reference, the HUD-approved HOZ proposal. Any major modification to the approved proposal requires prior HUD approval. Any modification that substantially affects the basis for the original proposal rating can jeopardize the continued funding of the HOZ project. Therefore, all modifications have been consistent with the original HUD-approved HOZ strategy and design.

## **New Urbanism Design**

“New Urbanism” is an urban design movement that began in the early 1990s. New Urbanism combines features of traditional community planning with new ways of organizing neighborhood development. The principles of New Urbanism were developed by the Congress for New Urbanism (CNU). CNU is a nonprofit organization that works to promote New Urbanism design and share best practices.

Both Round One and Round Two HOZ NOFAs encouraged applicants to submit proposals that were consistent with New Urbanism design principles. The Round One NOFA stated that proposals should strive to incorporate several basic principles of New Urbanism. Applicants were rated on their use of recent advances in urban housing design to create a sense of neighborhood and community under Rating Factor 4, Quality of the Plan. The Round Two NOFA described the basic principles of New Urbanism under Section E, Characteristics of a Successful Homeownership Zone. Applicants were rated on how well their proposals incorporated New Urbanism design principles under Rating Factor 1, Quality of the Homeownership Zone.

HUD collaborated with CNU's inner-city task force to produce the *Principles for Designing and Planning Homeownership Zones* guide that was published in July 1996. This guide identifies 12 principles that communities should strive to incorporate into their HOZ proposals. These principles are the following:

1. The neighborhood, not individual projects, should be the essential unit of development. Neighborhoods should be compact, pedestrian friendly, and mixed use and should form identifiable areas to encourage citizens to take responsibility for maintenance and evolution of their neighborhood.
2. Many activities of daily living should occur within walking distance to enable independence for those who do not drive, especially elderly and young residents. An interconnected network of streets should be designed to encourage walking, reduce the number and length of automobile trips, and conserve energy.
3. Within neighborhoods, a broad range of housing types and price levels should bring people of diverse ages,

racess, and incomes into daily interaction in order to strengthen the personal and civic bonds essential to authentic community.

4. Appropriate building densities and land uses should be located within walking distance of transit stops to promote public transportation as a viable alternative to automobile travel.
5. Concentrations of civic, institutional, recreational, and commercial activity should be embedded in neighborhoods rather than isolated in remote, single-use complexes. A range of parks from tot lots and village greens to ballfields and community gardens should be distributed within neighborhoods.
6. Architecture and landscape design should define streets and public spaces as areas of shared use.
7. Individual architectural projects should be seamlessly linked to their surroundings, regardless of any differences in the projects' architectural styles.
8. The design of streets and buildings should reinforce safe environments but not at the expense of accessibility and openness.
9. Development should adequately accommodate automobiles but should do so in ways that respect pedestrians and the configuration of public space.
10. Streets and squares should be safe, comfortable, and interesting to pedestrians. Properly configured, they should encourage walking, help neighbors get to know each other, and encourage residents to protect their communities.
11. Architecture and landscape design should grow from local climate, topography, history, and building practice. All buildings should provide their inhabitants with a clear sense of location, weather, and time. Designs should incorporate natural methods of heating and cooling.
12. The continuity and evolution of urban society should be affirmed through the preservation and renewal of historic buildings, districts, and landscapes.





## Homeownership Zone Project Outcomes

This section reviews the progress that each Homeownership Zone (HOZ) city has made in achieving the HOZ goals and objectives that were approved by the U.S. Department of Housing and Urban Development (HUD). As of early 2006, a majority of the HOZ sites were still under way. Only the HOZ sites in Baltimore, Indianapolis, and New York City were near completion when this research was undertaken in 2004 and early 2005. Therefore, much of the information and observations contained in this report, including quantitative data, represent interim conclusions. A final evaluation of the success of the HOZ approach is still several years away.

Most of the data that appear in the exhibits in this section are drawn from the quarterly progress reports that each HOZ city submits to HUD. The quarterly report period is indicated by asterisks as follows: \* January through March 2004, \*\* April through June 2004, \*\*\* July through September 2004, and \*\*\*\* October through December 2004. The latest progress report for Buffalo is October through December 2002.

Although not all of the HOZ cities have achieved their goals, this interim evaluation demonstrates that the HOZ approach has resulted in significant, positive changes in most of the target areas. At the time that this report was prepared, all of the cities that were nearing completion of their HOZ programs considered the initiative to be a success.

The Indianapolis HOZ most closely reflects the original HOZ concept and has received national awards for the transformation of its HOZ site. The New York City HOZ demonstrates how homeownership housing can be successfully developed in a high-cost, densely built environment. The Louisville HOZ shows how the HOZ approach can be combined with HOPE VI development to integrate public housing rental units with middle-income homeownership housing in a totally rebuilt neighborhood. The Trenton HOZ shows how infill homeownership housing can be used to stabilize an area. Each of these HOZ cities has valuable lessons to offer. However, as with any demonstration, lessons can be learned from both the most successful and the least successful HOZ cities.

### Comparison of Round One and Round Two Proposals

Table 1 at the end of this section identifies the 12 original HOZ sites, the amount of HOZ funds the cities received, the original number of proposed new homeownership units, and the number of new homeownership units currently proposed (based on HUD-approved amendments).

Table 2 shows the approval date, contract execution date, and current target completion date for each of the 11 active HOZ sites.



## **Additional Investment**

HUD intended the HOZ grant to act as an incentive to encourage other public, private, and nonprofit partners to participate in the development of the HOZ site. A key indicator of successful HOZ development is the ability to form these partnerships and leverage HUD's HOZ grant funds.

As of the spring of 2005, more than \$273 million in other funds had been invested in the HOZ sites. This is a leverage ratio of 5:1 overall and 3.5:1 excluding other HUD funds. The amount of funds that HOZ cities were able to leverage ranged from a high of \$50.2 million for New York City to a low of \$3.8 million for San Juan, as shown in Figure 1 at the end of this section. HUD was the largest source of public funding. As shown in Table 3, in addition to the HOZ grant, sources of HUD funding included the Section 108 Loan Guarantee, Community Development Block Grant, HOME Investment Partnerships (HOME), and Economic Development Initiative programs. HUD provided 46 percent of the total funding committed to the 11 HOZ sites. The HOZ grant accounted for 32 percent of this HUD funding. The funding amounts and distributions shown in Figure 1 and Table 3 are based on each city's quarterly progress reports and therefore are not strictly comparable across the 11 sites. These inconsistencies occurred for several reasons. Different HOZ sites were further along in their construction efforts, had spent different proportions of their total funding, used different accounting or reporting methods, and used different fund categories. Although the tables provide some indication of the type and scale of funding across sites, the final HOZ evaluation will need to examine accounting methods to assess actual leverage. Of particular importance will be how sites classified downpayment assistance and how they measured in-kind investments. For example, New York City credited the value of city-owned land in its leverage reports.

## **Progress**

### **Housing Units**

Table 4, at the end of this section, indicates the success of the 11 HOZ cities in achieving their housing goals, based on the available quarterly progress report data at the end of 2004. These data show a wide range of completion

rates in comparison to each city's goals—from 90 percent for New York City and 87 percent for Indianapolis to 15 percent for San Juan. Interviews with city staff in early 2005 indicated that many cities had exceeded the numbers reflected in Table 4. New York City had completed its HOZ construction by winter 2004, Indianapolis had completed its HOZ construction by spring 2005 and Baltimore had completed its HOZ construction by winter 2005.

All HOZ cities planned to build new houses in their HOZ sites, but only six planned to rehabilitate existing houses as well. These differing approaches reflect either a lack of houses suitable for rehabilitation (because the site had been razed beforehand or because vacant sites were selected in the first place) or a decision to allocate scarce resources to building new houses. Representatives from all cities that undertook rehabilitation discussed the high costs of renovating houses. Baltimore was the only HOZ city to attain high completion levels for rehabilitated houses.

### **Mixed Income**

HUD intended that the HOZ sites would become mixed-income communities that offered a range of housing choices and prices. The HOZ demonstration requires that at least 51 percent of new homebuyers be low- and moderate-income households. Most HOZ cities are doing well in meeting this low-income requirement. Table 5 at the end of this section shows the percentage of homes that have been sold to low- and moderate-income homebuyers compared with the percentage proposed in each city's approved HOZ proposal. As of spring 2005, Flint and Buffalo were failing to meet this 51-percent requirement. Both cities had significant citywide administrative issues that have severely affected the implementation of their HOZ proposals.

Cities have had varying degrees of success in achieving the goal of developing mixed-income neighborhoods. Table 6 shows each city's progress in achieving the mixed-income goal. Baltimore and San Juan have sold 100 percent of their homes to low- and moderate-income homebuyers. Baltimore is using federal HOME program funds to assist the new buyers. The HOME program requires that each assisted homebuyer be low-income. In San Juan, the new homes are being sold to existing area residents who have very low incomes.

Four cities have achieved the mixed-income goal. Louisville used a unique approach. The city targeted its initial sales efforts to higher income homebuyers and offered soft second mortgages as incentives that declined over time as the market improved. The Indianapolis HOZ site benefited from its proximity to the city's downtown area. The New York City and Sacramento sites have benefited from pent-up demand in tight real estate markets.

### **Diversity**

The racial and ethnic composition of the new homebuyers in most of the HOZ sites reflects that of the pre-HOZ neighborhoods. Although most of the HOZ sites have some mix of incomes, only three HOZ sites (Indianapolis, New York City, and Sacramento) are racially or ethnically mixed. Table 7 at the end of this section shows the racial and ethnic mix of homebuyers in each HOZ site.

## Completion

HUD intended that the HOZ sites would be developed in a relatively short time period. Both the Round One and Round Two Notices of Funding Availability (NOFAs) required applicants to submit timelines and benchmarks. Each applicant's rating score reflected how quickly the applicant proposed to start and complete its construction activities. The Round One NOFA specified a goal of beginning development within 60 days or less after HUD approval. The Round Two NOFA specified a goal of "rapid turnaround" after the grant was awarded.

Each HOZ city's ability to achieve its HOZ goals within the established timeframe was determined by the nature and extent of the challenges the city experienced. Quarterly reports, discussions with program staff, and site visits revealed that most projects encountered significant difficulties in getting started. No HOZ city was able to achieve its original timeline or the NOFA goal of a quick start.

Round One cities took an average of 2 years after grant approval to execute their HOZ grant agreements because of the requirements that applied to the companion Section 108 Loan Guarantee approvals. Round Two cities averaged 6 months between grant approval and contract execution.

The HOZ cities varied widely in the pace of home construction. It took between 2 and 7 years before a HOZ city completed construction on its first house. Louisville, Philadelphia, Buffalo, New York City, and Flint were the first cities to start construction. Except for Philadelphia, these cities also reached the 50-house mark the quickest within five quarters. Nevertheless, the speed with which the first house was built did not determine the speed with which the rest of the houses were completed. Although Baltimore and Indianapolis did not start construction quickly, they were among the first HOZ cities to complete all of their houses. Flint and Buffalo had early starts, but both HOZ cities had serious difficulties in completing their HOZ units and meeting the 51-percent low- and moderate-income requirement. San Juan had one of the slowest starts but reached the 50-house mark during the same quarter in which it started construction. However, after the 50-house mark, the pace of construction slowed considerably.

The variations in construction progress reflect each city's different development approaches and the difficulties encountered, including the ability to acquire land and clear title, the availability of financing, the extent of site and infrastructure challenges, the relocation workload, the capacity of nonprofit sponsors and designated builders, the capacity of city staff, the scale of each construction phase, and the sales rate. Table 8 delineates the progress of each of the HOZ cities in meeting its construction goals.

**Table 1. Homeownership Zone Funding and Units**

SITE	GRANT (\$)	SECTION 108 (\$)	TOTAL (\$)	ORIGINAL NUMBER OF UNITS	REVISED NUMBER OF UNITS
<b>Round One</b>					
Baltimore	5,240,000	6,700,000	11,940,000	322	236
Buffalo	5,000,000	7,675,000	12,675,000	344	344
Cleveland	4,643,965	12,000,000	16,643,965	465	465
Louisville	4,600,000	5,000,000	9,600,000	300	300
Philadelphia	5,520,000	18,000,000	23,520,000	296	296
Sacramento	5,000,000	5,455,000	10,455,000	300	300
Round One Total	\$30,003,965	\$54,830,000	\$84,833,965	2,027	1,941
<b>Round Two</b>					
Flint	2,013,000	0	2,013,000	309	319
Indianapolis	4,057,500	0	4,057,500	269	300
Long Beach*	1,900,000	0	1,900,000	381	0
New York City	4,654,500	0	4,654,500	120	121
San Juan	3,500,000	0	3,500,000	304	277
Trenton	3,875,000	0	3,875,000	250	287
Round Two Total	\$20,000,000	\$0	\$20,000,000	1,633	1,304
<b>Total, Rounds One and Two</b>	<b>\$50,003,965</b>	<b>\$54,830,000</b>	<b>\$104,833,965</b>	<b>3,660</b>	<b>3,245</b>

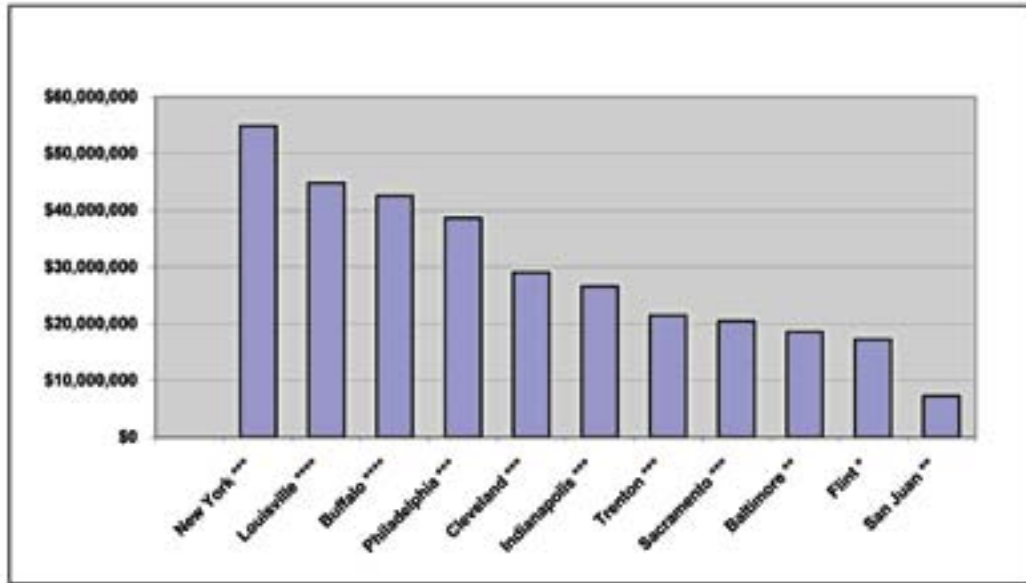
\*Long Beach subsequently withdrew from the HOZ Program.

**Table 2. Homeownership Zone Timeline**

SITE	HOZ APPROVAL DATE	CONTRACT EXECUTION DATE	SECTION 108 APPROVAL DATE	TARGET COMPLETION DATE
<b>Round One</b>				
Baltimore	4/8/97	8/4/00	8/8/01	3/30/06
Buffalo	4/8/97	5/1/98	6/19/98	12/31/08
Cleveland	4/8/97	8/4/00	2/2/01	11/30/07
Louisville	4/8/97	10/13/98	10/13/98	4/30/08
Philadelphia	4/8/97	8/14/98	7/15/98	3/31/08
Sacramento	4/8/97	9/3/98	9/3/98	7/31/08
<b>Round Two</b>				
Flint	3/27/98	8/3/98	NA	Unknown
Indianapolis	3/27/98	8/19/98	NA	12/31/05
Long Beach*	3/27/98	NA	NA	NA
New York City	3/27/98	9/24/98	NA	7/31/05
San Juan	3/27/98	7/17/98	NA	Unknown
Trenton	3/27/98	7/8/98	NA	12/31/08

\*Long Beach subsequently withdrew from the HOZ Program.

**Figure 1. Total Funding Commitments by City**



\* Data as of January–March 2004 HOZ report.

\*\* Data as of April–June 2004 HOZ report.

\*\*\* Data as of July–September 2004 HOZ report.

\*\*\*\* Data as of October–December 2004 HOZ report.

Source: Quarterly progress report each HOZ city submitted to HUD

**Table 3. HUD Funding Commitments**

CITY	HOZ GRANT (\$)	SECTION 108 (\$)	CDBG (\$)	HOME (\$)	SPECIAL EDI (\$)	TOTAL HUD FUNDING
Baltimore **	5,240,000	6,700,000	360,000	1,495,006	0	<b>\$13,795,006</b>
Buffalo	5,000,000	7,675,000	1,200,000	0	0	<b>\$13,875,000</b>
Cleveland ***	4,643,965	12,000,000	922,500	1,000,000	0	<b>\$18,566,465</b>
Flint *	2,013,000	NA	2,400,964	3,019,774	0	<b>\$7,433,738</b>
Indianapolis ***	4,057,500	NA	5,760,025	2,959,000	349,230	<b>\$13,125,755</b>
Louisville ****	4,600,000	5,000,000	14,170,000	0	0	<b>\$23,770,000</b>
New York City ***	4,654,500	NA	0	0	0	<b>\$4,654,500</b>
Philadelphia ***	5,520,000	18,000,000	4,122,215	1,636,000	0	<b>\$29,278,215</b>
Sacramento ***	5,000,000	5,455,000	0	0	0	<b>\$10,455,000</b>
San Juan **	3,500,000	NA	300,000	3,499,740	0	<b>\$7,299,740</b>
Trenton ***	3,875,000			1,855,748		<b>\$5,730,748</b>
<b>Total</b>	<b>\$48,103,965</b>	<b>\$54,830,000</b>	<b>\$29,235,704</b>	<b>\$15,465,268</b>	<b>\$349,230</b>	<b>\$147,984,667</b>

CDBG = Community Development Block Grant; EDI = Economic Development Initiative; HOME = HOME Program funds; HOZ = Homeownership Zone.

\* Data as of January–March 2004 HOZ report.

\*\* Data as of April–June 2004 HOZ report.

\*\*\* Data as of July–September 2004 HOZ report.

\*\*\*\* Data as of October–December 2004 HOZ report.

Source: Quarterly progress report each HOZ city submitted to HUD

**Table 4. Progress Toward Meeting Construction Goal**

CITY	TOTAL			NEW HOUSES			REHABILITATED HOUSES		
	GOAL (UNITS)	COMPLETED (UNITS)	PERCENTAGE OF GOAL	GOAL (UNITS)	COMPLETED (UNITS)	PERCENTAGE OF GOAL	GOAL (UNITS)	COMPLETED (UNITS)	PERCENTAGE OF GOAL
Baltimore **	236	102	43	200	66	33	36	36	100
Buffalo	344	125	36	344	125	36	0	0	NA
Cleveland ***	465	154	33	420	153	36	45	1	2
Flint *	319	80	25	269	69	26	50	11	22
Indianapolis ***	300	261	87	253	224	89	47	37	79
Louisville ****	300	186	62	300	186	62	0	0	NA
New York City ***	121	109	90	121	109	90	0	0	NA
Philadelphia ***	296	142	48	225	105	47	71	37	52
Sacramento ***	300	77	26	300	77	26	0	0	NA
San Juan **	277	62	22	277	62	22	0	0	NA
Trenton ***	287	148	52	174	125	72	113	23	21

\* Data as of January–March 2004 HOZ report.

\*\* Data as of April–June 2004 HOZ report.

\*\*\* Data as of July–September 2004 HOZ report.

\*\*\*\* Data as of October–December 2004 HOZ report.

Source: Quarterly progress report each HOZ city submitted to HUD

**Table 5. Progress Toward Meeting Low- and Moderate-Income Requirement**

CITY	ALL HOZ UNITS		NUMBER OF UNITS SOLD TO LOW-MOD INCOME BUYERS		PERCENTAGE OF UNITS SOLD TO LOW-MOD INCOME BUYERS	
	BUILT	SOLD	PROPOSED	SOLD	PROPOSED	SOLD
Baltimore **	102	116	212	116	100	100
Buffalo	125	125	175	47	51	38
Cleveland ***	154	169	237	122	53	72
Flint *	79	66	215	3	60	5
Indianapolis ***	261	259	153	129	70	50
Louisville ****	186	186	153	96	51	52
New York City ***	101	121	64	64	51	53
Philadelphia ***	142	126	151	90	51	71
Sacramento ***	77	77	153	40	51	52
San Juan **	62	50	403	50	70	100
Trenton ***	148	143	146	123	63	86

\* Data as of January–March 2004 HOZ report.

\*\* Data as of April–June 2004 HOZ report.

\*\*\* Data as of July–September 2004 HOZ report.

\*\*\*\* Data as of October–December 2004 HOZ report.

Source: Quarterly progress report each HOZ city submitted to HUD



**Table 6. Progress Toward Meeting Mixed-Income Goal**

CITY	NUMBER OF UNITS SOLD	HOMEBUYER INCOME			PERCENTAGE OF UNITS SOLD TO BUYERS WITH MORE THAN 80% OF AMI
		80% OF AMI	80% TO 120% OF AMI	MORE THAN 120% OF AMI	
Baltimore **	116	116	0	0	0
Buffalo	125	47	74	4	62
Cleveland ***	169	122	41	6	28
Flint *	66	3	63	0	95
Indianapolis ***	259	129	128	2	50
Louisville ****	186	96	42	48	48
New York City ***	121	64	57	0	47
Philadelphia ***	126	90	36	0	29
Sacramento ***	77	40	30	7	48
San Juan **	50	50	0	0	0
Trenton ***	143	123	20	0	14

AMI = area median income.

\* Data as of January–March 2004 HOZ report.

\*\* Data as of April–June 2004 HOZ report.

\*\*\* Data as of July–September 2004 HOZ report.

\*\*\*\* Data as of October–December 2004 HOZ report.

Source: Quarterly progress report each HOZ city submitted to HUD

**Table 7. Racial and Ethnic Diversity of Homebuyers**

CITY	NUMBER OF UNITS SOLD	HOMEBUYERS' RACIAL AND ETHNIC MAKEUP						
		1	2	3	4	5	6	H
Baltimore **	116		116					
Below 80% AMI	116		116					
Above 80% AMI	0							
Buffalo	125	4	110	1	2			8
Below 80% AMI	47	2	39		2			4
Above 80% AMI	78	2	71	1				4
Cleveland ***	169		169					
Below 80% AMI	122		122					
Above 80% AMI	47		47					
Flint *	66	1	65					
Below 80% AMI	3		3					
Above 80% AMI	63	1	62					
Indianapolis ***	259	201	51	4			3	10*
Below 80% AMI	129	88	39	1				6
Above 80% AMI	130	113	12	3				4
Louisville ****	186		186					
Below 80% AMI	96		96					
Above 80% AMI	90		90					
New York City ***	121	2	66	7			6	40
Below 80% AMI	64		34	6			4	20
Above 80% AMI	57	2	32	1			2	20
Philadelphia ***	126		125					1
Below 80% AMI	90		89					1
Above 80% AMI	36		36					
Sacramento ***	77	31	15	27		1	3	17*
Below 80% AMI	40	13	7	18		1	1	7
Above 80% AMI	37	18	8	9			2	10
San Juan **	50							50
Below 80% AMI	50							50
Above 80% AMI	0							
Trenton ***	143	2	130		10		1	10*
Below 80% AMI	123	2	111		9		1	9
Above 80% AMI	20		19		1			1

AMI = area median income.

**1 = White.** A person having origins in any of the original peoples of Europe, North Africa, or the Middle East.

**2 = Black or African American.** A person having origins in any of the black racial groups of Africa. Terms such as "Haitian" or "Negro" can be used in addition to "Black" or "African American."

**3 = Asian.** A person having origins in any of the original peoples of the Far East, Southeast Asia, or the Indian subcontinent, including, for example, Cambodia, China, India, Japan, Korea, Malaysia, Pakistan, the Philippine Islands, Thailand, and Vietnam.

**4 = American Indian or Alaska Native.** A person having origins in any of the original peoples of North and South America (including Central America), and who maintains tribal affiliation or community attachment.

**5 = Native Hawaiian or Other Pacific Islander.** A person having origins in any of the original peoples of Hawaii, Guam, Samoa, or other Pacific Islands.

**6 = Other multiracial group.**

**H = Hispanic or Latino.** A person of Cuban, Mexican, Puerto Rican, South or Central American, or other Spanish culture or origin, regardless of race. The term "Spanish origin" can be used in addition to "Hispanic" or "Latino." Note: This category may include people also reporting under categories 1 through 5.

\* Data as of January–March 2004 HOZ report; \*\* Data as of April–June 2004 HOZ report; \*\*\* Data as of July–September 2004 HOZ report; \*\*\*\* Data as of October–December 2004 HOZ report.

Source: Quarterly progress report each HOZ city submitted to HUD

Table 8. Construction Progress

HOZ	Number of Quarters		1997				1998				1999				2000				2001				2002				2003			
	To 1st House	To 50th House	3	4	1	2	3	4	1	2	3	4	1	2	3	4	1	2	3	4	1	2	3	4	1	2	3	4		
<b>Round 1</b>																														
Cleveland	16	34	x																											
Philadelphia	13	31	x																											
Sacramento	19	31	x																											
Buffalo*	11	11	x																											
Louisville	10	15	x																											
San Juan*	21	21	x																											
<b>Round 2</b>																														
Indianapolis	18	28																												
Trenton	13	27																												
Baltimore	31	33																												
New York	10	15																												
Flint	10	13																												

## Creating the New Urban Community

This section discusses the degree to which each Homeownership Zone (HOZ) city was able to apply the HOZ design principles to the rebuilding of its HOZ site. To a large extent, the implementation of each project was determined by the unique characteristics of each HOZ site.

### Site Characteristics

The HOZ sites follow three general configuration patterns:

- Compact—complete rebuilding or rehabilitation of an entire, contiguous target area.
- Scattered—entire block or multiple block developments separated from each other by blocks of remaining older units, within a contiguous target area.
- Infill—single units and small groups of units built or rehabilitated between preexisting units within a contiguous target area.

Most HOZ sites are either compact or scattered, although several of the compact areas also include scattered older houses or apartment buildings that were not demolished. As shown in the following chart, the size of the HOZ sites ranges from 64 acres for Philadelphia to 580 acres for Buffalo.

Round One	Acres	Square Miles	Round Two	Acres	Square Miles
Baltimore **	311	.48	Flint *	265	.41
Buffalo	580	.91	Indianapolis ***	189	.30
Cleveland ***	363	.57	New York City ***	184	.29
Louisville ****	191	.30	San Juan **	290	.45
Philadelphia ***	64	.10	Trenton ***	213	.33
Sacramento ***	163	.26			

\* Data as of January–March 2004 HOZ report.

\*\* Data as of April–June 2004 HOZ report.

\*\*\* Data as of July–September 2004 HOZ report.

\*\*\*\* Data as of October–December 2004 HOZ report.

Source: Quarterly progress report each HOZ city submitted to HUD

No noticeable relationship among the size of the city, the size of the HOZ site, and the HOZ configuration pattern existed; instead, preexisting physical conditions determined the configuration of each HOZ. Only cities that had large tracts of vacant available land through prior urban renewal acquisition (New York City), public housing demolition (Louisville), or extreme deterioration and abandonment (Indianapolis) undertook a compact HOZ approach. All of the HOZ cities were reluctant to undertake significant relocation to achieve compact sites. The HOZ Notices of Funding Availability also discouraged this approach. The Philadelphia HOZ site had the largest relocation workload and its progress was significantly delayed by relocation issues.

The Louisville HOZ, pictured below, is a good example of a compact approach. Louisville had a large area of vacant land as the result of the demolition of two large public housing complexes before the initiation of its HOZ project. This enabled Louisville to completely redesign its HOZ site, including parts of the street grid. It also enabled Louisville to control future development. Because Louisville was able to completely redesign and rebuild its HOZ site, it had an easier time of using uniform design standards to create a cohesive, mixed-income neighborhood. The city was also able to develop a number of community facilities within the HOZ, including a school, police station, community center, community health center, and commercial space. The Louisville HOZ most closely reflects New Urbanism design principles.



The New York City HOZ, pictured on the next page, reflects a scattered approach. New York City had four largely vacant sites that had been assembled through earlier urban renewal efforts. These sites had been vacant and blighted for decades. The development of these sites with new homeowner units helped to complete the city's long-term strategy for transforming the area into a vital community. Each site was developed by a separate community sponsor organization. The rowhouses on each site were uniformly designed but varied by site. The existing street grid and block pattern were maintained. The homeownership units complemented other major development efforts that were under way in the area. By the time development was completed, the entire area had begun to experience a major economic revitalization due to both the city's numerous development efforts and external economic pressures.



The Trenton HOZ, pictured below, reflects an infill approach. Trenton had scattered developable parcels of land and buildings spread over a large area that included a number of brownfield sites. The area also had many occupied buildings. The HOZ contained historic architecture and a preexisting community that the city hoped to strengthen. By implementing an infill redevelopment plan, Trenton was able to maintain an architectural connection with its past and preserve community continuity. Nearly 40 percent of its HOZ units involve rehabilitation of existing structures. Because Trenton had to work within an existing neighborhood structure, however, it could not redefine the physical characteristics of its HOZ site. In particular, street grids were already established. The city's ability to shape development patterns and create new, desirable amenities was limited. The area also continues to experience serious crime and drug issues that have negatively affected development and sales rates. The city is attempting to address the area's crime problems with targeted policing efforts.



Table 9 at the end of this section provides a brief description of the characteristics for each HOZ site. Only limited information is provided for Flint, Buffalo, and San Juan because these HOZ sites were not selected for intensive site visits and data collection. (See Appendix A, Methodology, for a discussion of the site visit strategy.)

## Design Guidelines

Most HOZ cities took considerable efforts to ensure that their HOZ sites were physically consistent with the surrounding communities and that new house designs were compatible with the older homes remaining on the site. In several cities, HOZ administrators and developers looked at historic pictures and commissioned design boards to approve architectural recommendations. Two cities (Indianapolis and Trenton) undertook façade renovation to preserve the historical design of existing houses without encountering major expenses.

Only two cities (Indianapolis and Trenton) provided information on energy-efficient design. Indianapolis recycled materials during the construction phase and rented an onsite stone crusher to convert subsurface debris into sidewalks. Trenton worked with the New Jersey Office of Community Affairs' Green Homes Program to provide technical assistance, training, outreach, consulting, and other resources to developers, trade contractors, and builders to inform them of ways that new "green" technologies and energy-efficient materials could be applied in HOZ housing developments. To demonstrate how operating expenses (including heating costs) and future maintenance could be reduced, Trenton rehabilitated several "green houses" using energy-efficient materials and the latest technology.

Several cities developed uniform design standards for the new houses. These were the cities that also used the "model home" approach that allowed buyers to select from several floor plan and design options. The use of these strategies contributed to a unified feeling in the neighborhood, even when homes were built by different builders.

Largely because of cost limitations, some cities did not give priority to exterior design elements or did not use the HOZ housing initiative as an opportunity to improve the quality of design within their HOZ neighborhoods. A future study should examine how these decisions affect the long-term resale value of the housing and the relative competitiveness of the neighborhood.

## Blight Removal and Green Spaces

The overall development progress in each area determined the degree of blight removal. All cities have made progress in the demolition or rehabilitation of deteriorated buildings, the renovation of dilapidated open spaces, and the removal of debris and abandoned cars. Several cities, however, faced challenges caused by brownfield areas. Unanticipated environmental subsurface conditions required both Cleveland and San Juan to change some of their development plans. From the beginning, Trenton included brownfield cleanup as part of its HOZ strategy.

Most HOZ cities have created or redeveloped parkland and green spaces, or have plans to do so. Nevertheless, not all cities have addressed the long-term maintenance issues created by these open spaces. Sacramento has partnered with the local high school to develop a student-run landscaping business. Several cities have encountered issues with a few homeowners who are not maintaining the exteriors of their properties. These cities attribute this lack of maintenance to first-time homebuyers' unfamiliarity with the exterior maintenance responsibilities that come with

homeownership. One city is considering using homeownership fees to hire a local business to keep vegetation in front yards and common spaces uniformly trimmed.

Table 10 at the end of this section summarizes the blight removal and green space activities in each HOZ site.

## **Neighborhood Amenities**

All HOZ cities incorporated pedestrian-friendly development in their HOZ designs. Largely due to the urban location of these neighborhoods, residents of most areas have easy access to public transportation. Public transit predominantly consists of bus lines. Cleveland provides shuttle buses to the main bus lines. For some HOZ sites, however, the buses only go to the city center and do not reach all of the areas where residents wish to go. Residents of two HOZ sites have access to mass rail transit. New York City has a subway system and Philadelphia has a light rail system.

All HOZ sites include some amenities within walking distance. HOZ sites that are primarily infill sites and those that are part of older, established communities have the greatest number of shopping options. Even for these HOZ communities, however, the choices are severely limited. Amenities generally consist of churches, schools, and an occasional “mom and pop” convenience store. An exception is the New York City HOZ site, which includes a vibrant commercial area and is located near major commercial and business districts that are readily accessible by both pedestrians and mass transit. Louisville is also an exception. The city has built a number of community facilities within the HOZ site including a town center that contains a new community health center and commercial space. Nevertheless, the city has had difficulty attracting commercial tenants.

Although residents expressed desires for many types of amenities, the one mentioned repeatedly was a large, clean, well-stocked grocery store. Residents of all of the HOZ sites consistently report a lack of large businesses and shopping establishments. HOZ administrators spoke of the difficulty in attracting businesses to the HOZ sites. Storekeepers have been reluctant to risk large capital investments because of concerns about insufficient resident “purchasing power.” An exception is the Cleveland HOZ, where a nonprofit development organization used grants to develop a grocery store in a new shopping center. Louisville also has had some success in redeveloping a nearby shopping center known as the “Big A,” where a Save-A-Lot grocery store recently opened. In Sacramento, the city’s attempt to attract commercial development failed and city administrators were not eager to try again until more houses are occupied within the HOZ site.

Table 11 at the end of this section provides additional information about the amenities that are available in the 11 HOZ sites.



## **Economic Opportunity**

Economic opportunities varied among the HOZ sites, as shown in Table 12 at the end of this section. Most HOZ cities reported a scarcity of employment options within the target areas. Larger HOZ sites like Cleveland and Trenton still retained some of their manufacturing base. More compact HOZ sites like Indianapolis, or areas like Louisville and Sacramento that had undergone wholesale infrastructure rebuilding, offered fewer employment options. All HOZ sites, however, are served by public transportation and are rarely located more than 10 minutes from the central business districts, where employment options exist.

Some of the HOZ cities that have been least successful in achieving their new home construction goals have exhibited some of the most creative economic planning. The Flint HOZ was part of a larger Enterprise Community plan, and the city offered small businesses help to expand shopping opportunities in the area adjacent to the HOZ. Buffalo provided low-cost incubator retail space and support for training and launched several employment and business programs. San Juan created an economic development coordinator position, provided \$100,000 for a small business loan fund, set up a job placement and training program, and developed a recycling company that hired 14 people.

## **Safety**

Residents of most of the HOZ sites perceived a decrease in crime in their neighborhoods. Residents reported feeling safe or safer than they had felt in the past. Drug dealing in most HOZ sites had been reduced or eliminated, although drug activity generally had moved to other neighborhoods. Residents of three sites—Indianapolis, Louisville, and Sacramento—reported an increased police presence that had reduced criminal activity. Cleveland has a Weed and Seed Program under way. Trenton has asked the National Crime Prevention Council to work with its developer and the community. Some of the crime reduction appears to be the result of “defensible space” design. Additional vigilance on the part of the new homeowners was also mentioned as a factor in reducing crime. Table 13 at the end of this section shows the progress that each HOZ city has made in addressing these issues, as reported by the residents at that site.

**Table 9. Site Characteristics**

CITY	SITE CHARACTERISTICS	SITE CONFIGURATION
Baltimore	Small, definable area within a larger redevelopment area; many existing, occupied houses mixed with vacant parcels of land and units; original street grid retained	Scattered
Buffalo	Subareas within a larger area; many existing, occupied houses mixed with vacant parcels of land, units, and brownfield sites; original street grid retained	Scattered
Cleveland	Six subareas within a larger area; many vacant parcels of land and units mixed with some occupied units; adjacent to a HOPE VI project; original street grid mostly retained	Scattered
Flint	Two subareas within a larger area; one subarea largely vacant and the other with many existing units mixed with vacant parcels of land and units	Infill/Compact
Indianapolis	Distinct area; largely vacant land and units mixed with some occupied units; original street grid retained	Compact
Louisville	Distinct area; vacant as the result of public housing demolition; combined with a HOPE VI project; street grid reconfigured	Compact
New York City	Four compact development sites scattered within a larger redevelopment area; development sites largely vacant; rest of area undergoing significant redevelopment; former urban renewal area; original street grid retained	Scattered
Philadelphia	Large sites, but generally not entire blocks; occupied units mixed with vacant units and parcels of land; relocation required to create developable parcels; original street grid largely retained	Scattered
Sacramento	Definable, largely vacant area; some existing units; street grid reconfigured	Compact
San Juan	Five development sites within a larger area; two distinct neighborhoods	Scattered
Trenton	Large area with many occupied units mixed with vacant parcels of land and units; several distinct neighborhoods; 10 development areas; original street grid retained	Infill/Scattered

**Table 10. Blight Removal and Green Space Activities**

CITY	PARKLAND (TOT LOTS, VILLAGE GREENS, BALLFIELDS, AND COMMUNITY GARDENS)	BLIGHT REMOVAL	LANDSCAPING/OTHER FEATURES
Baltimore	None within the HOZ site	Reduced, but older houses still vacant, boarded up, and/or dilapidated	Many new homes set back from the street with small front yards
Buffalo	JFK Park renovated; received national attention	Abandoned and dilapidated buildings remain	No information available
Cleveland	Generally small green spaces; large parks just outside the HOZ site; plans exist for green space development next to the rail tracks	Mostly eliminated	Shade trees; new sidewalks and traffic circles; individual homeowners have landscaped their yards
Flint	No information available	Abandoned and dilapidated buildings remain	No information available
Indianapolis	Some new parks; access to citywide trail system	Mostly eliminated	Historic light fixtures; benches; wide sidewalks; individual homeowners have landscaped their yards

HOZ = Homeownership Zone.

**Table 10. Blight Removal and Green Space Activities (cont.)**

CITY	PARKLAND (TOT LOTS, VILLAGE GREENS, BALLFIELDS, AND COMMUNITY GARDENS)	BLIGHT REMOVAL	LANDSCAPING/OTHER FEATURES
Louisville	Two large parks and two parkways created	Completely gone	Extensive new sidewalks; development of parkways; many new trees; individual homeowners have landscaped their yards
New York City	No new green spaces; however, a large, well-used park exists in the HOZ	Mostly eliminated	Renovated subway entrance and streetscaping
Philadelphia	No parks; only small playgrounds; residents did not want parks for fear they would attract crime	Reduced, but older houses still vacant, boarded up, and/or dilapidated	No information available
Sacramento	New park developed; community center has playground with playfields	Mostly eliminated in the completed subtarget area	Trees planted in residential development areas; notable signage and streetscapes; individual homeowners have landscaped their yards
San Juan	A community center, pocket park, and ballfield were developed	Dilapidated buildings remain	No information available
Trenton	Pocket parks, a greenway and walking path were developed	Abandoned and dilapidated buildings remain, especially in Southwest Village, where development has not yet begun; many other areas have pockets of blight due to difficult environmental issues	Parks have attractive sidewalks and trees; new walkways; Monument Square historic site is a focal point for the neighborhood

HOZ = Homeownership Zone.

**Table 11. Neighborhood Amenities**

CITY	CIVIC AND COMMUNITY AMENITIES	COMMERCIAL AMENITIES
Baltimore	Primarily churches	Small convenience stores; some larger retail stores just outside the HOZ site
Buffalo	No information available	No information available
Cleveland	Churches; schools; guidance center; senior citizens center; new block associations	Basic services; recently opened grocery store in a new shopping plaza; HOZ is near the central business district
Flint	New Job Corps center north of the HOZ	Shopping just outside the HOZ site
Indianapolis	Churches and schools; new citizens association	Not within the HOZ site, although work and housing units are being built on the edge of the site
Louisville	Community center; senior citizens center; school; health center; adult education center; social services; homeowners association	Commercial space is available in the new town center; Save-A-Lot grocery store and Big A shopping center are located near the HOZ
New York City	Numerous amenities and services	Self-sustaining, private-sector commercial development sparked largely by investment in the HOZ site
Philadelphia	Primarily schools and recreation center; increased interaction among neighbors	Small convenience stores; restaurants; no major grocery store or shopping centers
Sacramento	Community center; high school; increased interaction among neighbors	Small convenience stores; no major grocery store, restaurants, or entertainment; HOZ is located near downtown area
San Juan	No information available	No information available
Trenton	Primarily churches and schools	Small convenience stores; major grocery stores are accessible from the HOZ site

HOZ = Homeownership Zone.

**Table 12. Economic Opportunity**

CITY	MIXED USE	ECONOMIC OPPORTUNITY
Baltimore	No	Very little business development in or around the HOZ site
Buffalo	No information available	New incubator retail space and support for training; other employment and business programs launched
Cleveland	Yes	Several manufacturing facilities within the HOZ site; also community organizations, schools, and other service companies provide employment options; other employment opportunities in the surrounding areas
Flint	No information available	Part of the Flint Area Enterprise Community plan; microenterprise program just outside the HOZ site; new Job Corps center just outside the HOZ site
Indianapolis	No	Not in the HOZ site, but the area is accessible to downtown employment opportunities
Louisville	No	Some small shops, schools, and a health center in the HOZ site provide employment opportunities; HOZ construction jobs and trade contracting opportunities were created in rebuilding the HOZ
New York City	Yes	Lots of economic development within the HOZ site; the area is easily accessible to major employment centers
Philadelphia	Limited	No employment centers within the HOZ site; the small community business district adjacent to the area has limited economic development although one multiuse development is scheduled for construction in 2006; the HOZ site is accessible to downtown employment centers
Sacramento	Minimal	Schools and a community development organization provide most of the employment opportunities in the HOZ site
San Juan	Yes	Economic development coordinator position created; Banco Popular provided \$100,000 for a small business loan fund; a job placement and training program was set up; a recycling company was established that employs 14 people.
Trenton	Yes	Auto repair shops, funeral homes, gas stations, bodegas, grocery stores, small manufacturing plants, and retail shops predating the HOZ provide some employment opportunities; the HOZ is accessible to downtown employment opportunities

HOZ = Homeownership Zone.

**Table 13. Safety**

CITY	SAFETY ISSUES			
	PERCEPTIONS OF CRIME	DRUG TRAFFICKING ACTIVITIES	POLICE PRESENCE	COMMUNITY POLICING
Baltimore	Residents report the area feels safer	Moved to other neighborhoods	No information available	No information available
Buffalo	No information available	No information available	No information available	No information available
Cleveland	Residents report crime is still a problem, but reduced; the senior citizens center incorporated defensible space design	Still a problem, but reduced; fences around yards create defensible space against drug trading and crime	Specific information not available	Residents noted neighborhood policing; Weed and Seed Program under way
Flint	No information available	No information available	No information available	No information available
Indianapolis	Residents report the area feels safer and crime is reduced	Moved to other neighborhoods	Stronger police presence	No information available
Louisville	Residents feel safer	Less drug activity now	Police and fire station within the HOZ site	No information available
New York City	Residents report less crime	No information available	Police presence in the area	Yes
Philadelphia	Residents consider local bars dangerous at night; residents did not want parks for fear of danger and crime	No information available	No information available	No information available
Sacramento	Residents report crime is much reduced	No information available	New police station built; HOZ park designed so police can view the interior; crime prevention addressed with environmental design	Neighbors report the tag numbers of abandoned cars to the police
San Juan	No information available	No information available	No information available	No information available
Trenton	Residents report that crime is still a problem	Still a problem	Residents disappointed with local police presence	Residents noted neighborhood policing efforts

HOZ = Homeownership Zone.

## Lessons and Guidelines

This section discusses the lessons that have been learned from the Homeownership Zone (HOZ) demonstration program so far. At the time of this evaluation in 2004 and early 2005, three HOZ sites (Baltimore, Indianapolis, and New York City) were near completion, five sites (Cleveland, Louisville, Philadelphia, Sacramento, and Trenton) were making steady progress, and three sites (Buffalo, Flint, and San Juan) appeared stalled. The experiences of these HOZ cities can benefit other communities that hope to use mixed-income homeownership housing to transform their distressed neighborhoods. Appendix E provides a list of contacts that can provide additional guidance and technical advice.

### The Plan

Transforming a deteriorated area by developing a new mixed-income homeownership community is not a simple task. Careful planning is required. The master plan must be thorough, considered, and community-focused. All participants must be willing to spend many hours discussing and reviewing options. This will result in a plan that provides a detailed blueprint for future development. Attention to street patterns and streetscapes is important. Establishing uniform design guidelines is also important. This will contribute to the feeling of a single neighborhood and improve the area's marketability. A long-term implementation horizon is a necessity. City administrators must resist being overly optimistic about this timeframe. Everything will take longer and cost more than the original estimates. A phased approach is essential. Patience, commitment, flexibility, and perseverance are required to see the plan through to completion. Everyone must be prepared to make adjustments as conditions change.

Following are some additional observations:

- A substantial amount of time was required to put together a good plan before construction began. Each of the most successful cities had a master vision and strategy that guided HOZ development from the start. These cities resisted pressure to begin building before all the plan details were in place.
- The most successful cities involved the community residents and the private sector early in the planning process.
- Community residents contributed special knowledge about what works for the community and what inherent local needs should be addressed by the HOZ plan. For example, in one city, community input made it clear that public parks pose dangers as centers for drug activity. As a result, neighborhood parks were not included in the design.
- Most cities took 2 to 3 years after HOZ approval to begin constructing their first houses.
- The most successful cities took nearly 8 years to complete their HOZ projects.

- The scope of neighborhood change was broader when the HOZ project was undertaken in conjunction with other development that preceded the HOZ project or that was occurring concurrently. For example, two cities combined their HOZ projects with HOPE VI projects.
- Transforming a deteriorated neighborhood was expensive and unpredictable, even with a well-developed plan. Infrastructure, environmental, and other challenges arose when least expected. Activity was delayed when contingencies for such unexpected events were not built into the project budget and schedule from the start.
- The most successful cities effectively used phasing to guide the development process. Several cities undertook geographic phasing by designating subtarget areas or villages, each with separate development strategies, financing, and timelines that were guided by the master plan.
- The start of the Round One HOZ projects was delayed by the Section 108 Loan Guarantee approval requirements. In several cases, these delays were significant because the cities had not adequately identified the sources for loan collateral before the start of their projects.

## **The HOZ Site**

The formal designation of the HOZ boundaries and public recognition of the HOZ site as a special target area are critical to success. Not all sites, however, are equally suitable for the HOZ approach. The location, configuration, and existing conditions of the HOZ site play a significant role in determining success. The availability of vacant or publicly owned land and the site's comparative market advantage are the two most important site selection criteria. City administrators must resist pressure to designate HOZ sites that are too large or too far from other beneficial changes taking place within the city. The proposed improvements must visually transform the entire site. It is preferable to choose a smaller, compact site to start and expand the area as spillover effects take hold. Sites that require relocation will take longer to develop than originally anticipated. Responsible relocation strategies must be developed as soon as the site is selected.

Following are some additional observations:

- The most successful HOZ sites were located near areas of the city that were growing and offered employment options and opportunities.
- The most successful HOZ sites were in cities that had growing populations and resurging economies.
- Tight, compact, definable sites were generally easier to design, develop, and market than were multiple sites that were scattered throughout larger target neighborhoods. The compact sites generally progressed more quickly than the scattered sites did.

- When the city did not treat all vacant and substandard properties in the HOZ site, resulting in a “gap-toothed” look, the developments were less successful than those developments where the city treated all substandard properties.
- Those cities that selected HOZ sites where the city had substantial site control progressed the quickest. The use of publicly owned and vacant land minimized land acquisition cost and development timeframes. These cities were able to begin construction quickly and had control over the type of development that occurred.
- In one city, the success of the initial HOZ development led to escalating costs and difficulty in purchasing additional sites from private owners that no longer wished to sell their properties.
- In one city, an on-site relocation workload substantially delayed progress.
- In one city whose compact site had been largely redeveloped, the private sector was investing in adjacent areas.

## **Leadership and Administration**

Neighborhood transformation requires political commitment. The chief executive and the local elected representatives must support the HOZ project from the initial planning stage through to the sale of the last home. Cities that do not have the political will for this type of long-term undertaking should not implement HOZ projects. The chief executive must develop the vision and set the tone for success. She or he must make clear that HOZ implementation is a priority for all city agencies. Responsibility for the HOZ project's implementation must be clearly assigned. The chief executive must select a project coordinator or administrator, assemble a strong project management team, and establish an effective means of coordinating the numerous partners. HOZ staff must establish administrative processes to track the project's progress, resolve complex issues, and document outcomes before the project gets under way. Baseline data should also be collected before the project starts. This data is helpful for future project evaluation. Periodic status reports must be provided to all key staff and project partners. The system for documenting project activities and progress must also establish an audit trail for funding partners.

Following are some additional observations:

- The most successful HOZ sites were located in cities where the HOZ projects were key components of the mayor's development strategy.
- The least successful HOZ sites were located in cities where the projects lost political support, lacked the attention of the agency administrator, or were treated as “just another project”.
- HOZ sites in cities that had experience in large-scale redevelopment generally fared better than those that did not.



- The most successful HOZ sites were in cities that had dedicated HOZ managers or coordinators who had the authority and ability to coordinate other city agencies. One of the most successful cities had a full-time HOZ coordinator.
- Demands on the HOZ manager were heaviest when the project was recruiting partners, leveraging funds, stimulating community involvement, and developing plans.
- Most staff interviewed at the successful HOZ sites stated that they were given autonomy to do their work. This engendered a sense of responsibility and satisfaction.
- HOZ sites that were progressing well had administrative teams that were noteworthy for their cohesion, shared vision, and communication. Team members seemed to respect each other and value the work of the other team members.
- Cities that were clear about both their HOZ goals and task assignments were more successful than those that were less organized about their approach.
- Continuity of personnel was important. The most successful HOZ cities retained staff throughout the HOZ development process.
- A few cities outsourced administrative functions, ranging from preparing the HUD applications to marketing homes. Outsourcing worked well for some cities and poorly for others. The successful cities had a clear delineation of the tasks and skills needed for the outsourced activity, followed by careful oversight of the actual work.
- Some cities hired consultants to carry out specific time-consuming tasks such as developing land use plans and design guidelines, and negotiating land purchases with private owners.
- Most cities took a phased approach to development—acquiring land and arranging financing for one phase and developing that phase before beginning the development of subsequent phases. In some cities, the phases were more clearly delineated as separate subtarget areas or villages; however, a phased approach to acquisition resulted in higher acquisition costs and delays in development for several cities.

## Partnerships

Numerous partners are required to transform the HOZ site into a vibrant, viable community. These partners must be able to work together smoothly and efficiently. All partners must understand their roles and responsibilities as part of the HOZ team. There must be a unified vision with common goals. Tasks must be appropriate for each partner's experience and organizational capacity. There must be an effective process for communicating among the various partners and for providing feedback and resolving issues.

Following are some additional observations:

- The most successful cities created strong partnerships among nonprofit, for-profit, and governmental organizations.
- All cities had to develop partnerships with private lending institutions and public grant-making entities.
- Cities that were clear about the responsibilities of each partner performed better than those that did not define the partnership tasks.
- Strong communication, perseverance, and personal involvement among all of the partners were required to keep the HOZ projects on track.
- The capacity of community-based development organizations affected the success of the projects. In one city, the organization disbanded, resulting in a significant delay in development.
- The most successful HOZ cities used strong, active development teams whose members functioned as coequal partners.
- Several of the most successful cities used master builders or developers who worked in tandem with the cities' HOZ coordinators to facilitate project implementation.
- In some cities, the smaller builders ran into problems as the projects progressed due to demands in excess of their capacity and budgets.

## **Community Participation**

Community support for the HOZ project at both the neighborhood and citywide levels can determine success. Community involvement can take many different forms—focus groups, market studies, public meetings, neighborhood associations, or community boards. All of these approaches can work. Maintaining frequent contact with community representatives throughout all of the project's multiple stages will stem the spread of misinformation and assist with marketing the new homes. Respect for existing residents is paramount. Lack of attention to and compassion for community members whose lives are being disrupted can lead to declining political support. Cities must find ways to reach out to community residents and elected representatives during each phase of their projects. Cities must also help develop and support neighborhood resident and homeowners associations, at least in the initial phases. As the HOZ projects progress, the communities will evolve and change.

Following are some additional observations:

- Cities used several models of community participation. The different approaches corresponded to each city's unique historic conditions and political climate.

- Community support often translated into proactive support from the area's political representatives. In one city, a local council member, who controlled the disposition of city-owned land, delayed implementation until he was comfortable with the city's development plans.
- Collaboration between community groups and developers ensured that residents learned how the new construction was benefiting them. This encouraged residents to take an active role in safeguarding construction sites by reporting theft.
- As the HOZ housing was sold, new communities formed and community goals changed. Former renters who became homeowners were sometimes the most vocal critics of existing rental housing.
- Several cities organized residents or homeowners associations and provided the associations with organizational and financial support. Local leaders emerged from some of these groups. The more advanced cities were developing plans to wean these groups from city support and encourage them to become self-sustaining.

## Financing

Significant public and private financing is required to undertake and complete a large-scale, mixed-income HOZ development project. Leveraging funds from a variety of sources spreads the risk and attracts partners that have a stake in a positive outcome. Nevertheless, each funding source will have its own requirements. These different requirements make project financing very complex. Cities should resist using financing sources that are incompatible with their HOZ master plans. Because of the long-term nature of this type of project and its inherent uncertainties, it is impossible to estimate the full project cost and secure all financial commitments before the start of the project. Making financial partners part of the planning and development team can reap rewards in terms of subsequent financial commitments and administrative ease. Construction outlays can be kept to a minimum by building "on demand." Recycling program income from house sales can also create a funding stream. Significant homebuyer subsidies are required to both attract higher income homebuyers and enable lower income homebuyers to afford to buy their homes. Cities must decide whether to impose resale or recapture requirements on the subsidized units to maintain the neighborhoods' mixed-income character.

Following are some additional observations:

- Multiple financing sources were required to undertake the HOZ project.
- Significant public funds were required. Some public funding sources had requirements that limited the city's ability to sell to homebuyers who were not low-income. These limitations made it difficult to achieve the city's mixed-income goal, even though higher income families were interested in buying the new homes.
- The availability of financing had a major impact on the pace of project development. Most cities were unable to identify all funding sources or obtain all firm financial commitments before their projects started.

- The use of Section 108 Loan Guarantees by the Round One HOZ cities helped to raise significant funds but also delayed project implementation because of the collateral and eligibility requirements of the loan guarantee program.
- Round One HOZ cities were required to meet a deadline for the expenditure of their HOZ Economic Development Initiative (EDI) grants. Cities that did not pay attention to this deadline had to adjust their project budgets. One city lost funds when it ignored its EDI deadline.
- Those cities that used master builders or developers benefited from those builders' or developers' access to lines of credit.
- Those cities that used a presales approach benefited financially because houses were not built until the city had identified qualified buyers who had obtained mortgage commitments.
- Financial incentives were needed to attract homebuyers to the HOZ sites. Some cities provided subsidies directly to the homebuyers in the form of soft second mortgages and downpayment assistance. Other cities provided subsidies directly to the homebuilders or developers to make up the difference between the production cost and the market price of the new homes.
- Experienced loan officers were an asset. Some cities encountered problems with inexperienced mortgage loan officers or appraisals that did not account for or reflect the production cost or sales price of the new housing.
- Creating a mixed-income community was challenging. One city successfully used financial incentives to attract higher income homebuyers to the area. These subsidies were phased out after the HOZ site started to become successful. In all of the HOZ cities, lower income buyers required subsidies in order to purchase their homes.

## Land Acquisition

Acquiring land before redevelopment begins takes advantage of land prices at their lowest point, not after the private sector sees the area improving and speculation begins. Cities must start their planning with a survey of city-owned land and vacant parcels or buildings. The extent of absentee ownership should also be determined. After this assessment has occurred, the city can make decisions about the type of development approach—infill or comprehensive new construction—and the amount of funds that must be budgeted. It is likely that most communities will need to acquire some land. Protocols for the transfer of land among public entities must be developed before the start of land acquisition. Cities must decide whether to use eminent domain to acquire important parcels of land. Concentrated code enforcement can be a useful tool to encourage reluctant, absentee owners to sell deteriorated units voluntarily.

Following are some additional observations:

- Cities used several strategies for land acquisition. These strategies were largely determined by the HOZ site's preexisting conditions.
- Cities that controlled significant portions of the land needed for their HOZ strategies avoided the most serious delays that impacted other cities.
- Most cities underestimated the cost and time requirements for land acquisition and clearance. In some cases, unanticipated subsurface conditions on some sites required revised development strategies.
- One city hired a private investigator to locate missing or hard-to-find owners. This approach expedited the land acquisition process.
- Progress in one city was impeded by interagency land transfer issues that had not been resolved at the start of the project.
- In one city, the success of the first development phase resulted in rising acquisition costs that were not reflected in the original project budget. Existing property owners became more reluctant to sell. Using eminent domain was politically unacceptable. Some land speculation started to occur. These factors substantially delayed progress.

## **Resident Relocation**

Relocation is always controversial. Cities should avoid choosing HOZ sites that require substantial residential relocation, especially relocation of homeowners. Using an infill or a phased development approach can reduce the relocation workload. Nevertheless, this approach can also result in a HOZ site with critical gaps in redevelopment. When relocation cannot be avoided, cities should be very conservative in estimating project budgets and timelines. It is important to establish a priority for the HOZ relocation workload within the relocation agency. Cities should adopt responsible relocation policies that aim to improve relocatees' housing conditions and provide them with choices. Social services agencies should be involved as partners from the start of the relocation plan.

Following are some additional observations:

- Most cities did not choose sites that required significant relocation. If relocation occurred, it took place before the HOZ projects started. For example, in two HOZ sites the demolition of public housing as part of HOPE VI projects predated the HOZ development.
- One city had a HOZ relocation workload. The slow pace of relocation caused by a court case and competing priorities within the relocation agency substantially delayed implementation. To avoid additional relocation, the homeownership housing was scattered throughout the area. As a result, the HOZ development is less concentrated, and substandard housing remains.

## Home Design and Construction

Quality design and mixed-income development can go together. Desirable exterior design features should not be viewed as an unnecessary expense, but as critical elements for attracting homebuyers. Historic properties or historic designs give neighborhoods character and can make HOZ sites more competitive. The model home approach can work in urban areas and is an effective tool for phasing development costs and marketing units. The use of a uniform building code and design guidelines minimizes the possibility of other city agencies or builders making ad hoc decisions about construction. Cities should develop streamlined, one-stop permit review procedures to reduce developer costs. It may be useful for cities to establish blanket variance for the entire HOZ site to eliminate separate reviews for each property.

Following are some additional observations:

- Those cities that established design standards and ensured that all homes were compatible, even when built by different developers or contractors, had an easier time attracting unsubsidized buyers than did cities that did not establish standards or ensure the design compatibility of all homes within their HOZ sites. Two cities developed “design codes” to guide development.
- Design standards helped blend subsidized housing with unsubsidized housing and increased the HOZ site’s marketability, especially to unsubsidized homebuyers.
- Respecting the architectural style of existing houses, even those in disrepair, was an important design element that lent character and identity to several of the HOZ sites. One city combined two small row houses into one unit, maintaining the historical appearance of the facades as two units but providing a larger, more marketable unit on the inside.
- In general, it was less costly to build new houses than to renovate existing ones.
- In one HOZ site, existing homeowners were offered the materials necessary, such as paint, to improve their properties’ appearance and condition. In one HOZ site, existing owners started to fix up their properties after the neighborhood’s transformation became evident.
- All buyers of the new housing, regardless of income, were looking for amenities. With the exception of the New York City site, garages were important to homebuyers. New homes that were competitive with the designs and amenities offered in suburban alternatives sold more easily.
- Model homes proved to be an effective approach for several HOZ cities. Potential buyers were able to choose from different designs, fixtures, and finishes.
- Allowing prospective homebuyers to select both the building lots and the house designs helped create mixed-income neighborhoods.

- One city used periodic onsite construction review meetings as a cost-effective way to avoid any misunderstandings, resolve problems before they became major, and facilitate progress. The meetings involved builders, developers, bankers, and inspectors.
- Not all first-time buyers fully understood the responsibilities and risks inherent in the long-term maintenance of both the interior and exterior of their properties. One city had to intervene when peeling paint on exterior trim became an issue. Another city had to address issues of exterior lawn maintenance.

## **Environmental Considerations**

Energy-efficient, green materials and recycling can be used cost effectively in building affordable housing. Energy-efficient designs reduce long-term home maintenance costs, thereby sustaining homeownership, especially for lower income homebuyers. Recycling, including recycling of onsite materials, can be incorporated into the development process.

Following are some additional observations:

- One city used green building technology to demonstrate how advanced energy efficiency could be incorporated into the renovation of older buildings.
- One city used an onsite concrete crusher and sifter to reuse old sidewalks, curbs, and remnants of old basements. All trees removed from the site were chipped and the resulting mulch was stockpiled and reused. This approach generated cost savings.
- In one city, a small, neighborhood-based recycling company was created.

## **Creating Demand**

Creating demand is crucial for the success of a HOZ project. A resurging economy had the greatest impact on demand for homeownership units in several HOZ sites. Nevertheless, an acceptable level of demand can also result from creative marketing efforts, including favorable coverage in the local news media. A HOZ budget should include funding for a marketing strategy. Cities should use marketing studies to identify potential buyers and plan their marketing strategies accordingly. Marketing efforts should begin early and focus on changing the image of the neighborhood by convincing the public that a lasting transformation will occur. The typical buyer does not always conform to assumptions. Offering prepurchase homebuyer counseling programs that are tailored to the HOZ project, along with homebuyer subsidies, can tap into the pent-up demand of low-income and first-time homebuyers. Incentive subsidies also can be used to attract higher income homebuyers. Word of mouth is important. Seeking and receiving recognition and awards from national organizations can also be very helpful. Postpurchase counseling can help homeowners avoid predatory lending and cope with the responsibilities of first-time homeownership.

Following are some additional observations:

- Most site administrators thought that the existing residents would be the first households to buy the new homes, but this did not always happen. Reasons included the inability of existing residents to afford even heavily subsidized homes, a desire to leave the area, the existence of policies designed to screen out people with criminal records, and credit issues.
- “Typical buyers” varied by site.
- Most cities used multiple marketing methods. Community organizations and faith-based institutions were important allies in reaching out to prospective homebuyers.
- One city used model homes as a marketing tool by placing the model homes on a main commuter street so the general public could envision the HOZ site’s transformation even before substantial construction was complete.
- Another city “branded” its HOZ subtarget areas to create distinct neighborhoods and instill confidence in potential buyers.
- Successful HOZ sites received favorable and consistent news coverage from the planning stage through groundbreaking and completion. “Human interest” stories helped change public perceptions of the area. One city used the “House that Readers Built” to create excitement about the first family to move into a HOZ house. Another city involved the local high school in creating decorative tiles as a design element that would identify the new community.
- Some cities applied for and received recognition from national organizations, such as the American Planning Association, Urban Land Institute, and National Association of Home Builders. The receipt of these awards helped to change the neighborhoods’ image and build demand.
- All of the HOZ cities used homebuyer counseling programs. Counseling programs that were specifically geared to the HOZ project were the most effective.
- One city created a sales center where potential buyers could learn about the HOZ project and obtain loan advice and referrals to homebuyer assistance programs and other support services.
- Several cities provided checklists that outlined the steps buyers needed to take throughout the purchasing and construction processes. This type of checklist made the process less intimidating for first-time homebuyers.



## Commercial Development

A new community requires more than houses. Access to commercial and other services contributes to both the desirability and quality of life in a neighborhood. Commercial development tends to lag behind residential development because of the population and income required to support various types of businesses. Most cities are only beginning to address the commercial needs of their HOZ sites. Space for future commercial development should be part of the original HOZ site plan. Market studies should be conducted to determine the type of commercial ventures that homebuyers desire and that will also survive in the HOZ site. Until homebuyer demand builds, businesses may require subsidized space and other incentives to move into the area. One approach is to treat important commercial services as a form of public service or as an amenity, and provide loans, grants and other financial incentives to attract these businesses.

Following are some additional observations:

- Attracting quality businesses has been difficult. One city tried to attract businesses but was unsuccessful because the consumer base was inadequate.
- One city was successful in developing a commercial area by using a nonprofit developer that had received grant assistance to subsidize the commercial development.
- Not all cities took a comprehensive approach to neighborhood development by including commercial development, public facilities and other amenities within their HOZ sites. Several cities only focused on residential development.

## Concluding Observations

This interim evaluation found that the U.S. Department of Housing and Urban Development's (HUD's) Homeownership Zone (HOZ) initiative has successfully demonstrated that cities can use mixed-income homeownership housing to transform their blighted areas. Today, many of the HOZ demonstration sites have become, or are becoming, viable homeownership communities. Clear evidence exists that the HOZ approach has improved the quality of life in these communities.

Signs of revitalization are greatest for those cities that also have growing populations and strong economies. Nevertheless, these cities credit HUD's HOZ initiative for their success. The federal HOZ grant provided a critical incentive at a time when market forces had not taken hold and enabled the HOZ cities to target their resources, mobilize their communities, and build investor confidence. Of equal importance is that each HOZ city's federal contractual obligation required that the city maintain its commitment over many years despite unexpected delays, competing demands for scarce resources, or changes in city administrations.

Most of the HOZ cities are meeting or exceeding their goals for selling new homes to low- and moderate-income households and for increasing the homeownership rates within their HOZ neighborhoods. Many of the new homeowners are first-time homebuyers from underserved groups, including many of the original residents. Most cities have blended the architectural styles of the new homes with existing buildings and have applied other New Urbanist design principles.

The speed of execution is the one area where none of the cities met HUD's expectations. Initial timelines were overly optimistic given the preexisting conditions and problems associated with each of the HOZ sites. Delays were caused by land acquisition and site control issues, unforeseen subsurface conditions, and difficulty in obtaining required financing. In addition, not all of the HOZ cities have been able to attract middle-income homebuyers or commercial development.

Success also created obstacles for some of the HOZ cities as escalating land values increased costs. Many long-time residents also expressed fears that their HOZ neighborhood would become less diverse as homes were resold to higher-income buyers.

In retrospect, it is tempting to say that the most successful HOZ cities would have succeeded without the federal HOZ designation and demonstration grant. The success of these cities appears inevitable, however, only in retrospect. For example, the Indianapolis HOZ site residents and other local observers of the HOZ demonstration project expressed only cautious optimism that the HOZ site could be transformed. It took many committed people with a shared vision and some very hard work over many years to turn a crime-ridden Indianapolis neighborhood nicknamed "Dodge City" into Fall Creek Place.

Perhaps the most important policy lesson learned from this study is that transforming a severely distressed neighborhood into a successful homeownership community takes time, but it can be done with sufficient commitment, vision, and concentration of resources.

## Appendix A. Methodology

### Project Goals and Tasks

This interim Homeownership Zone (HOZ) evaluation had three primary goals:

1. Collect baseline data for a final evaluation that will be undertaken at the completion of the HOZ demonstration program.
2. Assess how well each city has been able to implement its approved HOZ proposal so far.
3. Identify best practices or guidelines that other communities can use to transform their deteriorated neighborhoods through mixed-income homeownership development.

### Methodology

The basic methodology for this evaluation was the case study. Case studies were developed for each of the 11 active HOZ sites. Three basic techniques were used:

1. Document review.
2. Site visits.
3. Social, economic, and geographic data analysis.

### Document Review

Project administrative documents were reviewed to gain an understanding of how the HOZ demonstration program functioned from its early stages of development to the current day. These documents included the following:

- The initial grant funding application submitted to the U.S. Department of Housing and Urban Development (HUD).
- Documents concerning the approval of the initial application.
- Documents concerning amendment requests filed by each HOZ city during the course of the demonstration program.
- The quarterly HOZ progress reports that each city submitted to HUD.

For each neighborhood, data were obtained on crime rates, home values, demographic characteristics, income, homeownership rates, rental rates, and vacancy rates. Data were also obtained on street layouts and land parcels. The data were acquired from the Census Bureau and each city's records. Financial, housing production, and sales data were extracted, along with summaries of problems and solutions. These data were compiled into a database.

## Site Visits

The site visits involved four steps: (1) selecting the sites, (2) preparing for the site visits, (3) conducting the site visits, and (4) analyzing the data and information obtained during the site visits.

### Site Selection

The initial goal was to conduct site visits at all 11 sites. Nine sites would be visited for 1 day to 1 ½ days and the other two sites would be visited for 3 days as indepth case studies. The final plan called for three indepth site visits (2 to 3 days each), five shorter site visits (1 to 2 days each), and document-only analysis for the remaining three sites. Researchers made this change because they determined, in consultation with the HUD program staff, that three of the sites—Buffalo, Flint, and San Juan—had either not made enough progress to justify site visits or the data provided was not adequate. Additionally, the team determined that more could be learned from visiting the eight sites that had made more progress.

Site selection was based on the document review described previously. Table A-1 shows the site visit selection factors, which are described in more detail below.

### *Progress in Construction Indicators (Two Criteria)*

- **Progress on Housing.** The number of new and renovated houses completed as a percentage of each HOZ's adjusted housing goals.
- **Progress on Low- and Moderate-Income Housing.** The number of new and renovated houses sold to households earning below 80 percent of the area median income in each HOZ site as a percentage of all HOZ houses sold.

### *Research Team Determined Indicators (Six Criteria)*

- **Progress on New Urbanism.** Based on a review of internal documents. Values range from 1 = follows New Urbanism principles through 3 = does not follow New Urbanism principles.
- **Replicability.** How well the strategies employed at each site could be transferred to other sites. Values include 1 = difficult to replicate and 2 = easy to replicate.
- **Data Availability.** Based on data available as of November 2004. Values range from 1 = available through 3 = unavailable.
- **Expected Data Availability.** Based on data obtained as of November 2004 and research regarding anticipated data availability. Values range from 1 = available through 3 = unavailable.
- **External Problems.** Difficulties faced by each site that were beyond its control (that is, not caused by the site itself) and viewed as beneficial to the evaluation because they presented opportunities to assess a site's

**Table A-1. Site Visit Selection Criteria**

Site	Progress on Housing	Progress on Low- and Moderate-Income Housing	Progress on New Urbanism	Replicability (1 - 2)	Data Availability (1 - 3)	Expected Data Availability (1 - 3)	External Problems (1 - 5)	Creative Solutions (1 - 3)
<b>Tier One</b>								
Indianapolis	81%	50%	1	2*	1	1	4	2
New York	90%	53%	3	2*	3	1	4	1
<b>Tier Two</b>								
Louisville	50%	51%	1	1	3	1	3	2
Philadelphia	48%	71%	3	1	2	2	2	2
Trenton	51%	88%	2	1	1	1	1	1
<b>Tier Three</b>								
Baltimore	43%	100%		1	3	1	2	3
Cleveland	31%	72%	1	1	1	1	2	1
Sacramento	26%	52%	1	1	1	1	1	2
<b>Tier Four</b>								
Buffalo	36%	38%	NA	1	1	1	NA	NA
Flint	25%	3%	NA	1	3	1	NA	NA
San Juan	22%	100%	NA	1	3	3	NA	NA

\*This market has a hot real estate market which cannot be expected in the future.

ability to address successful strategies. Mismanagement is an example of an external problem. Values range from 1 = many problems through 5 = few problems.

- **Creative Solutions.** How well a site resolved problems or anticipated and addressed problems. Values range from 1 = most creative through 3 = least creative.

The 11 sites were initially divided into two tiers based on their Progress on Housing scores. The scores of Indianapolis and New York were substantially higher than all the scores of the other sites. The remaining nine sites were divided into three tiers based on their progress in meeting their housing and low- and moderate-income housing goals. The research team visited all eight sites in the top three tiers. As described previously, no site visits were conducted in Buffalo, Flint, or San Juan.

The three sites selected for indepth visits—Indianapolis, Trenton, and Cleveland—were selected based on the number of houses constructed, problems encountered, and creative solutions. The research team decided not to include both Indianapolis and New York City because both cities were experiencing major improvements in their real estate markets and those experiences would likely not be replicable. The remaining five cities—Baltimore, Louisville, New York, Philadelphia, and Sacramento—were each visited for 1 to 2 days.

### **Site Visit Preparation**

Because only a short amount of time was available for each site visit, extensive preparation was necessary to maximize the use of time spent at each site. The research team performed the following tasks to prepare for the site visits:

- Reviewed the project applications, quarterly reports, and other relevant documents describing the project.
- Developed a detailed site visit protocol. The protocol included discussion topics for initial phone conversations with the appropriate HUD field official and the HOZ project directors; discussion topics for site-visit interviews with the site administrator, resident or neighborhood association leader, and city manager or official responsible for project oversight. In addition, a list of key programmatic elements was formulated as a guide for data collection during observational tours of the neighborhood.
- Communicated with each site administrator via letter and phone to make arrangements for each site visit. In their correspondence, researchers communicated the purpose of the site visit and identified the people with whom they wished to meet during the visits.
- Asked the site administrators to arrange appropriate meetings and observation times after the dates for the site visits were set.

### **Site Visits**

During the winter of 2005, one to three researchers conducted site visits at 8 of the 11 HOZ sites. The staff interviewed numerous people involved with the project, including the project administrator, other city government employees, developers, builders, representatives of community organizations, and residents. Researchers also toured the neighborhoods and took still photos and video footage.

Although HOZ team representatives and residents were generally candid during the site visits, whenever possible the research team triangulated the information it received and compared it with documents submitted to HUD and statements made by other team members.

### **Basic Site Visits at Five Sites**

Although the plan called for one researcher to visit the five basic sites, two researchers visited the first site, New York City, to set the site visit ground rules and ensure methodological consistency for future visits. These two researchers visited New York City for 2 days. One researcher visited Baltimore, Louisville, Philadelphia, and Sacramento for 2 days each, not including travel. Each of these visits began with an entrance meeting with the site administrator to review the purpose of the visit, the local objectives of the HOZ, a discussion of the history and context of the neighborhood development, the level of completion of the HOZ project, and a review of the site visit schedule.

Researchers also interviewed the city manager or city official, key staff, the architect, builders, residents, local community leaders, and primary partners (as appropriate) during the site visit (time and schedules permitting) to obtain information about project implementation from numerous perspectives. The interview protocols, discussed previously, guided these discussions. The site visits included a tour of the neighborhood to observe demolition and construction progress, visualize the extent and form of “New Urbanism” created, and take photographs to capture visual records.

### **Indepth Site Visits at Three Sites**

Two senior staff (one from the Exceed Corporation and the other from its research partner, Research Triangle Institute International) visited Cleveland, Indianapolis, and Trenton for 3 days (not including travel time). Each of these visits began with an entrance meeting with site administrators to review the purpose of the visit, the local objectives of the HOZ, the history and context of the neighborhood development, and the project’s level of completion.

Researchers also interviewed the city manager or city official, key staff, the architect, builders, residents, local community leaders, and primary partners (as appropriate) during the site visit (time and schedules permitting) to obtain information about project implementation from numerous perspectives. The interview protocols, discussed previously, guided these discussions. The site visits included a tour of the neighborhood to observe demolition and construction progress, view the extent and form of “New Urbanism” created, and take photographs to capture visual records.

### **Social, Economic, and Geographic Data Analysis**

Evaluation of a neighborhood’s transformation from a blighted area to a desirable area can be accomplished in three ways. First, the most obvious method is through a visual comparison of the neighborhood before and after the HOZ investment. Second, researchers can gather opinion data from residents to assess whether residents value the transformation. Third, researchers can develop proxy measures of value based on how much homebuyers are willing to pay for housing.

The research team completed case studies on all 11 sites. The reports incorporated information collected from the document review as well as information collected during site visits. The basic purposes of these reports were to indicate whether the sites were meeting their objectives of expanding homeownership and revitalizing urban neighborhoods and to provide reasons why the sites were or were not meeting these objectives.



The case studies were designed to be used by other cities interested in replicating successes of the HOZ projects. The research team used case study data analysis techniques that enabled them to accomplish the following:

- Deepen the analysis of key questions by asking followup questions and asking several people similar questions to triangulate data collection.
- Note patterns and themes occurring at each site.
- Search for dominant themes.
- Note divergences among sites.
- Identify key decisionmakers and assess their relative importance and roles in the development effort.
- Assess unintended impacts of the program.
- Tour sites and photograph site progress.

### **Geographic Analysis**

Geographic analysis provided the foundation for much of the visual and analytical analysis for the case studies. Geographic Information System (GIS) technology served a number of purposes and roles in this research. These roles can roughly be divided into three categories of increasing analytical complexity:

1. Data integration and mapping.
2. Distance analyses and summary statistics.
3. Geostatistics.

A series of maps accompanied the case studies to provide visual representations of the HOZs and the areas adjacent to them. The maps showed geographic features such as the HOZ boundaries, streets, zoning (if data were available), parcel boundaries (if data were available), census geographic boundaries, and other boundaries that may be of interest (for example, school district zones).

GIS mapping and analysis were performed to show conditions before the projects began and current conditions after several years of implementation. Geographic data sources were also identified and documented to facilitate their collection and use in a future evaluation. The researchers obtained locally available, highly detailed GIS data to develop detailed GIS databases for the three indepth case study cities. The research team worked with local city government agencies to identify potential data sources that were available to support the research.

A GIS database for each of the 11 cities was created to support the mapping and analysis requirements of the project. Many sources of data were used to create these databases. These sources included the following:

- Federal geospatial data sources for transportation, hydrography, county boundaries, land use, imagery, and elevation.
- The Census Bureau's 1990 and 2000 centennial census data files.
- Commercial sources of geospatial data including those from Environmental Systems Research Institute and MicroSoft's Terraserver.
- Geospatial data acquired from the GIS departments, police departments, or other city departments within particular cities.
- Printed commercial maps illustrating important features in and around HOZ boundaries.

Available federal and commercial geospatial data were identified, analyzed, selected, and downloaded from the Internet directly to contractor computers whenever possible. Other data already maintained at the contractor's GIS department were also used. Internet searches, phone calls, and email enquiries were made to find local and custom geospatial data necessary for mapping specific features of HOZ sites. Data that were maintained within various city administrative departments were sent to the contractor on CD media or via the Internet using File Transfer Protocol.

Map digitizing, data conversion, data processing, or address matching was performed on the acquired data (or maps) as necessary. The process of creating each city's GIS database after data had been acquired involved assessing the content and format of each data set; refining or editing data sets; projecting each data set to standard common coordinate systems; and documenting the source and content of each data source. In some cases, printed maps were acquired and specific features were manually digitized and converted into new GIS layers. For example, some cities did not have electronic or GIS data of city bus lines and stops. In these cases, the contractor acquired printed bus maps from the city and manually entered the bus routes into the GIS.

The resulting GIS databases consist of a series of folders and subfolders containing each of the GIS data layers organized by theme (for example, transportation, hydrography, boundaries, census, and so on). The primary role of GIS on the project was to integrate a wide variety of geospatial data and to create maps of these data (or "layers") for researchers, the HUD Government Technical Representative, and general readers of the final report so they could understand the spatial context in which the HOZs existed. Maps have been color coded to highlight distinct features of each zone.

### **Interviews With Residents**

The study examined the components of New Urbanism features to assess which ones appeared to contribute to increasing value. Interviews with residents, staff, and community leaders examined which features were attracting buyers and gathered interviewees' assessments of changes that had occurred or were occurring in their neighborhoods.

### **Photographic Analysis**

Photographic data were collected for all eight case study sites from publicly available local sources such as local administrators, from digital and/or video cameras used during site visits, and through the digitization of archival photographs. For the three indepth site visits, researchers collected information on Global Positioning System (GPS) locations and obtained digital photographs of important buildings, transportation centers, and other features. Site visits involved the use of GPS receivers connected to hand-held GIS computers to collect precise locations and descriptions of important features. During the site visits, researchers drove up and down every street in the HOZs collecting locations with the GPS receivers, entering descriptions into the hand-held computers for each street, and using digital cameras to capture images that were later noted in the case studies.

Depending on photo availability, the researchers made photographic comparisons of conditions before and after implementation. This method focused on project elements not easily measured or captured through GIS mapping or statistical comparisons. For example, pictures can demonstrate architectural consistency between existing historic buildings and new construction.

### **Distance Analyses**

GIS data were used to make preliminary measures of a number of spatially related variables to answer questions about if and how the HOZ had changed some of the fundamental distance relationships between homes and other entities in the neighborhood. For example, walkability was measured as the distance between a home and the nearest transit stop.

### **Crime Analysis**

Crime rates were calculated by first geocoding (determining the latitude and longitude of each incident address) the crime incidents, totalling the counts of incidents within each census block group (via GIS overlay analysis), and then dividing the count of incidents by the population of the census block group.

Table A-2 shows the source data that served as the basis for the GIS analysis for each of the 11 HOZ sites.

**Table A-2. Geographic Information System Data Inventory**

Data Theme	Balti- more	Buffalo	Cleve- land	Flint	Indian- apolis	Louis- ville	New York	Phila- delphia	Sacra- mento	San Juan	Tren- ton
Bus route or rail information	X	X	X	X	X	X	X	X	X	NA	X
Bus route or rail data	X (rail only)	X	X	X	X	NA	X	X	X	NA	X
Parcels of land (with addresses)	NA	X	X	NA	X	NA	NA	X	X	NA	X
Parcel property/sales data	NA	*	NA	NA	*	*	*	*	X	NA	*
Streets (detailed, with address ranges)	NA	X	X	X	X	NA	X	X	X	NA	X
City limits	X	X	X	X	X	X	X	X	X	X	X
HOZ boundaries	X	X	X	X	X	X	X	X	X	X	X
Aerial imagery (year)	2003	1995, 2002	1995, 2003	1998	1998, 2003	1998, 2002	1995	1992, 2003	1994, 2002	1994	1995, 2002
Census attributes 1990	X	X	X	X	X	X	X	X	X	X	X
Census attributes 2000	X	X	X	X	X	X	X	X	X	X	X
Cultural data (schools, hospitals, parks, landmarks, etc.)	X	X	X	X	X	X	X	X	X	X	X
Geographic Names Information System data	X	X	X	X	X	X	X	X	X	X	X
Hydrography data	X	X	X	X	X	X	X	X	X	X	X
Census TIGER data 1990 (roads, rail, urban areas, etc.)	X	X	X	X	X	X	X	X	X	NA	X
Census TIGER data 2000 (roads, rail, urban areas, etc.)	X	X	X	X	X	X	X	X	X	X	X
National Land Cover data 1992	X	X	X	X	X	X	X	X	X		X
National Land Cover data 2002	NA	NA	NA	NA (2001)	NA	NA	NA	NA (1999)	NA (2004)	NA	NA (1997)
Crime data	NA	X	X	NA	X	NA	NA	NA	X	NA	NA

\* = Data are available for purchase.

X = Data have been acquired.

HOZ = Homeownership Zone.

TIGER = Topologically Integrated Geographic Encoding and Referencing System.



## **Appendix B. Geographic Information System Data**

This document lists the general types of Geographic Information System (GIS) data collected for the U.S. Department of Housing and Urban Development Homeownership Zone (HOZ) project. Due to data availability and resource limitations, not all data (for example, crime data) were acquired for all cities.

### **1990 Census Data (All Cities)**

These data included Environmental Systems Research Institute (ESRI) polygon shape files showing 1990 Census Block Group data. This set of data also included countywide, citywide, and HOZ-wide data and the census long-form (detailed attributes) table. These data were used to create census maps and the detailed 1990 and 2000 Census Excel tables.

### **2000 Census Data (All Cities)**

These data included ESRI polygon shape files showing 2000 Census Block Group data. This set of data also included countywide, citywide, and HOZ-wide data and the census long-form (detailed attributes) table. These data were used to create census maps and the detailed 1990 and 2000 Census Excel tables.

### **Changes Data (Buffalo, Cleveland, Indianapolis, Louisville, Philadelphia, Sacramento, and Trenton)**

These data included ESRI shape files known as the “changes” layers. These files were created manually after close inspection and comparison of 1995 and 2002 imagery.

### **Crime Data (Buffalo, Cleveland, Indianapolis, and Sacramento)**

Data files of crime incidents and associated GIS layers were created.

### **1996 ESRI Data (All Cities)**

These data included ESRI shape files from 1996 CDs provided with earlier versions of the ESRI ArcView software. Layers included buildings, cemeteries, hospitals, places, schools, parks, retail centers, and so on. Data points were used as reference tools for creating changes layers.

### **2002 and 2003 ESRI Data (All Cities)**

These data included ESRI shape files from the latest CDs provided with ESRI ArcGIS software. Layers included buildings, cemeteries, hospitals, places, schools, parks, retail centers, and so on. Data were used as reference tools for creating changes layers and displaying features on current HOZ maps.

### **Geographic Names Information System Data (All Cities)**

These data included ESRI point shape files of Geographic Names Information System data. Features included populated places, schools, churches, airports, prominent buildings, parks, and other locales.

### **Imagery Data (All Cities)**

Satellite imagery was acquired from local governments and national government sources. For some cities, imagery from different years was available and acquired.

### **JPGs (All Cities)**

JPG image files (200 dots-per-square-inch resolution) of 8.5-x-11-inch maps were created for the report.

### **Maps (All Cities)**

Maps were created for general archiving purposes. Maps (.mxd files) were made using ESRI ArcGIS software. These maps can only be opened if ArcGIS is installed. After the maps are opened, symbology and text will be preserved but layers will have to be remapped in each map.

### **National Hydrography Dataset Data (All Cities)**

Researchers extracted from the National Hydrography Dataset 1:24,000 scale hydrography data (where available) covering HOZs. Where appropriate, ESRI Coverage format was used to give maps greater detail.

### **National Land Cover Data (All Cities)**

These data included 1992 and 1997 National Land Cover data. These data were not used in any mapping or analysis.

### **Other Data (All Cities)**

These data included various data layers in ESRI shape file format. All metadata were included. Layers included some features that were created manually from American Automobile Association maps. These features include city limits, cultural features, parks, hospitals, libraries, named places, national wetlands inventory, open space, parcels, post offices, rail lines, and streets.

### **1990 Topologically Integrated Geographic Encoding and Referencing System Data (All Cities)**

These data included 1990 Census Topologically Integrated Geographic Encoding and Referencing System (TIGER) data in ESRI shape file format. Layers included county boundaries, designated places (cities) hydrography, rail lines, roads, tracts, and urban areas.

### **2000 TIGER Data (All Cities)**

These data included 2000 Census TIGER data in ESRI shape file format. Layers included county boundary, designated places (cities) hydrography, key geographic locations, landmarks, transportation, rail lines, roads, school districts, tracts, traffic zones, and urban areas.

### **Transportation Data (All Cities)**

These data included various transportation-related layers in ESRI shape file format, some of which were created manually based on provided maps. Layers included Amtrak stations, bus routes, bus stops, greenways, the Northeast Corridor rail line, river rail line, and river rail line stations. Bus route metadata files were also included.

### **Site Visit Data (Trenton, Indianapolis, and Cleveland)**

These data included various tables, data layers, and documents associated with site visits as well as meeting notes, digital photos of HOZs and the surrounding areas, GPS points, and related descriptive tables.





## Appendix C. Site Visit Protocol

### U.S. Department of Housing and Urban Development Homeownership Zone Site Visit Interview Guide

November 2, 2004

#### Site Administration Meeting

*Note: The site administrator may or may not be the city manager or the official responsible for project oversight. If these are two different people, we may need to ask these questions of more than one person. Alternatively, the site administrator meeting may simply be a meet-and-greet meeting without substance. Regardless of whom we speak to, we should make sure to obtain that person's name and phone number so we can pursue any followup questions with that person later. Also, some of these questions will be asked of builders, developers, U.S. Department of Housing and Urban Development (HUD) regional staff, business leaders, and other project partners in addition to the city administrators.*

*Start with a round of introductions and a bit of pleasant talk. If more than two people are present, make a chart of who sat where during the interview.*

The information presented below was shared with interviewees to enhance their understanding of the research project at hand.

This is an interim evaluation with two goals:

1. Make a preliminary assessment of how well the projects have worked.
2. Identify best practices and model approaches.

The evaluation will focus on three objectives:

1. Getting a picture of what is happening in the zone through the development of a series of maps.
2. Measuring preliminary outcomes to date.
3. Developing models of implementation.

*The first two objectives serve the third and also provide data and information for a final evaluation after all of the projects are completed and if HUD funds such an evaluation.*

The information below was given to interviewees so as to enhance their understanding of the study and thereby facilitate the data collection process.

We would like to emphasize that this not an “I gotcha” review nor is it a compliance review. Rather, we want to understand what worked, why it worked, what did not work, why it did not work, what the obstacles and bottlenecks you encountered, and what creative approaches you used to overcome these challenges.

Some of these questions may sound overly technical and hard edged and we apologize for that. Some of what we will be doing is verifying what we have read in the quarterly reports. We will only be asking you questions to get a sense of how important key issues are to you and to clarify a few things we did not understand.

*Hand them the goals and focus description.*

### **Determine the Site Administrator's Role in the HOZ Development Process**

*Ask the following questions:*

1. What is your role in the project?
2. How long have you been the project administrator?
3. *(If since the beginning)* Did you take part in the proposal preparation process?
4. *(If not since the beginning)*
  - A. When did you join the project?
  - B. Where in the process was the project when you joined?
  - C. Why did the previous administrator leave?
  - D. What difficulties did you experience in taking over the project midway through the process?
5. Did you make any changes in the process?
6. What are your key functions as project administrator?
7. How many project directors has this program had?

### **Project Organization**

The next set of questions is about the initial stages of the project. If you were not working on the project at that time, please answer the questions to the best of your knowledge.

1. Please discuss the history of neighborhood development in this area leading up to the Homeownership Zone project.
2. Explain how the Homeownership Zone plan was developed from the beginning. Who provided the initial impetus for this development? Was it driven by the city government?

3. Who wrote the grant application? *(Note: We are interested in the name of the agency or the primary author's job title, not just the person's name.)*
  4. Was the application compiled with a lot of community involvement? Explain what type of involvement occurred.
  5. Were there preexisting community groups?
  6. To what extent did these community groups participate in the planning stage?
  7. Were the community groups consulted on a regular basis as the project moved forward?
  8. Were the community groups consulted at critical junctures, such as how to address unanticipated impediments (for example, environmental issues)?
  9. How often do the community groups have open meetings?
  10. What percentage of local residents do the meetings draw?
  11. What types of permitting preparations (such as utilities, variances, building permits, and certificates of occupancy) were made before the project commenced?
  12. How did your office coordinate with other offices and agencies to smooth out the Homeownership Zone process? Was this coordination primarily formal or informal?
  13. What type of support did you have from—
    - A. City hall?
    - B. Other local officials?
    - C. State officials?
    - D. National elected officials?
  14. Was this support adequate?
  15. Did this support translate into adequate city services (for example, water and sewer) being provided to the Homeownership Zone?
  16. What infrastructure improvements did you make to the Homeownership Zone area?
  17. Did your office reorganize itself to handle the Homeownership Zone project?
  18. Within your office, how big a focus was the Homeownership Zone?
  19. Was there a full-time or nearly full-time coordinator assigned to this project?
  20. Did other priorities compete for attention within your office?
-

## Partners

1. Have you been able to obtain political and financial support from both public and private partners?
2. What other key governmental and nongovernmental people, partners, and organizations are involved in this project—other than those listed here? (*Refer to the list from the grant application that you have presented to the administrator.*)
3. (*If the list from the grant application and the list from the quarterly reports are significantly different.*) Please explain the difference between the two lists. For example, why did some partners, originally listed, not participate? Why did other “new” partners join later in the HOZ development process?
4. What have you found to be the best ways to attract or bring in partners?
5. What were the greatest challenges to obtaining these partners?
6. Have the partners actually contributed what you expected them to contribute?
7. Who are your strongest partners?
8. Why do you consider them your strongest partners?
  - A. Money.
  - B. Assistance with planning.
  - C. Other (please explain).
9. What community organizations have been involved in, interested in, or opposed to the Homeownership Zone?
10. How did the local community respond to the Homeownership Zone at the beginning of the project?
  - A. Participated in planning and/or execution.
  - B. Interested in project but did not participate.
  - C. Opposed to project (please explain).
11. How does the local community respond to the Homeownership Zone now?
  - A. Participates in planning and/or execution.
  - B. Interested in project but does not participate.
  - C. Opposed to project (please explain).

12. How important were community organizations to the process at various stages?

***Planning***

- A. Very important.
- B. Somewhat important.
- C. Neutral.
- D. Not very important.
- E. Unimportant.

***Acquisition***

- A. Very important.
- B. Somewhat important.
- C. Neutral.
- D. Not very important
- E. Unimportant.

***Construction***

- A. Very important.
- B. Somewhat important.
- C. Neutral.
- D. Not very important.
- E. Unimportant.

***Sales and Marketing***

- A. Very important.
- B. Somewhat important.
- C. Neutral.
- D. Not very important.
- E. Unimportant.

13. Were the community organizations that were involved with Homeownership Zone representative of the community?

- A. Very representative.
- B. Somewhat representative.
- C. Not very representative.

14. If “somewhat” or “not very representative,” please explain. (For example, what constituencies did the community organizations represent?)

### **Finance and Leveraging of Funds**

Please examine the following summary tables compiled from the most recent quarterly report that we have, dated \_\_\_\_\_.

*Note: Please refer to the leverage list that you have provided to the administrator. Make sure you can point to the figures in the quarterly report copy that you will bring to the site visit.*

1. How did you go about leveraging the original Homeownership Zone money?

### **Crime**

- 1. What steps did you take to reduce crime or reduce the perception of crime in the Homeownership Zone?
- 2. Do you think these actions were effective?
- 3. Is there currently less crime in the Homeownership Zone than before the project started?
- 4. How does crime in the Homeownership Zone compare with crime in the surrounding areas?

### **Status of the Project**

*Hand out sheet with original objectives for the site you are visiting.*

- 1. What are your current objectives for home construction and New Urbanism and what is the time period for achieving these objectives?
- 2. *(If objectives were changed)* What was the reason for changing the objectives from those in the original plan?
- 3. How comprehensively has the neighborhood been revitalized?
- 4. Other than Homeownership Zone project activities, have special local circumstances contributed to the Homeownership Zone's success? Examples include a large employment center or a new transit stop that opened near the Homeownership Zone. Please indicate what kind of link to the project existed, if any. For example,

“The opening of the Homeownership Zone was a precondition to the location and construction of the new transit stop.” Or, “The new transit center was developed independently, but the Homeownership Zone will benefit from it.”

### **Problems and Solutions**

*Let the respondent know that we have used the quarterly reports to develop our own list of the problems that arose during project implementation and have noted which problems were the most serious and how the Homeownership Zone administrators approached these problems. Our list also contains strategies or plans the Homeownership Zone management team developed to prevent problems. At this point, provide the respondent with the list.*

Please take a minute to read this list of problems we have identified.

1. Were other issues or problems encountered, but not described in the quarterly reports, such as the following issues?
  - A. Relocation of previous residents.
  - B. Acquisition.
  - C. Infrastructure.
  - D. Environment.
  - E. Climate.
  - F. Permits.
  - G. Working with HUD.
  - H. Funding.
  - I. Developers.
  - J. Neighborhood attitudes.
  - K. Sales.
  - L. Postsale counseling.

Please elaborate on any of these issues encountered.

2. How serious were each of these issues (including both problems we list from quarterly reports and new ones just identified in the previous question)? Please rank them.



*Follow each discussion of a problem with a followup question about solutions. Ask interviewees first to verify the solutions we listed as documented in the quarterly reports and to identify any solutions we have missed.*

3. How did these problems affect the speed with which you were able to execute the Homeownership Zone project?
4. What problems still remain unsolved?
5. What do you think were your most successful strategies for achieving the objectives of the Homeownership Zone, including strategies developed at the start of the project or those developed during the project in response to emerging problems? Can you rank these strategies?
6. Do you think these strategies could be replicated in other cities? If so, what would be the best way to replicate them?
7. Overall, what advice would you give a city that is considering setting up a Homeownership Zone?

#### **Relationship With HUD**

1. How would you describe your relationship with HUD?
2. Could the national and regional HUD offices have done anything to make the process easier?

National office

Regional office

\_\_\_ Yes

\_\_\_ Yes

\_\_\_ No

\_\_\_ No

Please explain.

Please explain.

#### **Additional Investments**

1. Have any additional non-Homeownership Zone investments occurred *in* the Homeownership Zone since this project began? Examples of additional non-Homeownership Zone investments include businesses providing jobs for residents or neighborhood-oriented stores such as dry cleaners, grocers, clothing stores, restaurants, and so on.

*(If yes)* List the businesses and describe them.

A. Do you think these additional investments occurred as a result of the Homeownership Zone activities?

*(If yes)* What is the connection? How did the Homeownership Zone result in or contribute to attracting the investment?

*(If no)* Please explain.

2. Have any additional non-Homeownership Zone investments occurred *near* the Homeownership Zone since this project began?

*(If yes)* List the businesses and describe them.

A. Do you think these additional investments occurred as a result of the Homeownership Zone activities?

*(If yes)* What is the connection? How did the Homeownership Zone result in or contribute to attracting the investment?

*(If no)* Please explain.

### **Sales and Marketing**

1. What methods or strategies were used for marketing the houses?

A. Brochures.

B. Articles in the newspapers.

C. Radio ads.

D. Television ads.

E. Community forums.

F. Internet.

G. Word of mouth.

H. Other (please describe).

2. Which were the most effective strategies?

A. With existing residents?

B. For attracting new residents?

C. With low- and moderate-income residents?

3. Did you work with Realtors to market the units? (If yes) Which were the most helpful or effective ways in which the Realtors promoted the units and what kinds of incentives did you provide to the Realtors?
4. Did you have any problems getting home builders to participate in the Homeownership Zone program? Which builders have you used the most?
5. Are there mortgage assistance programs for lower income homebuyers in the Homeownership Zone? (If yes) Please describe the programs.
6. Did you use incentives like add-ons to units to get people interested in buying homes in the Homeownership Zone? Examples of add-ons include finished attics, carpeting, appliances, and so on.
7. Have any foreclosures occurred on Homeownership Zone homebuyers? (If yes) How many foreclosures have occurred? To what do you attribute these foreclosures?
8. Do you have a homebuyer counseling program?
  - A. (If yes) What have been the key elements for successful homebuyer counseling?
  - B. (If no) Do you think such a program would have been helpful?

### **New Urbanism**

1. Please describe how the Homeownership Zone constitutes a cohesive neighborhood as outlined in the *Principles for Designing and Planning Homeownership Zones* guide.

*A coherent unit where adults and children can walk to nearby shopping, services, schools, parks, recreation centers, and, in some cases, to their own jobs and businesses; where civic centers can serve as focal points for community activity; where streets and blocks are connected with pedestrian walkways and bicycle paths; where public transit is readily available to connect with other neighborhoods and communities throughout the metropolitan region; where automobiles are convenient to use but do not dominate the most visible aspects of the urban landscape with traffic congestion and massive parking lots; and where houses are built closer together, with front and back porches and yards, and are grouped around tree-shaded squares, small parks, and narrow streets with planting strips.*
2. Are amenities integrated within the neighborhood?
3. How diverse is the neighborhood now?
4. Are there more public spaces within the neighborhood? For example, are there places for children and adults to play, benches for people to sit on, and paths on which they can bike and stroll?
5. Are the newly constructed homes linked to their surroundings or do they stand out as distinct spaces separate from their surroundings?

6. Has urban blight been reduced? (*We define blight as visible evidence of a lack of investment in the area. Blight includes abandoned cars, vacant houses, vacant lots, rundown houses, and so on.*)
7. Is traffic congestion a problem in the neighborhood?
8. Do people who live in the neighborhood frequently walk through the neighborhood?
9. How much of the neighborhood has been revitalized?
10. Is there an interconnected network of streets within the Homeownership Zone?
11. Is the Homeownership Zone neighborhood—
  - A. Identifiable?
  - B. Compact?
  - C. Pedestrian friendly?
12. Does the design of the streets and buildings reinforce safety?
13. Does the architecture and landscape reflect local history and building practice?
14. If you had to do this project all over again, what would you do differently in terms of accommodating New Urbanism design principles in the Homeownership Zone?

## Residents

*Note: For residents and community leaders, we will also need to develop a second set of questions that only includes pertinent questions because many people will not be willing to answer all of the questions listed below.*

This set of questions is for—

- Residents of Homeownership Zone homes.
- Residents of non-Homeownership Zone homes that are located within the Homeownership Zone boundary.
- Displaced residents living within the Homeownership Zone boundary.
- Displaced residents not living within the Homeownership Zone boundary.

*Note: Exceed Corporation's partner in this research study, Research Triangle Institute International, observed that we might not be able to talk with displaced residents. Or, if we are able to talk with them, perhaps we only will be able to do so for the indepth case studies. Please see the presite visit procedures for an approach on talking with displaced residents.)*

*The following questions should be asked of all residents with whom we speak:*

1. Are you a—
  - A. Resident of a Homeownership Zone home?
  - B. Resident of a non-Homeownership Zone home that is located within the Homeownership Zone boundary?
  - C. Displaced resident living in the Homeownership Zone boundary?
  - D. Displaced resident not living in the Homeownership Zone boundary? *(If necessary, combine this question with the previous one.)*
2. Do you know what the approximate boundaries are for the Homeownership Zone?
3. When did you move into the Homeownership Zone area?
4. How involved were you or your neighbors in the community meetings that were held to plan the Homeownership Zone? *(Skip this question if the particular site did not have community meetings. If community meetings were held, find out what year in which they occurred and what organization or agency held them. This information will help the respondent recall participation.)*

The following questions should be asked only of residents of a Homeownership Zone home.

1. Is this the first house you have owned?
2. When you bought your house, where did you get the financing?
3. Was this financing hard to obtain?
4. Did you get any financing assistance?
  - A. *(If yes)* Who gave you financing assistance? What kind of help did you get?
5. Was a homebuyer counseling program available to help you buy your home and maintain the mortgage on it?
  - A. *(If yes)* Did you take part in this program?
  - B. What did you do in this program?
  - C. Was the program helpful?
6. Has the financing package placed undue stress on your monthly budget? If so, what advice about the financing process and package would you give to people interested in buying new homes in the Homeownership Zone?

7. Is there type of assistance that was *not* offered that would have made your life easier?
  - A. (*If yes*) What would have made your life easier?
8. Are you satisfied with owning a home in this neighborhood?
9. Do you like your neighborhood?
10. Do you like it better now than before the Homeownership Zone project began?

### **Assessment of Specific Homeownership Zone Features**

*The following questions are organized by topic. They can be asked of anyone with whom we talk to. These questions ask about the current state of things in the Homeownership Zone. When we are speaking with someone who was living in the area before the Homeownership Zone project began, we can also ask if these things have changed since the Homeownership Zone began.*

#### ***Transportation***

1. Is it easy to walk to transit stops?
2. How close is the nearest public transit stop?
3. Are you satisfied with public transportation in your neighborhood?
4. Is traffic congestion a problem within the Homeownership Zone?

#### ***Employment (If respondent is employed)***

1. Are you currently—
  - A. Employed?
  - B. Between jobs?
  - C. Retired?
2. Do you think there is there enough work in or near your neighborhood?
3. Is it easy to get to work?
4. How do you get to work? Do you drive, use public transportation, or walk?
5. How long does it take you to get to work?

### ***Shopping***

1. Is there shopping within your neighborhood?
2. Is it easy to get to stores?
3. Do you walk to stores?
4. Are you satisfied with the shopping in your neighborhood?

### ***Community Centers***

1. Are there community centers near you?
2. Is it easy to get to the community centers?
3. Do you walk to them?
4. Are you satisfied with the community centers in your neighborhood?

### ***Public Spaces***

1. Does your neighborhood have good public spaces, benches, play areas for children, walkways, spaces between houses or between houses and sidewalks, parks, plazas, and so on?
2. Do you use these parks and other public spaces?
3. Do you spend time with your neighbors in these places?
4. Is it easy to get to these public spaces?
5. Do you walk to them?

### ***Appearance***

1. Do the new houses match the other houses in the neighborhood or do they stand out?
2. Do you think the new houses look nice?

### ***Safety***

1. Do you consider crime a problem in your neighborhood?
2. How bad are the following problems in your neighborhood?
  - A. Abandoned houses.
  - B. Crime.
  - C. Drugs.
3. Does your neighborhood have less crime than surrounding neighborhoods do?

### ***Neighborhood Diversity***

1. Does your neighborhood have people of many races, income levels, and ages?
2. Have a lot of new people moved into the neighborhood?

### ***Schools***

1. Are there school-age children in your household?
2. Are there schools within your neighborhood?
3. Are you satisfied with these schools?
4. Is it easy to walk to the schools in your neighborhood?

### ***Recreation***

1. Does your neighborhood have good places for recreation? Examples of recreation places include restaurants, bowling alleys, movie theaters, and so on.
2. Are you satisfied with the types of recreation you have available?
3. Is it easy to get to these recreation areas?
4. Do you walk to them?



## Community Organization Background

*This set of questions is for—*

- *Leaders of neighborhood associations (that is, organizations whose members are residents and are either homeowners or tenants).*
  - *Representatives of other types of organizations.*
1. Is the community organization that you represent a residential membership organization? Put another way, is it a grassroots organization of residents?
    - A. *(If yes)* Is the organization composed of a broad base of—
      - a. Tenants?
      - b. Homeowners?
      - c. Both tenants and homeowners?
    - B. *(If no)* Is the organization a—
      - a. Community-based development organization?
      - b. Faith-based organization? Please explain.
      - c. Other type of organization? Please explain.
  2. Which area(s) or neighborhood(s) does your organization represent?
  3. Do you know what the approximate boundaries are for the Homeownership Zone?
  4. Did your community organization—
    - A. Predate the Homeownership Zone? *(If yes)* How active was your organization before the Homeownership Zone began?
    - B. Begin in response to the Homeownership Zone? *(If yes)* Describe how the organization evolved.
  5. Has your community organization played a role in the Homeownership Zone project during—
    - A. Planning?
      - a. Were you consulted on a regular basis?
      - b. *(If yes)* How often? Who consulted with you?
      - c. Were you consulted at critical decision points?
      - d. *(If yes)* What did you consider the critical decision points to be?

- e. Do you think this was the right amount of involvement?
    - Yes, this was the right amount of involvement.
    - No, we were not involved enough.
    - No, we were too involved.
  - B. Home construction?
    - a. Were you consulted on a regular basis?
    - b. *(If yes)* How often? Who consulted with you?
    - c. Were you consulted at critical decision points?
    - d. *(If yes)* What did you consider the critical decision points to be?
    - e. Do you think this was the right amount of involvement?
      - Yes, this was the right amount of involvement.
      - No, we were not involved enough.
      - No, we were too involved.
  - C. Marketing of the new homes to potential residents?
    - a. Were you consulted on a regular basis?
    - b. *(If yes)* How often? Who consulted with you?
    - c. Were you consulted at critical decision points?
    - d. *(If yes)* What did you consider the critical decision points to be?
    - e. Do you think this was the right amount of involvement?
      - Yes, this was the right amount of involvement.
      - No, we were not involved enough.
      - No, we were too involved.
  - 6. How did your organization get involved in the process?
  - 7. Was your organization's input sought out by the program administrators?
  - 8. Did you feel like your involvement was welcomed? *(If not)* (Please explain.)
  - 9. Describe your meetings, community activities, and other activities.
-

10. How often did you meet?
11. Who attends your meetings?
12. To what extent is your organization representative of the entire community of residents in the Homeownership Zone?

### **Assessment of Homeownership Zone Administration**

1. From your perspective, what were the biggest problems that the Homeownership Zone project experienced?
2. What were the best solutions to these problems?
3. What do you consider to be the most important benefits of the Homeownership Zone?
4. If you had to do the project over again, what would you do differently?
5. How comprehensive has redevelopment been in the Homeownership Zone area? (For example, how much redevelopment has occurred? How wide an area does this redevelopment cover?)
6. What amount of public, private, political, and financial support was developed in support of the Homeownership Zone project?
7. Not including investment in new home construction, has there been increased business investment such as new businesses, stores, and restaurants in the community as a result of the Homeownership Zone program?
8. How effective has the Homeownership Zone been at building partnerships?
9. Have these partnerships contributed to the success of the Homeownership Zone? *(If yes)* How have the partnerships contributed to its success?
10. Has the Homeownership Zone process empowered the residents of the Homeownership Zone area?

### **Assessment of Specific Homeownership Zone Features**

*The following questions are organized by topic. We can ask these of people whether their organizations predate the Homeownership Zone. We can do this because the questions ask about the current state of things in the area, not how they have changed. When we are speaking with someone from an organization that does predate the Homeownership Zone project, we can also ask if the following items have changed since the Homeownership Zone started.*

#### ***Transportation***

1. Is it easy to walk to transit stops within the Homeownership Zone?
2. Do you know how many public transit stops are in the Homeownership Zone?

3. Does the Homeownership Zone contain recently upgraded transportation links?
4. Is traffic congestion a problem within the Homeownership Zone?

### ***Employment***

1. Is there employment nearby for Homeownership Zone residents?
2. Is it easy for these residents to get to work?
3. Do you know who the largest employers are in the Homeownership Zone?
  - A. *(If yes)* Can you list these employers?

### ***Shopping***

1. Is shopping located within the neighborhood?
  - A. *(If yes)* Are there grocery stores?
  - B. Are there clothing stores?
  - C. Are there department stores?
  - D. Are there hardware stores?
  - E. Are there pharmacies?
2. Is it easy for residents to get to stores?
3. Do people walk to stores in the area?
4. Are residents satisfied with the shopping in or near the Homeownership Zone?

### ***Community Centers***

1. Are there community centers within the Homeownership Zone?
2. Is it easy for residents to get to community centers?
3. Do residents walk to them?
4. Are residents satisfied with the community centers in the area?

### ***Public Spaces***

1. Does the Homeownership Zone have good public spaces, benches, play areas for children, walkways, spaces between houses or between houses and sidewalks, parks, plazas, and so on?

2. Do residents use these parks and other public spaces?
3. Do residents spend time with their neighbors in these places?
4. Is it easy for residents to get to these public spaces?

### ***Appearance***

1. Do the new houses match the other houses in the neighborhood or do they stand out?
2. Do you think the new houses look nice?
3. Does the neighborhood have a problem with abandoned cars or other abandoned items like discarded furniture and other trash?
4. Has blight been reduced in the neighborhood? (*We define blight as visible evidence of a lack of investment in the area. Blight includes abandoned cars, vacant houses, vacant lots, rundown houses, and so on.*)

### ***Safety***

1. Do you consider crime a problem in the neighborhood?
2. How bad are the following problems within the Homeownership Zone?
  - A. Abandoned houses.
  - B. Crime.
  - C. Drugs.
3. Does this neighborhood have less crime than surrounding neighborhoods do?

### ***Neighborhood Diversity***

1. Does the Homeownership Zone neighborhood have people of many races, income levels, and ages?
2. Have many new people moved into the Homeownership Zone area?

### ***Schools***

1. Are there schools within the neighborhood?
2. Are residents satisfied with these schools?
3. Is it easy to walk to the schools in this neighborhood?

### ***Recreation***

1. Does the Homeownership Zone have good places for recreation? Examples of recreation places include restaurants, bowling alleys, movie theaters, and so on.
2. Is it easy to get to these recreation areas?
3. Do residents tend to walk to them?

### **Observational Tour of the Neighborhood— Things to Look For**

1. Is there a centrally located park, a central plaza, or some other area of focus within the Homeownership Zone?
  - A. *(If yes)* What is this central feature?
2. Was this feature present before the Homeownership Zone started or was it built as part of the development process?
3. Do all streets have sidewalks or are sidewalks in the process of being constructed?
  - A. *(If no)* What estimated percentage of streets has sidewalks?
  - B. *(If yes)* Were these sidewalks present before the Homeownership Zone started or were they built as a part of the development process?
4. Are there bicycle paths in the Homeownership Zone?
  - A. *(If yes)* Were these paths present before the Homeownership Zone started or were they built as a part of the development process?
  - B. How many bike paths does the Homeownership Zone contain?
  - C. Where are these paths located within the Homeownership Zone?
  - D. Do these paths appear easy to use?
  - E. *How many people did you see using them during the site visit?*
5. What do the Homeownership Zone and the surrounding area look like? Check specifically for items and conditions in the following charts.

**Physical Appearance—Residential**

Homeownership Zone			Surrounding Area		
<b>Abandoned buildings</b>			<b>Abandoned buildings</b>		
None	Some	Many	None	Some	Many
<b>Abandoned lots</b>			<b>Abandoned lots</b>		
None	Some	Many	None	Some	Many
<b>Debris on streets, sidewalks, or abandoned lots</b>			<b>Debris on streets, sidewalks, or abandoned lots</b>		
None	Some	Lots of debris	None	Some	Lots of debris
<b>Abandoned vehicles</b>			<b>Abandoned vehicles</b>		
None	Some	Many	None	Some	Many
<b>Number of cars that are new and in good condition</b>			<b>Number of cars that are new and in good condition</b>		
None	Some	Many	None	Some	Many

**Physical Appearance—Commercial**

Homeownership Zone			Surrounding Area		
<b>Vacancies</b>			<b>Vacancies</b>		
None	Some	Many	None	Some	Many
<b>Abandoned buildings</b>			<b>Abandoned buildings</b>		
None	Some	Many	None	Some	Many
<b>Abandoned lots</b>			<b>Abandoned lots</b>		
None	Some	Lots of debris	None	Some	Lots of debris
<b>Debris on streets, sidewalks, or abandoned lots</b>			<b>Debris on streets, sidewalks, or abandoned lots</b>		
None	Some	Many	None	Some	Many

6. Do new buildings look like preexisting ones? *(Look at both the Homeownership Zone and the surrounding area.)*

7. What type of commercial development is present in the—

**Homeownership Zone?**

\_\_\_ None.

\_\_\_ Basic services (grocery stores, for example).

\_\_\_ Other shopping (for example, clothing, hardware, or furniture stores).

**Surrounding Area?**

\_\_\_ None.

\_\_\_ Basic services (grocery stores, for example).

\_\_\_ Other shopping (for example, clothing, hardware, or furniture stores).

8. What type of grocery store is present in the—

**Homeownership Zone?**

\_\_\_ Major grocery store.

\_\_\_ Mom-and-pop store.

\_\_\_ Both types of stores are present.

**Surrounding Area?**

\_\_\_ Major grocery store.

\_\_\_ Mom-and-pop store.

\_\_\_ Both types of stores are present.

9. Are people shopping in the zone?

10. Are people using public spaces?

11. To what extent has the transformation of public and private space resulted in greater or lesser community interaction? Examples of community interaction include people strolling or hanging out on the street or at community gathering places such as parks and plazas and on bike paths.

12. What are the “shared use” spaces?

*As much as possible, please identify these spaces on maps and in reports before your site visit. This preparation will help you determine whether these places are preexisting or newly constructed spaces. Alternatively, determine the status of shared use spaces through observation or by asking about them during the guided tour. Please note that shared space” can be public or private. Public spaces could include parks or community centers, for example. Private spaces could include fenced or unfenced spaces between homes that are accessible to more than one home.*

A. For each of these spaces, specify below whether the space existed before the Homeownership Zone started or if it was built as part of the project. *Also indicate who, if anyone, you noticed using the space during your visit.*

Space	Preexisting?	Built for project?	People using the Space
-------	--------------	--------------------	------------------------

**Additional Questions**

*Here are some additional questions to ask during the site visit. (We may want to organize this list differently. Perhaps we need to incorporate the questions below into the other questions listed above instead of treating them as a tacked-on list like this.)*

1. Does the Homeownership Zone “feel” like a distinct neighborhood?
2. Is the lighting sufficient at night? *(This observation requires driving through the neighborhood at night.)*
3. Are the home units in good condition and properly maintained?



4. Does there appear to be racial diversity within the Homeownership Zone?
5. Does the neighborhood have significant greenery such as trees, bushes, and flowers or is it a “concrete jungle”?  
How does the neighborhood’s landscaping compare with that of the surrounding community?
6. What condition are the streets in?
7. Are yards kept clean and trimmed and are they treated with care?
8. Are there signs of children playing, riding bikes, or otherwise enjoying themselves outdoors?
9. Are civic or community centers present?
10. Are these facilities located centrally so they can become a center of community activity?
11. Are any schools or learning centers located within the Homeownership Zone? Are amenities integrated within the neighborhood? Please list or describe these amenities.
12. Are there adequate public spaces within the neighborhood? Please list or describe these spaces.
13. Are the new developments linked to their surroundings or do they stand out as distinct spaces separate from their surroundings?
14. Has urban blight been reduced in the neighborhood? *(We define blight as visible evidence of a lack of investment in the area. Blight includes abandoned cars, vacant houses, vacant lots, rundown houses, and so on.)*
15. Is traffic congestion a problem in the neighborhood?
16. Are neighborhood amenities such as stores, libraries, and entertainment venues easily accessible?
17. Do the Homeownership Zone’s architecture and landscape reflect local history and building practice?
18. Have historic areas been preserved?

## **Appendix D. Maps and Pictures**

This appendix includes maps and summary statistics for the 11 active Homeownership Zone (HOZ) areas. Photographs of the HOZ sites and the new HOZ developments are provided for the indepth case study cities and the case study cities. Photographs are not included for the less intensive case study cities because these cities had not made significant progress at the time of this evaluation. Only Baltimore, Indianapolis, and New York City were nearing completion. Statistics for all of the areas reflect interim data.

More detailed case study information, including maps and statistics for individual HOZ sites, is available upon request from the U.S. Department of Housing and Urban Development (HUD). Those wishing to learn more about the individual HOZ strategies and outcomes may wish to directly contact the HOZ community. Appendix E provides a list of HOZ contacts.

### **Indepth Case Study Cities**

- Cleveland, Ohio—Villages of Central
- Indianapolis, Indiana—Fall Creek Place
- Trenton, New Jersey—Canal Banks

### **Case Study Cities**

- Baltimore, Maryland—Sandtown-Winchester
- Louisville, Kentucky—Park DuValle
- Philadelphia, Pennsylvania—Cecil B. Moore
- New York City, New York—Mount Morris
- Sacramento, California—Del Paso Nuevo

### **Less Intensive Case Study Cities**

- Buffalo, New York—Willert Park Village
- Flint, Michigan—University Park
- San Juan, Puerto Rico—Cantera Peninsula

## Baltimore, Maryland

### Sandtown-Winchester HOZ

The HOZ is located in West Baltimore. It is bounded by North Avenue on the north, Pennsylvania Avenue on the east, Lafayette Avenue on the south, and Monroe Street on the west. The Sandtown-Winchester HOZ site consists of 311 acres.

#### Map



#### Interim Data

Grant	Section 108	All HUD Funds	Approval Date	Contract
\$5,240,000	\$6,700,000	\$13,795,006	4/8/97	8/4/00
	Units Proposed	Current Units	Completed	Completion Date
Scattered	322	236	102	3/30/06
New		200	66	
Rehabilitated		36	36	
Sold (116 units)	Number of Units Sold to Homebuyers With 80% of AMI	Number of Units Sold to Homebuyers With 81–120% of AMI	Number of Units Sold to Homebuyers With More than 120% of AMI	Percentage of Units Sold to Low-Mod Homebuyers
	116			100%

AMI = area median income.

Source: April–June 2004 Homeownership Zone Progress Report

**2100 Block of Pennsylvania Avenue**



**2114 Pennsylvania Avenue**



### New Homeownership Development



### Rehabilitated Homes—Calhoun Street



### Pennsylvania Avenue Shops

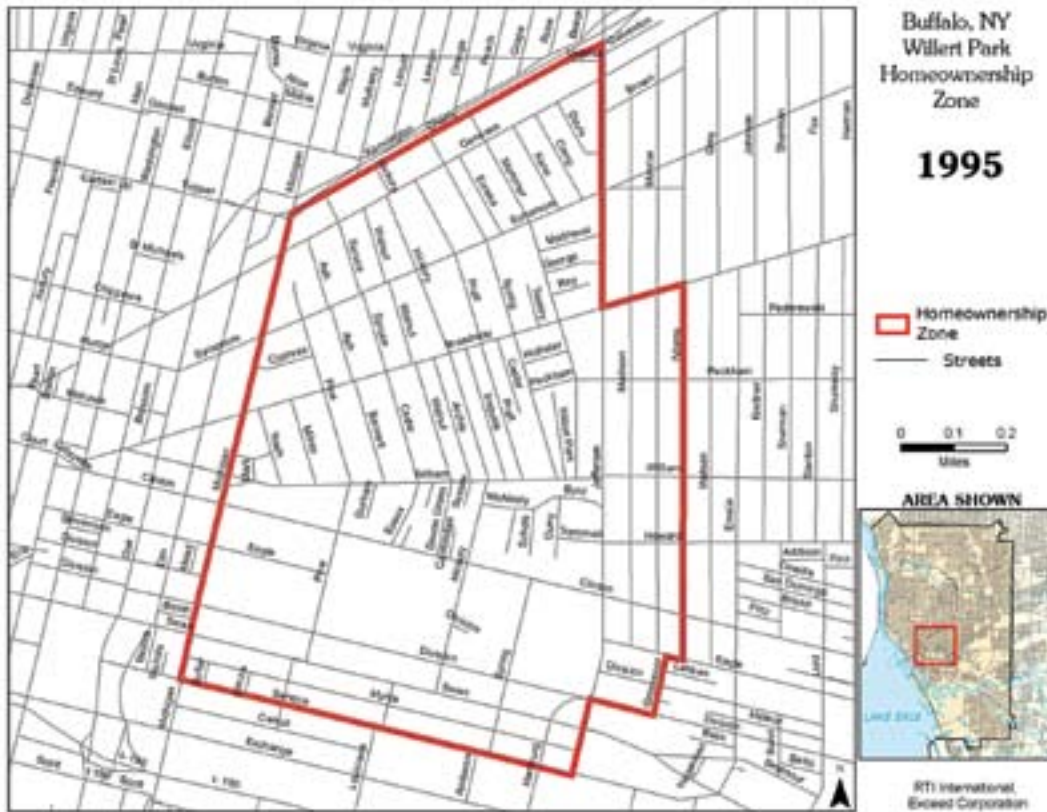


## Buffalo, New York

### Willert Park HOZ

The HOZ is located in the middle of Buffalo, just to the east of the central business district. It is bounded by Cherry Street on the north, Adams Street on the east, Seneca Street on the south, and Michigan Avenue on the west. The Willert Park HOZ site consists of 580 acres.

### Map



### Interim Data

Grant	Section 108	All HUD Funds	Approval Date	Contract
\$5,000,000	\$7,675,000	\$13,875,000	4/8/97	5/1/98
	Units Proposed	Current Units	Completed	Completion Date
Scattered	344	344	125	12/31/08
New		344	125	
Rehabilitated				
Sold (125 units)	Number of Units Sold to Homebuyers With 80% of AMI	Number of Units Sold to Homebuyers With 81–120% of AMI	Number of Units Sold to Homebuyers With More than 120% of AMI	Percentage of Units Sold to Low-Mod Homebuyers
	47	74	4	38%

AMI = area median income.

Source: October–December 2002 Homeownership Zone Progress Report

### New Development





## Cleveland, Ohio

### Villages of Central HOZ

The HOZ is located in Cleveland's East Side. It is bounded by Cedar Avenue on the north, East 71<sup>st</sup> Street on the east, Community College Avenue and Scovill Avenue on the south, and East 36<sup>th</sup> Street on the west. The Villages of Central HOZ site consists of 363 acres.

### Map



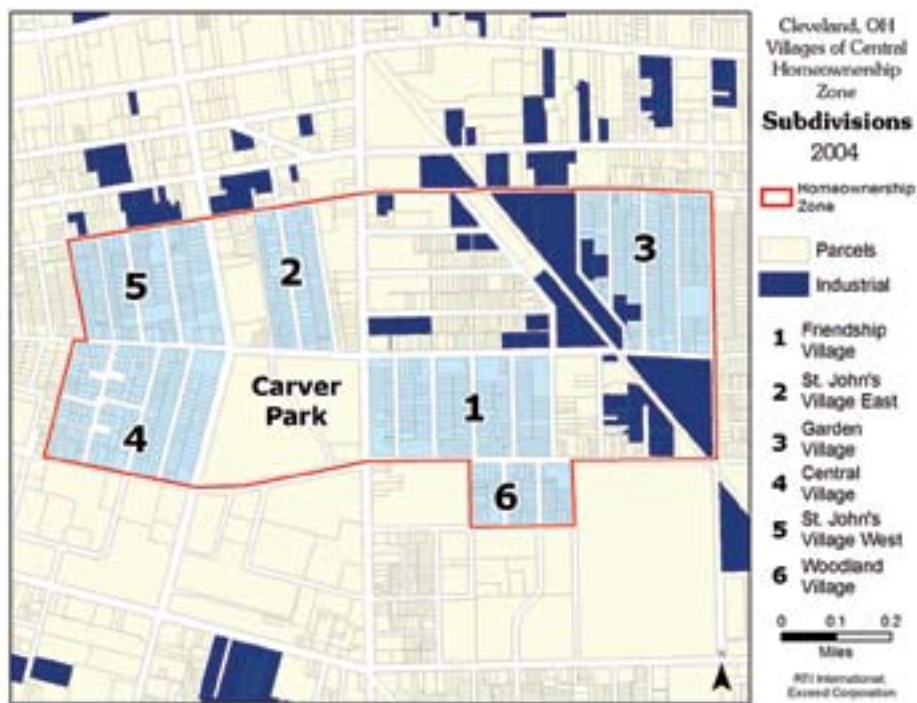
### Interim Data

Grant	Section 108	All HUD Funds	Approval Date	Contract
\$4,643,965	\$12,000,000	\$21,053,965	4/8/97	8/4/00
	Units Proposed	Current Units	Completed	Completion Date
Scattered	465	465	154	11/30/07
New		420	153	
Rehabilitated		45	1	
Sold (169 units)	Number of Units Sold to Homebuyers With 80% of AMI	Number of Units Sold to Homebuyers With 81–120% of AMI	Number of Units Sold to Homebuyers With More than 120% of AMI	Percentage of Units Sold to Low-Mod Homebuyers
	122	41	6	72%

AMI = area median income.

Source: July–September 2004 Homeownership Zone Progress Report

**New Development**



**Before Redevelopment**



**Infill Housing**



**East 68<sup>th</sup> Street Garden Village—Before and After Redevelopment**



### Friendship Village



### St. John's Village East



**St. John's Village East—Infill Housing**



**Senior Citizen Housing**



**Longwood Commercial Plaza Before and After Redevelopment**

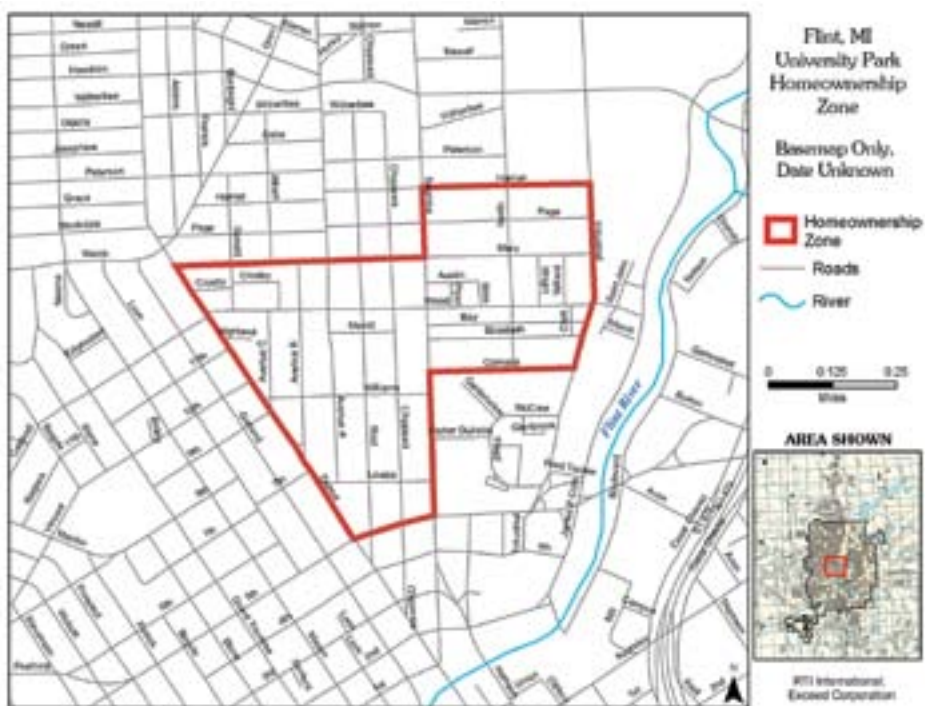


## Flint, Michigan

### University Park HOZ

The HOZ is located in the middle of Flint. The HOZ consists of two subdivisions that are distinct but connected. The west subdivision is bounded by Mary Street on the north, Saginaw Street on the east, Fifth Avenue on the south, and Martin Luther King Jr. Avenue on the west. The east subdivision is bounded by Harriet Street on the north, Industrial Avenue on the east, Cornelia Street on the south, and Saginaw Street on the west. The University Park HOZ site consists of 265 acres.

### Map



### Interim Data

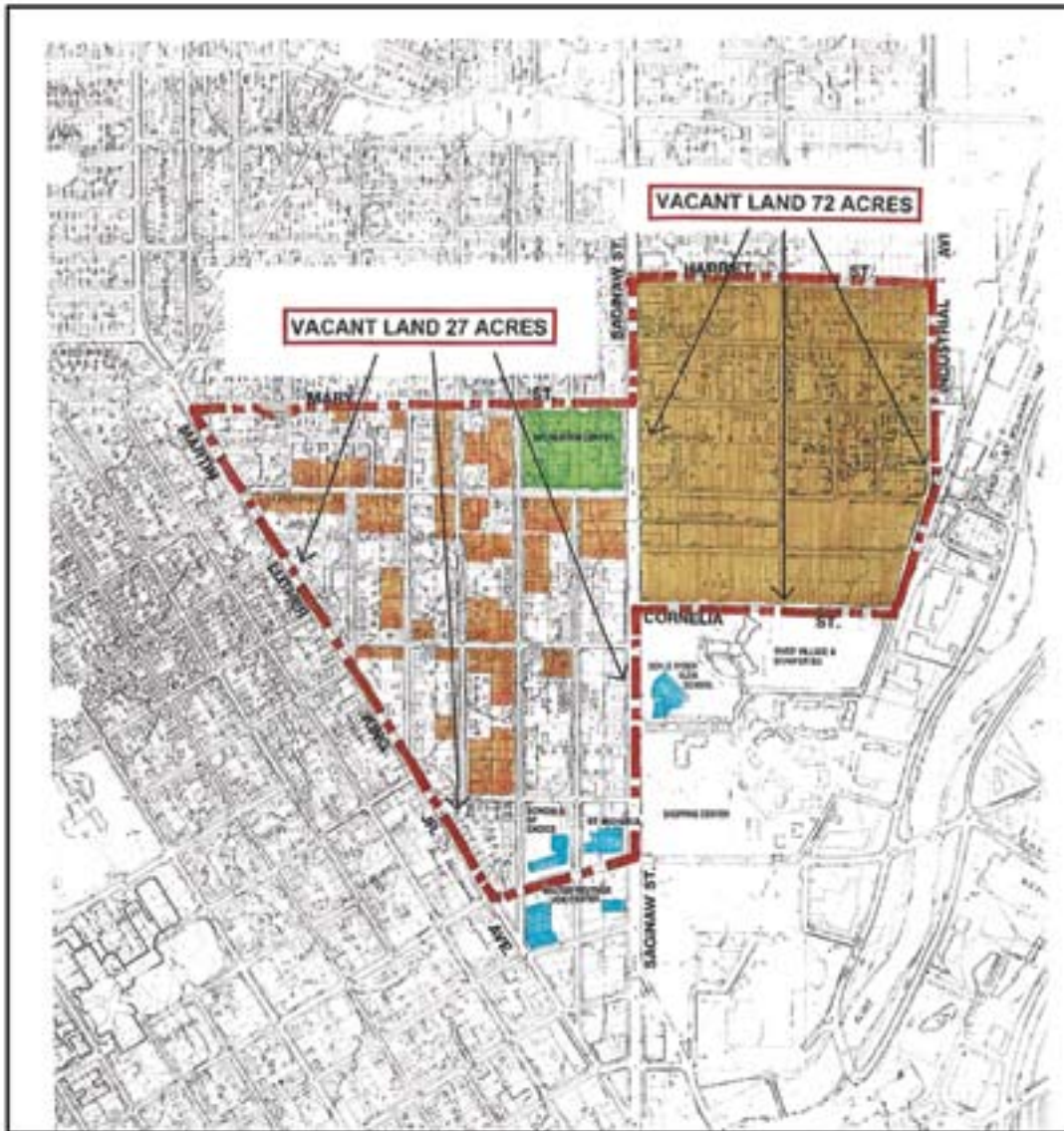
Grant	Section 108	All HUD Funds	Approval Date	Contract
\$2,013,000	\$0	\$7,433,738	3/27/98	8/3/98
	Units Proposed	Current Units	Completed	Completion Date
Infill/Compact	309	319	80	Unknown
New		269	69	
Rehabilitated		50	11	
Sold (66 units)	Number of Units Sold to Homebuyers With 80% of AMI	Number of Units Sold to Homebuyers With 81–120% of AMI	Number of Units Sold to Homebuyers With More than 120% of AMI	Percentage of Units Sold to Low-Mod Homebuyers
	3	63		5%

AMI = area median income.

Source: January–March 2004 Homeownership Zone Progress Report



**Vacant Lots Within the Homeownership Zone**

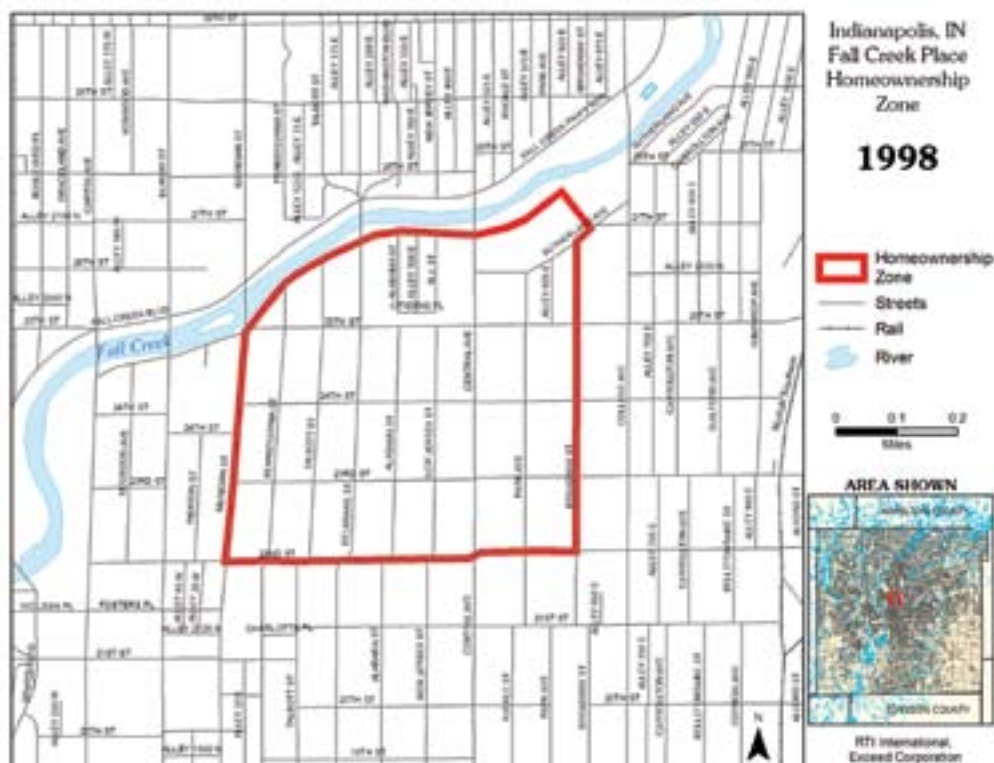


## Indianapolis, Indiana

### Fall Creek Place HOZ

The HOZ is located 2 miles north of the central business district. It is bounded by Fall Creek on the north, Broadway Street on the east, 22nd Street on the south, and Meridian Street on the west. The Fall Creek Place HOZ site consists of 189 acres.

### Map



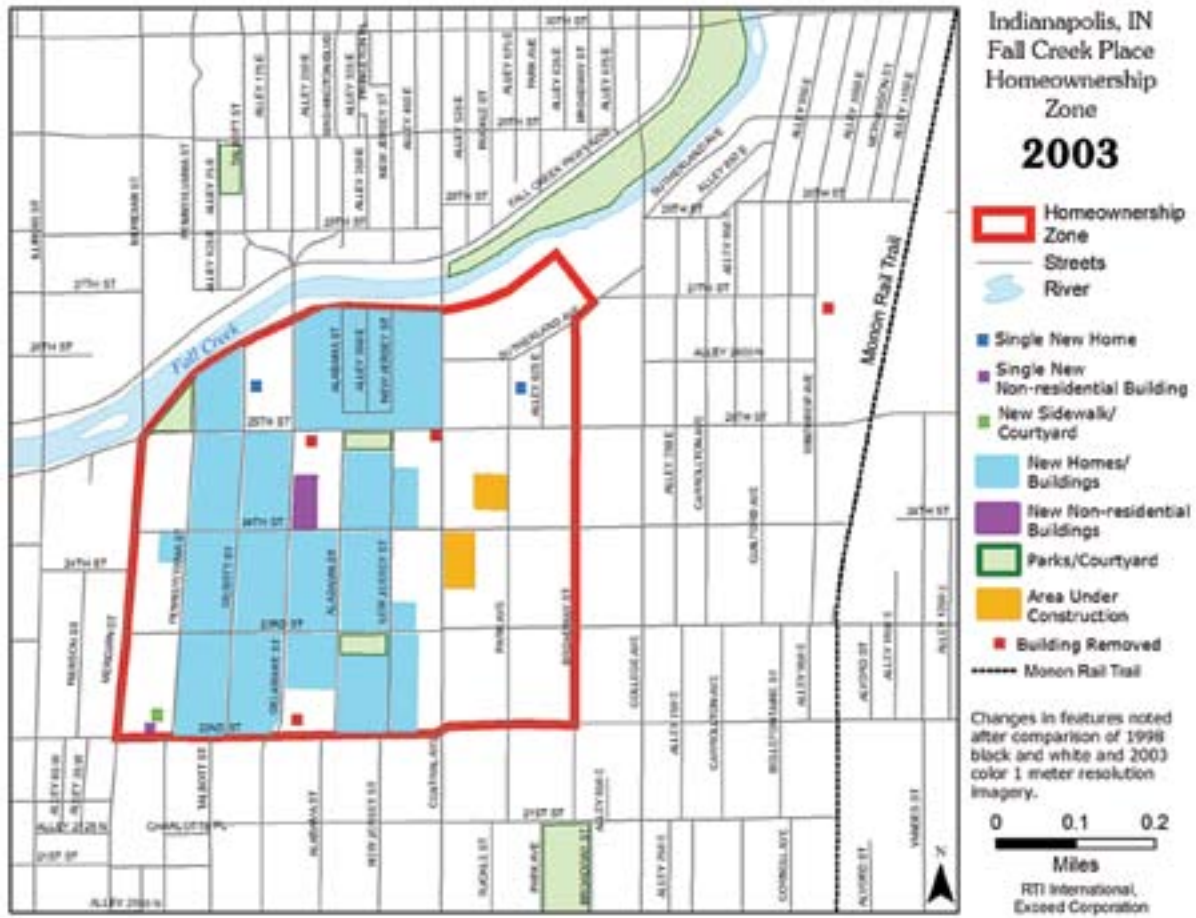
### Interim Data

Grant	Section 108	All HUD Funds	Approval Date	Contract
\$4,057,500	\$0	\$13,125,755	3/27/98	8/19/98
	Units Proposed	Current Units	Completed	Completion Date
Compact	269	300	261	12/31/05
New		253	224	
Rehabilitated		47	37	
Sold (259 units)	Number of Units Sold to Homebuyers With 80% of AMI	Number of Units Sold to Homebuyers With 81–120% of AMI	Number of Units Sold to Homebuyers With More than 120% of AMI	Percentage of Units Sold to Low-Mod Homebuyers
	129	128	2	50%

AMI = area median income.

Source: July–September 2004 Homeownership Zone Progress Report

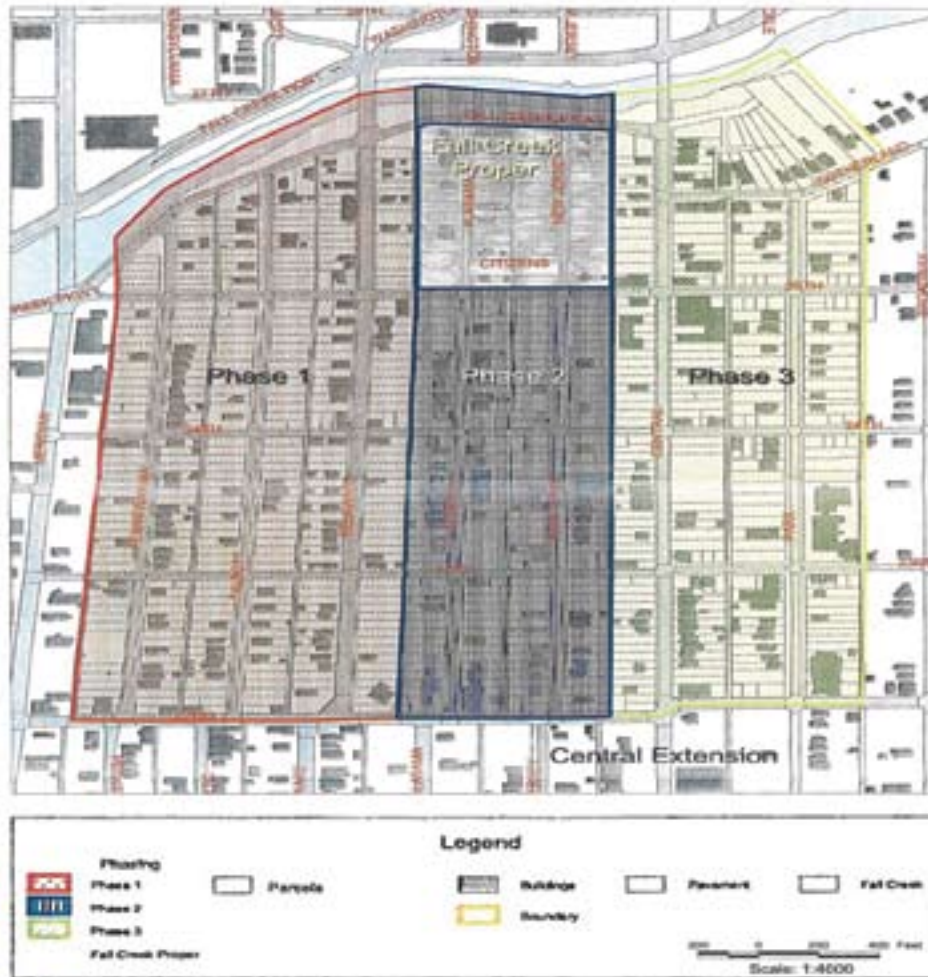
**New Development**



**Entrance Marker**



### Development Phases



### Welcome Center



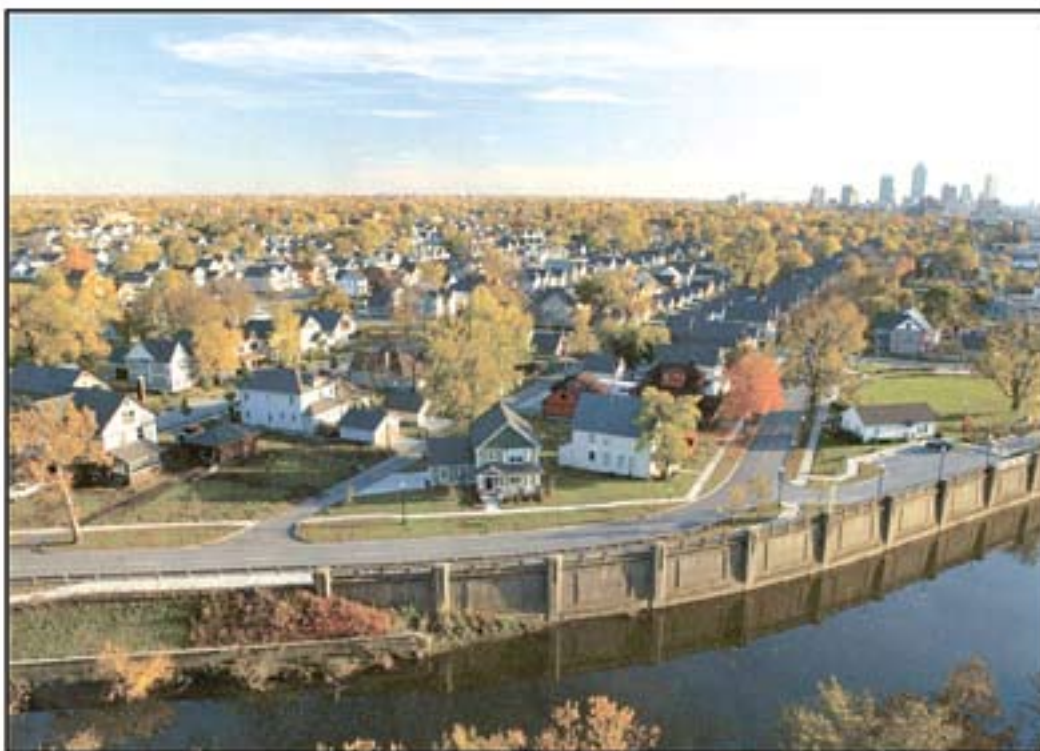
**23<sup>rd</sup> Street and Pennsylvania Street Before and After Redevelopment**



**2400 Block of Delaware Street Before and After Redevelopment**



**Completed HOZ**



## Louisville, Kentucky

### Park DuValle HOZ

The HOZ is located in Louisville's West End, 6 miles from the central business district. It is bounded by Russell Lee Park on the north, Algonquin Park on the east, Algonquin Parkway on the south, and Interstate 264 on the west. The Park DuValle HOZ site consists of 191 acres.

#### Map



#### Interim Data

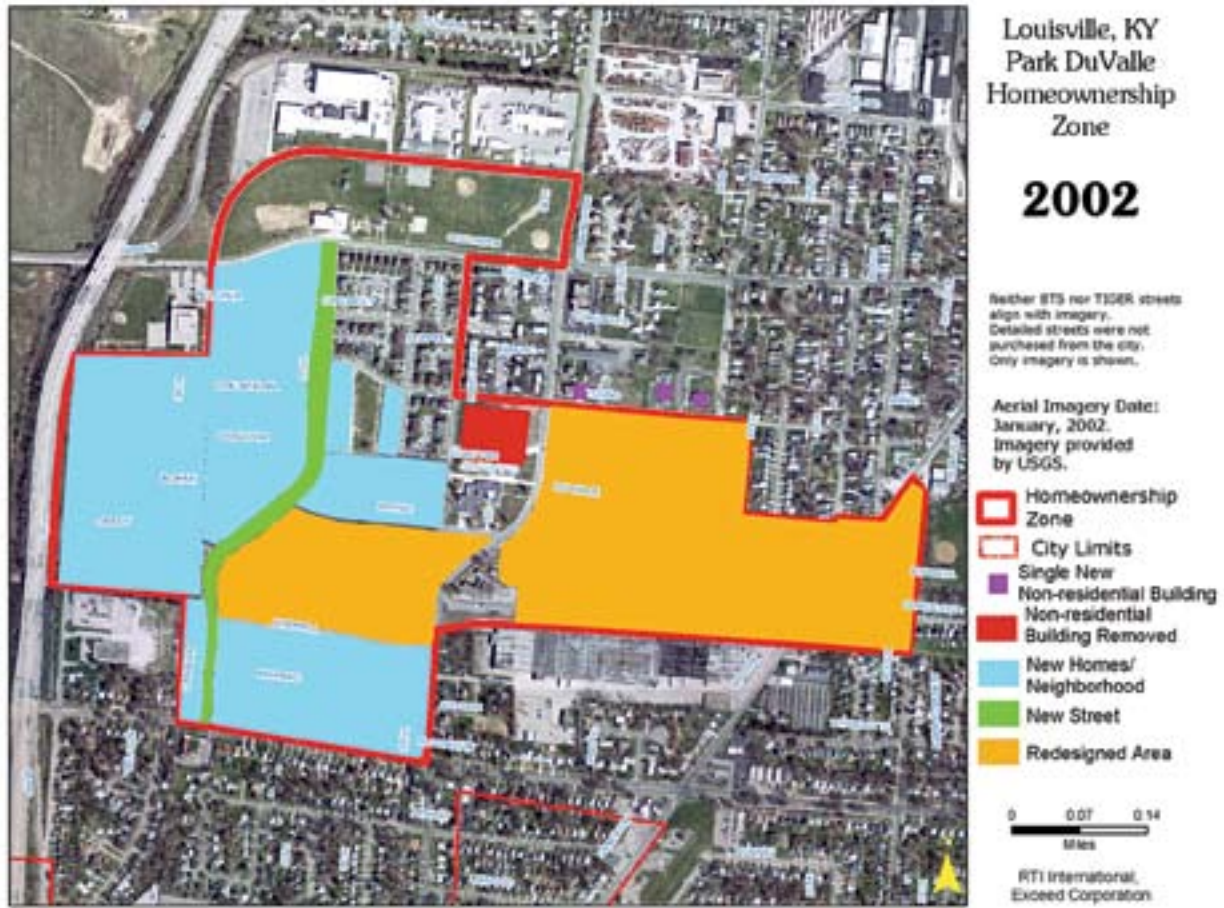
Grant	Section 108	All HUD Funds	Approval Date	Contract
\$4,600,000	\$5,000,000	\$23,770,000	4/8/97	10/31/98
	Units Proposed	Current Units	Completed	Completion Date
Compact	300	300	186	4/30/08
New		300	186	
Rehabilitated				
Sold (186 units)	Number of Units Sold to Homebuyers With 80% of AMI	Number of Units Sold to Homebuyers With 81-120% of AMI	Number of Units Sold to Homebuyers With More than 120% of AMI	Percentage of Units Sold to Low-Mod Homebuyers
	96	42	48	52%

AMI = area median income.

Source: October-December 2004 Homeownership Zone Progress Report



### New Development



### Marketing New Homes



### Sales Office



### New Homes Under Construction



**New Homeownership Housing—Phase 2A**



**New Homeownership Housing—Phase 3A**



### New Homeownership Housing



### New Rental Housing



### Rental Office and Community Center



### Community Center



### Town Center Community Health Center



### Town Center Rental Housing



### Town Center Commercial Space





## New York City, New York

### Mount Morris HOZ

The HOZ is located in Harlem, in northern Manhattan. It is bounded by 125<sup>th</sup> Street on the north, Park Avenue on the east, 116<sup>th</sup> Street on the south, and Adam Clayton Powell Boulevard on the west. The Mount Morris HOZ site consists of 184 acres.

#### Map



#### Interim Data

Grant	Section 108	All HUD Funds	Approval Date	Contract
\$4,654,500	\$0	\$4,654,500	3/27/98	9/24/98
	Units Proposed	Current Units	Completed	Completion Date
Scattered	120	121	109	7/31/05
New		121	109	
Rehabilitated				
Sold (121 units)	Number of Units Sold to Homebuyers With 80% of AMI	Number of Units Sold to Homebuyers With 81–120% of AMI	Number of Units Sold to Homebuyers With More than 120% of AMI	Percentage of Units Sold to Low-Mod Homebuyers
	64	57		53%

AMI = area median income.

Source: April–June 2004 Homeownership Zone Progress Report

**Before Redevelopment**



### Shabazz Gardens



### Mount Morris Homes



### Madison Park Homes



### Fifth Avenue Homes



## Philadelphia, Pennsylvania

### Cecil B. Moore HOZ

The HOZ is located in North Central Philadelphia, just a few miles from the central business district. It is bounded by Montgomery Avenue on the north, North Bouvier Street on the east, Master Street on the south, and North 20th Street on the west. The Cecil B. Moore HOZ site consists of 64 acres.

### Map



### Interim Data

Grant	Section 108	All HUD Funds	Approval Date	Contract
\$5,520,000	\$18,000,000	\$29,278,215	4/8/97	8/14/98
	Units Proposed	Current Units	Completed	Completion Date
Scattered	296	296	142	3/31/08
New		225	105	
Rehabilitated		71	37	
Sold (126 units)	Number of Units Sold to Homebuyers With 80% of AMI	Number of Units Sold to Homebuyers With 81-120% of AMI	Number of Units Sold to Homebuyers With More than 120% of AMI	Percentage of Units Sold to Low-Mod Homebuyers
	90	36		71%

AMI = area median income.

Source: July-September 2004 Homeownership Zone Progress Report

**Before Redevelopment**



### Rehabilitated Housing





### Historic Rehabilitation Under Way



### New Homeownership Housing





**Charter School**



## Sacramento, California

### Del Paso Nuevo HOZ

The HOZ is located in northern Sacramento. It is bounded by Silver Eagle Road and Interstate 80 on the north, Marysville Road on the east, Arcade Creek on the south, and the East Main Drainage Canal and Norwood Avenue on the west. The Del Paso Nuevo HOZ site consists of 163 acres.

### Map



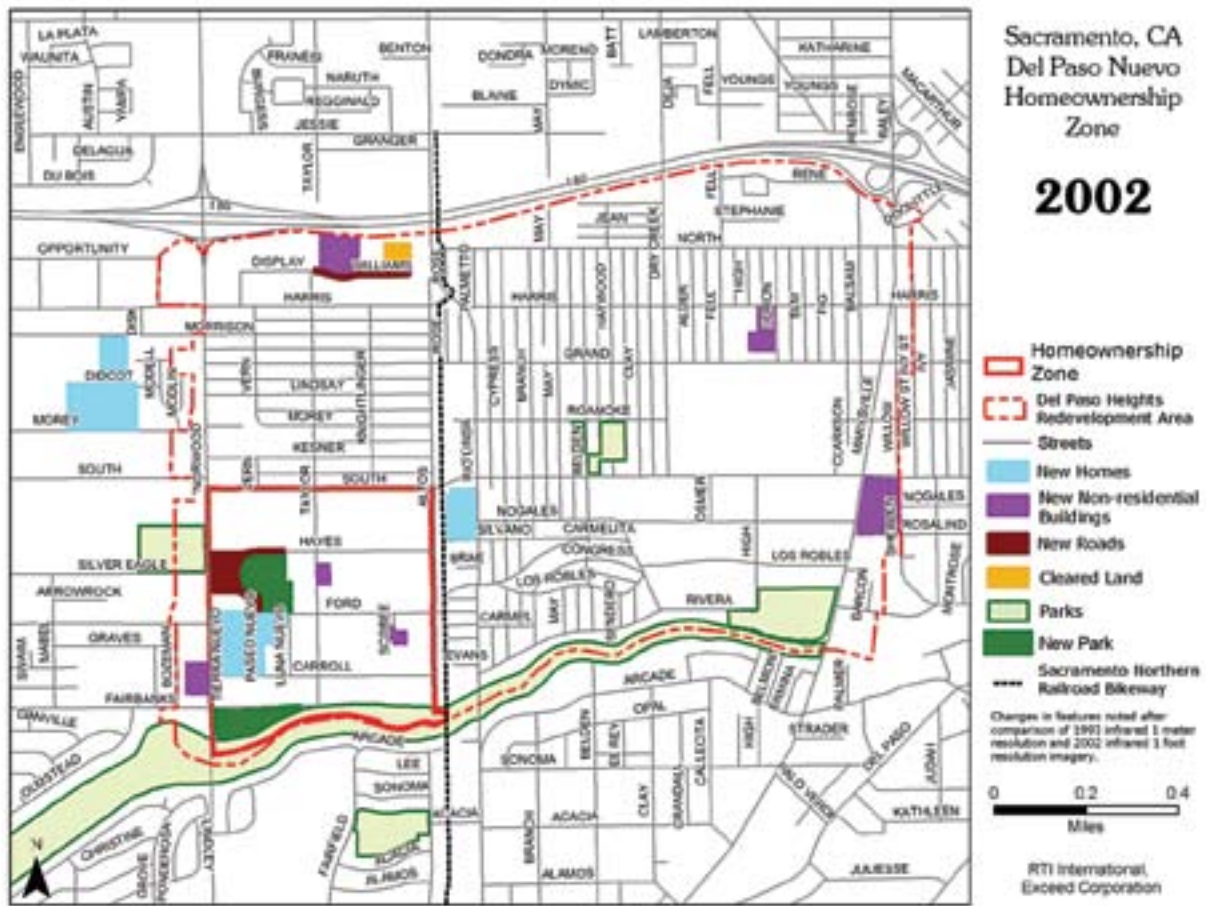
### Interim Data

Grant	Section 108	All HUD Funds	Approval Date	Contract
\$5,000,000	\$5,455,000	\$10,455,000	4/8/97	9/3/98
	Units Proposed	Current Units	Completed	Completion Date
Compact	300	300	77	7/31/08
New		300	77	
Rehabilitated				
Sold (77 units)	Number of Units Sold to Homebuyers With 80% of AMI	Number of Units Sold to Homebuyers With 81-120% of AMI	Number of Units Sold to Homebuyers With More than 120% of AMI	Percentage of Units Sold to Low-Mod Homebuyers
	40	30	7	52%

AMI = area median income.

Source: July–September 2004 Homeownership Zone Progress Report

**New Development**



**Before HOZ Development**



### Model Home Opening



### Completed Homes—Phase 1



### New Homeownership Housing



### New and Rehabilitated Homes



### Park



### Decorative Tile Markers



### Private Infill Development



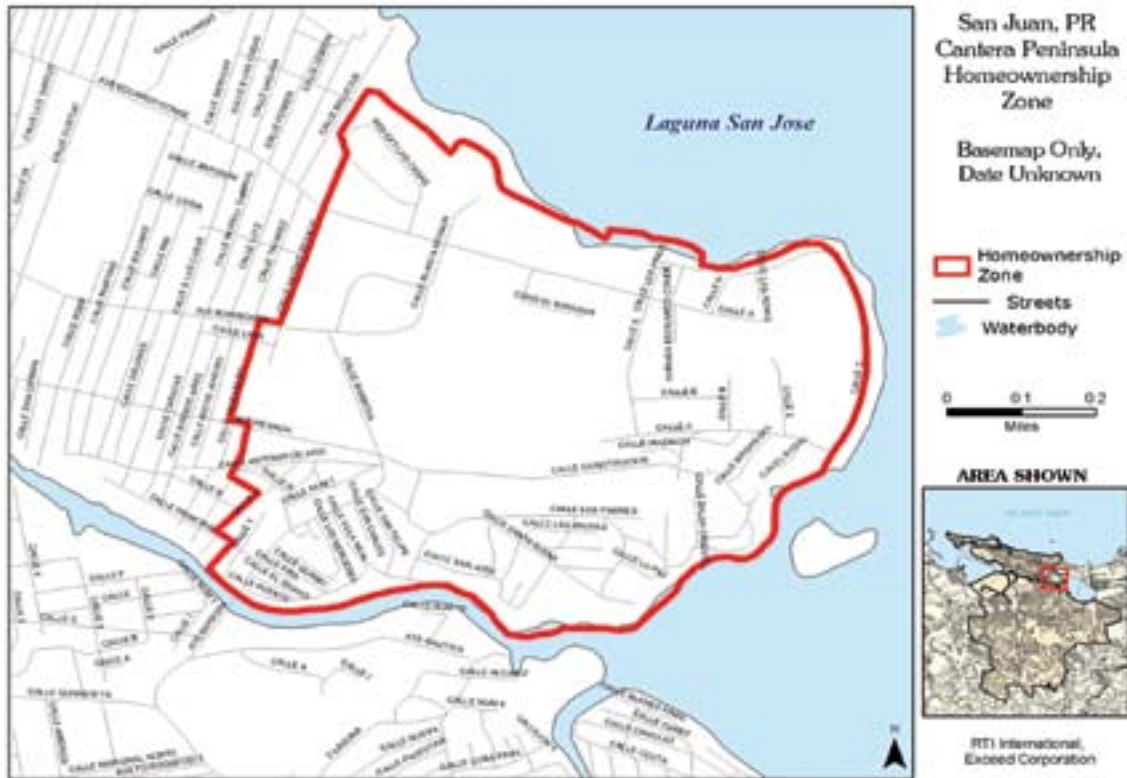


## San Juan, Puerto Rico

### Cantera Peninsula HOZ

The HOZ is a peninsula on the northern edge of San Juan. It is bounded by the Las Casas public housing project on the north and west, the San Jose Lagoon on the east, and the Martin Pena Canal on the south. The Cantera Peninsula HOZ site consists of 290 acres.

#### Map



#### Interim Data

Grant	Section 108	All HUD Funds	Approval Date	Contract
\$3,500,000	\$0	\$7,299,740	3/27/98	7/17/98
	Units Proposed	Current Units	Completed	Completion Date
Scattered	304	277	62	unknown
New		277	62	
Rehabilitated				
Sold (50 units)	Number of Units Sold to Homebuyers With 80% of AMI	Number of Units Sold to Homebuyers With 81–120% of AMI	Number of Units Sold to Homebuyers With More than 120% of AMI	Percentage of Units Sold to Low-Mod Homebuyers
	50			100%

AMI = area median income.

Source: April–June 2004 Homeownership Zone Progress Report

## Trenton, New Jersey

### Canal Banks HOZ

The HOZ is adjacent to the central business district. It is bounded by Pennington Avenue on the north, Bank Street on the east, West Hanover Street on the south, and Prospect Street on the west. The Canal Banks HOZ site consists of 213 acres.

### Map



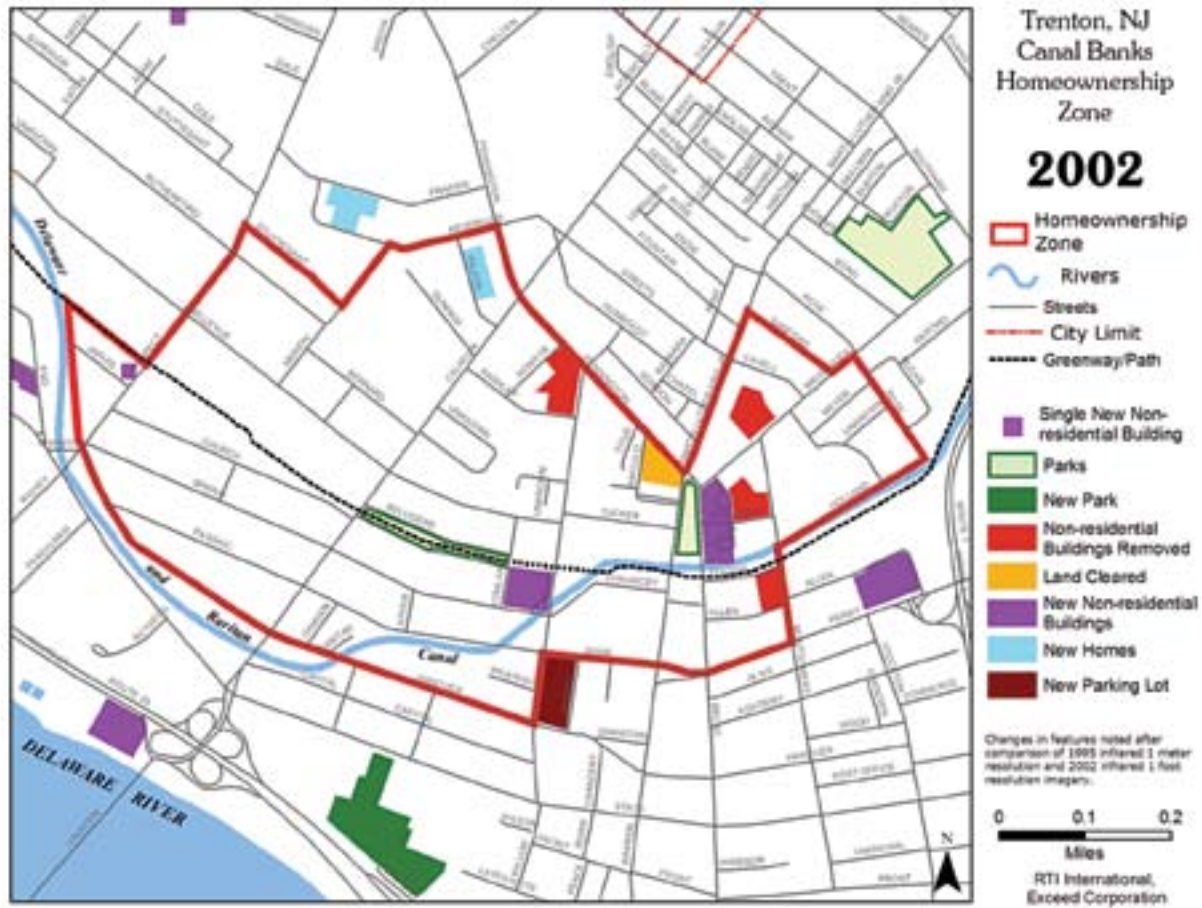
### Interim Data

Grant	Section 108	All HUD Funds	Approval Date	Contract
\$3,875,000	\$0	\$5,730,748	3/27/98	7/8/98
	Units Proposed	Current Units	Completed	Completion Date
Infill/Scattered	250	287	148	12/31/08
New		174	125	
Rehabilitated		113	23	
Sold (143 units)	Number of Units Sold to Homebuyers With 80% of AMI	Number of Units Sold to Homebuyers With 81-120% of AMI	Number of Units Sold to Homebuyers With More than 120% of AMI	Percentage of Units Sold to Low-Mod Homebuyers
	123	20		86%

AMI = area median income.

Source: July-September 2004 Homeownership Zone Progress Report

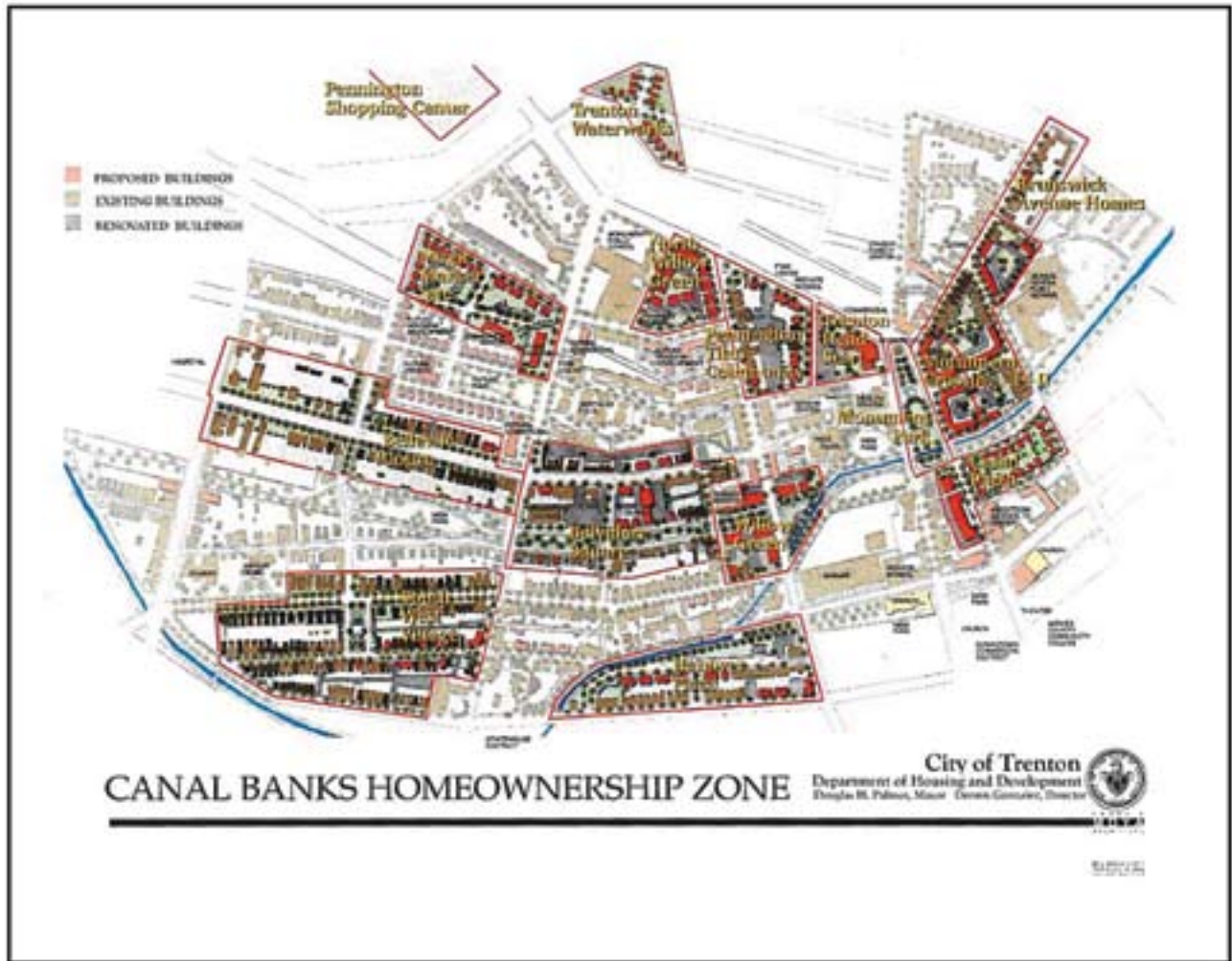
### New Home Development



### Monument Crossing I



### Development Areas



### Units Acquired for Rehabilitation



### Rehabilitation Under Way



**Bellevue Court—Historic Rehabilitation**



**Monument Square Townhouses—New Infill Housing**



**North Willow Green—Before**



**North Willow Green—After**



**Willow Green—New Infill Housing**







## **Appendix E. Homeownership Zone Contacts**

### **U.S. Department of Housing and Urban Development**

Hal Holzman  
Social Science Analyst  
Program Evaluation Division  
Office of Policy Development and Research  
U.S. Department of Housing and Urban Development  
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Washington, DC 20410-4500  
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Ginger Macomber  
Homeownership Zone Coordinator  
Office of Affordable Housing Programs  
U.S. Department of Housing and Urban Development  
451 Seventh Street SW  
Washington, DC 20410-4500  
Tel: 202-708-2684 ext. 4605  
Fax: 202-708-1744  
Email: ginger\_macomber@hud.gov

### **Sandtown-Winchester Homeownership Zone – Baltimore, Maryland**

Paul T. Graziano  
Commissioner  
Baltimore Housing  
417 E. Fayette Street  
Suite 334  
Baltimore, MD 21202  
Tel: 410-396-8050  
Fax: 410-396-7771  
Email: paul.graziano@baltimorecity.gov

Clint Tearnan  
Economic Development Officer/Homeownership Zone Coordinator  
Baltimore Housing  
417 E. Fayette Street  
Baltimore, MD 21202  
Tel: 410-396-1652  
Fax: 410-685-5947  
Email: [clint.tearnan@baltimorecity.gov](mailto:clint.tearnan@baltimorecity.gov)

### **Willert Park Village Homeownership Zone—Buffalo, New York**

Timothy E. Wanamaker  
Executive Director  
Office of Strategic Planning  
920 City Hall  
65 Niagra Street  
Buffalo, NY 14202-3376  
Tel: 716-851-5035  
Fax: 716-854-0172  
Email: [twanamaker@city-buffalo.com](mailto:twanamaker@city-buffalo.com)

### **Villages of Central Homeownership Zone—Cleveland, Ohio**

Daryl P. Rush  
Director  
Department of Community Development  
601 Lakeside Avenue  
Cleveland, OH 44114  
Tel: 216-664-4000  
Fax: 216-664-4006  
Email: [drush@city.cleveland.oh.us](mailto:drush@city.cleveland.oh.us)

Althea Ray  
Project Manager/Homeownership Zone Coordinator  
Department of Community Development  
601 Lakeside Avenue  
Suite 320  
Cleveland, OH 44114  
Tel: 216-664-4098  
Fax: 216-420-7965  
Email: [aray@city.cleveland.oh.us](mailto:aray@city.cleveland.oh.us)

### **University Park Homeownership Zone—Flint, Michigan**

Tamar Lewis  
Administrator  
Major Grants Division  
Department of Community and Neighborhood Services  
120 E. 5th Street  
Room N102  
Flint, MI 48502  
Tel: 810-766-7426 ext. 3001  
Fax: 810-766-7351  
Email: [tlewis@cityofflint.com](mailto:tlewis@cityofflint.com)

### **Fall Creek Place Homeownership Zone—Indianapolis, Indiana**

Maury Plambeck  
Director  
Office of Metropolitan Development  
200 E. Washington Street  
Suite 2042  
Indianapolis, IN 46204  
Tel: 317-327-3341  
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Jennifer Green  
Project Manager/Homeownership Zone Coordinator  
Office of Metropolitan Development  
200 E. Washington Street  
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Indianapolis, IN 46204  
Tel: 317-327-5861  
Fax: 317-327-5908  
Email: [jcgreen@indygov.org](mailto:jcgreen@indygov.org)

### **Park DuValle Homeownership Zone—Louisville, Kentucky**

Melissa Barry  
Director  
Louisville Metro Housing and Community Development  
745 West Main Street  
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Louisville, KY 40202-2633  
Tel: 502-574-3107 ext. 2322  
Fax: 502-574-4199  
Email: [melissa.barry@louisvilleky.gov](mailto:melissa.barry@louisvilleky.gov)

Stephen R. Ward  
Assistant Director/Homeownership Zone Coordinator  
Louisville Metro Housing and Community Development  
745 West Main Street  
Suite 300  
Louisville, KY 40202-2633  
Tel: 502-574-4315  
Fax: 502-574-1850  
Email: [sward@louky.org](mailto:sward@louky.org)

## **Mount Morris Homeownership Zone—New York City, New York**

Wendell B. Walters  
Assistant Commissioner  
Homeownership Programs  
Department of Housing Preservation and Development  
100 Gold Street  
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