Abstract

Realities and Perceptions: HOPE VI Poverty Deconcentration and Implications for Broader Neighborhood Revitalization

by

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HOPE VI was developed in 1992 as a program to demolish and revitalize the nation’s most severely distressed public housing. One element of the HOPE VI program is to move low-income households out of an environment of concentrated poverty and replace distressed public housing with a development that includes a variety of incomes, where the number and density of households in poverty is decreased. This policy of “poverty deconcentration” is now accepted and practiced by housing authorities as part of a greater prescription for neighborhood revitalization. However, there is little evidence to prove the merits of HOPE VI poverty deconcentration as a catalyst in neighborhood revitalization.

The focus of this thesis is to further define the link between policies of poverty deconcentration and neighborhood revitalization while offering insight about the expected long-term benefit of this policy for future HOPE VI planning. The two housing authorities responsible for developing Mandela Gateway in Oakland, California and Posadas Sentinel in Tucson, Arizona aimed to achieve the HOPE VI mandate of poverty deconcentration through two strategies. For this thesis, these strategies are categorized as development-based poverty dilution and neighborhood-based poverty dispersal, respectively.

This thesis relies upon interviews with key informants, document review, and some analysis of land use patterns in neighborhoods surrounding HOPE VI developments to investigate causality between two methods of HOPE VI poverty deconcentration and broader neighborhood revitalization. The main conclusions of this thesis are drawn from the interaction between the policies and practices of the local public housing authority and other public and private investors in the broader neighborhood.

Overall, this thesis finds that HOPE VI poverty deconcentration strategies alone are not enough to affect broader neighborhood revitalization, but are a critical element in changing the perception of public and private investors as they contemplate investment around the development. In both cases the poverty deconcentration strategy was implemented in a way that harnessed existing market forces for neighborhood revitalization. This thesis concludes with a discussion of the best practices to advance the critical goals of HOPE VI poverty deconcentration and offers an agenda for further research.

Keywords: Deconcentration, Dispersal, HOPE VI, HUD, low-income housing, neighborhood revitalization, poverty, public housing, scattered site, subsidized.

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Carrie Vanderford is a 2006 candidate for the Master in City Planning from the Department of Urban Studies and Planning at the Massachusetts Institute of Technology. While at MIT, Carrie has gained extensive experience in affordable housing development and project management. Most recently, Carrie worked with the Allston Brighton Community Development Corporation (ABCDC) where she was involved with the development of 150 units of affordable housing. Prior to her work at ABCDC, Carrie was part of the Boston-based Initiative for a Competitive Inner City (ICIC). This past summer, Carrie founded the MIT Summer Institute for Urban Leadership. Committed to public service, Carrie is most interested in the intersection of politics and community development. Originally from Kansas City, Missouri, Carrie received degrees in music and political science from William Jewell College in 2003 and is a 2002 Truman Scholar.

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Chapter One: Introduction, Literature Review, and Methodology

The Problem

Two critical elements of the HOPE VI program are the movement of low-income households from an environment of concentrated poverty and the replacement of distressed public housing with a development that includes a variety of incomes, where the number and density of households in poverty is decreased. This policy of “poverty deconcentration” is now accepted and practiced by housing authorities as part of a greater prescription for neighborhood revitalization. However, the assumptions behind this policy have not been fully tested. There is little evidence to prove the merit of poverty deconcentration as a catalyst in neighborhood revitalization.

The focus of this thesis is to further define the link between the policy of poverty deconcentration and neighborhood revitalization while offering insight about the expected long-term benefit of this policy for future HOPE VI planning. This thesis seeks to challenge the theory-based assumption and practice of public housing authorities that getting rid of poor people in public housing will improve the neighborhood. The research question to be answered in this thesis is whether and how HOPE VI policies of poverty deconcentration have succeeded as a strategy for broader neighborhood revitalization. If, in fact, poverty concentration in severely distressed public housing agitates social characteristics that cause neighborhood detriment and deterioration, then poverty deconcentration at HOPE VI developments should produce a more desirable, more revitalized neighborhood.

In this thesis the type of poverty concentration is narrowly defined as the concentration of very low income households that live in severely distressed public housing, as they have no other choice. These residents live in the proverbial “housing of last resort” and are one step away from homelessness. Social characteristics associated with this kind of concentrated poverty include high unemployment, single female headed households, low education levels, and poor physical health.

In two cases, interesting conclusions are drawn about the function of two poverty deconcentration strategies to change public and private investors’ political and social perceptions.
about the impact of public housing in the broader neighborhood. The political and social acceptance of HOPE VI developments by these actors demonstrates that deconcentration of poverty is a critical element in changing the stigma and blight perceived in the larger community by public and private investors in the broader neighborhood, although it is too soon in the lifecycle of the two present HOPE VI developments to tell the depth of this impact.

Causality of the relationship between HOPE VI poverty deconcentration and implications for broader neighborhood revitalization is tested through interviews of public and private investors and entities that have an interest in the revitalization of the neighborhood surrounding the HOPE VI development. Quantitative data alone are not enough of a description to get at the motivations and results of public and private investment in HOPE VI neighborhoods where there has been poverty deconcentration.

**The Cases**

This thesis considers the relationship of poverty concentration and neighborhood revitalization from the perspective of housing authority administrators and related public and private neighborhood stakeholders in two cases. These two perspectives offer evidence of the advantages and shortcoming of poverty deconcentration as a strategy for broader neighborhood revitalization and shed light on the importance of neighborhood trends, beyond the HOPE VI effort, that play into actors’ investment decisions. The residents’ perspective was not presented because it lies outside of the scope of information related to the original research question. However, the resident character and income mix in the severely distressed public housing and its related HOPE VI development are compared to one another to illustrate the relationship between who is served and the type of poverty deconcentration implemented in each case. It is clear from this comparison that an investigation about HOPE VI poverty deconcentration should not and cannot be considered separately from questions of who is served by HOPE VI.

Within the HOPE VI program, there are two widely-practiced methods available to housing authorities to deconcentrate the very low income households (specifically public housing-eligible households), although most HOPE VI grantees implement one of several variations on these two
strategies. One method is to relocate the poor from the original public housing and disperse them throughout the city or region by placing them in other public housing or by giving them a Section 8 rental voucher to find housing on the private market. However, this strategy often does not result in a truly scattered dispersal, as public housing residents are often placed in other low-income neighborhoods finding themselves once again in an island of poverty. The other widely-practiced poverty deconcentration method is to dilute the concentration of poverty onsite by adding higher income households to the same development. This dilution method is usually accompanied by a reduction in the number of original public housing units onsite.

**Posadas Sentinel in Tucson, Arizona,** is a case where the HUD policy of poverty deconcentration was achieved by moving public housing residents away from the HOPE VI site and adding households with higher incomes to the HOPE VI development. For this thesis, this strategy will be referred to as “neighborhood-based dispersal.”

The revitalization of Connie Chambers, as the former public housing was called, was planned to be a catalyst for public and private investment in the broader Barrio Santa Rosa. There were 200 units of traditional public housing at Connie Chambers available to households earning 50% of median area income or less. The City of Tucson demolished all 200 of the former public housing units and built back 120 duplexes and rowhouses in a mixed-income community. 60 of these units remain public housing and 60 units are affordable to households that earn up to 80% of the area median income. The City of Tucson acquired 140 scattered site units throughout Tucson intended for relocated households from Connie Chambers. However, according to the Community Services division of the City of Tucson, only 23 of the original 200 Connie Chambers households took one of these newly acquired units. Additionally, 10 new three-bedroom homes were constructed for homeownership, adjacent to Posadas Sentinel.²

Posadas Sentinel was developed under the 1996 HOPE VI revitalization grant and reflects a change in HUD direction from a policy that was mostly concerned with issues of resident and housing authority isolation to a program that now mandates neighborhood-wide transformation.

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¹ For a full listing of these strategies from FY 1997-2004, see Appendix A on page 111.
² See map of the location of the scattered site housing and the ten units of homeownership at Exhibits 1 and 2 on pages 34 and 35.
Alternatively, Mandela Gateway in Oakland, California, is a HOPE VI development where the policy of poverty deconcentration was achieved by maintaining the same amount of public housing on the site that existed before the HOPE VI revitalization grant and adding units to increase the number of households onsite that earn between 50-80% of the area annual median income. The Oakland Housing Authority pursued this strategy of “development-based poverty dilution” because the agency was able to acquire two parcels of land for the HOPE VI development that would allow the public housing units to be distributed over a larger area as additional units for households up to 60% of annual median income were added to the development. Further, one for one replacement of public housing units is a required operational standard for the Oakland Housing Authority and is mandated by the authority’s Board of Commissioners, which is not often a common constraint among US housing authorities. Mandela Gateway was developed under a 1999 HOPE VI Revitalization grant that takes seriously the notion of neighborhood revitalization through policies of public housing poverty deconcentration.

The two cases, Mandela Gateway and Posadas Sentinel, are important because they demonstrate two exemplary fixtures in a continuum of HOPE VI poverty deconcentration strategies. In both cases, the density of public housing households has been reduced. The degree to which this poverty deconcentration has translated into greater neighborhood revitalization is revealed as these two developments are situated in a larger spectrum of historical, economic, and political trends that define the co-evolution of both the development and its broader neighborhood.

**Background**

*The Evolution of HOPE VI and Poverty Deconcentration Policy*

HOPE VI is a Federal program that was developed to salvage and revitalize America’s worst public housing. Begun in 1992, the HOPE VI redevelopment program is often characterized by large-scale physical demolition and rebuilding, the deconcentration of poverty, the introduction of mixed-income populations to the former public housing, the inclusion of homeownership units, reduced isolation of the project and its residents from the broader neighborhood, and increased public amenities and supportive services for residents. Since its inception, the program

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3 Of the seven members of the OHA Board of Commissioners, two are public housing residents.
has evolved in its goals of physical revitalization of public housing to a program that now aims to catalyze broader neighborhood revitalization, beyond the physical housing.

Ostensibly, the planning policies of HOPE VI have always indicated funding prioritization of developments that spur positive revitalization spillover effects into the broader neighborhood. However, only since 1996 have these priorities of neighborhood revitalization have been expressly included in the annual HOPE VI Demolition and Revitalization Notice of Funds Available. From 1993 to 1996, the HOPE VI program expanded into a market-driven mechanism for broader neighborhood transformation (Zhang 2004).

Guiding the Federal HOPE VI program poverty deconcentration element was the Final Report of The National Commission on Severely Distressed Public Housing (NCSDPH), which was established in 1989 by Congress. The task of this Commission was to develop criteria and identify the nation’s most severely distressed public housing and develop an action plan to remedy the problem. When the Commission published its results in its 1992 Final Report, the group found that that 86,000 public housing units were severely distressed. As an indirect result of these findings and the subsequent report, Congress created the HOPE VI program, which has been reauthorized to the end of FY 2006.

The Commission’s Final Report describes severely distressed housing both in terms of physical and social deterioration. The report states, “Severely distressed public housing is not simply a matter of deteriorating physical conditions; it is more importantly one of a deteriorating – severely distressed – population in need of a multitude of services and immediate attention” (NCSDPH 1992: 46). The report further states, “It appears that public housing communities are less difficult to manage and that it is easier to provide greater benefits to all residents if there is a mix of incomes to include a greater number of households with members who are employed” (NCSDPH 1992: 69). The Commission found that that the conditions of poverty, physical deterioration, and crime in neighborhoods surrounding severely distressed public housing contributed to the conditions of severe distress (NCSDPH 1992:38).
As HOPE VI policy was developed, HUD adopted the recommendation from the 1989 Commission on Severely Distressed Public Housing that the over concentration of households in poverty was a major contributor to the high levels of social problems in distressed public housing (Popkin 2004). This assumption led Federal housing policy makers to develop public housing policy that included deconcentration strategies which moved poor, public housing residents to better neighborhoods and replaced distressed public housing with mixed-income communities (Popkin 2004).

More recently, the conventional quantitative wisdom finds that crime rates have declined and lending for residential and small businesses has increased in neighborhoods surrounding HOPE VI developments. Widely accepted among the scholars of public housing is the assumption that the presence of higher incomes in publicly subsidized housing can boost the purchasing power of residents in the development as a whole and create more demand for goods and services, which can help increase the neighborhood’s profit potential and attract potential investors (Zielenbach 2002). While inconclusive, recent research suggests that HOPE VI is part of a broader collection of revitalizing activity in the neighborhood (Zielenbach 2002, Turbov and Piper 2005).

A snapshot of HOPE VI program history illuminates the importance of poverty deconcentration and implications for broader neighborhood revitalization since the program’s inception in 1992. In his 1999 article “The Redevelopment of Distressed Public Housing: Early Results from HOPE VI Projects in Atlanta, Chicago, and San Antonio”, author Jerry Salama lists six major goals of the HOPE VI program based on legislative history and HUD’s annual Notices of Funding Availability (Salama 1999). These include:

1. Lessening the concentration of very poor residents and creating mixed-income communities, including off-site replacement housing serving diverse households
2. Creating partnerships to leverage additional resources
3. Implementing cost-effective plans
4. Providing opportunities for family economic self-sufficiency, particularly for persons enrolled in welfare-to-work programs
5. Building sustainable communities that include a physical design that blends into and enriches the urban landscape
6. Ensuring that affected residents and members of the communities have full and meaningful involvement in the planning and implementation of the revitalization effort

A search on the U.S. Department of Housing and Urban Development website turns up these “specific elements of public housing transformation that have proven key to HOPE VI”4:

1. Changing the physical shape of public housing
2. Establishing positive incentives for resident self-sufficiency and comprehensive services that empower residents
3. Lessening concentrations of poverty by placing public housing in nonpoverty neighborhoods and promoting mixed-income communities
4. Forging partnerships with other agencies, local governments, nonprofit organizations, and private businesses to leverage support and resources

Other important policies to transform public housing through the HOPE VI program have included (List adapted and augmented from Salama 1999 and Popkin 2004):

1. The elimination of Federal preferences for admission of very low income households to public housing, which allowed local public housing authorities to establish their own preferences for public housing admission. This law provided the regulations to allow public housing authorities to development housing that includes a mix of household incomes, up to 100% of area median income.
2. The elimination of the one-for-one replacement requirement for demolished public housing units.
3. The 1996 NOFA encouraged HOPE VI applicants to use mixed-financing strategies to combine public housing units with units funded by the Low Income Housing Tax Credit (for households up to 80% of area median income).
4. HOPE VI funds and operating subsidies were authorized for use by private entities other than the Public Housing Authority. The idea here was to increase private investment is severely distressed neighborhoods while introducing a mix of incomes to the public

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5. The Quality Housing and Work Responsibility Act of 1998 (QHWRA) was passed and required that 40 percent of a housing authority’s units made available in a year must be occupied by families with incomes at or below 30 percent of the area median income. This legislation requires public housing authorities to bring ‘higher-income tenants into lower-income projects and lower-income tenants into higher-income projects.’

Specific to the perceived broader neighborhood impacts of HOPE VI development, HUD now (since 1996) places particular policy emphasis on the level of involvement by local public, private, and nonprofit entities and community representatives in the preparation of the HOPE VI application. HUD encourages public housing authorities to create partnerships with other entities for the purpose of developing housing that fits well with the broader community and is seen as an integral part of it. Also considered is the extent to which the applicant housing authority coordinates HOPE VI neighborhood revitalization plans with other revitalization efforts in the broader community. HUD favors HOPE VI applicants that develop partnerships in the community to position redeveloped public housing as a catalyst for neighborhood revitalization.

Most relevant to the research presented in this thesis is the HOPE VI program emphasis on the extent to which the applicant proposes to “place public housing in nonpoverty neighborhoods or promote mixed-income communities where public housing once stood alone, thereby contributing to the positive change for residents of the development and the surrounding community” (HUD 1996: 38028). The two cases presented in this thesis, Tucson’s Posadas Sentinel and Oakland’s Mandela Gateway, aimed to achieve the element of poverty deconcentration through neighborhood-based dispersion and onsite, development-based poverty dilution strategies, respectively.
Historical Trends of HOPE VI Poverty Deconcentration

It is important to lodge the two types of poverty deconcentration studied in this thesis in a broader spectrum of HOPE VI poverty deconcentration strategies since 1996. By placing the two present strategies in a larger poverty deconcentration spectrum, it becomes clear that these two cases are exemplary of many other poverty deconcentration approaches across the country and across several years. When evaluating the poverty deconcentration strategies of all HOPE VI funded plans from 1997-2004, several trends emerge.5

First, in virtually all of the redevelopment plans the total number of public housing units, either onsite or offsite, is significantly reduced. Second, the households with higher annual incomes were often introduced to sites where there was a reduction in the number of public housing units. Third, many housing authorities planned to introduce homeownership in the HOPE VI development to create an influence of pride and ownership. Fourth, in very few instances the original number of public housing units were preserved onsite, but units designated to households up to 80% of the area median income were introduced to the development. Generally, the development would include 1/3 public housing and 2/3 homeownership and rental units for households up to 80% of AMI and some market rate rental and homeownership opportunities. Fifth, rather than preserving the public housing as rental units, often the public housing units were converted to lease-to-own units for households that would be eligible for public housing (household income at or below 50% AMI). Sixth, often housing authorities would develop two sites with public housing units split between both sites and situated among units for households at higher incomes. Seventh, there would be significantly fewer total units in the development than the previous public housing and significantly less public housing as part of the total. So, this was fewer overall units and significantly fewer public housing units than were on the site previously. Eighth, all of the units, both public housing and units for higher income households, were dispersed in a neighborhood or larger community while the total number of public housing replacement units was severely reduced.

5 See Appendix A for a full recount of these trends on page 111.
The Causes of Poverty Concentration

Before one evaluates the design and value of HOPE VI poverty deconcentration policies, it is critical to understand the theoretical underpinnings and empirical findings that define these policies. Several theories have emerged to explain the manifestation of concentrated poverty in areas where severely distressed housing is located, specifically in America’s inner-cities. These theories, in part, have shaped the Federal mandate of HOPE VI poverty deconcentration.

1. **The Outmigration of the Middle Class:** William Julius Wilson argues in *The Truly Disadvantaged: The Inner City, the Underclass and Public Policy* (1987), that the outmigration of higher income families from the inner cities makes the amenities of the inner city such as churches, commercial and retail uses, schools, and recreational facilities less viable thus leaving behind low-income households in a concentration of poverty as these households are unable to leave the inner city to find other opportunities for economic self-sufficiency. As joblessness and poverty concentrates in one area, Wilson argues that an isolated underclass emerges, distant from public and private amenities and separate from households with higher incomes. Wilson further argues that to reduce this concentration of poverty, neighborhoods must be infused with higher income households to increase public and private amenities which benefit low income households. Wilson makes a structuralist argument that the inner city urban underclass arose from a “complex interplay of civil rights policy, economic restructuring, and a historical legacy of discrimination” (Wilson 1987 quoted in Massey and Denton 1993).

Brophy and Smith (1997) find that the proximity of higher income households will “reduce the social pathology caused by the concentration” of poverty suffered by public housing residents. Themes of physical, economic, social, and political isolation are central to these two theories of poverty concentration, evident in both the Posadas Sentinel and Mandela Gateway cases.

2. **The “Spatial Mismatch Theory”,** documented most recently by Kasarda (1990) and Ihlandfedlt and Sjoquist (1998) and related in Goetz (2003), explains concentrated poverty as low income households are isolated in economically distressed areas away
from the dynamic growth centers of the economy that are often located in suburban and non-metropolitan areas, distant from America’s inner cities. This theory is especially relevant in the Mandela Gateway case, as West Oakland (the location of Mandela Gateway) has been isolated for decades from the mainstream Bay Area economy. However, this is beginning to change with the BART Station and the removal of the Cypress Freeway following the Loma Prieta earthquake in 1989.

3. **Race and Poverty Concentration:** Massey and Denton (1993) and Jargowsky (1997) add the element of race to explanations of poverty concentration. They find that households of color are more likely to live in areas of concentrated poverty and experience the pathologies associated with this concentration of poverty than non-colored households.

In Massey and Denton’s *American Apartheid: Segregation and the Making of the Underclass* (1993), the authors argue that residential segregation has created a structurally imbedded set of attitudes and behaviors that has caused a “culture of segregation” to flourish. They hold that this residential segregation has created an urban underclass that “devalues work, schooling, and marriage and that stresses attitudes and behaviors that are antithetical and often hostile to success in the larger economy.” They contend that this residential segregation has created isolated areas of concentrated black poverty.

Jarkowsky’s *Poverty and Place* (1997) provides a comprehensive look at neighborhood-level poverty in U.S. metropolitan areas between 1970 and 1990. His empirical research indicates several economic and social trends in areas of concentrated poverty. He finds that the drivers of increased neighborhood-level poverty are rooted in “structural changes in the economy have worked to the disadvantage of those with lower education and job skills, resulting in slow or negative wage growth for such persons” (Jargowsky 1997: 144). He also finds that the economic segregation within a minority group, (the flight of the black middle class from areas of poverty concentration) has contributed to these isolated pockets of inner city poverty. He writes, “Taken together, the macrostructural
explanations of neighborhood poverty – which hold that ghettos and barrios are the result of larger, metropolitan-level processes – can explain about four fifths of the variance in ghetto poverty” (Jarkowsky 1997: 144).

Understanding Neighborhood Decline and Revitalization: Definitions

A framework for this particular interaction and causal relationship between neighborhood decline and the presence of public housing has been argued by several practitioners and theorists. It is important to understand what is meant by “the neighborhood” when evaluating implications of public housing and poverty concentration in the decline and revitalization of these neighborhoods. For this thesis, I physically defined the studied neighborhoods by using the planning boundaries used in planning the HOPE VI development in each case. There are exhibits placed in each case’s specific chapter to describe these planning areas. At both Posadas Sentinel and Mandela Gateway, the neighborhood surrounding the HOPE VI site was considered in the housing authorities’ plans for the revitalized housing.

To begin to define neighborhood I asked, “What does a neighborhood mean to its residents and the users of its supported public and private amenities?” I wondered, “Is it that neighborhoods give residents and those outside of the neighborhood cues about safety, economy, accessibility, and health?” I found that often there are visual, social, or even emotional indicators that tell one when one enters a particular neighborhood and goes to the next. The presence of large blocks of severely distressed public housing plays a significant role in the perception of a neighborhood for both public housing residents and non-residents. Simply put, the form of housing in neighborhoods significantly contributes to our awareness about a place. In the two cases presented in this thesis, the perception and awareness of severely distressed public housing and its HOPE VI replacement have made a significant visual impact that served to create a tangible identity of the two studied neighborhoods. Before HOPE VI, these two neighborhoods had a veritable public housing identity.

For this thesis, a definition by Norm Krumholz found in his book with Dennis Keating, and Philip Star, Revitalizing Urban Neighborhoods, was used to define “the neighborhood.” Krumholz writes, “Neighborhoods are more than places to live; they are interactive components of a larger urban system, each affecting the other over time and space.”
This definition is useful because it describes a neighborhood as an urban form that is part of a larger network of social, physical, and economic cause and effect. In this thesis, the severely distressed public housing and its HOPE VI replacement are described as part of this larger network of underlying trends. Under this definition of neighborhood, it follows that a concentration of poverty that causes disinvestment in one neighborhood will have effects on the larger community and perhaps even the larger region of neighborhoods in terms of who lives where, which amenities are available in which neighborhoods, and perception of place.

In the book’s preface Krumholz writes, “Neighborhood initiatives are both a strategy and a metaphor for how America deals with its most significant urban problems.” According to the authors, neighborhoods are both a palate for change and a unit of disintegration. The authors are careful to acknowledge the work of individual leaders and neighborhood organizations as major institutions of change and revitalization in neighborhoods. This rings true in both cases presented in this thesis, as these neighborhood institutions had a major role in the development of the type and scale of poverty deconcentration at Posadas Sentinel and Mandela Gateway.

Although not particularly specific to the results and design of HOPE VI, the authors cite a major role for the Federal government in determining the fate of urban neighborhoods. The book states, “For the past several decades, it has been the Federal government that has played a critical role in determining the fate of urban neighborhoods, both positively and negatively.” The authors find the provision of housing, both public and private, is an important part of reclaiming neighborhoods. Federal support, such as the HOPE VI program, is key to this housing development (Krumholz 1999: 238).

For Krumholz and William Julius Wilson, it appears that a key issue to neighborhood revitalization is the return of the middle class to America’s inner city neighborhoods of concentrated poverty. Building on William Julius Wilson’s description of the origins of inner-city concentrations of poverty, Krumholz, et al. describe a trend of isolation and neglect in poor neighborhoods. They note, “As resources are directed to downtown redevelopment, neighborhoods have often been neglected. Trickle-down economics has not worked to benefit
the poor residents of distressed neighborhoods, who have not usually benefited directly in the form of jobs through downtown redevelopment.” Here, Krumholz is acknowledging that a mix of incomes and perhaps even a gentrification of a neighborhood is one of the key ways in which a neighborhood becomes revitalized.

In his 1981 book, *Neighborhoods and Urban Development*, Anthony Downs describes the revitalization of urban neighborhoods in terms of whether the average cost of occupying housing in the neighborhood has increased or decreased. This metric was used for this thesis. He believes that one can tell that a neighborhood is revitalizing if property taxes are rising. Downs also gives a list of indicators that indicate future neighborhood decline including land use changes, the entry of low-income households, lower income occupancy, declining public services and the presence of obsolete structures (Downs 1981: 18-19).

The perception of how the neighborhood “looks and feels” to residents and outside private and public investors is critical to Downs’s theory. This issue is particularly important to the two poverty deconcentration strategies used by the Tucson Community Services Department and the Oakland Housing Authority. Downs writes, “Each household in a neighborhood is affected by the surrounding households and by the expectations it has about these households” (Downs 1981: 16). He also finds that there are certain groups that are negatively affected by revitalization as residents on the lower end of the income spectrum are often displaced through market forces as their property values increase and they are unable to pay taxes and remain in the neighborhood. He writes, “The major costs of revitalization fall upon households who would not otherwise have moved but are displaced by rising occupancy costs they cannot afford to pay.” This issue of gentrification and displacement is central to the two cases presented in this thesis, as both HOPE VI developments are situated in neighborhoods where these trends are present.
The Relevance of this Thesis for the Intended Audience

The analysis and conclusions presented in this thesis bear significant relevance to policy makers at the Federal level and HOPE VI administrators at the local level. As HUD continues to require poverty deconcentration in public housing revitalization programs, it is useful for the Federal agency to understand the implications of this policy on the HOPE VI microneighborhood level, as demonstrated in the two cases presented in this thesis.

There is wide variance in Housing Authorities’ approach to poverty deconcentration. Some have been more successful than others in preserving public housing units in HOPE VI developments while addressing the mandate of poverty deconcentration. This thesis presents two cases that have successfully preserved all of the original number of public housing units while deconcentrating poverty and revitalizing the broader neighborhood. However, while all the public housing units were replaced either offsite or onsite, a very low percentage of the original families of the replaced public housing development returned to these units. This begs the question, “For whom are these public housing units replaced?”

If one measure of HOPE VI is its ability to revitalize the broader neighborhood, then these two cases provide valuable insight about the ability of poverty deconcentration measures to contribute to this revitalization. In essence, this thesis offers Federal and local HOPE VI actors a framework of analysis to inform their policy decisions about how and to what scale poverty deconcentration policies will be used to create positive neighborhood revitalization effects in HOPE VI housing and the broader neighborhood. This thesis is an alert to public housing policy makers and practitioners that the strategy of poverty deconcentration must be carefully examined as part of a HOPE VI neighborhood revitalization strategy.

This thesis is important given that the HOPE VI program is the only available Federally sponsored measure to revitalize public housing that reaches the most difficult to house families and individuals, although it is unclear who among these difficult to house really benefits from these HOPE VI revitalizations. As the demand for this type of housing continues to escalate as the HOPE VI budget is cut annually (and is up for reauthorization in FY2007), it is more
important than ever to demonstrate the impact of HOPE VI poverty deconcentration strategies for broader neighborhood revitalization to help make the case for reauthorization of the HOPE VI program or the initiation of a new program to replace America’s most severely distressed public housing and transform surrounding neighborhoods. In response to this ongoing critical shortage of public housing revitalization funding, this thesis serves as a coupling of cases that offer an empirical investigation to the outcomes of the HOPE VI program as it has been positioned to revitalize neighborhoods through a strategy of poverty deconcentration.

This thesis is relevant because it offers some conclusions about the HOPE VI poverty deconcentration and broader neighborhood revitalization. Previous research on this topic has not yet illuminated how changes in the microcommunity of a publicly subsidized housing project might impact more widely the high-poverty neighborhoods in which they are located through methods of HOPE VI poverty deconcentration. This thesis provides insight into the perceptions of public and private developers that wish to develop around these HOPE VI projects, thereby offering more evidence about the implications of poverty deconcentration for broader neighborhood revitalization. This research presents a mostly untold story that relates the question of who is served by HOPE VI with the success of the neighborhood revitalization catalyzed by the HOPE VI development.

As the two cases demonstrate, there is a key set of factors that make newly developed HOPE VI sites a sustainable and preferable alternative to the public housing that it replaced. While a strategy of poverty deconcentration makes pro-forma numbers work and perhaps satisfies the interests of public and private investors, is this strategy truly solving any of the long-term issues associated with neighborhood decline? Does the strategy of poverty deconcentration address the structural causes of neighborhood decline?
Literature Review

The literature review below describes key studies and current literature that have come close to answering my research questions around the implication of HOPE VI poverty deconcentration strategies for broader neighborhood development. Taken together, this review indicates that there is a research gap on the focused evaluation of the causality of HOPE VI poverty deconcentration strategies and related implications for broader neighborhood revitalization.

The Literature on HOPE VI Poverty Deconcentration

There is very little literature about the deconcentration of poverty, specific to HOPE VI development. The most prominent scholar of Federal housing-related poverty deconcentration strategies is Edward Goetz, of the Hubert H. Humphrey Institute of Public Affairs at the University of Minnesota. His recent book Clearing the Way: Deconcentrating the Poor in Urban America describes the history of Federal housing policy focused on the dispersal of subsidized families. Goetz presents a review of two generations of housing dispersal policy which laid the historical groundwork for HOPE VI policies of poverty deconcentration. He categorizes the first generation of dispersal policy as the time between the late 1960s through the mid 1970s, as part of the fair housing movement around issues of “racial discrimination and suburban exclusionism in housing (3).” The second generation of dispersion policy starts in the early 1990s, and is aimed at deconcentration poverty in urban areas. At this time, Congress began to associate the failures of public housing with the occurrence of concentrated poverty in these areas. He distinguishes these dispersal programs as either unit-based or tenant-based and how (or whether) the housing subsidy is targeted. He categorizes the HOPE VI program as a Unit-Based approach targeted at neighborhoods of concentrated poverty.

Although only briefly focused on the HOPE VI poverty deconcentration policies, Goetz contends that “the largest single programmatic effort at deconcentrating poverty has been the HOPE VI program.” However, he notes that there has been very little research of the question of HOPE VI poverty deconcentration policy impact on communities of concentrated poverty (2003: 69). Goetz defines HOPE VI poverty deconcentration as a triple-deconcentration as there are “fewer public housing units onsite, they are mixed with more nonpublic housing units, and the income mix within public housing is greater than before (11).” Just as the housing authorities at Tucson
and Oakland argue, Goetz finds that, “Neighborhoods of highly concentrated poverty produce negative community-level effects for cities” (29).

Goetz relates two main benefits to poverty deconcentration. Firstly, he finds that social problems decrease in previously concentrated neighborhoods. Secondly, dispersed low-income families experience improved living conditions and life opportunities (67). Both of these benefits were tested in at Posadas Sentinel and Mandela Gateway. My results show that residents in Posadas and Mandela are living in a place with fewer of the social pathologies that dominated the public housing that was replaced and the residents of these two developments are seemingly experiencing improved living conditions and life opportunities. However, the resident character of these developments is very different that the resident character of the former public housing. That is, the public housing residents of the HOPE VI developments in both cases are generally more predetermined to be striving for self-sufficiency and a higher quality of life, as management is tougher and screening policies are more detailed than at the former public housing. Goetz does not sufficiently account for this difference in residential character in his analysis.

Earlier, Schwartz and Tajbakhsh (1997) speak indirectly to Goetz’s contention of the community-level effects of concentrated poverty in an important Cityscape article entitled “Mixed-Income Housing: Unanswered Questions.” They found that while neighborhoods with a high poverty concentration tend to have higher levels of social problems than less poor neighborhoods, the link between neighborhood or project characteristics and behavioral and social outcomes is unclear. Similar to the questions that remain from this thesis research, Schwartz and Tajbakhsh ask, “What is it about socioeconomically heterogeneous neighborhoods and housing developments that leads to better outcomes? Is it the presence of role models or institutions providing social capital and job contacts?” They offer a research agenda that I have tried to pursue in this thesis. They propose, “Research on mixed-income housing is necessary to determine the extent to which reducing the concentration of poverty can also reverse the social problems connected to poverty.”

Jill Khadduri (2001) lays out three meanings of poverty deconcentration in Federal housing policy. These include:
1) “Creating income diversity within public housing developments that continue to be owned and operated by public housing authorities under the rules of the public housing program.”

2) “Creating income diversity in new or redeveloped housing projects, including former public housing projects redeveloped under the HOPE VI program.”

3) “Encouraging the use of tenant-based housing vouchers for families to locate in neighborhoods that will improve the life opportunities of family members.”

Particular to the research presented in this thesis is Khadduri’s finding that “the benefits of an economically diverse community (mixed-income) will be constrained or enhanced by the character of the surrounding area.” At both Posadas and Mandela, I found that the redevelopment of the former severely distressed public housing was only part of a larger continuum of blight and future revitalization for the broader neighborhood. However, in my cases it is evident that the revitalization of the former public housing was a significant element in the character of the surrounding area, which was enhanced by the new HOPE VI mixed-income developments.

Finally, much research has been conducted about the question of “Who is served?” in mixed-income developments, where poverty has been deconcentrated from previous levels. Reported in False Hope: A Critical Assessment of HOPE VI, researchers found that only 11.4 percent of former public housing residents have returned to HOPE VI sites. This is confirmed in both of the cases presented here as only 13 out of the original 46 Westwood Gardens public housing households returned to Mandela Gateway and only 17 of the original 200 households at Connie Chambers returned to Posadas Sentinel. The population that is served in the resulting HOPE VI development is vastly different than the population served at public housing that it replaced. This “creaming” effect through detailed screening caused many of the former public housing tenants to be ineligible for the new HOPE VI housing. A more detailed screening process was central to the poverty deconcentration strategies at Mandela Gateway and Posadas Sentinel presented in this thesis. Not only was there a deconcentration of very low income households, but the very low income households that were allowed to come back to the HOPE VI development were significantly different in terms of economic mobility and self-sufficiency than the public housing households in the former severely distressed public housing.
In his paper, *Mixed-Income Housing Developments: Promise and Reality* (2002), Alistair Smith finds that a mixed income development, such as a HOPE VI development, may have a role in creating a healthy neighborhood where households may be able to break the cycle of poverty, but suggests that other housing strategies may prove to be more effective in achieving overall neighborhood health. Smith questions whether property managers of these mixed-income developments apply stricter screening and management practices, thereby “curtailing the incidence of negative social behavior” that might have been caused by very low income households in areas of concentrated poverty (2). Smith echoes the questions that I had for Posadas and Mandela. Was it the poverty deconcentration or the difference in resident character that served to revitalize the broader HOPE VI neighborhood?

Brophy and Smith (1997) found that income mixing alone is not enough to help low income residents achieve upward economic and social mobility. They conclude that the biggest challenge to mixed income housing is “income integration in neighborhood settings where property management is not able to set behavioral norms.” Again, this study highlights the importance of property management in housing developments where poverty has been deconcentrated and tenants with higher household incomes are introduced. In short, Brophy and Smith find that deconcentration and income mixing is not an end to affect broader neighborhood revitalization.

Rosenbaum, et. al. (1998) studied Lake Parc Place in Chicago and offer some answers to this question of how mixed-income developments would serve low income tenants. The authors studied Lake Parc Place to find out the outcome and feasibility of public housing residents living in the same development as middle-income tenants. Lake Parc Place was originally a severely distressed project comprised totally of low-income residents. Its revitalization program included a mixed-income with half the units for non-public housing residents and half for low-income residents. The authors found that the middle-income tenants insisted that rules and regulations be strictly enforced and the safety at Lake Parc Place was improved. The authors did not conclude whether the improved safety at the development would lead to better economic and social outcomes for the public housing – low income residents.
Important Literature about HOPE VI Development and Broader Neighborhood Revitalization

Two other recent papers have considered issues related to the topic of HOPE VI as a catalyst for broader neighborhood transformation. Overall, there is an obvious gap in the literature that addresses the intersection of HOPE VI poverty deconcentration policies and broader neighborhood revitalization.

Similar to my conclusions, Turbov and Piper’s *HOPE VI and Mixed-Finance Redevelopments: A Catalyst for Neighborhood Renewal* (2005) addresses the force of the market as a determinant of whether the HOPE VI development will be able to catalyze broader neighborhood revitalization. The paper places four HOPE VI developments in a larger continuum of investment or disinvestment in the surrounding neighborhood. This was described especially well in the St. Louis case, where “public housing redevelopments respond to marketplace realities within a holistic neighborhood plan attract and boost credibility with private sector partners, investors, and philanthropies, facilitating the leveraging of public dollars.”

The aim of Turbov and Piper’s paper was to evaluate the effectiveness of the HOPE VI program to “jump-start wholesale neighborhood improvements, with HOPE VI funding as the catalyst for attracting other capital to financing large-scale neighborhood redevelopment” (v). The paper looked at four HOPE VI redevelopment projects in Atlanta, Louisville, Pittsburgh, and St. Louis. Key findings include:

1) “HOPE VI and mixed-use finance redevelopments have been able to bring market activity and quality of life back to long-neglected neighborhoods.

2) Improvements in HOPE VI developments and the surrounding neighborhoods were the result of well-planned and coordinated urban revitalization plans.

3) There are key policy recommendations, at both the Federal and local levels, to ensure the success of revitalization efforts.”

While there is very little focus on the poverty deconcentration strategies used in the four cases, the authors do present a caveat under the paper’s “Data Issues” section. They find that “measurable improvements may not merely result from the removal of low income residents
from the neighborhood” Meaning, that there are other causal factors including other revitalization happening in the broader neighborhood and underlying political and economic forces that include the HOPE VI strategy, but are not defined by it.

In this paper, the mixed-income development was evaluated holistically, as a comprehensive driver for economic change in the surrounding neighborhood. My thesis drills down a bit further and takes a specific element of this mixed-income development, poverty deconcentration, and attempts to determine causality between the method of poverty deconcentration and broader neighborhood revitalization.

Similar to Turbov and Piper’s paper, Sean Zielenbach’s *The Economic Impact of HOPE VI on Neighborhoods* (2002) examines the extent to which HOPE VI developments have contributed to the economic revitalization of distressed neighborhoods surrounding the developments. Confirming Turbov and Piper’s conclusions, Zielenbach finds that, “In short, neighborhood economic development is a gradual process, one that does not have any clearly definable end points.” He urges readers to view this study as “an analysis of early economic trends associated with the HOPE VI developments.”

Two of the qualitative case studies included HOPE VI projects emphasized a mixed-income development approach. In the paper’s conclusion, Zielenbach briefly mentions that, “Higher incomes [at these sites] translate into more purchasing power and thus more demand for goods and services, which can help increase the neighborhood’s profit potential in the minds of current and potential investors.” However, he does not specifically frame his questions of neighborhood revitalization around the strategy of poverty deconcentration employed at the HOPE VI developments as I have aimed to do in this thesis.

Using quantitative and some qualitative indicators, Zielenbach and his study team considered socio-economic changes and market indicators in the neighborhoods surrounding eight HOPE VI developments including: Techwood in Atlanta, Orchard Park in Boston, Earle Village in Charlotte, Quigg Newton in Denver, Kennedy Brothers in El Paso, Hillside Terrace in Milwaukee, Richard Allen Homes in Philadelphia, and Holly Park in Seattle. In Boston, Denver,
Milwaukee and Seattle qualitative case studies were conducted to identify changes in market perceptions of the areas and “particular factors for influencing these changes” (7).

My Contribution to the Literature
Past research on the question of HOPE VI poverty deconcentration and its implications for broader neighborhood revitalization has been sparse. Listed above are two of the most important recent studies that aim to evaluate the impact of HOPE VI development on broader neighborhood revitalization. Absent from these studies is a focused evaluation of the causality of HOPE VI poverty deconcentration strategies and related implications for broader neighborhood revitalization. Previous research has been rooted in a comparison of home values, poverty levels, and employment levels before and after the HOPE VI development and between neighborhoods with HOPE VI and those without HOPE VI. Without a careful analysis of the underlying political and economic trends in the subject neighborhood, it is difficult to discern the place of the HOPE VI development in the continuum of progress and revitalization in the neighborhood. These studies lack focused discussion and analysis about the role of poverty deconcentration to capture existing market forces of the neighborhood and to strengthen partnerships with other public and private investors both within and beyond the HOPE VI developments.

Quantitative data alone is not enough to understand the impact of HOPE VI poverty deconcentration on the behavior of public and private investors, which assumedly provide opportunities for employment and opportunities for increased residential and commercial development which, in turn, adds to the revitalization of the neighborhood of which HOPE VI is a part. Very little time has been spent interviewing public and private investors and examining the underlying neighborhood history and development trends surrounding this claim of HOPE VI-catalyzed neighborhood revitalization and its relationship to the HOPE VI poverty deconcentration method used. An attempt must be made to test the effects and outcomes of these deconcentration strategies as public housing administrators and public and private neighborhood investors proclaim and rely upon assumptions that HOPE VI poverty deconcentration leads to broader neighborhood revitalization.
My research presents an analysis of the origins and outcomes of two types of HOPE VI poverty deconcentration for broader neighborhood revitalization lodged in a larger continuum of neighborhood redevelopment over time and projected for the future. Qualitative in nature, my research echoes many of the conclusions presented by Turbov and Piper and Zielenbach, however through a lens of the HOPE VI poverty deconcentration mandate. The strength of my research contribution is the focus on interviews with neighborhood players to see how they perceive the role of HOPE VI as an element in broader neighborhood revitalization.

**Methodology**
The case study method was selected for this research because existing quantitative methodology to assess the impact of HOPE VI developments and broader neighborhood revitalization is not clearly understood without an accompanying qualitative analysis of the stakeholders involved and context surrounding poverty deconcentration as a HOPE VI development policy for broader neighborhood revitalization. The case study method provides this missing qualitative analysis. Many sources of information and evidence, beyond empirical data, were used to reach conclusions about HOPE VI and its effect on neighborhood revitalization through strategies of poverty deconcentration.

For each case, the neighborhood was defined by the area in which the HOPE VI administrators and planners intended to affect and revitalize through the HOPE VI grant. The exact border and description of these respective neighborhoods are described in each development’s chapter. For this thesis, neighborhood revitalization is defined in terms of the amount of poverty deconcentration that occurs in the subject neighborhood.

**Indictors Used for Measurement**
A standard set of measures were developed to present an empirical assessment between two cases. The aim of these indicators is to demonstrate the variety of influences that determined, how, when, and why neighborhood revitalization took place in the two cases in relationship to the strategy of poverty deconcentration employed at both locations.

1) Who was served before and after the HOPE VI development
2) The effect(s) of the change in perception of the neighborhood on the investment behavior of market and public investment
3) Strategies employed by the HOPE VI administrators to bring about neighborhood revitalization
4) Management and leasing strategies and their relationship to broader neighborhood revitalization
5) Differences in local leadership and organizational infrastructure to direct other resources for neighborhood revitalization to the HOPE VI neighborhood
6) The capacity of the housing authorities to respond to the idea of revitalizing more than the demolished public housing.
7) The use of HOPE VI dollars to leverage additional neighborhood reinvestment and produce additional housing units
8) Amenities, both public and private, and their alignment with the needs of the HOPE VI resident population
9) The importance of creating a mixed-income community to revitalize the neighborhood
10) The difference in public social services since the deconcentration of poverty occurred

Sources of Evidence

1) Documents including memoranda, written reports of events, HOPE VI planning and production proposals, progress reports, other studies and evaluations of the HOPE VI sites, and newsclippings and other mass media.

2) Archival records, including records that show who was served by the HOPE VI development and its preceding public housing, organizational charts of stakeholder involvement, budgets for the HOPE VI project including sources and uses, maps and charts of each HOPE VI location and its surrounding neighborhood, and survey data that indicates economic change that has been previously collected about each site.

3) Focused interviews in which stakeholders central to each case were interviewed for approximately one to two hours about a particular set of questions regarding to the research question, adapted conversationally for each interviewee.
Methodology Obstacles

While a good many conclusions may be drawn from the empirical research presented in this thesis, some methodological obstacles must be made clear.

1) Other influences for neighborhood revitalization are not controlled for when measuring the effect of HOPE VI on neighborhood revitalization. It is difficult to understand which neighborhood conditions, be it a new HOPE VI development or other condition, plays a role in determining outcomes for neighborhood revitalization.

2) The definition of neighborhood revitalization is not universally understood. The meaning of neighborhood revitalization is subject to the conditions of and context surrounding each evaluated HOPE VI case.

3) Every HOPE VI development is different in terms of size, geography, level of administrative and organizational sophistication, and ethnic, racial, and socioeconomic mix. This underscores the importance of qualitative research, as presented in this thesis, as an attempt to describe the specific context and circumstances surrounding HOPE VI neighborhood revitalization in each of the two studied cases.
Chapter Two:
Posadas Sentinel: HOPE VI Poverty Deconcentration by Neighborhood-Based Dispersal

*Posadas Sentinel is one of the few HOPE VI projects that actually does what HOPE VI aims to do.*
-Corky Poster

**Posadas Sentinel: HOPE VI Poverty Deconcentration by Neighborhood-based Dispersal**

Tucson, Arizona’s Posadas Sentinel HOPE VI development demonstrates the use and outcomes of poverty deconcentration for broader neighborhood revitalization through a method of “neighborhood-based dispersal.” This method is characterized by a reduction of the density of onsite public housing units (for households with incomes less than 50% of area median income) and the dispersal of public housing units into the wider neighborhood, beyond the bounds of the HOPE VI development. For Posadas Sentinel, this means that when Connie Chambers, the former public housing on the Posadas Sentinel site, was demolished and redeveloped, 60 of the original 200 public housing units were replaced onsite at Posadas. The remaining 140 units were replaced offsite in 130 newly acquired single family units throughout Tucson, with an additional 10 units reserved for elderly/disabled public housing eligible households. HUD waived the requirement that these scattered site units be placed in non-poverty, non-minority neighborhoods because the City scattered the units throughout Tucson.

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6 Interview with Corky Poster on 10/14/2005
Exhibit 1: The Map below shows most of the scattered-site units that were acquired by the City of Tucson to replace 140 public housing units that were not replaced onsite at Posadas Sentinel. While the sites are scattered throughout Tucson, it is clear that most of these sites are in low-income census tracts. The addresses of these scattered-site locations were mapped using the addresses that the Community Services Department used to obtain warranties on the homes before they were occupied by residents. Not all of the locations given by the City matched actual addresses and were therefore not plotted on this map. 80 out of 140 scattered site addresses matched in the GIS geocoding process. 23 out of the original 200 Connie Chambers households moved into one of these acquired units.

Source: City of Tucson, Community Services Department
Exhibit 2: The map below shows the location of the homeownership units associated with the development of Posadas Sentinel. These units are in close proximity to Posadas Sentinel and are available for households up to 80% of area median income.

Homeownership Units Built with Posadas Sentinel

Legend
- Posadas Sentinel Study Area
- streets
- Parcels
- Homeownership Units
- Posadas Sentinel Rental

Source: Tucson Department of Transportation, 2005

Map by: Carrie Vanderford, May 2006
This poverty deconcentration method of neighborhood-based dispersal is widely practiced across the spectrum of HOPE VI developments, but it is uncommon to provide replacement units for public housing relocatees rather than Section 8 vouchers. The outcomes for neighborhood revitalization in terms of increased public and private investment from this method of poverty deconcentration may be generalized to other HOPE VI developments where a block of economically, physically, and socially distressed public housing once caused broader neighborhood decay and disinvestment and the effect was reversed, in part, by reducing the number of public housing units on the HOPE VI and dispersing these units for very-low income households into the broader neighborhood.

This neighborhood-based method of poverty deconcentration was central to the initial Posadas Sentinel HOPE VI Project Goals, Criteria, and Requirements approved by the City of Tucson, Mayor and City Council in an effort to, “eliminate distress in a comprehensive community development strategy” and to “provide for reinvestment in housing and community with regard to employment opportunities, sustainable economic development, education, parks, culture and open space” (City of Tucson 1996). Simply put, the City recognized a need for affordable housing, but did not want policies and planning that would concentrate all of the public housing units in one geographic area, as the City believed that this concentration would cause deterioration in the surrounding neighborhood.

The decision to use neighborhood-based dispersal is a critical element of the City’s 2001 Public Housing Authority (PHA) plan, under which Posadas Sentinel was developed. The policy of scattered site public housing was the dominant characteristic for most of the City’s (here, the Community Services Department) public housing portfolio and has been a successful tactic in creating mixed-income neighborhoods throughout Tucson while preserving housing for public housing-eligible households. It was the belief of the City that a strategy of neighborhood-based dispersal of very-low income units would be an important means to achieve goals of reinvestment in the neighborhood surrounding the former public housing, Connie Chambers.

According to Melissa Shaff, FSS Coordinator at the City of Tucson, five original Connie Chambers households took Section 8 vouchers to replace their housing.

Refer to the maps in Exhibits 1 and 2 on pages 35 and 36 to note that these scattered site units were placed in block groups with a higher median household income than the census tract of Connie Chambers, although these scattered site units are located in the lowest quintile of median income for the Tucson metropolitan area.
This Posadas Sentinel policy of neighborhood-based dispersal of public housing units was not new to the City of Tucson. In the mid-1980s, Cressworth Lander, the Director of the Tucson Housing Authority, adopted one of the nation’s first aggressive scattered-site public housing policies. This historical scattered-site policy provided the proof that this type of poverty deconcentration worked in Tucson to create healthy, mixed-income neighborhoods with a strong mix of public and private investment.\(^9\) Given the comprehensive nature of the neighborhood revitalization goals of the Posadas Sentinel development, it was obvious to the project team at the City’s Community Services Department that neighborhood-based dispersal would be the best way to deconcentrate poverty at the former Connie Chambers site.

**Policies and Questions of the Case.**

The key policies and factors for neighborhood revitalization to be evaluated in this case are:

1. The method of poverty deconcentration used (At Posadas Sentinel “neighborhood-based dispersal”, at Mandela Gateway a “development-based dilution”, see Chapter Three)
2. The outcome(s) for neighborhood revitalization related to the method of poverty deconcentration at the HOPE VI site in terms of increased public and private investment in the census tracts surrounding the tract containing the HOPE VI development and historical poverty and median home sale prices in these tracts
3. The history of the relationship between development (residential, commercial, public infrastructure) and poverty in the subject census tract and surrounding tracts
4. The underlying political and economic trends affecting or affected by the subject neighborhood\(^{10}\)

Specific questions to be answered by this investigation include whether the neighborhood-based strategy of poverty deconcentration has different challenges, opportunities and results than the method of development-based dilution (as presented in the Mandela Gateway case in the following chapter); and, what public and private investment activities were already happening in

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\(^9\) Refer to Appendix B on page 129 for a full listing of the Tucson Public and Assisted Housing portfolio.

\(^{10}\) In the Posadas Sentinel case the “subject neighborhood” is described as the census tract containing the former public housing, Connie Chambers, and the new HOPE VI development plus the census tracts surrounding the HOPE development on all sides. For Posadas Sentinel, the City of Tucson focused on a specific area of emphasis for neighborhood revitalization efforts which comprises the Greater Santa Rosa Area. Maps of this subject neighborhood are in Exhibit 4 and 5 on page 42 and 43.
the neighborhood within and beyond Posadas Sentinel that may have influenced the impact of the HOPE VI poverty deconcentration as a factor for broader neighborhood revitalization.

These questions will be answered through:

A) A description of the history and chronology of the co-evolution (or disintegration) of both the HOPE VI development and the broader neighborhood. Specifically, the location of the Connie Chambers scattered site replacement units will be described to test whether these relocated families where dispersed to areas of low poverty concentration.

B) An identification of the causality between HOPE VI poverty deconcentration and neighborhood revitalization through interviews of public and private investors to gauge the influence of HOPE VI poverty deconcentration upon investment behavior in the neighborhood.

It is difficult to describe the causal relationship between a particular method of HOPE VI poverty deconcentration and its supposed outcomes for broader neighborhood revitalization. This causality challenge is present in the Posadas Sentinel case as much of the infill development in the subject neighborhood has been occurring since the 1970s. The small amount of retail and commercial development has remained mostly stagnant since 1970, if not declined slightly. However, residential development has increased as inversely the availability of developable parcels in the barrio have decreased significantly since 1970. Through interviews, historic document review, and census analysis it is clear that Posadas Sentinel, with its neighborhood-based dispersal of poverty, has been an important catalyst in the continuum of public and private investment in the Barrio Santa Rosa that began in 1970, and has likely shaped the way the Barrio will develop in the future. Examples of this catalytic effect will follow.

The exhibit below shows current land use in the Posadas Sentinel Planning area. This map indicates that in 2006, the Barrio Santa Rosa land use pattern is largely dominated by single – and multi-family housing. There is very little vacant land available or developable in the Barrio Santa Rosa. For a comparison of land use over time see Appendix C on page 130.
Exhibit 3: Current Land Use in the Posadas Sentinel Study Area, May 2006

Source: City of Tucson
Map by: Carrie Vanderford, 2006

Legend
- **Posadas Sentinel Planning Boundary**
- streets
- **Vacant Land**
- **Public Housing**
- Commercial
- **Multifamily Residential**
- **Single Family Residential**
The Subject Neighborhood: A Geographic Orientation

The planning area for Posadas Sentinel included the Barrio Santa Rosa, Barrio Historica, and West Ochoa neighborhoods which comprise the Greater Santa Rosa Area. The City used these boundaries to as a way to include neighborhoods surrounding the former Connie Chambers housing with the aim of planning for revitalization beyond the actual HOPE VI development. These three neighborhoods include, in part, the area that was once affected by the City’s urban renewal schemes of the 1960s as many low-income Mexican American households relocated from the adjacent Barrio Viejo to the Greater Santa Rosa Area as their homes were destroyed. Though all three neighborhoods were considered in the planning process, the Barrio Santa Rosa was designated as a separate “area of influence” to indicate the focus of the most intense planning issues and the site of the new Posadas Sentinel development (City of Tucson 1996).

The Physical boundaries of the planning area include:

1) Cushing Street to the north
2) The eastern border is Stone Avenue until it connects with South 6th Avenue at 18th Street
3) South along 6th Avenue to the northern border of the city of South Tucson.
4) The alley between 25th Street and 26th Street forms the southern boundary
5) Interstate 10 is the western boundary back up to Cushing Street
6) The economic development planning for this project included most of 6th Avenue

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11 See Exhibit 9 for a map the Barrio Viejo in relation to the Barrio Santa Rosa on page 49.
Exhibit 4: Context Map
Map by: Carrie Vanderford, May 2006
Source: ESRI Data and Maps, 2005.
Exhibit 5: Posadas Sentinel Study Area
Map by: Carrie Vanderford, May 2006
Source: City of Tucson and the Arizona Department of Transportation

Legend
- Area of Influence
- Greater Santa Rosa Area

Connie Chambers
Why were HOPE VI funds pursued for Connie Chambers?

Originally, HOPE VI funds were pursued for the site because the City and its public housing agency (The Community Services Department, Housing Management Division) believed that the Connie Chambers site was the housing of last resort in the City’s public housing portfolio and that it was severely physically and socially distressed. The only other concentrated public housing in the City’s portfolio in 1996 (the year that HOPE VI funds were granted for Connie Chambers) was Robert F. Kennedy Homes, which included 80 public housing units. The original Connie Chambers HOPE VI grant application states, “This property (Connie Chambers) is not feasible to rehabilitate. No amount of money can ever realistically ameliorate the inherent site/design deficiencies causing distress, nor rectify 30 years of disinvestment and deterioration it led to in neighborhood barrios, nor heal the indelible stigma that the complex and its vulnerable residents elicit community-wide” (City of Tucson 1996). Connie Chambers was the City’s largest development of concentrated public housing.

Exhibit 6: Pictures of Connie Chambers before its demolition. 1996.

At the time of the City’s HOPE VI application (1996), the population of the Greater Santa Rosa area was largely poor, predominantly Mexican American, and lacking essential community services such as job placement services and daycare (City of Tucson 1996). During 1995, as the planning for Posadas Sentinel took place, 90% of Connie Chambers households were headed by single females with children. 50% of families’ average earned income was less than 30% of the

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12 The City won a FY2000 HOPE VI grant for the redevelopment of Kennedy Homes, its second HOPE VI grant. A third HOPE VI grant was won in FY 2005 for the revitalization of Martin Luther King Apartments, which is a 96 unit elderly/disabled high rise development.
applicable Federal poverty levels, household turnover was 30%. Indeed, the census tract containing Connie Chambers and those census tracts immediately surrounding the development represented pockets of high poverty since 1970. In fact, with the exception of 1990, from 1970-2000 the census tract in which Posadas Sentinel is located has had the lowest annual household income compared to all abutting tracts. It is interesting, yet unexplainable, why the census tract to the north of Connie Chambers in 1990 had the lowest annual household income.


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13 A 30% turnover rate is quite high for public housing. When asked why the turnover rate was so high, the Posadas Sentinel Project Manager Olga Osterhage responded that residents reported feeling unsafe at the Connie Chambers property and that their own families were hesitant to visit them for fear that their vehicles would be vandalized or that they would be threatened. Residents felt that the site was not safe. Also, families did not like “families living on top of other families.”
Given the commitment from a variety of public and private partners, HOPE VI offered an opportunity to engage these investors in the redevelopment of housing and the surrounding neighborhood as funds were leveraged for broader neighborhood revitalization. When the HOPE VI grant was received, public and private partners had already taken an interest in the Greater Santa Rosa Area. The strategy of neighborhood-based deconcentration was important to these partnerships because the strategy helped to position the new HOPE VI development as a model for the mixed income community that the City and private investors envisioned for the Barrio Santa Rosa on a broader scale. The City of Tucson and related stakeholders saw potential in the revitalization of the Santa Rosa Area and it was clear to them that they could make a difference in the way it the neighborhood was developed by taking part in the HOPE VI planning process.

Karen Thoreson, the former Director of the Department of Community Services, is quoted in the Tucson Weekly as listing five reasons for obtaining the HOPE VI funds for the Connie Chambers site (Devine 2002).

1) Opportunities to improve housing for Connie Chambers residents
2) Improvement of public facilities including the development of child-care, learning and recreational centers in the neighborhood
3) Infrastructure improvements along south 10th avenue
4) Economic development efforts, including an $18,500 market feasibility study for possible new businesses along south Sixth Avenue; and
5) Achieving the overall goal “that people would be better off, safer and feel better about where they live but retain the unique character [of the barrio].”

14 Stakeholders involved in the HOPE VI planning process included: Tucson Unified School District; various City departments including Parks, Library, IT, and Transportation; non-profit housing builders; the Santa Rosa neighborhood association and Connie Chambers tenants; the City Manager and the City Council; and local infill developers (including two are that interviewed for this thesis).

15 Interview with Olga Osterhage, 2/25/2006
The History and Chronology of the Deterioration and Revitalization of Posadas Sentinel and the Greater Santa Rosa Area

Before evaluating the impact of the demolition of Connie Chambers and the development of Posadas Sentinel, the development and eventual demolition of Tucson’s very first permanent public housing project, La Reforma must be understood. Public housing in the Greater Santa Rosa Area, including La Reforma, Connie Chambers, and Posadas Sentinel, has an important link to Tucson’s 1960 urban renewal efforts which bears heavily on the placement of Posadas Sentinel in the continuum of the area’s revitalization. Below is a description of La Reforma, Connie Chambers, and Posadas Sentinel placed a timeline of development, destruction, and revitalization followed by a narrative of important underlying policy and economic trends in the co-evolution of these developments and their surrounding neighborhood.16

Timeline

1942 - February: The Tucson Housing Authority (THA), put out a request for bids to construct a 162-unit low-cost housing project as officials recognized a need for affordable housing in Tucson. This housing project, La Reforma, was the City’s first public housing development and was built to provide housing for Mexican American families living in the Barrio Santa Rosa.17 The THA announced that due to a “war emergency,” defense-employed families would be given priority to live in La Reforma over other low-income Mexican American families (Kelly 16). It was named La Reforma in reference to the period in Mexican history when Emperor Maximillian was overthrown, and the Republic of Mexico was established.

1943 - January: La Reforma began to fill with its first residents. Most of these residents were families of wartime workers (WWII).

1946: The Federal Public Housing Authority required the Tucson Housing Authority to revert to its original purpose of housing Mexican American low-income families at La Reforma.

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16 This timeline was developed using a variety of sources including clippings from the Arizona Daily Star, interviews with housing authority officials and public housing residents, and the book Don't Look at Me Different: Voices from the Projects Edited by Regina Kelly and published by Tucson Voices Press.

17 There would be no other construction of City-owned low-income housing until Connie Chambers was developed, some twenty years later.
1962: The demand for more public housing was projected to increase as plans for urban renewal in the adjacent Barrio Viejo were in progress.\textsuperscript{18} The Tucson Housing Authority asked the city to build 200 more La Reforma units in anticipation of the low-income families that would need to be relocated as a result of these urban renewal efforts. Already, the development was becoming one of last resort, as people were relocated there when they had no where else to go after the urban renewal destruction. Mr. Connie W. Chambers, the authority's executive director at that time, asked for the new units to be built next to La Reforma, on the west side. As a result, the City's only two public housing developments were positioned in close proximity, effectively creating a ghetto of concentrated low-income Mexican Americans. This would be the only publicly sponsored ghetto in Tucson, as it was the only area in Tucson where there would be such a density of poverty. This low-income, isolated nature of Connie Chambers was its predominant characteristic from the start.

Exhibit 8: Site map of Connie Chambers and La Reforma as the developments would have appeared in 1967. Map adapted from Don't Look at Me Different: Voices from the Projects.

\textsuperscript{18} See the map of the Barrio Viejo and its relationship to the Greater Santa Rosa Area in Exhibit 9 on page 49.
1964: By 1964 the forces of urban renewal descended upon the Barrio Viejo as Tucson’s urban renewal plan gave local officials the power to demolish 80 acres of historic buildings including 300 Sonoran adobes.19 About 1,200 people were uprooted and forced to relocate as the Tucson Convention Center, downtown governmental buildings and other surrounding structures were built (Devine 2002).

Exhibit 9: Map of Barrio Viejo in relation to Barrio Santa Rosa

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19 Before 1960, downtown Tucson (Barrio Viejo) included a high percentage of Tucson’s population. Barrio Viejo contained some of the first residences in the City, where immigrants from Mexico established themselves and their businesses.
1967: Families began to move into the new La Reforma units. City Officials began to refer to
the new units as Connie Chambers in memoriam of the former housing authority executive Mr.
Connie W. Chambers, who died two years prior, in 1965. As Connie Chambers was being built,
the City’s urban renewal plans were in full force as 29 city blocks were demolished in and
around the Barrio Santa Rosa. Many of the people that were displaced through this demolition
ended up at Connie Chambers public housing.20

1970 – December: An article appeared in the Arizona Daily Star by Jeff Smith. He reported
that the City of Tucson was pursuing the construction of 120 scattered site public housing units.
He wrote, “More than 160 poor families live in La Reforma…[the] row upon row of barracks-
like apartments are tough and enduring, but they concentrate poverty into the ‘project’ – with its
attendant social stigma” (Kelly 23). This proposal to construct 120 scattered site units of public
housing represents the City’s first policy discussion to deconcentrate poverty through the
neighborhood-based dispersal method.

The gentrification of the Greater Santa Rosa area began in the 1970s as middle income families
began to move into the Barrio. As land values rose, conflicts emerged around architecture and
land use between the new Anglos in the neighborhood and Mexican-American families who had
been in the Barrio for several generations. The gentrification that began in 1970 has continued to
present day.

Based on a historic scan of assessed property values for the years 1990, 1996, 2000, and 2006 it
appears that single family home values remained fairly stable until 2000. From 2000-2006,
property values escalated significantly and the amount of available, developable land was greatly
reduced in the Barrio Santa Rosa.21 This rapid appreciation of single family homes is mostly
due to escalating home prices rather than new construction, although infill rehab construction has
contributed significantly to the rise is median home value.

20 Email from Corky Poster on 4/14/2006.
21 See Appendix D on page 131 for a recent survey of property value escalation in the Barrio Santa Rosa.
Annual Home Sale Data for Zip Code 85701
Source: DataQuick Information Systems

<table>
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<th>Year</th>
<th>Median Price</th>
<th>Sales</th>
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<td>$73,200</td>
<td>28</td>
</tr>
<tr>
<td>1996</td>
<td>$74,500</td>
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<td>1997</td>
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<td>1998</td>
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</tr>
<tr>
<td>YTD2006</td>
<td>$284,235</td>
<td>18</td>
</tr>
</tbody>
</table>

85701 is the Barrio Santa Rosa zip code.

1974: City Councilman Ruben Romero proposed that La Reforma be demolished and that the public housing families be scattered in units around Tucson. The Arizona Daily Star reported that they would like to see “La Reforma replaced with homes owned by middle-class ‘non minority’ families in order to “bring a new balance to the neighborhood and its schools and bring an economic lift to the neighborhood and to downtown, just a few blocks away.” This article indicates two things: One, there was a perceived economic connection between the revitalization of the Santa Rosa Area and the adjacent Downtown Tucson, and two, that there was a recognized concentration of poverty in the Greater Santa Rosa Area comprised mostly of non-whites.

1979: Joel D. Valdez, the Tucson City Manager, applied to HUD to have La Reforma closed out. The application stated that, “La Reforma contributes to undue concentration of low income families in the area which is inconsistent with city and HUD objectives” (Kelly 24). This application suggests a policy orientation of the City toward public housing development that aims to eliminate high concentrations of public housing. While in most cities 200 units would not be considered a high concentration of public housing, in Tucson this was the largest traditional public housing development in the City’s portfolio both then and now.
1983: La Reforma was demolished and scattered-site public housing units were purchased for the households of the former La Reforma development.22

1995: The City was awarded a HOPE VI planning grant to develop a comprehensive plan for the Connie Chambers project and the Greater Santa Rosa neighborhood.

1996: The City of Tucson was awarded a $14.6 million HOPE VI Demolition and Revitalization Grant.

2001: Families began to move into Posadas Sentinel. The Community Services Department at the City also acquired 140 newly constructed scattered site units for former Connie Chambers residents. Seventeen Connie Chambers families returned to Posadas Sentinel, while 23 of the original 200 households at Connie Chambers went to the new scattered site units. Approximately 77 other Connie Chambers households moved into either an existing scattered site unit or an existing traditional public housing unit. Of these 77 households, 13 moved into elderly disabled housing. Five other Connie Chambers households elected to take a Section 8 voucher. This means that approximately 122 of the original 200 households at Connie Chambers were either relocated to another subsidized unit or returned to Posadas Sentinel.23 No records were disclosed about the relocation of the remaining 78 original Connie Chambers households.

2006: Barrio Santa Rosa is featured in Sunset Magazine as the “Best New City Neighborhood” (Whiteley 2006).

Four Underlying policy and economic trends in the co-evolution of La Reforma, Connie Chambers, and Posadas Sentinel and the Greater Santa Rosa Area.

The four over-arching policy and economic trends listed below serve to illuminate the main fixtures of the history and projected future of the Greater Santa Rosa Area that are meaningful to

22 The former La Reforma parcel sat vacant and divided the Barrio for a decade. In the mid-nineties the parcel was bought from the City by a big developer and then later re-sold to the City. As part of HOPE VI, this parcel became a public park and included a new school.

23 Verified by Olga Osterhage, 5/16/2006
the development of Posadas Sentinel and its related policy of neighborhood-based dispersion poverty deconcentration.

1) Tucson’s 1960 Urban Renewal Policies were not soon forgotten. Per the timeline above, Connie Chambers was originally developed to house those that had been displaced by the urban renewal efforts in the adjacent Barrio Viejo. From the very beginning of the Posadas planning process, Tucson’s Community Services Department aimed to gain the trust of the Connie Chambers residents by separating the process of poverty deconcentration from the scarring memories of the urban renewal projects of the 1960s. To do this, the City spent one year working with the community to develop a plan that would address this skepticism while convincing the residents of Connie Chambers and the broader neighborhood that without HOPE VI, Connie Chambers would remain the same – an isolated island of concentrated poverty. Posadas Sentinel was positioned not as another version of urban renewal, but rather as a remedy to the isolation and segregation that urban renewal victims experienced as they had no other choice but to move to Connie Chambers. When Connie Chambers was demolished, the City of Tucson’s Department of Community Services made a pledge to the City of Tucson and its residents, particularly the neighbors in the Barrio Santa Rosa, that the replacement housing would surpass the former housing in terms of safety and design and would catalyze turnaround in the broader neighborhood.

The decision to demolish Connie Chambers was put to a vote by the residents as a result of a significant outreach effort by the neighborhood and tenant organization, the Pima County Interfaith Council. There was significant opposition to the demolition and revitalization of Connie Chambers from the broader neighborhood. However, the Connie Chambers resident vote

24 See Exhibit 9 on page 49 for a map of Barrio Viejo in relation to Barrio Santa Rosa
25 Three tenant and neighborhood organizations emerged during the planning process for Posadas Sentinel. The existing tenant organization at Connie Chambers was a fairly strong organization that represented Connie Chambers’ Hispanic and African American residents. Another neighborhood organization, representing those outside of the Connie Chambers development, was made up of affluent white residents and older Hispanics. Perhaps the loudest and most organized resident group was the Pima County Interfaith Council (PCIC). This Saul Alinsky-type group was founded in the early 1990s. At the instigation of the PCIC leader, the organization began a one on one outreach strategy to talk to people about their fears around the demolition and revitalization of the Connie Chambers housing. PCIC’s position on the HOPE VI development was that all Connie Chambers residents wanted to stay in the neighborhood, and that there should not be any scattered-site displacement of Connie Chambers residents, nor should there be development-based poverty deconcentration.
was 60-40 in favor of demolishing Connie Chambers. In an effort to prove that the demolition and revitalization of Connie Chambers would not be a repeat of the horrific displacements of the 1960s, the City’s Community Service Department was very focused on ensuring that each Connie Chambers resident had a fair opportunity to either return to Posadas Sentinel or be relocated to a scattered site public housing unit. Weekly tours of rehousing options were offered by the City. These tours served to quell Connie Chambers residents’ fears of losing their home with the development of Posadas Sentinel. The two Connie Chambers residents interviewed for this paper acknowledge that the rehousing process was fair and transparent.26

2) Forces of gentrification created high demand for the preservation of affordable housing in the Greater Santa Rosa Area. As the Greater Santa Rosa Area continues to enjoy investment by infill residential development, property values are increasing and have been since 1970. This trend put tremendous pressure on the City to use the HOPE VI grant as a mechanism to preserve affordable housing in the Barrio Santa Rosa.

Without the mix of affordable homeownership and rental opportunities for low-moderate income families, the Barrio Santa Rosa could have “fallen to the wealthy within 20 years” (Volante 2001). The market potential of the Barrio is strong because it is very close to downtown Tucson, where new investment and redevelopment will likely increase the marketability of the Santa Rosa area neighborhoods for homeownership and retail opportunities at market rate rents and sale prices. The City’s scattered-site affordable component creates a mixed-income fabric throughout the Greater Santa Rosa Area while reserving 60 units of traditional public housing onsite at Posadas Sentinel. However, most of these scattered-site replacement units were placed in Tucson neighborhoods with the lowest household income per census tract in quintile categories.

3) The Barrio Santa Rosa, the focused neighborhood in which La Reforma, Connie Chambers, and Posadas Sentinel were located, had to be developed in a way that would end its isolation from the rest of the Greater Santa Rosa Area. Neighborhood-based poverty Deconcentration was a key element to this “de-ghettoization” effort by the City.

26 Interviews with former Connie Chambers residents Bobbie Hemphill, 2/2/2006 and Patricia Alvidrez, 2/1/2006. These interviews were arranged by Olga Osterhage of the Community Services Department.
The HOPE VI plan for Posadas reflected the City’s policy of neighborhood-based dispersal of public housing as a poverty deconcentration method. In order for Posadas Sentinel to be a true fixture and catalyst along the already occurring reinvestment and revitalization of the Greater Santa Rosa Area, it was important that the new development “look and feel” as if it belonged in the neighborhood. The City’s poverty deconcentration policy went a long way to solve this problem as the resident character of Posadas was markedly different than that of Connie Chambers, and the Posadas development was part of a larger revitalization effort that included more than just the production and preservation of affordable housing, but also leveraged monies for a public park improvement, the construction of a new public school, a new community center, streetscaping, and economic development planning. By the time construction began on Posadas Sentinel, the original $14.6 million of HOPE VI money was leveraged into $49.4 million dollars in public and private investment aimed at housing, commercial, and public infrastructure improvement in the Greater Santa Rosa Area (City of Tucson 1996).

As the Posadas Sentinel HOPE VI project was built on the former La Reforma and Connie Chambers sites (the park was preserved), the City hoped to undo the perception of the “instant ghetto” that once was developed there when La Reforma and Connie Chambers were placed side by side. Critical to this goal was the reuse of the former La Reforma site as a usable public space that would benefit the broader community, beyond the HOPE VI development. Before its redevelopment, this so-called park was vacant parcel of land with no usability for the public housing residents much less the broader community. The physical plan of Posadas sought to strategically use the vacant piece of land next to Connie Chambers as a connector to the rest of the neighborhood and to fill it with a use that would benefit the entire Santa Rosa neighborhood. Corky Poster, the principal architect on the Posadas Sentinel project states, “With the HOPE VI plan, we tried to develop the La Reforma Parcel into something that everybody could use. We wanted it to be a land use that would be shared in common with the rest of the neighborhood.”

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27 All public housing eligible residents at Connie Chambers were required to take part in the Family Self-Sufficiency program whereas Connie Chambers residents were not. Also adding to the different resident character of the development was the fact that there were households with incomes up to 80% of area median income onsite.

28 Interview with Corky Poster, 10/14/2005
Exhibit 10: Left -- Picture of the vacant La Reforma parcel that was next to Connie Chambers until a new park was built alongside Posadas Sentinel. Right – The Site Plan for the new park that would replace the vacant and underused parcel that once was La Reforma.

As mentioned earlier in this thesis, at the time of the HOPE VI application (1996), the population of the Greater Santa Rosa neighborhood was largely poor, predominantly Mexican-American, and lacking essential community services such as job placement services and daycare (City of Tucson 1996). Connie Chambers' census tract and the surrounding tracts represented high pockets of poverty compared to other parts of Tucson.29

Adding to the isolation of Connie Chambers and its surrounding neighborhood was the out of place architectural features of Connie Chambers. Unlike the surrounding Sonoran architecture of rammed earth and adobe materials, the architecture of Connie Chambers featured spread concrete footings, uninsulated concrete block, precast concrete slabs, steel doors, and vinyl floors. In part, as a result of vast difference in architectural style between the former public housing and the surrounding market-rate residential uses, Connie Chambers was the only easily identifiable public housing development in Tucson.

29 See Exhibit 7 on page 45 for a comparison of household income among census tracts.
Many Tucson public housing applicants rejected living at Connie Chambers because of its perceived stigma as a place that was unsafe and substandard in relation to other public housing in the City of Tucson’s portfolio. In fact, the vernacular description of Connie Chambers by its residents and people outside of the development was “the projects.” This was the only site with this pejorative designation in the City’s public housing portfolio.\(^{30}\) Although the City of Tucson typically has a public housing waiting list that hovers around 2,000 households, when offered an opportunity to live in Connie Chambers, qualified households would often choose to go back to the bottom of the list rather than live in the housing.\(^{31}\) Olga Osterhage, the project manager for Posadas Sentinel and the transition coordinator for residents of Connie Chambers states, “The people that were taking a unit at Connie Chambers had absolutely no other options. They were the more needy and most difficult to house.”\(^{32}\)

During the planning phase for Posadas Sentinel, several major planning issues were identified through the Comprehensive Community Development Plan for the Greater Santa Rosa Area (Drachman Institute Community Report 1995).\(^{33}\) Many of these issues indicate the community-wide perception of the Connie Chambers development as an unsafe, unwelcoming, pocket of concentrated poverty. The report finds that resident safety was the greatest concern of Connie Chambers residents as well as residents in the general neighborhood. “This perception has led to further isolation of the community from its neighborhood, and has made renting apartments difficult because of applicants’ fears of being victims of crime.” Specific to the Connie Chambers development, participants listed: “What is the future of Connie Chambers? Can we end its isolation?” And, “What do we do about crime and security?” (City of Tucson 1996).

4) Revitalizing the Greater Santa Rosa Area by building on existing market potential for commercial development through an economic development strategy included in HOPE VI planning.

\(^{30}\) See Appendix B on page 129 for a full description of the City’s portfolio of public housing.
\(^{31}\) Interview with Corky Poster, 10/14/2005
\(^{32}\) Interview with Olga Osterhage, 2/21/06
\(^{33}\) This report is a Santa Rosa area neighborhood community development plan which was written under the direction of the Drachman Institute at the University of Arizona. The plan was developed with a high-degree of neighborhood participation and addresses neighborhood needs for retail, school, and business development. The plan describes the revitalization needs of the Santa Rosa area and represents a neighborhood consensus.
Included in the HOPE VI Revitalization Plans for Posadas Sentinel was an economic development strategy for the businesses along the eastern boarder of the planning area, 6th Avenue. Part of the work to reduce the isolation of the Greater Santa Rosa Neighborhood included the opportunity to improve the number and type of businesses along 6th Avenue. The City included this area in the HOPE VI plan because they saw a link between the economic viability of the area and the overall health of the neighborhood, beyond Posadas Sentinel. The original HOPE VI grant states, “The economic gains created by the revitalization along South 6th Avenue and 22nd Street will be inured by residents of the community in the form of job opportunities and increased availability of products and services.”

With higher household incomes and more housing in the Greater Santa Rosa Area, it appeared that the HOPE VI money could be leveraged to attract businesses to the 6th Avenue area to help remedy the perception that residents felt that it was not safe to walk or shop in that area of town. This economic development focus is closely tied to the HOPE VI neighborhood-based poverty deconcentration strategy as the City hoped to position Posadas as an attractive development in the Santa Rosa Area that would be appealing to commercial investors along 6th Avenue. It was hoped that a policy of neighborhood-based poverty deconcentration would position Posadas Sentinel as a catalyst in the market rather than an economically isolated and socially segregated development that Connie Chambers once was. At the time of the HOPE VI application for Connie Chambers, the Greater Santa Rosa Neighborhood suffered from lack of jobs, stable businesses and other economic opportunities for its residents. Again, the HOPE VI grant application states, “As it has been discussed and identified from the onset of the HOPE VI planning grant application, Connie Chambers and the greater Santa Rosa neighborhood need economic stimulus” (City of Tucson 2006).

**The Strategy of Neighborhood-Based Poverty Deconcentration for Posadas Sentinel**

Tuscon’s Community Services Department viewed poverty deconcentration as a central element in the larger strategy to use HOPE VI to change the perception of the neighborhood from one of isolated poverty to an integrated, economically diverse community. The idea that guides this policy is that a high concentration of poverty in one place is inversely related to the viability and
sustainability of public housing. Therefore, the City reasoned that a reduction in onsite poverty concentration at Connie Chambers would lead to a more viable and sustainable HOPE VI development. A deconcentration of poverty and the accompanying change in the resident make-up of the HOPE VI development was expected to serve as a way to integrate Posadas into the rest of the neighborhood, thereby creating broader neighborhood revitalization benefits.

Based on interviews with the Department of Community Services and other stakeholders in the HOPE VI development process, the neighborhood-based strategy of poverty deconcentration was chosen because there was a consensus among the public and private stakeholders that reducing the amount of density of poverty in Posadas Sentinel would revitalize the neighborhood by increasing the median household income in the development, thereby attracting more private investment and creating a higher tax base for city revenues in the area.

The policy of neighborhood-based dispersion of public housing units has been a fixture of the City’s housing policy since the early 1980s. The 2001 Public Housing Authority Annual Plan states, “PHA promotes deconcentration through a scattered-site portfolio of public housing. Development consists of small complexes from two to twenty units.” More recently, the 2006 Draft Annual Plan provides for the “deconcentration of poverty and encourage income mixing by bringing higher income families into lower income developments and lower income families into higher income developments” (City of Tucson 2006).

The City’s expected results of this poverty deconcentration were two-fold. Olga Osterhage, the project manager for Posadas Sentinel, states, “We wanted mixed income housing for a couple of reasons. One, is that you need the higher incomes to support the lower income housing. We hoped to subsidize the overall operating cost with higher rents from some units. Two, is the positive role-modeling concept. That is, people see others going to work or going to school – then they see that they too can also go to school or to work.” Evidence of this role-model effect is indicated as Posadas Sentinel residents were invited to sit with neighborhood homeowners on the Parks & Recreation Operations Committee, which has traditionally only been attended by homeowners.34 This indicates that renters are taking pride in their neighborhood and can envision

34 The Parks & Recreation Operations Committee decides on the activities proposed for community facilities.
the possibility of investing in a home in the Santa Rosa Area. However, only one of the public housing residents has gone from Posadas Sentinel to homeownership.

Exhibit 11: Map of Scattered-site units acquired with the development of Posadas Sentinel
Source: City of Tucson, Community Services Department, April 2006.
Twenty-three of the original 200 Connie Chambers residents opted to take one of these units after Connie Chambers was demolished. Each black dot represents one scattered site unit. This map is not representative of the entire 140 acquired scattered site units.

The Implications of Neighborhood-based Poverty Dispersal for Broader Neighborhood Revitalization around Posadas Sentinel

Despite the well developed policy for neighborhood-based poverty deconcentration at Posadas Sentinel, it is difficult to show causality between this deconcentration and its implications for broader neighborhood revitalization. In other words, it is not entirely clear whether or not the

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35 Email correspondence with Olga Osterhage.
movement of households of poverty away from a public housing site will make a difference in the revitalization of the broader neighborhood.

Multiple conversations with staff at Tucson’s Community Services Department indicated that while the strategy of poverty deconcentration appeared to be effective in helping to revitalize the neighborhood, there were no clear measurements of this particular outcome. Meaning both that they did not measure it, and also that they are not sure how to measure it properly. One specific measure of this neighborhood revitalization might be to compare the poverty rates in the surrounding census tracts before and after the HOPE VI development was completed. However, the timing of this development does not allow for a mere survey of census data to reveal any real change. Furthermore, given the underlying gentrification trend that is occurring in the neighborhood, it is difficult to separate the revitalization of Connie Chambers as a catalyst for neighborhood revitalization.

The more interesting investigation is the way in which the development and investment posture of interested public and private stakeholders changed in the neighborhood after the HOPE VI development was completed. For this thesis, this information was gathered through interviews of major residential investors in the neighborhood. Two of these interviews are highlighted below. These two residential developers were involved with the Posadas Sentinel planning and have been developing infill housing in the Barrio Santa Rosa for over 15 years.

Additionally, research was conducted into the outcomes for the economic development planning that was part of the Posadas HOPE VI grant. This strategy of interviewing begins to test some of the assumptions for neighborhood revitalization that the City had hoped would be catalyzed by Posadas Sentinel, in part, by its strategy for neighborhood-based poverty deconcentration. In many ways, it the revitalization in and around Posadas Sentinel happened not as the investors understood the impact of poverty deconcentration, but investors clearly noticed that the area “looked better and felt safer.” Many elements beyond the neighborhood-based poverty deconcentration strategy contributed to this perception.

1) **Streetscape improvements now serve to reconnect the HOPE VI development to the rest of the Greater Santa Rosa Area and diminish the previous perception of the**
area as a concentrated pocket of poverty. Funding was leveraged from the City Department of Transportation and the Department of Parks and Recreation for public infrastructure improvements including sidewalks, curbs, and lighting. The previously vacant and unused land where La Reforma once stood, immediately to the south of Connie Chambers, was developed as a public amenity to be shared by all. Additionally, the area became friendlier as it was easier for pedestrians to have “eyes on the street” as pedestrian and bicycle improvements were leveraged.

2) More detailed criteria are used to screen potential tenants at Posadas Sentinel. Stricter guidelines now determine which type of public housing residents will be living at Posadas. To be admitted to Posadas Sentinel, applicants must give the manager three years rental history, must undergo a complete criminal background check, and undergo a credit history check. The applicant’s employment history and history of court proceedings is evaluated for the past three years. While there is no specific time that prospective residents must work nor a specific credit score that applicants must obtain, applicants to Posadas must not have ever been evicted, must not have back-rent due at another development and must not have reports of bad housekeeping from other developments.

To get into a unit at Posadas, all public housing families had to be enrolled in the City’s Family Self-Sufficiency Program. This was a long-term strategy for neighborhood revitalization because it served to increase the incomes and related buying power of the residents at Posadas Sentinel. According to the original HOPE VI grant, “The program, though it can only impact certain selected families, will have a direct stabilizing impact on the neighborhood through increased homeownership in the community, job creation, and increased household income” (City of Tucson 1996). The idea of public housing

36 Interview with Voni Romero Harris, 5/5/2006

37 FSS was enacted in 1990. The intent of the program is to help public housing residents increase their assets and achieve homeownership or other personal goals. Each FSS participant works with a case manager to develop an individual plan to access work-promoting services in the community. As the household’s income increases due to increased earnings, an amount equal to the rent increase is deposited into an the participant’s escrow account. Upon graduation (after five years maximum), the participant receives all funds in the escrow account to be used for educational or homeownership or other personally identified needs.
residents’ mandatory participation in the Family Self Sufficiency program illuminates the reality that not only would very low-income households be deconcentrated to revitalize the neighborhood, but that the very low income households that actually lived at Posadas Sentinel would be very different than the poor that once lived at Connie Chambers. After five years, FSS participants must graduate from the program and leave the Posadas Sentinel development. At Posadas, most of the Family Self-Sufficiency graduates either apply for Section 8 vouchers, find a unit on the market and pay market rate rent, or apply for a scattered site public housing unit.38

Public and Private Investment in the Greater Santa Rosa Area after Posadas Sentinel

While some of the developers that were interviewed for this thesis did not cite the poverty deconcentration as a specific strategy that has catalyzed investment in the neighborhood surrounding Connie Chambers, they mention a “feeling” of safety, pride from the tenants, and the way that Posadas looks as signals that the barrio is a good place to invest. The three interviews recounted below were chosen to highlight because these developers represent the bulk of residential development in the Barrio Santa Rosa and were involved with the planning of and neighborhood discussion around Posadas Sentinel.

Private Investment

Michael Keith has been a developer in the neighborhood around Posadas Sentinel for over 20 years. He is the President and Founder of Contemporary West Development, based in Barrio Santa Rosa. Originally, Mr. Keith was very opposed to the demolition of Connie and the construction of Posadas. His original view was that Connie Chambers was not in bad shape, and that the taxpayers’ money could have been used to produce new units rather than demolish Connie Chambers.

He notes that before Connie Chambers was demolished, it had become an easily identifiable piece of public housing property. He remembers that it was out of neighborhood context in terms of architectural style, massing, ingress and egress issues, and quality of residents. He states, “The conditions at Connie Chambers really affected private investment in the

38 Phone interview with Melissa Shaff, 5/5/2006
neighborhood as private sector residents were worried about the crime and gangs in the development and would not move any where near it.”

Mr. Keith now believes that Posadas Sentinel represents some of the best urban revitalization in the country. He finds that the site is not isolated from the neighborhood. He states, “It is beautifully designed in varied architectural form and is now connected to the neighborhood.” For him and other residential developers in the Barrio Santa Rosa, the stigma of public housing has left as the new tenants at Posadas Sentinel represent a variety of incomes and they appear to have pride in their housing.

He believes that the Posadas Sentinel project went a long way to solve the problems around the perception of public housing in the barrio. He states, “Private residential investment has skyrocketed since Posadas was finished and the crime in the area has gone down considerably.”

While not specifically correlated to the strategy of poverty deconcentration at the Connie Chambers site, Mr. Keith describes a change in perception among developers that shows that the redevelopment of Connie Chambers represents a signal to the market that the neighborhood has been transformed and is ready for investment.39

Tom Wuelpern is a private developer that has been developing custom homes in the Barrio Santa Rosa for over 15 years. He notes the strong interest of the community to preserve the historical integrity of the barrio. He finds that the residential development that has happened in the barrio, including Posadas Sentinel, has been a community driven process. He notes, “Before Connie Chambers was demolished, it was an area of vacant land and broken bottles with a lot of crime. Now, since Posadas, there is less of a transient population in the neighborhood and the perception of the public housing has changed considerably. It is now a desirable place to live that is pedestrian friendly.”

He admits, however, that Posadas still feels a bit segregated from the rest of the neighborhood. While there is much less gang activity and the troublesome tenants have been removed, a

39 Interview with Michael Keith, 2/1/2006
perceived barrier remains between the development and the rest of the neighborhood. He notes that the development’s architecture is in line with the residential design in the surrounding neighborhood and has served to help integrate the development with the barrio fabric. He finds that property values in the neighborhoods around Posadas have gone up tremendously since the demolition of Connie Chambers due mostly to the unique historical and ethnic amenities presented in the neighborhood, although the demolition of Connie Chambers has helped the place to look nicer.40

Public Investment

Economic Development along 6th Avenue.
A group from the Department of Community Services with the City of Tucson conducted a SWOT41 analysis of the small business owners in the area near Connie Chambers, before it was demolished.

Michelle Pierson, project director for the economic development study, found that current business owners cited that they had to constantly fight a perception that the area was a bad place to shop. The business owners believed that the perceived high crime rate near Connie Chambers was bad for their business. Further, business owners cited a great need for streetscape improvements to boost the access to their businesses.

However, according to Ms. Pierson, the deconcentration of poverty on at Posadas Sentinel was a signal to the market that the neighborhood was a safe place to live and invest as market rate residential prices began to triple. Nonetheless, retailers are still hoping for more “rooftops” before they will take the risk and invest in the area. She states, “Perhaps if there had been more money for the City to buy retail and commercial property or funds to entice retail investment, there would have been greater investment in the neighborhood.”

40 Interview with Tom Wulpuern, 2/1/2006
41 SWOT Analysis is a framework to understand the strengths, weaknesses, opportunities, and threats around the economic development potential near the Connie Chambers housing.
Conclusion: Does the HOPE VI poverty deconcentration method of neighborhood-based dispersal have any implications for the broader neighborhood?

The neighborhood surrounding Posadas Sentinel was already undergoing revitalization beyond that which the HOPE VI development could hope to spur. While revitalization spillover was a key consideration in the chosen neighborhood-based poverty deconcentration strategy, the more compelling conclusion about this case is that Posadas Sentinel was developed in a way that preserved affordable housing in a quickly gentrifying part of Tucson. However, many of the scattered site units were acquired beyond the Barrio, with only 60 public housing units onsite at Posadas Sentinel. One might conclude that yes, affordable housing was preserved in the Barrio, but not for the lowest income households.

The market potential for increased public and private investment, including residential and commercial development, was very high in the Barrio Santa Rosa before Posadas Sentinel was completed. What makes the poverty deconcentration strategy at Posadas unique is that it was planned to capture this market potential, while preserving affordable housing with the recognition that in order for the new HOPE VI development to be truly integrated into the gentrified Barrio, there would have to be a lower concentration of poverty on the site former Connie Chambers site. At best, this dispersion based strategy was a way for the city to continue to serve low-moderate income households in a way that understood the gentrifying forces of the neighborhood. If Connie Chambers had not been revitalized into what is now Posadas Sentinel, the island of poverty would have continued and affordable and public housing units would not have been beneficiaries of the larger redevelopment that was happening in the neighborhood.

According to Olga Osterhage, the Project Manager assigned to Posadas, HOPE VI was different and superior to the former Connie Chambers housing because:

1. It was no longer the housing of last resort in the City’s public housing portfolio.
2. The poverty was not as concentrated as in Connie Chambers.
3. There is now, in Posadas, a variety of incomes that live at Posadas Sentinel. The positive peer pressure of working families has served to revitalize the housing and its surrounding neighborhood. There are informal role-models at Posadas.
Exhibit 12: Pictures of Posadas Sentinel

Pictures by: Corky Poster, Architect

Pictures by: Corky Poster, Architect
Strategies used to create the appearance of poverty deconcentration at Posadas Sentinel include:

1. Less poverty, more homeownership, more working households during the day
2. Integrated design – the architecture matched the neighborhood
3. Less isolated street grid
4. New public amenities that benefited the entire neighborhood
5. Private management: “We went with private management of Posadas because we tried to distance the new housing away from the former housing. This was critical as we hoped to change the perception of the housing and it was achieved. It was perceived more as a market rate development rather than ‘the projects.’”
6. Changing the resident character: “The residents that came back to Posadas had very few problems adjusting to their new surroundings. There were new standards for the residents.”

Now, all public housing residents at Posadas Sentinel are upwardly mobile and are required to participate in the Family Self Sufficiency program. According to Olga Osterhage, project manager, “Enrollment in the FSS program was very important if Posadas was not to become a ‘project’ (referring to Connie Chambers). Residents needed to understand that this was a new development with new expectations.” The Community Services Department aimed to focus the development of Posadas as not merely a replacement for Connie Chambers, but rather a place for the future residents that would be focused on goals of self-sufficiency and homeownership. In order to plan on the underlying market potential of the Barrio Santa Rosa, there was an understanding the affordable housing had to be preserved while positioning the Posadas Sentinel residents as active participants in the economy. In other words, the problem tenants had to be removed in order to undo the isolation that occurred at Connie Chambers.

The story of Posadas Sentinel’s neighborhood based dispersal of low income households is not finished. I still wonder about the policies behind the City’s poverty deconcentration strategy for dispersal of low income families. With higher and stricter standards and expectations for public housing families at Posadas Sentinel, it is clear that most of the families that were housed at Connie Chambers would not be able or willing to come back to Posadas. In fact, only 17 of the

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42 Interview with Olga Osterhage, 2/21/2006
43 From interview with Voni Romerio Harris, Metropolitan Housing Corporation
original 200 Connie Chambers households returned to Posadas with an additional 23 households
taking a scattered site unit. That leaves 160 other Connie Chambers households that either took
a Section 8 voucher, found housing outside of the City’s public housing portfolio, or took a unit
at another public housing development or at an existing scattered site unit other than those
acquired with the redevelopment of Posadas Sentinel. This is interesting because it demonstrates
that not only was poverty deconcentrated at Posadas Sentinel, but that the type of poverty
allowed to come back to Posadas Sentinel was very different in household character than the
former households of Connie Chambers.

While it was beyond the scope of this thesis to include resident interviews, it is not clear that
housing was improved for all Connie Chambers residents. Sure, many took vouchers or a unit in
another public housing development, but many are not accounted for simply because they
perhaps did not make the cut to get back into Connie Chambers or were not in a position to begin
the Family Self Sufficiency requirement at the development. It does appear, however, that all of
the newly acquired scattered site units were dispersed evenly throughout Tucson, and new
pockets of poverty were not created, even though all of the scattered site units are in lower-
income census tracts than other parts of Tucson.

Overall, Posadas Sentinel presents a story where an island of poverty and isolation was rewoven
with the broader neighborhood. This has had clear benefits for both the residents of the larger
Barrio Santa Rosa and the residents of Posadas Sentinel microneighborhood in terms of shared
public amenities and a reduction of stigma around affordable housing in the rapidly gentrifying
neighborhood. I believe that most of the Connie Chambers residents were treated well, but it is
obvious that only upwardly mobile low-income families would have a place at Posadas Sentinel.

The poverty deconcentration strategy at Posadas Sentinel is not complete without an
understanding of who was served by this neighborhood-based dispersal of low income
households. The broader neighborhood has been served well as Posadas “looks better and feels
safer.” Even market rate developers are comfortable building expensive market rate homes near
Posadas. Market rate homeowners and renters are now more willing to live near Posadas. The
residents that were able to come back to Posadas and those that are fortunate enough to get into
the development now are very well served with increased safety and focused attention from the Community Services Department through the FSS program.

Despite all of these positive outcomes, there appears to be a strong echo of urban renewal themes in the way that Posadas Sentinel was developed. Yes, the residents of Connie Chambers were consulted and counseled for over a year. Yes, the residents of Connie Chambers voted for Posadas Sentinel. Why then, were the very-low income, economically stagnant if not regressive, most difficult to house public housing residents effectively removed from Posadas Sentinel through strict screening policies and a requirement of participation in the Family Self Sufficiency Program? In the end, these households had no choice but to leave their home at Connie Chambers because the City believed that Connie Chambers housing needed a facelift and a deconcentration of the most difficult sorts of poverty. Perhaps at the expense of those for whom Posadas Sentinel was originally built (the original households of Connie Chambers) the City’s objectives of neighborhood revitalization and poverty deconcentration were achieved and have had a positive, transformative effect on the broader Barrio Santa Rosa.
Chapter Three:  
Mandela Gateway: HOPE VI Poverty Deconcentration by Development-Based Poverty Dilution

Poverty deconcentration at the Mandela Gateway HOPE VI development was achieved through a strategy of development-based poverty dilution. This method of HOPE VI poverty deconcentration is described as a replacing all of the former public housing onsite at the new HOPE VI development while diluting the density of poverty by adding additional units for households with higher incomes to the total unit mix.

At Mandela Gateway, this development-based poverty dilution is observed as all of the 46 original Westwood Gardens public housing units were replaced one for one, onsite. To do this, the Oakland Housing Authority (OHA) acquired two additional parcels abutting the original Westwood Gardens site, one to the north and one to the east. The site to the north was acquired as a surplus Caltrans property which remained from the collapse and subsequent removal of the Cypress Freeway in 1989 following the Loma Prieta earthquake and the other parcel was used as formerly a truck repair business. With an increased total development area, the OHA with BRIDGE Housing as the developer, added 122 new affordable rental units for households up to 100% of area median income for a total 168 affordable units, including the 46 public housing replacement units. The development also includes 20,000 square feet of retail space on the ground floor.
Policies and Questions of the Case
Mandela Gateway offers an exemplary case of onsite poverty dilution in a continuum of HOPE VI poverty deconcentration strategies from 1993-2006. In very few instances have HOPE VI developments been planned to increase the total number of affordable housing units while replacing all of the former public housing onsite. Based on my survey of poverty deconcentration policies for HOPE VI developments funded from FY1997-FY2004, the most typical deconcentration method includes a reduction of total units, a reduction in public housing replacement units, and a reduction of alternative units or vouchers for residents of the original public housing. This is confirmed by Edward Goetz in his book *Clearing the Way* as he characterizes this trend as “triple deconcentration.”

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44 See Appendix A on page 111.
Fundamental to the OHA decision for development-based poverty dilution was the authority’s belief that higher incomes in a neighborhood would result in greater neighborhood revitalization. Although Federal policy no longer requires one for one replacement of demolished public housing units, the Board of Commissioners of the OHA enforced the one for one public housing unit replacement rule. With the additional parcels and the small number of replacement units (46), OHA decided to replace all of the units onsite, although scattered-site dispersal was an option.

When this method of development-based poverty dilution is applied to the original research question, “What are the implications of HOPE VI poverty deconcentration for broader neighborhood revitalization?”, it becomes clear that this question cannot be answered at Mandela Gateway without lodging the poverty deconcentration strategy in a larger continuum of redevelopment and social progress or regress in the greater West Oakland area, which follows in a later section.

Compared to the neighborhood-based dispersal of poverty concentration used at Posadas Sentinel, Mandela Gateway’s development-based strategy does not include elements of scattered site housing as replacement units. However, both Posadas Sentinel and Mandela Gateway may claim the same results for neighborhood revitalization, despite the difference in poverty deconcentration strategy at each site. As will be discussed in the coming pages, the poverty deconcentration strategies used at Posadas and Mandela were part of a larger spectrum of policy and program components that each respective housing authority employed through the HOPE VI program to position the development as a catalyst for neighborhood transformation. While the actors are different, the underlying economic and political dilemmas are different and the scale of units is different, the housing authorities’ sentiment that poverty deconcentration, whatever the method, would be a key determining factor for broader neighborhood outcomes of revitalization is evident in both cases.

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45 Interview with Shad Smalls, 1/12/2006
46 Tucson also cited this reasoning for pursuing neighborhood-based dispersal.
The Subject Area: A Geographic Orientation

The two exhibits below indicate the geographic context and specific site location of Mandela Gateway. It is clear from these maps that Mandela Gateway is situated in an area of residential and industrial uses and is well connected to regional transportation networks through interstates and the West Oakland BART Station.

Exhibit 14: Mandela Gateway Context Map
Why were HOPE VI funds pursued at Westwood Gardens?

Before launching into a description of the history and chronology of West Oakland and the development of Mandela Gateway, it is useful to become familiar with the circumstances of Westwood Gardens which made it a strong fit for a HOPE VI Revitalization grant.

Westwood Gardens was considered by the Oakland Housing Authority as severely distressed for three reasons:

1) it was in considerable need of physical improvements
2) it was in need of management improvements (especially around tenant screening policies)
3) it was lacking in social and community services to meet the needs of its very low income residents
Exhibit 16: Pictures of Westwood Gardens Public Housing
Pictures by: Jesse Wu

Westwood Gardens facing Mandela Parkway

Westwood Gardens at the intersection of 7th and Center Streets.
The existing conditions at Westwood Gardens may be divided into three areas at which the Mandela Gateway development was aimed to remedy. These areas include:

1) **Physical Distress** – Westwood Gardens occupied an entire 2.2 acre city block. The property was originally built in the 1960s and consisted of four barracks-style buildings. This design was out of context with the Victorian homes that dominate the single-family residential architecture and style throughout most of West Oakland. This disparity in architectural style further contributed to Westwood Gardens’s residents’ strong sense of isolation from their neighbors (Oakland Housing Authority 1999:9). Before its demolition, the property also suffered from severe obsolescence. The OHA states, “Poor design combined with both limited operating funds and Federal preferences that fostered a concentration of the poorest of the poor have created the conditions that now exist at Westwood Gardens.” From this statement it is clear that the OHA correlated physical distress of public housing with a concentration of the “poorest of the poor.”

2) **Demographic Distress** – At the time of its application, Westwood Gardens and its surrounding neighborhood was 93.5% non-white, approximately 80% African American and 10% Hispanic. 69.6% of all households with children were headed by a single parent. During this same time, the labor force participation rate at Westwood Gardens was 12% compared to the participation rate for Oakland overall at 63%47. Compared with adjacent census tracts with unemployment rates between 4-6%, the unemployment rate at Westwood Gardens was 10%-12% (Oakland Housing Authority 1999: 14). In the planning process for Mandela Gateway, local residents, outside of the Westwood Gardens Development, voiced concerns about crime, vandalism, drugs, and lack of services in the Westwood Gardens neighborhood. Whether true or not, these residents of the broader West Oakland community associated the deterioration of their neighborhood with Westwood Gardens and its concentration of poverty.

3) **High Concentration of Poverty** -- According to the OHA 1999 HOPE VI Revitalization Grant Application and confirmed by interviews with public and private investors in West Oakland, the high concentration of poverty in the neighborhood including Westwood Gardens public housing

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47 The labor force participation rate at Westwood Gardens is the percent of households in the development that were considered part of the labor force which means that the working age members in the household were able to work, available for work and actively seeking employment.
added further to the negative perception of West Oakland as an undesirable and unsafe area in which to live and discouraged investment. The OHA writes, “The high concentration of poverty at Westwood Gardens adds further to the negative perception of West Oakland and this particular neighborhood as an undesirable and unsafe area in which to live and discourages investment” (Oakland Housing Authority 1999: 17). From this statement it is clear that the OHA relates a high level of poverty in public housing with a perceived negative perception from the broader community. See exhibit 17 below for a description of household incomes in the Mandela Gateway study area.

Given these factors of severe social and physical deterioration, Westwood Gardens was considered Oakland’s most severely distressed public housing in 1999. While there were other block style public housing developments in the Oakland public housing portfolio, the demolition and revitalization of Westwood Gardens presented a unique opportunity for the OHA to transform the community surrounding the HOPE VI development and add more units to their portfolio. Therefore, not only was Westwood Gardens severely distressed housing, but its redevelopment had the potential to meet the HUD goals of using HOPE VI dollars to transform a broader community. With the redevelopment efforts that were already occurring around the BART station, across the street, the redevelopment of Westwood was considered by the OHA, Oakland city planners, and residents and business owners in West Oakland as a significant part of the neighborhood-wide blight that was being tackled by a larger redevelopment effort begun with the relocation of the Cypress Freeway after the Loma Prieta earthquake. The Oakland Housing Authority wrote in the original Mandela Gateway HOPE VI application, “Without the redevelopment, Westwood Gardens will continue as the anchor of blight in a community desperate for change.”
Exhibit 17: Average Annual Household Income per Census Tract

In each decade, the census tracts that contained Westwood Gardens and now Mandela Gateway have been in the quintile that represents the tracts with the lowest annual average household income. The tracts around the Mandela Gateway Boundary have generally had household incomes between 10 and nearly 300% more than the tracts containing Mandela Gateway. Therefore, the household incomes in the Mandela Gateway census tracts have been historically lower than the surrounding tracts except in 1990, when there was some change in income and population due to the Loma Prieta earthquake and subsequent removal of the Cypress Freeway.
Exhibit 18: Map of Oakland Public Housing

Source: City of Oakland, Department of Housing and Community Development
Adapted by: Carrie Vanderford, May 2006

The map below shows the location of the traditional public housing developments in the OHA portfolio.
The Strategy of Development-based Poverty Dilution for Mandela Gateway

This section describes the way in which development-based poverty dilution actually works at Mandela Gateway in terms of management structures, who is served, and funding.

The Management Structure

BRIDGE Housing was chosen by the Oakland Housing Authority to both develop and privately manage Mandela Gateway. As a result of this private management structure, screening policies for new tenants are more detailed and the development has a site-based waiting list for potential tenants. As opposed to Westwood Gardens, which was managed by the OHA, prospective tenants are now screened out for the following characteristics: convicted felons, current tenants with a record of violent acts, tenants with poor housekeeping habits, back-due rent or have damages owed to OHA or other negative rental history, have been evicted from OHA or other
rental housing for cause, or other indicators of suspect behavior (Housing Authority of the City of Oakland, California 1999: 59).

**Who is served at Mandela Gateway?**

Although the former Westwood Gardens residents had the first opportunity to return to Mandela Gateway after it was constructed, only 13 of the original 46 Westwood Gardens households returned. When asked why there was such a low return rate of these original residents, the BRIDGE Housing project manager for Mandela Gateway stated that the Westwood Gardens residents either found other housing or were not able to come back to the development because of the more detailed screening policies. According to Jesse Wu, these screening policies were a deterrent to the type of tenants that created an image and reality of poverty and distress at Westwood Gardens. 48

Further, the public housing eligible families that are living in Mandela Gateway now are vastly different in terms of income levels, as most of these public housing families are working and make close to 50% area median income, whereas residents of Westwood Gardens were at 30% area median income or lower. 49

Unlike the residents at Westwood Gardens, the public housing residents of Mandela Gateway are largely expected, though not required, to focus on building personal assets and moving toward self-sufficiency through participation in the Individual Development Account program and subsequently the Family Self-Sufficiency (FSS) Program. According the Patricia Ison, Director of Resident Services at the Oakland Housing Authority, for those 13 households that returned to Mandela Gateway from Westwood Gardens, the expectation of participation in self-sufficiency programming was new. The FSS program was not marketed for and rarely utilized by residents at Westwood Gardens. However, despite new the expectation of participation in the FSS program at Mandela Gateway, very few public housing residents at Mandela Gateway have participated in the program. In fact, at the writing of this thesis only one household out of 46 had committed fully to the IDA and FSS programs with the end goal of acquiring a homeownership unit at Mandela Gateway.

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48 Interview with Jesse Wu, 3/27/2006
49 Interview with Patricia Ison, 4/25/2006

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Funding

Mandela Gateway would not have been possible without the other leveraged funds that were garnered through the original HOPE VI money. These funds helped to enhance the physical landscape in West Oakland and helped to reweave traditional public housing in West Oakland into the broader neighborhood. This leverage effect is catalytic because it demonstrates to other public and private investors that there is demand for housing (and some retail) in the neighborhood.

The City contributed a total of $3.5 million for the project including $1 million in HOME funds and $2.5 million in funds from the City’s redevelopment fund. This early commitment helped to leverage other funds for the development such as a deferred fee contribution from the General Partner, BRIDGE Housing. It is not clear whether the poverty deconcentration strategy and mixed-income nature of Mandela Gateway made it more attractive to the City as it made a grant to Mandela Gateway, as there is no formal policy at the City to prioritize housing developments that deconcentrate poverty onsite. However, the mixed income nature of the project gave the project more political and community support. The inclusion of the homeownership component also served to increase support from Oakland’s Mayor, City Council, and the Planning Commission.50

The History and Chronology of the Deterioration and Revitalization of Mandela Gateway and the Greater West Oakland Area

As with Tucson’s Posadas Sentinel, it is difficult to separate the spinoff effects from the Mandela Gateway HOPE VI development from the already occurring investment interest in the West Oakland area. What is more useful in this case, however, is to lodge the development of Mandela Gateway in the continuum of revitalization and investment interest that was already occurring in West Oakland before HOPE VI and is projected to continue after HOPE VI. The placement in this continuum reveals that the development of Mandela Gateway, with its development-based poverty dilution strategy, has played an important catalytic role in creating a perception (and reality) of an area of Oakland that will reap positive returns for investors willing

50 Email from Jeffrey Levin, 4/15/2006
to take a risk on new residential and commercial development. It is important to place the Mandela Gateway HOPE VI application in a discussion and description of West Oakland planning reports because the early reports helped to pave the way for the programs and policies of Mandela Gateway while later reports, after the HOPE VI Grant was received, helped to integrate Mandela Gateway into broader neighborhood strategies for revitalization. The assumption here is that the demolition of Westwood Gardens and the subsequent development of Mandela Gateway are interdependently related to underlying trends in public and private investment and population demography in the broader West Oakland area.

Over 100 years ago, West Oakland was a major railroad terminus of the transcontinental railroad after its completion in 1869. Later, the area would serve as a major WWII-era shipbuilding center. As a result, a network of interstate freeways, industrial warehouses, and intermodal rail yards comprise a major land use in West Oakland.

West Oakland was booming between 1911 and 1930 with a railroad and shipping economy that lasted until the end of the Depression. To accommodate the government workers that were employed in West Oakland’s defense industries to support WWII, many of the area’s block style public housing projects were built. The idea was that the “small cottages and houses that had defined West Oakland’s neighborhoods were not fit living spaces for modern laborers and their families.” At the end of the 1930s, much of West Oakland was considered a slum by the City of Oakland and houses were bulldozed. In 1941, a barracks-style public housing development called Peralta Village was built for residents of these razed homes (Praetzellis et al. 2004: 31). Soon thereafter, in the early 1950s, the electric railroad industry that originally built West Oakland’s industrial economy was in decline, as Oakland’s extensive electric rails became inefficient in an age of railroad technology that was quickly moving toward dieselization. As a result, the West Oakland rail terminal was essentially shut down in 1950.

In 1957, the Cypress Freeway was built and significantly changed the character of West Oakland development. The Cypress Freeway was originally designed as a connector between the Bay Bridge and the Nimitz Freeway and was an elevated interstate that was placed right in the middle of West Oakland. As a result, the West Oakland community was divided by a major
elevated freeway that served to further isolate West Oakland residents from the larger regional economy of the Bay Area. This isolation would continue for nearly forty years.

Exhibit 20: 7th Street Context Before and After the Collapse and Relocation of the Cypress Freeway.

In an effort to try and serve West Oakland’s economically and spatially marginalized residents, the City of Oakland began to focus on West Oakland through inclusive planning efforts with the aim of reintegrating forgotten areas of the city back into Oakland’s mainstream economy. This was taken on by the City’s planning department in the late 1960s and early 70s. Specific to the development of the West Oakland landscape, Oakland planners allowed a large U.S. Post Office facility to come into the neighborhood and in 1974, built a new BART station up 7th Street (West Oakland BART Station). The Post Office destroyed six blocks of single family homes and the BART Station and its parking lot cleared several more residential blocks. Both developments were largely out of scale and use-type for West Oakland at the time of their construction when most of West Oakland consisted of light industrial uses and single family homes. Many of the residents of West Oakland viewed this planning of the Post Office and the BART Station as an

51 Much of this history of West Oakland was adapted from Praetzellis, et al. 2004 and interviews with West Oakland residents.
“assault on the remaining integrity of the historic Seventh Street corridor” (Praetzellis et al 2004: 46).

As a result of this community distrust of Oakland’s City Planning Department and lack of community involvement in the planning of the BART Station and other City imposed land uses, many planning studies on West Oakland since the 1974 BART opening have found that the West Oakland BART had never really ever been a community amenity for West Oakland residents. The idea of tying the BART Station back into the community in which it was placed in 1974 was a critical element of the Mandela Gateway development as the OHA and BRIDGE Housing sought to link the BART Station commuters to the development by developing retail space on the first floor. It was hoped that BART Commuters would use the retail space to buy goods and services. Also, it was hoped by BRIDGE that Mandela Gateway would be developed in a way that enabled its residents to use the BART Station as a means to greater economic mobility and self-sufficiency (Mandela Gateway Gardens Associates 2001).

This debate around the usefulness and integration of the BART Station into West Oakland was a cornerstone of the Mandela Gateway development plan. As Mandela Gateway is located directly adjacent to the BART Station, the redevelopment of Westwood Gardens into Mandela Gateway was key to changing this neighborhood perception of crime as the Mandela Gateway development presented a positive visual announcement of the West Oakland neighborhood to BART passengers.

In 1989, the Loma Prieta earthquake caused the Cypress Freeway, built in 1957 through West Oakland, to collapse. The neighborhoods around this Freeway began to organize and fight to have the replaced Freeway be developed outside of the residential neighborhood which it had divided since 1957. This organizational effort from the residents represented one of the first public efforts of West Oakland community members to influence public decisions affecting the neighborhood’s future (Van Meter Williams Pollock 1998). As a result, the I-880/1-80 link (the former Cypress Freeway) was relocated away from the neighborhood. Since the removal of the Cypress Freeway, West Oakland is now well connected to downtown Oakland and Jack London
square, which creates higher market demand for residential uses in West Oakland (Hood Design et. al. 2004).

This resident response that resulted in the relocation of the Cypress Freeway was the start of a concerted effort on behalf of the City of Oakland, BART, and West Oakland residents and business owners to revitalize West Oakland. The redevelopment of Westwood Gardens is a key component to this chronology of planning efforts for the area, and is in fact one of the very few planning goals from these reports that have actually been implemented.

In April of 1997, a concept plan for the former Cypress Freeway corridor was developed by a private firm (with resident and business owner support) for the City’s Economic Development Agency for use in working with CalTrans (California’s Transportation Authority) to determine the appropriate use and disposition of surplus properties created by the collapse of the Cypress Freeway. These properties would later be critical to the Mandela Gateway development as one of the CalTrans surplus parcels was used for the development (Mandela Parkway Corridor Plan: 1997). The following year, the Mandela Parkway Corridor Plan was developed to establish a design vision and program of improvements for the former Cypress Freeway Corridor (Mandela Parkway Corridor Plan: 1998). These two studies are important to the co-evolution of West Oakland and Mandela Gateway because they indicate the priority of revitalizing the former Cypress Freeway area (right where Mandela Gateway is now located), and describe a strategy of visually reducing blight detriment through landscaping and increased elements of pedestrian accessibility. Both of these planning goals were embodied in the Mandela Gateway development as the demolition of Westwood Gardens was a major step in reducing visual blight along 7th Avenue and the landscaping of Mandela Gateway was conceived of and developed to be pedestrian friendly.

Further indicating the City’s support of Transit Oriented Development such as the Mandela Gateway development, in March of 1998, Oakland adopted the General Plan Land Use and Transportation Element (LUTE) which articulated the City’s policy direction toward Transit Oriented Development and called for the integration of land use and transportation in mixed-use districts programmed for Oakland’s eight BART Stations, including the West Oakland Station.
This study happened one year prior to the Mandela Gateway HOPE VI application and receipt of the demolition and revitalization grant. As Mandela Gateway is directly across from BART, the HOPE VI application reflected the City’s Transit Oriented Development (TOD) policy direction which was critical for the City’s support of the project. The TOD nature of the Mandela Gateway development is in line with this policy direction. In fact, the ground floor retail at Mandela was a direct requirement from the City planning commission in an effort to create a transit village at the West Oakland BART Station.

In 1999, the Oakland Housing Authority applied for HOPE VI funds to demolish Westwood Gardens and build Mandela Gateway. According to the original HOPE VI grant application for Mandela Gateway in 1999, there was already occurring a “tremendous upsurge in investment activities planned and underway in West Oakland” around the former Westwood Gardens site. The OHA approached this as a trend that would not only complement the HOPE VI plan for Mandela Gateway, but would also “reinforce its potential for successful and expeditious implementation” (Housing Authority of the City of Oakland, California 1999: 53).

Mandela Gateway was positioned and planned as a transit oriented development with mixed-use, mixed income features to capture the promising residential and commercial market potential of the surrounding West Oakland community. An overriding element of this development-based poverty deconcentration strategy is its origin in the belief of many community and City stakeholders that Mandela Gateway was a unique opportunity to make a difference in the revitalization of West Oakland. The community goals realized at Mandela Gateway included: preventing the displacement of current residents; increasing homeownership opportunities; increasing the supply of quality affordable housing with supportive services; and enhancing mixed income housing (Housing Authority of the City of Oakland, California 1999: 38).

Reflected in the application and demonstrated onsite at Mandela is the City’s TOD policy direction and the sentiment of the West Oakland residents and business owners that rallied together to move the Cypress Freeway out of their neighborhood. The application included plans for mixed-uses and mixed-incomes. As the Mandela Gateway HOPE VI application was being developed, the OHA was participating in the Acorn Prescott Neighborhood Transportation Plan
which was focused on the mapping and evaluation of existing conditions regarding transit accessibility in the Acorn Prescott Neighborhood, which is where Mandela Gateway was developed.

This Acorn Prescott Neighborhood Transportation Plan presents an overview of public area improvement needs for the neighborhood in which Mandela Gateway is placed and identifies needed streetscape and pedestrian improvements that would directly impact the development of Mandela Gateway. The OHA included many of these planning recommendations in their HOPE VI application.

Following the 1999 HOPE VI Grant to Mandela Gateway, the 2001 West Oakland Transit Village Action Report was published. This important planning document describes the development of a number of opportunity and catalyst sites in the project area bounded by Wood, Eighth, Union and Third streets. This is the first report for West Oakland that strategically laid out a comprehensive development plan for the area that would include elements of housing, economic development, and transit oriented development. One of the key catalyst projects listed in this report was Mandela Gateway. The OHA worked with the planning group on this document for over one year to discuss plans for not only their site, but the development in the broader neighborhood to ensure that Mandela Gateway would be integrated into the other planning activities happening in the neighborhood. To date, implementation outcomes of this report include the development of Mandela Gateway, a completed streetscape plan for the Seventh Street corridor, and the release of a BART Request for Proposal for the development of its property surrounding the BART station.52 The end goal of the plan is to create a Transit Village in West Oakland, of which Mandela Gateway is a critical component. Shad Smalls, the Mandela Gateway project manager at OHA stated, “The Transit Village study led to zoning changes that created an overlay district for mixed-uses (residential and commercial) and higher density of units that helped to ensure that Mandela Gateway would be integrated into the larger West Oakland neighborhood.”53

53 Interview with Shad Smalls, 3/27/2006
Staff of the OHA and BRIDGE Housing sat side by side with other planners as the transportation and street grid infrastructure were put together for the neighborhood. The OHA writes in the HOPE VI revitalization grant, “This rich transportation network is central to the neighborhood’s potential HOPE VI employment linkages” (Housing Authority of the City of Oakland, California 1999: 12). Phil Neville, Executive Director of the OHA states, “We (OHA) wanted to build Mandela Gateway using the magnet of the BART station to attract capital for the project and retail tenants.”54

Perhaps one of the most critical West Oakland planning initiatives in the last five years is the West Oakland Redevelopment Plan (2003). The development of Mandela Gateway played a significant role in this plan which includes goals that are realized at the HOPE VI development. Specific goals with Mandela Gateway-related achievements include:

- **Goal: Restore blighted properties in the Project Area**
  
  Achievement: The former Westwood Gardens public housing was a major fixture of visual blight along the 7th Street Corridor and a pocket of concentrated poverty. Its demolition and redevelopment was a significant restoration of blighted property in the West Oakland project area.

- **Increase opportunities for homeownership in the Project Area**

  Achievement: The Mandela Gateway development includes nine homeownership units for public housing residents and 10 homeownership units for market rate tenants. At the writing of this thesis, these units had yet to break ground.

- **Maintain and improve the condition of the existing affordable housing the Project Area**

  Achievement: By replacing all of the public housing units that were originally at Westwood Gardens onsite at Mandela Gateway, the condition of these units was significantly improved and the operating budget and maintenance policies of the new units will ensure proper maintenance of these units.

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54 Interview with Phil Neville, 1/10/2006
• Improve the quality of housing by assisting new construction, rehabilitation, and conservation of living units in the Project Area

Achievement: Mandela Gateway meets this goal by conserving affordable housing and constructing 122 new units

• Construct affordable housing in smaller, infill projects, on scattered sites, and/or in mixed-income developments’. Do not concentrate affordable housing or develop stand-alone, high density affordable housing projects

Achievement: Mandela Gateway includes units for a variety of household incomes from 30% AMI to 100% AMI.

The realization of these goals by the OHA and their manifestation in the development of Mandela Gateway indicates a mutual agreement between the City, residents and business owners of West Oakland, developers interested in developing in West Oakland, and the OHA around integration of Mandela Gateway into the broader West Oakland continuum of redevelopment.

Since the initial 1999 HOPE VI grant award, Westwood Gardens was demolished in April of 2002. According to the development schedule for the project, construction and lease up for Mandela Gateway finished in October of 2003. The retail component of the development has remained unleased since its projected completion in October of 2003.

Now that Mandela Gateway is fully built out, with the exception of the homeownership units, the development is placed in plans for West Oakland as a cornerstone feature around which future planning recommendations are shaped. For example, the 2004 Seventh Street Concept and Urban Design Plan recommends amenities for future transit oriented development that creates a “place” identity along Seventh Street. The development of Mandela Gateway as a mixed-use development was critical element in these recommendations of place and progress along the seventh-street corridor.
The Redevelopment Debates of West Oakland: Underlying policy and economic Dilemmas in the co-evolution of West Oakland, Westwood Gardens, and the broader West Oakland neighborhood.

The development and use of land in West Oakland between residential and industrial mix has created a major political and policy debate around whether the future use of the West Oakland should preserve the industrial character of the area or meet the ever escalating and fever-pitched demand for housing in the Bay Area. While many of West Oakland’s industrial uses of the area pre-date the residential development, less heavy industry is occurring in West Oakland as these manufacturing jobs have moved overseas (Mundie & Associates 2005: 6).

As the definition for highest and best land use in West Oakland was and is under hot political debate, Mandela Gateway, with its 168 units of affordable rental and homeownership units, was one of the first residential developments in the area directly across the street from many of these industrial and port uses (See Exhibit 21 below).
As the land use map indicates, there is a heavy mixture of industrial and residential land uses around Mandela Gateway. More development is planned for the "business mix" use area for mixed residential-commercial uses.

Map by: Carrie Vanderford, May 2006
The revitalization benefits realized from the mixed-income nature of Mandela Gateway can be seen as the development is placed in the larger continuum of planning and development efforts in the West Oakland area, as demonstrated in the previous section. By pursuing a policy of development-based poverty dilution, the Oakland Housing Authority achieved a preservation of public housing units in the area while leveraging funds to create more affordable housing for slightly higher income households. They leveraged more than just money, but also the political interest in the revitalization of the area and the commitment from the community to take a progressive and activist role in the way West Oakland would be developed, begun with the community’s efforts to relocate the Cypress Freeway. Out of this political and community interest in the redevelopment of West Oakland spring two key dilemmas that were answered by the Mandela Gateway development

1) On the one hand, residents from outside of Westwood Gardens complained that West Oakland already had too much subsidized housing. On the other hand, residents were worried that if new housing were built (other than affordable housing), gentrification would occur and residents would no longer be able to pay the taxes on their homes and would be forced to leave West Oakland. This sentiment is evidenced by the large turnout of local residents, outside of Westwood Gardens, at the community meetings to plan for Mandela Gateway. Neighborhood groups involved in the planning process included the Coalition for West Oakland Revitalization (CWOR), The Alliance for West Oakland Development, and the 7th Street/McClymonds Initiative. 55,56

55 CWOR is a non-profit community advocacy organization formed in 1992 to fight for environmental justice rights, racial and cultural equity, a strong community-based economy, and improved physical and social conditions for West Oakland residents. CWOR accomplishes this broad-based mission by operating through its Coalition of residents, property owners, business, non-profit and community based organizations, churches and public and private entities. (From: “Clearing the Air: Reducing Diesel Pollution in West Oakland.”)

56 The Alliance for West Oakland Development (the "Alliance") is a 501(c) (3) non-profit community redevelopment corporation founded in 1999. The mission of the Alliance is to initiate, promote, and facilitate the development of blighted residential and commercial districts in West Oakland, California, boosting opportunities for long-time residents, and preserving the cultural roots of the area. The Alliance is working to build and enhance existing relationships between the participating organizations and the City of Oakland, the community at large, and community, regional organization and institutions that have an interest in rebuilding West Oakland through a community-based planning process. (From: www.awod.org)
There is some merit to both sides of this debate. An investigation of historical assessed property values shows that property values in West Oakland have indeed escalated tremendously since 2000.⁵⁷ And, as the maps in Appendix O show, there is a high amount of subsidized housing in West Oakland relative to the rest of Oakland. The development-based poverty deconcentration strategy at Mandela Gateway preserves public housing units in a neighborhood where there is already a high concentration of households in poverty.⁵⁸

To answer this debate, the OHA convinced the community that the addition of more affordable housing in a high-poverty neighborhood would not add to the stigma of crime and disinvestment in West Oakland because the Mandela Gateway tenants would be subject to stricter screening than the screening of the residents at Westwood Gardens. The community, including residents and business owners outside of Westwood Gardens, voiced a wish for more homeownership opportunities in the neighborhood. This sentiment was voiced at the Mandela Gateway community planning meetings and is evidenced in the myriad plans that have been developed to address redevelopment in West Oakland (see history and chronology section above). Additionally, the OHA has set aside nine homeownership units for households in public housing units. Ten homeownership units will be built for market-rate tenants. Given the opportunity to become homeowners, it was believed by the OHA staff and the BRIDGE Housing staff (the developer of Mandela Gateway) that public housing renters onsite would perhaps “aspire” to be homeowners, thus causing them to take more pride in their rental units and be particularly mindful of the development’s rules and regulations. The idea was that if homeownership was within reach to public housing renters, then there would be greater pride and care taken of the rental units.⁵⁹

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⁵⁷ See Appendix F for a description of escalating property values for single family homes surrounding Mandela Gateway.
⁵⁸ See Exhibit 17 for a comparison map of household incomes per census tract in and around Mandela Gateway.
⁵⁹ This has yet to be tested at the writing of this thesis, as the homeownership units are projected to begin construction in late Spring 2006.
2) Commercial Land Use vs. Residential Use. This plan balances the political and economic pressures of preserving and expanding the commercial and industrial character of the West Oakland economy while providing affordable housing in a market where there is very little existing affordable housing stock. On the one hand, there was political support to preserve the light industrial character and former commercial character of Seventh street of the area while there was similar political support to produce more affordable housing to avert the “affordability crisis” that continues to characterize the region. As the Mandela Gateway development is a major fixture in the City-sponsored West Oakland Redevelopment Plan, it provides for affordable housing while offering retail space (although it has yet to be filled). This mixed use plan addresses both economic development and housing needs in West Oakland.

Capturing the Effect of Poverty Deconcentration on the Broader Neighborhood: Realities and Perceptions of the Implication of Development-based Poverty Deconcentration

As mentioned earlier in this thesis, capturing the implications of poverty deconcentration in HOPE VI developments for broader neighborhood revitalization is difficult to quantify and measure fully. In the case of Mandela Gateway, I had the opportunity to interview public and private investors near the HOPE VI site to hear their perspectives about the impact of poverty deconcentration on their investment activity.

Aegis Realty, which is developing large parcels across the street from the Mandela Gateway project for market rate rental residential use, describes Mandela Gateway as a development that clearly looks nicer and safer than the former Westwood Gardens. However, while a key informant with Aegis Realty is glad that Westwood Gardens has been revitalized, she does not think that Mandela Gateway was a catalyst in her firm’s decision to invest in West Oakland. The underlying trends of cheap, available, developable land coupled with the great access on the BART station were the most important indicators of whether the firm’s planned residential development would be profitable in West Oakland. Other than the fact that Mandela Gateway “looks nicer”, the firm’s interaction with the development has been minimal. Additionally, the
development of Mandela Gateway had very little influence in the timeline for Aegis’ development activity in West Oakland.

The Aegis representative stated that the developer understands clearly the high density of poverty in the West Oakland neighborhood, but believes that the demand for rental and homeownership units near the West Oakland BART station will be attractive to buyers, even though the area continues to have a perception of high crime and high poverty. Given the shortage of housing in the Bay Area, buyers are willing to look at West Oakland. Aegis is developing its units in a way that gives a strong impression of safety with wrought iron fences around the perimeter of the development.

Peter Sullivan Associates, Inc. is planning a mixed use/mixed occupancy project that will contain residential, industrial, and commercial activities in a cluster of buildings on the project site. This site is just a few blocks east of Mandela Gateway at the corner of Mandela Parkway and Grand Avenue. The site currently contains two industrial buildings, one of which will be demolished while the other will be retained and rehabilitated. The project proposes approximately 1,575 dwelling units and 212,000 square feet of commercial/retail/custom and light industrial use. These dwelling units will be a mix of rental and homeownership opportunities. The number and level of affordable units has yet to be determined.

A project manager with Peter Sullivan states that the firm’s initial reason for pursuing development in West Oakland, specifically at Grand and Mandela Parkway, was its great location. The site’s proximity to the Bay Bridge, major interstates, two BART stations (MacArthur and West Oakland), and downtown Oakland and Emeryville was very appealing to the developer.

He cites a substantial visual change in the streetscaping and redevelopment of Mandela Parkway as a significant element in the redevelopment of West Oakland. He notes, “Everytime you drive down Mandela Parkway you can see the blight, but you can also see the possibility for revitalization.”
The concentration of public housing in West Oakland has been a factor in the development program for this project, known as the Mandela Grand Mixed Used Redevelopment Project. Initially, the developer had hoped to include a big box retailer in their development. However, according to the project manager, with the high rate of poverty in the neighborhood, these retailers were reluctant to move into the site. Many of these potential retailers expressed concerns about the household income levels in the neighborhood.

The project manager points to some signs that show revitalization in the neighborhood including the purchase of abandoned industrial sites by residential developers and also the development around BART and the redevelopment of Westwood Gardens.

I spoke with Philip Banta, the lead architect on the redevelopment of the Red Star Yeast plant at 1396 5th Street, across from Mandela Gateway. This project includes 119 for-sale condo units and 850 s.f. of commercial space.

Banta described many signals that show that West Oakland is an attractive place to invest and development residential properties. He states, “There are a lot of projects which are now being proposed, mostly residential, a new faith in the area which hasn’t happened until now.” He too cites West Oakland’s location and proximity to San Francisco as one of the area’s greatest assets in terms of residential development.

Still, he notes, there is still a strong perception and about crime in the West Oakland area. He confirms that a large part of the resident population in West Oakland is in the “lower economic brackets.” Even today, he believes that if you were in West Oakland in the wrong place, in the wrong time of day you could be mugged. However, buyers are still willing to put down $400,000-$500,000 for a single family home in West Oakland. According to Mr. Banta, buyers are willing to live in West Oakland because they are do not want to move out of the Bay Area and be distant from the cultural assets of the city and jobs. He states, “Buyers and renters are essentially sticking their head in the sand about the crime in West Oakland.” However, he repeats the sentiment that West Oakland market rate residents, outside of subsidized housing, are
not thrilled about having subsidized housing in the neighborhood. He does agree that Mandela Gateway looks nicer and has really cleaned up some of the visual blight in the area.

Mr. Banta believes that in 20 years, the density of West Oakland will increase and there will be more residential, commercial, and ultralight industrial uses in the area. It is clear from this interview that the poverty deconcentration at Mandela Gateway did contribute to the look and feel of the neighborhood around the BART station, but that the demand for development at West Oakland was more about the tight housing conditions in the Bay Area. West Oakland will offer an option for young professionals or small families to live in the Bay Area.

**Causality: Development and Poverty Deconcentration. Are they related in West Oakland?**

Is it true that the development Mandela Gateway has served to catalyze the surrounding neighborhood, specifically through its element of development-based poverty deconcentration? It depends upon who is responding to the question. The planners and economic development practitioners or the staff at the Oakland Housing Authority would answer that Mandela Gateway has been a signal to the broader neighborhood and its potential investors that West Oakland is a good place to invest. Private developers would say nothing of the development-based poverty deconcentration strategy at Mandela Gateway, though they would likely mention that it makes the area look nicer and feel safer.

However, the fact that Mandela Gateway “looks nicer” has not been enough of an argument to get tenants to fill the ground floor retail included in the development. As Mandela Gateway was being built, Walgreens was courted as a potential anchor tenant for the retail component. After much negotiation and debate between Mandela’s developer and the Real Estate staff for Walgreens, the company decided that the demographic of West Oakland could not support their store. This demographic indicators of interest to Walgreens included trends such as low household income and high crime.

While it is true the Mandela Gateway has served to remedy the visual blight that once plagued Westwood Gardens and its surrounds, it is not entirely clear what development-based poverty
deconcentration had to do with this “visual improvement.” In this case, it may be as simple as the OHA following a very clear edict from their Board of Commissioners to replace every public housing unit that is demolished. In this case, the scale of Westwood Gardens, with only 46 public housing units, allowed these units to be replaced onsite while 122 units for households at higher incomes were added.

Without the mixed-income program at Mandela Gateway, the development simply would not have been possible. The mixed-income component is key to Mandela Gateway because of the high per-unit cost to develop affordable housing at deep subsidies, for households below 50% area median income. The cash flow from higher-rent units serves to subsidize the lower rent units. According to Jesse Wu, Mandela Gateway project manager at BRIDGE Housing, “The HOPE VI grant paid for the early expenses of the site and gave legitimacy to the project with the City and the community. Without other designated funds from state and city sources, the HOPE VI development would not be possible.” At Mandela Gateway, transportation improvements, the development of retail space, and the inclusion of homeownership units were some of these benefits that will hopefully be realized soon through leveraged funds, beyond the original HOPE VI grant.

Although the retail component of Mandela Gateway remains unrented today, the development of this retail space shows that perhaps the housing authority was one step ahead of the market. Conversations with other developers confirm that the area is ripe for commercial and residential investment. These conversations also confirm that the amount of poverty in the area contributes significantly to the retail or commercial tenant’s willingness to move into the area. As more units are planned and developed for market rate residents, the demand for retail will increase and these commercial tenants will be more willing to move into the neighborhood. Mandela’s retail space will be used, but the market is not ready for it just yet. There are some leases that are tentatively signed, but overall, the market is not yet ready to take a leap of faith and invest in such an impoverished area of Oakland.

One may wonder how and to what scale neighborhood revitalization could be affected by essentially giving 46 public housing residents some less-poor neighbors, especially given the
high poverty levels that exist in West Oakland. It is difficult to correlate a change in poverty levels with the deconcentration of poverty at Westwood Gardens given its small scale. This policy of development-based poverty dilution at Westwood Gardens has served to increase the number of non-public housing units (albeit still subsidized) in the neighborhood, has offered affordable homeownership opportunities in a neighborhood that is characteristically a rental neighborhood, and has included the first new retail space for commercial tenants in the neighborhood.60

Carol Galante, President and CEO of BRIDGE Housing commented in Affordable Housing Finance, “One of the big lessons that Mandela Gateway teaches is that a project needs to be done on a large enough scale to make an impact on a neighborhood in need of economic revitalization.” Compared to the projects described above at 1600 units, the 168 units at Mandela Gateway hardly seem to be large enough in scale to make a real impact on economic revitalization, especially since the retail component of the development has been empty since April of 2003.

But, despite its small scale compared to private development happening in the broader neighborhood, what would happen if there was no Mandela Gateway? For one thing, the visual blight of Westwood Gardens would remain. As a result, there would probably be less buyer demand for the condominium market in West Oakland and there would be no opportunity for new commercial tenants to come into 7th Street. As the West Oakland Transit Study found, “West Oakland, will continue for some time to be seen as a high risk place for reinvestment. The fact that OHA is in a position through the HOPE VI grant to provide public reinvestment in a critical new housing development, Mandela Gateway, provides a critical catalyst for change.” (37).

The response from the developer of Mandela Gateway, BRIDGE Housing, is that “It is not HOPE VI itself that revitalizes the neighborhoods, but the elements demanded by the proposal including Low Income Housing Tax Credits, Section 8, City Money and others that come together to create a collaborative plan for neighborhood revitalization.”61 One might conclude,

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60 See Appendix G for an analysis of rental vs. ownership tenure for single family homes in West Oakland.
61 Interview with Jess Wu, 1/13/2006
therefore, that it is the catalyzing effect of HOPE VI to bring more investment to the neighborhood in terms of serving other demographic strata that causes the perceived and assumed spillover revitalization effects of poverty deconcentration at the HOPE VI site.

The institutional investment that happened concurrently as Mandela was being developed came together as the City of Oakland prioritized this project because there was a lot of blight in the area and the City’s leadership saw it as an opportunity to signal to the market that West Oakland was a place to invest. Plus, it fit well into the Mayor’s preservation and creation of affordable housing goals. This institutional investment, including improved streetscape and funded Transit Oriented Development studies, is an example of increased amenities that were provided for people beyond the Mandela Gateway development, but could have been catalyzed by the HOPE VI funds.

Where does development-based poverty dilution fit into this catalyzation of the broader neighborhood? Based on this research, it doesn’t. The agenda of preserving all demolished public housing units was a public policy priority of the OHA that was easily done at Mandela Gateway due to the small number of units that were to be replaced onsite (only 46). Further, due to new management policies, the poor that once lived at Westwood Gardens have all but disappeared from Mandela Gateway, as only 13 of the original 46 Westwood Gardens households returned.

While admirable and certainly exceptional among the full spectrum of deconcentration strategies in HOPE VI developments, this strategy of development-based poverty dilution has barely registered on the screens of public and private investors that have some understanding of or connection with Mandela Gateway. Why? Perhaps because market rate housing demand, which these developers are mostly concerned with, has nothing do with how much public housing is in West Oakland, diluted of poverty or not. The reality is that as market rate housing prices continue to escalate in the Bay Area, West Oakland will be developed rapidly as it is one of the few thresholds of available, developable land left. At least there are now 168 units of decently managed, decently mixed, decently designed affordable housing at Mandela Gateway to preserve
some affordability for those that can manage to successfully pass the screening criteria and obtain a unit at Mandela Gateway as the rest West Oakland is built out with market rate housing.
Chapter 4:
Conclusion and a Research Agenda

This thesis is an investigation of the implications of two widely-practiced HOPE VI poverty deconcentration methods for broader neighborhood revitalization. The two types of deconcentration investigated were “development-based poverty dilution” at Oakland’s Mandela Gateway and “neighborhood-based dispersal” at Tucson’s Posadas Sentinel. In both cases, the units of analysis included the type of poverty deconcentration used and the outcome(s) for neighborhood revitalization related to each case’s method of poverty deconcentration at the HOPE VI site. This was measured both in terms of increased public and private investment in the near block groups containing the HOPE VI development and also the historical poverty and median home values in these tracts. Additionally, the history of the relationship between development (residential, commercial, public infrastructure) and poverty in the subject census tract and surrounding tracts is described alongside the underlying political and economic trends affecting or affected by the subject neighborhood.

Is poverty deconcentration as a tool for neighborhood revitalization really just common sense? It seems fairly reasonable for one to assume that a neighborhood would revitalize if there were less concentrated poverty in the area. The theories and studies of poverty deconcentration (related in the chapter two literature review) all conclude that in areas of lower poverty, residents on the lower end of the economic spectrum have opportunities to realize greater economic mobility and self-sufficiency if they have less poor neighbors. According to this literature, when poor people are next to less-poor people, public and private neighborhood amenities increase, the opportunity to create and engage in social capital is intensified, and there is a greater chance that a variety of skilled workforce-ready households will find employment. This thesis aimed to take this theory one step further and investigate investment behavior in neighborhoods surrounding HOPE VI developments where poverty has been deconcentrated through methods of dispersal or dilution of public housing residents.

Although two methods of poverty deconcentration were studied in this thesis, it is beyond the scope of these conclusions to determine which method, either neighborhood-based dispersion or development-based dilution, has the greater implication for broader neighborhood revitalization.
The relevant conclusion, however, is that at both the Mandela Gateway and Posadas Sentinel HOPE VI developments the respective housing authorities developed their deconcentration strategy to meet the conditions of the market trends in the broader neighborhood while maintaining their HUD and City prescribed mandates for production and long-term preservation of affordable housing – including public housing. The interesting aspect of this research and the related conclusions is the answer as to why a public housing authority would choose one strategy for poverty deconcentration over another and what implications that choice has for the broader neighborhood investment and revitalization. The origins and impact of these two contrasting HOPE VI poverty deconcentration strategies are key, especially when placed in a continuum of underlying neighborhood revitalization or disinvestment trends in the neighborhood surrounding the HOPE VI development.

Determining Causality: What does poverty deconcentration at Mandela Gateway and Posadas Sentinel really mean for investment decisions for broader neighborhood revitalization?

Causality between investment behavior and the type of poverty deconcentration at the two HOPE VI developments evaluated in this thesis has been determined largely by personal interviews of market actors around the HOPE VI development and some historical evaluations of land use, household income, and median home value over time. This data show that private residential investors around the HOPE VI development have very little interest or concern about how much poverty remains at the redeveloped housing. Over and over, these investors mentioned, “Well, it looks nicer and it feels safer.” The quantitative data shows an increase in home values and median household income. However, is this idea of revitalizing distressed public housing by making it “look nicer and feel safer” really a signal to the market that the broader neighborhood is now “revitalized”?

It is not clear whether changing the management at the housing from the housing authority to a private property management company and upgrading the appearance of the HOPE VI development would yield the same investment behavior from residential investors. It is clear, however, that commercial investors look very seriously at the demographic of a neighborhood before they will commit to investment. At Mandela Gateway, the retail space connected with the
development remains empty nearly two years after it was built. Potential commercial tenants cite reasons like “not enough rooftops in the area”, “too much risk of merchandise ‘shrinkage’”, and “not a high enough income population to support the store.” For these investors, the HOPE VI revitalization was not enough to deconcentrate poverty in a way that would make it financially feasible for them to invest. Other factors, perhaps beyond the housing development itself, would have to change.

The same is true for Posadas Sentinel in Tucson. Here, small businesses along one of the HOPE VI neighborhood’s peripheral boundaries still cite concerns about crime and lack of demand for their product as major barriers to their entry to the market. This is related to both the high level of poverty that remains in the neighborhood and the fact that residents in the Barrio Santa Rosa are willing to drive elsewhere to buy their needed goods and services. Despite the economic development planning efforts that were undertaken as part of the Posadas Sentinel HOPE VI revitalization grant, new commercial uses have not moved into the neighborhood along 6th Avenue.

Both cases evaluated in this thesis reveal a stark inadequacy of HOPE VI poverty deconcentration strategies to affect poverty levels in the broader neighborhood. As described with census data and maps, both Posadas Sentinel and Mandela Gateway are placed in neighborhoods where high poverty levels extend beyond the HOPE VI development and into the surrounding census block groups. While poverty has been deconcentrated at the actual development, it does not appear that this deconcentration goes beyond the bounds of the development. That is, despite the deconcentration onsite at Posadas and Mandela, the HOPE VI development is still placed in a low-income neighborhood. This fact causes some questions to arise about the underlying theory behind HOPE VI poverty deconcentration. As detailed in the literature review and background sections of this thesis, households in neighborhoods with lower poverty are supposedly economically, socially, and politically healthier than households in neighborhoods of high, concentrated poverty.

Given the scale and type of poverty deconcentration implemented at Posadas Sentinel and Mandela Gateway, it is not clear that the decrease in poverty density at these developments had
any impact on broader neighborhood level poverty. This begs the question about whether is it really HOPE VI poverty deconcentration that spurs investment and transformation in the broader neighborhood. Could it be the physical, economic, social, and political isolation of the broader neighborhood that prevents investment?

Finally, these two cases demonstrate that poverty deconcentration strategies of neighborhood-based dispersal and development-based dilution have very little or no impact on the root causes of poverty that caused the initial disintegration of the replaced severely distressed public housing. Instead, these strategies are aimed at changing the type of visible poverty onsite, as most of the original public housing families do not return to the HOPE VI development. Without addressing the root of poverty at these severely distressed public housing developments, what sort of transformative neighborhood impact could be expected from HOPE VI poverty deconcentration strategies? At Posadas Sentinel and Mandela Gateway, the answer is, “Very little.”

**Best Practices to Advance the Critical Goals of HOPE VI Poverty Deconcentration**

1. **Coordination and partnership with public and private investors in the broader neighborhood.** In both Posadas Sentinel and Mandela Gateway, the administrative housing authority made an early commitment that the HOPE VI development would be about more than developing high quality affordable housing. The HOPE VI developments in both cases aimed to be key participants in and catalysts of the revitalization that was already beginning to occur in both neighborhoods.

In Oakland, the Housing Authority took the HOPE VI grant as an opportunity to leverage other planning that had already been going on in West Oakland since the early 90s, following the Loma Prieta earthquake. In many ways, the development of Mandela Gateway was the first visible implementation of many plans for the removal of blight and incentives for more public and private investment that had already been occurring. Westwood Gardens, the replaced public housing, was a major part of the blight plaguing West Oakland. The Oakland Housing Authority saw an opportunity to make the impact of Mandela Gateway greater by partnering with other redevelopment initiatives that were happening in West Oakland. There was a mutual
understanding between existing initiatives that without the revitalization (and subsequent poverty deconcentration) at Westwood Gardens, many of the other redevelopment initiatives would not have as much impact.

In Tucson, the neighborhood was already undergoing intense gentrification as property values were rising and the supply of affordable housing was being threatened. Posadas was developed in a way that preserved affordable housing in the broader neighborhood while managing to leverage public and private investment that would serve the broader community while at the same time reducing the isolation of the public housing that Posadas replaced. In using the neighborhood-based dispersal method of poverty deconcentration, the Community Services Department (Tucson’s public housing authority) was able to create partnerships that addressed neighborhood revitalization opportunities beyond the redevelopment of Connie Chambers.

In both cases, the method of poverty deconcentration at the HOPE VI development was important because it was a critical factor in getting other funds to the table for public amenities and mixed-income development.

2. **Navigating the underlying economic and (re)development trends of the broader neighborhood.** In both cases, the strategies employed for poverty deconcentration were developed and implemented in a way that harnessed existing market forces for neighborhood revitalization in the HOPE VI project areas while improving the conditions of the former public housing. In Oakland, this was done by rebuilding all of the replacement public housing units onsite while adding in 122 units of affordable housing for low to moderate income families. Affordable housing for very low income families was preserved, but the demand for more affordable housing was captured also, onsite. In Tucson, the neighborhood surrounding Posadas was already gentrifying. The neighborhood-based poverty deconcentration strategy served to re-knit the fabric of the neighborhood by creating a more mixed income demographic at Posadas that was reflective of the broader neighborhood, rather than the isolated concentration of very low income households at the former Connie Chambers.
In both Oakland and Tucson, the forces of gentrification were in tension with the crisis to preserve affordable housing. In Oakland, the Housing Authority was one step ahead of the market and leveraged community and political support to be the first entity to develop mixed-use housing and retail in the area. Others have followed, but have had significantly more difficulty in getting their projects up out of the ground. Why? Perhaps it is because private projects have less access to political support and state and community subsidies than the HOPE VI development.

In order to prevent the continued isolation of the public housing/affordable housing, the respective housing authorities in both Oakland and Tucson had to balance these tensions in their poverty deconcentration strategies in order to leverage the greatest amount of money and support as leveraged from the original HOPE VI Grant. Beyond the element of the poverty deconcentration method used at each site, the leveraging of HOPE VI money and resources creates significant neighborhood revitalization benefits as public and private investors are brought to the development table where both the housing authority and the investor benefit.

It could be concluded that Oakland and Tucson public housing authorities postured the poverty deconcentration strategy in a way that enables more money to come to the table and thus, broader neighborhood revitalization. At Posadas Sentinel in Tucson, for example, the culture of public housing development policy in the city expected a one for one replacement and scattered site placement of public housing residents. This really did occur, although it is less clear who among the households receiving one of these scattered-site units actually lived in Connie Chambers. The poverty deconcentration plan had to be culturally sensitive to that scattered-site expectation while it minded the underlying forces of the neighborhood, as it was gentrifying. In Oakland, the housing authority navigated the debate between preserving affordable housing while increasing the income level on the HOPE VI site. In both cases, the housing authorities navigated the underlying trends of the neighborhood while managing to preserve and produce affordable housing.
The Relevance to Other HOPE VI Cases in the U.S.:

The relevance of this thesis research is important to housing authorities as they begin to develop their mandated HOPE VI poverty deconcentration strategies. What can be learned here and replicated elsewhere is that HOPE VI poverty deconcentration is a very effective way for the housing authority to position the HOPE VI revitalization in a continuum of underlying market trends and other redevelopment activities that are already occurring in the broader neighborhood. By creating a poverty deconcentration strategy that acknowledges these underlying trends, the housing authority can be in a better position to garner funds and investment from other redevelopment efforts occurring in the neighborhood while preserving housing for very low income families. Despite the criticisms about relocation issues and difficulties in replacing public housing units, the HOPE VI revitalization grant offers a large infusion of Federal funds to leverage for greater neighborhood revitalization. The poverty deconcentration strategy, whether neighborhood- or development-based, is one HOPE VI mandate that can be effectively designed in a way that makes those with public or private funds to invest in the area more comfortable with mixed-income development and thus more willing to invest in the broader neighborhood.

Remaining Questions: Further Research

1. Housing Authorities and Federal housing policy-makers need to better understand what poverty deconcentration can mean for a neighborhood, on a neighborhood level. It is still unclear how the implications of HOPE VI poverty deconcentration for broader neighborhood revitalization should be measured.

2. How does poverty deconcentration help residents of formerly distressed public housing go from being part of an island of poverty to being a participant in the broader neighborhood economy? If these former residents are largely left out of the HOPE VI development, are new concentrations of poverty forming elsewhere?

3. How is the role-modeling effect of households with higher annual incomes on households with lower annual incomes understood and measured in HOPE VI developments?

4. Where is the place for “housing of last resort” if HOPE VI requirements demand that poverty is deconcentrated and that the replacement public housing units are largely filled by economically mobile, generally self-sufficient households?
Appendix A:

HOPE VI Trends in the Continuum of Poverty Deconcentration Strategies

Discussion: The trends listed below are in reference to a review of poverty deconcentration strategies associated with HOPE VI developments from FY 1997-FY2004. I chose these years because they were the years listed on the HUD website “fact sheets.” I reviewed each fact sheet for all HOPE VI Revitalization Grants in this period and prepared a chart listing each project’s poverty deconcentration strategy. I did this research in an effort to place the poverty deconcentration strategies of Posadas Sentinel and Mandela Gateway in a broader spectrum of policy and practice. The two categories of poverty deconcentration used in this thesis are quite prevalent in this spectrum.

After the Revitalization Grant:

1. There was a general reduction in total number of public housing units from the original units to be demolished
2. There was a reduction of the number of public housing units onsite with an infusion of higher incomes and more shallow levels of affordability
3. Public housing units were moved offsite either to another site with mixed incomes or scattered among neighborhoods in single family homes or duplexes
4. Homeownership for public housing residents was mixed with traditional public housing residents
5. Preservation of all original public housing units onsite with an infusion of market rate or other average incomes and access to affordable units (as in Mandela Gateway)
6. Two sites with the number of public housing units split between the two
7. Lease to purchase options for public housing residents
8. Less total units, higher incomes onsite
9. The same amount of units onsite, but not as many units for public housing
10. Market rate renters and owners on the same site as public housing residents
11. Reduction in the total amount of units onsite coupled with the reduction of public housing units onsite
12. Majority of public housing units offsite
13. Where there was no onsite redevelopment, there was significant reduction in the public housing units
14. Reduction in total number of public housing units and increase in total number of units at other levels of affordability
15. The number of original public housing units remained, but units for households at higher incomes were added to the site
16. A reliance on the influences of mixed income housing and the influences of homeownership tenure to affect the behaviors of public housing residents
Appendix A (Continued):

Survey of HOPE VI Poverty Deconcentration Strategies from FY 1997-FY2004


<table>
<thead>
<tr>
<th>FY 1997 Development</th>
<th>Notes</th>
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<tbody>
<tr>
<td>San Francisco, CA: Valencia Gardens</td>
<td>260 original units. After revitalization, all units were replaced onsite and offsite. Unsure of reduction or increase in public housing units.</td>
</tr>
<tr>
<td>Stamford, CT: Southfield Village</td>
<td>Originally 502 units, after revitalization 370 units with 160 public housing units.</td>
</tr>
<tr>
<td>Washington, DC: Valley Green and Skytower community.</td>
<td>Originally 403 units, after revitalization 48 public housing rental and 30 public housing homeownership. All were replaced onsite.</td>
</tr>
<tr>
<td>Orlando, FL: Orange Villa</td>
<td>On and offsite components. 20 public housing units onsite, 50 public housing rental and homeownership offsite. Unclear on whether there was a net loss of public housing units.</td>
</tr>
<tr>
<td>St. Petersburg, FL: Jordan Park</td>
<td>446 original units, after revitalization there was on and offsite mixing of incomes and units. Unclear about net loss of public housing units.</td>
</tr>
<tr>
<td>Tampa, FL: Ponce de Leon and College Hill</td>
<td>1350 units originally, after revitalization onsite and offsite reduction of overall units to 900. It is not clear how many of these 900 replacement units were preserved as public housing. There was a mixing of incomes both on and offsite.</td>
</tr>
<tr>
<td>Peoria, IL: Colonel John Warner</td>
<td>Originally 321 units, after revitalization 203 onsite units including 153 public housing units, plus 30 units of public housing homeownership offsite.</td>
</tr>
<tr>
<td>Baltimore City, MD: Murphy Homes and Emerson Julian Gardens</td>
<td>Originally 793 units, after revitalization 260 onsite and offsite units. Unsure how many public housing units remained after the revitalization, but this strategy is about infusion of higher incomes and scattering of housing in the neighborhood (Like</td>
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<td>Location</td>
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<tr>
<td>Kansas City, MO: Heritage House</td>
<td>After revitalization 56 public housing units available. A new community was built for tenants away from the downtown corridor.</td>
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<tr>
<td>Helena, MT:</td>
<td>N/A</td>
</tr>
<tr>
<td>Elizabeth, NJ:</td>
<td>Originally 655 public housing units, after revitalization units were replaced both on and off-site. It is not clear how many public housing units remained, but the plan was to scatter replacement units in the surrounding neighborhood.</td>
</tr>
<tr>
<td>Jersey City, NJ: Curries Woods Development</td>
<td>Originally 621 units, after revitalization all units were replaced onsite and offsite with a mix of incomes and a scattering of the lower income units. Emphasis on homeownership.</td>
</tr>
<tr>
<td>Patterson, NJ: Christopher Columbus</td>
<td>Originally 498 units, after revitalization the replacement units were replaced onsite and offsite. A variety of incomes are served in three separate, scattered developments.</td>
</tr>
<tr>
<td>Buffalo, NY: Lakeview Homes</td>
<td>Originally 544 units, after revitalization units were replaced onsite and offsite. Unclear about mix of incomes.</td>
</tr>
<tr>
<td>Winston-Salem, NC: Kimberly Park Terrace</td>
<td>All scattered site. Emphasis on homeownership for public housing residents.</td>
</tr>
<tr>
<td>Allegheny County, PA: McKee’s Rocks Terrace</td>
<td>Originally 288 units, after revitalization 268 total units with 178 public housing units onsite (20 homeownership units for public housing families). There was an overall removal of units and influx of higher incomes.</td>
</tr>
<tr>
<td>Chester County, PA:</td>
<td>Originally 192 units, 261 after revitalization. Unclear about number of public housing units after the revitalization. Emphasis on influx of higher incomes and homeownership.</td>
</tr>
<tr>
<td>PA: Schuylkill Falls</td>
<td>Originally 266 units, 300 after revitalization with a cross section of incomes. Reduction of the density of poverty onsite.</td>
</tr>
<tr>
<td>Knoxville, TN: College Homes</td>
<td>Originally 320 units, 255 after revitalization. Moved all public housing residents to single-family homes in the surrounding community.</td>
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<tr>
<td>Nashville, TN: Vine Hill Homes</td>
<td>Originally 280 units. After revitalization</td>
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<td>Location</td>
<td>Development</td>
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<tr>
<td>Houston, TX</td>
<td>N/A</td>
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<tr>
<td>Richmond, VA: Blackwell</td>
<td>Originally 440 scattered site units, after revitalization 262 public housing onsite. 138 units public housing offsite.</td>
</tr>
<tr>
<td>Portsmouth, VA: Ida Barbour</td>
<td>Originally 663 units, after revitalization 264 rental and homeownership units onsite. Considerable reduction in public housing units.</td>
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</table>

**FY 1998 Development Notes**

<table>
<thead>
<tr>
<th>Development</th>
<th>Notes</th>
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<tbody>
<tr>
<td>Los Angeles, CA: Aliso Village</td>
<td>Originally 685 units, after revitalization 269 units of public housing onsite. There was also an influx of higher income households onsite.</td>
</tr>
<tr>
<td>Oakland, CA: Chestnut Court</td>
<td>Originally 83 units, after revitalization 59 public housing units. Public housing units were moved offsite and higher incomes were added onsite.</td>
</tr>
<tr>
<td>Denver, CO: Cutis Park and Arapahoe Courts</td>
<td>Originally 286 public housing units. After revitalization 135 units of public housing onsite.</td>
</tr>
<tr>
<td>Wilmington, DE: Eastlake</td>
<td>Originally 267 units, 80 public housing units after revitalization. Onsite only. Higher income households were added to the site and homeownership units.</td>
</tr>
<tr>
<td>Atlanta, GA: Carver Homes</td>
<td>Originally 990 units, after revitalization 399 public housing units and 107 homeownership units for public housing residents. Onsite replacement only. Reduction of total units and an increase in income ranges of residents.</td>
</tr>
<tr>
<td>Chicago, IL: ABLA</td>
<td>Originally 2776 units, after revitalization 1052 public housing and units for higher income households.</td>
</tr>
<tr>
<td>Lexington-Fayette, KY: Charlotte Court</td>
<td>Originally 356 units, after revitalization 123 units of public housing and a mix of other incomes. Units were replaced onsite.</td>
</tr>
<tr>
<td>Baltimore, MD: Flag House Courts</td>
<td>Originally 487 units, after revitalization 140 public housing units with 27 lease-purchase units. Units were replaced onsite. This is an overall reduction of public housing units onsite plus and influx of higher incomes.</td>
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<td>Location</td>
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<tr>
<td>Charlotte, NC: Fairview Homes</td>
<td>Originally 410 units, after revitalization 330 units replaced onsite and offsite. Overall reduction of units, especially public housing units.</td>
</tr>
<tr>
<td>Greensboro, NC: Morningside Homes</td>
<td>Originally 380 units, after revitalization 286 public housing units onsite, with a mix of other incomes. Overall reduction in public housing units.</td>
</tr>
<tr>
<td>New Brunswick, NJ: New Brunswick Homes</td>
<td>Originally 246 public housing units, after revitalization units were replaced with 98 public housing rental units and 12 public housing homeownership units. Overall, less public housing onsite.</td>
</tr>
<tr>
<td>Albany, NY: Edwin Corning Homes</td>
<td>Originally 292 units onsite replaced with 250 public housing units (50% onsite and 50% offsite) with other incomes.</td>
</tr>
<tr>
<td>New York City, NY: Prospect Plaza</td>
<td>Originally 102 units, after revitalization 68 units of public housing offsite and 60 units of public housing lease-purchase off site. Overall the public housing was mostly scattered.</td>
</tr>
<tr>
<td>Cincinnati, OH: Lincoln Court</td>
<td>Originally 886 units, after revitalization 250 public housing units. Overall reduction of total units and infusion of higher incomes.</td>
</tr>
<tr>
<td>Tulsa, OK: Osage Hills</td>
<td>Originally 388 units. Replaced with 388 public housing units and some other levels of affordability and homeownership.</td>
</tr>
<tr>
<td>Chester, PA: McCaffery Village</td>
<td>Originally 350 units. After revitalization public housing was replaced offsite and onsite with 174 public housing units (some homeownership included). A strategy of scattering and homeownership, without introducing mixed incomes.</td>
</tr>
<tr>
<td>Philadelphia, PA: Martin Luther King Plaza</td>
<td>Originally 537 units. After revitalization 85 units of public housing were replaced and the rest of the units were replaced with a higher range of household incomes. There was a reduction in overall units and an introduction of varied levels of income.</td>
</tr>
<tr>
<td>Dallas, TX: Roseland Homes</td>
<td>Originally 622 units. After revitalization 388 units of public housing were replaced including some homeownership units plus the infusion of units for households at higher incomes. Overall number of units was increased after revitalization, although</td>
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<td>Development</td>
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<tr>
<td>Alexandria, VA: Samuel Madden Homes</td>
<td>Originally 100 units. After revitalization, 100 units of public housing were replaced plus over 150 units for households at other income levels. Similar strategy to Mandela Gateway in Oakland.</td>
</tr>
<tr>
<td>Roanoke, VA: Lincoln Terrace</td>
<td>Originally 126 units. After revitalization, 34 lease-purchase units were available to public housing residents and for households at higher incomes. Overall, most of the public housing was not replaced; the public housing that was replaced was developed into homeownership units.</td>
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<tr>
<td>Seattle, WA: Roxbury Village</td>
<td>Elderly, n/a</td>
</tr>
<tr>
<td>Milwaukee, WI: Parklawn</td>
<td>Originally 518 units. After revitalization, 380 public housing units with homeownership onsite and offsite. This development was a reduction in the total number of public housing units and homeownership units were introduced to the development.</td>
</tr>
<tr>
<td>FY 1999 Development</td>
<td>Notes</td>
</tr>
<tr>
<td>Birmingham, AL: Metropolitan Gardens</td>
<td>Originally 910 units. After revitalization, two mixed income neighborhoods were developed with 340 public housing units, 489 market rate rentals, and 200 units of affordable homeownership (not particular to public housing households). Significant reduction of public housing units after revitalization.</td>
</tr>
<tr>
<td>Oakland, CA: Westwood Gardens</td>
<td>Originally 46 units. After revitalization, 46 public housing units were replaced while 122 rental units were added onsite (for households up to 80% AMI).</td>
</tr>
<tr>
<td>Washington, DC: Frederick Douglas and Stanton Dwellings</td>
<td>Originally 448 units. After revitalization only 105 public housing units were replaced. Units were added for households at higher incomes.</td>
</tr>
<tr>
<td>Bradenton, FL: Rogers Garden Park and Rogers Addition</td>
<td>Originally 80 units. After revitalization, all public housing units were replaced plus units were added onsite for higher income households. Three-fourths of the units were developed offsite.</td>
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<td>Location</td>
<td>Description</td>
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<tr>
<td>Lakeland, FL:</td>
<td>Washington Park and Lake Ridge Homes</td>
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<td></td>
<td>Originally 348 units. After revitalization, 239 units of public housing and</td>
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<td></td>
<td>other types of units. 200 of these replacement units were offsite. Overall</td>
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<td>increase in totally units, an overall reduction in public housing units with</td>
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<td></td>
<td>some units onsite and offsite.</td>
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<tr>
<td>Miami-Dade, FL:</td>
<td>Scott Homes and Carver Homes</td>
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<tr>
<td></td>
<td>Originally 850 units. After revitalization there were 80 units of public</td>
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<tr>
<td></td>
<td>housing plus an additional 135 units of rent to own public housing. Plus</td>
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<td></td>
<td>about 250 other affordable units onsite (available to households at higher</td>
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<tr>
<td></td>
<td>incomes). Significantly less public housing overall.</td>
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<tr>
<td>Atlanta, GA:</td>
<td>Joel Chandler Harris Homes</td>
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<td>Originally 510 units. After revitalization, 240 units of public housing were</td>
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<td></td>
<td>replaced with 270 units for households at higher incomes. Units were</td>
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<tr>
<td></td>
<td>replaced onsite. Significant drop in public housing units, but total number</td>
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<tr>
<td></td>
<td>of units remained nearly the same level before and after the revitalization.</td>
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<tr>
<td>Decatur, IL:</td>
<td>Longview Place</td>
</tr>
<tr>
<td></td>
<td>Originally 386 units. After revitalization, 292 public housing units and</td>
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<tr>
<td></td>
<td>about 150 homeownership units for other households with higher incomes. Less</td>
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<tr>
<td></td>
<td>overall public housing.</td>
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<tr>
<td>Gary, IN:</td>
<td>Duneland Village</td>
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<tr>
<td></td>
<td>Originally 163 units. After the revitalization, 91 public housing units and</td>
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<td></td>
<td>about 170 units for households at higher incomes, including some homeownership</td>
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<tr>
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<td>units. Less overall public housing units, but more total units.</td>
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<tr>
<td>Baltimore, MD:</td>
<td>Broadway Homes</td>
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<tr>
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<td>Originally 429 units. After revitalization, 84 units of public housing with</td>
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<td>about 32 homeownership units. Significant drop in total amount of units, and</td>
</tr>
<tr>
<td></td>
<td>public housing units.</td>
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<tr>
<td>Atlantic City, NJ:</td>
<td>Shore Park/Shore Terrace</td>
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<tr>
<td></td>
<td>Originally 214 units. After revitalization, 190 public housing units were</td>
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<tr>
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<td>replaced and 410 homeownership units were built. An overall slight reduction</td>
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<tr>
<td></td>
<td>in public housing units.</td>
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<tr>
<td>Newark, NJ:</td>
<td>Stella Wright Homes</td>
</tr>
<tr>
<td></td>
<td>Originally 1179 units. After revitalization, 304 units of public housing with</td>
</tr>
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<td></td>
<td>about 500 units for households with higher incomes.</td>
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<td>Location</td>
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</tr>
<tr>
<td>High Point, NC</td>
<td>Springfield Townhomes</td>
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<tr>
<td>Raleigh, NC</td>
<td>Halifax Court</td>
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<tr>
<td>Cincinnati, OH</td>
<td>Laurel Homes</td>
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<tr>
<td>Dayton, OH</td>
<td>Edgewood Court, Metro Gardens, and Metro Annex</td>
</tr>
<tr>
<td>Columbia, SC</td>
<td>Saxon Homes</td>
</tr>
<tr>
<td>Greenville, SC</td>
<td>Woodland/Pearce</td>
</tr>
<tr>
<td>Nashville, TN</td>
<td>Preston Taylor Homes</td>
</tr>
<tr>
<td>Seattle, WA</td>
<td>Ranier Vista Garden</td>
</tr>
<tr>
<td>Wheeling, WV</td>
<td>Grandview Manor and</td>
</tr>
</tbody>
</table>
Lincoln Homes | 85 public housing units with 65 homeownership units. Overall, reduction in total number of units and significant reduction in public housing units.

<table>
<thead>
<tr>
<th>FY 2000 Development</th>
<th>Notes</th>
</tr>
</thead>
<tbody>
<tr>
<td>Tucson, AZ: Robert F. Kennedy Homes</td>
<td>Originally 80 public housing units. After revitalization, 28 public housing units with 20 lease to purchase public housing units and other scattered site units in the neighborhood. Overall, significantly less public housing units.</td>
</tr>
<tr>
<td>Oakland, CA: Coliseum Gardens</td>
<td>Originally 178 units. After revitalization, 178 public housing units scattered in two neighborhoods amongst other affordabilities and homeownership units.</td>
</tr>
<tr>
<td>Richmond, CA: Easter Hill</td>
<td>Originally 237 units. After revitalization, 191 public housing units, 46 public housing ownership opportunities and other market rate rentals and for sale homes. Onsite and offsite components. Overall, the all public housing units were preserved.</td>
</tr>
<tr>
<td>Washington, DC: East Capitol Dwellings and Capitol View Plaza</td>
<td>Originally 1199 public housing units onsite. After revitalization, 196 public housing units mixed with units for households at higher incomes. Also market rate and affordable homeownership opportunities were added. Overall, there was a significant reduction in the number of public housing units.</td>
</tr>
<tr>
<td>Savannah, GA: Garden Homes Estates and Annex</td>
<td>Originally 315 units. After revitalization, 111 public housing units with about 130 tax credit and other affordable/market rate units. Also, 30 infill homeownership units. Significantly less public housing units.</td>
</tr>
<tr>
<td>Chicago, IL: Ida B. Wells Extension, Clarence Darrow Homes, and Madden Park Homes</td>
<td>Originally 3200 units of public housing. Now, 1333 total units with 273 public housing units and the rest at market rate rental, and affordable homeownership. Significant reduction in total number of units and number of public housing units.</td>
</tr>
</tbody>
</table>
| Newport, KY: Peter G. Noll, Booker T. Washington, and McDermott-McLane | Originally 202 units. After revitalization, 313 units were spread out in nine different neighborhoods with 150 public housing

119
<table>
<thead>
<tr>
<th>Location</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>Biloxi, MI: Bayview Homes and Bayou August</td>
<td>Originally 322 units. After revitalization, 150 units of public housing onsite with affordable rentals and affordable homeownership offsite. Overall, there was an increase in the total number of units, two separate neighborhoods, yet somewhat of a decrease in public housing units.</td>
</tr>
<tr>
<td>Camden, NJ: Westfield Acres</td>
<td>Originally 511 units. After revitalization, 270 public housing units and other affordable rentals and homeownership in the neighborhood. Overall, a significant reduction in traditional public housing units.</td>
</tr>
<tr>
<td>Durham, NC: Few Gardens</td>
<td>Originally 240 units. After revitalization, 130 public housing units onsite and 35 homeownership units for public housing residents. An additionally 260 units were developed in adjacent neighborhoods, with 85 public housing rentals and 60 public housing homeownership opportunities. Overall, an actually increase in the number of public housing units, but these units are spread out over various neighborhoods and mixed with other levels of affordability and homeownership opportunities.</td>
</tr>
<tr>
<td>Mercer County, PA: Steel City Terrace Extension</td>
<td>Originally 100 units. After revitalization, 74 public housing units and 61 other units onsite and elsewhere. Overall, less public housing units.</td>
</tr>
<tr>
<td>Chattanooga, TN: McCallie Homes</td>
<td>Originally, 416 units. After revitalization, 275 units are replaced, scattered site. Total number of units does increase. Scattered site and onsite. Including 275 units of public housing.</td>
</tr>
<tr>
<td>Memphis, TN: Hurt Village</td>
<td>Originally 450 public housing units. After revitalization, 820 units were developed for a total unit increase. After revitalization, only 354 public housing units.</td>
</tr>
<tr>
<td>Danville, VA: Liberty View</td>
<td>Originally 250 units. After revitalization, total number of units onsite is reduced, with just 35 homeownership public housing opportunities.</td>
</tr>
<tr>
<td>Norfolk, VA: Roberts Village and Bowling Green</td>
<td>Originally 767 units onsite. After revitalization, 488 units onsite including</td>
</tr>
<tr>
<td>Development</td>
<td>Notes</td>
</tr>
<tr>
<td>-------------</td>
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</tr>
<tr>
<td><strong>Seattle, Washington: High Point Garden Community</strong></td>
<td>Originally 750 units. After revitalization, 350 public housing units and significant influx of other affordable and market rate rental and homeownership units. Overall, there was a significant reduction in the number of public housing units, but an increase if total number of all units.</td>
</tr>
<tr>
<td><strong>Tacoma, Washington: Salishan Housing Development</strong></td>
<td>Originally 815 units. After revitalization, 600 public housing units, market rate units for rent and homeownership and senior housing. Significant dip in the number of public housing units.</td>
</tr>
<tr>
<td><strong>Milwaukee, WI: Lapham Park</strong></td>
<td>Originally 170 units. After revitalization, 51 public housing units and 35 homeownership units. Total number of units is reduced, and there is a reduction in the number of replaced public housing units.</td>
</tr>
</tbody>
</table>

**FY 2001 Development Notes**

<table>
<thead>
<tr>
<th>Development</th>
<th>Notes</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Atlanta, GA: Capitol Homes</strong></td>
<td>Onsite increase of total units, units planned for offsite, net loss of public housing units from 694 originally to 497 units (including rental and public housing homeownership opportunities)</td>
</tr>
<tr>
<td><strong>Boston, MA: Maverick Gardens</strong></td>
<td>Increase in public housing units from 413 to 509. Scattered between onsite development and offsite development and mixed with market rate units.</td>
</tr>
<tr>
<td><strong>Bridgeton, NJ: Cohansey View</strong></td>
<td>Increase in public housing from 62 to 110 (including public housing homeownership). Combination of units onsite and offsite, though majority of units are offsite.</td>
</tr>
<tr>
<td><strong>Chicago, IL: Robert Taylor Homes</strong></td>
<td>Significant reduction in number of public housing units onsite from 1103 to 297. All of the units will be onsite.</td>
</tr>
<tr>
<td><strong>Chicago, IL: Rockwell Gardens</strong></td>
<td>Originally 572 public housing units, replaced with 260 public housing rental</td>
</tr>
<tr>
<td>Development</td>
<td>Notes</td>
</tr>
<tr>
<td>-------------</td>
<td>-------</td>
</tr>
<tr>
<td>Hagerstown, MD: Westview Homes</td>
<td>210 units demolished, replaced with 150 public housing rental units and 60 homeownership public housing units. Mixture of onsite and offsite development of public housing units.</td>
</tr>
<tr>
<td>Jersey City, NJ: Lafayette Gardens</td>
<td>Originally 492 units of public housing. 323 public housing units replaced with rentals and ownership units. Mixture of onsite and offsite development.</td>
</tr>
<tr>
<td>King County, WA: Park Lake Homes</td>
<td>569 units originally, replaced with 300 public housing units, all onsite. There is a net increase of units overall, but there is a decrease of public housing units.</td>
</tr>
<tr>
<td>Macon, GA: Oglethorpe Homes</td>
<td>Originally 188 units, 153 public housing units after revitalization including lease/purchase public housing units. Onsite and offsite components.</td>
</tr>
<tr>
<td>Charleston, SC: North Park Village</td>
<td>Onsite and offsite components. 533 units originally, 310 total ph. (lease or own) units after revitalization.</td>
</tr>
<tr>
<td>Philadelphia, PA: Mill Creek</td>
<td>496 units originally, 480 public housing own or rent units replaced. Onsite and offsite components.</td>
</tr>
<tr>
<td>Tampa, FL: Riverview Terrace and Tom Dyer Homes</td>
<td>Onsite and offsite components. 360 units originally. 261 after revitalization.</td>
</tr>
<tr>
<td>St. Louis, MO: Arthur Blumeyer</td>
<td>639 originally, 256 after revitalization. Onsite and offsite components.</td>
</tr>
<tr>
<td>Phoenix, AZ: Matthew Henson Homes</td>
<td>372 originally, all units are replaced, onsite and offsite, some other incomes and market rate are introduced to the development.</td>
</tr>
<tr>
<td>Portland, OR: Columbia Villa</td>
<td>478 units originally, 370 public housing after revitalization. All onsite, but less net public housing.</td>
</tr>
</tbody>
</table>

**FY 2002 Development Notes**

<table>
<thead>
<tr>
<th>Development</th>
<th>Notes</th>
</tr>
</thead>
<tbody>
<tr>
<td>Daytona Beach, FL: Bethune Village and Halifax Park</td>
<td>399 units originally, 150 public housing (homeownership and rental) after revitalization. Onsite and offsite components.</td>
</tr>
<tr>
<td>Jacksonville, FL: Brentwood Park</td>
<td>594 originally, 225 after revitalization.</td>
</tr>
<tr>
<td>Location</td>
<td>Details</td>
</tr>
<tr>
<td>--------------------------------</td>
<td>-------------------------------------------------------------------------</td>
</tr>
<tr>
<td>Fulton County, GA: Red Oak Townhomes</td>
<td>172 units originally. 100 public housing units replaced on another site and mixed with other incomes.</td>
</tr>
<tr>
<td>Denver, CO:</td>
<td>250 units originally. Increase in public housing units, specifically to the elderly population. Onsite and offsite components</td>
</tr>
<tr>
<td>Bradentont, FL:</td>
<td>Mostly elderly, and not applicable to this thesis.</td>
</tr>
<tr>
<td>Columbus, GA: George Foster Peabody Apartments</td>
<td>Onsite and offsite components. 510 units originally, now only 153 public housing (rental and homeownership). Infusion of a mix of incomes onsite with public housing residents</td>
</tr>
<tr>
<td>Dallas, TX: Frazier Courts</td>
<td>Onsite and offsite. 546 units originally. After revitalization, 268 public housing rental and homeownership. Onsite development is infused with higher incomes.</td>
</tr>
<tr>
<td>Duluth, MN: Harbor View Homes</td>
<td>Onsite and offsite. All public housing is replaced with rental or homeownership units onsite or offsite.</td>
</tr>
<tr>
<td>East Baton Rouge, LA: East Boulevard and Oklahoma Street</td>
<td>Mix of incomes onsite after revitalization. Some offsite construction too. 171 public housing units to begin with, after revitalization, 96 rental and homeownership public housing units.</td>
</tr>
<tr>
<td>Hartford, CT: Dutch Point Colony</td>
<td>All onsite replacements. Originally 186 units. Now 120 homeownership and public housing units available after revitalization.</td>
</tr>
<tr>
<td>Louisville, KY: Clarksdale Homes</td>
<td>417 public housing originally. 405 after revitalization (rental and homeownership) onsite and offsite components</td>
</tr>
<tr>
<td>Frederick, MD: Roger B. Taney Homes</td>
<td>146 units originally, 116 public housing and homeownership resulting, onsite and offsite.</td>
</tr>
<tr>
<td>Allegheny County, PA: Ohioview Acres</td>
<td>250 originally, 109 after revitalization (rental and homeownership), onsite and offsite</td>
</tr>
<tr>
<td>Akron, OH: Elizabeth Park Homes</td>
<td>Offsite and onsite. 258 units originally. 106 + 13 homeownership public housing units to finish</td>
</tr>
<tr>
<td>New Haven, CT: Quinnipiac Terrace</td>
<td>256 originally, 160 after revitalization. Onsite and offsite</td>
</tr>
<tr>
<td>Pleasantville, NJ: Woodland Terrace</td>
<td>104 originally, 75 + 13 lease to purchase</td>
</tr>
<tr>
<td>Location</td>
<td>Details</td>
</tr>
<tr>
<td>--------------------------</td>
<td>------------------------------------------------------------------------------------------------------------------------------------------</td>
</tr>
<tr>
<td>Orlando, FL: Carver Court</td>
<td>212 units originally, 72 units after revitalization. All public housing units on the original site, although there is another offsite development with a variety of incomes.</td>
</tr>
<tr>
<td>Newport, RI: Tonomy Hill</td>
<td>Originally 498 units. Public housing after revitalization is 141. All replacements made onsite.</td>
</tr>
<tr>
<td>Nashville, TN: Sam Levy Homes</td>
<td>Originally 480 units. 181 public housing units after revitalization. Onsite replacement.</td>
</tr>
<tr>
<td>Minneapolis, MN: Heritage Park</td>
<td>All offsite replacement. Originally 188 public housing units. After revitalization, 100 public housing units</td>
</tr>
<tr>
<td>Youngstown, OH: Westlake Terrace</td>
<td>Onsite and offsite components. 289 public housing originally, 74 public housing units after revitalization.</td>
</tr>
<tr>
<td>Milwaukee, WI: Highland Park</td>
<td>276 units originally. Small offsite homeownership component. 94 units of public housing (including 40 units of elderly specific) after revitalization.</td>
</tr>
<tr>
<td>Muncie, Indiana: Mucyana Homes</td>
<td>All units replaced onsite. 279 original public housing units. 62 after revitalization.</td>
</tr>
<tr>
<td>Winston-Salem, NC: Happy Hill Gardens</td>
<td>Originally 499 units. Onsite and offsite replacements. Offsite component is all homeownership. 149 public housing units after revitalization.</td>
</tr>
<tr>
<td>Winnebago, County, IL: Champion Park</td>
<td>Onsite and offsite replacements. Originally 75 units. After revitalization 42 units.</td>
</tr>
<tr>
<td>Utica, NY: Washington Courts</td>
<td>111 units originally. 70 public housing units offsite after revitalization.</td>
</tr>
</tbody>
</table>

**FY 2003 Development Notes**

<table>
<thead>
<tr>
<th>Location</th>
<th>Details</th>
</tr>
</thead>
<tbody>
<tr>
<td>Louisville, KY: Clarksdale</td>
<td>Originally 308 units. Replacement units were onsite and offsite. Reduction in overall public housing units, scattering of units, and introduction of higher incomes to the development.</td>
</tr>
<tr>
<td>Indianapolis, IN: Brokenburr Trails</td>
<td>Originally 250 units. After revitalization, 58 units. The whole development got smaller after revitalization and there was a significant drop in public housing units.</td>
</tr>
<tr>
<td>Location</td>
<td>Project Name</td>
</tr>
<tr>
<td>-------------------</td>
<td>--------------------------------</td>
</tr>
<tr>
<td>Fresno, CA: Yosemite Village</td>
<td>Originally 80 units of public housing. After revitalization, 15 units of public housing and the rest at other levels of affordability with particular emphasis on homeownership.</td>
</tr>
<tr>
<td>Daytona Beach, FL: Martin Luther King Jr</td>
<td>N/A</td>
</tr>
<tr>
<td>Cuyahoga, OH: Valleyview Homes</td>
<td>Originally 243 units. Replaced with 95 units of public housing and units for households at higher incomes for a total development of 140 units. Overall reduction of total units and introduction of higher income levels.</td>
</tr>
<tr>
<td>Columbia, SC: Hendley Homes</td>
<td>Originally 300 units. Replaced both onsite and offsite. After revitalization, 66 public housing units with units for other income levels for a total of 133 units. Reduction in total units and reduction in public housing density.</td>
</tr>
<tr>
<td>Yonkers, NY: Mulford Gardens</td>
<td>Originally 550 units. After revitalization, 327 public housing units with other affordable units and homeownership on four separate sites. Less total number of units and significantly lower public housing units.</td>
</tr>
<tr>
<td>Chester, PA: Chester Towers</td>
<td>Originally 300 units. After revitalization, 156 public housing units with other affordability levels introduced onsite. Reduction in public housing units and reduction in total units in introduction of higher incomes to the development.</td>
</tr>
<tr>
<td>Charlotte, NC: Piedmont Courts</td>
<td>Originally 240 units. After revitalization 178 more units of public housing introduced to the site. More public housing units overall after revitalization (242) but mixed in with a variety of incomes in a variety of locations.</td>
</tr>
<tr>
<td>Camden, NJ: Franklin D. Roosevelt Manor</td>
<td>Originally 288 units. After revitalization, 198 public housing units were replaced with a many other units for households at higher incomes. Overall, a reduction in the number of public housing units but an increase in total units.</td>
</tr>
<tr>
<td>Meridian, MS: Victory Village</td>
<td>Originally 48 units. After revitalization will be a 242 unit mixed-income community with 113 units of public housing and a variety of other affordability.</td>
</tr>
<tr>
<td>Location</td>
<td>Project Name</td>
</tr>
<tr>
<td>---------------------------</td>
<td>-------------------------</td>
</tr>
<tr>
<td>Birmingham, AL: Tuxedo Court</td>
<td>Originally 488 units. After revitalization, only 110 public housing units mixed with units for higher income households. Some offsite homeownership. Less overall units (total 331)</td>
</tr>
<tr>
<td>Benton Harbor, MI: Whitfield</td>
<td>Originally 94 units. After revitalization, all public housing units were replaced and other affordable rental units and homeownership units were added onsite and offsite. Similar to Oakland’s Mandela Gateway.</td>
</tr>
<tr>
<td>Nashville, TN: John Henry Hale Homes</td>
<td>Originally, 498 units. After revitalization, 188 public housing on two sites. 288 units total number of units after the revitalization. Overall reduction in public housing and reduction in total number of units.</td>
</tr>
<tr>
<td>Washington, DC: Eastgate Gardens</td>
<td>Originally 230 units. After revitalization, 61 units of public housing and housing at a variety of other incomes. Units replaced onsite. Slight reduction in overall units, significant reduction in the amount of public housing units.</td>
</tr>
<tr>
<td>Stamford, CT: Fairfield Court</td>
<td>Originally 144 units. Replaced with 60 public housing units and infused with other rental units and homeownership opportunities for a variety of incomes. An increase in overall units, but a significant reduction in the amount of public housing.</td>
</tr>
<tr>
<td>St. Louis, MO: Cochran Gardens</td>
<td>Originally 289 units of housing. After the revitalization, 86 units of public housing with a mix of other affordable, market and homeownership units. Decrease in total units and a significant reduction in public housing units.</td>
</tr>
<tr>
<td>Spartanburg, SC: Phyllis Goins</td>
<td>Originally 184 units. 110 public housing units after revitalization. Replaced onsite and offsite. More total units after revitalization (336), but a significant shortage of traditional public housing units from the beginning.</td>
</tr>
<tr>
<td>Raleigh, NC: Chavis Heights</td>
<td>Originally 296 units. After revitalization, 127 units of public housing plus an</td>
</tr>
<tr>
<td>Development</td>
<td>Notes</td>
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<td>-------------</td>
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</tr>
<tr>
<td><strong>FY 2004</strong></td>
<td></td>
</tr>
<tr>
<td>Springfield, OH: Lincoln Park</td>
<td>Originally 210 units. After revitalization, 108 public housing replaced onsite. Overall, less public housing units and the introduction of higher incomes onsite.</td>
</tr>
<tr>
<td>Allentown, PA: Hanover Acres and Riverview Terrace</td>
<td>Originally 421 units of public housing. 200 public housing units replaced onsite and offsite. After revitalization, less overall units and much less public housing units.</td>
</tr>
<tr>
<td>El Paso, TX: Alamito Apartments</td>
<td>Originally 349 units. Replaced on and offsite. After revitalization, 256 public housing units replaced and mixed with units for households at higher incomes. Some homeownership.</td>
</tr>
<tr>
<td>Greenville, SC: Jesse Jackson Townhomes</td>
<td>Originally 340 units. 187 public housing units replaced onsite and offsite with units</td>
</tr>
</tbody>
</table>
for households at higher incomes at both sites. Overall reduction of public housing units.

<table>
<thead>
<tr>
<th>Location</th>
<th>Information</th>
</tr>
</thead>
<tbody>
<tr>
<td>Philadelphia, PA:</td>
<td>N/A</td>
</tr>
<tr>
<td>Tuscaloosa, AL: McKenzie Courts</td>
<td>Originally 340 units. After revitalization, 234 units of public housing and 28 homeownership opportunities for public housing families. Overall reduction in public housing units onsite with some homeownership opportunities</td>
</tr>
</tbody>
</table>
Appendix B:
City of Tucson Public Housing Unit List
April 17, 2006
Source: City of Tucson, Community Services Department, Housing Management Division
Adapted by: Carrie Vanderford, April 2006

<table>
<thead>
<tr>
<th>Housing Type</th>
<th># of Units</th>
</tr>
</thead>
<tbody>
<tr>
<td>Family, Scattered</td>
<td>60</td>
</tr>
<tr>
<td>Family, Scattered</td>
<td>60</td>
</tr>
<tr>
<td>Martin Luther King Apartments, Elderly/Disabled High Rise (3rd HOPE VI)</td>
<td>96</td>
</tr>
<tr>
<td>Family, Scattered (Kennedy Homes Replacement Units, South Park HOPE VI Tax Credits)</td>
<td>28</td>
</tr>
<tr>
<td>Craycroft Towers, Elderly/Disabled High Rise</td>
<td>74</td>
</tr>
<tr>
<td>Lander Garden, Elderly/Disabled, Garden Apartments</td>
<td>20</td>
</tr>
<tr>
<td>Family, Scattered</td>
<td>105</td>
</tr>
<tr>
<td>Family Scattered</td>
<td>11</td>
</tr>
<tr>
<td>Lander Garden, Elderly/Disabled, Garden Apartments</td>
<td>27</td>
</tr>
<tr>
<td>Family Scattered</td>
<td>25</td>
</tr>
<tr>
<td>Family Scattered</td>
<td>25</td>
</tr>
<tr>
<td>Family Scattered</td>
<td>25</td>
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<td>Family Scattered</td>
<td>25</td>
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<tr>
<td>Family Scattered</td>
<td>25</td>
</tr>
<tr>
<td>Family Scattered</td>
<td>33</td>
</tr>
<tr>
<td>Family, Scattered</td>
<td>100</td>
</tr>
<tr>
<td>Family, Scattered</td>
<td>100</td>
</tr>
<tr>
<td>Family, Scattered</td>
<td>25</td>
</tr>
<tr>
<td>Tucson House, Elderly/Disabled High Rise (Tax Credit, Public Housing)</td>
<td>406</td>
</tr>
<tr>
<td>Family, Scattered (Connie Chambers Replacement Units)</td>
<td>22</td>
</tr>
<tr>
<td>Family Scattered (Connie Chambers Replacement Units – Tax Credit)</td>
<td>80</td>
</tr>
<tr>
<td>Posadas Sentinel (Connie Chambers Replacement Units – Tax Credits)</td>
<td>38</td>
</tr>
<tr>
<td>Posadas Sentinel (Connie Chambers Replacement Units – Tax Credits)</td>
<td>22</td>
</tr>
<tr>
<td>Family, Scattered (Connie Chambers Replacement Units)</td>
<td>21</td>
</tr>
<tr>
<td>Family Scattered (Kennedy Homes Replacement Units)</td>
<td>52</td>
</tr>
<tr>
<td>TOTAL Scattered Site Family</td>
<td>882</td>
</tr>
<tr>
<td>TOTAL Elderly/Disabled (High Rise and Garden Style)</td>
<td>623</td>
</tr>
</tbody>
</table>
Appendix C:

Greater Santa Rosa Area Land Use 1970-1990

From 1970 to 1990 the Posadas Sentinel Study area became more commercial in nature.

Source: City of Tucson Planning Department
Appendix D:
Survey and Data Points of Escalating Single Family Property in the Greater Santa Rosa Area

Data Points for Comparative Property Assessment

I randomly selected parcels containing single family residences in the Greater Santa Rosa Area (see map for a visual description of these properties) and compared property values of each property for years 1990, 1996, 2000, and 2006. I found that there was a significant increase in home values between 1996 and 2000, often over 100% appreciation in value. There is some new construction in the Greater Santa Rosa Area, but most of this increase in prices indicates an extreme escalation in home values in the last decade. Source: Pima County, Arizona Office of the Assessor. The data was searched at: www.asr.co.pima.az.us.
Appendix D (Continued):

Between 1990-2000, the median home value increased in all census tracts surrounding Posadas Sentinel.

Median Home Value -- Percent Change per Census Tract from 1990-2000

Percent Change in Median Home Value from 1990-2000
- 60% - 100%
- 101% - 150%
- 151% - 213%

Map By: Carrie Vanderford, May 2006
Source: US Census
Appendix E:

Median Home Sale Values 2004
Adapted from Social Compact, Inc. 2005 “West Oakland DRILLDOWN Market”

The map below indicates recent home sale values and prices in 2004. This information was adapted from a recent (2005) study by Social Compact, Inc. in West Oakland. This map shows that most of the single family homes near Mandela Gateway sold for $300,000-$499,000 each with a median home value between $350,000-$450,000.
Appendix F:

Median Home Sale Values Difference from Census 2000
Adapted from Social Compact, Inc. 2005 “West Oakland DRILLDOWN Market”

The map below indicates the difference in home sale values from Census 2000 to 2004. This information was adapted from a recent (2005) study by Social Compact, Inc. in West Oakland. Home values in the area closest to Mandela Gateway have increased between 100-149.9% since 2000.
Appendix G:

Owner Occupied Buildings in 2004
Adapted from Social Compact, Inc. 2005 “West Oakland DRILLDOWN Market”

This map below indicates that between 40-55% of residential and commercial buildings are owner occupied in the block groups that contain Mandela Gateway. In fact, most of West Oakland is contains 40-55% owner-occupied buildings.

Owner Occupied Buildings in 2004 By Census Block Group
Appendix H:

Interview List:
Posadas Sentinel, Tucson, Arizona

- Patricia Alvidrez, former resident of Connie Chambers Public Housing
- Adriana Cimetta, Assistant Program Director of Planning and Evaluation, University of Arizona, co-authored the *Final Evaluation Report for the Greater Santa Rosa HOPE VI Project*
- Joe Comella, Chief Architect, Community Services Department, City of Tucson
- Pedro Gonzales, former resident of Connie Chambers and Barrio Santa Rosa neighborhood leader
- Voni Harris, Executive Director, Metropolitan Housing Corporation
- Bobbie Hemphill, former resident of Connie Chambers and current resident of Posadas Sentinel
- Michael Keith, President, Contemporary West Development
- Warren Michaels, Developer, Deep Freeze Development, LLC
- Emily Nottingham, Director, Community Services Department, City of Tucson, Arizona
- Olga Osterhage, Project Manager, Community Services Department, City of Tucson
- Michelle Pierson, former Economic Development Director, City of Tucson
- Corky Poster, professor, University of Arizona; Principal, Poster Frost Associates, Inc. Lead Architect and Planner for Posadas Sentinel
- Melissa Shaff, Family Self-Sufficiency Coordinator, Community Services Department, City of Tucson
- Tom Wuelperrn, President and CEO, Rammed Earth Development
Appendix I:

Interview List:

Mandela Gateway, Oakland, California

- Philip Banta, Principal Architect, Philip Banta and Associates Architecture
- Bruce Beasley, West Oakland-based Artist and Sculptor
- Melissa Buss, Project Coordinator, Aegis Realty Partners
- Nick Echelbarger, Project Manager, Peter Sullivan Properties, Inc.
- Stephanie Forbes, Executive Director, Bay Area LISC
- Bridget Galka, Development Department, Oakland Housing Authority
- Jabari Herbert, Executive Director, Alliance for West Oakland Development
- Patricia Ison, Director of Resident Services, Oakland Housing Authority
- Gloria King, West Oakland Project Manager, City of Oakland
- Margo Prado, Economic Development Department, City of Oakland
- Jeffrey Levin, Housing Policy and Programs, City of Oakland
- Steve Lowe, President, West Oakland Commercial Association
- Nancy Nadel, City Councilperson, 3rd District, City of Oakland
- Bob MacPherson, Division Chief for Right-of-Way, California Department of Transportation
- Marsha Murrington, Vice-President of Programs, Unity Council
- Phil Neville, Director of Development, Oakland Housing Authority
- Victor Rubin, Director of Research, PolicyLink
- Shall Smalls, Development Department, Oakland Housing Authority
- Marge Stanzione, Planner IV, City of Oakland
- Jesse Wu, Project Director, BRIDGE Housing Corporation
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